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

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The EU and the U.S. had a successful period of cooperation within the framework of the New Transatlantic Agenda (NTA) under the Austrian Presidency. We have worked on the implementation of the various understandings and agreements reached at the EU-U.S. Summit in London 18 May, 1998, and launched a number of new initiatives. Our cooperation in the face of the global economic crisis, in the Western Balkans, and with regard to the Middle East Peace Process underscores the importance and value of the EU-U.S. partnership.

We have worked together to promote peace, stability, democracy and development:

Our envoys in Kosovo, Ambassadors Chris Hill and Wolfgang Petritsch, are working as a team to conclude successfully negotiations on an interim political settlement for Kosovo. In Kosovo, the EU and the U.S. are collaborating to ensure implementation of the 16 October OSCE-FRY (Federal Republic of Yugoslavia) Agreement, notably in the OSCE's Kosovo Verification Mission (KVM). We have tightened sanctions on the FRY, imposing further measures on Serbia in support of democratisation, Dayton implementation, and a peaceful solution to the crisis in Kosovo. In Bosnia and Herzegovina, we continued our cooperation with the OSCE effort to ensure successful elections and worked to advance Dayton implementation by promoting refugee return and economic reform. In Croatia, we have strengthened Dayton and Erdut implementation and the promotion of democratic reform, refugee return, and economic liberalisation. We established the "Friends of Albania" group to assist in the political and economic stabilisation of that troubled country. On the Former Yugoslav Republic of Macedonia, we coordinated closely including to make the KVM a success.

After jointly training observers, we successfully collaborated on monitoring the Slovak elections. We consulted closely, including at the ministerial level, to assess economic and humanitarian needs in Russia as a basis for addressing the economic crisis there. We continued our common approach, together with others in the international community to urge Russia to develop an action plan on nuclear waste management in the Northwest. On Ukraine, we endorsed continued cooperation in our priority areas: political and economic reform, nuclear safety, trade and investment, energy sector reform, and civil society. We consulted closely on steps in response to Belarusian violations of the Vienna Convention on Diplomatic Relations. We worked together to avoid heightened tensions in Cyprus. We took steps to improve cooperation between the Southeast Europe Cooperation Initiative (SECI) and Royaumont, complementary processes for the development of Southeast Europe.

On the Middle East, the EU supported the implementation of the Wye River Memorandum brokered by the U.S. We have worked together to make the 30 November Donors' Conference in Washington a pledging success. We cooperated in the adoption of UN Security Council Resolution 1192, and urged Libya to comply and surrender the two Pan Am 103 bombing suspects. The EU and the U.S. continued their intensified dialogue on Iran.

We continued our dialogue about human rights throughout the world, with special emphasis on steps to promote human rights in Burma, China, Nigeria, and Cuba, and conducted a joint program in Benin on

good governance. We have both taken tough measures against the Burmese regime. We strengthened cooperation on non-proliferation of weapons of mass destruction through consultations on specific proliferation problems in South Asia, the Gulf, and the Korean peninsula. The EU and the U.S., together with Russia, have an active dialogue to guard against the transfer of sensitive technologies by Russian entities. We have also discussed our respective experiences with the control of intangible technologies. Our signing of the additional International Atomic Energy Agency (IAEA) safeguard protocols strengthened the IAEA's ability to inspect nuclear facilities. Our experts have discussed ways to coordinate more closely our export control assistance programs. Our experts cooperated closely on demining efforts at the September 29 Ispra symposium and are pursuing the joint development of demining technologies. We confirmed our commitment to see that all States sign and ratify the eleven international counterterrorism conventions. We cooperated on combating terrorist fund-raising and began to work together on an international convention for the suppression of terrorist financing. We cooperated in negotiating the nuclear terrorism convention. We have had consultations on the reform of the UN and the problem of UN finances. Both sides responded promptly and generously to the devastation caused by Hurricane Mitch in Central America.

We worked together to respond to Global Challenges: to fight organised crime and protect the environment:

We launched cooperation on combating child pornography on the Internet with a view to holding a joint experts' conference in Vienna next year. We continued the Caribbean Drugs Initiative, and implementation of the May 1996 Caribbean Action Plan. At the Peru Conference, in Brussels on 10-11 November, the EU and the U.S. together pledged over \$81 million in new funds towards alternative development, prevention, and institution strengthening projects in Peru. We have taken part in meetings and seminars which provided opportunities for our law enforcement experts to share their knowledge and experience in fighting crime. We continue to implement the EU-U.S. Precursor Chemicals Agreement. Despite differences in approach, we arrived at a successful outcome of the Buenos Aires conference, where we adopted a plan for operationalising aspects of the Kyoto Protocol. We continued our work to get the four new Regional Environmental Centres in Moldova, Georgia, Russia, and Ukraine up and running.

We are expanding world trade and building closer economic relations:

We agreed on the Transatlantic Economic Partnership (TEP) action plan and launched implementation. The TEP will expand and deepen economic relations between the EU and the U.S. by lowering barriers for both goods and services. Under the action plan, we have started a regular dialogue on a broad range of multilateral trade issues. We brought the Mutual Recognition Agreement (MRA) into force on December 1 and have explored additional sectors to add to it. We convened the first major partnering event of the Transatlantic Small Business Initiative in Chicago in October that led to intensified business contacts between about 250 European and U.S. companies in a broad range of sectors. We have started implementation of the recently signed Positive Comity Agreement which improves EU-U.S. cooperation on anti-competitive practices in cases of mutual concern. We held discussions aimed at achieving high standards of data privacy protection and avoiding interruptions in transatlantic exchanges of personal data. We held the Luxembourg Safety and Health Conference and the Washington Labour Codes of Conduct Symposium. We held the Madrid Disabilities Conference to promote cooperation in the expansion of employment opportunities for people with disabilities. We have identified possible opportunities for cooperation in achieving a Global Navigation Satellite System.

We have expanded contacts across the Atlantic:

We implemented many of the recommendations from the 1997 Rome Transatlantic Business Dialogue (TABD) Conference. We participated in the fourth annual TABD conference with over 100 CEOs from both sides of the Atlantic in Charlotte, North Carolina, 5-7 November. We welcomed and supported the launch of the Transatlantic Consumer Dialogue (TACD) 25-26 September in Washington. We discussed modalities and provided seed funding for the Transatlantic Environmental Dialogue (TAED). We have continued to support the efforts of the Transatlantic Labour Dialogue. We agreed to intensify efforts to generate sustainable sources of funding for transatlantic ties. We initiated contacts between the U.S. Supreme Court and its European counterparts, the first ever judicial branch activity under the NTA.

Members of the European Parliament and the U.S. Congress continued their regular exchange by meeting in Houston, Texas. The EU-U.S. Science and Technology Agreement entered into force. We held the first official Joint Consultative Group (JCG) meeting to discuss cooperation and concluded implementing arrangements on cooperation in information technology and standards/metrology.

Priorities for the Future

We will continue our cooperation on all of the issues discussed above including the implementation of the various understandings and agreements reached at the EU-U.S. Summit in May 1998. In addition, we will explore options for strengthening and building upon the EU-U.S. relationship and the NTA with a view towards meeting the challenges of the twenty-first century.

Diplomatic Cooperation:

Over the next six months, our top diplomatic priorities will include:

Working for Western Balkans Stabilisation: We remain committed to enhancing quickly confidence-building and to supporting civil society in Kosovo. The EU intends to organise an expert-level meeting in January 1999, following the conclusion of the ongoing damage assessment mission. Once a political agreement is in place, further concrete steps on reconstruction, democratisation, and civic development will be taken, including convening a donors' conference. We look to the international community to contribute substantially towards the speedy implementation of these endeavours. Responding to the most urgent needs, we will continue humanitarian aid under the coordination of the UNHCR. We will promote economic reform and development and political stabilisation in Albania through, *inter alia*, the "Friends of Albania." We will continue to cooperate on Dayton implementation in Bosnia and Herzegovina, notably on refugee repatriation and return, reconstruction and democratisation, and we will promote the return of refugees, democracy, liberalisation, and support for Dayton in Croatia.

Cooperating on Russia and Ukraine: We will closely consult on and coordinate as far as possible our policies *vis-à-vis* Russia and Ukraine with regard to the current economic and financial crisis.

On Russia, we will focus on making the March 1999 Barents Euro-Arctic Council Ministerial productive and help to ensure high-level Russian support for nuclear waste management efforts in Northwest Russia. We will work closely with Russia to bolster international non-proliferation regimes including through Russia's support for the prompt finalisation of a protocol to strengthen the Biological and Toxic Weapons Convention, early conclusion of safeguards strengthening protocols with the IAEA, and cooperation to implement strict Russian export controls. In consultation with Russian authorities, we will explore what joint efforts are needed to combat tuberculosis in Russia through the Task Force on Communicable Diseases. We will consider how we might enhance multilateral work to engage former Soviet weapons scientists in productive, non-military research.

On Ukraine, we will continue to support democracy and stability, to implement already agreed programs, and to take new steps in support of economic development and reform. In addition to meeting our own commitments, we will continue our cooperation to identify new funds from the international community, both public and private, to stabilise the deteriorating sarcophagus surrounding the destroyed Chernobyl reactor. We will also work to convince Ukraine to implement power sector reforms to enable investments to ameliorate the consequences of the closure of the last operating Chernobyl reactor in accordance with the 1995 Memorandum of Understanding on closing Chernobyl by 2000. We will work together for the planned implementation of the Civil Society Program for Ukraine which comprises four components: civil education support, NGO support, integrity support, and institutional support.

We will continue to work together to seek a political settlement in Cyprus based on the relevant UN Security Council resolutions for a bizonal and bicommunal federation.

We will cooperate to further the Middle East Peace Process, in particular by continuing to work together to support the Wye River Memorandum.

We will each work to promote a peaceful transition to democracy in Cuba.

We will use our forthcoming High-Level Consultations to refocus and render more effective our assistance cooperation. We will continue to seek resolution of the UN financing issue. We will work together to combat terrorism, including its financing.

We will work together to help Malta and Cyprus establish an effective export control regime and improve cooperation and information sharing through expert contacts, in order to prevent the spread of weapons of mass destruction technology. We will work together in anticipation of the third Nuclear Non-proliferation Treaty Prepcom next year and continue to urge support for the Comprehensive Test Ban Treaty (CTBT). We urge India and Pakistan to sign the CTBT, as it stands, and move to ratify it. EU and the U.S. special envoys will continue to work together seeking to alleviate the humanitarian crisis and search for a political solution in the Great Lakes region of Africa. As regards Caspian energy, we will continue to follow up on our London Summit Statement and consult closely on how best to facilitate the construction of multiple pipelines and export possibilities to European and world markets.

Global Challenges:

In the coming six months, our top global priorities will include:

Working together to fight organised crime: We agreed to extend our successful information campaigns in Central Europe to fight trafficking in women, continue to combat child pornography on the Internet, and look for additional opportunities to work together to fight crime. We will continue and develop our existing counternarcotics coordination on Latin America and our cooperation in the Caribbean and extend that cooperation to Central Asia, Southern Africa, and Nigeria. In addition, we will continue to share information on the problem of recovery of stolen vehicles.

On climate change, we will seek to make progress on the Kyoto Protocol and to continue the work started in Buenos Aires in preparation for the next Conference of the Parties (COP-5).

We will jointly seek to bring the Biosafety Protocol negotiations to a conclusion. We will support the establishment of a fifth Regional Environmental Centre in Central Asia. The Task Force on Communicable Diseases will focus its priorities and more actively pursue its work. We will hold a Transatlantic Chemicals Conference 6-7 May in Stresa, Italy. We will seek to encourage global participation in International Maritime Organisation conventions dealing with maritime safety and the prevention of marine pollution, including the optional annexes to the International Conventions for the Prevention of Pollution from Ships (MARPOL).

Trade and Economic Relations:

Our top economic priorities for the next six months will include:

Implementing the TEP: We will ensure full implementation of the TEP action plan according to target dates and initiate negotiations on identified areas. This will help ensure that our wider cooperation on economic matters is not undermined by trade disputes between us.

We will cooperate for a successful WTO ministerial in 1999 with a view to preparing the WTO's future agenda. We reaffirm our commitment to strive for the ratification of the WTO financial services agreement by all WTO members by the agreed deadline of 29 January, 1999, thus allowing the commitments in that agreement to enter into force by 1 March, 1999. We will work together with other WTO members to promote action to enhance the transparency of WTO operations, and we will foster opportunities for dialogue on multilateral trade issues with stakeholders. We will promote the successful conclusion of the second Information Technology Agreement. We will encourage ratification of the OECD anti-bribery convention.

On data privacy protection, we will continue current efforts to avoid disruptions, while we work urgently to bring to a successful conclusion discussions on avoiding interruptions in transatlantic exchanges of personal data. We will work to implement, to the maximum extent possible, TABD recommendations.

We will sign a Veterinary Equivalency Agreement that will reduce barriers to exports worth \$3 billion in two-way trade while retaining the highest level of safety for consumers. We will build on Global Navigation Satellite System discussions with a view to possibly establishing an agreement on cooperation. We expect to begin negotiations on issues regarding bilateral wine trade. We will continue to support various projects of the Transatlantic Small Business Initiative. We plan to hold further seminars on important labour and social issues which will include interested parties, including non-governmental parties.

Building Bridges:

In the coming six months, we will seek to consolidate the state of the civil society dialogues. We will consult on ways and means to further enhance exchanges on all levels between our societies.

We will continue to support the development of "people-to-people" dialogues. We will continue to encourage the development of the Transatlantic Consumer Dialogue (TACD). We support the launch of the Transatlantic Environmental Dialogue (TAED) and plans for the Transatlantic Development Dialogue (TADeV), and we will intensify efforts to generate sustainable private sector and foundation support for NTA dialogues.

We will hold the second meeting of the EU-U.S. joint committee on Higher Education and Vocational Training and begin to prepare for the successor to the 1995 EU-U.S. agreement. We will support on-going exchange programs between the EU and the U.S. We will also support the next EU-U.S. Science and Technology Conference in Stuttgart. We look forward to the forthcoming 50th European Parliament/U.S. Congress Interparliamentary Meeting in Strasbourg in January. We look forward to the further development of the Transatlantic Information Exchange Service (TIES) as a tool to promote people-to-people links, following TIES' second annual conference in Atlanta in January.

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