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## U.S.-European Relations in the 117<sup>th</sup> Congress

### A Relationship in Flux?

Since the end of the Second World War, successive U.S. Administrations and many Members of Congress have supported a close U.S. partnership with Europe. Often termed the *transatlantic relationship*, the U.S.-European partnership encompasses the NATO alliance, relations with the European Union (EU), and extensive bilateral political and economic ties. Despite periodic tensions over the past 70 years, U.S. and European policymakers have valued the transatlantic partnership as serving their respective geostrategic and economic interests.

The former Trump Administration questioned the tenets of the post-World War II transatlantic security and economic architecture to an unprecedented extent. President Trump's criticisms of NATO, the EU, and key European countries prompted significant concerns in Europe. Trump Administration officials contended the United States remained committed to NATO and close U.S.-European ties, but policy divergences existed on a range of regional and global issues. Managing the spread of Coronavirus Disease 2019 (COVID-19) further strained U.S.-European relations. Many European leaders hope to work with the new Biden Administration to renew and strengthen the transatlantic partnership. The 117<sup>th</sup> Congress may evaluate current U.S. interests in Europe and prospects for future U.S.-European relations and cooperation.

### Transatlantic Relations and U.S. Interests

U.S. policymakers have long regarded both NATO and the EU as crucial to maintaining peace and stability in Europe and stymieing big-power competition that cost over 500,000 American lives in two world wars. The United States spearheaded NATO's creation in 1949 and encouraged the European integration project from its inception in the 1950s. During the Cold War, NATO and the European project were considered essential to deterring the Soviet threat. With strong U.S. support, NATO and the EU have enlarged since the 1990s, extending security and prosperity across the European continent.

The U.S. and European economies are deeply intertwined. In 2019, the EU accounted for about one-fifth of total U.S. trade in goods and services. The United States and the EU are each other's largest source and destination for foreign direct investment. According to data from the U.S. Bureau of Economic Analysis, the transatlantic economy—including the EU and non-EU countries such as the United Kingdom (UK), Norway, and Switzerland—typically generates over \$5 trillion per year in foreign affiliate sales and directly employs roughly 9 million workers on both sides of the Atlantic. (See also CRS In Focus IF10930, *U.S.-EU Trade and Investment Ties: Magnitude and Scope*, by Shayerah Ilias Akhtar.)

U.S. leadership of NATO and cooperation with the EU has helped to foster democratic and prosperous European allies that, in turn, have bolstered U.S. foreign and security policies, the multilateral trading system, and the credibility of U.S. global leadership. The United States and Europe have worked together on many common challenges—from promoting stability in the Balkans and Afghanistan to addressing Russian aggression in Ukraine to countering terrorism and other transnational threats. U.S.-EU cooperation has been a driving force in liberalizing world trade. Experts point out that the well-honed habits of U.S.-European political, military, and intelligence cooperation are unique and cannot be easily replicated with other international actors. U.S. engagement in Europe also helps limit Russian, Chinese, or other possible malign influences.

At times, U.S. officials and analysts have expressed frustration with certain aspects of the transatlantic relationship. Previous U.S. Administrations and many Members of Congress have criticized what they view as insufficient European burden sharing in NATO, and some have questioned the costs of the U.S. military presence in Europe. U.S. policymakers have long complained about EU regulatory barriers to trade and that the EU lacks a single voice on many foreign policy issues. Some U.S. analysts have argued that a close partnership with Europe at times requires compromise and may slow certain U.S. decisions.

### Europe and the Trump Administration

The Trump Administration's 2017 *National Security Strategy* stated that "the United States is safer when Europe is prosperous and stable, and can help defend our shared interests and ideals." The Administration asserted support for NATO and its Article 5 mutual defense commitment but argued that NATO would be stronger when all members "pay their fair share." Critics contend, however, that President Trump's perceived transactional view of NATO and his almost singular focus on European defense spending was damaging to alliance cohesion. The Trump Administration's seeming hostility toward the EU also surprised the bloc. President Trump voiced support for the UK's decision to leave the EU ("Brexit") and contended that the EU engages in unfair trade practices detrimental to U.S. economic interests. EU officials were concerned by what they viewed as protectionist U.S. trade policies, including the use of tariffs.

U.S.-European divisions emerged on many other issues as well, from aspects of relations with Russia and China to Syria, the Middle East peace process, and arms control. European leaders and the EU opposed the Trump Administration's decisions to withdraw from the Paris Agreement on climate change, the 2015 multilateral nuclear deal with Iran, and the World Health Organization amid the

COVID-19 pandemic. Repeated perceived breakdowns in coordination and consultation with the Trump Administration also troubled European officials. Key examples included President Trump's decision in October 2019 to withdraw U.S. forces fighting the Islamic State terrorist group in Syria and the July 2020 announcement that the Administration planned to draw down U.S. military forces in Germany.

Supporters maintain that President Trump's approach resulted in greater European efforts to spend more on defense and to address inequities in U.S.-EU economic relations. Some downplay concerns about the transatlantic partnership's demise. Among other examples, they note that the Trump Administration endorsed new NATO initiatives to deter Russia, increased the U.S. military footprint in Europe, and attempted to de-escalate trade tensions with the EU. They also point to Administration efforts to foster dialogue with the EU on some areas of common interest, including with respect to COVID-19 and China.

### The Biden Administration and Future Prospects

With the Biden Administration's entrance into office, many European leaders hope to improve and bolster relations with the United States. NATO officials have welcomed President Biden's commitment to the alliance as a cornerstone of transatlantic security. EU officials have proposed a New EU-US Agenda for Global Change centered on promoting U.S.-EU cooperation in four key areas: responding to the COVID-19 pandemic; addressing climate change and other environmental challenges; strengthening democracy and security; and working together on trade, technology, and digital governance.

Many Biden Administration policies are expected to align more closely with European positions. The new Administration's stated commitment to work with international partners in multilateral institutions and on key challenges such as China could help ease tensions and rebuild trust with European governments and the EU. At the same time, certain U.S.-European differences likely will persist with respect to NATO defense spending, trade, digital technology, data privacy, and how best to address the strategic and economic concerns posed by China.

Some European policymakers and analysts continue to question whether the United States will remain a credible global leader and reliable partner in the long term and argue that Europe must be better prepared to address future challenges on its own. The EU has put new emphasis on enhancing defense cooperation and concluding trade agreements with other countries and regions, including Canada, Japan, and Latin America. These and other efforts to position the EU as a key international player (especially in areas such as data protection and climate change) are likely to remain EU imperatives for the foreseeable future. (See also CRS Report R45745, *Transatlantic Relations: U.S. Interests and Key Issues*.)

### Issues for Congress

Many Members of Congress appear to favor a strong transatlantic partnership, despite some concerns about European positions on certain foreign policy or trade issues.

Potential issues for deliberation in the 117<sup>th</sup> Congress include the following:

- **NATO.** The 116<sup>th</sup> Congress passed legislation reaffirming U.S. support for NATO and held hearings on the alliance's future. The 117<sup>th</sup> Congress may assess ongoing allied efforts to increase defense spending; whether the United States should take a more comprehensive view of burden sharing; plans for the U.S. force posture in Europe; NATO efforts to deter Russia; and NATO's progress in addressing terrorism, cyberattacks, and hybrid threats.
- **U.S.-EU Agenda.** As noted, the EU has expressed interest in enhancing cooperation with the United States, including on COVID-19 and climate change, and Congress may be interested in exploring prospects for future U.S.-EU collaboration. The EU also is contending with an economic downturn due to the pandemic, democratic backsliding in some EU countries, pressures due to migration, and terrorism. Congress may consider whether and how such issues could affect the EU and the U.S.-EU partnership.
- **U.S.-EU Economic Relations.** Congress may review progress on a U.S.-EU trade liberalization agreement. In 2018, the Trump Administration notified Congress of the negotiations under Trade Promotion Authority. U.S.-EU talks stalled amid discord on their scope, especially with respect to agriculture. The 117<sup>th</sup> Congress also may be interested in evaluating an EU proposal to establish a new U.S.-EU Trade and Technology Council intended to promote greater cooperation in these areas.
- **Brexit.** The UK exited the EU in January 2020 and ended its participation in the EU's single market and customs union at the conclusion of a transition period in December 2020. Congress may review Brexit's implications for U.S.-UK and U.S.-EU relations, for NATO, and for the Northern Ireland peace process. Some in Congress support a future U.S.-UK free trade agreement; U.S.-UK negotiations began in May 2020.
- **Russia.** Congress has consistently condemned Russian aggression, including in Ukraine, and Russian influence operations in Europe and the United States. The 116<sup>th</sup> Congress enacted sanctions aimed at curbing Russian energy export pipelines to Europe and considered sanctions to address Russian election interference and other activities. Russian cyber capabilities, European vulnerabilities to conventional and hybrid threats, and human rights violations in Russia also may be of interest in the 117<sup>th</sup> Congress.
- **China.** Many Members of Congress have expressed concern about China's growing strategic interest and financial investments in Europe, especially with respect to fifth generation (5G) network security and other critical infrastructure. Congress may examine how Chinese activities in Europe could affect transatlantic relations and possibilities for enhanced U.S.-European policy coordination toward China.

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