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U.S.-European Relations in the 117th 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, as well as numerous U.S.-European policy divisions, severely strained relations. European officials have welcomed efforts by the Biden Administration to decrease tensions and renew the transatlantic partnership, although various challenges persist. The 117th 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 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*.)

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. (See also CRS Report R45745, *Transatlantic Relations: U.S. Interests and Key Issues*.)

Europe and the Trump Administration

During the Trump Administration, U.S.-European relations faced significant challenges. The Administration asserted support for NATO and its Article 5 mutual defense commitment, but critics argued that President Trump’s perceived transactional view of NATO and his strident calls for more European defense spending were damaging alliance cohesion. The 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 engaged in unfair trade practices. EU officials were concerned by what they viewed as protectionist U.S. trade policies, including the use of tariffs, and the Administration’s overall skepticism toward multilateralism and international institutions.

U.S.-European divisions emerged on a wide array of issues, from aspects of relations with Russia and China to policies toward Iran, Syria, Afghanistan, the Israeli-Palestinian conflict, arms control, climate change, and managing the Coronavirus Disease 2019 (COVID-19) pandemic. Repeated perceived breakdowns in coordination and consultation with the Trump Administration also troubled European officials, especially in relation to U.S. military actions in Syria and Afghanistan and a plan to draw down U.S. forces in Germany.

Some Trump Administration officials sought to downplay concerns about the transatlantic partnership’s demise. They noted the Administration’s support for NATO initiatives to

deter Russia, efforts to de-escalate U.S.-EU trade tensions, and launch of a U.S.-EU dialogue on China in 2020. Advocates of President Trump's approach toward Europe contend that it resulted in greater European efforts to spend more on defense and to address U.S.-EU trade inequities.

The Biden Administration and Future Prospects

The Biden Administration has prioritized bolstering relations with Europe and rebuilding trust. President Biden has reiterated strong U.S. support for NATO and Article 5, halted plans to reduce U.S. forces in Germany, and pledged to work with the EU and European governments on common global concerns. President Biden's first trip abroad as President is scheduled for Europe in mid-June 2021.

Biden Administration efforts to strengthen the transatlantic partnership include enhancing consultation and coordination. The Administration coordinated imposing human rights-related sanctions on Russian officials with the EU and on Chinese officials with both the EU and UK, consulted closely with NATO allies on the planned withdrawal of U.S. forces from Afghanistan, and restarted the U.S.-EU dialogue on China. European officials have welcomed the renewed U.S. commitment to multilateral cooperation—signaled, for example, by President Biden's decisions to reverse Trump Administration policies and rejoin the World Health Organization and the Paris Agreement on climate change—and U.S. engagement on ways to revive the 2015 nuclear deal with Iran. The Biden Administration and the EU also are working to resolve a long-standing dispute over aircraft subsidies and are taking steps to address tensions over steel and aluminum tariffs.

Despite the improved overall tenor of U.S.-European relations, several issues continue to pose challenges. The Biden Administration is likely to maintain pressure on NATO allies to meet their agreed defense spending goals. Like the Trump Administration, the Biden Administration opposes the Nord Stream 2 gas pipeline project (from Russia to Germany). Some experts question the extent of U.S.-European policy alignment on China. Although EU views toward China may be hardening due to human rights concerns and other issues, many in Europe are wary about a possible new U.S.-China "Cold War" and are mindful of Europe's significant economic ties to China. The EU has reacted coolly to President Biden's support for waiving intellectual property rights on COVID-19 vaccines and other Biden Administration trade and economic initiatives. Long-standing U.S.-EU differences on data privacy and digital technology issues also persist.

Some European policymakers and analysts are skeptical about 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.

Issues for Congress

Potential issues for deliberation in the 117th Congress include the following:

- NATO.** The 116th Congress passed legislation reaffirming U.S. support for NATO. The 117th Congress may assess ongoing allied efforts to increase defense spending; whether the United States should take a more comprehensive view of burden sharing; 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.** In December 2020, EU officials proposed a *New EU-US Agenda for Global Change* centered on 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. Congress may be interested in exploring prospects for future U.S.-EU collaboration. Congress also may consider how various challenges facing the EU—including economic recovery from the pandemic and democratic backsliding in some EU members—could affect the U.S.-EU partnership.
- U.S.-EU Economic Relations.** In 2018, the Trump Administration notified Congress of negotiations on a U.S.-EU trade liberalization agreement under Trade Promotion Authority, but talks stalled amid discord on the scope, especially with respect to agriculture. The 117th Congress may be interested in examining U.S.-EU efforts to resolve trade tensions and an EU proposal for 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 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, but it is unclear whether the Biden Administration will continue with these talks.
- Russia.** Congress has consistently condemned Russian aggression, including in Ukraine, and Russian influence operations in Europe and the United States. The 116th Congress enacted sanctions aimed at curbing Russian energy export pipelines to Europe. Russian cyber capabilities, European vulnerabilities to conventional and hybrid threats, and U.S. and European efforts to address human rights violations in Russia also may be of interest in the 117th 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, the extent to which European views on China may be shifting due to human rights concerns and other tensions in EU-China relations, and possibilities for U.S.-European policy coordination toward China.

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Kristin Archick, Specialist in European Affairs

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