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U.S.-European Relations in the 116th 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 NATO, the European Union (EU), and extensive bilateral political and economic ties. Over the past 70 years, political tensions, trade disputes, and changes in the security landscape have tested U.S.-European relations. Despite periodic difficulties, U.S. and European policymakers have valued the transatlantic partnership as serving their respective geostrategic and economic interests.

President Trump and some in his Administration have questioned the fundamental 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 some key European countries have prompted concerns about the trajectory of transatlantic relations. The Administration contends that it is committed to NATO and supports close U.S.-European ties, but some Europeans question whether the United States will remain a reliable, credible partner. Policy divergences on a wide range of regional and global issues also pose challenges to U.S.-European relations. The 116th Congress may wish to consider the implications of Trump Administration policies for U.S. interests in Europe and U.S.-European cooperation.

Transatlantic Relations and U.S. Interests

U.S. policymakers long have 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 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. The EU accounts for about one-fifth of total U.S. trade in goods and services, and 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 U.S.-European economy generates \$5 trillion a year in foreign affiliate sales and directly employs about 9 million workers on both sides of the Atlantic. (Also see 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 work 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.

The Trump Administration and Current Tensions

The Trump Administration's 2017 *National Security Strategy* states that "the United States is safer when Europe is prosperous and stable, and can help defend our shared interests and ideals." The Administration contends that its policies toward Europe seek to shore up and preserve a strong transatlantic partnership to better address common challenges in an increasingly competitive world.

The Administration asserts that the United States firmly supports NATO and its Article 5 mutual defense commitment. Although the Administration contends that NATO will be stronger when all members "pay their fair share," concerns about President Trump's perceived transactional view of NATO have arisen on both sides of the Atlantic. President Trump's almost singular focus on European defense spending as the measure of NATO's worth is seen by many as damaging alliance cohesion. Some believe that President Trump could seek to withdraw the United States from NATO.

Given long-standing U.S. support for the EU, the Administration's seeming hostility has surprised the bloc. President Trump has voiced support for the United Kingdom's (UK's) decision to leave the EU ("Brexit"). He also contends that the EU engages in unfair trade practices and has been especially critical of the U.S. goods deficit with the EU (\$153 billion in 2017). The EU is concerned by what it views as protectionist U.S. trade policies, including the imposition of steel and aluminum tariffs and potential

auto tariffs. Some EU officials and analysts question whether the United States will continue to be a partner for the EU in setting global trade rules and standards.

U.S.-European divisions have emerged on other issues, as well. European leaders largely agree with the United States that Russia is violating the Intermediate-Range Nuclear Forces (INF) Treaty but warn that the announced U.S. suspension and expected withdrawal from the INF Treaty could spark a new arms race and harm European security. The EU strenuously objects to the U.S. decision to withdraw from the 2015 multilateral nuclear deal with Iran, as well as from the Paris Agreement on climate change. Some analysts are concerned about possible breakdowns in U.S.-European consultations, especially after European governments appeared blindsided by President Trump's announcement in December 2018 that the United States would withdraw forces fighting the Islamic State terrorist group in Syria and by reports that the United States may reduce its troop presence in Afghanistan.

Administration supporters contend that President Trump's "tough love" approach is resulting in greater European efforts to spend more on defense and to address inequities in U.S.-European economic relations. Some have sought to downplay concerns about the transatlantic partnership's demise. The Trump Administration has endorsed new NATO initiatives to deter Russian aggression and increased the U.S. military footprint in Europe. In July 2018, the United States and the EU announced a deal aimed at de-escalating trade tensions and subsequently engaged in talks on a possible new trade agreement. In December 2018, Secretary of State Mike Pompeo invited European allies and friends to work with the United States to confront common challenges posed by Russia, China, and Iran (among others) and to reform international institutions, such as the United Nations and World Trade Organization.

Future Prospects

To many in Europe, U.S. policy trends appear to jeopardize the transatlantic partnership and the broader U.S.-led post-World War II international order. Some European leaders 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. U.S. supporters of close U.S.-European ties express concern that President Trump's approach to Europe endangers decades of cooperation that has advanced key U.S. security and economic interests.

Others contend that the transatlantic partnership will endure. Europe remains largely dependent on the U.S. security guarantee, and the magnitude of U.S.-EU trade and investment ties will continue to bind together the two sides of the Atlantic. Some observers note that European allies have sought to respond constructively to President Trump's criticisms of NATO. Despite various policy divisions, the EU continues to work with the Administration on common interests and hopes to preserve political and economic relations with the United States for the long term. (Also see CRS Report R44249, *The European Union: Ongoing Challenges and Future Prospects*, by Kristin Archick.)

Issues for Congress

Many Members of Congress support a strong, close transatlantic partnership. In the 115th Congress, both the House and the Senate passed resolutions expressing the United States' continued commitment to NATO and Article 5. Many Members view U.S.-EU economic ties as mutually beneficial. Potential issues in U.S.-European relations in the first session of the 116th Congress include

- **NATO.** Congress is considering legislation to reaffirm U.S. support for NATO and limit the President's authority to withdraw from the alliance. In January 2019, for example, the House passed H.R. 676 to prohibit the use of funds to withdraw from NATO. In light of NATO's 70th anniversary in April 2019, Congress may wish to examine the future of the alliance, including the implications of Administration policies for U.S. leadership and alliance cohesion, and NATO's costs and benefits for the United States.
- **U.S.-EU Economic Relations.** Congress may review progress on potential new U.S.-EU trade talks (the Administration notified Congress in October 2018 that it intends to pursue such negotiations with the EU). Congress also may be interested in the implications of Administration trade and tariff policies and the extent to which EU retaliatory tariffs and potential U.S. auto tariffs could affect U.S.-EU trade and investment ties.
- **Future of the EU.** The EU is contending with numerous challenges, including Brexit, "euroskeptic" political parties, democratic backsliding in some EU countries, migratory pressures, and terrorism. The EU also faces leadership changes, with European Parliament elections due in May 2019 and a new European Commission and President of the European Council expected to take office in late 2019. Congress may wish to examine whether and how such issues could affect the EU's future development and U.S.-EU cooperation.
- **Brexit.** The United Kingdom is scheduled to exit the EU on March 29, 2019, but the UK Parliament has rejected a withdrawal agreement negotiated with the EU. Some suggest that Brexit could be delayed, but fears have increased about a disorderly "no deal" scenario in which the UK "crashes out" of the EU. Congress may wish to assess Brexit's implications for U.S.-UK and U.S.-EU relations, and for NATO and the Northern Ireland peace process. Some in Congress support a future U.S.-UK free trade agreement following Brexit.
- **Russia.** Congress has consistently condemned Russian aggression, including in Ukraine, and Russian influence operations in Europe and the United States. The 116th Congress may consider imposing additional sanctions or employing other foreign policy tools to address concerns about Russia's activities. European vulnerabilities to hostile Russian measures and the degree to which Russia could benefit from transatlantic divisions may be issues for congressional oversight.

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