



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 18 January 2012

**5955/07
EXT 1**

**USA 9
PESC 126
RELEX 73
ECOFIN 51
ENER 52
TRANS 28
JAI 54
ENV 68
POLGEN 20**

PARTIAL DECLASSIFICATION

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Subject: EU-US Summit
– State of preparations

Delegations will find attached the partially declassified version of the above-mentioned document.



ANNEX

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THE EUROPEAN UNION**

**Brussels, 5 February 2007 (05.02)
(OR. en)**

**5955/07
EXT 1 (18.01.2012)**

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NOTE

From : Presidency
To : COREPER

Subject : EU-US Summit
– State of preparations

Delegations will find attached a paper from the Presidency, drawn up in cooperation with the General Secretariat of the Council and the Commission, in preparation of the upcoming EU-US Summit.

PAPER FROM THE PRESIDENCY

PREPARATION OF SUMMIT WITH THE US

(WASHINGTON 30 APRIL 2007)

INTRODUCTION

The EU-US relationship is broadly in good shape. Effective implementation of decisions taken at previous summits has been sustained and is producing results. However the depth and scope of the relationship as a whole means that further efforts in specific areas will always be required. The US reply to the political impulse provided early January by Chancellor Merkel and President Barroso confirms a clear readiness on both sides to go beyond the bilateral agenda and address global issues of common concern, **NOT DECLASSIFIED** In particular, it is proposed to give a new impetus to the efforts to create a free transatlantic market, with a view to making more substantial progress.

KEY OBJECTIVES

We should be looking to use the summit in April to provide significant new momentum to the bilateral economic relationship, building on the positive results achieved so far. For more than a decade, a variety of EU-US-initiatives have been undertaken with a view to making progress in strengthening regulatory cooperation and promoting a better understanding of each other's approach to regulation, mutual recognition or even convergence. However, despite encouraging progress in some areas, there remains considerable potential for improvement across the board. **NOT DECLASSIFIED** The proposal is to establish a “**New Transatlantic Economic Partnership**” founded upon previous successful initiatives and structures, which could be launched at the **EU-US-Summit** on April 30th. This will continue to be important in its own right regardless of developments in the meantime in the Doha round.

The summit should also introduce more wide-ranging debates on global issues in order to pursue our interests with the US. That means in particular giving more substance to the strategic energy dialogue and continuing to press home the high priority which the EU attaches to agreement on practical steps for tackling climate change (whilst recognising that there are bilateral aspects to both these issues which will also need to be addressed). Combining the strategic energy dialogue and the High-Level Dialogue on Climate Change, Clean Energy and Sustainable Development e.g. by means of back-to-back meetings, could promote debates covering both energy and climate change issues. Our position on these items will be worked up in the light of the decisions expected at the Spring European Council.

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AGENDA

The US side, as hosts, will produce a first draft of the agenda. We should try to ensure that the following issues are adequately reflected:

I Global issues

- Doha
- Energy/Climate change
- **NOT DECLASSIFIED**

Discussion on the Doha Round will depend very much on developments in the meantime, but the summit might be an opportunity to consolidate any progress achieved and to identify where further efforts are necessary.

On energy and climate change, the summit will be the first opportunity after the Spring European Council to set out the Union's strategic objectives, including the reduction internationally of greenhouse gas emissions, effective carbon markets and a climate regime post-2012, and to seek US support. It could give a positive signal to the G8 summit in Heiligendamm. It could task the High-Level Dialogue on Climate Change, Clean Energy and Sustainable Development to continue the work started in Helsinki, and would be a good opportunity to identify concrete deliverables on energy efficiency, renewables and energy research. Steps should now be taken to ensure timely preparation of the climate and energy issues at the appropriate levels ahead of the Summit.

On the fight against terrorism, we should ensure that language on the dialogue on humanitarian law reflects the progress achieved, building on the Vienna summit declaration.

II Regional Issues

- Kosovo
- Afghanistan
- Iran
- MEPP
- Africa (Sudan, Somalia)

It is probably too early to be very detailed on this part of the agenda. **NOT DECLASSIFIED**

NOT DECLASSIFIED

III Economic and Bilateral Issues

- A New Transatlantic Economic Partnership
- Crisis Management
- US Visa Waiver Programme

The summit should be the occasion to launch a “New Transatlantic Economic Partnership”, with the aim of enhancing political commitment on both sides to intensify regulatory cooperation and reduce non-tariff trade barriers. It would be useful to consider a more binding EU-US agreement to achieve these goals. Consideration will need to be given as to the best method for taking this work forward, as well as how to improve the involvement of legislatures on both sides of the Atlantic. More efficient EU-US dialogue structures could give fresh political impetus to the 2005 EU-US work programme. **NOT DECLASSIFIED**

- i) Reinforcing Regulatory Cooperation
- ii) Concluding a balanced first stage EU-US air transport agreement
- iii) Energy and Climate Change cooperation projects
- iv) Enforcement of Intellectual Property Rights
- v) Investment
- vi) Financial Markets
- vii) Innovation policy for emerging technologies

The New Transatlantic Economic Partnership in no way affects our commitment to bring the Doha Round to a broad success.

NOT DECLASSIFIED

The summit also offers the opportunity to continue to press the US to extend its Visa Waiver Programme to all 27 Member States, notably based on recent developments, such as the initiative announced by President Bush in November 2006 in Tallinn on the reform of the Visa Waiver Programme

The summit will probably take place against the background of continuing negotiations on an EU-US PNR agreement, which are supposed to be concluded by 31 July when the existing short term agreement expires.

PREPARATION

COREPER is invited to discuss the preparations of the US summit. To facilitate this debate, delegations will find attached three short papers on the following issues:

- A New Transatlantic Economic Partnership
- Energy and Climate Change
- Transport

The results of the COREPER discussion will provide input to the preparations of the summit agenda and the negotiations on the joint statement(s). Whilst overall responsibility for the summit preparations at the working level remains with COTRA, it may be necessary to assess in more detail how to take forward the proposed economic agenda. Decisions will be required not only on the future content, but also on the joint mechanisms by which to take this forward.

A coordinated approach to press lines could, as in the past, be useful.

A NEW TRANSATLANTIC ECONOMIC PARTNERSHIP

The EU and US economies are closely intertwined. Despite the continuous integration of newly emerging economies, the United States and Europe remain by far each other's most important economic partners. EU-US trade amounts to more than 600 billion Euro annually, which is about 40 per cent of global trade. EU-US bilateral investment is more than 1.5 trillion Euro. This reflects historical ties as well as a wide range of common fundamental values, such as the principles of free enterprise, as well as of competition and of free trade. These principles guarantee an optimal allocation of resources and dynamic innovation processes. At the same time, both sides recognize the need to protect, for example the environment, employees and consumers. The fact that the US and Europe account for just under 60 per cent of global net output highlights the success of our market-oriented approach.

However, notwithstanding the openness of the transatlantic economies and their high level of integration, important barriers to trade and investment remain. Whilst transatlantic tariffs are low, non-tariff barriers continue to represent a significant impediment to greater economic partnership. Inter alia they relate to differences in the rules which both the US and Europe impose on the economic activities of companies in their respective regions. **NOT DECLASSIFIED**

A joint approach would help to guarantee our common underlying values in a globalized world.

With the pressure of competition from emerging economies increasing, retaining the competitive edge relies on preserving our technological leadership through an innovation-friendly environment. In this context, a more coordinated approach to the protection of intellectual property rights (also regarding third countries) and enhanced technological and regulatory cooperation in the field of energy and environmental technologies are crucial given that US and Europe are the world's two largest and most developed energy markets. In sum, the potential benefits of closer integration are valued at more than 3 per cent of GDP and would also favour third countries through indirect growth effects and easier market access.

For more than a decade, a variety of EU-US-Initiatives have been undertaken with a view to making progress in strengthening regulatory convergence. However, despite encouraging progress in some areas, there remains considerable potential for improvement across the board. This would seem to be largely due to an apparent lack of political commitment, providing adequate incentives for either side to focus on reducing barriers to closer integration.

The German EU Presidency is therefore seeking to give a new impulse to the efforts to create a free transatlantic market, with a view to making more substantial progress. The proposal is to establish a “**New Transatlantic Economic Partnership**” founded upon previous successful initiatives and structures, which could be launched at the **EU-US-Summit** on April 30th. The aim is for governments and legislatures on both sides of the Atlantic to make a binding commitment to improving co-operation and to providing the resources needed for this.

The EU-US declaration on the “New Transatlantic Economic Partnership”, which would in no way interfere with the multilateral approach to trade policy, could include the following elements:

- **NOT DECLASSIFIED**

- **NOT DECLASSIFIED**

- Reinforcement and expansion of the work programme entitled “**EU and US Initiative to Enhance Transatlantic Economic Integration and Growth**”, which was established at the EU-US Summit in 2005 and which provides the basis for the existing dialogue on strengthening transatlantic cooperation across the whole range of issues, such as regulatory convergence, facilitation of investment and public procurement. In particular, the existing High-Level Regulatory Forum should be more result-oriented and its membership enhanced.

- Increase efficiency of **sectoral EU-US dialogue structures**, which include relevant industrial and regulatory stakeholders, by linking their findings with the top political levels of both executive and legislature in an appropriate manner.

- **Lighthouse projects**” should be identified to illustrate the potential of EU-US economic cooperation. These might be chosen from the following areas:
 - Regulatory Cooperation on industrial products (ensuring convergence and equivalence recognition in certain sectors such as in the automotive, electrical and chemical industries);
 - Air transport (completion of a balanced EU-US Air Transport Agreement);
 - Energy and Environment (biofuels, energy efficiency standards, low-emission power generation, joint initiative on research on energy and climate technologies);
 - Enforcement of Intellectual Property Rights;
 - Investment (finding a practical, result-based mechanism to address barriers to investment on both sides);

- Financial Markets;
 - Innovation policy for emerging industrial technologies, such as nano and biotechnologies.
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ENERGY AND CLIMATE CHANGE

ENERGY

The Summit provides an excellent opportunity for an exchange of views, reiteration of mutual commitments and possibly, an agreement on common approaches.

As regards possible *deliverables*, the following questions need to be addressed:

Energy efficiency/renewables: **NOT DECLASSIFIED** EU-US scientific and technological co-operation is governed through a framework agreement with little direct impact, as the US legal system requires the conclusion of operational agreements with each single US authority. It is no surprise therefore that the list for possible areas of enhanced RTD co-operation is heavily slanted towards energy.

NOT DECLASSIFIED

Key energy messages/commitments: **NOT DECLASSIFIED**

Multilateral Fuel Assurance Initiatives: **NOT DECLASSIFIED**

CLIMATE CHANGE

Although the EU-US High Level Dialogue on Climate Change, Clean Energy and Sustainable development (HLD) covers a variety of environmental issues, it would seem realistic and useful to confine the discussion at the EU-US summit in April to climate change and the climate/energy link. The first HLD-meeting took place on 24-25 October 2006 in Helsinki; and the next HLD meeting is to be hosted by the US in 2007. With EU/US Summit taking place at the end of April, it would seem appropriate for the second HLD to take place in the second half of the year with a view to building on the results of the Summit.

To pave the way for integrating the US in a global post-2012 climate regime, the EU has to continue to show leadership by:

- showing that the *EU Emissions Trading Scheme* works and trying to link it to other systems- this would also send a positive signal to the business sector on the longer-term continuation of the scheme
- remaining credible in implementing the Kyoto target
- on the post-2012, taking on a unilateral target based on EU measures (energy efficiency/renewable energy/biofuels/carbon capture and storage). Taking on a strengthened target if other countries also commit to substantial actions to fight climate change. Through its transitional unilateral action, demonstrate that the fight against climate change does not constrain growth
- pursuing efforts to *engage main developing countries* (NOT DECLASSIFIED)
- Also *important to continue to work with the US on issues which are of interest to them*, such as: carbon capture and storage, biofuels, fuel cells/hydrogen, energy efficiency, renewable energies and storage technologies; market-based instruments to encourage technological innovation; clean technology for developing countries.

NOT DECLASSIFIED

Recent developments in the EU:

- The large package of measures adopted by the European Commission for *a new strategy on climate change and energy* this January is currently under discussion. The package includes inter alia: improving energy efficiency, increasing the share of renewable energy, adopting an environmentally safe carbon capture and storage policy as well as strengthening the EU Emissions Trading Scheme (ETS) and other climate change policies. These actions will enable the EU to cut its greenhouse gas emissions by at least 20% by 2020. (NOT DECLASSIFIED)
- A proposal on the *inclusion of aviation in the EU ETS* is currently being discussed in Council (a policy debate is foreseen at the ENV Council on 20/2). (NOT DECLASSIFIED)

Recent developments in the US:

NOT DECLASSIFIED

NOT DECLASSIFIED

TRANSPORT

The Summit could provide, an opportunity to reaffirm the political will and the economic importance of concluding an Agreement rapidly.

Negotiations for an Air Transport Agreement: **NOT DECLASSIFIED** The first round of negotiations took place in Brussels on 10-11 January 2007, with both parties reaffirming their interest in concluding an agreement as soon as possible. **NOT DECLASSIFIED**

A second round of negotiations will take place in Washington on 5 February, and Minister Tiefensee and Commissioner Barrot are also expected in Washington in the course of February.

NOT DECLASSIFIED

Most probably negotiations on this agreement will not be concluded by the April Summit, **NOT DECLASSIFIED**
