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U.S.-European Relations in the 117th Congress

An Evolving Relationship

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-plus years, U.S. and European policymakers have valued the transatlantic partnership as serving their respective geostrategic and economic interests.

The post-World War II transatlantic security and economic architecture came under considerable pressure during the Trump Administration. The unprecedented nature of 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 Biden Administration efforts to decrease tensions and renew the transatlantic partnership, although various differences persist. The second session of the 117th Congress may evaluate current U.S. interests in Europe and prospects for future U.S.-European 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. According to U.S. Bureau of Economic Analysis data, the transatlantic economy—including the EU and non-EU countries such as the United Kingdom (UK), Norway, and Switzerland—typically generates around \$6 trillion per year in foreign affiliate sales and directly employs roughly 10 million workers on both sides of the Atlantic. The United States and the EU are each other's largest overall trade and investment partners. (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 and the multilateral trading system. 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. 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, some in the United States have expressed frustration with 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-standing concerns 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 partnering with Europe 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 damaged alliance cohesion. President Trump voiced support for the UK's decision to leave the EU ("Brexit"), contended that the EU engaged in unfair trade practices, and imposed tariffs on steel and aluminum imports from the EU. European officials complained about a perceived lack of consultations with the Trump Administration, especially with regard to U.S. military actions in Syria and Afghanistan and a plan to draw down U.S. forces in Germany. Other U.S.-European policy divisions existed on Russia, China, Iran, the Israeli-Palestinian conflict, arms control, climate change, and managing the Coronavirus Disease 2019 (COVID-19) pandemic. Advocates of President Trump's approach maintain that it led to greater European efforts to spend more on defense and address trade inequities and note that policy differences are a constant feature of transatlantic relations and are not unique to the Trump Administration.

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. Biden's first trip abroad as President was to Europe in June 2021 and included NATO and EU summit meetings.

The Biden Administration views cooperation with European democracies as key to countering challenges

posed by China, Russia, and other authoritarian systems of government. The United States, NATO, and the EU have offered strong backing for Ukraine amid concerns about Russia's buildup of military forces near Ukraine's borders since late 2021, and the United States and its NATO allies have firmly rejected Russian demands for changes to Europe's security architecture. Moreover, U.S. officials have pledged not to negotiate with Russia on European security matters "without Europe." The Administration has coordinated human rights-related sanctions on Russian and Chinese officials with the EU and the UK, and it restarted a U.S.-EU dialogue on China begun during the Trump Administration. European officials also have welcomed the renewed U.S. commitment to multilateralism, exemplified by President Biden's decisions to reverse Trump Administration policies and rejoin the World Health Organization and the Paris Agreement on climate change.

Resolving U.S.-EU trade disputes has been another key area of focus for the Biden Administration. At their June 2021 summit, the United States and the EU announced a deal to address a long-standing dispute over civil aircraft subsidies, including suspending retaliatory tariffs for five years. In October 2021, the United States agreed to replace tariffs on steel and aluminum imports from the EU with a tariff-rate quota system for these items and the EU agreed to end retaliatory tariffs on whiskey, motorcycles, and other imports from the United States. (See also CRS In Focus IF10931, *U.S.-EU Trade and Economic Relations*.)

Despite the improved overall tenor of U.S.-European relations, challenges persist. Many European policymakers criticized the U.S. withdrawal from Afghanistan in August 2021 and were dismayed by the takeover of the country by the Taliban. In September 2021, the EU appeared surprised and angered by a new Australia-UK-U.S. security pact (known as AUKUS) for the Indo-Pacific region. For some European leaders, both Afghanistan and AUKUS revealed weaknesses in European military capabilities and prompted charges that the Biden Administration was not sufficiently consulting its allies and partners. AUKUS also renewed European concerns about a U.S. pivot toward Asia. Although European views toward China appear to be hardening due to the country's military assertiveness and human rights abuses, many in Europe are wary about a possible U.S.-China "Cold War" and are mindful of Europe's significant economic ties to China. U.S.-EU tensions also exist on the Nord Stream 2 gas pipeline (from Russia to Germany), approaches to potentially modifying intellectual property rights obligations for COVID-19 vaccines, data privacy and cross-border data flows, and digital technology policies, among other issues.

Some Europeans are skeptical about whether the United States will be 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 areas for deliberation in the 117th Congress include the following:

- **NATO.** The 2021 NATO summit addressed a range of topics, including NATO efforts to deter Russia; concerns about China; and NATO's progress in addressing terrorism, cyberattacks, and hybrid threats. Congress may examine these issues and future U.S. goals for NATO as the alliance develops its next strategic concept ahead of the 2022 summit. Congress also may review the U.S. force posture in Europe and ongoing allied efforts to increase defense spending.
- **U.S.-EU Agenda.** At their 2021 summit, the United States and the EU committed to work together on four key areas: ending the COVID-19 pandemic; addressing climate change; strengthening trade, investment, and technological cooperation; and supporting democracy and global security. Congress may consider prospects for U.S.-EU collaboration and how various issues facing the EU—including economic recovery from the pandemic, democratic backsliding in some EU members, and EU ambitions to bolster its defense capabilities—could affect the U.S.-EU partnership.
- **U.S.-EU Economic Relations.** Congress may be interested in examining U.S.-EU efforts to resolve trade irritants and in two new initiatives launched at the 2021 U.S.-EU Summit—a Trade and Technology Council (to promote greater cooperation in areas such as standards for new and emerging technologies, digital governance, supply chain security, and global trade challenges) and a Joint Technology Competition Policy Dialogue.
- **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; the Biden Administration has not resumed talks begun by the Trump Administration.
- **Russia.** Congress has consistently condemned Russian aggression, including in Ukraine, and Russian influence operations in Europe and the United States. Congress has enacted sanctions aimed at curbing Russian energy export pipelines to Europe. Transatlantic efforts to address Russia's actions toward Ukraine (including potential new sanctions on Russia and greater assistance to Ukraine), cyber capabilities, and human rights abuses may be key areas of congressional interest.
- **China.** Many Members of Congress have expressed concern about China's growing strategic interest and financial investments in Europe, especially with respect to critical infrastructure projects. 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 strategic concerns or human rights issues, and possibilities for U.S.-European policy coordination toward China.

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