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Reinventing Transatlantic Relations on Climate, Democracy, and Technology

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Summary

While the election of Joe Biden to the U.S. presidency presents an opening to restore the transatlantic relationship after Donald Trump, the real question facing U.S. and European officials is whether they can successfully manage to advance a new transatlantic agenda for the coming decade. Three pivotal areas where cooperation has fallen short in recent years but where there is now significant potential to do more are climate and energy, democracy and human rights, and digital technology issues. Representing the most pressing challenges our societies are facing in the twenty-first century, progress in these three areas could also help rebuilt trust and promote cooperation in other policy areas. To get the transatlantic relationship back on track and to ensure that it will remain relevant in the future, the United States and the European Union should therefore prioritize putting forward concrete ideas and taking actionable steps in each of these areas over the coming four years.

Introduction

After four years of severely strained ties between Washington and European capitals under President Donald Trump, the general expectation is that the incoming Joe Biden administration can help usher in a more positive and constructive phase in transatlantic relations. But, while the Biden presidency may present a fresh opportunity to restart the battered U.S.-European partnership, it will take much more than merely good rhetoric and diplomatic gestures to make real headway. What is ultimately needed is to reverse the increasing lack of transatlantic trust and to identify specific areas of opportunity, while also being clear-eyed about what can realistically be achieved in the near term. As the Biden administration and European officials contemplate how to best advance relations over the coming four years, what might an ambitious, yet realistic new transatlantic agenda under a Biden administration look like?

While several areas—ranging from trade to foreign policy to security and defense—require urgent attention, there are three particularly important ones where transatlantic cooperation has fallen short during the past four years but where there is untapped potential to now do more. These are climate and energy, democracy and human rights, and digital technology issues. In each one, the Biden administration is likely to adopt a starkly different approach from the Trump administration. These new approaches can provide new opportunities to enhance cooperation with the European Union (EU) in a way that could also contribute to restoring trust in the overall relationship as well as lay the groundwork for greater convergence and trust in other more complicated areas.

The transatlantic relationship needs to evolve in order to stay relevant in the twenty-first century.

The transatlantic relationship needs to evolve in order to stay relevant in the twenty-first century. This paper proposes practical steps that the United States and the EU can take during the first year of the new Biden administration in the three areas listed above; more ambitious, longer-term objectives for transatlantic cooperation and upgraded EU-U.S. institutional ties; and suggestions for how to manage anticipated disagreements in a constructive way.

Climate and Energy

During the past few years, transatlantic cooperation on climate and energy issues has generally been poor, with some notable exceptions.

The EU has a long-standing track record in tackling climate change with strong leadership in international climate diplomacy, ambitious emission-reduction targets, investments in renewables and energy efficiency, and innovative solutions such as the Emissions Trading Scheme. Under President Ursula von der Leyen, the European Commission has reaffirmed its climate commitments. As part of the proposed European Green Deal and the new 2030 and 2050 climate targets, it seeks to make the EU climate-neutral by 2050 and has proposed a [European Climate Law](#) that would make this objective legally binding. Even amid the coronavirus pandemic and despite skepticism from certain member states, climate action has remained at the core of EU policymaking. In July 2020, EU leaders agreed on a massive economic-policy package that contains a substantial climate piece. [Thirty percent](#) of the EU budget over the next seven years has been reserved for investments in a green transition. This is in addition to a significant part of the union's new €750 billion (\$890 billion) pandemic [recovery fund](#). The final budget approved by EU leaders and the European Parliament in December 2020 enshrines into law the ambition of cutting carbon emissions by at least 55 percent by 2030 compared to 1990s levels. The EU's climate agenda over the next four years will be shaped by attempts to reconceptualize the European economy to incentivize sustainability and promote the efficient use of resources.

The United States has pursued a strikingly different path following the Trump administration's approach that denies the reality of man-made climate change and perceives a trade-off between the environment and the economy. Trump has repeatedly [expressed skepticism](#) of climate change and [rolled back climate policies](#) and environmental regulations introduced under former president Barack Obama, most notably ones that aim to reduce carbon emissions. In line with an America First

approach to foreign policy, in November 2020 the United States left the [Paris Climate Agreement](#), which Trump said put an unfair burden on industrialized economies relative to developing ones. Trump also [slashed spending](#) on federal programs for advancing clean energy and [mounted legal challenges to California's](#) forward-looking regulations on gasoline-powered automobiles.

Despite this, the United States still made progress on [reducing its overall climate emissions](#) over the last four years, mainly thanks to phasing out coal energy as well as several states expanding wind and solar power capacity and achieving energy-efficiency gains. As a result, about 20 percent of domestic energy production is today comprised of renewables. The coronavirus pandemic is expected to intensify this trend as a result of federal stimulus funding for green-energy projects and cheaper access to capital to invest in clean-energy technologies.

Moreover, while the federal government has undercut many climate efforts, several states and cities have joined forces to take action against climate change. Shortly after Trump's announced his intention to pull the United States out of the Paris Climate Agreement, twenty-four states and Puerto Rico formed the [U.S. Climate Alliance](#) to support and implement policies that advance the goals of the climate agreement. These states [represent](#) 55 percent of the U.S. population, 40 percent of U.S. greenhouse-gas emissions, and a \$11.7 trillion economy. Other notable subnational climate initiatives in recent years include [America's Pledge](#), [We're Still In](#), and [Climate Mayors](#). However, the lack of a federal climate agenda and coordinated actions has clearly limited what can be achieved at the state and local level.

As a result of the diverging U.S. and EU approaches during the Trump administration, transatlantic cooperation on energy and climate issues has fallen short over the past four years. There are some notable exceptions, however. For instance, cooperation on regulatory issues pertaining to sustainability such as offshore wind has continued between the U.S. Department of the Interior and the EU. The regular EU-U.S. Energy Council—which brings together the U.S. secretaries of state and energy with the EU high representative for foreign affairs and security policy and commissioners for energy and environment—was last convened in [July 2018](#), and was accompanied by the first-ever business-to-business summit on liquefied natural gas. The Trump administration has been actively engaged on energy security issues in Central and Eastern Europe, including as part of the Three Seas Initiative. New forms of [cooperation between subnational U.S. climate initiatives](#) and their European counterparts have also sprung up, at least partially making up for the lack of cooperation between European capitals and the U.S. federal government.

With the coming change in administration, there is a significant opportunity to upgrade transatlantic cooperation on climate and energy, as Biden is expected to be far more active on these issues, creating more potential synergies between the United States and the EU. He called climate change an urgent

Transatlantic climate efforts should initially focus on areas where they are likely to continue current cooperation or achieve new practical results in the short term.

crisis and has proposed an [ambitious climate agenda](#), consisting of [\\$2 trillion](#) in green stimulus spending over the [next four years](#) in order to boost renewable power, reduce carbon emissions, and create new jobs in a green economy. Additionally, Biden has pledged to achieve the goal of carbon neutrality of the power sector by 2035 and net-zero greenhouse-gas emissions of the entire U.S. economy by 2050 while also reversing Trump roll-backs. He has pledged to restore U.S. global climate diplomacy leadership through efforts such as convening a [climate world summit](#) to directly engage the leaders of the major greenhouse-gas-emitting countries and has appointed John Kerry to serve as his climate envoy.

On the other hand, Biden has been inconsistent [over whether as president he will support the Green New Deal](#) proposed by Democrats in the House of Representatives in 2019. Moreover, he is unlikely to be able to pursue wholesale change in the U.S. approach to climate and energy given the role of Congress. If the Republicans control the Senate, this would likely mean that many of the domestic climate investments he has proposed would be dead on arrival. Yet in some areas where independent regulatory agencies can take action, such as setting tougher environmental, social, and governance (ESG) standards, Biden will be able to take action without Congress. Finally, some aspects of Biden's [Buy American](#) domestic agenda could also lead to roadblocks for transatlantic cooperation and reduce the concessions the new U.S. administration would be willing to make in the climate and energy space.

Transatlantic cooperation on climate and energy is essential. While the cooperation between subnational groups that began in the last four years will continue, the return of U.S. engagement and leadership on global climate issues by the Biden administration would boost the chances for shaping a joint transatlantic strategy and for the United States and the EU to lead international efforts to fight climate change. Their efforts should initially focus on areas where they are likely to continue current cooperation or achieve new practical results in the short term. While climate and energy are likely to be key topics for a transatlantic reset during the Biden administration, a reappraisal of their relationship in this space is needed to figure out where they have competitive advantages that they can collectively leverage (see box 1).

Recommendations for a Transatlantic Climate Agenda

- **Jointly shape more ambitious global climate targets:** With Biden pledging to rejoin the Paris Climate Agreement, there is ample opportunity for the EU and the United States to work together in international climate diplomacy. An immediate priority must be for them to coordinate their positions as they negotiate ambitious new emissions targets ahead of the upcoming United Nations Climate Change Conference (COP26) summit in Glasgow in November 2021. As an important part of the global community's efforts to fight climate change, the United States must rejoin the Green Climate Fund and fulfill its responsibilities when it comes to providing climate finance. Moreover, given that Washington disengaged from climate discussions in the G7 and G20 contexts under Trump, the G7 summit that will be hosted by the United Kingdom and the G20 summit that will be hosted by Italy in 2021 should both include a clear commitment to combating climate change in the joint communiqué. Another opportunity for more EU-U.S. climate diplomacy is how to make better use of the annual Ministerial on Climate Action or the Clean Energy Ministerial.
- **Adopt a common approach to a carbon border adjustment tax:** The EU's idea to implement a carbon border adjustment tax by 2023 as part of the European Green Deal and to avoid climate leakage could have wide-ranging implications inside and outside of Europe. The U.S. response has so far been [critical](#), but there may be more transatlantic synergy on this evolving issue with the Biden administration. If the transatlantic partners can agree among themselves and then bring others into a "[carbon free trade zone](#)," a considerable part of the global economy could become subject to such new trade rules fostering a low-carbon economy. However, much depends on whether Congress would be supportive and how the World Trade Organization as the ultimate decider would respond.
- **Jointly engage China and India:** Global progress on climate change is only possible with two of the current major emitters, China and India, on board. Engaging them should therefore be a key focus for the transatlantic partners. Biden has expressed interest in reengaging China on climate issues, something that Trump took off the agenda. Washington and the EU should now jointly engage China as part of a trilateral climate dialogue ahead of COP26. With China's recent announcement that it will aim for a carbon-neutral economy by 2060, there is potential for joint climate action while at the same time [setting out clear redlines](#) and not shying away from criticizing Beijing on issues like its investment in new coal power plants. A related issue will be to push for reform of the World Trade Organization to ensure that its legal framework better takes into account environmental and social standards for global trade. Finally, the United States and the EU should engage with China to ensure that its Belt and Road Initiative promotes sustainable

connectivity that respects environmental standards while also being willing to present more high-standard alternatives to third countries as part of a new joint EU-U.S. connectivity initiative.

- **Better utilize the U.S.-EU Energy Council:** The EU-U.S. Energy Council is an important platform that has been underutilized in recent years. Its mandate is to strengthen cooperation on energy security, expand efficient and sustainable energy use, and mobilize joint research and development on energy-efficient technologies. A reenergized U.S.-EU Energy Council should convene early in 2021 to hammer out a more ambitious work agenda for the coming years. It could review the output of its three working groups and decide whether a more frequent sub-cabinet-level meeting would better serve U.S. and EU interests. Topics especially conducive to enhanced transatlantic dialogue include liquefied natural gas, offshore wind energy, battery technologies, and cybersecurity in the energy sector. The Energy Council could also address the European Green Deal and its implications and opportunities for expanded U.S.-EU cooperation on sustainable and renewable energy, creating a clean-energy industry and trade relationship. The two sides should also continue to explore how to best integrate the private sector more effectively in joint energy work, including by convening more business-to-business EU-U.S. energy dialogues.
- **Shape joint standards for green tech and renewables.** The EU and the United States should intensify efforts to shape joint standards around green technology and renewables. In this regard, areas such as agriculture and low-carbon fertilizers are conducive to setting new clean-energy standards. If the EU and the United States can manage to agree on shared standards, this could create the opportunity for them to become the global standard setter given the size of the transatlantic economy.
- **Joint investments in green transition.** Even though a Biden administration does not mean that competition between the EU and the United States on energy technology will vanish, there is opportunity to strengthen transatlantic cooperation on green transition. This includes investing in offshore wind and hydrogen power as an area of commercial development and deployment. Other key issues where stronger joint leadership is possible include efficiency in the building sector (which can in turn help aid economic recovery and jobs creation), methane emissions (though the EU is concerned about the current U.S. approach to methane leakage), digitization of the energy sector (including grid protection and cyber), and battery technologies. As proposed by [Franziska Brantner](#), a member of Germany's parliament, the European Commission should adopt a separate funding instrument to enable grant-making partnerships between the EU and the United States to advance a Transatlantic Green New Deal, perhaps as part of a new [U.S.-EU Clean Energy Bank](#). This would provide funding to increase public awareness of climate change and cooperation between cities and industrial actors to align climate goals and share best practices.

es. It could help address the risk that the new green agendas on each side of the Atlantic end up being protectionist and creating a source of new transatlantic tensions. The EU and the United States should also explore sustainable finance such as green bonds, sustainable finance coalitions, and collaboration between international development finance institutions to assist developing countries in their green transition. Finally, they should seek to shape regulatory cooperation in the financial sector, such as setting ESG standards in mining industry, energy storage, green finance, green energy patents, maritime transport, and other potential issues.

- **Cooperate on supply-chain issues.** On both sides of the Atlantic, there is growing concern about dependencies on foreign supplies for critical materials. The coronavirus pandemic has further raised concerns about critical dependencies on China. The EU and the United States have already announced or are thinking about new critical-mineral security strategies. This should be an area of transatlantic cooperation. Whereas the current trend is to go it alone, the EU and the United States should discuss this in the context of a transatlantic dialogue on China. In this regard, synergies could be explored between the EU's new Battery Alliance and Critical Raw Materials Action Plan and similar U.S. initiatives like the Carbon Ore, Rare Earth, and Critical Minerals (CORE-CM) Initiative. The EU and the United States should also coordinate their approaches to reducing reliance on certain Chinese-made renewable energy solutions and critical minerals and align their investment security mechanisms.
- **Continue subnational climate cooperation:** Cooperation between U.S. and EU subnational climate initiatives has expanded in recent years. Their relevance will continue during a Biden administration that is more active on the climate agenda. The United States and the EU should provide additional incentives to strengthen climate-diplomacy efforts between U.S. and European cities and regions—such as facilitating exchanges, sharing best practices, and promoting new initiatives and partnerships—and work to bring these networks into more formal policy processes.

Global Democracy and Human Rights Support

The global context for democracy and human rights has become more complicated in recent years, including a broad “democratic recession” affecting dozens of democracies across all regions, growing antidemocratic influence across borders from China and Russia, and rising illiberalism in several countries. In Europe, rollback of democratic freedoms and basic rule of law has occurred in countries such as Hungary, Poland, and Turkey. At the same time, the EU has sought to raise its profile in support for global democracy and human rights, albeit with mixed results thus far.

In recent years, the EU has mainly pursued global democratic support through low-profile aid projects while generally taking a more ambiguous approach when it comes to tackling democratic regression. Sanctions have mainly been against countries that represent security concerns: Russia, Venezuela, Syria, and Iran. These [sanctions range](#) from arms and dual use export restrictions to asset freezes and travel bans. The EU has also [suspended](#) trade preferences for Cambodia in response to human rights abuses, and it has considered doing the same against Myanmar. Belarus's fraudulent presidential election this year has highlighted the limitations to the EU's ability to act sufficiently in a united and timely manner, due to the lack of consensus among members. It was finally able to agree on [imposing sanctions](#) for repression and election falsification on forty individuals as well as on [not recognizing](#) Alexander Lukashenko as the legitimate president of Belarus, eventually [imposing sanctions against him](#).

Moreover, EU foreign ministers approved a proposal by the Netherlands for an [EU-wide global sanctions regime](#) against individuals involved in human rights abuses. This proposal, modeled after the U.S. Global Magnitsky Human Rights Accountability Act, has been backed by European Commission President Ursula von der Leyen, who has called for tackling human rights issues more assertively by imposing sanctions quicker on individuals anywhere in the world, freezing their assets in the EU, and banning them from entry.

European leaders finally adopted the [new EU human rights sanctions regime](#) on December 8, 2020, but it is still unclear when and how it might actually be applied in practice. In 2020, the European Council also approved a new [EU action plan on human rights and democracy](#) that reaffirms a “strong commitment to advancing universal values for all,” encompassing protecting and empowering individuals, building resilient and inclusive societies, promoting a global system for human rights and democracy, and dealing with new technologies.

Under the Trump administration, the United States' long-standing support for democracy abroad plummeted as part of an America First foreign policy that emphasized [nationalism and sovereignty](#). Trump has [expressed admiration for authoritarian](#) leaders like Russia's Vladimir Putin, Turkey's Recep Tayyip Erdoğan, and the Philippines' Rodrigo Duterte, while frequently criticizing democratic allies. The main exceptions have been the leaders of [Cuba](#), [Iran](#), and [Venezuela](#), countries against which his administration used sanctions and political pressure. U.S. officials criticized China's human rights situation, albeit often with [mixed messages](#). While European countries condemned Saudi Arabia for the killing of the U.S.-based journalist Jamal Khashoggi in 2018, Trump praised the value of economic relations with Saudi Arabia, resisted punishing Saudi Arabia [in order to preserve arms sales](#), and [rejected Congress's request](#) to investigate the murder.

In addition to addressing human rights abuses and infringements on democracy around the world less, the Trump administration sought to [slash the funding for federal agencies](#) providing democracy

assistance, though [Congress](#) rejected many of these attempts. For example, when the administration initially announced plans for a 31 percent [budget cut](#) in democracy assistance, [Congress's 2017 omnibus appropriations](#) included a 40 percent increase in the State Department's Human Rights and Democracy Fund. Other forms of democracy support including electoral observation missions, training for civil society organizations, and human rights dialogues have nevertheless continued.

Additionally, the United States has maintained its commitment to the Global Magnitsky Act, sanctioning multiple corrupt actors and human rights abusers in countries like Nicaragua, South Sudan, Gambia, Myanmar, and the Democratic Republic of the Congo. However, the credibility of the United States as a global democracy supporter has clearly taken a hit as the Trump administration has been criticized for its militarized response to Black Lives Matter street protests, [repeated verbal attacks](#) on the media, and the president's refusal to acknowledge his electoral defeat.

The past four years have seen divergence in U.S. and EU approaches to democracy and human rights issues

The past four years have seen divergence in U.S. and EU approaches to democracy and human rights issues, and the Trump administration hardly engaged in any meaningful high-level coordination. Despite this, there has been a degree of alignment at the operational level. In July 2020, the EU imposed sanctions on officials in Hong Kong in response to its new national security law, following the example of the United States as well as of Australia and the United Kingdom. Like the EU, the United States [imposed sanctions](#) on Belarusian officials for undermining democracy. At the same time, there is wariness in the EU about U.S. overreliance on extraterritorial sanctions that could adversely impact European entities.

There is widespread expectation is that the Biden administration will champion human rights and democracy as well as more actively engage European counterparts on these issues. For example, the Biden campaign declared its ambition to [convene a group of democratic nations](#) in a Summit for Democracy to discuss fighting corruption, defending against rising authoritarianism, and advancing human rights. Although a major change is perhaps unlikely, Biden has [signaled](#) that human rights will be at the core of U.S. foreign policy, with a much stronger emphasis on diplomacy. While Congress's efforts will continue, including on sanctions, the return to more executive leadership will make U.S. policy clearer. As the coronavirus pandemic and pressing domestic issues will likely take [priority](#) at the beginning of the new administration, European countries can still expect Biden to reaffirm the traditional U.S. commitment and cooperation with allies on democracy and human rights promotion while also taking a tougher approach toward autocratic leaders around the world as part of a "free world" agenda.

At present, the coronavirus pandemic has arguably pushed democracy support lower down on the list of priorities. However, the post-pandemic world will provide both [challenges and opportunities for democracy](#) that will need to be addressed. Transatlantic cooperation will be essential in doing so. For Europe, the Biden presidency presents more opportunities to engage with Washington on these issues (see box 2). As global challenges to democratic governance and human rights continue to grow, the transatlantic relationship will need renovation, cooperation, and consistency from both sides. However, given their own domestic shortcomings, the United States and Europe need to approach democracy promotion abroad with more humility and seek to address their own flaws in order to be more credible abroad.

BOX 2

Recommendations for Transatlantic Democracy Promotion

- **Get our own houses in order:** The United States and Europe face internal challenges to democracy. In the United States, these go beyond the rhetoric and actions from Trump attacking independent media and undermining nonpartisan institutions. They include campaign finance, voter disenfranchisement, rights for minority populations, gerrymandering, and a hyper-partisan media environment. In the EU, democratic backsliding, weakening rule of law, and decreasing freedom for media and civil society are occurring in member states such as Hungary and Poland. The Biden administration will need to work hard to heal societal divisions and correct structural problems at home, but at the same time it should support the EU in its efforts to ensure its member states respect rule of law standards and civil liberties, which the Trump administration has generally not done. Meanwhile, the EU needs to develop a whole-of-society approach to strengthening democracy and support civil society in member states. It must also be willing to apply rule of law conditionality for future EU funding or launch infringement procedures against backsliding member states such as Hungary and Poland, recognizing that the union's own credibility is ultimately at stake.
- **Develop a joint anti-corruption and anti-kleptocracy initiative:** The United States and the EU need to strengthen their approach to countering corruption and kleptocracy at home and globally. This work begins with closing legal and tax loopholes for offshore and shell companies, closing illicit tax havens, strengthening beneficial ownership transparency, and beefing up anti-money laundering efforts. It also includes [sharing more information and intelligence](#) about illicit money flows, aligning their investment-screening legislations, and coordinating on sanctions and enforcement. The launch of the European Public Prosecutor's Office offers an opportunity to ramp up enforcement cooperation with the United States.

- **Double down on assisting Belarus:** The political situation in Belarus is of great concern to the transatlantic community and requires a joint response. For the EU, it is a test case for whether the European Commission can act more “geopolitically,” as von der Leyen has called for, with a mixed track record so far. Belarus’s case also highlights the lack of robust U.S. engagement, which in turn makes it harder for the EU to take the initiative. The Biden administration should reach out to the EU and coordinate a more ambitious response including further sanctions on Belarusian officials responsible for cracking down on peaceful protests. Other areas where joint action (including the United Kingdom) is essential include supporting Belarusian civil society and independent media, promoting a national dialogue in Belarus under the auspices of the Organization for Security and Co-operation in Europe, and supporting the Belarusian people.
- **Coordinate more on sanctions policy:** While the EU and the United States have continued coordinating their sanctions policies with regard to cases such as Ukraine and Belarus during Trump’s presidency, the trend of “weaponizing” extraterritorial sanctions (particularly in the wake of the Trump administration’s decision to exit the Joint Comprehensive Plan of Action with Iran) has had a negative impact on transatlantic cooperation, spurring a European desire to weaken the United States’ sanctions clout. A more coordinated approach with the Biden administration could help alleviate some of these tensions. Moreover, the introduction of the EU Magnitsky Law provides new opportunities for the two sides (together with Canada and the United Kingdom) to synchronize sanctions against human rights abusers—such as those in Russia, China, Myanmar, or Venezuela—in the form of travel restrictions and blocking of assets. The newly established EU-U.S. strategic dialogue on China could offer a useful platform to also coordinate more generally on human rights issues pertaining to the country.
- **Establish a joint global democracy fund:** Although the coronavirus pandemic will focus attention on domestic issues and could lead to cuts in foreign aid, it is essential that the EU and the United States do not drop the ball on global democracy assistance efforts. As leading donors, they should also seek to coordinate their efforts more. One option is to establish a new jointly administrated investment fund for providing technical assistance to democracy support and civil society activities worldwide.
- **Develop shared standards for surveillance tech:** Long-standing concerns about U.S. government surveillance—such as those that followed the Snowden scandal in 2013—have propelled the EU to develop tougher privacy standards such as the General Data Protection Regulation (GDPR). Concerns about U.S. practices were also behind a high-profile ruling by the European Court of Justice in July 2020 that resulted in the invalidation of the EU-U.S. Privacy Shield agreement. Meanwhile, China’s digital authoritarian model and growing export of its surveillance technology represents a fundamental challenge to competition, privacy, and liberal democracy for the transatlantic partners, requiring a joint effort to establish global standards for

digital surveillance. As part of a new transatlantic trade and technology framework, the EU and the United States should work together with like-minded partners such as Japan to present a liberal democratic alternative to China's state surveillance model. They should also cooperate on export-control restrictions for surveillance technology (for example, facial-recognition software and spyware) to China and other authoritarian regimes. The [recent EU rules](#) on the sale and export of digital surveillance technologies are a welcome step that should be coordinated with similar U.S. legislation.

- **Encourage more democracy cooperation by parliaments:** Legislative bodies on both sides of the Atlantic play an important role in supporting global democracy and human rights efforts. During the Trump administration, Congress's role in protecting federal funding has been particularly important, while the European Parliament plays an increasingly activist role on human rights. New initiatives like the Inter-Parliamentary Alliance on China—which includes members of the U.S. Congress, the European Parliament, and national European parliaments—has pushed governments to hold China's government more accountable for upholding human rights in Hong Kong, Tibet, and Xinjiang. Additional transatlantic legislative efforts such as joint letters, hearings, and dialogues on human rights issues should be encouraged.
- **Defend elections and push back against disinformation:** The United States and the EU have [experienced interference in their elections](#) and the threat from disinformation. While they have taken significant steps to upgrade their preparedness in recent years, there is still a need for more shared goals and implementing a joint strategy for deterring adversaries such as Russia and China from interfering in elections. Part of the answer lies in joint approaches to regulating online platforms for hate speech and disinformation. Moreover, the EU and the United States should seek to engage social-media influencers to help protect against disinformation on a voluntary basis. The EU should immediately approach the Biden administration about its new [European Democracy Action Plan](#) and the [Digital Services Act](#) and explore if both sides can shape a shared approach to content moderation and counter-disinformation, especially given evolving debates in the United States on these issues. Some of these conversations could ideally take place within the framework of a new EU-U.S. Trade and Technology Council, bringing together officials and private sector representatives from both sides of the Atlantic.
- **Rally the world's democracies:** Biden has called for a Summit for Democracy to revive democratic collaboration. The EU and the United States should collaborate on preparing this summit and should form a joint working group in order to ensure it will have a clear agenda and concrete objectives. It is essential that such a summit include nongovernmental organizations, civil society

representatives, media representatives, and technology companies. The EU and the United States should also consider other ways of bringing together democratic countries around particular initiatives—such as the United Kingdom’s proposed [D-10 format](#) or within the existing G7 format to help promote democratic standards for technology. There is also an opportunity to reach out and forge new democracy partnerships between the EU, the United States, and other like-minded countries around the world such as in Africa, Latin America, and Asia.

- **Counter authoritarian influence in international organizations:** China is increasingly asserting its influence in international organizations with the goal of influencing and eroding their liberal principles. It also seeks to leverage multilateral institutions to shape norms and advance its own foreign policy interests. China is courting countries in Africa, the Pacific, and elsewhere through leveraged loans, economic assistance packages, and diplomatic outreach to form an influential voting bloc in the UN. To counter this sort of malign authoritarian influence in the multilateral system, the Trump administration’s unilateralism and disengagement was counter-productive. What is needed is a joint transatlantic effort to rally like-minded countries to advance practical and targeted reform proposals that can help shore up the multilateral system and address malign authoritarian influence by ensuring greater accountability, transparency, and respect for the rule of law in international organizations.

Technology and Digital Issues

Technology and digital issues are increasingly a pivotal part of the transatlantic agenda. The Biden administration should prioritize engagement with the EU on shaping a transatlantic technology agenda, given the need to promote economic growth in the aftermath of the coronavirus pandemic and to address the challenges in the technology space stemming from a rising China.

In recent years, the EU has intensified its efforts to become a leading global player in technology, leveraging the “Brussels effect” to set global rules for the digital sector. This is driven by economic and strategic rationales, and it has manifested itself in several new EU policy initiatives that affect digital society, privacy, and data flows. The adoption of the GDPR in 2018, creating common standards for personal data protection, was a flagship effort. Promoting a Europe “fit for the digital age” is a top strategic priority for the European Commission, often with an emphasis on the need for more “digital sovereignty.”

The evolving approach aims not only to make the EU a more competitive player on the world stage, but also less reliant on foreign counterparts. In recent years the European Commission has released, among other things, a [white paper](#) on artificial intelligence (AI), a [Data Protection Strategy](#), and a

[European Industrial Strategy](#). In its quest to become a leader in AI regulation, the EU plans to scale up funding and innovation while also creating [ethical guidelines for “trustworthy AI.”](#) In its data plans, a framework for “common European data spaces” is expected along with a [European Cloud Initiative](#) and the Gaia-X project, which aim to create Europe’s own data infrastructure. Another key part of the European Digital Strategy is the new [Digital Services Act](#), which sets out to replace the [E-Commerce Directive](#) of 2000 and create a legal framework for digital services and ensure that providers in the EU mitigate risks and respect EU fundamental rights and establish a liability regime. Also relevant in this regard is the new [Digital Markets Act](#) that proposes rules for large companies considered gatekeepers. The European Commission plans to accelerate its commitment to innovation in AI and quantum computing as part of the post-pandemic economy recovery package. Some European countries such as [France](#) are also pushing ahead with a digital tax on big tech companies, which the [European Commission](#) has expressed support for.

Much of the Trump administration’s digital and tech agenda focused on competition with China. It restricted Chinese access to U.S. critical technologies, imposed bans and restrictions on Chinese technology vendors such as Huawei and ZTE or social media apps TikTok and WeChat. It urged other countries to do the same, and identified “critical and emerging technologies” on which to compete with China. The United States has also taken some steps to regulate the digital sector at home and set new standards for emerging technologies. In May 2020, Trump issued an [executive order on preventing online censorship](#) with the intent of limiting the legal protection offered by Section 230 of the Communications Decency Act, which shields websites from liability for content created by their users and content moderation decisions. While Democrat and Republican members of Congress are talking about repealing Section 230, they have different objectives and the fact that the issue is so politicized means it will likely be hard to reach a bipartisan agreement anytime soon. In 2019, Trump signed an [executive order](#) announcing a national AI strategy. The White House soon after released a statement on [AI Principles](#) focused on a strategy for engagement in AI technical standards and a regulatory document for the trustworthy development, testing, deployment, and adoption of AI technologies. The 2021 budget announced [an investment of \\$142.2 billion](#) in federal research and development, a 6 percent increase from the 2020 budget.

The Trump administration clashed with European countries over their plans for digital taxes, claiming that it would open an investigation into taxes on digital commerce that would negatively [affect](#) where U.S. tech giants like Facebook and Amazon pay taxes. Yet despite their differences, there have been collaborative efforts and aligned policies between the two sides in recent years. The United States joined the French-Canadian-led Global Partnership on AI and engaged Europe on 5G with some success, albeit with a heavy-handed diplomatic approach. The Trump administration expressed appreciation for EU initiatives like the [5G Cybersecurity Toolbox](#) and signed bilateral memoranda of

understanding on 5G security with European countries, mostly Central European ones. The State Department has engaged with the European Commission on exploring [synergies](#) between the EU's toolbox and the United States' [Clean Network](#), which aims to [safeguard](#) sensitive information from intrusions by malign actors, and the necessity for partnership for securing telecommunications infrastructure. When it comes to regulating big tech companies, there are signs of converging attitudes in the debates on things like antitrust and competition policy. Cases in point include the recent lawsuit filed by the Justice Department against Google for its anti-competition tactics to preserve a monopoly—the most aggressive [U.S. legal action](#) taken against a company's dominance in the tech sector in more than two decades—and the growing debates in Congress over Section 230. Finally, while the federal government has not developed its version of the EU's GDPR, multiple U.S. states such as [California and Washington](#) have followed suit and enacted similar data-protection laws.

While Biden's digital and technology agenda is still somewhat unclear, he has highlighted a few potential actions his administration will take, such as boosting investments into enhancing U.S. technological leadership. He has suggested a willingness to [repeal Section 230](#) while also claiming that [dismantling companies like Facebook](#) should be considered. Other areas of potential action include [restoring net neutrality rules](#) and removing laws that block municipal broadband (internet access that is provided fully or partially by local governments). On 5G, the Biden administration is expected to continue its predecessor's efforts to ban Huawei and focus on tech competition with China more generally, on which there is strong bipartisan consensus, though its approach would likely be more alliance-oriented and focused on creating the rules for fair and just practices. While the Biden administration might be more willing to cooperate with the EU on [greater regulation](#) of the technology sector, some of the EU's plans for digital taxation, data protection, antitrust, and content moderation could also become a source of friction.

The EU and the United States should initiate a high-level strategic dialogue and cooperation on technology and regulation based on shared values and goals. They should also seek to shape a transatlantic technological agenda and manage shared challenges from digitization and emerging technologies. A strong case can be made that technological leadership by the United States, the EU, and other liberal democratic countries will be crucial in order to safeguard democratic institutions, norms, and values as well as to avoid further fragmentation of the internet. Since the initial tenure of the Biden administration will coincide with several anticipated new EU technology policies, it should immediately seek to engage the EU to find common ground to promote an open and global internet based on democratic principles and norms (see box 3).

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Recommendations on Transatlantic Technology Cooperation

- **Establish an EU-U.S. Trade and Technology Council:** The idea originally proposed by former EU trade commissioner Phil Hogan of establishing an EU-U.S. Trade and Technology Council should be advanced early on in 2021. Though some transatlantic digital consultations are already taking place—for instance, as part of the annual U.S.-EU Information Society Dialogue or the ongoing ad hoc dialogue between the European Commission’s Directorate-General for Communications Networks, Content and Technology and the U.S. National Institute of Standards and Technology—a more focused effort is clearly needed. A new high-level format could gather senior representatives from the European Commission and relevant U.S. departments and agencies, along with key industry representatives and could be chaired by the president of the European Commission and the U.S. vice president. Its goal should be to set a common framework for digital principles, coordinate and align the scope and implementation of new regulatory approaches and antitrust legislation, develop [standards for emerging technologies](#), and promote a stronger transatlantic digital marketplace.
- **Utilize existing multilateral platforms better:** The Biden administration should reengage in international standard-setting bodies such as the International Telecommunication Union and work with the EU and like-minded countries to offer an alternative to Chinese tech and telecommunication standards and internet governance. The goal should be to protect fundamental human rights and to promote an open and free internet. The Biden administration should also reengage with the EU and Japan in the World Trade Organization to update the rulebook for digital trade and to address intellectual-property protection. Finally, the United States should reengage in the G7 on digital issues and consult with Europe on the idea of establishing either a [D-10](#) or a [T-12](#) format to tackle technology issues with a wider group of like-minded partners.
- **Reach compromise on digital taxation:** Rather than imposing punitive tariffs against European countries that introduce a digital tax, the Biden administration should, in its first hundred days, reengage in multilateral discussions within the Organization for Economic Co-operation and Development with the goal of shaping a joint approach to the taxation of digital services. Meanwhile, European governments should hold off on any unilateral measures before a common transatlantic approach with the Biden administration can be fully explored.
- **Sort out data privacy and data standards:** A top priority for the United States and the EU should be how to regulate transatlantic personal-data flows following the ruling by the European Court of Justice invalidating the EU-U.S. Privacy Shield. Given the regulatory and commercial disruption the breakdown of the agreement is causing at a time when the transatlantic economy

is in recession, resolving this issue should be a top priority for policymakers on both sides of the Atlantic. At the same time, it is clear that the United States lags the EU in setting digital regulations, especially when it comes to a consumer privacy framework. The United States should seek to learn from the EU's experience with the GDPR in this regard as well as from subnational initiatives like California's Consumer Privacy Act. Having domestic approaches in place would help increase the United States' credibility for leading multilateral approaches and build trust with European countries. Additional efforts must also be made to incorporate the United Kingdom into any future transatlantic data arrangement.

- **Develop a joint AI strategy:** Given similarities and some notable differences between their emerging approaches toward AI governance, the EU and the United States should seek to develop a common, or at least complementary, set of AI principles based on shared values and norms that can inform future human-centric and ethical AI legislation. To this end, the EU and the United States should also establish a [transatlantic working group on AI](#) consisting of policymakers, ethicists, researchers, regulators, and representatives from the private sector and civil society to work on developing new frameworks, standards, and ethical guidelines for the development and use of AI. To spearhead R&D cooperation in AI, the United States and the EU could also consider signing a mutual AI agreement, similar to what [the United States and the United Kingdom](#) have already signed.
- **Promote more joint transatlantic research and development:** While the United States and the EU contemplate ways of supporting their domestic technology sectors through a renewed focus on industrial policy, it is essential that they do not erect new digital walls. The risk that they will resort to protectionist measures is considerable. As part of a joint tech agenda, the United States and the EU, with like-minded partners such as Japan, should promote free competition and deeper cooperation that would enhance collective competitiveness vis-à-vis China. This includes new opportunities for joint research and development and investments, supporting talent development through visa policies and research exchange programs, promoting interoperable standards, and enhancing data-sharing opportunities.
- **Shape a joint approach to protecting critical technologies:** The implementation of the EU's new investment-screening mechanism and the actions recently taken by member states should inform a more coordinated transatlantic approach. Additional defensive issues where the Biden administration should work with the EU and like-minded partners like Japan include harmonizing definitions of critical technologies, aligning export-control restrictions (including information sharing and best practices) especially with regard to semiconductors, a joint initiative to audit and secure diversified supply chains, and monitoring science and technology partnerships.

- **Lead together on 5G deployment:** In the past few years, the deployment of 5G has become a top issue on both sides of the Atlantic. The Trump administration lobbied European governments to ban, or at least severely curtail, the role of Huawei in building Europe's 5G wireless networks. There is a need to look at how the EU and the United States can partner on an assertive agenda for deploying 5G and reaping benefits from its applications by investing in setting shared security standards and promoting reasonably priced alternatives to Chinese solutions, not only in Europe, but also in developing countries around the world. They should also partner on researching, testing, and setting standards for 6G technology.

Conclusions

After four turbulent years of Donald Trump and against the backdrop of an increasingly competitive international system, the transatlantic relationship will need more than just positive rhetoric and a return to pre-2017 areas of cooperation in order to stay relevant. Three important areas where cooperation has fallen short in recent years but where there is now a pressing need to do more are climate and energy, democracy and human rights, and digital technology issues. Each of these three areas represent significant opportunities for improved transatlantic relations and should therefore be seized upon by U.S. and European officials as part of constructing a [new transatlantic agenda](#). The new Biden foreign policy team will no doubt have a very crowded docket, but positive steps in these areas can make a significant difference in resetting the transatlantic relationship. For their part, European officials need to come forward with very concrete ideas such as some of these proposed above—first trying to build some concrete wins on small and medium-sized issues rather than trying to renegotiate the relationship as a whole all at once.

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