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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 Administration officials have 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 have prompted significant concerns in Europe. 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 exist on a wide range of regional and global issues and managing the spread of Coronavirus Disease 2019 (COVID-19) has further strained U.S.-European relations. The second session of 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 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 UK, Norway, and Switzerland) typically generates more than \$5 trillion per year in foreign affiliate sales and directly employs over 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.

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 asserts that the United States supports NATO and its Article 5 mutual defense commitment but argues that NATO will be stronger when all members “pay their fair share.” Critics contend that President Trump’s perceived transactional view of NATO and his almost singular focus on European defense spending as the measure of NATO’s worth are 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 Trump Administration’s seeming hostility has surprised the bloc. President Trump voiced support for the United Kingdom’s (UK) decision to leave the EU (“Brexit”). He contends that the EU engages in unfair trade practices and is especially critical of the U.S. goods trade deficit with the EU (\$179 billion in 2019). EU officials are concerned by what they view as protectionist U.S. trade policies, including the use of tariffs, and some question the extent to which the United States will remain a partner in setting global trade rules.

U.S.-European divisions have emerged on numerous other issues, from aspects of relations with Russia and China, to the Middle East peace process, arms control, and the U.S. decisions to withdraw from the Paris Agreement on climate change and the 2015 multilateral nuclear deal with Iran. EU policymakers viewed the nuclear deal with Iran as further imperiled by the January 2020 U.S. drone strike that killed a powerful Iranian military commander. Although the UK, France, and Germany subsequently accused Iran of violating the nuclear accord, European officials resented President Trump's reported efforts to coerce this decision by threatening to impose tariffs on European automobiles. Many European leaders also opposed President Trump's decision to halt U.S. funding to the World Health Organization pending a review of its role in allegedly mismanaging the response to the COVID-19 pandemic.

European officials voice increasing concerns about perceived breakdowns in consultations with the United States. European governments appeared blindsided by President Trump's decision in October 2019 to withdraw U.S. forces fighting the Islamic State terrorist group in Syria. Many European countries have participated in the U.S.-led effort to defeat the Islamic State. Some European officials contend that the U.S. decision paved the way for Turkey to launch a military operation in Syria against allied Kurdish forces fighting the Islamic State. The EU also criticized the Trump Administration's lack of coordination in announcing a travel ban from most EU countries in March 2020 to help combat the spread of COVID-19.

Administration supporters maintain that President Trump's forceful approach is resulting in greater European efforts to spend more on defense and to address inequities in U.S.-EU economic relations. Some have sought to downplay concerns about the transatlantic partnership's demise. The Trump Administration has endorsed new NATO initiatives to deter Russia, increased the U.S. military footprint in Europe, and sought to de-escalate trade tensions with the EU. U.S. officials have invited European allies and friends to work with the United States to confront challenges posed by Russia, China, and Iran (among others).

Future Prospects

Many U.S. supporters of close U.S.-European ties express concern that President Trump's approach is endangering decades of cooperation that have advanced U.S. interests. To many in Europe, U.S. policy trends appear to jeopardize both the transatlantic partnership and the broader U.S.-led international order. Some 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. The EU is at the forefront of international efforts to develop COVID-19 treatments and vaccines, and aims to be a global leader on issues such as data protection and climate change.

Other experts 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 and partners in NATO and the EU continue to work with the Administration on common interests. (See also CRS

Report R45745, *Transatlantic Relations: U.S. Interests and Key Issues*, coordinated by Kristin Archick.)

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. Broad bipartisan support exists in Congress for NATO. Many Members view U.S.-EU economic and trade ties as mutually beneficial. Potential issues for deliberation include

- **NATO.** The 116th Congress has passed legislation reaffirming U.S. support for NATO and limiting the President's ability to unilaterally withdraw from the alliance. In light of NATO's 70th anniversary in 2019, Congressional hearings examined the future of the alliance, including NATO's costs and benefits for the United States. Congress also may wish to assess NATO efforts to counter terrorism and address emerging security challenges, including cyber and hybrid threats.
- **U.S.-EU economic relations.** Congress may review progress on a U.S.-EU trade liberalization agreement. In 2018, the Administration notified Congress of the negotiations under Trade Promotion Authority. U.S.-EU talks have been at an impasse amid discord on their scope, especially with respect to agriculture, but discussions are continuing.
- **Future of the EU.** The EU is contending with numerous challenges, including its future relationship with the UK, "euroskeptic" political parties, democratic backsliding in some EU countries, migratory pressures, and terrorism. Managing COVID-19's economic consequences and addressing climate change are also top EU priorities. Congress may wish to consider whether and how such issues could affect the EU's future development and U.S.-EU cooperation.
- **Brexit.** The UK exited the EU on January 31, 2020. Congress may wish to 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 116th Congress has enacted sanctions aimed at curbing Russian energy export pipelines to Europe. Members also have considered additional sanctions legislation to address Russian election interference, arms sales, and other malign activities. European vulnerabilities to hostile Russian measures and the degree to which Russia could benefit from transatlantic divisions may be issues for continued congressional oversight.
- **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 wish to examine further the implications of Chinese activities for transatlantic security and economic relations.

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