

Volume I, Number 3, December 1999

## New times for Transatlantic Relations

*Among other important and far-reaching changes, the new Prodi Commission has agreed a fundamental restructuring of the Commission services dealing with external relations. The ultimate objectives are, to reflect the European Commission's growing role in external relations, and to make it more effective.*

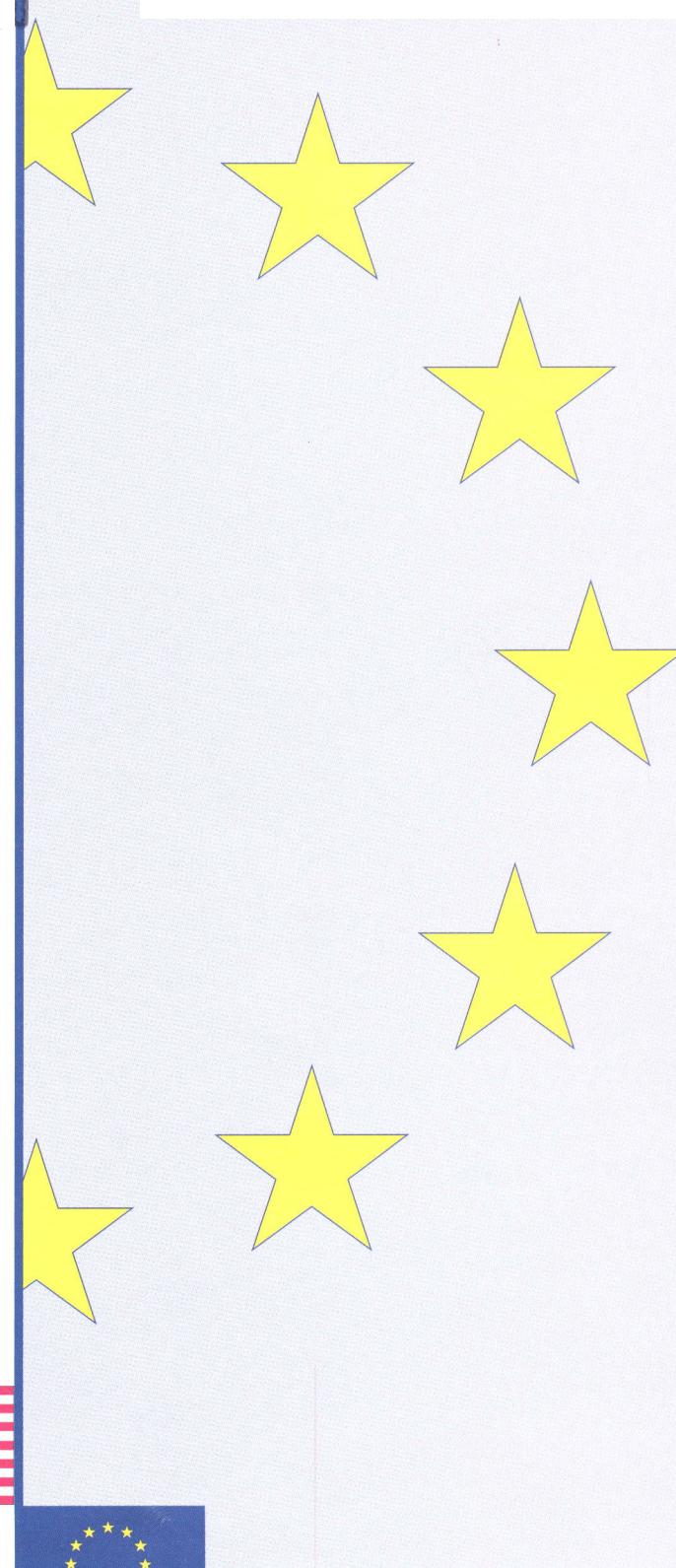
In order to achieve these objectives the External Relations Commissioner, Mr Chris Patten, will co-ordinate the external relations activities of the Commission. The departments responsible for external relations are being reorganised on a thematic basis (trade, development, enlargement), with the new Directorate-General for External Relations - which has geographic responsibility - assisting Commissioner Patten in his coordinating role.

Accordingly, Mr Pascal Lamy, the new member of the European Commission responsible for Trade, and Mr Poul Nielson, responsible for Development and Humanitarian Aid, will maintain close coordination with Mr Patten. It is foreseen that both will call on the appropriate geographical desks, when necessary, to define country or regional strategies in the area of their competences. Decisions in these cases will be taken in agreement with the Commissioner responsible for external relations. Mr Patten will also preside coordination and thematic/sectoral policy development meetings. The role of Director-General of the External Relations DG will mirror that of the Commissioner, in co-ordinating the activity of the services.

In addition to that, Commissioner Patten will be the Commission's interface with the EU's General Affairs Council, and its interlocutor with the newly-appointed High Representative for the Common Foreign and Security Policy, Mr. Javier Solana. The External Relations Commissioner will thus play a key role in ensuring that the EU has a clear identity and a coherent approach in its external activities.



European Commission



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## Transatlantic Relations

will of course continue to be one of the cornerstones of the EU external relations. The new organisation will enable the

**The new organisation of the Commission, more solid and coherent, should serve to boost the already impressive results achieved through the NTA.**

European Institutions to maintain a better internal coordination which in turn will make the EU a more reliable and coherent partner for the US.

That does not mean that Europe will have a '*single phone number*' for its relations with the rest of the World, to quote Henry Kissinger's famous words.

Indeed, is this really needed, or even desirable? Not even the US, with its constitutional separation of powers, has a unique phone number for us Europeans to dial... and quite rightly so. As the structures of government and administration evolve to cope with the ever more sophisticated and complex problems of modern society, oversimplification does not help.

Rather, what is really needed is good, transparent and regular communication between all the players involved in Transatlantic Relations. And this communication has to be done through a multiplicity of levels and structures. This was implicitly recog-

## The External Relations

Commissioner will thus play a key role in ensuring that the EU has a clear identity and a coherent approach in its external activities.

nised by the signing of the 1995 New Transatlantic Agenda, and the various political, administrative and people-to-people contacts it foresees. The new organisation of the Commission, more solid and coherent, should serve to boost the already impressive results achieved through the NTA.

# Welcome message by Chris Patten



Dear reader of the EU-US Newsletter, I am very pleased to present you this new issue of

the EU-US Newsletter. The Newsletter is intended to provide a general, non-exhaustive update on the Commission's activities as regards EU/US relations, as well as on other issues of interest in this field. I am confident that this review will be a useful tool to improve the communication flow between yourself and the European Commission, and will satisfy your needs for information about your areas of interest in Transatlantic Relations. A new period is currently opening in EU-US relations, not least because of the new procedures

and competences established by the Treaty of Amsterdam. This, together with the new organisation of the European Commission, will undoubtedly help to consolidate and to enhance the Transatlantic Relationship. I am personally committed to this purpose. I am also convinced that this Newsletter adds to our aims of transparency, public information and co-operation, which are determinant for achieving the mutually beneficial results we pursue.

Chris Patten

## The EU-US Bonn summit and beyond

*The first biannual EU-US Summit of 1999 took place in Bonn on 21 June. The event was attended by the then European Commission President Santer, US President Clinton and Chancellor Schröder, then President of the European Council, together with members of Government and senior officials from both sides. The important results reached at the Summit have since been the subject of active follow-up, which was jointly reviewed at senior official level on 23 September in New York.*

EU-US Summits are held twice a year to assess and develop transatlantic co-operation. They came into being as a result of the November 1990 Transatlantic Declaration. A significant part of the Bonn Summit's work focused on **Kosovo** and the wider southeastern European region. On this subject, President Santer explained how the EU nations and the U.S. had all contributed resources for NATO's action in Kosovo. President Santer outlined how the EU would take the lead in putting together the Stability Pact for the Region, play the leading role in financing reconstruction and how the European Commission would work with the World Bank to co-ordinate the donor effort for the region.

### **The Bonn Declaration, "Early Warning" and other achievements**

The Summit also generated results in other areas. Thus, build-

ing on the New Transatlantic Agenda, both sides agreed the "Bonn Declaration". The text reflects in particular a commitment to work together to prevent and deal with regional crises. Europe's emerging common secu-

application of these principles should help in future to avoid damaging trade disputes over issues such as Helms-Burton, bananas and hormone-treated beef. While current trade disputes only involve a very small part - less than 2 % - of total trade, they have a disproportionately large impact on the relationship as a whole.



rity and defence policy was recognised as an essential factor in facilitating this task. Other important achievements at the Summit included agreement on a set of **early warning principles** to enable both sides to identify areas where potential disputes could arise and to pre-empt them before they occur. The

Several other important issues were treated at the Summit. In a report to Summit Leaders by the "Senior Level Group", the major achievements of the last months were reviewed, and priorities for the future were identified. Among the latter were the implementation of the Stability Pact in southeastern Europe, joint work on Russia, progress in the Early Warning System, agreement on environmental issues, co-operation in law enforcement and the pursuit of common goals in Northern Europe.

On Ukraine, a Joint Statement was released at the Summit, underlining EU and US support for economic reform and continued transition to democracy. Other significant external policy priority areas identified were the consolidation of the Middle East Peace Process, the promotion of Human Rights and Democracy in countries such as Belarus and joint work to alleviate problems from armed conflicts such as those in East Timor or Angola. On the trade side, the need for progress in the implementation of TEP was underlined. On food safety, it was agreed to examine ways of increasing cooperation between EU and US scientists on health and consumer safety issues.

#### **After the Summit: the Senior Level Group**

Following the Bonn Summit, the first SLG meeting during the Finnish Presidency was held in New York on 23 September, in the margins of the UNGA. The Agenda had been prepared by a meeting of the NTA Task Force held in Helsinki a week before.

Many important subjects were treated, including significant discussion on the **May 18 EU-US Understandings on, inter alia, the Helms-Burton Act**. This

represents more than twice the latter's GNP, which shows the degree of the commitment given by the donors. Other subjects treated were **Turkey** and the **Biosafety Protocol**.

Lastly, on **Biotechnology** the public opinion factor was analysed, and EU urged the US to show greater understanding for the European position. A significant part of the meeting was dedicated to preparing the next EU-US Summit which is to be held in Washington in December this year. Possible deliverables for this event are a joint statement on the Information Society and a joint statement on EU-US efforts in Northern Europe. There was also an interesting and detailed exchange on the practicalities of the upcoming WTO Ministerial meeting in Seattle and on the two sides position regarding the contents of the New Round.



issue continues to be sensitive and still requires careful handling on both sides. On **Southeastern Europe**, the discussions focused on the issue of burden-sharing. The EU pointed out that the commitment given so far to Kosovo

## **President Prodi meets President Clinton**

*On 27 October, by the time when this issue of the EU-US Newsletter was to be closed, Commission President Romano Prodi travelled to the US to meet US President Clinton. This is the Statement which was released at this occasion:*

**JOINT DECLARATION BY  
PRESIDENT WILLIAM JEFFERSON  
CLINTON AND  
EUROPEAN COMMISSION  
PRESIDENT ROMANO PRODI**

1. President Clinton and President Prodi held a wide-ranging discussion on 27 October about the prospects for launching a new Round of trade negotiations in the World Trade Organization (WTO) next month at Seattle. There was an essential overlap of interests

and a desire to collaborate closely to bridge remaining differences.

lives of people in a rapidly globalizing world."

2. They recalled the EU-U.S. Bonn Declaration of June 1999, where we agreed that "Together we can advance our shared values, our common security and our mutual prosperity more effectively than either of us alone. Together ...we can face ... the complexity of ensuring that democracy and free markets improve tangibly the

3. Mindful of the essential role played by the multilateral trading system in supporting over the last 50 years the greatest economic expansion in history and more recently in containing the adverse impacts of economic downturns in Asia and elsewhere, the two leaders agreed to strive to secure agreement in Seattle to launch a new Round of global trade negotiations.

4. Their discussions concentrated on the possible topics for a new Round and how to provide momentum for a successful launch at Seattle.

Not only agriculture and services, but a number of other issues need to be included, to meet the U.S. and EU's respective interests and those of our partners, but also to ensure that the WTO continues to be a leading part of the solution to the problems that will confront the global economy in the next century. In this respect, they discussed topics such as comprehensive market access; greater coherence in international economic policy making to complement and enhance the work underway in the Bretton Woods institutions and other UN agencies; government procurement (including transparency and market access); foreign direct investment; electronic commerce (including extension of the moratorium agreed last May); competition; trade facilitation; trade-related intellectual property rights protection (TRIPS); technical barriers to trade; and the issue of early agreements, provisional where necessary. While differences remain between the United States and European Union as to the most appropriate scope for the forthcoming negotiations, both

sides agreed to continue to take forward their discussions in a constructive spirit in forthcoming weeks.

5. The leaders agreed that the new round had to be definitively different in content and process from its predecessors. For example, we had to take into account the rapid advances in technology, particularly related to electronic commerce. They agreed on the goal of better addressing the social dimensions of trade by promoting a substantive dialogue with our partners, involving the WTO and the ILO, although we still differ on the modalities. The dialogue would include an examination of the relationship between trade policy, trade liberalization, development and fundamental labor rights, so as to maximize the benefits of open trade for workers. The two leaders also agreed that the new round should enhance the potential for positive synergies between trade liberalization, environmental protection and economic development.

6. But the agenda for the new Round also had to address the needs and interests of all our partners. Although major players in the world economy, the U.S. and

EU needed to do more than in previous Rounds to work with all our partners in the WTO system. The new Round should offer major opportunities to the developing countries, strengthening their role in the world economy. Particular attention needs to be paid to the least developed countries. Their concerns and interests should be fully taken into account, including through specifically targeted, enhanced, and effective market access and capacity building.

7. An additional important new element was to make the multilateral trading system as responsive as possible to all our citizens. The two leaders agreed to work vigorously to assure the public that the trading system and the WTO as an institution works in the broadest interests of everyone – and to ensure that this remains the case. Both leaders renewed their commitment to the WTO Dispute Settlement System, and agreed that WTO decisions should be respected and implemented. The leaders also anticipated ratifying at Seattle a package of improvements to the Dispute Settlement Understanding. Additionally, they agreed to work towards enhanced transparency in the WTO decision-making process.

### ***Extracts from the Bonn Declaration***

*We, the European Union and the United States of America, affirm for a new century our commitment to a full and equal partnership. Together we can advance our shared values, our common security and our mutual prosperity more effectively than either of us can alone. Together we are a powerful force for meeting the challenges we face: fragility in regions important to both of us, new transnational threats to our common security, and the complexity of ensuring that democracy and free markets improve tangibly the lives of people in a rapidly globalising world.*

*[...] Since 1995, the European Union has taken important steps toward further integration, with the introduction of the euro and institutional changes in the areas of foreign and security policy and justice and home affairs introduced by the Amsterdam Treaty. The ongoing integration process has enabled the EU to extend its reach in world affairs, while the present round of accession negotiations is bringing closer the vision of a peaceful, undivided Europe. These developments provide an important impulse for a more effective partnership between us.*

*[...] We also welcome the new impetus to the strengthening of a common European policy in security and defense given by the Amsterdam Treaty and the 1999 Cologne European Council. A stronger European role in this field, will contribute to the vitality and effectiveness of the Atlantic Alliance.*

The full text of the Bonn Declaration, together with other important documents from the EU-US Bonn Summit, can be found in the internet at <http://europa.eu.int/comm/dg01/ussumc.htm>

# Message from Ambassador Hugo Paemen



As I complete five years as Head of the Commission's Washington Delegation, it is impossible to capture the nature of the transatlantic relationship in a brief retrospective. The reason is obvious: this is a job without end. When I started, we were just about to launch the New Transatlantic Agenda (NTA) which represented a real progression from a consultative relationship to a practical partnership. Today, the NTA represents an important step on the way to an even deeper partnership, provided that our governments follow the lead of people working on the ground.

While our traditionally strong economic ties have been built up over years of sound bilateral relations, the NTA has been most innovative in promoting new dialogue at other levels that are representative of our societies.

Although the Transatlantic Business Dialogue (TABD) has the longest track record and list of accomplishments, the newer dialogues for consumers, the environment, labour and others, are infusing the transatlantic agenda with fresh ideas and dynamism. All together, they are an important new dimension in our relationship. Too often, policymakers have had to play catch-up with-

out input from the people who live these issues.

Of course, the dialogues are also built on the idea that groups in the EU and US can learn from each other. My office has tried to contribute to this process in several small ways. Most recently we produced a brochure, *The Stories Behind Growth and Jobs: U.S. Regional Economic Development*, summarising six examples from regions across the U.S. for distribution to regional policymakers in the EU. Having travelled across this country for meetings with groups from Seattle, Washington to St. Petersburg, Florida, I am struck by the regional diversity of the US and the many parallels with economic and social conditions in areas of Europe.

**A single event which consolidated Europe's profile across the fifty States was the launch of the euro. Suddenly, the whole European endeavour became comprehensible and real to the average American.**

I have also visited six of the ten European Union Centres established, in part, with EU funding. Through their research, teaching and outreach programs, the Centres have shown great promise in promoting knowledge of the EU among American students and the regional communities surrounding host universities. These programs can only gain in value as the EU becomes a more global partner for the US, a process that has developed incrementally over time but now cov-

ers a wide number of economic, political, and security issues.

All of this is to say that Europe is increasingly registering on the American radar screen. A single event which consolidated Europe's profile across the fifty States was the launch of the euro. Suddenly, the whole European

**We must yet convince the US leadership that Europe will increasingly speak with a single voice on foreign policy matters**

endeavour became comprehensible and real to the average American. If money talks, then launching a single currency spoke volumes for European integration, and for the Monnet method which has steadily pushed Europe forward toward the goal of 'an ever closer union'. By contrast, and despite bold moves by the political leadership in Europe, our Common Foreign and Security Policy is less known or understood on this side of the Atlantic. CFSP never makes the headlines, and inside the Beltway we frequently encounter skepticism, once reserved for the euro, about how far European member states will really go toward a truly coherent policy. Perhaps this will gradually change with the appointment of Javier Solana as 'Mr. CFSP', the reorganisation of the Commission's external relations portfolios and their coordination under Chris Patten. As the ECB is building the euro's credibility, so we must yet convince the US leadership that Europe will increasingly speak with a single voice on foreign policy matters.

All this against the backdrop of the most ambitious enlargement

ever undertaken by the Union. Beyond the usual concerns on the US side about the trade implications of enlargement, the problem on our side is to generate under-

standing of the complexity of the enlargement exercise among our counterparts in Washington. These differences in our relative perspectives are inevitable, and not neces-

sarily bad, but require a sustained effort to enrich the relationship rather than to detract from it. That is the heart of the job, and it is never done.

### **Hugo Paemen:**

#### ***Le parcours d'un europeen convaincu\****

Few trajectories are as imbricated in European construction and international relations as that of Hugo Paemen. He has been the Head of the European Commission's Washington Delegation with the rank of Ambassador since July 1995. Previous to that he served as the Commission's Deputy Director-General for External Relations. In that post he was responsible for the Commission's negotiating team during almost the entire duration of the Uruguay Round. From 1985 to 1987 Paemen was the official spokesman of the first Delors Commission. From 1978 to 1985 he served as Chef de Cabinet of Viscount Davignon when the latter was appointed Vice-President of the European Commission. A career diplomat, he served in the Belgian Embassies in Geneva, Paris, and Washington where he was Economic Minister for the years 1974-78.

Hugo Paemen has degrees in Philosophy and Classics and Political and Social Science. He has been a distinguished visiting professor of the Catholic University of Leuven, where he lectured in European politics. He also co-authored a book entitled "From the GATT to the WTO: The European Community in the Uruguay Round" published by Leuven University Press.

He is married to Irma Paemen and has six children.

\* (the itinerary of a convinced European)

## **Winning the Peace in the Balkans**

*The Euro-Atlantic alliance acted closely together in securing peace in the Balkans. Working together, the EU and the US took decisive steps for the resolution of a major crisis which caused tremendous human suffering and imposed high risks and burdens upon the transatlantic community. The task ahead is whether the future of the Balkans can be assured through similar levels of commitment and cooperation, now in the peace as was exhibited when there was an absence of peace.*

Commissioner Patten has clearly articulated his view of the need to continue working together. Speaking in Washington at the occasion of the Conference on Economic Reconstruction in the Balkans, Patten recalled the centrality of the Marshall plan in restoring Europe after the last World War. Similar effort, he inferred, was needed now. Enlightened altruism would bring benefits to the Balkans, and those benefits would be felt throughout Europe. And a stable Europe was in the interests of our greatest trading partners, foremost amongst which is the USA.

Stabilising the Balkans takes more than a piecemeal approach; a strategic overview

will result from the Stability pact, but the whole must be achieved by implanting sound economics in the region. The EU has already given massive aid to the region: nearly \$4.5 billion since 1991, and around \$1 billion in 1999. But Patten pointed out that importing aid was not sufficient. Fostering trade between the countries of the region and also between them and the wider European economy was a priority.

As the Bonn Declaration put it, "*The European Union and the United States are strongly committed to assume their responsibilities in the wake of the Kosovo conflict. We are also determined to work closely*

*together and with other partners through the EU-initiated Stability Pact for South Eastern Europe to enable the people of the whole region to live in peace, confident that democracy, respect for human rights, and economic prosperity will be fostered and that they can be fully integrated into Euro-Atlantic structures.*"

*More information about the EU action in Kosovo can be found in the internet at:  
<http://europa.eu.int/comm/dg1a/see/intro/index.htm>, as well as at the Kosovo reconstruction information webpage of the  
<http://www.seerecon.org/>*

# Spotlight: The EU and the US towards the WTO Millennium Round

*The multilateral trading system has since its inception made a major contribution to stable and continued economic growth. Eight rounds of trade liberalisation and strengthening of rules have helped promote global prosperity, development, and rising living standards. Since 1951, global trade has grown seventeen-fold, world production has more than quadrupled, and world per capita income has doubled. The multilateral system has helped many developing countries successfully integrate into the international economy, experience showing that countries with more open markets achieve higher levels of economic growth and development.*

The record of the WTO since the conclusion of the Uruguay Round has been particularly positive, bringing major improvements in market access and more predictable rules that benefit all WTO members. Growth has become increasingly trade driven, and trade accounts for an increasing proportion of economic growth, namely a slowdown in growth, notably in Asia, but also other regions. Further trade liberalisation

**Today, the global economy faces circumstances comparable to those before the Uruguay Round, thirteen years ago**

and expansion through WTO can, by removing obstacles, help stimulate global competition, growth and employment.

At the same time, while the importance of international trade is recognised, debate has increased in recent years about the impact of globalisation and trade liberalisation on employment, wealth distribution, development and the environment. As the pace of innovation increases, and as international competition intensifies, these questions remain high on the public agenda.

A clear separation however must be made between the system represented by WTO and the phenomenon of globalisation. Globalisation has become an irreversible reality. Globalisation is mainly driven by technology and

by the action of economic operators, but trade liberalisation has acted as an important facilitator. The challenge for governments and the WTO in future is how to continue to channel it positively. WTO has a role in providing a framework of rules that guarantee transparency, and non-discrimination. Governments must in parallel ensure that the benefits of liberalisation are equitably shared, that rapid economic change is successfully managed, and negative impacts of globalisation minimised. Action at both the multilateral and national levels should promote sustainable development.

The challenges to the multilateral system can best be met through a new comprehensive round of trade negotiations. A comprehensive round will help governments to exercise their influence on developments in the face of rapid and far-reaching economic change. Otherwise, in view of the pressures the international economy is now under, there is a risk of slipping backwards. As the financial and economic crisis has shown, more - and especially better focused - liberalisation, not less is needed, if economic growth is to be restored. This liberalisation should be underpinned however by multilateral rules bringing transparency, fairness and predictability, and promoting sustainable development.

It was with the above considerations in mind, that the EU proposed the launch of a further Round of multilateral trade negotiations - the Millennium Round - to be launched at the WTO Ministerial in Seattle this

November. The majority of WTO members have expressed their support for a new Round, and those who still have reservations are clearly positioning themselves with the prospect of further negotiations. However, much still needs to be done to convince all WTO members on the form and content of the proposed negotiations.

In the EU view the Millennium Round should set itself four major objectives. First, to secure meaningful further trade liberalisation and market access (covering the built in agenda of agriculture and services, the new issues identified at the 1996 Singapore ministerial meeting, together with more traditional items such as industrial tariffs). Second, to promote the further strengthening of the WTO multilateral system so that it becomes a truly universal instrument for the management of international trade relations. Third, to strengthen the developmental role and capacity of the WTO. And fourth, to ensure that both institutionally and in its specific agreements the WTO addresses issues of concern to the broader public (civil society), including consumer protection and transparency. This will contribute to promote wider understanding of the social and economic benefits of the WTO system through, inter alia, a significant improvement in information provided and exchanges of views with all interested parties in our societies.

The US initial approach to a comprehensive round has been hesitant: first, preferring a sectoral

approach to industrial tariffs based on the APEC initiative; second, with a lukewarm attitude towards the widening of WTO's scope of

**The Community has begun a regular dialogue with European NGOs, both in order to improve understanding of the benefits of the multilateral system and to ensure that relevant interests and preoccupations of civil society continue to be reflected in multilateral outcomes.**

activity through the inclusion of measures on Investment and on Competition Policy. A comprehensive round is needed to ensure balance. The WTO negotiations are only going to lead to substantive results if placed within a broad, time-bound negotiating framework. The Uruguay Round has shown that only by a comprehen-

sive approach, involving a broad range of issues, can all participants identify gains. A narrow sectoral approach cannot do this, i.e.

responding to the diverse interests of the extremely broad range of players, among the WTO's members, across all industrial sectors and within our societies at large.

Over the last few months WTO Members have been engaging in an intensive phase of preparations for the Seattle ministerial conference. A large number of WTO members have tabled proposals for negotiations in the areas of their interest. The EU has tabled proposals on a wide range of issues covering the whole broad agenda of the New Round.

Further deeper dialogue with all these institutional partners and representatives of civil society is foreseen. This will be a continuous process, which represents a significant departure from earlier trade rounds, and which will become a permanent feature of the EU internal trade policy making.

Vis-à-vis the US, constructive EU-US dialogue on a number of multilateral issues has been developed within the Transatlantic Economic Partnership framework, with a view to contributing to prepare a successful Ministerial meeting in Seattle. Anyway the only real mea-

sure of success will be the launching of a new comprehensive WTO Round.

**The launch of the Millennium Round is a necessary step in order to stimulate the expansion of trade and economic growth, address the needs of developing countries, reduce the risks of protectionism and strengthen the multilateral rules-based system.**

The international environment in which countries are trading is changing at an ever increasing pace, and thus it is vital that the multilateral framework is strengthened and updated such that it adequately responds to our current and future needs, ensuring a framework of rules that provide for transparency, fairness and equality.

## **Business Dialogue: the second CEO Conference**

*The Transatlantic Business Dialogue (TABD) held its annual conference Berlin on 29 - 30 October.*

The Commission was represented by Commissioners Liikanen and Lamy and four Directors General. The US Government side was led by Secretary of Commerce William Daley and Deputy US Trade Representative Sue Esserman.

The main issues discussed were recovery in South Eastern Europe, the launching of the new WTO multilateral trade negotiations, an early warning system to avoid future transatlantic trade disputes, the need for international accounting standards, electronic commerce and the role of

**More than 100 CEOs participated in this event.**

and gives a unique opportunity for business leaders from both side of the Atlantic to jointly give recommendations to the Commission and the US Government on which remaining barriers to trade and investment

they consider it most urgent to remove or eliminate.

The TABD is chaired jointly by one European and one US CEO. In 1999 the Chairmen are Jérôme Monod from Suez Lyonnaise des Eaux and Richard Thoman of the Xerox Corporation.

The recommendations are agreed upon at a yearly conference where the business leaders also meet with senior Government officials.

*More information about TABD  
<http://www.tabd.com>*

# Co-operation against Trafficking in Women

*The EU and US join forces again in the fight against trafficking in women. After the joint information campaign, which took place in 1998 in the Ukraine and Poland, the EU-US Summit in December 1998 decided it was important to continue the work. Two other countries were selected: Hungary (EU) and Bulgaria (US).*

Preparatory work was done during the first part of 1999. Recently, the grant agreement between the International Organisation of Migration (IOM) and the Commission has been concluded, so that we are ready to go ahead.

The EU campaign in Hungary will last 9 months, including 3 months of research.

IOM, which has considerable experience in this field, will implement both the campaign in Hungary and the US sponsored campaign in Bulgaria.

Specific information, for selected target groups, will be disseminated through a number of mass and informal media.

**The overall objective of the campaigns is to raise awareness about the dangers of trafficking in migrants/women, to assist potential victims (young women) and to assist the relevant authorities in Hungary and Bulgaria in increasing their institutional capacity to deal with the trafficking problem.**

The EU sponsored project in Hungary is actively supported by the Hungarian Government. The Minister of Interior has set up a co-ordination mechanism with other relevant Government interlocutors. Local authorities, NGO's,

and women groups will be involved in the implementation of the project as well. From the very outset of the project, IOM and the Hungarian Government will focus on its sustainability in order to ensure that at the end of the campaign, local structures are capable of taking over the information and assistance services. The Hungarian Government, which has recently adopted legislation to penalize trafficking in human beings, considers the project as a further step towards the adoption of the Community 'acquis' in the field of Justice and Home Affairs.

A launching event for both campaigns is being planned to take place in November 1999 in Budapest. The Hungarian Minister of Interior will host the event. High level officials from relevant authorities in Hungary and Bulgaria are being invited as well as some from the Commission and the US Government. IOM, NGO's and other institutions involved will be present also.

## The new European Parliament



After the 13th June European Parliament election, the new Assembly began its work with particular dynamism. Its first challenge was a difficult one, though: to hear, debate and decide on the nominations for the new Commission. And, as MEPs had previously stated, the hearings were not at all a matter of routine - on the contrary, they were attentively followed and participation was remarkably active. In the end, the new Commission was approved by a large majority of the MEPs, and this was undoubtedly an excellent beginning for the new period which has just opened.

**The new Commission is well aware of the need to maintain a constant and strong liaison with the European Assembly, and that applies fully to Transatlantic Relations.**

Both Mr Patten and Mr Lamy have already addressed the new EP and several of its Committees in a number of occasions. This practice is bound to continue and probably even to increase.

As regards the relations with the US, the importance of the EP's opinions and decisions is greater than ever. Not only because the Amsterdam Treaty consolidates the EP powers regarding external relations, but also because of the important Transatlantic Legislative Dialogue (TLD) set up during the previous legislative period. TLD aims to improve Transatlantic Relations by strengthening and increasing the relations between the EP and the US Congress and

Senate (see previous issues of this Newsletter).

Despite its recent constitution, the new EP has already managed to consolidate TLD, which was endorsed in September by the Parliament's Conference of Presidents. The members of TLD on the European side have now to be chosen among the new MEPs. Direct contacts between EU and US members of TLD will afterwards be resumed. It is envisaged that these contacts will include periodical tele-conferences, the establishment of a dedicated website, organisation of joint EU-US events and other actions.

Given that the relationship between the EU and the US is a particularly close one and enjoys many distinctive features, it is hardly surprising that legislators both sides of the Atlantic want to have a special structure allowing them to exchange views and to work together for the interest of citizens across the Atlantic. The Commission remains fully supportive of this Dialogue, which is in line with the objectives of the New Transatlantic Agenda.

*More information about the EP activities can be found in internet at the EP website:*

<http://www.europarl.eu.int/>

## EU Centres in the US, year 2

*The European Centres in the United States project has already celebrated its first birthday. The progress achieved during this time was recently reviewed in an exhaustive and detailed report prepared for the European Commission by the Advisory Evaluation Committee of the ECSA . The global balance is impressively positive. European Centres have been consolidated in ten leading US Universities, and they have generally conducted their operations in a very satisfactory manner.*

As the independent evaluators put it in their report, '*most of the Centres have met or surpassed the first year goals*'. Obviously, progress is more remarkable in some cases than in others. The Commission has examined carefully the nuances and particularities of each Centre's achievements.

**The overall picture is, as the independent evaluators put it, '*strongly positive*'.**

Such impressive results are undoubtedly the best possible encouragement for the 2nd year of the project. All the programmes submitted by the Centres have been examined and assessed by the Commission, which has committed itself to continue its significant support. The quality of the proposals is such that the success of the first years will hopefully be equalled

and maybe even surpassed. Overall, the Centres offer a impressively wide and comprehensive range of EU related programmes, scholarship, research and studies, curricular development, conferences and other activities and events focused on European issues. There is no doubt that such complete portfolio will help promoting better mutual understanding across the Atlantic. This includes an greater awareness of the political, economic and cultural importance of the transatlantic relationship, and in general stronger people to people links. In this sense, the European contribution to the project is excellent *value for money*.

The Centres face now several important challenges for the 2nd year of operation.

**Self-sustainability and alternative funding after the end of the grants programme - the project is scheduled for 3 years- is paramount to the success of the whole initiative.**

The increase and enhancement of the relations between the different Centres, which may lead to joint actions and coordinated projects, is another important objective to be attained. A stronger 'outreach' dimension of the initiative is also essential to its success.

This is why in addition to the many activities and actions foreseen in the Centres' proposals, the Commission has launched the

idea of a Inter-Centres Conference in February 2000 which, taking advantage of the meeting of Centres' Directors foreseen by ECSA, will attempt to reach conclusions to promote an even more successful implementation of the programme. And,

since the best way of promoting one's ideas is to put them into practice, the Conference is also planned to have an important 'outreach' character, which will help bringing this fascinating initiative closer to the non-specialised public.

*The EU Centres project was described in the 1st issue of the EU-US Newsletter (March 1999). More information about this project can be found at its internet website, <http://eucenters.org/>*

## **EUROPEAN UNION CENTERS IN THE UNITED STATES**

**CALIFORNIA • CAMBRIDGE • GEORGIA • ILLINOIS • MISSOURI • NEW YORK**  
**NORTH CAROLINA • PITTSBURGH • SEATTLE • WISCONSIN**

### ***EU Centres in the US - Shorts***

**US graduate students visit Brussels...**



A group of 30 US graduate students from the 10 EU Centres came to Brussels last 13 to 18 June on a visit sponsored by the Commission. The Programme was ambitious, and included several talks on the main European integration subjects, as well as visits to the EU institutions and meetings with key players including our former Commissioner Leon Brittan. But the benefits of the visit went two-ways, since its objectives included the gathering by the Commission of insights into the functioning of the Centres, and the establishment of direct contacts with the participants. The visit was followed by a comprehensive evaluation by the participants which showed their commitment to

European studies, and which will be a useful tool for the preparation of future events.

#### **...and so do University leaders**

On September 22 to 25, Chancellor Mark Nordemberg of the Pittsburgh University visited Brussels, accompanied by Dr Burkart Holzner, Director for International Studies, and EU Centre Director Ms Alberta Sbragia. They held several meetings at the Commission, where they encountered Mr Dépayre - Deputy Director General ER and other members of the DG. They also visited the European Parliament, where they met key MEPs, among which Ms Read, Chairman of the EP US Delegation. In the last day of their visit they travelled to the European Court of Justice in Luxembourg where they met the ECJ President Rodríguez Iglesias and his aides.

Mr Andrew Balas, Director of the EU Centre in Missouri, also visited Brussels in September. During this visit he maintained a useful exchange of views on the programme with the US desk of the European Commission.

#### **First-hand impressions from a US student visit to Brussels**



Visits to Brussels by US students in the framework of the EU Centres programme provide obvious academic and professional benefits to those involved. But there is also a human dimension. And this may sometimes provide us Brussels citizens with a refreshing insight of our capital's peculiarities.

A good example is the account published after a recent visit by Mr Kelly Shaw, a graduate student from the Missouri University. In a very lively and funny style, he describes our city, which, 'Like most European cities, [...] did not grow as planned, but simply grew as necessary away from the city center'. Not that he does not recognise some positive - and somehow unexpected - qualities of the 'capital of Europe': drivers are, he finds, 'incredibly courteous to pedestrians. Crosswalks are obeyed, and people actually stop for people on the side waiting to cross the street' (we can not help but asking ourselves, is it so bad in Missouri?).

But obviously he has grasped the particularities of driving in our city: 'The right away in Belgium is indeed the "right away", as even major roads must yield to roads which approach from the right. For all intents and purposes, the system seems to work well, as most who approach from the right fly into the intersection with reckless abandon.'

Reckless indeed. But not all is negative. With a constructive critical spirit which is to be praised, he states that 'the United States needs an efficient train service like Brussels and the rest of Europe'. Amen.

*Mr Kelly's lively account of his visit to Europe can be found at the Missouri EU Centre website at <http://eu.missouri.edu/Voices/shaw.html>*

# TIES, after the Atlanta Conference

*The Transatlantic Information Exchange System (TIES) is a project which aims to promote Transatlantic cooperation using the Internet. This idea is 'at the intersection of the three trends of the 21st century - intercontinental cooperation, citizen empowerment and the internet.'*

The project has the objective of encouraging EU and US citizens, schools, universities, local authorities, associations, foundations... to increase and enhance their transatlantic contacts by using electronic fora. TIES was opened to public access in May 1998 in London at the occasion of the EU/US Summit (see the March issue of the EU-US

Newsletter). In its second year of operations TIES faces significant challenges. The sustainability needs of the project will have to be addressed. For this second year, TIES has stated its determination to enter into a 'development phase' including implementation of the objectives defined at the Atlanta Conference. TIES has also

recently launched (end of August) a call for proposals for website design.

More information about the possibilities offered by TIES can be found in the internet at <http://www.tiesweb.org/>

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## European Commission publishes 1999 report on US barriers to trade

*The European Commission released on 31 August 1999 its fifteenth annual Report on barriers to trade and investment in the United States. Its aim is to provide an inventory of obstacles that EU exporters and investors encounter in the US.*

Significant barriers to trade still impede commerce with the United States. European companies continue to face significant problems in trying to export to the US. In this report on US barriers to trade and investment, the Commission draws attention to ongoing difficulties in transatlantic trade, in addition to identifying a number of new barriers.

This Report needs to be placed in the context of a transatlantic economic relationship which has grown particularly strongly over the years, to the benefit of both economies, and which is underpinned by the most extensive trade and investment links in the world. Moreover, the Report must be seen against the background of the joint commitment, in the New Transatlantic Agenda of 1995 and in the Transatlantic

Economic Partnership of 1998, not only to strengthen and consolidate the multilateral trading system, but also to progressively reduce or eliminate barriers that hinder the flow of goods, services and investment between the EU and the US.

The EU-US Summit in Bonn on 21 June 1999 approved a set of "early warning" principles, that aim at identifying and preventing potential bilateral problems at an early stage, in order to prevent conflicts and facilitate problem resolution before they risk undermining the much broader EU-US relationship.

The fact remains that a considerable number of impediments, ranging from more traditional tariff and non-tariff barriers, to differences in the legal and regulatory systems, or due to the absence or limitation of interna-

tionally agreed rules and disciplines, still need to be tackled. The Commission remains firmly committed to addressing these through the appropriate channels (bilateral, plurilateral and multilateral).

The 64-page report covers tariff barriers, non-tariff barriers, investment related measures, intellectual property rights, and services. In each of these areas various significant problems remain. The report is available on the Internet both as part of the Commission's Market Access Database (<http://mkaccdb.eu.int>) and at (<http://europa.eu.int/comm/dg01/eu-us.htm>).

## EU wins WTO export subsidies case

*On September 17, a World Trade Organization (WTO) dispute panel found that US export subsidies granted through "Foreign Sales Corporations" (FSCs), covering around \$250 billion worth of US exports, are in violation of WTO rules.*

For years, US companies have taken advantage of income tax relief by establishing FSCs in tax haven countries, like the Virgin Islands and Barbados. The EU has consistently maintained that the FSC scheme violates the WTO Agreement on Subsidies and Countervailing Measures, which forbids tax codes that favor exports compared with similar products

sold for domestic use. With the WTO's confirmation that FSCs are indeed an illegal export subsidy, exclusively reducing the tax liability of US firms exporting US goods, the US will have to bring this long-standing program – and its \$2.5 billion in annual subsidies to US companies – to an end.

Under the panel's ruling, and unless an eventual appeal succeeded, the US must abolish this sys-

tem before October 1, 2000. Failing to do so, the EU would have the right to seek compensation or impose sanctions, as the US has done in the banana and beef disputes with the EU.

## New Name - and new Website for the Commission's US Unit

As part of the restructuration currently being implemented by the Commission, the US Unit belongs from the 1st October 1999 to the External Relations Directorate, and has thus become Unit C.1 of the ER DG. Its website is current-

ly in the process of being adapted to these changes. At the moment of closing our edition, our web-pages can already be reached through the new External Relations webpage at <http://europa.eu.int/comm/exter>-

nal\_relations/index.htm. (to avoid confusion, our old address will still be functional during the transition period).

# The Transatlantic Gastronomic Partnership

The subject of food safety is increasingly attracting the attention of European and US citizens, and very rightly so. Politicians, legislators and administrators across the Atlantic are aware of this concern, and they work hard to address it. President Prodi has engaged the Commission to present a comprehensive paper on food safety before the end of the year, setting out a clear timetable for action and the various options on a possible food safety agency. All this is good and right. But what about the gastronomic side of the question? This is not to be taken lightly, either. Everybody knows that a good relationship is often based on common tastes; so why not begin now to exchange culinary know-how and food, and not only ideas? Indeed, this may open an unexpected and promising new area for EU-US Cooperation.

Thus, for example, Europeans could try to remind American citizens that some culinary nuances exist beyond salty chicken wings and sweet apple pie. Also, industrial ice cream should not be con-

sidered the ultimate delicacy among desserts. Eyebrows should not raise whenever cooking time exceeds three minutes. And let us be human, who could possibly deny hamburger-eating youngsters and frozen pizza-addicts a second opportunity? We have a certain responsibility, too. Actually, any help we can provide would only be fair retribution: all this food comes from Europe, I am afraid.

The US could also help us greatly to improve our cuisine, maybe not by sending any food aid - that would probably be counter-productive - but by maintaining their refreshing and de-dramatising approach to food. For example, Americans should keep on making endless fun of our nouvelle cuisine and its minimalist amounts of food served in enormous dishes. Their irreverent approach to table arrangement and rituals should also be preserved and promoted; with US help, we should one day be able to limit to a reasonable figure the number of forks, spoons and knives displayed at any meal. The

Americans could also help us to enjoy the wines we like without always having to pretend to be connaisseurs. The ultimate objective would be to abolish for ever our cherished but complex eating rituals (eventually, this would have the effect of allowing us to actually eat a non-negligible part of the food served at a meal).

Let us thus go ahead with our new co-operation in culinary matters. And why not making our first objective the prohibition of drinking milk with one's meal? After all, as Hindu civilisations know well, cows deserve a certain respect. Milk should not be wasted in a surrealistic combination with pork, chicken, or even beefsteak. In exchange, we can give up our unique Brussels mitraillette<sup>1</sup>, maybe together with the infamous butter-oil and all the moules of the North sea.

So, forget about Dialogues, working groups and Summits: what we really need is a Transatlantic Gastronomic Partnership.

<sup>1</sup> A mitraillette is basically a potato sandwich, very popular in Brussels (true)

## EU-US News Volume I, number 3

Your comments, questions and other input are most welcome. To let us know what you think of EU-US News, or to ask us to add someone to our mailing list, please contact us, preferably by e-mail.

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