



United States Department of State

Washington, D.C. 20520

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of
Sections

F A X C O V E R S H E E T

DATE: 6/12/96

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SUBJECT: NTA - SLG Report

See attached.

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New Transatlantic Agenda Senior Level Group Report to the U.S. - EU Summit

June 12, 1996

The signing of the New Transatlantic Agenda marked the beginning of a new era of collaboration between the United States and the European Union. We launched a number of initiatives and, overall, a new spirit of cooperation and commitment to joint action pervades the relationship. Our initial experience has demonstrated that in some areas persistent effort will be needed to meet our objectives. The following describes the most significant developments in the four areas of cooperation identified in the New Transatlantic Agenda (NTA) and suggests issues on which to focus in the second half of 1996.

I. Promoting Peace and Stability, Democracy and Development

Our common interest in peace in Bosnia and in the political, economic and human rehabilitation of the former Yugoslavia inspired cooperation that has been instrumental to successful implementation of the Dayton accords. Our cooperation was highlighted by the **April 12-13 donors' conference** which garnered \$1.2 billion, boosting overall pledges for 1996 reconstruction to \$1.8 billion. We continue to cooperate on our assistance programs throughout Central and Eastern Europe. We have agreed to work to establish a network of **regional environmental centers**, pursuant to consultations with Ukraine, Russia and other New Independent States. We participated in the successful Moscow Conference on nuclear safety.

Our mutual efforts in the Middle East have helped establish a sound basis for further progress in the pursuit of peace. The U.S. and EU worked in partnership at the **Sharm el-Sheik Summit in March 1996** and its follow-up meeting in Washington. We have also worked together in the **Ad Hoc Liaison Committee**; in the **Regional Economic Development Working Group (REDWG)** and the other working groups of the multilateral track; in the preparations for the **Cairo Economic Summit** in November 1996; and in other appropriate economic institutions.

We share basic objectives regarding a number of areas such as Iran, Libya and Cuba and recognize that each poses a distinct challenge. We take different approaches on how to address these challenges. We recommend that our dialogue continue to address these issues and their implications for our relationship.

In close cooperation with the U.S., the EU supports the **Korean Peninsula Energy Development Organization (KEDO)**, an international effort of high significance in the field of nuclear non-proliferation and nuclear safety. The EU has made a contribution to KEDO and, having decided to participate in principle in this organization, is currently examining both the terms and conditions of its accession to KEDO and a commitment to a multi-year contribution.

We have made considerable progress in coordinating our **humanitarian and development assistance** to maximize its impact. In December, USAID Administrator Atwood joined Commissioner Bonino in a summit with the largest international humanitarian aid organizations,

Received Time Jun. 12. 3:44PM

Print Time Jun. 12. 3:49PM

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which agreed upon a statement of common principles for humanitarian assistance. In April, Atwood and Bonino traveled to **Rwanda and Burundi** to assess the regional effect of the refugee emergency and to support international efforts to resolve the crises in that region. To avoid budgetary and operational gaps in our response to humanitarian needs, we have exchanged programming plans. The **Working Groups** established as part of last year's assistance consultations have produced substantive work plans for specific sectors and countries. In addition, we have agreed to hold our first trilateral consultations with the UN High Commissioner for Refugees in June.

II. Responding to Global Challenges

We have made progress in deepening cooperation in fighting crime and are close to concluding negotiations on an agreement to enhance cooperation in **preventing the diversion of precursor and essential chemicals** to illicit drug production. We also worked closely together in preparing for the UNDCP workshop on counter-narcotics cooperation in the Caribbean. A team of law enforcement experts from the EU Troika, plus three other member states, visited the **International Law Enforcement Academy (ILEA)** in April to evaluate training programs there. We participated in a conference in Rome on high-tech law enforcement technologies. We also expanded our **cooperation on migration and asylum** issues through a successful visit of EU officials in April to southern U.S. border sites and through cooperation for the CIS migration conference.

We have established a **U.S.-EU Task Force on Communicable Diseases** to build a global early warning and response network for such diseases in cooperation with the WHO and other multilateral organizations. The Task Force has set an ambitious work plan for identifying disease priorities, developing an inventory of U.S. and EU capacities on communicable diseases and recommending responses to such disease threats.

We have significantly intensified our dialogue on environmental issues. Early results were an **OECD Ministerial Declaration** and a Council Resolution on lead that will significantly reduce lead use in gasoline, chemicals and other products. Our representatives have agreed to meet in advance of upcoming international conferences, such as on **climate change, biodiversity and chemicals**, to develop **coordinated positions**.

III. The Expansion of World Trade and Closer Economic Relations

We have worked to secure respect for existing rules and full implementation of new rights and obligations we undertook within the Uruguay Round and thereafter. We had hoped for an earlier successful conclusion of the talks aimed at opening the global **telecommunications** market. We continue efforts to bring these talks to a successful conclusion by the February 15, 1997, deadline, so as to allow their implementation by January 1, 1998, as originally foreseen. The negotiations on **maritime transport services** are currently due to end on June 30, 1996, and WTO members will be assessing developments over the next several weeks. We are continuing our consultations aimed at concluding an **Information Technology Agreement** and will work

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together to ensure that other key countries participate. In May in Rome, we held a joint seminar on **intellectual property rights** with our business communities. It provided new momentum for strengthening IPR protection worldwide, as well as for our efforts to achieve complete TRIPS implementation.

Bilaterally, we are taking practical steps to realize the New Transatlantic Marketplace. We began a **joint study** on ways of further reducing or eliminating barriers and received a status report. Following the call from the Transatlantic Business Dialogue (TABD), we have placed greater emphasis on addressing non-tariff barriers and on enhancing regulatory cooperation. In this context, we note in particular the TABD goal of "approved once, accepted everywhere in the New Transatlantic Marketplace," and we have now resumed negotiations for an **agreement leading to full mutual recognition**, in certain identified sectors, of our respective conformity assessment procedures, with agreed transitional arrangements. We have made real progress, and negotiations continue to tackle remaining obstacles.

We have made considerable progress in our negotiations for a **U.S.-EU Customs Cooperation and Mutual Assistance Agreement**, continued efforts to reach a bilateral **veterinary agreement**, and maintained our dialogue on issues linked to the commercialization of agricultural crops/foodstuffs derived from modern biotechnology along the lines of contacts which have already taken place in the **U.S.-EU High-Tech Group**.

Reflecting our common objectives of reducing unemployment and encouraging the creation of the jobs of the future, Secretary of Labor Reich and Commissioner Flynn signed a Memorandum of Understanding in May launching a **U.S.-EU Working Group on Labor and Employment Issues**.

IV. Building Bridges Across the Atlantic

The **Transatlantic Business Dialogue** further developed and refined the proposals made at the November 1995 Seville Conference and submitted a progress report. In line with the TABD's aim to facilitate closer economic relations between the U.S. and the EU and to contribute to the progressive reduction or elimination of barriers to transatlantic trade and investment, the report includes a wide range of proposals and possibilities for further action. The TABD's report has already provided new momentum to our ongoing efforts. We will work to implement as many of these recommendations as possible. An early result of the TABD process was the April **Transatlantic Automotive Industry Conference on International Regulatory Harmonization**, where government and business experts launched a major effort to address differences in the way the U.S. and EU regulate automobile safety and emissions.

In December, we signed the **Agreement on Higher Education and Vocational Training**, and we have now selected **consortia projects** involving more than 60 institutions on both sides of the Atlantic in activities designed to promote innovative cooperation in areas such as environmental science, automotive engineering and school-to-work transition. As part of our effort to encourage **civic education**, we participated in the March 1996 CIVITAS Provisional Steering

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Committee meeting at the Council of Europe.

We conducted two rounds of exploratory talks, in February and April, on a proposed comprehensive science and technology cooperation agreement, which we are committed to complete during 1997. Together with others, we have exchanged letters on joint collaboration on the development of intelligent manufacturing systems. Our renewal of the mandate for the U.S.-EU Biotechnology Task Force ensures a continued transatlantic exchange of ideas and information in this rapidly changing sector.

Priorities for the Next Six Months

Bosnia: Successful implementation of the Dayton peace accords, particularly support for free and fair elections, as well as the tasks of economic reconstruction.

Southeastern Europe: Continue our efforts to ensure the complementarity of the EU-proposed Southeast Europe Stability Plan, encouraging stability and good neighborliness, and the U.S.-proposed Southeast Europe Cooperation Initiative, promoting regional cooperation on infrastructure and environment.

Central and Eastern Europe: Improve the effectiveness of our assistance, including U.S.-EU on-the-ground assistance meetings in Lithuania, Bulgaria and Romania. Consider how the processes of NATO and EU enlargement can best contribute to the development of a comprehensive structure of security in Europe.

Russia, Ukraine and other New Independent States: Intensify our support for the reform process and work to support mutually beneficial economic cooperation among the NIS. Follow through on the environmental centers and seek to organize U.S.-EU on-the-ground assistance meetings in the NIS.

Cyprus: Support the UN Secretary General's Mission of Good Offices and work together in urging both communities on the island to focus their efforts on creating a bizonal, bicommunal federation taking into account the prospective accession of Cyprus to the European Union.

Middle East: Looking ahead to a critical period in the Middle East Peace Process over the next six months, close cooperation both in the political and economic fields between the U.S. and EU will be even more important in securing the significant accomplishments already achieved in advancing the process toward our mutual objective of a just, lasting, and comprehensive peace.

Africa: Cooperate closely in our approaches to Rwanda/Burundi, Liberia, Nigeria, Zaire and others.

Asia: Urge Burmese authorities to respect human rights and to begin direct dialogue with opposition leaders on the political future of the country.

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Development/Humanitarian Assistance: Use the fall meeting of our High-Level Consultative Group on Development Cooperation and Humanitarian Assistance to review progress and set new goals for our development and assistance programs. Undertake additional joint assessment missions to areas in crisis. Follow up on the results of the Cairo conference on population and the Beijing women's conference.

Non-proliferation: Seek agreement on EU participation in and an ongoing contribution to KEDO.

Counter-narcotics cooperation: Work together to implement the UNDCP action plan for the Caribbean, recently adopted in Barbados. Explore possible cooperation against narcotics with Latin America, in particular the Andean countries.

Migration and asylum: Organize joint seminars, and explore U.S. participation in certain meetings of EU clearinghouses, e.g., CIREA and CIREFI, and EU participation in certain U.S. experts' group meetings.

Crime and terrorism: Work toward EU participation in ILEA. Continue to develop our cooperation on high-tech crime prevention. Work to prepare a seminar on combating terrorism.

Environment: Meet at an early opportunity to set a work plan and agree on key priorities for cooperation on the environment. Coordinate positions on international environmental issues in preparation for the January 1997 UN Environmental Program Governing Council and the June 1997 UNGA special session. Intensify contacts and develop coordinated position on hazardous chemicals and prepare for a transatlantic conference on chemicals in 1997. Work to organize a joint workshop on air quality to be held in early 1997.

Health: Continue work on a global early warning and response network against communicable diseases; identify other potential collaborative areas in health, especially in research; strengthen cooperation with each other and with scientists from other, particularly African, countries in the fight against malaria; and consider establishment of a joint Technical Working Group on malaria vaccine development.

Trade and Economics: Provide leadership to strengthen the multilateral trading system and ensure a successful and substantive Singapore WTO Ministerial in December, which should review implementation and provide guidance on all of the WTO's work for the next years. In this context, we will:

- Work to achieve a resolution of the WTO basic telecommunication services talks;
- Work to reach agreement on an Information Technology Agreement;
- Focus on the full realization of the "built-in agenda," including, in the field of environment, the achievement of first substantive results;
- Prepare discussions of trade and investment, trade and competition and trade and labor standards;
- Work for further trade liberalization; and

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- Coordinate our efforts to persuade other WTO members to accept our common approach on government procurement for the Singapore WTO Ministerial.

Bilaterally, to continue to build the New Transatlantic Marketplace, we will:

- Conclude an agreement on mutual recognition in certain identified sectors and explore possible new areas for negotiations;
- Explore further advancing global auto standards harmonization through the establishment of a revised agreement to develop international standards for automotive products in the UN-ECE WP 29 on a worldwide basis;
- Move the Joint Study into its next phase, which should include the formulation of specific recommendations;
- Conclude a Customs Cooperation and Mutual Assistance Agreement and a veterinary agreement, and improve cooperation on plant health;
- Pursue our objective to increase substantially the coverage of U.S.-EU bilateral government procurement obligations; and
- Explore the development of a small business initiative to facilitate information sharing, particularly relating to trade opportunity, joint venture facilitation and export financing.

Labor and Employment: Hold a high-level workshop on employability security and measures to support it, including pension and health care portability and the job component of economic growth. Support the efforts of the AFL-CIO and the European Trade Union Confederation to initiate a Transatlantic Labor Dialogue.

TABD: Support our business communities in this important joint endeavor and encourage a successful plenary session to be convened in the United States in November.

Science: Work to achieve an early conclusion of a comprehensive Science and Technology Agreement; identify joint projects for cooperation.

People-to-people: To underscore the importance of strengthening links between our citizens, we will:

- Join NGO's and private sector participants in a conference on ways and means of "building bridges" within the transatlantic community;
- Begin preparing for commemorative activities celebrating the 50th Anniversary of the Marshall Plan;
- Reinforce our cooperation on civic education programs to promote democracy;
- Work together as part of an international effort to realize mutual recognition of university studies and degrees; and
- Institute a series of annual high-level lectures dedicated to the memory of the late Secretary of Commerce Ron Brown.