

news

A review of Transatlantic Relations

Volume II, Number 5, August 2000

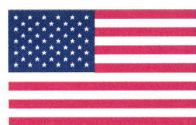
Highlights from the Queluz Summit

The first EU-US Summit this year took place in Lisbon on 31 May. European Commission President Romano Prodi and Portugal's President of the EU Council Mr Guterres met US President Clinton at this event. Other top representatives of the EU at the Summit were External Relations Commissioner Chris Patten and Trade Commissioner Pascal Lamy, together with the High Representative for CFSP Javier Solana.

Participants and organisation

EU-US Summits came into being as a result of the 1990 Transatlantic Declaration, which provided a new impulse to EU relations with the US. The New Transatlantic Agenda (1995) took cooperation a step further, from simple consultation to joint action.

The venue for the present Summit was the Queluz castle, 15 km outside of Lisbon. The beautiful palace with its splendid surrounding park and the Atlantic sun created an ideal setting for the leaders from the European Union and the United States, which probably contributed to the successful outcome of the Summit. In addition to meetings between the Summit Leaders there was also a Foreign Ministers' meeting, a meeting between Trade and Economic Ministers and a joint Ministers' meeting. The Summit Leaders also had a brief encounter with representatives of the Transatlantic Business Dialogue and the Transatlantic Environment Dialogue.



Statements

At the Summit five Joint Statements were issued. The first one concerning a joint initiative to combat **Aids, HIV and other infectious diseases in Africa**, one on

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Biotechnology and the launching of a Consultative Forum on Biotechnology, a statement on the **WTO**, a statement on **data privacy** and the so called «safe harbour principles» and finally a statement on **cooperation in Southeastern Europe**.

The Statements provide an excellent basis for developing joint work and action in favour of the commonly agreed objectives. In this sense, it is true that Summit Statements are not the culmination but the beginning of the hard work.

Other outcomes from the Summit

The Summit leaders had a constructive discussion on several other subjects such as Russia, EU-US trade and the New Missile Defense System. In addition, the leaders had an informal exchange of views on the New Economy; Innovation, Information and Growth, a subject to which Europe is giving much attention lately. This new formula, with a «free» discussion over a particular topic could well be followed at future Summits.

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culmination but the beginning of the
hard work.

Trade issues, including current bilateral disputes, were discussed at the Ministers' meetings as well as in the Leaders' session. A positive discussion on WTO and China was held but lack of progress was registered on the bilateral trade disputes.

To summarise: The Queluz Summit was characterised by good meetings, a cordial and constructive atmosphere and good prospects for successful EU-US cooperation in several areas over the last six months as shown in the joint Summit statements.

Some of these issues are analysed in the next three articles. The conclusions from the Summit can be found on the internet at: http://europa.eu.int/comm/external_relations/us/summit_05_00/index.htm

Prospects for EU/US relations under the French Presidency

The French Presidency, having taken over from the Portuguese on 1st of July, will hardly find 6 months are long enough to bring to a conclusion the ambitious exercises launched under previous Presidencies, and due to be finalised by the time of the EU Leaders Summit in Nice (7/8 December 2000).

The general issues

The issues on the table are key to the EU's ability to address challenges lying ahead : 1/ the elaboration of a European Charter of Fundamental Rights, in response to EU citizens' expectations, 2 / the reform of EU institutions, in order to strengthen the EU's role and efficiency, as well as to prepare for its forthcoming enlargement, 3/ the consolidation of the European Security and Defence Policy, to allow the EU to assume its responsibilities across the full range of conflict prevention and crisis management (the Petersberg Tasks), 4/ the adoption of the European Social Agenda and the promotion of necessary conditions for economic growth and full employment, aiming at reinforcing the social cohesion while furthering the EU's competitiveness, notably by deriving full benefit from information technologies and innovation.

The EU-US dimension

The EU's work programme is neither limited to those core issues bound by deadlines (a number of political, economic, sectorial issues will in the meantime be further reviewed or decided upon), nor confined to the EU's internal development. External relations of the Union are taking a growing place in the overall agenda. In this framework, the relationship with the US obviously takes on a particular importance. During the next EU/US Summit, due to take place in Washington on 18 December, French President Jacques Chirac, President of the Commission Romano Prodi and US President Bill Clinton will review the progress and achievements in our cooperation to implement the Lisbon Joint Statements (see our lead article), in particular in the field of growth and innovation (with the possible development of concrete pro-

posals to reap the full benefits of the New Economy and avoid the "digital divide"), but also of the fight against the terrible scourge of HIV/AIDS, malaria and tuberculosis in Africa (with prospects for further co-operation in research and development and raising public awareness, and in setting up together new strategies and international responses to this problem). EU and US Leaders will also assess the most recent developments in South East Europe and the outcome of our substantial joint efforts to ensure stability and

economic development in the region. Among the security issues of importance to the EU and US Allies, latest developments in the field of ESDP and in the international strategic balance, as well as a number of regional themes, will be further discussed.

The French Presidency's website, including four language versions, can be reached at : <http://www.presidence-europe.fr>

EU-US co-operation on HIV/AIDS, malaria and tuberculosis in Africa

At the Summit of 31 May, the EU and the US agreed to co-operate to accelerate action on HIV/AIDS, Malaria and Tuberculosis in Africa. The Joint Statement adopted at this event provides the basis for increased and more effective action in fighting those diseases.

Some facts

HIV/AIDS

- In 1999, 33.6 million people world wide were estimated to be living with HIV/AIDS of which 95 % in developing countries and over 22 million in sub-Sahara Africa. More than 11 million children are orphaned due to HIV/AIDS.

Women in developing countries are in particular vulnerable to HIV infection due to both societal and biological factors.

HIV/AIDS reverses decades of development, kills i.a young and mobile professionals, leads to changes in patterns of production, fall in life expectancy (from 64 to 47 years in parts of Southern Africa) and overwhelming health budgets.

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Malaria

Malaria kills at least 1 million people each year and infects 500 million people. 90% of the cases occur in

Africa. 700.000 children will die needlessly this year. Malaria is re-emerging in areas where it was previously under control or eradicated. Failure of programmes, climatic changes and deteriorating sanitation are significant factors for this fact. A malaria-stricken family spends over one quarter of its income on malaria treatment.

Tuberculosis

Tuberculosis kills 2 million people a year with 95% of deaths occurring in developing countries. TB is the leading cause of death among the HIV positive. TB infection is increasing across the globe with a four-fold increase in several African countries over the past decade after 40 years of steady decline. An effective cure exists and costs as little as 11 \$.

Preventive measures and treatment do not reach the poorest and vulnerable people. It is clear that more effective global co-operation is needed to reverse this trend.

The failure of health systems, the emergence of resistance to drugs, the effect of population movements, unplanned development and the continuous poverty contribute to the increasing spread and burden of these diseases. Moreover, preventive measures and treatment do not reach the poorest and vulnerable people. It is clear that more effective global co-operation is needed to reverse this trend.

What is being done?

Major programmes exist. Extensive work in the field of communicable diseases is being done by many international organisations, such as WHO, World Bank and UNAIDS.

On HIV/AIDS alone, the Commission programmes have committed between 1987 and 1999 a total of 300 Million Euro.

EC developing policy now focuses on poverty reduction and health and population programmes, as it has become clear that poverty and health are correlated. On HIV/AIDS alone, the Commission programmes have committed between 1987 and 1999 a total of 300 Million Euro and on top of that a specific HIV/AIDS budget line of 20 Million Euro has been established. Together, the European Community and the EU Member States provide more than half of all development assistance programmes related to health around the world. For more information on the EC health programmes towards developing countries, please visit the following website: <http://>

What did the EU and the US decide?

The EU and the US agreed to join forces in response to the threats posed by HIV/AIDS, malaria and tuber-

culosis. At the 31 May Summit, they adopted a joint Statement on accelerated action which aims to provide renewed political impetus in the fight against those communicable diseases and to work together to advance the following objectives:

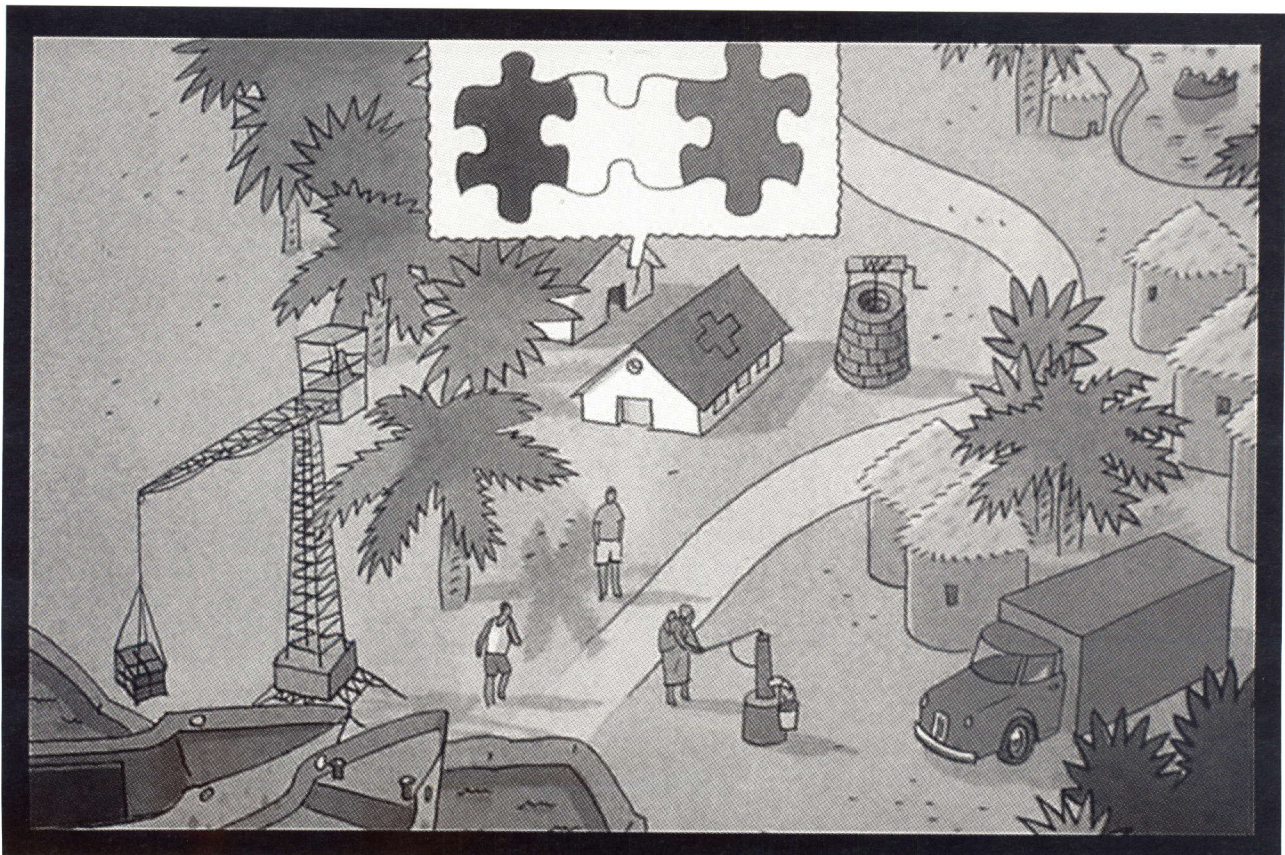
To encourage international partnerships with international institutions, such as WHO, UNAIDS, the donor community, recipient countries, pharmaceutical industry to develop new and co-ordinated international responses, sustain national health strategies, and improve access to drugs.

To increase public awareness and to propagate effective health, education and prevention measures.

To strengthen, together with developing country partners and industry, our research and development co-operation in the fight against these communicable diseases.

To support incentives designed to make drugs and vaccines more accessible and to seek an increase of resources dedicated to the fight against those diseases (governmental, private and through multilateral organisations and institutions).

In this area, the EU and the US will support governments that undertake to improve their health systems with resources made available under the Highly Indebted Poor Countries debt relief initiative and through the implementation of the Poverty Reduction Strategies developed in consultation with civil society and international donors.



The EC has recognized that the price of essential drugs and key pharmaceuticals for major communicable diseases and the inability to pay of people in the developing countries are major obstacles to improve access to drugs.

How is the Statement followed up?

The EU and the US will start implementing their agreement under the French Presidency.

Already in early July, experts from both sides met to discuss follow up. The European Commission (EC) is preparing several proposals to this end. One of them is the proposal to organize together with WHO and other involved parties –pharmaceutical industry and recipient countries– a conference late September to try to formulate new responses. Part of these discussions will be devoted to the affordability of pharmaceuticals.

The EC has recognized that the price of essential drugs and key pharmaceuticals for major communicable diseases and the inability to pay of people in the developing countries are major obstacles to improve access to drugs. Another issue will be the maximisation of access to existing health programmes (proposals could be to improve social marketing of health commodities, franchising of services, subsidies for the poorest, improved delivery mechanisms).

Another key proposal the EU is preparing is an increased investment in research and development of vaccines. The European Commission will i.a. increase support for capacity building of research institutions and personnel in developing countries and will encourage private investment in Research and Development.

The implementation of this and other international initiatives in the field of communicable diseases (such as in the framework of the G8) will require a maximum effort from Commission services and Member States. If this can contribute to the targets set to fight these communicable diseases in Africa, it is certainly worth while.

You can find the full text of the Summit Statement in the special Summit page at http://europa.eu.int/comm/external_relations/us/summit_05_00/index.htm

Hot Trade topics in EU-US relations

Trade issues, both bilateral and multilateral, were a substantial part of the Summit works. Both sides reviewed together the state of play of hot issues in transatlantic trade, and in several cases they managed to agree closer positions which will facilitate progress in achieving mutually beneficial results. The US also committed to support the launch of an inclusive WTO round this year.

Closer views on the New Round

The US recognised that the Round should reflect the concerns of all members : that seems to indicate that a Round must include the issues that, while key for others, have proven problematic for the US. Both sides agreed to adopt an important Statement on the issue of a new Round.

However, there were also significant differences. Anti-dumping which is a key issue for developing countries and Japan seems to remain a difficult issue for the US. The EU also reiterated that environment and labour should be on the WTO's agenda. In this respect, the declaration represents progress in terms of the US acceptance to address environment issues, and that labour should be addressed in a non-protectionist way. There was also a rather sober recognition from both sides that the window of opportunity for a launch this year was decreasing, with US indicating that their Congress was exhausted with China.

[On China, both sides agreed that this was a good example of EU-US cooperation which sets a high stan-

dard to be followed, notably in some other accessions (Russia and Vietnam were mentioned during the meeting). The EU and the US agreed to think together about monitoring of implementation, as well as about the impact on the WTO organisation.]

Bilateral trade issues

Another joint Statement was adopted concerning **biotechnology**. In this area, both sides were finally able to agree on the list of persons and launch the consultative forum. It was also agreed to discuss market access at government to government level in accordance with the regulatory requirements of the importing party and only for already approved products.

On the **US Foreign Sales Corporations** system – which has been recently condemned by the WTO – there was an interesting exchange of views. The EU made clear that contrary to certain allegations, there was no similarity with any current EU systems. European systems are WTO compatible, contrary to the US FSCs. The real question at stake now is the need for quick implementation of the WTO ruling.

On **Carousel** (i.e. the system of US rotating sanctions, which Europe considers contrary to WTO provisions), the US authorities indicated that even if they had opposed the law in Congress, they are now bound to apply it. The European side replied that the EU should then request WTO consultations, which has been done since (on 5 June).

On the EU **bananas** import regime, the EU outlined that its current offer based on tariff quotas was rather generous, and asked the US to reconsider this proposal. (See also box below for more information on this issue). On the hormone-treated meat dispute, the EU underlined that the Commission proposal was intended to achieve WTO consistency as repeatedly requested by the US. Unfortunately, the US replied that they would not see progress as long as the ban remains in effect.

On **US Harbour Maintenance Tax**, the US side indicated they were working on a replacement system and offered to work together on this. Obviously, it must be made sure that the current scheme is not replaced with an even more penalising system.

On **Wheat Gluten**, the EU side made it clear the quarterly quota management system is unacceptable and unworkable. A Panel report on this safeguard measure is expected.

The discussion on the aerospace sector at Trade Ministers' level really showed that both parties considered that this was a very sensitive dossier. The US expressed concerns with regard to the financing terms for Airbus A3XX. President Clinton was even more

assertive and indicated that he would never let Airbus hurt a 'major US exporter'. However, this discussion should be put in the context of US support for Boeing. Actually, this very large enterprise – Boeing - has traditionally enjoyed huge 'spillover' resources from US public funding of R&D and investment in the military area, military giant even before its 1997 merger with MacDonnell Douglas.

A Statement on **data privacy** was also adopted at the Summit, taking stock of the Article 31 Committee vote. The 'safe harbour' was considered to be a creative breakthrough in terms of bridging EU-US differences in regulatory approaches. However, on 6 July, the European Parliament decided to oppose the data protection agreement. Even if this advice is not binding by nature, the Commission has declared its willingness and determination to re-examine the dossier in the light of this new development, before undertaking new conversations with the US side.

There was finally a short exchange on TEP. Both sides underlined the importance of this exercise and agreed on the need to prioritise and focus the work on TEP.

More information on these issues can be found at the Commission's Queluz Summit website :

http://europa.eu.int/comm/external_relations/us/summit_05_00/index.htm

As well as at the Trade DG website at:

http://europa.eu.int/comm/dgs/tradef/index_en.htm

News on other trade topics can be found in the 'shorts' section of this newsletter.

Commission makes new proposal to solve dispute on EU banana import regime

Following eight months of intensive discussions and despite the Commission's strenuous efforts to resolve the banana dispute, it has not proved possible to reach a compromise with third countries at this stage. Since the negotiations on maintaining a tariff quota regime on the basis of managing import licences on a historical basis have reached an impasse, and taking into consideration the discussions within Council and Parliament, the Commission proposed in July 5, 2000 the following strategy : It will continue to study a transitional system of tariff quotas, but at this stage

on a "first come, first served" basis for the three tariff quotas (a tariff preference of 275 euro/t for the ACP countries would apply). The Commission retains its proposal for an automatic transition, on 1 January 2006, to a system based on tariffs only. In addition, the Commission asks the Council to give its authority to begin negotiations under Article XXVIII of the GATT with the relevant suppliers in order to implement a flat tariff system, in case no solution can be found on the tariff quota basis.

News from the Transatlantic Dialogues

The **Transatlantic Business Dialogue**, which is co-chaired this year by Bertrand Collomb, CEO of Lafarge and George David, CEO of United Technologies, held its Mid-year meeting in Brussels on 23 May. The meeting was attended by 100 business representatives from both sides of the Atlantic; the Commission and the US Government participated at high-level. The Mid-year meeting serves as an important control station as follow-up to last year's TABD CEO conference in Berlin and in the preparations for this year's CEO conference in Cincinnati, Ohio 16-18 November.

TABD gives highest priority to make efficient use of the «early warning system».

The Mid-year discussions focused on progress made on the TABD recommendations to Governments in Berlin and set out the priorities for the 2000 conference in Cincinnati. TABD gives highest priority to make efficient use of the «early warning system» launched at the June 1999 EU-US Summit as a means to prevent future trade disputes. TABD also urged EU and US officials to launch a new round of trade negotiations in the WTO and to promote international standards to further harmonize the transatlantic marketplace and ensuring that consumers, employees and small businesses all benefit in the development of the «new economy».

The **Transatlantic Environment Dialogue (TAED)** had its 3rd meeting in Brussels on 10-13 May 2000. This was an important meeting which included high level participation from the Commission and the US Authorities. A very large number of issues, both organisational and of substance were dealt with at the event.

TAED has also released recently a comprehensive 'scorecard' on EU and US follow-up of their - recommendations.

The outcome of the working sessions included statements on climate change, biodiversity, food and agriculture, trade and elimination of toxic substances. TAED has also released recently a comprehensive 'scorecard' on EU and US follow-up of their recommendations on diverse areas.

The TABD and TAED also met with the Summit Leaders at the EU-US Summit in Queluz 31 May, where they presented their priorities and viewpoints.

The **Transatlantic Consumers Dialogue** made public on 30 May 2000 its Annual Report. The Report, released to coincide with the EU-US Summit to take place in Lisbon, measures the governments' progress on implementing TACD recommendations.

While consumer groups in Europe are more satisfied with the consultative process in Europe, we also want to see a more positive response from the EU.

The press note released with the report included some critical comments by TACD members: 'When you look at all the consumer dialogue recommendations, it is hard to point to one that the U.S. government has fully embraced' said Lori Wallach of Public Citizen's Global Trade Watch. 'While consumer groups in Europe are more satisfied with the consultative process in Europe, we also want to see a more positive response from the EU to our recommendations', said Jim Murray of the Bureau of Europe consumers organisations (BEUC).

More information about the Transatlantic Dialogues can be found at their respective websites:

<http://www.tabd.org/>

<http://www.taed.org/>

<http://www.tacd.org/>

The European Parliament and the US Congress intensify their contacts

The EP and the US Congress held their 52nd Interparliamentary Assembly on 19 – 23 June 2000 in Washington. A comprehensive delegation of MEPs visited their US counterparts and met US Government representatives as well. Some days earlier, on the 1st of June, the Transatlantic Legislators' Dialogue had held its first official videoconference ever. This virtual meeting was focused on Internet and 3rd generation mobile phones. Both events provided a new impulse to the increasingly strong ties between legislators both sides of the Atlantic.

The EP/US Congress Interparliamentary meeting

A very large and comprehensive agenda had been fixed for this meeting. On Foreign policy, the issues of China accession to WTO, Russia, US NMD, European Security and Defence, the Balkans, MEPP and Helms-Burton – which was defined by Chairman Imelda Read as 'a danger to EU-US relations' – were treated. There was also discussion on the controversial ECHELON network (see box below).

Trade matters were also discussed. There was a useful exchange on US Foreign Sales Corporations (FSCs) and their rejection by the WTO. In addition, legisla-

tors exchanged viewpoints on Biotech, Data protection and Telecoms.

Other important issues received the attention of the participants. Ms Read pleaded for commutation of an impending Death sentence. Current aviation-related topics were also debated (including hushkits and Airbus/Boeing).

A comprehensive programme

The MEPs programme included not only their Transatlantic Assembly but also meetings with the US DoS, Treasury, Justice, USTR. Parliamentarians were briefed on US FSCs and Airbus, and visited US AOL. MEPs had also the opportunity to meet Competition



EP President Nicole Fontaine and Commission President Prodi greet at the EP.

Commissioner Monti, who was in a working visit to Washington.

Last but not least, the legislators had the unexpected opportunity to receive the king of Swaziland, who took the floor unexpectedly to plead for EU-US assistance to deal with communicable diseases in Africa (see our article on this subject in page 4).

TLD first videoconference

The progress of TLD was praised at the Interparliamentary Assembly; and the first TLD videoconference, in particular, was considered a success which deserves to be repeated in the future.

This videoconference took place on the 1st June 2000, and it was focused on a single subject, the Internet and 3rd generation mobile phones. The Conference was very successful both in substance and as a precedent to set the standards for future virtual meetings.

Cooperation between the Commission and the EP

Prior to these events, Mr Percy Westerlund, Director for North America, Australasia, Japan and Korea addressed the EP US Delegation on Transatlantic

Relations in Strasbourg on 18 May. Mr Westerlund updated MEPs on the latest developments in the Transatlantic relationship, in particular concerning the Queluz Summit. In this context, he also expressed the Commission's satisfaction for the increasingly good cooperation with the EP and his determination to continue the efforts in this direction.

As on past occasions, the Washington Delegation of the Commission provided logistical and organisational support for the 52nd Interparliamentary Meeting. Representatives of the Commission also attended the TLD videoconference.

Continued close cooperation between the EU Institutions, and in particular between the Commission's US Unit and the EP US Delegation will be particularly important as EU-US Interparliamentary ties develop.

*The EP website can be reached at:
<http://www.europarl.eu.int/>
The US Congress website is at:
<http://www.house.gov/>*

EP orders investigation on ECHELON

On 4 July 2000, the European Parliament voted to form a committee to investigate allegations that the United States and other Countries used satellites to conduct industrial espionage in Europe.

The US ECHELON system of satellites and listening posts can intercept millions of telephone, fax and e-mail messages. Washington has been accused of using it for economic espionage against its allies. The US Government has denied the charges. However, a report submitted to the EP by STOA, a British researcher, said Echelon's activities had resulted in several major contracts going to U.S. rather than European firms.

The EU committee will have one year to establish whether the Echelon system really exists and whether European industry has been damaged by global interception of communications. It will also consider whether the privacy of individuals can be protected

from spying and how this can be done. The committee was expected to be headed by Portuguese deputy Carlos Coehlo and would aim to report back on its findings in about eight months.

The French prosecutor's office has also appointed a prosecutor to launch a preliminary judicial investigation into the workings of Echelon. Other inquiries have been initiated or are being discussed in Germany and Denmark.

US Congress and Senate staffers visit Brussels

In the framework of a visit organised by The Atlantic Council of the US, a large group of US high level congressional staff held a number of meetings with the European Institutions. Their visit included a session with Commission officers at the US desk, where a frank and lively exchange of views was held. Subjects treated ranged from Trade disputes to the latest US moves in the NMD initiative.

Impact of the Network of European Union Centers in the U.S.

Readers of the EU-US News are already familiar with the EU Centres in the US. Since their founding in 1998, triggered by a call for tenders from the European Commission, the ten EU Centres have built an impressive Network that has strengthened transatlantic relationships and impacted many sectors of U.S. society with a deeper understanding of the European Union and its importance to the United States.

The Centres' project is one of the most significant actions taken by the Commission within chapter IV of the NTA. The overall objectives of the programme are to enhance Transatlantic people-to-people links, to promote greater understanding in the US of the EU and to increase awareness in the US for the political, economic and cultural importance of our Relationship. Within this framework, the accomplishments of the EU Centers are many.

Most Centres have their own EU-related publications, either in electronic or print format, where the interested reader can find first-hand information on EU topics and viewpoints. These publications typically range from 6,000 to 10,000 per distribution.

In the area of public policy discussion, the EU Centres have held over 25 policy conferences, bringing together EU and US policy makers along with business, labor and other civil society representatives to discuss and effect policy changes. They have also established new contacts with local, regional, and state governments, providing informational briefings on a variety of topics. Most Centres have their own EU-related publications, either in electronic or print format, where the interested reader can find first-hand information on EU topics and viewpoints. These publications typically range from 6,000 to 10,000 per distribution. Individual websites, press articles and other media complete the picture in this key area.

These achievements have been most useful to publicise and explain the EU views in the US on a number of

Also, the Centres have performed outreach to local high schools, particularly via workshops helping teachers to integrate EU topics into existing classes.

issues, helping to avoid misunderstandings and to combat the stereotyped views very often associated with lack of information.

Also, the Centres have performed outreach to local high schools, particularly via workshops helping teachers to integrate EU topics into existing classes. The Network has held approximately 30 workshops with as many as 150 teachers enrolled. Many Centres also perform in-school visits.

The EU Centres have also up to now organized 77 events to educate opinion leaders in the business community about the EU and the importance of the transatlantic relationship. They have regularly co-sponsored speakers and discussions with World Affairs Councils, Trade Organizations, High-Technology Councils and other organizations.

EU Centres are firmly rooted in the academic and scholar world. In this area, they offered 2,806 EU-related courses to approximately 98,000 students in different schools and departments within the universities. They taught approximately 600 PhD students on EU-related topics. As many of these students go on to a career of teaching, each will impact over 100-400 students per year for 20-30 years.

The EU Centres Network web site can be reached at: www.eucenters.org.

The EU Centres in the US: an outsider's insider view

Some three hours South of Atlanta, in a location away from the interstate lies the charming small town of Douglas. Apart from being an important agricultural base, the 30 mile area around this spot is the largest centre for production of modular (mobile) homes in the USA. This is to be the site of my 28th public speaking engagement since joining the EU Center based with the Sam Nunn School of International Affairs in Georgia Tech. Arriving on campus, I ask a passer-by if he can guide me to my destination, the Collins building.

"Where?" he asks, raising his eyebrows. Assuming he has not heard of that particular building, I try a different approach, and ask instead for the history faculty. "Oh, the history faculty. For the history faculty you should go to the Collins building" he says in a magnificent Southern drawl, gesticulating at a building fifty metres away.

The exchange leaves me puzzled. Is my English accent so disconcerting to an American ear? Could he really not understand what I first asked him? The professor who greets me and to whom I recount the tale, reassures me.

Contact adrianberesfordtaylor@yahoo.com

For the Atlanta EU Center, see www.inta.gatech.edu/eucenter/home

For more stories on the author's experiences in the US see www.tiesweb.org, "an Englishman in America"

For the author's views on EU institutional reform plus foreign and defence policy see www.eurogoal.org

"Don't worry, we just don't get many outsiders down here".

And that is the beauty of it all. Here I am, in rural Georgia, a thriving economic zone, but one that is about as distant as you will get from the international scene; and yet there are fifty students piled into an auditorium to hear about the European Union. Moreover, many of them are likely to participate in an EU certificate programme, which, thanks to the help of the University System of Georgia, is available to 34 public universities in the State. As I have witnessed time and again, up and down this, the largest State in land area East of the Mississippi, students are having access to information about the EU, its economy, politics, society and science. A massive mobilisation of resources, all being leveraged out of a tiny office run by two co-directors in the EU Center. Backed up by my visits and by satellite broadcasts from visiting European experts - over 8 in this Spring semester alone -, these students have the chance to learn how and why the EU is important to them.

Adrian Taylor

Scholar – in – residence, EU Centre, Georgia

EUROPEAN UNION CENTERS IN THE UNITED STATES

CALIFORNIA • CAMBRIDGE • GEORGIA • ILLINOIS • MISSOURI • NEW YORK
NORTH CAROLINA • PITTSBURGH • SEATTLE • WISCONSIN

The US Supreme Court's Decision in the Burma / Massachusetts Case

Shorts

The EU intervened in this case, brought by the National Foreign Trade Council, as a friend of the court. It is important to stress that the EU has a strong commitment to protecting and promoting human rights globally and Burma is no exception. Beginning with a European Commission investigation into human rights violations in 1996, the EU has taken a number of measures to signal its desire for a return to democracy and for a full respect of human rights in Burma. The actual issue at stake brought before the Supreme Court was whether the Burma Law adopted by Massachusetts, which restricted the Massachusetts authorities from purchasing goods or services from companies doing business with Burma, was consistent with the US Constitution. The Supreme Court has declared now that the law is unconstitutional. The EU and its Member States have participated in the procedure as *Amici Curia*.

The Views of the EU and its Member States were relied on extensively by the Supreme Court, which is highly unusual. The Massachusetts Burma law was firmly opposed as a matter of principle by the EC because of its extraterritorial effects. Moreover, the EU considered that the law interfered with the ability of the US administration to speak with one voice in foreign affairs. Furthermore, EU companies doing business in Burma were barred from doing business in the US: the fact of being listed in the Massachusetts Burma Law "black list" not only prevented them from participating in Massachusetts procurement procedures but

had also the effect of often effectively disqualifying them from participating in other federal states' procurement procedures.

The EU and its Member States decided to follow a "two-track" strategy: while, on the one hand, a formal complaint was lodged in the WTO against the United States, a number of diplomatic steps were taken, on the other hand, both with the Massachusetts state authorities and the US federal Government, in particular under the Transatlantic Partnership on Political Cooperation that the EU and the US have agreed on the 18 May 1998.

The USSC judgement definitively removes a source of conflict between the EU and the US which had been creating some transatlantic friction since 1996. The positive result of the proceedings can in part be attributed to the combined effect of the EU's intervention and the US federal Government's forceful involvement both in the brief and in the oral argument before the Supreme Court. It also constitutes an example of valuable cooperation between the EU and the US federal authorities in defusing such conflict.

The EU considers the judgement an important, albeit initial, step in providing a solution to the highly contentious issue of trade sanctions adopted by US sub-federal authorities, in particular when they have extraterritorial effects. The EU will continue to closely monitor US internal developments in this issue.

EU wins WTO panel against US Antidumping Act...

Shorts

On 31 March 2000, a WTO Panel ruled that the US Anti-dumping Act of 1916, which provides civil and criminal sanctions to remedy anti-dumping practices, is in violation of WTO rules. This act has been invoked several times against EU companies over the last few years and constitutes a powerful and dangerous tool to hinder competition from imports.

The EU main contention was that the 1916 Act goes well beyond what the anti-dumping provisions of the WTO allow in providing remedies such as civil and criminal penalties that are not foreseen in the WTO. The US contended that the 1916 Act was an anti-trust statute, did not cover anti-dumping practices and accordingly could not be subject to the anti-dumping rules of the WTO.

The panel fully supported EU claim by ruling that the Act covers anti-dumping practices without fulfilling the basic conditions under which dumping measures can be challenged in the WTO. First the Act does not require the establishment of a material injury. Second, by providing for the imposition of fines or imprisonment or for the recovery of treble damages, the 1916 Act violates WTO rules that allow anti-dumping duties as the sole remedy against dumping. Third, the Act does not comply with the procedural requirements regarding anti-dumping investigations which provide that a complaint shall be supported by a minimum proportion of the industry. The panel report calls on the US to bring its regime into compliance with its international obligations.

The EU has requested a WTO dispute panel against a US law restricting rights of foreign right-holders of US trade marks. This controversy stems from a dispute between two famous drink manufacturers, Pernod-Ricard and Bacardi, over the rights of an equally well-known rum brand, 'Havana-Club'. The EU objects to Section 211 of the 1998 US Omnibus Appropriations Act. Pernod-Ricard has filed a trademark infringement in a US Federal Court over Bacardi's use of the Havana Club trademark in the US; US courts have cited Section 211 to oppose this claim. The EU is of the

view that the conditions set forth in Section 211 violate several obligations of the U.S. under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement) since it treats certain foreign right-holders with Cuban assets less favourable than U.S. right-holders. Besides, the law is contrary to the international trademark rules in the TRIPs Agreement since a trademark registration and its enforcement before courts cannot be made conditional on the consent of a trademark owner who has abandoned his rights.

Allies must not become adversaries: Stagiaires' Conference on Transatlantic Relations

Shorts

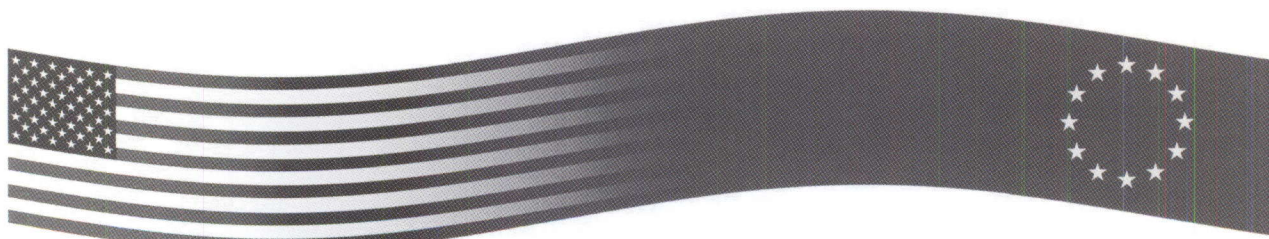
It must be recalled that the EU favors negotiation and discussion, and only resorts to mutually agreed dispute settlement procedures when bilateral agreement proves impossible to reach. But in any case the common interests between the EU and the US far outweigh the often overpublicised differences, and constant efforts are made by the EU to increase awareness of this fact.

Guest speakers at the Conference included Mr Mogens Peter Carl, Director General for Trade and Mr Eric Hayes, Head of the US Unit in DG Relex, as well as Mr John Cloud, Deputy Chief of the US mission to the EU. Proceedings were chaired by Dr Razeen Sally of the London School of Economics.

In the course of the discussion, it became clear that there were no easy solutions to the problems at hand, but experts, such as Ms Cindy Rose (The Walt Disney Corporation) and Mr Robert Bradley (Climate Network Europe), also identified areas of consensus between the two sides.

The European Commission's Stagiaire⁽¹⁾ Conference Committee hosted on 6 July 2000 a one-day conference focussing on the EU-US economic relationship. Entitled "Have Allies become Adversaries," the conference raised awkward questions about the current state of transatlantic affairs. By scrutinising three high-profile policy areas – Biotechnology, Audiovisual Services and Climate Change – participants were asked to determine how far cultural and ethical differences were at the core of recent economic disputes, and to provide possible solutions.

It became clear from the discussion that the differences between the European Union and the United States were not insurmountable cultural obstacles, but arose more from different methods of pursuing common goals. As indicated by Mr Hayes in summing up, regulatory issues become increasingly important on the EU-US agenda, and we need to look for new solutions for working together. Picking up on these shared interests, Dr Sally concluded the day by recalling the words of Benjamin Franklin: "We have to hang together because, if we do not hang together, we will hang separately."



(1) Intern – the European Commission has traditionally supported an ambitious programme of interships with thousands of participants in each term.

Reading the daily news is seldom something to cheer you up. But this day's news was certainly good: "The US Government declares that Rogue States don't exist anymore...", was the heading. My amazed surprise was so huge that I could not continue reading. My best hopes seemed to have been fulfilled: undoubtedly, that could only mean that States behaving in undemocratic or violent ways had finally seen the light and had undertaken the process of integration into the world democratic society. I could not help but running around the office spreading the good news to my colleagues:

- You must have read it wrong – replied one, raising an eyebrow.
- Impossible -, declared another, without even looking up from his desk.
- Yeah, right, and War is going to be abolished forever - said a third (!).

At first I attributed my colleagues' irritating responses to the apparently inevitable scepticism that those working in external relations seem deemed to develop after a certain period. But on second thought, said my pessimistic side, they might well be right. It was highly doubtful that the leaders of these countries had accepted democratic procedures and the rule of law. After all, old Saddam, Muhammad or Kim-Chong-il never seemed too impressed by those extravagant, alien concepts.

Then a much more disturbing possibility dawned on me. Maybe the information was just literal: rogue states did not exist anymore because they had been obliterated. I could almost hear an off-stage voice (which for some reason had a Texan accent) saying

(!) That was, *helas*, a sarcasm (n. from the a.)

'let's blow them to kingdom come, boys', 'let's level their countries to a parking lot', and then a big bang. Most worrying.

But that didn't make sense either. The US is a democratic country, respectful of human life and property, which would never punish so harshly a whole country for the faults of its leaders. Something else must have happened. Again, a brighter and much more sensible alternative came to my mind. And all in all, it had to be that.

The US government had modified its foreign policy. They had resolved to give up unilateralism, replacing isolation with constructive engagement. Confronted with the failure of traditional punishment and black lists, the US government had decided to resort to more subtle, cooperative and surely efficient means of promoting their views and interests. All the positive consequences from this became crystal clear before me: No more extraterritorial embargos, no more conflicts arising from different viewpoints between allies...

But that could not be it either. Unfortunately, there would always be some leaders so brutal and intractable that then would lead their countries to war and wild behaviour. And even if that was not the case, such a big change in US policy could not be so sudden. Taken aback by the failure of all my theories, and yet convinced that there should be an explanation for the news, I kept on reading. Then I understood :

"..... former rogue states will be called in the future 'States of Concern' by the US".

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Your comments, questions and other input are most welcome.
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Contact information

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Editor-in-Chief:

Eric Hayes, Head of Unit for Relations with the United States

Editor

Fernando Ponz Canto, Unit for Relations with the United States

Postal Address:

European Commission
rue de la Loi 200
B-1049 Brussels
Belgium

E-mail address:

Relex-us@cec.eu.int.

Telephone:

+32.2.295.03.10
+32.2.296.34.03

Fax:

+32.2.299.02.08

Website:

http://europa.eu.int/comm/external_relations/index.htm



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg