

Testimony of Philip H. Gordon
Assistant Secretary for European and Eurasian Affairs
House Committee on Foreign Affairs
Subcommittee for Europe
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**THE LISBON TREATY: IMPLICATIONS FOR FUTURE RELATIONS
BETWEEN THE EUROPEAN UNION AND THE UNITED STATES**

Chairman Delahunt, Ranking Member Gallegly, Members of the Committee, thank you for inviting me to testify today on this important subject.

The United States and the European Union form a community of shared values and a partnership of shared interests. We are united by our deep commitment to freedom, security, human rights, the rule of law, and open markets. Our 800 million democratically- governed citizens are bound together by enduring links of culture and commerce, by our shared history and our common hopes for the future. The EU is one of our most crucial partners in addressing regional and global challenges around the world. Our shared priorities cover all the major U.S. foreign policy concerns including: stabilizing Afghanistan and Pakistan, contending with the Iranian nuclear program, addressing global climate change, pursuing a permanent and comprehensive peace in the Middle East, managing our responses to the global financial crises, enhancing energy security, and promoting the spread of democratic and market reforms to every corner of Europe. The U.S.- European economic relationship is one of the central drivers of the world economy. For example, the value of U.S. goods and services exports to the EU is over five times the value of our exports to China, and from 2000 to 2008, over half of total U.S. foreign direct investment (FDI) was in Europe. Lastly, it is also worth noting the human dimension of our ties. Our links are not just those of shared values, trade ties, and political traditions, but also the millions of our citizens who travel each year to our countries to work, to study, or simply to visit.

In view of all of the many ties that bind the United States and Europe together, the Administration welcomed the entry into force of the Lisbon Treaty on December 1. We believe that this treaty marks a milestone for Europe and for its role in the world. It creates several new institutions, and strengthens other important ones. These include a new permanent

presidency for the European Council, a new EU High Representative for Foreign Affairs and Security Policy, and a new European External Action Service to support the work of the High Representative. There will also be an enhanced role for the European Parliament. The intention behind the establishment of these new positions and strengthened institutions is to guide the further evolution of the European Union toward a more consistent, coherent, and effective foreign policy. Given the importance of the U.S.-EU partnership, we hope that the Lisbon Treaty succeeds in strengthening Europe's role in world affairs. We believe that a strong and cohesive Europe is very much in the U.S. national interest, and we look forward to the development of these institutions and to engaging with their new leaders, incoming President Herman Van Rompuy, and the new High Representative Catherine Ashton, as well as with President Barroso of the European Commission, and the leaders of the European Parliament on the whole host of issues on the U.S.-EU agenda.

President Van Rompuy and High Representative Ashton will be building on a strong track record of U.S.-EU cooperation. We consult regularly and cooperate closely with the EU in a variety of vitally important policy areas, including:

- Middle East policy, where the EU joins us as a full partner in the Quartet, together with the UN and Russia.
- Iran's nuclear program, where the EU is part of the P5+1, the mechanism for international engagement with Iran on the nuclear issue.
- Annual U.S.-EU Summits, regular meetings between Secretary Clinton and her EU counterparts, and a series of other meetings led by the State Department.
- A deepening economic relationship, including the Transatlantic Economic Council which brings together our economic Cabinet Secretaries and many heads of agency with the EU, at least once a year. The EU is also a critical partner in the G20 as we seek to handle international economic issues and to revive the global economy.

- Promoting law enforcement and counterterrorism cooperation; the Attorney General and the Secretary of Homeland Security meet regularly with their EU opposite numbers. Earlier this year, both sides completed ratification of Extradition and Mutual Legal Assistance Treaties that will facilitate this cooperation.
- Energy issues; the November U.S.-EU Summit here in Washington launched a new ministerial-level Energy Council that will focus high-level attention on the related issues of clean energy and energy security.
- Development aid; the U.S. and the EU are the two largest donors of international development assistance. To promote U.S.-EU cooperation, the November summit agreed to a new U.S.-EU High Level Contact Group on Development.

Concerning the changes that Lisbon will bring with its new leadership, we are hopeful that a permanent presidency of the Council will allow for the development of a long-term consultative relationship at the Head of State and Government level. President Van Rompuy is known in his own country, Belgium, as a skilled consensus-builder, and we look forward to working with him on our shared agenda.

Similarly, we have enjoyed a close consultative relationship with former EU High Representative Dr. Javier Solana, and former EU External Relations Commissioner Dr. Benita Ferrero-Waldner. Both of these distinguished individuals have played a critical role in facilitating EU dialogue with the United States. The Lisbon Treaty combines these two positions into one High Representative for Foreign Affairs and Security Policy. This position will combine responsibility for policy coordination with the EU's substantial foreign assistance budget, and will function as the permanent chair of the Foreign Affairs Council, the monthly meeting of EU foreign ministers. The new High Representative, Catherine Ashton, will therefore be a critical interlocutor for senior U.S. government officials in addressing our shared foreign policy and security concerns. Secretary Clinton spoke with High Representative Ashton after her selection and met with her during the Secretary's December 4 visit to Brussels to begin addressing the lengthy

agenda of our shared priorities. They have spoken about an early visit by High Representative Ashton to Washington.

High Representative Ashton will be supported by a new European External Action Service (EEAS) combining elements of the current EU Council Secretariat and the European Commission, as well as diplomats seconded from Member States. The EEAS will ensure that all EU foreign and security matters will be channeled through one geographic “desk” and eventually, we expect that there will be permanent EEAS officials at the sub-cabinet level assigned to managing various portfolios. This will be important to the U.S. as my fellow Assistant Secretaries of State and I will for the first time have EU counterparts with whom to engage in depth on our priorities.

We look forward to working with these new institutions as they define their new roles and develop their capacity. We fully recognize that the process of building up new institutions takes time; for our part, we are ready to engage. We hope EU member states will invest the post-Lisbon institutions with the authority and capacity to make concrete contributions to the pressing global challenges we face together.

The Lisbon Treaty brings other noteworthy institutional changes. One significant shift is the increased role of the European Parliament in EU decision-making. The Parliament has gained increased powers in the areas of justice and home affairs. In the economic area, the European Parliament's increased authority in setting the EU budget will also be an important factor. Stronger European Parliament authority over agriculture policy, and the exercise of new Parliamentary authority to approve or disapprove trade agreements, will also be of high interest to the United States. The clear message of these EU institutional changes for U.S. policymakers is that we will need to increase our engagement. We hope that ties and contacts between Members of Congress and EU legislators will continue to strengthen as the European Parliament's authority broadens. Many members of this Subcommittee have engaged in a range of dialogues and detailed discussions with their European counterparts. A number of Members, led by Representative Shelly Berkley, met December 4-6 with their European counterparts in New York under the Transatlantic Legislators Dialogue in the most robust consultations so far between our legislators.

It is important to note that although the Lisbon Treaty makes High Representative Ashton the permanent chair of the Foreign Affairs Council,

the role of Member States in decision-making is undiminished, as the High Representative will still be bound by consensus decisions of the 27 EU foreign ministers. Moreover, other Council formations -- for instance, meetings of the ministers for energy, environment, and agriculture – will continue to be chaired by the nation holding the EU presidency, which rotates every six months. Spain will take over the EU presidency on January 1, followed by Belgium on July 1, 2010. The result is, those who would seek to influence developments in the EU and dialogue with the EU -- such as the distinguished Members on this Subcommittee, and those of us in the Administration -- will continue to find best results by engaging with Europe through "all channels." We need to continue to engage our partners in Europe through its high-level officials, through the Member States, through the EU institutions, and through NATO.

The EU also continues to take steps towards fulfilling the European vision of an EU that contributes as much to diplomacy and defense as it does to trade and economics. Accordingly, the Lisbon Treaty also puts greater emphasis on defense matters than previous EU treaties. Under Lisbon, the EU's European Security and Defense Policy (ESDP) – which in its ten years of existence has been the impetus for more than 20 EU crisis management missions - is renamed the Common Security and Defense Policy (CSDP) and given an expanded scope for crisis management deployments. The treaty expands the scope of CSDP to peacemaking and supporting third countries in combating terrorism in their territories. The treaty also allows for some EU states which are at the forefront of defense cooperation to pursue greater harmonization of their defense apparatus without the limitations of those states who do not wish to participate. It is the policy of this Administration to support a strengthened European defense capacity. We believe that CSDP can make an important contribution to international stability and security. We also believe that NATO and the EU, with 21 common members, can complement each other and should work closely together on their shared priorities. Additionally, as NATO and the EU continue to enlarge, they remain forces for reform and peaceful change, helping to build confidence among neighbors in a unified Europe. Clearly, there is more than enough work to go around; hence it also makes sense that the two organizations coordinate their efforts to make the most efficient use of scarce resources through minimizing duplications of capabilities, infrastructure, and operations.

The United States faces a daunting array of global challenges that no one country can handle on its own. For a variety of critical issues, from climate change, to the Doha Round of trade talks, from the Balkans, to Iran, solutions will require working in close concert with our European partners. We believe that the Lisbon Treaty represents a serious effort by our EU partners to streamline their policymaking process. We understand that, as with all efforts to reform complex institutions, this is a work in progress, and that it may take time for the new institutions to demonstrate their impact. Nevertheless, we hope that the changes brought by Lisbon will make the EU a stronger partner for the United States, and increase the role of Europe on the world's stage. We want the EU to be that stronger partner and we certainly intend to do our part to engage closely with the new institutions, but in the end their ultimate effectiveness will be determined by the will of EU Member States to invest in them. I thank you again, Mr. Chairman and members of the Committee, for the opportunity to appear before you on this subject. I look forward to answering your questions on this important topic.