United States Department of State

Washington, D.C. 20520

June 19, 2020

Case No. FL-2020-00021

Daniel McGrath
American Oversight
1030 15th Street NW, Suite B255
Washington, DC 20005

Dear Mr. McGrath:

As we noted in our letter dated March 12, 2020, we are processing your request for material under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552. The Department has identified an additional four responsive records subject to the FOIA. We have determined one record may be released in full, and three records may be released in part. The processing of your request is ongoing.

An enclosure explains the FOIA exemptions and other grounds for withholding material. Where we have made redactions, the applicable FOIA exemptions are marked on each document. All non-exempt material that is reasonably segregable from the exempt material has been released, and is enclosed.

We will keep you informed as your case progresses. If you have any questions, your attorney may contact Joshua Abbuhl, Assistant U.S. Attorney at Joshua.Abbuhl@usdoj.gov or at (202) 616-8366). Please refer to the case number, FL-2020-00021, and the civil action number, 19-cv-03387, in all correspondence about this request.

Sincerely,

Susan C. Weetman

Susan C. Weetman
Deputy Director
Office of Information Programs and Services

Enclosures: As stated.

AMERICAN OVERSIGHT

The Freedom of Information Act (5 USC 552)

FOIA Exemptions

(b)(1) Information specifically authorized by an executive order to be kept secret in the interest of national defense or foreign policy. Executive Order 13526 includes the following classification categories:

- 1.4(a) Military plans, systems, or operations
- 1.4(b) Foreign government information
- 1.4(c) Intelligence activities, sources or methods, or cryptology
- 1.4(d) Foreign relations or foreign activities of the US, including confidential sources
- 1.4(e) Scientific, technological, or economic matters relating to national security, including defense against transnational terrorism
- 1.4(f) U.S. Government programs for safeguarding nuclear materials or facilities
- 1.4(g) Vulnerabilities or capabilities of systems, installations, infrastructures, projects, plans, or protection services relating to US national security, including defense against transnational terrorism
- 1.4(h) Weapons of mass destruction

(b)(2) Related solely to the internal personnel rules and practices of an agency

(b)(3) Specifically exempted from disclosure by statute (other than 5 USC 552), for example:

ARMSEXP	Arms Export Control Act, 50a USC 2411(c)
CIA PERS/ORG	Central Intelligence Agency Act of 1949, 50 USC 403(g)
EXPORT CONTROL	Export Administration Act of 1979, 50 USC App. Sec. 2411(c)
FS ACT	Foreign Service Act of 1980, 22 USC 4004
INA	Immigration and Nationality Act, 8 USC 1202(f), Sec. 222(f)
IRAN	Iran Claims Settlement Act, Public Law 99-99, Sec. 505

(b)(4) Trade secrets and confidential commercial or financial information

(b)(5) Interagency or intra-agency communications forming part of the deliberative process, attorney-client privilege, or attorney work product

(b)(6) Personal privacy information

(b)(7) Law enforcement information whose disclosure would:

- (A) interfere with enforcement proceedings
- (B) deprive a person of a fair trial
- (C) constitute an unwarranted invasion of personal privacy
- (D) disclose confidential sources
- (E) disclose investigation techniques
- (F) endanger life or physical safety of an individual

(b)(8) Prepared by or for a government agency regulating or supervising financial institutions

(b)(9) Geological and geophysical information and data, including maps, concerning wells

Other Grounds for Withholding

NR Material not responsive to a FOIA request excised with the agreement of the requester

AMERICAN OVERSIGHT

From:	"Sondland, Gordon D (USEU)" <(b)(6)
To:	(b)(gsondland <(b)(6)
Subject:	FW: Remarks by President Trump Before Marine One Departure re: Ukraine
Date:	Sun, 13 Oct 2019 13:22:20 +0000

Released in Part

Gordon D. Sondland
Ambassador of the United States of America
United States Mission to the European Union
Rue Zinner 13
1000 Brussels, Belgium
+32 2811-5550

UNCLASSIFIED

From: Morrison, Timothy A. EOP/NSC <(b)(6)
Sent: Saturday, August 10, 2019 6:53 PM
To: Kent, George P (b)(6)
Cc: Wilde Gavin (b)(6) (U) Vindman, Alexander S (Kyiv | EOP) (b)(6) ; Kurt Volker <(b)(6) Sondland, Gordon D (USEU) <(b)(6) ; Taylor, William B (Kyiv) <(b)(6)
Subject: Re: Remarks by President Trump Before Marine One Departure re: Ukraine

Thanks, George.

Sent from my iPhone

On Aug 10, 2019, at 9:26 AM, Kent, George P <(b)(6) wrote:

> More complete version of the exchange with journalists on the lawn.
>
> Q Mr. President, do you plan invite your Ukrainian counterpart, Volodymyr Zelensky to the White House? And what would be your advice for him —
>
> THE PRESIDENT: Who are you talking about?
>
> Q The President of Ukraine, Volodymyr Zelensky.

AMERICAN OVERSIGHT

THE PRESIDENT: Yeah.

Q Do you plan to invite him to the White House? And what would be your advice for him on how to communicate with Vladimir Putin to stop the conflict in Eastern Ukraine?

THE PRESIDENT: I think he's going to make a deal with President Putin, and he will be invited to the White House. And we look forward to seeing him. He's already been invited to the White House, and he wants to come. And I think he will. He's a very reasonable guy. He wants to see peace in Ukraine. And I think he will be coming very soon, actually.

Sent from Workspace ONE Boxer

---------- Forwarded message ----------

From: (b)(6) (b)(6)
Date: August 10, 2019 at 7:24:57 AM GMT+3
Subject: Remarks by President Trump Before Marine One Departure re: Ukraine
To: (b)(6) (b)(6) Reinert, David "Mike" (Kyiv)
(b)(6) Kyiv)
(b)(6) (Kyiv)
(b)(6) (KYIV/PCS)
(b)(6)

Warm greetings. In case you hadn't seen. Note question and response re: Trump re: Ze. Highlighted in yellow.

https://www.whitehouse.gov/briefings-statements/remarks-president-trump-marine-one-departure-59/

South Lawn

9:49 A.M. EDT

AMERICAN OVERSIGHT

THE PRESIDENT: So, we're doing very well with China. We're talking to China. We're not ready to make a deal, but we'll see what happens. But, you know, we've been hurt by China for 25, 30 years. Nobody has done anything about it. And we have no choice but to do what we're doing.

It's working out very well, as you know. We called them on manipulation and they brought their numbers back, and they brought them back rapidly. And they were able to do that because they manipulate. But that's — so it's called "monetary manipulation." Not good.

But what happened and what's happening with China now — we have an open dialogue. We'll see whether or not we keep our meeting in September. If we do, that's fine. If we don't, that's fine. But it's time that somebody does what we're doing.

And I said, the American taxpayer is not paying for it. We had a big day in stock market yesterday, but the American taxpayer is not paying for it.

What China is doing is, by depressing their currency and by pouring tremendous amounts of money into their system, they're paying for it. The prices have not gone up. So when the Amer- — in fact, in some cases, they've gone down because the devaluation, plus the money supply — the amount of money that they pour in, which is a form of manipulation — has more than compensated for an increase in price.

So, as I said — and everybody questioned it — in the case of China, the tariffs have been amazing. We're taking in billions and billions of dollars. Now, China has had their worst year in 35 years now. It was in 26 years, but now it's in 35 years. I want them to do well. But as of this moment, they're having the worst year that they've

AMERICAN OVERSIGHT

had in many, many years — in decades. And really, we're just bringing the system back into order.

We have all the cards. We're doing well. Our country is doing fantastically well. You look at Europe; they've got problems. In fact, the biggest problem we have is the fact that a lot of other — continents, frankly — but a lot of other countries are not doing well. But we're doing great, and we continue to do great. Our companies are poised. They have a lot of cash. Our system is beautiful.

Q Mr. President, the NRA has been a strong supporter and ally of yours, going all the way back to the campaign. Can you take a position at odds with the NRA on background checks?

THE PRESIDENT: I think I could, but I don't think I'll be there. I have a great relationship with the NRA. They supported me very early, and that's been a great decision they made. We have Justice Kavanaugh. We have Justice Gorsuch. And they feel very strongly about the Second Amendment.

The NRA has made a great decision in supporting me, and nobody else would have won, aside from everything else. I have a very good relationship. I'll change it: I have a great relationship with the NRA. I have a lot of respect for the people at the NRA. And I have already spoken to them on numerous occasions. Numerous occasions.

And, frankly, we need intelligent background checks, okay? This isn't a question of NRA, Republican, or Democrat. I will tell you, I spoke to Mitch McConnell yesterday. He's totally onboard. He said, "I've been waiting for your call." He is totally onboard. I spoke to senators that, in some cases, people — friends of mine — but pretty hardline senators. Hardline. And when I say that, I say that in a positive way. Hardline on the Second Amendment. And they understand.

AMERICAN OVERSIGHT

We don't want insane people, mentally ill people, bad people, dangerous people — we don't want guns in the hands of the wrong people. I think that the Republicans are going to be great and lead the charge along with the Democrats.

I spoke yesterday to Nancy Pelosi. We had a great talk. I spoke to Chuck Schumer. We had a great talk. And Chuck Schumer, in particular, loves my China policy, as you probably know. I said, "I can't believe it. You actually like something that I'm doing." He said, "Not 'like.' Love."

So Chuck Schumer is — he's great on the China situation, which we are winning and winning big. And China wants to do something, but I'm not ready to do anything yet. Twenty-five years of abuse. I'm not ready so fast. So we'll see how that works out.

But on the background checks — on background checks, we have tremendous support for really commonsense, sensible, important background checks.

Q Mr. President, you expressed support for background checks after Parkland. Why is now different?

THE PRESIDENT: Time goes by. I don't think I'm different, but I think the Senate is different. I think other people in the House are different. I think that people that maybe had their arm up a couple of years ago, maybe they feel differently. I don't think I feel any differently.

I think with a lot of success that we have, I think I have a greater influence now over the Senate and over the House.

Q Can it get done now? Can it get done now?

AMERICAN OVERSIGHT

THE PRESIDENT: I think we can get something really good done. I think we can have some really meaningful background checks. We don't want people that are mentally ill, people that are sick — we don't want them having guns. Who does?

Q Mr. President, but if the NRA does not support that effort, will you fight them on it?

THE PRESIDENT: Well, we'll see where the NRA will be. But we have to have meaningful background checks. You know, in the case of — in both cases, it's possible they wouldn't have been caught.

But in the one case, we also have to talk about age, because he did things that were very, very bad in Ohio, in Dayton. He did some things that were really bad. His school knew about it. When he turned 18, everything was expunged. We're going to have to get rid of that because you can't have that barrier. If they would have had that barrier, they would have been able to see. But because he was a minor, it was expunged. We're going to have to get rid of that barrier.

I think this: I think a lot of really meaningful things on background checks will take place, including red flags, including a lot of other very, very important items. And the Republicans are looking at it very seriously. And I really believe that the NRA — I've spoken to them numerous times — they're really good people. They're great patriots. They love our country. They love our country so much. And, frankly, I really think they're going to get there also.

Q Mr. President, when you talked to Wayne LaPierre — you talked to him several times — did he warn you that background checks could cost you, politically? And did you say to him, "Forget politics, we have to do something now"?

AMERICAN OVERSIGHT

THE PRESIDENT: No. No. I had a good talk with Wayne. And I like Wayne. And, you know — as you know, they supported me very early — far earlier than anybody thought possible, especially me not being a politician. And that support has paid off. We now have two Supreme Court justices that are phenomenal — Kavanaugh and Gorsuch. And, I mean, they're phenomenal people, and they're big believers in the Second Amendment, which Wayne is also and which I am.

I mean, there's been — there's been no President that feels more strongly about the Second Amendment than I do. However, we need meaningful background checks so that sick people don't get guns.

Q Will he support you? Will Wayne support you?

THE PRESIDENT: I think, in the end — I think, in the end, Wayne and the NRA will either be there or maybe will be a little bit more neutral, and that would be okay, too.

Look — look, the NRA has, over the years, taken a very, very tough stance on everything, and I understand it. You know, it's a slippery slope. They think you'll prove one thing, and that leads to a lot of bad things. I don't agree with that.

I think we can do meaningful — very meaningful background checks. I want to see it happen.

So I've got a lot of support. And I also have the support of other people on the other side. And I think the Democrats and Republicans have a chance to really come together.

Q On Mississippi, why wasn't there a better plan in place to deal with the migrant children in Mississippi? Why was there family separation?

AMERICAN OVERSIGHT

THE PRESIDENT: The reason is because you have to go in; you can't let anybody know. Otherwise, when you get there, nobody will be there. But a big factor is to let people outside of the country that want to come in legally — illegally into our country, where they come in in caravans where they surge the border — which, by the way, we have the numbers way down right now, if you see, because Mexico has done a fantastic job.

Mexico has 26,000 soldiers, right now, on the border. They have been fantastic — because of tariffs. But I don't care what it is, because Mexico — in fact, I'll be calling the President at a certain point. I just hope they keep it up. Because if the Democrats will change the laws — which I was thinking about putting together, as you know, with the gun situation. So we have immigration and we have, let's say, some of the things we're talking about right now — you have them together.

But I want people to know that if they come into the United States illegally, they're getting out; they're going to be brought out. And this serves as a very good deterrent. If people come into our country illegally, they're going out. They're not coming in illegally and staying. We have bad laws. They may get in — although we're being very tough — but they may get in, but it doesn't matter because they're going out. And when people see what they saw yesterday, and like they will see for a long time, they know that they're not staying here.

Q (Inaudible) black Americans give you another chance in 2020?

THE PRESIDENT: Oh, I think they really like — you know, it's really amazing because African American unemployment just came out very recently — the lowest in history. It's the best — the best numbers in history. African American employment — and Hispanic and Asian, too — have more people working today than ever worked in the history of our country.

AMERICAN OVERSIGHT

Plus, I did criminal justice reform, which President Obama could not get approved — which the media never talks about. If President Obama got criminal justice reform done, it would be front-page stories all over the place. I got it done. I think that African Americans appreciate it.

So I got that. I have the best unemployment numbers. I have the best employment numbers for a lot of people. But for African Americans: number one that we've ever had.

One other thing we did, aside from criminal justice reform: Opportunity Zones. And they are doing unbelievably well. And you'll see that, and you've already seen it. But Opportunity Zones. And the biggest beneficiary there is African Americans.

Q (Inaudible.)

THE PRESIDENT: I think so. Yeah. I do.

Q Mr. President, do you plan invite your Ukrainian counterpart, Volodymyr Zelensky to the White House? And what would be your advice for him —

THE PRESIDENT: Who are you talking about?

Q The President of Ukraine, Volodymyr Zelensky.

THE PRESIDENT: Yeah.

Q Do you plan to invite him to the White House? And what would be your advice for him on how to communicate with Vladimir Putin to stop the conflict in Eastern Ukraine?

THE PRESIDENT: I think he's going to make a deal with President Putin, and he will be invited to the White

AMERICAN OVERSIGHT

House. And we look forward to seeing him. He's already been invited to the White House, and he wants to come. And I think he will. He's a very reasonable guy. He wants to see peace in Ukraine. And I think he will be coming very soon, actually.

Q Did you watch Mr. Biden's comments overnight? And does it make you want to change your own rhetoric?

THE PRESIDENT: Yeah, he comments — look. Look, Joe is not playing with a full deck. He made that comment. I said, "Whoa." I saw it because I was on — something; I had a television. I saw his comment. Joe Biden is not playing with a full deck. This is not somebody you can have as your President. But if he got the nomination, I'd be thrilled.

Q What are you going to do, Mr. President, to keep conservatives from being banned on Twitter?

THE PRESIDENT: We're looking at that right now. We have a lot of these companies coming in a little while, as you know.

Q What are you going to say to them?

THE PRESIDENT: We're going to be very tough with them. They're treating conservatives very unfairly.

Hollywood — I don't call them the "elites"; I think the elites are people they go after, in many cases. But Hollywood is really terrible. You talk about racist — Hollywood is racist. What they're doing, with the kind of movies they're putting out — it's actually very dangerous for our country. What Hollywood is doing is a tremendous disturbance to our country.

AMERICAN OVERSIGHT

We have now, in a little while, all of the heads of the biggest companies coming in, and we're going to talk to them. They treat conservatives and Republicans totally different than they treat others. And they can't do that.

Q Will the Trump administration devalue the U.S. dollar?

THE PRESIDENT: No. We don't have to. We have such a strong dollar. The problem is, our dollar is at a level that it makes it hard. But the advantage to doing what we have is money is pouring in because we have the safest currency in the world. We have the standard of the world.

But because it's so strong — it's gotten so strong because other countries have problems — it makes it harder for our manufacturers.

So if we lowered the interest rate by the Federal Reserve, that would automatically bring down the dollar a little bit, and it would make it easier for Caterpillar and these companies.

But we have the greatest currency in the world. No, I wouldn't do that.

Q Are you thinking of cancelling the trade talk next month with China?

THE PRESIDENT: So, China wants to settle this deal. They've had the worst year that they've had in many, many decades. And it's getting only worse. Thousands of companies are leaving China. They would like to make a deal. I'm not ready to make a deal.

Q But are you willing to cancel the talks next month?

AMERICAN OVERSIGHT

THE PRESIDENT: Maybe. We'll see what happens. Right now — right now the talks are scheduled in September. Whether or not we're talking about China, whether or not they're cancelled, we'll see.

Look, as I said, our people are not paying for these billions and billions of dollars that came in, $16 billion of which I gave to the farmers because they were targeted by China. And that's just a small fraction of what we've taken in.

So they are not — because what China has been doing — they're a currency manipulator — they've manipulated the value of their currency, and that's where the money comes. And also, they put tremendous money into the system.

So if you look, prices have not risen. Our people have not paid. So all of these guys that say, "Oh, Trump, Trump, Trump…" — they don't know what they're talking about.

Now, China is unique. That doesn't mean it happens with other countries. It probably doesn't. But the prices have not gone up. In fact, we have virtually no inflation in our country. If the Federal Reserve would bring down interest rates over a period of time —

Q How much?

THE PRESIDENT: I would love to see a point or even a little bit more than that. If they would stop quantitative tightening, we have a rocket ship.

I mean, we're doing well without it, but we're being handcuffed by the Federal Reserve. If they would stop that, it would be incredible.

AMERICAN OVERSIGHT

Q Mr. President, do you want to expand South Korea and Japan Military Information Agreement? Will you support them?

THE PRESIDENT: Well, I hope that South Korea and I hope that Japan start getting along with each other. You know, they're supposed to be allies. And it puts us in a very difficult position. South Korea and Japan are fighting all the time. They've got to get along because it puts us in a very bad position.

With that being said, I got a very beautiful letter from Kim Jong Un yesterday. It was delivered — hand-delivered from —

Q What did it say?

THE PRESIDENT: It was a very positive letter.

Q What did it say?

THE PRESIDENT: I'd love to give it to you. I really would. Maybe — maybe sometime I will.

Q Kim Jong Un mention of a next meeting and a summit talk?

THE PRESIDENT: I think we'll have another meeting. He really wrote a beautiful, three-page — I mean, right from top to bottom — a really beautiful letter. And maybe I'll release the results of the letter, but it was a very positive letter.

Q Any decision on Huawei?

THE PRESIDENT: We're not going to do business with Huawei. We're not doing business with them. And I really made the decision. It's much simpler not to do any

AMERICAN OVERSIGHT

business with Huawei. So we're not doing business with Huawei. That doesn't mean we won't agree to something if and when we make a trade deal, but we're not going to be doing business with Huawei.

Q When will you nominate someone to replace Coats? Are you looking at Maguire, Hoekstra?

THE PRESIDENT: Maguire is excellent. Admiral. Highly respected. A great leader. He's Acting right now. Sue did a great job. I like Sue Gordon very much.

I think that, over a period of time — I'm in no rush because we have a great Acting.

Q Have you interviewed Hoekstra?

THE PRESIDENT: I like Hoekstra a lot. I spoke to Senator Burr about different people. He's head of intelligence. And we're — I'm working together with Senator Burr and the whole committee. I want to get somebody that everybody can really come together with. I like Pete Hoekstra a lot. He's great. He's doing a fantastic job in the Netherlands right now.

Q You had mentioned it was down to three. Is it more than two?

THE PRESIDENT: No, I will tell you: That's a job that everybody wants. DNI. Everybody. But I'm dealing — I'm dealing with the committee. I'm dealing with, really, Senator Burr a lot. And we'll come up with somebody that's great. We have a lot of choice. A lot of people want the job.

Q Tension between Japan and South Korea, are you concerned?

AMERICAN OVERSIGHT

THE PRESIDENT: Yeah, I'm concerned that they're not getting along with each other. They have to get along with each other. If they don't get along, what are we doing? They have to get along with each other. It's very important.

South Korea and Japan have to sit down and get along with each other. Otherwise, what are we all doing?

Q Are you considering moving troops from Germany to Poland?

THE PRESIDENT: So, Poland has been a great, great friend of ours. They've offered to build a military base at the cost of many billions of dollars. No money put up by the United States whatsoever. They've offered to fund our troops and lots of other things — the way it should be. Not the stupid deals that we made with all these other countries that take advantage of us.

So, Poland has been terrific. And we're going to be going to Poland very soon. I'm sure you're going to be going with us. I had a great experience in Poland the last time I went. In fact, some of you actually said the speech was one of the best ever made in Europe by an American President. Hard to believe that you actually said that. When you said that, I was, like, in a state of shock.

Q On the fundraiser tonight, did Stephen Ross say anything about potentially cancelling, given the controversy?

THE PRESIDENT: No. Stephen Ross is a great friend of mine. He's a very successful guy. We were competitors but friends in real estate, in New York, in the old days. He's a great guy. He is — by the way, I think he's probably more inclined to be a liberal, if you want to know the truth. But he likes me, he respects me. We're doing a fundraiser there. We're doing another fundraiser with

AMERICAN OVERSIGHT

another friend of mine. And I understand the fundraiser was totally sold out, and it's very successful.

Q Your reaction to the controversy, people boycotting?

THE PRESIDENT: I don't think — I think it makes Steve much hotter. I explained — I didn't speak to him yet; I'll see him in a little while. The controversy makes Steve Ross hotter. He'll figure that out in about a week. But he's very happy. He's got a very successful — a lot of people are going.

We have two fundraisers. One is Steve; one is another gentleman. And I guess they're going to raise 11 or 12 billion — million dollars. Not billion. Million.

I'm getting used to saying "billion." We're talking about a lot of money.

Q When you talked about age restrictions to buy guns, 18 months ago you supported buying long guns at the age of 25, raising the age. Are you considering bringing that back now?

THE PRESIDENT: We're not talking about anything specific. I can tell you there's tremendous goodwill for meaningful — I'm talking about "meaningful"; add that word — meaningful background checks so that sick and demented people don't carry around guns.

You have to remember — and I've said it — it's a big mental illness problem. And the gun doesn't pull a trigger. A mind — a sick mind pulls a trigger. So we want to take that out of the equation.

Q Do you support the Toomey-Manchin bill or the House bill? Will you lift your veto threat?

AMERICAN OVERSIGHT

THE PRESIDENT: We're looking at Toomey-Manchin. Actually, if you look, there are many bills that have been put in over a period of four, five years. They went nowhere. But there's never been a President like President Trump.

Q Mr. President, will you call Congress back into session to pass (inaudible)?

THE PRESIDENT: I don't think we'll need to. I may. Leadership is dealing along with me right now. By the time you call them back, they're going to be back anyway. I don't think we'll need to call them back. I think we'll have a very good package by the time they come back and they can start debating and voting on it then. So I really don't think, for the extra little time, it matters.

Leadership is doing a really good job — Mitch McConnell, Kevin, Nancy. I spoke with Nancy Pelosi yesterday. I spoke with Chuck Schumer yesterday. There's a lot of goodwill about this issue.

Q And do you think that — I mean, do you need to give a speech to do something to marshal support for this?

THE PRESIDENT: I don't think so. No. No.

Q Will you lead the charge?

THE PRESIDENT: I think we have a lot of support. I mean, I'm very fortunate. In the Republican Party, I'm at 94 percent approval rating, so that helps. But I have a great relationship with the Republican senators. And I really think they're looking for me to make — give them a signal. And we're going to have great support, and I think we'll have the support from the Democrats also.

AMERICAN OVERSIGHT

Q Mr. President, you also said this after Parkland. Why should Americans believe you now?

THE PRESIDENT: No, no. I never said what I'm saying now.

Q (Inaudible) background checks after Parkland.

THE PRESIDENT: What I'm saying — what I said, though: You have tremendous opposition from many people on both sides. I see a better feeling right now towards getting something meaningful done. Meaningful. And we did do things after Parkland, but it wasn't to the same level that I'm talking about now.

You know, we did do the Fix NICS and various other things. So we did do a lot of work after Parkland. But I think we have now a chance to do something, really, much more meaningful —

Q Support among Republicans or —

THE PRESIDENT: — having to do — having to do, as you know, with background checks.

Q Mr. President, it's almost back-to-school season. What is your message to young children and teenagers who are anxious or nervous about going back to school after these mass shootings?

THE PRESIDENT: Well, my message to young children going back to school is: Go and really study hard, and someday you'll grow up and maybe be President of the United States or do something else that's fantastic.

They have nothing to fear. They have nothing to worry about. In addition, we're in constant contact with states, with state governments. And they are really doing a great

AMERICAN OVERSIGHT

job. We have this so much better than it was two and a half years ago. Two and a half years ago, when I came in, it was really not a good situation. I think we have a very, very good system right now. That doesn't mean that there's not going to be some crazy person, but that's what we want to do. We want to take the guns out of the hands of crazy, demented, sick people.

Q (Inaudible) assault weapons ban — will you be telling the NRA to stand down?

THE PRESIDENT: Yeah, we're not looking at that right now. We're really looking at very meaningful background checks. I think it's going to happen. There's great, great support. But we're looking at very, very meaningful background checks.

Q What is the advantage to having Maguire as the head of DNI versus Gordon?

THE PRESIDENT: Well, Admiral — as you know, Maguire — Admiral Maguire is a very talented man. He's a great leader. As an Admiral, was always a great leader. He is a man who is respected by everybody, and he's going to be there for a period of time. Who knows? Maybe he gets the job. But he'll be there for a period of time — maybe a longer period of time than we think. We'll see.

We're dealing with Senator Burr. We're dealing with the committee. We're dealing with probably 9 or 10 people that want the job very much. You know the name of almost every one of them. They're truly outstanding. Everybody wants DNI. Everybody wants it.

And I will say that the Admiral is such a great choice from the standpoint of now. And maybe he goes further. We'll see what happens. But we're dealing with the committee and Senator Burr. We have people, all of whom you

AMERICAN OVERSIGHT

know — highly respected people. We'll be making a decision in the not-too-distant future.

Q Thank you, Mr. President. Are you still committed to naming Eugene Scalia Secretary of Labor? And when will you send a nomination to the Senate?

THE PRESIDENT: So, Eugene Scalia is a highly respected lawyer in Washington. His father, as you know, was the great, great, great Supreme Court Justice. Even the people with not his views would say he was a great gentleman, a great man.

Eugene Scalia — Gene Scalia — has had a fantastic career. As you know, he's our appointment for Labor Secretary. I think — so far, it's been received very well. He is a very — he's one of the finest minds and lawyers in Washington. And I will say, so far, that's been received very well.

Q On North Korea, this letter to you, did Kim Jong Un make any promises about stopping the ballistic missile testing that he's been carrying out?

THE PRESIDENT: Yeah, he gave me a great letter. I would love to give you, but, I don't know, I don't think it would be appropriate. But it was a very personal letter.

Q Talked about missile testing?

THE PRESIDENT: It was a great letter. He talked about what he's doing. He's not happy with the testing. It's a very small testing that we did. But he wasn't happy with the testing; he put that in the letter. But he also sees a great future for North Korea. And so we'll see how it all works out.

AMERICAN OVERSIGHT

In the meantime, I say it again: There have been no nuclear tests. The missile tests have all been short-range. No ballistic missile tests. No long-range missiles. We got back, and we're getting back — as we speak, we're getting back a lot of our fallen heroes. You know that. They're coming back into and through Hawaii. And we got back our hostages.

So I thought the letter — I just got it yesterday. It was hand-delivered and it wasn't touched by anybody. They literally take it from North Korea to my office. We have a system. It's the old-fashioned system. You don't have to worry about leaks. Something nice about that system.

Q Mr. President, what do you mean that he wasn't happy with the missile tests? He carried them out. He ordered them.

THE PRESIDENT: No, he wasn't. He wasn't happy with the tests — the war games. The war games on the other side, with the United States. And as you know, I've never liked it either. I've never liked it. I've never been a fan. You know why? I don't like paying for it. We should be reimbursed for it, and I've told that to South Korea. But I don't like it either. But I said, "Do this," because this was a big test. This was a turnover of various areas to South Korea. I like that because that's what should happen.

Q Several countries issued travel warnings to United States. And Japan specifically said gunfire is potentially everywhere in the U.S. What is your reaction to that?

THE PRESIDENT: Well, I can't imagine that. But if they did that, we'd just reciprocate. We are a very reciprocal nation, with me as the head. When somebody does something negative to us in terms of a country, we do it to them.

AMERICAN OVERSIGHT

Look, our country has been taken advantage of by foreign countries, even allies — including allies, and in many cases, more than anybody else. We've been taken advantage of for many, many years, and it stops. It stopped.

Q In your view, Mr. President, should Colin Kaepernick get an opportunity to play in the NFL?

THE PRESIDENT: Only if he's good enough. Yeah, if he's good enough. Why would he play? If he's good enough. And I think if he was good enough — I know the owners. I know Bob Kraft. I know so many of the owners. If he's good enough, they'd sign him. So, if he's good enough — I know these people — they would sign him in a heartbeat. They will do anything they can to win games.

So I'd like to see it. Frankly, I'd love to see Kaepernick come in if he's good enough. But I don't want to see him come in because somebody thinks it's a good PR move. If he's good enough, he will be in.

Q Are you worried about global markets pulling back at all?

THE PRESIDENT: Well, the global markets are not as good as our market. Our market has been really good.

Q Are you worried about the effect — the (inaudible) effect to the U.S.?

THE PRESIDENT: Well, it always — it's never positive. Although, you could say it puts us in an even better position. I view it differently. I mean, most people would say that's a bad thing. I would say the fact that other countries aren't doing really well — China, in particular. China is doing horribly. Horribly. First time that anyone can remember. They are having a year like they never

AMERICAN OVERSIGHT

had. Almost — you know, go back, 30, 40 years. They're having one of the worst years ever. The numbers are phony. They're not doing 6.2; they're doing a totally different number.

Q What do you think they're doing?

THE PRESIDENT: Maybe neutral. Maybe even —

Q Does Democrats calling you and your supporters a white nationalist, a white supremacist, help you?

THE PRESIDENT: I don't think it helps. First of all, I don't like it when they do it because I am not any of those things. I think it's a disgrace. And I think it shows how desperate the Democrats are. Look, right now, I'm working with the Democrats on meaningful background checks. That's a big thing. Hopefully, we can do something. But — so I don't want to focus too much on that.

I will say this: For them to throw out the race word again — "racist, racist, racist." That's all they use — to anybody. They called Nancy Pelosi a racist. She's not a racist. They call anybody a "racist" when they run out of cards.

I'm winning in the polls. They're desperate. They've got lousy candidates. They've got bad candidates. I mean, I watched the debates. I mean, I look —

Q (Inaudible.)

THE PRESIDENT: I look — well, I mean, Joe Biden can't answer a simple question. Something is going wrong with him. I mean, the only — the only thing is — I mean, a lot of people think that he was the one that wanted Bob

AMERICAN OVERSIGHT

Mueller to testify because it made Joe look intelligent. Okay?

Q Is your base supporting background checks?

THE PRESIDENT: I think my base relies very much on common sense and they rely on me, in terms of telling them what's happening. I think meaningful background checks — I don't just say "background checks." Because we passed background checks a number of times, meaning the Democr- — but everybody knew they weren't that strong.

Q Do you want to expand the law?

THE PRESIDENT: I think meaningful background checks are a real positive. Politically, I can't tell you. You know, I don't know — good, bad, or indifferent. I don't care, politically. I don't want to have crazy people having guns.

END

10:22 A.M. EDT

Best -

(b)(6)
Director, Office of Program Coordination and Strategy
USAID Regional Mission for Ukraine and Belarus
4 Igor Sikorsky St., Kyiv 04112
Tel. (b)(6) cell. (b)(6) fax. (b)(6)
>http://www.usaid.gov/ukraine<

Sender:	"Sondland, Gordon D (USEU)" <(b)(6)
Recipient:	(b)(gsondland (b)(6)

AMERICAN OVERSIGHT

AMERICAN OVERSIGHT

From:	"Sondland, Gordon D (USEU)" (b)(6)
To:	(b)(gsondland <(b)(6)
Subject:	Fwd: EUR Press Final Guidance Package 08-26-19
Date:	Mon, 26 Aug 2019 21:06:48 +0000

Released in Part

Gordon D. Sondland

Ambassador of the United States of America

United States Mission to the European Union

Rue Zinner 13

1000 Brussels, Belgium

+32 2811-5550

From: Webster, Elizabeth W <(b)(6)

Sent: Monday, August 26, 2019 2:05:55 PM

To: EUR-Press <EUR-Press-DL@state.gov>

Subject: EUR Press Final Guidance Package 08-26-19

THERE WAS NO DEPARTMENT PRESS BRIEFING TODAY.

FINAL GUIDANCES			MONDAY, AUGUST 26, 2019
POSTED	Statement	-	U.S. Continues to Push for Action Two Years after Rohingya Ethnic Cleansing
POSTED	Statement	-	Uruguay's National Day

AMERICAN OVERSIGHT

		-	
POSTED	Statement	-	Ukraine's Independence Day
		-	
POSTED	Media Note	-	Assistant Secretary David R. Stilwell Travels to Timor-Leste, Indonesia, Brunei, and Singapore
POSTED	Media Note	-	The Bureau of Overseas Buildings Operations Announces the Charter Renewal for the Industry Advisory Group
POSTED	Media Note	-	Deputy Secretary Sullivan and White House Advisor Ivanka Trump Travel to Colombia, Argentina, and Paraguay for W-GDP Initiative
POSTED	Fact Sheet	-	This Week in Iran Policy, August 19–23
		-	
POSTED	Readout	-	Secretary Pompeo's Call with Israeli Prime Minister Benjamin Netanyahu
		-	
AF	Tanzania	-	U.S. Direct Hire Vehicle Accident
		-	
AF	Sudan	-	Discussions between the United States and Sudan PM Hamdok
		-	
EAP	Japan/ROK	-	Liancourt Rocks Military Exercises
		-	
EUR	Poland	-	Proposed Sale of the F-35A Lightning II Joint Strike Fighter
		-	
WHA	Brazil	-	Fires and Deforestation
		-	

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 028

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release August 24, 2019

STATEMENT BY MORGAN ORTAGUS, SPOKESPERSON

U.S. Continues to Push for Action Two Years after Rohingya Ethnic Cleansing

Two years ago, Burma's security forces engaged in a brutal attack against hundreds of thousands of unarmed men, women, and children in a grossly disproportionate response to attacks by militants on security posts in northern Rakhine State. The Burmese military's horrific atrocities against Rohingya villagers caused an exodus of more than 740,000 Rohingya to Bangladesh in actions that constituted ethnic cleansing.

Rakhine State is not the only place in Burma where the military has committed violations of human rights against the Burmese people over the past seventy years. The lack of accountability and civilian oversight of the military means that military abuses continue today in Rakhine State, as well as Kachin and Shan States and elsewhere in Burma. We call upon all those involved to respect human rights, allow unhindered humanitarian access, and engage in political dialogue to pursue peace.

We appreciate the Government of Bangladesh's ongoing generosity in hosting these refugees. The United States is the leading contributor of humanitarian assistance in response to the Rohingya crisis, providing nearly $542 million since the outbreak of violence in August 2017. We continue to call on others to join us in contributing to this humanitarian response.

Our thoughts are with the victims of these abuses and the more than one million refugees who have been forced to find refuge in Bangladesh. Justice and accountability are essential for Burma's efforts to build a strong, peaceful, secure, and prosperous democracy. We continue to call on others to support efforts to promote justice and facilitate conditions for voluntary return.

AMERICAN OVERSIGHT

As August also marks the two years since the release of the Kofi Annan-led Advisory Commission on Rakhine State's report and recommendations, many of which concern the institutional discrimination against Rohingya that continues to this day. We continue to encourage the Burmese government to implement the Advisory Commission's recommendations, which offer the best path forward for Burma and all the people of Rakhine State, as well as all those who fled. We continue to work with international organizations to encourage Burma to create the conditions that would allow for the voluntary, safe, dignified, and sustainable return of refugees to their places of origin or other places of their choosing.

###

AMERICAN OVERSIGHT

Approved: EAP: A/DAS Mark Clark (ok)

Drafted: EAP: (b)(6) cell: (b)(6)

Cleared: EAP: (b)(6) (ok)

DRL: (b)(6) (ok)

DRL/IRF: (ok)

GPA: (ok)

J/GCJ: (ok)

L/HRR: (b)(6) (ok)

L/EAP: (b)(6) (ok)

PRM: (b)(6) (ok)

D: ( )

P: (ok)

S/P (ok)

R: (ok)

SCA: (ok)

J: (info by request)

Rangoon: (ok)

SPOX: (ok)

S Approvers (b)(6) (ok)

AMERICAN OVERSIGHT

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release August 24, 2019

STATEMENT BY SECRETARY POMPEO

Uruguay's National Day

On behalf of the Government of the United States of America, I congratulate the people of Uruguay on the 194th anniversary of your independence on August 25.

The United States and Uruguay enjoy a close and enduring relationship. We look forward to expanding our cooperation to advance democracy, security, and economic prosperity for both our countries and in the region. In the years to come, the link between our nations will only grow stronger as we work together to promote these shared ideals.

As the people of Uruguay celebrate this anniversary, the United States reaffirms its commitment to our long-lasting partnership and close friendship.

# # #

Approved: WHA – Kevin O'Reilly, A/PDAS [KO]

Drafted by: (b)(6) (ext. (b)(6)

Clearances:

WHA/FO: DPrince, acting (ok)

WHA/Press: (b)(6) (ok)

WHA/BSC: (b)(6) (ok)

S/P: (b)(6) (ok)

AMERICAN OVERSIGHT

P: (b)(6) (ok)

D: (ok)

DRL/WHA: (b)(6) (ok)

WHA/EPSC: (b)(6) (ok)

U.S. Emb. Montevideo: JSavage (ok)

CDA: JSavage (ok)

PAO: (b)(6) (ok)

R: JHall Godfrey (ok)

AMERICAN OVERSIGHT

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release August 24, 2019

STATEMENT BY SECRETARY POMPEO

Ukraine's Independence Day

On behalf of President Trump and the American people, I congratulate all Ukrainians on the 28th anniversary of your nation's independence.

The United States remains steadfast in its support for a prosperous, democratic, and free Ukraine, secure within its internationally recognized borders including the occupied districts of the Donbas and Crimea, and resilient against Russian aggression. This year's presidential and parliamentary elections affirmed Ukrainians' desire for a peaceful, prosperous, and democratic future. As President Zelenskyy has noted, by fulfilling its potential, Ukraine can become a model for other countries in the region and beyond. The United States stands with Ukraine at this moment of historic opportunity, and we look forward to working with the new government and the people of Ukraine to advance reforms crucial to your country's success.

Best wishes for a joyous Independence Day and a peaceful and prosperous year ahead.

# # #

Approved: R: JHallGodfrey

EUR: Philip T. Reeker, Acting [PTR]

Drafted: EUR/EE – (b)(6) ext (b)(6) and cell: (b)(6)

Cleared: EUR/FO: MCormack, A/PDAS (ok)

EUR/FO: (b)(6) (ok)

EUR/EE (b)(6) (ok)

EUR/PD: (b)(6) (ok)

AMERICAN OVERSIGHT

D: (b)(6) (ok)

P: (ok)

S/P: (b)(6) (ok)

Embassy Kyiv: CDA William Taylor (ok)

AMERICAN OVERSIGHT

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release

MEDIA NOTE

August 26, 2019

Assistant Secretary David R. Stilwell Travels to Timor-Leste, Indonesia, Brunei, and Singapore

Assistant Secretary David R. Stilwell will visit Timor-Leste, Indonesia, Brunei, and Singapore, August 27 to September 7, 2019 in his first visit to each of these countries in his new role.

Assistant Secretary Stilwell will be in Dili August 29 to 31, where he will meet with Timor-Leste President of the Republic H.E. Francisco Guterres Lu-Olo, Minister of Foreign Affairs and Cooperation H.E. Dionisio Babo Soares, Minister of Defense and Interim Minister of Interior H.E. Filomeno Paixão de Jesus, and Chief Negotiator for Maritime Boundaries H.E. Xanana Gusmão to strengthen our partnership and encourage development of democratic institutions, rule of law, and economic development within Timor-Leste. On August 30 he will represent the United States at official ceremonies commemorating the 20th Anniversary of the Popular Referendum, the United Nations-supervised vote that led to Timor-Leste's separation from Indonesia and eventual independence in 2002.

From September 1 to 3, Assistant Secretary Stilwell will be in Jakarta to meet with senior officials from the Ministries of Foreign Affairs and Maritime Affairs, as well as representatives from the offices of the President and the Vice President, to discuss a range of issues reflecting our nations' 70 years of shared values of diversity, partnership, and prosperity. While in Jakarta, Assistant Secretary Stilwell will meet with participants in the regional Young Southeast Asian Leaders Initiative (YSEALI), as well as have ASEAN-related discussions regarding the future of ASEAN and its place at the heart of the free and open Indo-Pacific region.

In Bandar Seri Begawan from September 3 to 4, Assistant Secretary Stilwell will meet with senior officials from the Bruneian government, including Minister of Foreign Affairs II Dato Seri Paduka Erywan Yusof, to discuss our broad and growing bilateral relationship. The Assistant Secretary will also discuss U.S.-Brunei security cooperation and explore ways to enhance economic ties and further cultural and educational connections.

AMERICAN OVERSIGHT

Finally, from September 5 to 6, the Assistant Secretary will be in Singapore and will meet with Prime Minister Lee Hsien Loong, Foreign Minister Vivian Balakrishnan, and other senior officials to discuss our countries' relationship anchored in our indispensable security cooperation, vibrant economic ties, and shared values for sustaining a rules-based world.

# # #

AMERICAN OVERSIGHT

CLEARANCES:

Lead Bureau: EAP

Approved: EAP/FO: Assistant Secretary Stilwell

Drafted: (b)(6) EAP/P (b)(6)

Clearances:
S/P: (b)(6) – ok
P: (b)(6) – ok
D: (b)(6) – ok
EAP/FO: (b)(6) – ok
EAP/FO: (b)(6) – ok
EAP/MTS: (b)(6) – ok
EAP/MTS: (b)(6) – ok
EAP/MLA: – ok

AMERICAN OVERSIGHT

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release August 26, 2019

MEDIA NOTE

The Bureau of Overseas Buildings Operations Announces the Charter Renewal for the Industry Advisory Group

The Department of State has renewed the Charter of the Bureau of Overseas Buildings Operations' Industry Advisory Group (IAG) for an additional two-year period. The Industry Advisory Group (IAG) serves in an advisory capacity with respect to industry and academia's latest concepts, methods, best practices, innovations, and ideas related to the OBO mission of providing safe, secure, functional, and resilient facilities that represent the U.S. Government to the host nation and support our staff in the achievement of U.S. foreign policy objectives around the globe.

The IAG is comprised of leading American industry and academic professionals with extensive knowledge and experience in the areas of asset and property management, planning, acquisition, sales, leasing, design, engineering, construction, historic preservation, resiliency, natural hazards, emergency operations, program development, as well as facilities operations and maintenance.

The group meets annually in the spring at the U.S. Department of State in Washington, D.C. Procedures for registration are included with each meeting announcement, no later than fifteen business days before each meeting.

OBO provides safe, secure, functional, and resilient facilities that represent the U.S. Government to the host nation and support our staff in the achievement of U.S. foreign policy objectives. These facilities represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

For further information, please visit the OBO website at https://overseasbuildings.state.gov/ , or contact Christine Foushee at FousheeCT@state.gov.

# # #

Approved: OBO/EA – C. Foushee **ok**

AMERICAN OVERSIGHT

Drafted: OBO/EA– (b)(6)

Cleared: OBO/FO – (b)(6) ok

OBO/FO – (b)(6) ok

D: (b)(6) ok

S/P: (b)(6) ok

P: (b)(6) ok

BP: (b)(6) ok

M: (b)(6) ok

H/RGF: (b)(6) ok

L/M: (b)(6) ok

M/WHL: (b)(6) ok

CGFS – (b)(6) ok

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 040

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release

MEDIA NOTE

August 26, 2019

Deputy Secretary Sullivan and White House Advisor Ivanka Trump Travel to Colombia, Argentina, and Paraguay for W-GDP Initiative

Deputy Secretary of State John J. Sullivan will travel with Advisor to the President Ivanka Trump to Colombia, Argentina, and Paraguay September 3-6. This trip will further strengthen U.S. partnerships in the region on women's economic empowerment in support of the White House's Women's Global Development and Prosperity Initiative (W-GDP). Deputy Secretary Sullivan and Advisor Ivanka Trump will engage with senior government officials and civil society stakeholders in all three countries. In events with the Department of Defense, the United States Agency for International Development (USAID), the Overseas Private Investment Corporation (OPIC), and the Peace Corps, Deputy Secretary Sullivan and Advisor Ivanka Trump will underscore the United States' whole-of-government support for women's economic and political integration and empowerment.

The Deputy Secretary will also further relations on counter narcotics and citizen security, the crisis in Venezuela, and expanding economic opportunity.

Follow Deputy Secretary Sullivan's travel via @StateDept on Twitter and Advisor Ivanka Trump via @IvankaTrump. For more information visit https://www.whitehouse.gov/wgdp/. Go to the Department's Flickr account for the latest trip photos, and stay connected at https://blogs.state.gov/engage.

AMERICAN OVERSIGHT

Approved: WHA – Kevin O'Reilly, A/PDAS [KOR]

Drafted: WHA/PDA: (b)(6)

Cleared: WHA/FO: (b)(6) (ok)
WHA/AND: (b)(6) (ok)
WHA/VZ: (b)(6) (ok)
S/P: (b)(6) (ok)
P: (b)(6) (ok)
D: (b)(6) (ok)
WHA/BSC: (b)(6) (ok)
WHA/AND: (b)(6) (ok)
WHA/VZ: (b)(6) (no response)
WHA/PPC: (b)(6) (ok)
WHA/EPSC: (b)(6) (info)
F: A (b)(6) (ok)
EB/TPN/BTA (b)(6) (ok)
EB/IFD/OMA: (b)(6) (ok)
EB/IFD/ODF: (b)(6) (ok)
EB/FO (b)(6) (ok)
EB/TFS/SPI: (b)(6) (ok)
EB/EPPD: (b)(6) (ok)
DRL/WHA: (b)(6) (ok)
INL/PRESS (b)(6) (ok)
PM/CPA (b)(6) (ok)
PM/RSAT: (b)(6) (ok)
PM/GPI: (b)(6) (ok)
PM/WRA (b)(6) (ok)
S/GWI (b)(6) (ok)
OPIC (b)(6) (ok)
Embassy Buenos Aires: (b)(6) (ok)

AMERICAN OVERSIGHT

Embassy Asuncion: (b)(6) (ok)

Embassy Bogota: A/DCM JWard (ok)

R: (b)(6) (ok)

D: (b)(6) (ok)

USAID Press: (b)(6) (ok)

DoD: (b)(6) (ok)

Peace Corps (info)

WH: (b)(6) (ok)

GPA: (b)(6) (ok)

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 043

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release August 23, 2019

FACT SHEET

This Week in Iran Policy, August 19–23

"At the #UNSC today, I made clear that the U.S. will continue to act in concert with our allies and partners to bring stability and prosperity to the Middle East. By doing so, we will sustain the same things for the American people and our friends around the world."

– Secretary of State Mike Pompeo, Twitter, August 20

IRANIAN VESSEL GRACE I

"A message to all mariners – if you crew an IRGC or other FTO-affiliated ship, you jeopardize future entry to the U.S. #NotWorthIt"

– Secretary of State Mike Pompeo, Twitter, August 15

- The United States assesses that the M/T Grace I, now renamed the Adrian Darya I, is assisting the Islamic Revolutionary Guard Corps (IRGC) by transporting oil from Iran to Syria. This could result in serious consequences for any individuals associated with the Grace I.
- The United States continues to work with its partners and allies and use all the tools at its disposal to deny Iran and its proxies the resources they need to engage in malign and destabilizing activities in Syria and elsewhere. This includes the full enforcement of U.S. sanctions with respect to Iran and the IRGC.
- The maritime community should be aware that the U.S. government intends to revoke visas held by members of such crews.
- Please see the full press statement for more information.

SPECIAL REPRESENTATIVE FOR IRAN BRAIN HOOK BRIEFING AT FOREIGN PRESS CENTER

"We very much want to see a more peaceful and stable Middle East, and for a as long as Iran is moving illicit oil around the world to fund its terrorist operations, it's important that we do something about it."

– Special Rep for Iran Brian Hook, New York Foreign Press Center Briefing, August 20

AMERICAN OVERSIGHT

- Special Representative for Iran Brian Hook participated in a briefing with Foreign Press Center which corresponded with Secretary of State Pompeo's participation at the UN Security Council discussion, hosted by the Polish Mission to the UN, on challenges to peace and security in the Middle East and the Administration's support for multilateral solutions.
- Please see Special Representative for Iran Brian Hook's remarks for more information.

SECRETARY OF STATE POMPEO AT UNITED NATIONS SECURITY COUNCIL ON MIDDLE EAST PEACE AND SECURITY

"The Iranian regime is the greatest ongoing threat to peace and security in the region. At the #UNSC, I condemned its testing of advanced ballistic missile systems, support to proxies in the #MiddleEast, and inexcusable sabotage and seizure of commercial vessels in the Gulf."

– Secretary of State Mike Pompeo, Twitter, August 20

- Secretary Pompeo made remarks at the UN Security Council on August 20, 2019 on the challenges to peace and security in the Middle East, emphasizing the importance for greater cooperation in the Middle East.
- Secretary Pompeo also met with Polish Foreign Minister Jacek Czaputowicz to identify the key challenges in the region and propose solutions, naming the greatest ongoing threat to peace and security in the region as the Islamic Republic of Iran.

COUNTDOWN TO TERROR CLOCK

"The @UN arms embargo on #Iran and the travel ban on Qasem Soleimani expire in October 2020. Our #CountdownToTerror clock is tracking how long until Iran is unleashed to create new global turmoil. We must not let this happen"

– Secretary of State Mike Pompeo, Twitter, August 20

- At the UN, the Secretary reminded nations that the UN arms embargo on Iran and the UN travel ban on individuals – including General Soleimani – will expire next year in October. The Security Council has a role to play to ensure that the arms embargo on the world's top sponsor of terrorism does not expire. On the State Department's Iran online page, we have a countdown clock to the expiration date of the arms embargo and the travel ban.
- Please see the Department of State website for more information.

# # #

Drafted: NEA – (b)(6) ext. (b)(6)

AMERICAN OVERSIGHT

Cleared: NEA/IR: (b)(6) OK

S/IAG: (b)(6) OK

D: (b)(6) OK

P: (b)(6) OK

S/P: (b)(6) OK

IO/Press (b)(6) OK

NSC: (b)(6) INFO

AMERICAN OVERSIGHT

U.S. DEPARTMENT OF STATE

Office of the Spokesperson

For Immediate Release August 25, 2019

READOUT

Secretary Pompeo's Call with Israeli Prime Minister Benjamin Netanyahu

The below is attributable to Spokesperson Morgan Ortagus:

Secretary Pompeo spoke by phone today with Israeli Prime Minister Benjamin Netanyahu regarding recent Israeli airstrikes in Syria. The Secretary expressed support for Israel's right to defend itself from threats posed by the Iranian Revolutionary Guard Corps and to take action to prevent imminent attacks against Israeli assets in the region. The Secretary and the Prime Minister discussed how Iran is leveraging its foothold in Syria to threaten Israel and its neighbors. The Prime Minister noted that Israel would strike IRGC targets threatening Israel, wherever they are located.

# # #

Clearances:

S (ok)
Spox (ok)

AMERICAN OVERSIGHT

AF Press Guidance

August 26, 2019

Tanzania: U.S. Direct Hire Vehicle Accident

(b)(5)

AMERICAN OVERSIGHT

Page 048

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

AMERICAN OVERSIGHT

(SBU) (b)(5)

(b)(5)

AMERICAN OVERSIGHT

Approved: AF/FO Makila James (ok)

AF/FO Elizabeth Fitzsimmons (ok)

Drafted by: Embassy Dar es Salaam/PAS: (b)(6)

POC: AF/PDPA: (b)(6)

Clearances: AF/E: (b)(6) (ok)

L: (b)(6) (ok)

CA/:P: (b)(6) (info by request)

DS/PA: (b)(6) (ok)

Peace Corps: (b)(6) (ok)

S/P: (b)(6) (ok)

D: (b)(6) (no response)

P: (ok)

R: (ok)

M: (ok)

DGHR: (b)(6) (ok)

NSC: (b)(6) (no response)

Embassy Dar es Salaam/MGMT: (b)(6) (ok)

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 051

AF Press Guidance

August 26, 2019

SUDAN: Discussions between the United States and Sudan PM Hamdok

(b)(5)

AMERICAN OVERSIGHT

(b)(5)

AMERICAN OVERSIGHT

Background

(SBU) (b)(5)

(b)(5)

AP Interview: Sudan PM seeks end to country's pariah status

August 26, 2019

By Justin Lynch | AP

KHARTOUM, Sudan — Sudan's new prime minister said in an interview that ending his country's international pariah status and drastically cutting military spending are prerequisites for rescuing the nation's faltering economy.

Abdalla Hamdok, a respected former official with the U.N. Economic Commission for Africa, told The Associated Press on Sunday that he has already talked to U.S. officials about removing Sudan from Washington's list of countries sponsoring terrorism, and portrayed their reaction as positive.

He also called for sharply reducing military spending, hoping for a "peace dividend" if current efforts to negotiate deals with armed rebels are successful. He said military spending takes up as much as 80% of the state budget.

AMERICAN OVERSIGHT

Sudan stagnated for three decades under former President Omar al-Bashir, convulsed by a bloody civil war and rebellions in its far-flung provinces. Al-Bashir's autocratic rule ended in April when the military ousted him after mass street protests by a pro-democracy movement, which began late last year.

"For 30 years, we were isolated," Hamdok said in the interview in the capital of Khartoum. "We were treated as a pariah state. We want to tell the world we are moving away from sanctions, issues of punishment and all that, to a Sudan that is coming back to the fold of normal nations."

As Sudan begins a new chapter, getting off America's state sponsor of terror list is the "key to anything that we can do in this country," Hamdok said, adding that a "democratic Sudan is not a threat to anybody in the world."

Still, tensions between the military and civilians are expected to feature prominently in Hamdok's unruly transitional government, which is expected to last three years before general elections.

In such an environment, Hamdok faces an uphill battle to carry out ambitious economic reforms, said Jehanne Henry, a Sudan researcher at Human Rights Watch. Henry said Hamdok "has to work with the generals, who could veto things."

Although Hamdok heads the transitional Cabinet, the military leaders that ousted al-Bashir still want a large role in the transition. Sudan's top general, Abdel-Fattah

AMERICAN OVERSIGHT

Burhan, was sworn in Wednesday as the leader of a joint military-civilian Sovereign Council. Five of its 11 members are from the military.

Hamdok said he is committed to making a partnership with the generals work.

The United States named Sudan a state sponsor of terror in 1993, and the designation stuck through the al-Bashir regime. As one of the last acts of the Obama administration, the United States began a formal process to de-list Sudan in January 2017, but this was put on hold when mass protests began in December. Moves to de-list Sudan could resume once the country's political situation has stabilized.

The U.S. State Department was not immediately available for comment Sunday.

"We appreciate and understand that there is a process, both I think in government and Congress," Hamdok said, adding he hopes it happens soon because "it has very serious implications on our situation."

Removing Sudan from the state sponsor of terror list would open the door to foreign investment and allow the country to receive a sorely needed International Monetary Fund and World Bank bailout package, Hamdok said.

Sudan is nearly $60 billion in debt, and Hamdok said the interest on the debt payments is roughly $3 billion.

AMERICAN OVERSIGHT

He said his aim is economic stability and a properly managed currency, along with transparency and opportunities for foreign investors.

"If you make profit and you want to repatriate your profit, we will be open to that," Hamdok said. "This is the last frontier. The rest of the world has finished its infrastructure projects."

Hamdok said he wants to bring all state spending, including for the military under the control of the ministry of finance. Asked if the military budget should be smaller, Hamdok said: "Absolutely."

Hamdok said ending the country's rebellions would allow him to allocate no more than 20% of the budget to the military. "The rest of it should go to development issues — addressing issues of health, education and infrastructure development and reviving the economy," he said.

The economy largely stagnated under al-Bashir and sharply deteriorated last year, leading to the protests that eventually brought him down. During his rule, al-Bashir failed to keep the peace in the religiously and ethnically diverse nation, losing three quarters of Sudan's oil wealth when the mainly animist and Christian south seceded in 2011 following a referendum.

Sudan is also one of the world's most corrupt nations.

AMERICAN OVERSIGHT

The power-sharing agreement signed this month between the military and protesters calls for the government to reach a peace agreement with armed groups within six months.

The country's most infamous conflict, in the Darfur region, broke out in 2003. Al-Bashir's government mobilized Arab militias accused of burning villages to the ground, massacring civilians and carrying out mass rapes among non-Arabs in the region.

Al-Bashir, who is imprisoned in the capital of Khartoum, faces charges of war crimes and genocide linked to the Darfur conflict, although the military has said he won't be extradited to the International Criminal Court in The Hague.

Hamdok said that immediately after the new government is formed, a "peace commission" will be established to try to reconcile with the country's armed groups.

He also said there needs to be accountability for violence committed against rebels and against scores of protesters killed in the pro-democracy protests.

"Justice has to be resolved. And it has to be seen as being achieved," he said. "We will have to reach a conclusion that satisfies the victims."

AMERICAN OVERSIGHT

"In the past there were no intentions from both sides, the government and the armed groups, to reach an agreement," he said. "But today there is resolve, there is determination."

A cease-fire has held since the military overthrow of al-Bashir in April. The rebels had held rounds of talks with the now-dissolved military council and the pro-democracy movement.

The military has taken trust-building moves, including dropping charges and death sentences against rebel leaders and releasing dozens of rebel prisoners.

The armed groups had rejected a final deal between the civilians and government officials over the structures of the transitional government, Hamdok said.

Copyright 2019 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

AMERICAN OVERSIGHT

Clearances:

Final Clearance: AF/FO: DAS Makila James ok

CT/FO: A/S Sales ok

Drafted by: AF/USSESSS: (b)(6) ext (b)(6) cell (b)(6)

Clearances:

AF/PDPA Elizabeth Fitzsimmons ok

AF/USSESSS: (b)(6) ok

CT/Press: (b)(6) ok

L: (b)(6) ok

S/P: ok

D: no response

P: ok

R: ok

NSC: ok

AMERICAN OVERSIGHT

EAP Press Guidance

August 26, 2019

ROK/Japan – Liancourt Rocks Military Exercises

(b)(5)

Approved: EAP/FO – DAS Marc Knapper (ok)

Drafted: EAP/K – (b)(6) ext. (b)(6) and cell: (b)(6)

Cleared:

EAP/K: (b)(6) (ok)

EAP/P: (ok)

D: (b)(6) (ok)

P: (ok)

S/P: (b)(6) (ok)

R: (b)(6) (ok)

AMERICAN OVERSIGHT

L/EAP: (b)(6) (ok)

OSD: (b)(6) (ok)

OSD: (ok)

AMERICAN OVERSIGHT

PM Contingency Press Guidance

August 26, 2019

Poland: Proposed Sale of the F-35A Lightning II Joint Strike Fighter

-

(b)(5)

AMERICAN OVERSIGHT

Page 063

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

AMERICAN OVERSIGHT

Approved: PM/FO – Mike Miller, Acting (MM)

Drafted: PM/CPA: (b)(6) ext. (b)(6)

Cleared:	PM/RSAT:	(b)(6)	(ok)
	EUR/CE:		(ok)
	EUR/RPM:		(ok)
	EUR/PRA:		(ok)
	EUR/Press:		(ok)
	L/PM:		(ok)
	T:		(ok)
	H:		(ok)
	P:		(ok)
	D:		(ok)
	S/P:		(ok)
	OSD PA:		(No Response)
	DSCA:		(ok)

AMERICAN OVERSIGHT

OES/WHA Press Guidance

August 26, 2019

Brazil: Fires and Deforestation

(b)(5)

AMERICAN OVERSIGHT

Page 066 to Page 068

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

AMERICAN OVERSIGHT

(b)(5)

Public language:

"Just spoke with President @JairBolsonaro of Brazil. Our future Trade prospects

AMERICAN OVERSIGHT

are very exciting and our relationship is strong, perhaps stronger than ever before. I told him if the United States can help with the Amazon Rainforest fires, we stand ready to assist!" (President Trump, August 23, 2019).

"As Americans, we all share an immense pride in these God-given treasures and a tremendous appreciation for our abundance of natural resources. Environmental protection and economic prosperity go hand in hand. A strong market economy is essential to protecting our critical natural resources and fostering a legacy of conservation. My Administration is committed to being effective stewards of our environment while encouraging opportunities for American workers and their families. At the same time that our Nation is experiencing historic economic and job growth, our air and water quality ranks among the highest in the world. Under my Administration, we are improving the quality of life for communities across America by strengthening the security and reliability of our drinking water and accelerating spending on water infrastructure. Additionally, we have expanded support for conservation of land, water, and wildlife, and we are reforming land management policies to improve the health of our forests and other Federal lands" (President Trump, April 22, 2019).

AMERICAN OVERSIGHT

Approved: OES: Jonathan Margolis, Acting SBO (Ok)

Drafted: OES/PPO: (b)(6) x5-1805

Clearances: OES/E: (b)(6) (Ok)
OES/PPO: (b)(6) (Ok)
OES/EGC: (b)(6) (Ok)
OES/ECW (b)(6) (Ok)
WHA/FO: JChung (Ok)
WHA/FO: KO'Reilly (Ok)
WHA/FO: JPiechowski (no response)
WHA/Press: (b)(6) (Ok)
WHA/BSC: (b)(6) (Ok)
WHA/EPSC: (b)(6) (Ok)
Embassy Brasilia/FO: WPopp (Ok)
EB/EPPD: (b)(6) (Ok)
EB/TPN: (b)(6) (Ok)
EB/IFD: (b)(6) (info)
USAID: (b)(6) (Ok)
E: (b)(6) (Ok)
P: (b)(6) (Ok)
D: (Ok)
S/P: (b)(6) (Ok)
NSC: (b)(6) (Ok)
GPA: ( )

AMERICAN OVERSIGHT

Unclassified

Sender:	"Sondland, Gordon D (USEU)"	(b)(6)
Recipient:	(b)(gsondland	(b)(6)

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 073

FINAL GUIDANCES			MONDAY, AUGUST 26, 2019
POSTED	Statement	--	U.S. Continues to Push for Action Two Years after Rohingya Ethnic Cleansing
POSTED	Statement	--	Uruguay's National Day
POSTED	Statement	--	Ukraine's Independence Day
POSTED	Media Note	--	Assistant Secretary David R. Stilwell Travels to Timor-Leste, Indonesia, Brunei, and Singapore
POSTED	Media Note	--	The Bureau of Overseas Buildings Operations Announces the Charter Renewal for the Industry Advisory Group
POSTED	Media Note	--	Deputy Secretary Sullivan and White House Advisor Ivanka Trump Travel to Colombia, Argentina, and Paraguay for W-GDP Initiative
POSTED	Fact Sheet	--	This Week in Iran Policy, August 19–23
POSTED	Readout	--	Secretary Pompeo's Call with Israeli Prime Minister Benjamin Netanyahu
AF	Tanzania	--	U.S. Direct Hire Vehicle Accident
AF	Sudan	--	Discussions between the United States and Sudan PM Hamdok
EAP	Japan/ROK	--	Liancourt Rocks Military Exercises
EUR	Poland	--	Proposed Sale of the F-35A Lightning II Joint Strike Fighter
WHA	Brazil	--	Fires and Deforestation

THERE WAS NO DEPARTMENT PRESS BRIEFING TODAY.

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 074

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release August 24, 2019

STATEMENT BY MORGAN ORTAGUS, SPOKESPERSON

U.S. Continues to Push for Action Two Years after Rohingya Ethnic Cleansing

Two years ago, Burma's security forces engaged in a brutal attack against hundreds of thousands of unarmed men, women, and children in a grossly disproportionate response to attacks by militants on security posts in northern Rakhine State. The Burmese military's horrific atrocities against Rohingya villagers caused an exodus of more than 740,000 Rohingya to Bangladesh in actions that constituted ethnic cleansing.

Rakhine State is not the only place in Burma where the military has committed violations of human rights against the Burmese people over the past seventy years. The lack of accountability and civilian oversight of the military means that military abuses continue today in Rakhine State, as well as Kachin and Shan States and elsewhere in Burma. We call upon all those involved to respect human rights, allow unhindered humanitarian access, and engage in political dialogue to pursue peace.

We appreciate the Government of Bangladesh's ongoing generosity in hosting these refugees. The United States is the leading contributor of humanitarian assistance in response to the Rohingya crisis, providing nearly $542 million since the outbreak of violence in August 2017. We continue to call on others to join us in contributing to this humanitarian response.

Our thoughts are with the victims of these abuses and the more than one million refugees who have been forced to find refuge in Bangladesh. Justice and accountability are essential for Burma's efforts to build a strong, peaceful, secure, and prosperous democracy. We continue to call on others to support efforts to promote justice and facilitate conditions for voluntary return.

As August also marks the two years since the release of the Kofi Annan-led Advisory Commission on Rakhine State's report and recommendations, many of which concern the institutional discrimination against Rohingya that continues to this day. We continue to encourage the Burmese government to implement the Advisory Commission's recommendations, which offer the best path forward for Burma and all the people of Rakhine State, as well as all those who fled. We continue to work with international organizations to encourage Burma to create the conditions that would allow for the voluntary, safe, dignified, and sustainable return of refugees to their places of origin or other places of their choosing.

# # #

AMERICAN OVERSIGHT
SBU

Approved:	EAP: A/DAS Mark Clark		(ok)
Drafted:	EAP:	(b)(6)	xt – 7-0056 cell: (b)(6)
Cleared:	EAP:	(b)(6)	(ok)
	DRL:		(ok)
	DRL/IRF:		(ok)
	GPA:		(ok)
	J/GCJ:		(ok)
	L/HRR:		(ok)
	L/EAP:		(ok)
	PRM:		(ok)
	D:		( )
	P:		(ok)
	S/P		(ok)
	R:		(ok)
	SCA:		(ok)
	J:		(info by request)
	Rangoon:		(ok)
	SPOX:		(ok)
	S Approvers		(ok)

AMERICAN OVERSIGHT
SBU

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release August 24, 2019

STATEMENT BY SECRETARY POMPEO
Uruguay's National Day

On behalf of the Government of the United States of America, I congratulate the people of Uruguay on the 194th anniversary of your independence on August 25.

The United States and Uruguay enjoy a close and enduring relationship. We look forward to expanding our cooperation to advance democracy, security, and economic prosperity for both our countries and in the region. In the years to come, the link between our nations will only grow stronger as we work together to promote these shared ideals.

As the people of Uruguay celebrate this anniversary, the United States reaffirms its commitment to our long-lasting partnership and close friendship.

###

Approved: WHA – Kevin O'Reilly, A/PDAS [KO]

Drafted by: (b)(6) (ext. (b)(6)

Clearances:

WHA/FO: DPrince, acting	(ok)	
WHA/Press: (b)(6)	(ok)	
WHA/BSC: (b)(6)	(ok)	
S/P: (b)(6)		(ok)
P: (b)(6)		(ok)
D: (b)(6)		(ok)
DRL/WHA: (b)(6)		(ok)
WHA/EPSC: (b)(6)	(ok)	
U.S. Emb. Montevideo: JSavage	(ok)	
CDA: JSavage		(ok)
PAO: (b)(6)		(ok)
R: JHall Godfrey		(ok)

AMERICAN OVERSIGHT

SBU

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release August 24, 2019

STATEMENT BY SECRETARY POMPEO

Ukraine's Independence Day

On behalf of President Trump and the American people, I congratulate all Ukrainians on the 28th anniversary of your nation's independence.

The United States remains steadfast in its support for a prosperous, democratic, and free Ukraine, secure within its internationally recognized borders including the occupied districts of the Donbas and Crimea, and resilient against Russian aggression. This year's presidential and parliamentary elections affirmed Ukrainians' desire for a peaceful, prosperous, and democratic future. As President Zelenskyy has noted, by fulfilling its potential, Ukraine can become a model for other countries in the region and beyond. The United States stands with Ukraine at this moment of historic opportunity, and we look forward to working with the new government and the people of Ukraine to advance reforms crucial to your country's success.

Best wishes for a joyous Independence Day and a peaceful and prosperous year ahead.

# # #

Approved: R: JHallGodfrey
EUR: Philip T. Reeker, Acting [PTR]

Drafted: EUR/EE – (b)(6) ext. (b)(6) and cell: (b)(6)

Cleared:
EUR/FO: MCormack, A/PDAS (ok)
EUR/FO: (b)(6) (ok)
EUR/EE: (ok)
EUR/PD: (b)(6) (ok)
D: (b)(6) (ok)
P: (ok)
S/P: (b)(6) (ok)
Embassy Kyiv: CDA William Taylor (ok)

AMERICAN OVERSIGHT

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release

MEDIA NOTE

August 26, 2019

Assistant Secretary David R. Stilwell Travels to Timor-Leste, Indonesia, Brunei, and Singapore

Assistant Secretary David R. Stilwell will visit Timor-Leste, Indonesia, Brunei, and Singapore, August 27 to September 7, 2019 in his first visit to each of these countries in his new role.

Assistant Secretary Stilwell will be in Dili August 29 to 31, where he will meet with Timor-Leste President of the Republic H.E. Francisco Guterres Lu-Olo, Minister of Foreign Affairs and Cooperation H.E. Dionisio Babo Soares, Minister of Defense and Interim Minister of Interior H.E. Filomeno Paixão de Jesus, and Chief Negotiator for Maritime Boundaries H.E. Xanana Gusmão to strengthen our partnership and encourage development of democratic institutions, rule of law, and economic development within Timor-Leste. On August 30 he will represent the United States at official ceremonies commemorating the 20th Anniversary of the Popular Referendum, the United Nations-supervised vote that led to Timor-Leste's separation from Indonesia and eventual independence in 2002.

From September 1 to 3, Assistant Secretary Stilwell will be in Jakarta to meet with senior officials from the Ministries of Foreign Affairs and Maritime Affairs, as well as representatives from the offices of the President and the Vice President, to discuss a range of issues reflecting our nations' 70 years of shared values of diversity, partnership, and prosperity. While in Jakarta, Assistant Secretary Stilwell will meet with participants in the regional Young Southeast Asian Leaders Initiative (YSEALI), as well as have ASEAN-related discussions regarding the future of ASEAN and its place at the heart of the free and open Indo-Pacific region.

In Bandar Seri Begawan from September 3 to 4, Assistant Secretary Stilwell will meet with senior officials from the Bruneian government, including Minister of Foreign Affairs II Dato Seri Paduka Erywan Yusof, to discuss our broad and growing bilateral relationship. The Assistant Secretary will also discuss U.S.-Brunei security cooperation and explore ways to enhance economic ties and further cultural and educational connections.

Finally, from September 5 to 6, the Assistant Secretary will be in Singapore and will meet with Prime Minister Lee Hsien Loong, Foreign Minister Vivian Balakrishnan, and other senior officials to discuss our countries' relationship anchored in our indispensable security cooperation, vibrant economic ties, and shared values for sustaining a rules-based world.

# # #

AMERICAN OVERSIGHT

CLEARANCES:

Lead Bureau: EAP

Approved: EAP/FO: Assistant Secretary Stilwell

Drafted: (b)(6) EAP/P 7-2539

Clearances:
S/P: (b)(6) ok
P: (b)(6) - ok
D: (b)(6) – ok
EAP/FO: (b)(6) - ok
EAP/FO: (b)(6) ok
EAP/MTS: (b)(6) – ok
EAP/MTS: (b)(6) – ok
EAP/MLA: (b)(6) – ok

AMERICAN OVERSIGHT

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release August 26, 2019

MEDIA NOTE

The Bureau of Overseas Buildings Operations
Announces the Charter Renewal for the Industry Advisory Group

The Department of State has renewed the Charter of the Bureau of Overseas Buildings Operations' Industry Advisory Group (IAG) for an additional two-year period. The Industry Advisory Group (IAG) serves in an advisory capacity with respect to industry and academia's latest concepts, methods, best practices, innovations, and ideas related to the OBO mission of providing safe, secure, functional, and resilient facilities that represent the U.S. Government to the host nation and support our staff in the achievement of U.S. foreign policy objectives around the globe.

The IAG is comprised of leading American industry and academic professionals with extensive knowledge and experience in the areas of asset and property management, planning, acquisition, sales, leasing, design, engineering, construction, historic preservation, resiliency, natural hazards, emergency operations, program development, as well as facilities operations and maintenance. The group meets annually in the spring at the U.S. Department of State in Washington, D.C. Procedures for registration are included with each meeting announcement, no later than fifteen business days before each meeting.

OBO provides safe, secure, functional, and resilient facilities that represent the U.S. Government to the host nation and support our staff in the achievement of U.S. foreign policy objectives. These facilities represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

For further information, please visit the OBO website at https://overseasbuildings.state.gov/ , or contact Christine Foushee at FousheeCT@state.gov.

# # #

Approved: OBO/EA – C. Foushee **ok**
Drafted: OBO/EA– (b)(6)

Cleared: OBO/FO – (b)(6) **ok**
OBO/FO – (b)(6) **ok**

D: (b)(6) **ok**
S/P: (b)(6) **ok**
P: (b)(6) **ok**
BP: (b)(6) **ok**
M: (b)(6) **ok**
H/RGF: (b)(6) **ok**
L/M: (b)(6) **ok**
M/WHL (b)(6) **ok**
CGFS – (b)(6) **ok**

AMERICAN OVERSIGHT
SBU

FL-2020-00021 06/15/2020 081

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release

MEDIA NOTE

August 26, 2019

Deputy Secretary Sullivan and White House Advisor Ivanka Trump Travel to Colombia, Argentina, and Paraguay for W-GDP Initiative

Deputy Secretary of State John J. Sullivan will travel with Advisor to the President Ivanka Trump to Colombia, Argentina, and Paraguay September 3-6. This trip will further strengthen U.S. partnerships in the region on women's economic empowerment in support of the White House's Women's Global Development and Prosperity Initiative (W-GDP). Deputy Secretary Sullivan and Advisor Ivanka Trump will engage with senior government officials and civil society stakeholders in all three countries. In events with the Department of Defense, the United States Agency for International Development (USAID), the Overseas Private Investment Corporation (OPIC), and the Peace Corps, Deputy Secretary Sullivan and Advisor Ivanka Trump will underscore the United States' whole-of-government support for women's economic and political integration and empowerment.

The Deputy Secretary will also further relations on counter narcotics and citizen security, the crisis in Venezuela, and expanding economic opportunity.

Follow Deputy Secretary Sullivan's travel via @StateDept on Twitter and Advisor Ivanka Trump via @IvankaTrump. For more information visit https://www.whitehouse.gov/wgdp/. Go to the Department's Flickr account for the latest trip photos, and stay connected at https://blogs.state.gov/engage.

AMERICAN OVERSIGHT

Approved: WHA – Kevin O'Reilly, A/PDAS [KOR]

Drafted: WHA/PDA: (b)(6)

Cleared:

WHA/FO: (b)(6)	(ok)
WHA/AND: (b)(6)	(ok)
WHA/VZ: (b)(6)	(ok)
S/P: (b)(6)	(ok)
P: (b)(6)	(ok)
D: (b)(6)	(ok)
WHA/BSC: (b)(6)	(ok)
WHA/AND: (b)(6)	(ok)
WHA/VZ: (b)(6)	(no response)
WHA/PPC: (b)(6)	(ok)
WHA/EPSC: (b)(6)	(info)
F: (b)(6)	(ok)
EB/TPN/BTA: (b)(6)	(ok)
EB/IFD/OMA: (b)(6)	(ok)
EB/IFD/ODF: (b)(6)	(ok)
EB/FO: (b)(6)	(ok)
EB/TFS/SPI: (b)(6)	(ok)
EB/EPPD: (b)(6)	(ok)
DRL/WHA: (b)(6)	(ok)
INL/PRESS: (b)(6)	(ok)
PM/CPA: (b)(6)	(ok)
PM/RSAT: (b)(6)	(ok)
PM/GPI: (b)(6)	(ok)
PM/WRA: (b)(6)	(ok)
S/GWI: (b)(6)	(ok)
OPIC: (b)(6)	(ok)
Embassy Buenos Aires: (b)(6)	(ok)
Embassy Asuncion: (b)(6)	(ok)
Embassy Bogota: A/DCM JWard	(ok)
R: (b)(6)	(ok)
D: (b)(6)	(ok)
USAID Press: (b)(6)	(ok)
DoD: (b)(6)	(ok)
Peace Corps	(info)
WH: (b)(6)	(ok)
GPA: KStarr	(ok)

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 083

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release August 23, 2019

FACT SHEET

This Week in Iran Policy, August 19–23

"At the #UNSC today, I made clear that the U.S. will continue to act in concert with our allies and partners to bring stability and prosperity to the Middle East. By doing so, we will sustain the same things for the American people and our friends around the world."

– Secretary of State Mike Pompeo, Twitter, August 20

IRANIAN VESSEL GRACE I

"A message to all mariners – if you crew an IRGC or other FTO-affiliated ship, you jeopardize future entry to the U.S. #NotWorthIt"

– Secretary of State Mike Pompeo, Twitter, August 15

- The United States assesses that the M/T Grace I, now renamed the Adrian Darya I, is assisting the Islamic Revolutionary Guard Corps (IRGC) by transporting oil from Iran to Syria. This could result in serious consequences for any individuals associated with the Grace I.
- The United States continues to work with its partners and allies and use all the tools at its disposal to deny Iran and its proxies the resources they need to engage in malign and destabilizing activities in Syria and elsewhere. This includes the full enforcement of U.S. sanctions with respect to Iran and the IRGC.
- The maritime community should be aware that the U.S. government intends to revoke visas held by members of such crews.
- Please see the full press statement for more information.

SPECIAL REPRESENTATIVE FOR IRAN BRAIN HOOK BRIEFING AT FOREIGN PRESS CENTER

"We very much want to see a more peaceful and stable Middle East, and for a as long as Iran is moving illicit oil around the world to fund its terrorist operations, it's important that we do something about it."

– Special Rep for Iran Brian Hook, New York Foreign Press Center Briefing, August 20

- Special Representative for Iran Brian Hook participated in a briefing with Foreign Press Center which corresponded with Secretary of State Pompeo's participation at the UN Security Council discussion, hosted by the Polish Mission to the UN, on challenges to peace and security in the Middle East and the Administration's support for multilateral solutions.
- Please see Special Representative for Iran Brian Hook's remarks for more information.

SECRETARY OF STATE POMPEO AT UNITED NATIONS SECURITY COUNCIL ON MIDDLE EAST PEACE AND SECURITY

"The Iranian regime is the greatest ongoing threat to peace and security in the region. At the #UNSC, I condemned its testing of advanced ballistic missile systems, support to proxies in the #MiddleEast, and inexcusable sabotage and seizure of commercial vessels in the Gulf."

– Secretary of State Mike Pompeo, Twitter, August 20

AMERICAN OVERSIGHT
SBU

- Secretary Pompeo made remarks at the UN Security Council on August 20, 2019 on the challenges to peace and security in the Middle East, emphasizing the importance for greater cooperation in the Middle East.
- Secretary Pompeo also met with Polish Foreign Minister Jacek Czaputowicz to identify the key challenges in the region and propose solutions, naming the greatest ongoing threat to peace and security in the region as the Islamic Republic of Iran.

COUNTDOWN TO TERROR CLOCK

"The @UN arms embargo on #Iran and the travel ban on Qasem Soleimani expire in October 2020. Our #CountdownToTerror clock is tracking how long until Iran is unleashed to create new global turmoil. We must not let this happen"

– Secretary of State Mike Pompeo, Twitter, August 20

- At the UN, the Secretary reminded nations that the UN arms embargo on Iran and the UN travel ban on individuals – including General Soleimani – will expire next year in October. The Security Council has a role to play to ensure that the arms embargo on the world's top sponsor of terrorism does not expire. On the State Department's Iran online page, we have a countdown clock to the expiration date of the arms embargo and the travel ban.
- Please see the Department of State website for more information.

# # #

Drafted: NEA – (b)(6) ext. (b)(6)

Cleared:
NEA/IR: (b)(6) OK
S/IAG: (b)(6) OK
D: (b)(6) OK
P: (b)(6) OK
S/P: (b)(6) OK
IO/ (b)(6) OK
NSC: (b)(6) INFO

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 085

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

For Immediate Release August 25, 2019

READOUT

Secretary Pompeo's Call with Israeli Prime Minister Benjamin Netanyahu

The below is attributable to Spokesperson Morgan Ortagus:

Secretary Pompeo spoke by phone today with Israeli Prime Minister Benjamin Netanyahu regarding recent Israeli airstrikes in Syria. The Secretary expressed support for Israel's right to defend itself from threats posed by the Iranian Revolutionary Guard Corps and to take action to prevent imminent attacks against Israeli assets in the region. The Secretary and the Prime Minister discussed how Iran is leveraging its foothold in Syria to threaten Israel and its neighbors. The Prime Minister noted that Israel would strike IRGC targets threatening Israel, wherever they are located.

# # #

Clearances:

S (ok)
Spox (ok)

AMERICAN OVERSIGHT

SBU

FL-2020-00021 06/15/2020 086

AF Press Guidance
August 26, 2019

Tanzania: U.S. Direct Hire Vehicle Accident

(b)(5)

AMERICAN OVERSIGHT
SBU

Page 087

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

AMERICAN OVERSIGHT

Approved: AF/FO Makila James (ok)
AF/FO Elizabeth Fitzsimmons (ok)

Drafted by: Embassy Dar es Salaam/PAS: Benjamin Ellis
POC: AF/PDPA (b)(6) 202-955-0554

Clearances: AF/E: (b)(6) (ok)
L: (b)(6) (ok)
CA/:P: (b)(6) (info by request)
DS/PA: (b)(6) (ok)
Peace Corps: (b)(6) (ok)
S/P: (b)(6) (ok)
D: (b)(6) (no response)
P: (b)(6) (ok)
R: (b)(6) (ok)
M: M. (b)(6) (ok)
DGHR: (b)(6) (ok)
NSC: (b)(6) (no response)
Embassy Dar es Salaam/MGMT: (b)(6) (ok)

AMERICAN OVERSIGHT

AF Press Guidance
August 26, 2019

SUDAN: Discussions between the United States and Sudan PM Hamdok

(b)(5)

AMERICAN OVERSIGHT
SBU

(b)(5)

AP Interview: Sudan PM seeks end to country's pariah status
August 26, 2019
By Justin Lynch | AP

KHARTOUM, Sudan — Sudan's new prime minister said in an interview that ending his country's international pariah status and drastically cutting military spending are prerequisites for rescuing the nation's faltering economy.

Abdalla Hamdok, a respected former official with the U.N. Economic Commission for Africa, told The Associated Press on Sunday that he has already talked to U.S. officials about removing Sudan from Washington's list of countries sponsoring terrorism, and portrayed their reaction as positive.

He also called for sharply reducing military spending, hoping for a "peace dividend" if current efforts to negotiate deals with armed rebels are successful. He said military spending takes up as much as 80% of the state budget.

Sudan stagnated for three decades under former President Omar al-Bashir, convulsed by a bloody civil war and rebellions in its far-flung provinces. Al-Bashir's autocratic rule ended in April when the military ousted him after mass street protests by a pro-democracy movement, which began late last year.

"For 30 years, we were isolated," Hamdok said in the interview in the capital of Khartoum. "We were treated as a pariah state. We want to tell the world we are moving away from sanctions, issues of punishment and all that, to a Sudan that is coming back to the fold of normal nations."

As Sudan begins a new chapter, getting off America's state sponsor of terror list is the "key to anything that we can do in this country," Hamdok said, adding that a "democratic Sudan is not a threat to anybody in the world."

Still, tensions between the military and civilians are expected to feature prominently in Hamdok's unruly transitional government, which is expected to last three years before general elections.

AMERICAN OVERSIGHT
SBU

In such an environment, Hamdok faces an uphill battle to carry out ambitious economic reforms, said Jehanne Henry, a Sudan researcher at Human Rights Watch. Henry said Hamdok "has to work with the generals, who could veto things."

Although Hamdok heads the transitional Cabinet, the military leaders that ousted al-Bashir still want a large role in the transition. Sudan's top general, Abdel-Fattah Burhan, was sworn in Wednesday as the leader of a joint military-civilian Sovereign Council. Five of its 11 members are from the military.

Hamdok said he is committed to making a partnership with the generals work.

The United States named Sudan a state sponsor of terror in 1993, and the designation stuck through the al-Bashir regime. As one of the last acts of the Obama administration, the United States began a formal process to de-list Sudan in January 2017, but this was put on hold when mass protests began in December. Moves to de-list Sudan could resume once the country's political situation has stabilized.

The U.S. State Department was not immediately available for comment Sunday.

"We appreciate and understand that there is a process, both I think in government and Congress," Hamdok said, adding he hopes it happens soon because "it has very serious implications on our situation."

Removing Sudan from the state sponsor of terror list would open the door to foreign investment and allow the country to receive a sorely needed International Monetary Fund and World Bank bailout package, Hamdok said.

Sudan is nearly $60 billion in debt, and Hamdok said the interest on the debt payments is roughly $3 billion.

He said his aim is economic stability and a properly managed currency, along with transparency and opportunities for foreign investors.

"If you make profit and you want to repatriate your profit, we will be open to that," Hamdok said. "This is the last frontier. The rest of the world has finished its infrastructure projects."

AMERICAN OVERSIGHT
SBU

Hamdok said he wants to bring all state spending, including for the military under the control of the ministry of finance. Asked if the military budget should be smaller, Hamdok said: "Absolutely."

Hamdok said ending the country's rebellions would allow him to allocate no more than 20% of the budget to the military. "The rest of it should go to development issues — addressing issues of health, education and infrastructure development and reviving the economy," he said.

The economy largely stagnated under al-Bashir and sharply deteriorated last year, leading to the protests that eventually brought him down. During his rule, al-Bashir failed to keep the peace in the religiously and ethnically diverse nation, losing three quarters of Sudan's oil wealth when the mainly animist and Christian south seceded in 2011 following a referendum.

Sudan is also one of the world's most corrupt nations.

The power-sharing agreement signed this month between the military and protesters calls for the government to reach a peace agreement with armed groups within six months.

The country's most infamous conflict, in the Darfur region, broke out in 2003. Al-Bashir's government mobilized Arab militias accused of burning villages to the ground, massacring civilians and carrying out mass rapes among non-Arabs in the region.

Al-Bashir, who is imprisoned in the capital of Khartoum, faces charges of war crimes and genocide linked to the Darfur conflict, although the military has said he won't be extradited to the International Criminal Court in The Hague.

Hamdok said that immediately after the new government is formed, a "peace commission" will be established to try to reconcile with the country's armed groups.

He also said there needs to be accountability for violence committed against rebels and against scores of protesters killed in the pro-democracy protests.

"Justice has to be resolved. And it has to be seen as being achieved," he said. "We will have to reach a conclusion that satisfies the victims."

AMERICAN OVERSIGHT
SBU

"In the past there were no intentions from both sides, the government and the armed groups, to reach an agreement," he said. "But today there is resolve, there is determination."

A cease-fire has held since the military overthrow of al-Bashir in April. The rebels had held rounds of talks with the now-dissolved military council and the pro-democracy movement.

The military has taken trust-building moves, including dropping charges and death sentences against rebel leaders and releasing dozens of rebel prisoners.

The armed groups had rejected a final deal between the civilians and government officials over the structures of the transitional government, Hamdok said.
Copyright 2019 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

AMERICAN OVERSIGHT
SBU

Clearances:

Final Clearance: AF/FO: DAS Makila James ok
CT/FO: A/S Sales ok

Drafted by: AF/USSESSS: (b)(6) ext (b)(6) cell (b)(6)

Clearances:
AF/PDPA Elizabeth Fitzsimmons ok
AF/USSESSS: (b)(6) ok
CT/Press: (b)(6) ok
L: ok
S/P: ok
D: no response
P: ok
R: ok
NSC: ok

AMERICAN OVERSIGHT
SBU

EAP Press Guidance
August 26, 2019

ROK/Japan – Liancourt Rocks Military Exercises

(b)(5)

Approved: EAP/FO – DAS Marc Knapper (ok)

Drafted: EAP/K – (b)(6) ext. (b)(6) and cell (b)(6)

Cleared:

EAP/K: (b)(6) (ok)
EAP/P: (ok)
D: (b)(6) (ok)
P: (ok)
S/P: (b)(6) (ok)
R: (b)(6) (ok)
L/EAP: (b)(6) (ok)
OSD: (b)(6) (ok)
OSD: (ok)

AMERICAN OVERSIGHT
SBU

PM Contingency Press Guidance
August 26, 2019

Poland: Proposed Sale of the F-35A Lightning II Joint Strike Fighter

(b)(5)

AMERICAN OVERSIGHT

Approved:	PM/FO – Mike Miller, Acting		(MM)
Drafted:	PM/CPA:	(b)(6)	ext. 6-7804
Cleared:	PM/RSAT:	(b)(6)	(ok)
	EUR/CE:		(ok)
	EUR/RPM:		(ok)
	EUR/PRA:		(ok)
	EUR/Press:		(ok)
	L/PM:		(ok)
	T:		(ok)
	H:		(ok)
	P:		(ok)
	D:		(ok)
	S/P:		(ok)
	OSD PA:		(No Response)
	DSCA:		(ok)

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 098

OES/WHA Press Guidance
August 26, 2019

Brazil: Fires and Deforestation

(b)(5)

AMERICAN OVERSIGHT
SBU

Page 099 to Page 100

Withheld pursuant to exemption

(b)(5)

of the Freedom of Information and Privacy Act

AMERICAN OVERSIGHT

(b)(5)

Public language:
"Just spoke with President @JairBolsonaro of Brazil. Our future Trade prospects are very exciting and our relationship is strong, perhaps stronger than ever before. I told him if the United States can help with the Amazon Rainforest fires, we stand ready to assist!" (President Trump, August 23, 2019).

"As Americans, we all share an immense pride in these God-given treasures and a tremendous appreciation for our abundance of natural resources. Environmental protection and economic prosperity go hand in hand. A strong market economy is essential to protecting our critical natural resources and fostering a legacy of conservation. My Administration is committed to being effective stewards of our environment while encouraging opportunities for American workers and their families. At the same time that our Nation is experiencing historic economic and job growth, our air and water quality ranks among the highest in the world. Under my Administration, we are improving the quality of life for communities across America by strengthening the security and reliability of our drinking water and accelerating spending on water infrastructure. Additionally, we have expanded support for conservation of land, water, and wildlife, and we are reforming land management policies to improve the health of our forests and other Federal lands" (President Trump, April 22, 2019).

AMERICAN OVERSIGHT

Approved:	OES: Jonathan Margolis, Acting SBO	(Ok)
Drafted:	OES/PPO: (b)(6)	
Clearances:	OES/E: (b)(6)	(Ok)
	OES/PPO: (b)(6)	(Ok)
	OES/EGC: (b)(6)	(Ok)
	OES/ECW: (b)(6)	(Ok)
	WHA/FO: JChung	(Ok)
	WHA/FO: KO'Reilly	(Ok)
	WHA/FO: JPiechowski	(no response)
	WHA/Press: (b)(6)	(Ok)
	WHA/BSC: (b)(6)	(Ok)
	WHA/EPSC (b)(6)	(Ok)
	Embassy Brasilia/FO: WPopp	(Ok)
	EB/EPPD: (b)(6)	(Ok)
	EB/TPN: (b)(6)	(Ok)
	EB/IFD: (b)(6)	(info)
	USAID: (b)(6)	(Ok)
	E: (b)(6)	(Ok)
	P: (b)(6)	(Ok)
	D: (b)(6)	(Ok)
	S/P: (b)(6)	(Ok)
	NSC: (b)(6)	(Ok)
	GPA:	( )

AMERICAN OVERSIGHT
SBU

From:	"Sondland, Gordon D (USEU)" (b)(6)
To:	(b)(gsondland (b)(6)
Subject:	Fwd: Press package
Date:	Tue, 9 Jul 2019 16:43:41 +0000

Released in Part

Gordon D. Sondland
Ambassador of the United States of America
United States Mission to the European Union
Rue Zinner 13
1000 Brussels, Belgium
+32 2811-5550

From: Haggard, Henry R (USEU)
Sent: Tuesday, July 9, 2019 9:24:28 AM
To: Sondland, Gordon D (USEU)
Cc: Tomlinson, Christina (USEU); (b)(6)
Subject: Press package

Ambassador,

Your press clips attached. Kelly has a hard copy.

Regards,

Henry

Sender:	"Sondland, Gordon D (USEU)" (b)(6)
Recipient:	(b)(gsondland (b)(6)

AMERICAN OVERSIGHT

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 105

Released in Full

Ambassador's Press Clips



AMERICAN OVERSIGHT

STATE-19-1207-B-000102

2019

July 2019

- 07-01 Parliament Magazine - A marriage of convenience

June 2019

- 06-28 EurActiv – US ambassador: We need the EU as a partner to tackle China
- 06-21 Irish Examiner – The 5G war and the fight against China's tech giant
- 06-20 Bloomberg – U.S. Envoy Questions Stance on Iran as Gulf Tensions Escalate
- 06-19 Foreign Policy – A New, Harsher Vision of the EU Takes Shape
- 06-17 EurActiv – US ambassador: Europe should forget Huawei, embrace Western tech
- 06-07 NYT – Europe Vows to Spend More on Defense, but U.S. Still Isn't Happy
- 06-06 Euronews – "He loves the people of Europe:" US Ambassador on Trump's EU visit
- 06-05 Politico – Brussels Playbook: Sondland hearts Mogherini
- 06-03 New Europe – Romania's PM Dancila to meet with Juncker, Timmermans in Brussels

May 2019

- 05-21 Reuters – Hobbling Huawei: Inside the U.S. war on China's tech giant
- 05-15 New Europe – Production starts up at Cameron LNG export terminal in Louisiana
- 05-15 FT – Donald Trump issues executive order laying ground for Huawei ban
- 05-15 Forbes – Trump signs Executive Order That Will Lead To U.S. Ban on Huawei
- 05-15 Express – How Trump can use EU's 'Achilles heel' to his advantage –'Collateral Damage'
- 05-14 The Canadian Press – Trump pushes 'America First energy policy' on Louisiana trip
- 05-14 FT – US warns against European joint military project
- 05-14 FT – Trump's embrace of Orban sends clear message to Europe
- 05-14 FT – Trump to sign order laying ground for Huawei ban from US
- 05-14 DW – US warns EU over €13-billion defense spending
- 05-14 AFP – US warns EU over 'poison pill' defence plans
- 05-13 FT – US-Europe rift widens ahead of Orban's visit to White House
- 05-13 Express – Threat to world peace as US no longer trusts EU as an ally – Trump ready to scrap alliance
- 05-10 EurActiv – EU commissioner says agriculture not on agenda for US talks
- 05-09 EurActiv – No trade deal without agriculture, warns US ambassador to the EU
- 05-08 Agence Europe – Iran; EU analyses Iran's decision to no longer comply with certain obligations of nuclear arrangement
- 05-07 Agence Europe – Washington has no 'red lines' in future trade negotiations, according to Ambassador Sondland
- 05-06 Handelsblatt – Trade Policy: EU resistance to Free Trade in Agriculture
- 05-02 WSJ – U.S. Boosts Natural-Gas Exports to EU, Aiming to Dent Russian Sales; Energy Secretary Rick Perry praised burgeoning trade as 'tip of iceberg'
- 05-02 EurActiv – 'Freedom gas': US opens LNG floodgates to Europe

AMERICAN OVERSIGHT

April 2019

- 04-26 EurActiv – As election looms, Spaniards are hit by WhatsApp disinformation campaign
- 04-23 Agence Europe – Sri Lanka; after multiple attacks, EU offers assistance
- 04-12 Express – END OF MACRON: How EU-US trade talks have TERRIFIED France – leader facing more protests
- 04-11 WSJ – European Union Paves Way for U.S. Trade-Pact Talks; Agriculture is sticking point threatening trans-Atlantic efforts to negotiate trade deal
- 04-11 Politico.eu – US ambassador warns Washington will fight EU on trade
- 04-11 Politico.eu – US ambassador criticizes Commission on Nord Stream 2
- 04-11 FT – Letter: The Americans are trying to undermining Europe's efforts to become more autonomous over security
- 04-03 Inside U.S. Trade – EU countries hope for compromise on U.S. mandate language by next week
- 04-03 FT – Nato's strained relations
- 04-02 FT – Nato at 70: Europe fears tensions will outlast Trump
- 04-02 Bloomberg – EU-U.S. Trade Talks Face Delay, Risking Trump Backlash

March 2019

- 03-29 EurActiv – Facebook says political ads fix brings 'unprecedented levels of accountability'
- 03-26 FT – Brussels unveils EU-wide plan to address 5G security risks
- 03-25 FT – Brussels faces US clash over plan to monitor Huawei 5G security
- 03-21 Reuters – EU falling far short in trade talks – U.S. ambassador
- 03-19 Bloomberg – Too Early to Call U.S.-EU Trade Talks Doomed, EU's Katainen Says
- 03-18 FT – US warned over retreating from European security role
- 03-14 EurActiv – Parliament rejects opening trade talks with Trump
- **03-12 FT – Reliance on Russian gas has big risks for Europe (Op-Ed)**
- 03-11 FT – Europe must open military projects to foreign firms, says US envoy
- 03-07 Les Echos – Money Laundering: the list that embarrasses the Europeans
- 03-07 EurActiv – Russian disinformation attempts to weaken 'America's commitment to Europe,' US ambassador says
- 03-06 EU Observer – Saudi Arabia evades EU dirty-money list for now
- 03-06 AFP – EU vetoes plan to add Saudi Arabia to money-laundering list
- 03-04 Agence Europe – United States; Washington announces upgrading of EU mission diplomatic status
- 03-04 WaPo – The Trump administration quietly corrects its diplomatic slight of the E.U.
- 03-04 WSJ – U.S. Offers EU Olive Branch Restoring Embassy's Status; Move reverses a decision to downgrade the bloc to status of international organization
- 03-04 Reuters – U.S. returns higher diplomatic status to EU's Washington mission
- 03-04 Politico – US bumps EU diplomatic status back up after downgrade
- 03-04 NYT – In a Change of Tone, U.S. Restores EU's Diplomatic Status
- 03-04 New Europe – US restores diplomatic status for EU delegation in Washington

AMERICAN OVERSIGHT

- 03-04 EurActiv – US returns diplomatic status of EU representative in Washington
- 03-04 DW – Washington restores status of EU mission to US
- 03-04 AFP – US restores mission status of 'valuable partner' EU
- 03-04 Politico – Brussels Playbook: EU's diplomacy bounces back in Washington
- 03-02 FT – US slams Brussels 'posturing' as dirty money blacklist is rejected in Europe
- 03-01 AFP – US welcomes demise of EU money-laundering blacklist plan

February 2019

- 02-27 Agence Europe – Ukraine; EU-US joint visit to Odessa
- 02-16 Telegraph – Inside Huawei's secretive Chinese research base
- 02-14 FT – Trump to boost troop numbers in Poland
- 02-11 China Daily – EU should resist Washington's coercion on 5G
- 02-09 Daily Express – US and EU must link arms against MALIGN Influence and 'future problem' of China
- 02-09 China Daily – Huawei VP calls comment by US official 'senseless'
- 02-08 Bloomberg – U.S. Threatens Retaliation If Companies Tap Iran Trade Vehicle
- 02-07 Express – China Warning: US and Europe must join together to FIGHT Asian superpower
- 02-07 dpa – US diplomats pressure Germany's partners over Russian gas pipeline
- 02-07 DW – France set to undermine Nord Stream 2 pipeline deal
- 02-06 Reuters – Huawei offers to build cyber security centre in Poland

January 2019

- 01-31 Reuters – U.S. wants Western tech to be used instead of Huawei kit
- 01-31 EurActiv – Parliament reognises Guaido in Venezuela and calls on 28 to follow
- 01-31 Bloomberg – Don't Let China Control Your Networks, U.S. Envoy Tells Europe
- 01-31 Agence Europe – Iran; France, Germany and the United Kingdom officially launch Instex fund to continue trade with Iran
- 01-30 Politico.eu – EU's Iran fight is not about Iran (or Trump)
- 01-29 New Europe – Poland to host Middle East conference
- 01-21 Bloomberg – Who's right? U.S. and EU contradict each other on trade talks
- **01-15 New Europe – Transatlantic Relations: Difficult Decisions Ahead (Op-Ed)**
- 01-09 Agence Europe – Commission wants to submit two trade negotiation mandates to Member States
- 01-09 DW – EU lawmakers decry Washington downgrading of EU ambassador
- 01-07 l'Opinion – How the diplomacy of Donald Trump undermines the European Union interior
- 01-01 WSJ – EU's High Trade Surplus With the U.S. Poses Risk to 2018 Tariff Truce

AMERICAN OVERSIGHT

2018

December 2018

- 12-17 New Europe – Setting the record straight on the US-EU relationship
- 12-10 Politico.eu – Trump's man in Brussels slams 'out of touch' EU
- 12-7 NYT- Europe and U.S. Agree on Chinese Threat, but Are Too Busy Feuding to Fight it
- 12-7 Agence Europe – Washington still sees no improvement in trade relations with EU
- 12-7 Agence Europe – Talks with United States on hormone-free beef quotas hampered by European "demand"
- 12-3 France24 – US ambassador to the EU: 'We're not getting due credit on trade issues'

November 2018

- 11-14 Deutsche Presse-Agentur – EU will 'hit back' if US imposes auto tariffs, Malmstrom says
- 11-13 Reuters – U.S. envoy warns sanctions still an option against Nord Stream 2
- 11-13 LETA Latvian News Agency – U.S. threatens measures to stop controversial North Stream 2 pipeline
- 11-13 Express – 'Trump could BLOCK Nord Stream 2' US shock warning to Russia
- 11-13 Deutsche Presse-Agentur – US threatens measures to stop controversial North Stream gas pipeline
- 11-09 Agence Europe – Commission is ready to analyse scope of limited agreement targeting manufactured goods
- 11-07 FT – France vows to lead Europe in defying US on Iran sanctions
- 11-05 Bloomberg – U.S. Lambasts Europe's 'Paper Tiger' Response to Iran Sanctions
- 11-05 Agence Europe – Iran; Opposition continues between Europeans and Americans over sanctions on Tehran

October 2018

- 10-29 EurActiv – Expert: US-China dispute 'is not a trade but economic war'
- 10-18 WSJ – U.S.'s Ross Presses EU on Pace of Trade Talks
- 10-18 FT – US and EU at loggerheads over July trade 'handshake'
- 10-18 FT – Trump-Juncker 'handshake' deal at risk
- 10-18 Agence Europe – Launch of second evaluation of 'Privacy Shield'
- 10-17 Reuters – Trump's patience with EU on trade not unlimited, says Ross
- 10-17 FT – Wilbur Ross criticizes EU for not driving forward trade talks with US
- 10-17 FT – Negotiators warn Trump-Juncker trade agreement at risk
- 10-17 FT – Trump-Juncker trade agreement risks collapse, says Ross
- 10-17 Euronews – EU-US relations 'like an up-down marriage but intact' – US ambassador
- 10-17 EurActiv – US blames Europe for lack of progress in trade talks, threatens car tariffs
- 10-17 Agence Europe – Transatlantic differences of opinion over progress in bilateral trade negotiations
- 10-17 AFP – US warns EU over trade talks impasse

AMERICAN OVERSIGHT

- 10-09 EU Observer – EU and US risk 'negative shocks' to economy, IMF warns
- 10-04 EurActiv – US 'fully compliant' with EU privacy shield, ambassador says
- 10-04 WaPo – U.S. ambassador to Europe: Let's take on China together
- 10-04 EurActiv – US, EU should 'clean the house' and deal with China – US ambassador
- 10-04 EU Observer – EU and US should hold back China, Trump envoy says
- 10-03 Agence Europe – Ambassador Gordon Sondland says trade deal between EU and USA has ultimate goal of weighing against China

September 2018

- 09-25 DW – Donald Trump's man in Brussels extends a hand to the EU
- 09-13 Inside U.S. Trade – USTR to begin consultations with Congress on Europe trade talks under TPA
- 09-13 Inside U.S. Trade – U.S., EU officials paint contrasting pictures of trans-Atlantic relationship
- 09-07 Agence Europe – New ambassador to EU gives reassurance on transatlantic partnership, but without betraying Trump
- **09-06 Politico.eu – The power and potential of the US-EU relationship (Op-Ed)**

July 2018

- 07-09 Politico.eu – US ambassador to EU arrives in Brussels
- 07-09 New Europe – US' new ambassador to EU arrives in Brussels
- 07-02 New Europe – Another day, another Ambassador

Pre-Arrival

- 06-04 Newsmax – Trump Pick for EU Ambassador Lauded by Karl Rove, Sen.Tillis
- 05-14 Politico.eu – America's unlikely envoy to Brussels
- 05-11 Politico.eu – Trump nominates Oregon hotelier as EU ambassador
- 05-11 Euronews – Trump nominates US ambassador to EU: What you need to know
- 03-12 WSJ – U.S. Moves to Appoint New Ambassador to EU

AMERICAN OVERSIGHT

THE PARLIAMENT
POLITICS, POLICY AND PEOPLE MAGAZINE

A marriage of convenience

The Parliament Magazine (July 1, 2019) – Gordon Sondland, US Ambassador to the EU, compares US-EU relations to a marriage. He tells Rajnish Singh that "We're like an old married couple. The kids have left, we still love each other, we're never getting divorced, but we have some very specific and tough issues to address."

It's been almost a year since Gordon Sondland arrived in Brussels. Selected personally by US President Donald Trump, before his appointment he ran his own hotel business and property investment company- much like his boss. When offered the position, Sondland was both "honoured and awestruck" believing "he offered me one of the most consequential positions in the US government."

Not a career diplomat, Sondland believes business skills are just as useful for his new role. "I was deeply grateful that he (Trump) believed in my private sector experience … so far, I think it has served me well."

His family history may also help; in 1938, due to their Jewish background, his parents and sister fled Nazi Germany. His father went on to fight during World War II for both the French Resistance and the British Army in Burma.

Although he has enjoyed being based in Brussels, it has not all been plain sailing. Trade issues, he admits, have been challenging. But he points out "that's not unusual when you are negotiating over money, even in the private sector."

"Every dollar that you ask for is a dollar less that someone else gets to keep, so those discussions are always by definition uncomfortable."

There are clear and challenging differences between the US and EU, including Trump's support for Brexit. Have EU-US relations reached a new low? Sondland responds, "Not at all, in fact it's counterintuitive; I would say on many levels it's reached a new high."

He admits, however, "where it has hit a low has been on the trade discussions and on some of the more protectionist endeavours that the EU has undertaken." Despite the President's complaints, Sondland stresses that Trump is interested in a fair and balanced trade relationship.

AMERICAN OVERSIGHT

He pointed out that in July 2018 Trump and European Commis-agreed to work together towards zero tariffs, zero non-tariff barriers and zero subsidies on non-auto industrial goods.

“President Trump said there are going to be winners and losers on both sides of the Atlantic, but this will quickly stabilise, the best products and services will win out and both of our gross domestic products will rise.”

Yet as recently as April 2019, Trump threatened to unleash tariffs on the EU. How could a trade war be avoided? Sondland believes the upcoming institutional changes could be a game-changer. “A new Commission, a new Parliament and a new leader in the EU Council will help reset the dialogue.”

He highlighted how he personally tried to reset relations by introducing the EU’s new ambassador to the US, Stavros Lambrinidis, to key players in Washington.

“I hosted a dinner for him in Washington and got a lot of senior White House officials to attend. They generally don’t attend ambassadorial dinners, but they recognised the importance of the relationship with the EU, and I believe that Ambassador Lambrinidis was very pleased with the reception.”

Another area of difference between the US and Europe is the negative security implications of using 5G technology provided by the Chinese telecommunications giant Huawei.

Asked if this wasn’t simply interference in Europe’s domestic market and a way for the US to muscle in, he responded, “Not at all, the EU’s Member States are our closest allies; we have an unshakable alliance when it comes to defence and shared values.”

“This isn’t about the US trying to promote its own interests, because frankly we don’t have a large footprint in the 5G technology [market]. In effect, we’re indirectly promoting indigenous European or South Korean businesses, not US.” Sondland’s concern is far broader.

According to him, 5G is not just simply the next ‘iteration’ of 4G. “Over the next decade, everything is going to be run off or connected to 5G.”

“President Trump said there are going to be winners and losers on both sides of the Atlantic, but this will quickly stabilise, the best products and services will win out and both of our gross domestic products will rise”

“Defence, cars, airplanes, hospitals, schools, government - everything. We are concerned that when a malign actor possesses the keys to your country, they can use them in a malicious way, if they so choose.”

AMERICAN OVERSIGHT

“We don’t want the keys to anyone’s country to get into the wrong hands - that’s what our concern is.” There have also been serious differences in opinion over the US withdrawal from the Iranian Nuclear Deal.

Despite growing tensions in the Gulf and fears of a possible war between Iran and the US, Sondland firmly backed his President’s decision, “Iranian behaviour since that document was signed has been contrary to the spirit of the agreement.”

“The principle [of the treaty] was that Iran would join the community of nations. Instead, their centrifuges continue to spin and their malign activities in the Middle East, and in Europe, remain unabated.”

He pointed out that the agreement did not stop the development and proliferation of Iran’s missile technology. “Our desire is to choke off the money supply that fuels these activities, bringing them back to the table to discuss how to behave like a real country.”

Trump’s complaints about the lack of European spending on security and defence and plans for an EU army are well documented.

Questioned whether greater EU involvement in defence policy would undermine Nato, Sondland said, “If that was Europe’s intention, I would be very concerned, but I’m constantly reassured by the EU leadership that that’s not the intent and I take them at their word.”

However, he calls on Member States to fulfil their contribution. “If there are dollars available, they should first go to Nato.”

But he also wants to see European armed forces modernising their equipment. “We don’t want a bunch of equipment, material, people, that is not in sync with Nato, because we’re going to need every piece of equipment and every person to help.”

More money, he said, was needed to be spent on R&D to achieve a more modernised force. Whether US or EU technology, the key issue was that money in the EU’s European Defence Fund was not only open to European companies.

As far as energy security is concerned, Sondland said he finds German reliance on Russian gas via the Nord Stream 2 pipeline challenging.

“It’s very frustrating, because Germany is only thinking in terms of its own parochial needs and ignoring those of the US - one of its closest friends and allies - and of the other 27 Member States.”

AMERICAN OVERSIGHT

He believed that the Nord Stream pipeline was dangerous, as it gave too much political leverage and control to President Putin. “Putting energy security in the hands of someone who would easily use that power to influence European politics is just not in Europe’s long-term interests.”

He stressed that US Liquified Natural Gas was a more reliable source of energy and that the EU and US shared common legal and political values that could sort out any issues.

“The EU’s Member States are our closest allies; we have an unshakable alliance when it comes to defence and shared values”

Sondland saw the recent European Elections as providing new opportunities for developing EU-US relations. Despite no major political group having overall control, he says “I am anxious to engage with new MEPs from all sides.”

“I know there are a number of new liberal and conservative members. While some look at this polarisation as unproductive, I view it as creating strong tensions on both sides that will result in change.”

Asked to explain how these tensions could be positive, he said “When you have someone that’s highly conservative and someone that’s highly liberal, they have to reach an agreement.”

“The natural tension that’s created, assuming people are dealing in good faith and with the interests of the EU at heart, I think ensures that a deal actually gets done, as opposed to a roomful of people always agreeing with each other generally but never specifically.”

He also highlighted how well he had worked with Parliament President Antonio Tajani. “I had a great relationship with him and look forward to meeting his successor.”

The sooner the US and EU can sort out their differences, the sooner Sondland thinks they can “join forces” to take on China, which the US considers a real threat.

He stressed how powerful they could be when they cooperate. “When the US and the EU work together you have a combined GDP of US$40 trillion and a trading relationship worth US$1 trillion.”

“We should be protecting intellectual property and creating an environment that China has to respect in a world order that we, not they, have set.”

AMERICAN OVERSIGHT

He also credited the EU's backing for the Ukraine and encouraged greater cooperation. "The EU has been a huge supporter of Ukraine, and I would encourage the EU to work closely together with the US on more joint US/EU outreach."

To highlight the importance of this, Sondland hosted a special US Independence Day party and dinner in the honour of the newly-elected Ukrainian President Volodymyr Zelensky when he visited Brussels in June.

"This was a large but informal event, with a few senior EU officials including Federica Mogherini and a number of other officials. A lot of good work was done, particularly by President Zelensky who was very interested in other country leaders' views."

Trump has described himself as 'the disruptor in chief'. To understand what the EU could expect from Sondland he was asked if he was a disruptor or diplomat; he smiled and said to expect a "disruptive diplomat."

AMERICAN OVERSIGHT

US ambassador: We need the EU as a partner to tackle China

EURACTIV Network (June 28, 2019) - The Capitals brings you the latest news from across Europe, through on-the-ground reporting by EURACTIV's media network. You can subscribe to the newsletter here.

///

MADRID

The US wants to redefine its "asymmetric" relationship with the EU, regardless of whether Brexit takes place, in order to establish a global system of standards to face the growing influence of China, US ambassador Gordon Sondland has said.

"Because the real objective here is China, the real goal is for the US and the EU to partner to tackle China and establish together a global system where we set the standards of conduct, and China follows our example, not the other way around," he told a small group of journalists in Madrid on Wednesday, EURACTIV's partner EFEreported.

In an interview with EURACTIV.com last month (17 June), Sondland said America could not have close security, intelligence and technology ties with Europe unless the EU cuts ties with Chinese tech giant Huawei and embraces "Western telecom industry". Sondland added that since Donald Trump's election, the US has not received from Brussels the "best friend" treatment warranted by seven decades of bilateral alliance.

"Talks on issues that concern us have been very difficult," the diplomat said. He also said he trusted that the leadership of the next Commission and the other European institutions will contribute to "straightening" the bilateral relationship.

AMERICAN OVERSIGHT

Irish Examiner

The 5G war and the fight against China's tech giant

The Irish Examiner (June 21, 2019) - In early 2018, in a complex of low-rise buildings in the Australian capital, a team of government hackers was engaging in a destructive digital war game. The operatives — agents of the Australian Signals Directorate, the nation's top-secret eavesdropping agency — had been given a challenge.

With all the offensive cyber tools at their disposal, what harm could they inflict if they had access to equipment installed in the 5G network, the next-generation mobile communications technology, of a target nation?

What the team found, say current and former government officials was sobering for Australian security and political leaders: The offensive potential of 5G was so great that if Australia were on the receiving end of such attacks, the country could be seriously exposed.

The understanding of how 5G could be exploited for spying and to sabotage critical infrastructure changed everything for the Australians, according to people familiar with the deliberations.

Mike Burgess, the head of the signals directorate, recently explained why the security of fifth generation, or 5G, technology was so important: It will be integral to the communications at the heart of a country's critical infrastructure — everything from electric power to water supplies to sewage, he said in a March speech at a Sydney research institute.

[readmore]932212[/readmore]

The US is widely seen as having taken the initiative in the global campaign against Huawei Technologies, a tech juggernaut that in the three decades since its founding has become a pillar of Beijing's bid to expand its global influence. Yet Reuters interviews with more than two dozen current and former Western officials show it was the Australians who led the way in pressing for action on 5G; that the US was initially slow to act; and Britain and other European countries are caught between security concerns and the competitive prices offered by Huawei. Taoiseach Leo Varadkar said recently that Ireland is keeping an "open mind" on security concerns raised by the US about Huawei. The Australians had long harboured misgivings about Huawei in existing networks, but the 5G war game was a turning point.

About six months after the simulation began, the Australian government had effectively banned Huawei, the world's largest maker of telecom networking gear,

AMERICAN OVERSIGHT

from any involvement in its 5G plans. An Australian government spokeswoman declined to comment on the war game.

After the Australians shared their findings with US leaders, other countries, including the US, moved to restrict Huawei.

The anti-Huawei campaign intensified recently, when US President Donald Trump signed an executive order that effectively banned the use of Huawei equipment in US telecom networks on national security grounds and the US Commerce Department put limits on the firm's purchasing of US technology.

Google's parent, Alphabet, suspended some of its business with Huawei. Until the middle of last year, the US government largely "wasn't paying attention", said retired US Marine Corps General James Jones, who served as national security adviser to president Barack Obama. What spurred senior US officials into action?

A sudden dawning of what 5G will bring, according to Jones.

"This has been a very, very fast-moving realisation" in terms of understanding the technology, he said.

[quote]I think most people were treating it as a kind of evolutionary step as opposed to a revolutionary step. And now that light has come on.[/quote]

The Americans are now campaigning aggressively to contain Huawei as part of a much broader effort to check Beijing's growing military might under President Xi Jinping. Strengthening cyber operations is a key element in the sweeping military overhaul that Xi launched soon after taking power in 2012, according to official US and Chinese military documents.

The US has accused China of widespread, state-sponsored hacking for strategic and commercial gain. If Huawei gains a foothold in global 5G networks, Washington fears this will give Beijing an unprecedented opportunity to attack critical infrastructure and compromise intelligence sharing with key allies.

Senior Western security officials say this could involve cyber attacks on public utilities, communication networks, and key financial centres. In any military clash, such attacks would amount to a dramatic change in the nature of war, inflicting economic harm and disrupting civilian life far from the conflict without bullets, bombs or blockades.

AMERICAN OVERSIGHT

To be sure, China would also be vulnerable to attacks from the US and its allies. Beijing complained in a 2015 defence document, China's Military Strategy, that it has already been a victim of cyber-espionage, without identifying suspects.

Documents from the US National Security Agency leaked by whistleblower Edward Snowden showed that the US hacked into Huawei's systems, according to media reports.

However, blocking Huawei is a huge challenge for Washington and its closest allies, particularly the other members of the so-called Five Eyes intelligence-sharing group — Britain, Canada, Australia, and New Zealand.

[h2]Humble beginnings[/h2]

From humble beginnings in the 1980s in the southern Chinese boom town of Shenzhen, Huawei has grown to become a technology giant that is deeply embedded in global communications networks and poised to dominate 5G infrastructure.

There are few global alternatives to Huawei, which has financial muscle — the company reported revenue for 2018 jumped almost 20% to more than €100bn — as well as competitive technology and the political backing of Beijing.

"Restricting Huawei from doing business in the US will not make the US more secure or stronger," the company said in a statement in response. Such moves, it said, would only limit "customers in the US to inferior and more expensive alternatives".

For countries that exclude Huawei there is a risk of retaliation from Beijing. Since Australia banned the company from its 5G networks last year, it has experienced disruption to its coal exports to China, including customs delays on the Chinese side.

In a statement, China's foreign ministry said it treated "all foreign coal equally" and to assert "China has banned the import of Australian coal does not accord with the facts".
Tension over Huawei is also exposing divisions in the Five Eyes group, which has been a foundation of the post-Second World War Western security architecture. During a trip to London on May 8, US Secretary of State Mike Pompeo issued a stark warning to Britain, which has not ruled out using Huawei in its 5G networks.

AMERICAN OVERSIGHT

"Insufficient security will impede the United States' ability to share certain information within trusted networks," he said.

[quote]This is exactly what China wants; they want to divide Western alliances through bits and bytes, not bullets and bombs.[/quote]

Huawei's 74-year-old founder, Ren Zhengfei, is a former officer in China's military, the People's Liberation Army. "Mr Ren has always maintained the integrity and independence of Huawei," the company said. "We have never been asked to cooperate with spying and we would refuse to do so under any circumstance."

In an interview with Reuters at the company's headquarters in Shenzhen, Eric Xu, a deputy chairman, said Huawei had not allowed any government to install so-called backdoors in its equipment— illicit access that could enable espionage or sabotage — and would never do so. He said 5G was more secure than earlier systems.

"China has not and will not demand companies or individuals use methods that run counter to local laws or via installing 'backdoors' to collect or provide the Chinese government with data, information or intelligence from home or abroad," said the Chinese foreign ministry.

Washington argues that surreptitious backdoors aren't necessarily needed to wreak havoc in 5G systems. The systems will rely heavily on software updates pushed out by equipment suppliers — and that access to the 5G network, says the US, potentially could be used to deploy malicious code.

So far, America hasn't publicly produced hard evidence that Huawei equipment has been used for spying.

Asked whether the US was slow to react to potential threats posed by 5G, Robert Strayer, the US State Department's lead cyber policy diplomat, said America had long been concerned about Chinese telecom companies, but over the past year, as 5G loomed closer, "we were starting to talk more and more with our allies". Banning Huawei from 5G networks remains "an end goal", he said.

[h2]The tech threat[/h2]

The West has long harboured concerns about Chinese telecom equipment. In 2012, a US House Intelligence Committee report concluded Chinese tech companies posed a national security threat. Huawei denounced the finding.

AMERICAN OVERSIGHT

Despite such concerns, the US government's response to the threats posed by 5G only took shape more recently.

In February 2018, Malcolm Turnbull, then prime minister of Australia, flew to Washington. Even before Australia's eavesdropping agency had run its war game, Turnbull was already raising red flags in Washington. A former technology entrepreneur, he believed 5G presented significant risks and wanted to press allies to act against Huawei.

"He was warning about how important 5G networks would be and the security risks we all needed to think about around countries that had capability, form and intent, as well as coercive laws," said a senior Australian source. A spokesman for Turnbull declined to comment.

Turnbull and his advisers met US officials, including Kirstjen Nielsen, then US secretary of homeland security, and Michael Rogers, then head of the US National Security Agency, the US signals-intelligence operation.

The Australians said they believed Beijing could compel Huawei to do its bidding and that this posed a threat should tensions with China rise in the future, said two of the Australian officials familiar with the meeting.

The US officials were receptive to the Australian message, but imposing restrictions on the world's largest maker of mobile network gear didn't appear to be a high priority, according to the two Australian officials. One said:

[quote]They didn't share our concern with the same urgency[/quote]

A US Department of Homeland Security official did not elaborate on the meeting, but said the agency works closely with Australia on security issues and that "China will continue to use cyber espionage and bolster cyber-attack capabilities to support its national security priorities".

5G technology is expected to deliver a huge leap in the speed and capacity of communications. Downloading data may be up to 100 times faster than on current networks. But 5G isn't only about faster data. The upgrade will see an exponential spike in the number of connections between the billions of devices, from smart fridges to driverless cars, that are expected to run on the 5G network.

"It's not just that there will be more people with multiple devices, but it will be machines talking to machines, devices talking to devices — all enabled by 5G," said Burgess, the Australian Signals Directorate chief, in his March address.

AMERICAN OVERSIGHT

This configuration of 5G networks means there are many more points of entry for a hostile power or group to conduct cyber warfare against the critical infrastructure of a target nation or community. That threat is magnified if an adversary has supplied equipment in the network, US officials say.

Huawei said in its statement it does "not control in any way the networks in which our equipment is deployed by our clients. The US and Australian allegations are fanciful and are not rooted in any evidence at all."

In July 2018, Britain delivered a blow to Huawei. A government-led panel that includes senior intelligence officials said it was no longer fully confident it could manage national security risks posed by it.

That panel oversees the work of a laboratory that was set up by the British government in 2010 and is funded by Huawei to vet the company's equipment used in the UK. The facility was established because even then Huawei was perceived as a security risk.

The oversight panel said serious problems it had identified with Huawei's engineering processes "exposed new risks in the UK telecommunication networks and long-term challenges in mitigation and management". That report was a "bombshell", shaping how the US viewed the Huawei 5G risk, said a US official.

US officials also point to Chinese laws enacted in recent years they say could compel individuals and companies to assist the Chinese government in conducting espionage.

China's foreign ministry called this portrayal by US officials of Chinese legislation "a misreading and a wanton smearing of relevant Chinese laws", adding: "Trying to smear others to wash oneself clean is futile."

Through the middle of last year, the Australians continued to apprise other countries of their worries about 5G. "We were sharing our concerns about security with many allies, not just the US and not just the traditional partners," said one of the senior Australian officials.

"We shared our thoughts with Japan, Germany, other European countries, and South Korea."

In Washington, the administration began imposing restrictions on Huawei. In August, Trump signed a bill banning federal agencies and their contractors from using equipment from Huawei and ZTE Corp, another Chinese telecom equipment maker. Huawei has since filed a lawsuit in federal court in Texas challenging the ban.

AMERICAN OVERSIGHT

In late August, the Australians went further: They banned companies that didn't meet their security requirements, which included Huawei, from supplying any equipment for the country's 5G network, whether run by the government or by private firms.

Australia's decision, China's Foreign Ministry said in a statement, "has no basis in fact, and is an abuse of 'national security' standards. China urges the Australian side to abandon Cold War thinking and ideological prejudices, and provide a fair, transparent, non-discriminatory environment for Chinese companies."

In November, New Zealand's intelligence agency blocked the country's first request by a telecom service provider to use Huawei kit for a 5G network, citing national security concerns.

Like the Australians and Americans, British security officials had concerns over China's potential use of Huawei as a channel for conducting espionage. But the options are limited. Huawei is one of only three major global companies that analysts say can supply a broad range of advanced mobile network equipment at scale. The other two are Ericsson and Nokia. And Huawei has a reputation among telecom operators for supplying cost-effective equipment promptly. Nevertheless, British security officials were becoming increasingly frustrated with what they viewed as Huawei's failure to fix software flaws in its equipment, particularly discrepancies in the source code — the programmes' underlying set of instructions. This problem means the laboratory near Oxford set up to vet Huawei equipment can not even be sure the code it is testing is exactly the same as the code Huawei deploys in its real-world equipment. This makes it difficult to provide safety assurances about the company's gear.

British officials say the array of flaws could be exploited by China, as well as other malevolent actors. Ian Levy, a British security official who oversees the UK's review of Huawei equipment, said the company's software engineering is like something from 20 years ago. "The chance of a vulnerability with a Huawei piece of kit is much higher than other vendors," he said.

The company said it has pledged to spend at least $2bn "over the next five years" to improve its software engineering capabilities.

British ministers have agreed to allow Huawei a restricted role in building parts of its 5G network, but the British government has yet to announce its final decision. The EU has left it to individual governments to decide whether to ban any company on national security grounds.

AMERICAN OVERSIGHT

Some European security officials say banning one supplier doesn't address the broader issue of the risks posed by Chinese technology in general.

As the tensions between the West and Huawei intensified through last year, they suddenly took a personal turn. US law enforcement officials had for some time been investigating links between Huawei and Iran, including the involvement of Meng Wanzhou, Huawei's chief financial officer, who is the daughter of the company's founder.

The probe followed Reuters stories in 2012 and 2013 that revealed links between Huawei, Meng and another company that allegedly attempted to violate US sanctions on Iran. When US officials became aware that Meng would be travelling through Vancouver in December, they pounced, asking Canada to detain her on allegations of bank and wire fraud.

Meng remains free on bail in Canada while the US government tries to have her extradited. Huawei said in its statement that Meng "is not guilty of the charges she faces", and that they are "politically motivated". The Huawei conflict isn't only about US-China superpower rivalry: The activities of Meng and Huawei were under scrutiny by US authorities long before Trump began a trade war with China, according to interviews with people familiar with those probes.

But there is no doubt the wider showdown with Huawei has now become intensely geopolitical. In recent months, the US has ramped up diplomatic efforts to urge allies to sideline Huawei. 5G is a "game-changing technology with implications across all aspects of society from business, government, military and beyond," **Gordon Sondland**, US ambassador to the European Union.
"It seems common sense to me to not hand over the keys to your entire society to an actor that has … demonstrated malign conduct." Asked whether there is evidence of Huawei equipment having been used for espionage, Sondland said "there is classified evidence."

He declined to expand on the nature of the material beyond saying there was no doubt that Huawei had "the capability to hack a system" and "the mandate by the government to do so upon request."

Pompeo has publicly gone further than most US officials by directly linking the company to Beijing. "Huawei is owned by the state of China and has deep connections to their intelligence service," he said in March.

[quote]That should send off flares for everybody who understands what the Chinese military and Chinese intelligence services do.[/quote]

AMERICAN OVERSIGHT

Huawei has repeatedly denied it is controlled by the government, military, or Chinese intelligence services. "US Secretary of State Pompeo is wrong," the company said in its statement, adding that it is owned by its employees.
While Huawei was initially muted in its public response, it too has become more combative. In late February, the company confronted the United States at a major annual gathering of mobile industry executives in Barcelona, where Huawei's red logo was ubiquitous.

Top American officials arrived intent on warning government and industry representatives off Huawei. But the company had flown in a team of senior executives to offer customers and representatives of European governments reassurance in the face of the US accusations.
In a keynote speech, Guo Ping, a deputy chairman at Huawei, took aim at America's own spying operations.

"Prism, Prism on the wall. Who's the most trustworthy of them all?" he said. Guo was referring to a mass US foreign-surveillance operation called Prism that was disclosed by former NSA contractor Snowden. The barb drew laughter from the audience.

Europeans pushed back, too. During one closed-door session, senior representatives from European telecom operators pressed a US official for hard evidence that Huawei presented a security risk. One executive demanded to see a smoking gun, recalled the US official. The American official fired back: "If the gun is smoking, you've already been shot. I don't know why you're lining up in front of a loaded weapon."

AMERICAN OVERSIGHT

Bloomberg

U.S. Envoy Questions EU Stance on Iran as Gulf Tensions Escalate
By Ian Wishart
Bloomberg (June 20, 2019) - The U.S. ambassador to the European Union questioned the bloc's stance toward Iran, underscoring the transatlantic tensions over relations with Tehran.

Gordon Sondland said the EU's refusal so far to pin blame on the country for an attack last week on two oil tankers outside the entrance to the Persian Gulf only served to strengthen the Iranian administration.

"How many ships need be blown up before the world acknowledges that Iran was responsible?" Sondland asked at a policy event in Brussels.

"What is not productive is this rhetoric going back and forth, particularly in some of the news media, where, despite the existence of clear video showing ships being mined by Iranian mines, there are still questions about who caused that -- all that does is give Iran a great deal of leeway."

He spoke shortly after separate reports on Thursday that Iran shot down an American spy drone near the entrance to the Persian Gulf.

Gulf Tensions

A transatlantic rift has erupted over Iran since the U.S. last year abandoned a landmark 2015 international agreement, known as the JCPOA, that is meant to prevent the country from developing nuclear weapons, and which the EU supports along with Russia and China.

Europe's stance is now under strain after Iran said it would breach caps on stockpiles of low-grade uranium.

"The JCPOA financially empowered the regime to sow mischief in the region and beyond, including right here in Europe," Sondland said. "The U.S. will never accept the premise that doing something differently from the EU is inherently wrong."

AMERICAN OVERSIGHT

FP

A New, Harsher Vision of the EU Takes Shape

Foreign Policy (June 19, 2019) - BRATISLAVA, Slovakia—Nationalists who mistrust the European Union and internationalists who still embrace its mission can find a common path forward to save it—they just have to agree to allow in a lot fewer people.

That was one of the stark conclusions to emerge from GLOBSEC, Bratislava's annual security forum, which drew prime ministers, presidents, and more than a few Trump administration officials earlier this month. A poll from the GLOBSEC think tank shows that Poles and Hungarians largely want to stay within the EU. They just don't want to share it with outsiders, and they've won enough seats at the ballot box that the rest of Europe has to listen.

But while fear and hate-stoking disinformation have helped fuel a rise of anti-immigrant, isolationist populist leaders in Europe, the word from Slovakia, the home of the Velvet Revolution that swept out communism 30 years ago, is that liberal democracy isn't headed for the ash heap of history quite yet.

Only 13 percent of Central and Eastern Europeans polled by GLOBSEC would leave the EU if given a choice, despite the rise of nationalist parties in places such as Poland and Hungary. The vast majority of Poles surveyed, 87 percent, would vote to stay in the EU, and 83 percent of Hungarians support the EU, even though 57 percent of them said they don't share European Union values.

They are among a sizable wedge of Europeans who want to change the EU from the inside, to allow them to turn back the clock on some democratic and human rights, and turn away refugees and migrants as both dangerous and undesirable—in part because they didn't know how to thrive in the capitalism ushered in by the fall of the Soviet Union, and the EU hasn't helped.

"We need a Europe that delivers for people, and people can feel it," said Slovak Foreign Affairs Minister Miroslav Lajcak to a roomful of mostly grim-faced liberal democrats at the conference on June 8. He said they still need to serve those angry people who voted against pro-EU, centrist governments, so they "don't feel left out of … European success."

He and other Central European leaders came here to the banks of the Danube to lament the nationalist revolution that's challenging human and civil rights and

AMERICAN OVERSIGHT

press freedom. Europe's centrist parties have lost ground to the right and the left in last month's vote for European Parliament—a voting Rorschach test akin to how Americans pass muster on a president's performance by voting for Congress in the midterms.

And those populists have taken their rising success at the ballot box as confirmation they are on the right path, practically and morally.

"We do not represent mainstream. We always follow our national interest. We are not shy about that," Hungarian Foreign Minister Peter Szijjarto told me after a combative session debating other European officials and thought leaders at GLOBSEC.

Szijjarto and his ilk attribute their success—his government has been elected three successive times and just won big in the European Parliament vote—to heeding the financial and security fears of his people.

It's the same kind of angry earthquake that brought U.S. President Donald Trump to power, according to Trump's EU representative.

"It's not pretty to watch but … it might actually create a more responsive Europe than in the past, which has been very sclerotic, and very slow moving," U.S. Ambassador to the EU Gordon Sondland told me, insisting the wave that brought the populists to power wasn't from Trump but from the frustration of the people with out-of-touch leaders. "You couldn't get an answer for anything … out of some of the old guard."

At the forum, that "old guard" and its academic proponents took a step toward publicly owning the missteps they believe helped landed them here: gloating over the Soviet Union's collapse instead of welcoming Russia into the new order and failing to provide a safety net or at least training wheels for the Europeans who got left behind when capitalism swept Europe after 1989.

"1989 opened the world to a globalized, financialized capitalism, which brought many benefits to many people, but also brought soaring levels of inequality—social, economic, and cultural," said the prominent British historian Timothy Garton Ash in opening remarks that set the tone for the conference.

It also left the once-great empire of the Soviet Union in tatters and Russia humiliated, inspiring its patriots such as then-Deputy Mayor of St. Petersburg Vladimir Putin to vow publicly to defend the pockets of Russians now left scattered throughout Europe. That foreshadowed Putin's 2008 invasion of Georgia and his 2014 invasion and annexation of the Ukrainian territory of Crimea, and it presaged Russia's continuing disinformation attacks on the rest of

AMERICAN OVERSIGHT

Europe and beyond, as well as its support of some of the populist leaders trying to tear the EU apart from within.

Russia has found fertile ground in the frustration left in the wake of Europe's own 2008 financial crisis, further compounded by the 2015 Syrian refugee crisis and a string of terrorist attacks, all of which left Europe's population feeling besieged, unprotected, and uncared for by the union that was supposed to make them economically stronger and safer. That in turn led to a "what about me" shriek that has ushered in rising political movements from Italian Deputy Prime Minister Matteo Salvini to National Rally party leader Marine Le Pen in France.

The challenge for the EU old guard: trying to meet genuine needs of a struggling population while decrying and somehow neutering the rising racist, anti-Semitic, anti-Muslim, anti-LGBT, anti-foreign, anti-anything-but-white-and-Christian rhetoric. Terrorists, fear-instigating bots and trolls, and the new break of nationalist and populist leaders have fed that fear.

Being responsive to the needs and fears of your people is one thing. With the populists, or nationalists as many prefer to be called, they've also used the extremism Europe faces as a reason to go back in time, to an era when Europe was whiter, more Christian, and more conservative.

Their leaders blend their economic solutions with unapologetic efforts to keep foreigners out, embracing a traditional Christian, heterosexual family as the preferred building block for their society.

"We do not interfere into the sphere of values in other countries, and they do not interfere into ours," said Polish Foreign Minister Jacek Czaputowicz, defending how his Law and Justice party has fought the EU in court as it seeks to remake the country in a more conservative, Christian-leaning mold, with same-sex marriage forbidden and abortion only available in rare cases.

And the way the EU works, where a unanimous vote is needed to censure a country for bad behavior like cracking down on the media, nationalist leaders have banded together to block it.

That prevented the EU's executive, the European Commission, from formally censuring Hungary when it tried to set up a parallel judicial system that Hungarian judges complained would undermine their independence. The EU instead had to use the threat of trimming its funding to Hungary to get the ruling party of Viktor Orban to suspend the plan.

AMERICAN OVERSIGHT

“The majority of countries shared our opinion, therefore there were no measures taken,” Hungary’s Szijjarto said. But Hungary is standing firm on saying no to refugees or migrants.

“We’d rather encourage families to have more kids than allowing migrants to enter our country,” he said, referring to Hungary’s practice of paying mothers a stipend per child.

“We consider migration as a threat to security in Europe,” Szijjarto added, citing “33 major terrorist attacks … by persons with a migratory background” who were allowed to enter Europe without background checks or screening. “That basically gave a huge chance to terrorists to send their fighters.”

“Parallel societies have been created,” he added, referring to the large communities of Muslims who have arrived so quickly, they have not had the time to assimilate with local communities—or they weren’t welcome to.

On this, the Hungarian and the Polish foreign ministers agree. Migrants are not welcome, period, and his country is also working to provide aid to the Middle East to help refugees from conflict stay where they are.

“Our position is, we have to accept them, but if we introduce peace in the Middle East, there will be no refugees,” Czaputowicz said, adding that Muslim refugees had changed “the proportion of the society” in Europe, contributing to a rise in violence and even anti-Semitism — a rich counterclaim with his own country experiencing homegrown anti-Semitism.

I asked both the Polish and Hungarian foreign ministers what they think the answer is, when U.S. intelligence is warning that climate change is leading to rising seas that could impact populous Muslim communities in places such as Bangladesh, or the thousands of islands that make up Indonesia.

Help them where they are, was the answer—just don’t let them come here.

“We don’t want to be source, or transit or destination of migration,” Hungary’s Szijjarto said. “We think we have to bring help where it is needed and should not bring problems where there are no problems.”

And now they have won enough support at the ballot box to better defend that policy, and just possibly export it to other members of the EU.

AMERICAN OVERSIGHT

US ambassador: Europe should forget Huawei, embrace Western tech

Alexandra Brzozowski

EurActiv.com (June 17, 2019) - America cannot have close security, intelligence and technology ties with Europe unless the EU cuts ties with Chinese tech giant Huawei and embraces "Western telecom industry", the US ambassador to the European Union told EURACTIV in an exclusive interview Gordon Sondland. also said the EU is "quite protectionist by nature" but added he expects the new European Commission, due to take office in November, to "start on a fresh page and on a new footing with the United States". Gordon Sondland has been the United States Ambassador to the EU since July 2018. Following his appearance at this year's Globsec forum in Bratislava, EURACTIV's Alexandra Brzozowski caught up with him.

Mr. Sondland, you once compared Brussels and Washington to competing businesses, but competitors can easily become foes. How would you describe the current EU-US relationship?

I don't think we're foes any more than General Motors and Ford are foes. They're friendly competitors, they're each trying to gain market share – and I think so do the US and the EU. They are each trying to gain market share and currently the EU has a greater percentage of the US market share, than the US does of the European market – and we're trying to rebalance that. It makes total sense to me.

But we in Europe see the transatlantic relationship restrained. Do you think that China could become the uniting factor for the EU and the US?

It should become a uniting factor, because I think, I have never questioned the intent of the EU and I don't believe the EU ever questions the intent of the United States. At the end of the day, we all want to get a better deal. We all want to do better on trade. China, on the other hand, I think both of us question the intent of China. They've built their country over the last 30 years through theft of intellectual property through forced technology transfer. They did it the old-fashioned way – they took it. And we don't do that to each other and we don't want the world to operate in that way, so I think when we're together as partners in dealing with China we're much stronger.

But would you agree with Huawei's recent statement that the US is putting 'unprecedented' pressure on EU governments?

No, we're not putting unprecedented pressure on them. What we're doing is, we're saying 'your technology, you can do what you like'. First of all, we don't tell

AMERICAN OVERSIGHT

people what to do. We tell people what our perspective is and what the future looks like in terms of their relationship with us vis a vis information sharing, intelligence cooperation and a whole host of other interconnections that we currently enjoy today.

As the world becomes more and more reliant on this 5G technology, which it will, one's entire country will operate on 5G – not just your telephone, your cell phone, but the cars, the aeroplanes, the buildings, the hospitals, the schools, the government, the military – everything will be interconnected. And to this extent, our friends want to be as closely interconnected with us as they are today. We can't risk being interconnected with someone who has vulnerable technology. So we're telling them 'this is our perspective, we don't want you to put yourself in a position where we can't continue to be closely tied as we are today because you made the wrong technology choice'. So that is really what we're talking about.

How exactly do you feel the EU should deal with Huawei then?

The EU should subscribe to what is now being developed by what I would call the Western telecom industry, which is sort of akin to a good housekeeping seal of approval. It is producing a list of criteria that any country considering a purchase of this equipment or management of their equipment should comply with this sort of checklist of best practices. And as long as the countries buy equipment or engage with companies that comply with this list, they should be fine. And there are going to be a lot of companies that comply with that list.

Mainly American ones?

No. European ones, Korean ones, American ones, companies from all over the world will comply. I am not sure Huawei will ever comply with that list – but it could. We never know. The hope is that governments would adopt the list as a standard and this is not so much about a country or a supplier, but an objective list of criteria you set.

You recently said President Trump is patiently waiting for a new EU Commission. Earlier you described the current Commission as out of touch. What are your expectations for the next term?

A lot of what needs to be said by both sides, has been said and is well documented in the public record including some old quotes that you just pulled up. I think, what is more productive now is to let the European Union continue with its process to select its new leadership and then start on a fresh footing with that leadership. Because as you recall, when President Trump took office, he took office with the EU having an incumbent leadership already in place, now they're starting fresh.

AMERICAN OVERSIGHT

I believe everyone I have spoken with, who could be a potential leader of the Commission or who could have an important portfolio within the Commission, every single individual that I've spoken with, wants to start on a on a fresh page and on a new footing with the United States – and we welcome that.

Washington accused some EU members of an anti-US agenda, who was addressed by that?

Well, the EU is by nature quite protectionist. The EU has a different philosophy on trade than the United States does and that some countries do. And in fact, a lot of the member countries themselves, were they able to operate on a bilateral trade basis, which they are not, being a member of the EU, would probably have a view more closely akin with that of the US than the EU itself does.

Who are you referring to?

I'm not going to say, but good try!

One of those countries seem to be France, who recently told the Commission it should not sign trade agreements with countries that don't respect the Paris Agreement. How does Washington feel about that?

We are more interested in substance rather than form. The Paris Agreement is all about form and not about substance. What is about substance is, are you talking the talk, which is the Paris Agreement or are you walking the walk.

There are signatories to the Paris Agreement that are not really engaging today in sustainable practices yet they tout the fact that they are a member of the Paris Agreement. We, on the other hand, have eight or nine of our 50 states that already exceed Paris standards, many of them are on their way. One of our states, Texas, is the fourth largest producer of wind energy in the world – just that one state.

We are the centre of sustainable innovation – not Europe, not Asia – the United States. Most innovation that occurs, that will create green energy, comes from the United States. So we'd rather focus on the results, than clinging to a failed agreement that disadvantages certain countries and advantages others.

Coming back to EU-US trade relations. Do you expect a negotiated solution between the US and the European Commission when it comes to the Airbus-Boeing dispute?

AMERICAN OVERSIGHT

I think that's very possible. Once the appraisal or the verdict is rendered as to the amount of damages, I think we're certainly prepared to discuss how the European Union wants to handle those damages.
Would you agree with Mr. Trump that the UK is better off outside of the EU?

What I think the president has said is that this is really a sovereign decision of the UK. He has his personal feelings. Everyone on the planet has their personal feelings about it, whether the UK should or should not be part of the EU. But once the people of the UK have spoken and have made a decision to leave then it's really up to them to figure out how to leave. What is in the US interests though once they have left, regardless of what pathway they choose, is that they don't do anything to prevent themselves from entering into new agreements with both the EU and the US, or to prevent the US from entering into new agreements with them and with the EU. We want them to keep as many options open as possible, whichever pathway they pick to leave.

There is also discord between Brussels and Washington when it comes to security and defence. Isn't the fact that the EU steps up its development of defence projects actually something that Washington was asking for a long time?

Yes, but with several provisions. Number one: We want everyone who has not made their commitment to NATO to fulfil it. In other words, if you're a member country and you haven't hit your 2% but somehow you're able to find money to do a European project, first pay your bill that you owe and then, if there is money leftover, then go ahead and do it. The second provision is, once you do spend money on non-NATO types of things, make sure they're NATO compatible and compliant. Because at the end of the day, whether it's a NATO asset or an EU asset, when a conflict breaks out, you're gonna want them all to be able to operate harmoniously. And if European member states and the EU as an entity are developing weapons systems or transportation systems or whatever that are not NATOcompatible, that don't fit the box, then what you're doing is you're creating essentially a whole parallel system which in our lifetimes, yours and mine, will never have the capability that NATO has. It's a foolish expenditure and it really doesn't help NATO, which everyone is now at that point contributing their 2%. So they're sort of going at cross purposes. That's what we don't want to see.
But have you received signals from from the EU side that there is a prospect to allow that country participation in those projects? We received the exact opposite signals. We received signals that third country participation – and I am speaking of research and development dollars – third country participation in European projects is going to be very problematic. And when you say 'third country', what we're really talking about is the United States. Yes, there are other countries involved, but the United States is the primary country that collaborates with the EU in the United States using US R&D dollars. We want our companies to be

AMERICAN OVERSIGHT

treated the same way in Europe as European companies are treated in the United States – no better no worse.

AMERICAN OVERSIGHT

The New York Times

Europe Vows to Spend More on Defense, but U.S. Still Isn't Happy

By Steven Erlanger

New York Times (June 7, 2019) - BRUSSELS — The United States and its European allies on Thursday commemorated the 75th anniversary of D-Day, which freed the Continent from tyranny. But at the same time, the two sides are squabbling bitterly over the future and funding of European defense.

Washington has been pressing the European Union to spend more and do more for its own defense for well over a decade, with President Trump just the latest and loudest to do so.

Now that the European Union is actually responding, with a defense fund and a project for military cooperation and development, the United States is criticizing how it's being done and complaining that the moves could harm trans-Atlantic cooperation and prevent American companies from competing for potentially lucrative contracts.

If anything, the spat is another reminder of the sour state of relations between the Trump administration and the European bloc and of the divisions on issues such as trade, climate change and Iran. The fact that a European plan to increase military spending — acceding to a demand from Mr. Trump — has degenerated into acrimony only emphasizes the split.

European diplomats say the issue recently boiled over at a private meeting in Washington. A senior American diplomat, Michael J. Murphy, a top official at the Bureau of Europe and Eurasian Affairs, lectured European Union ambassadors about the United States' unhappiness with proposed restrictions on third-country participation in European Union defense projects.

Mr. Murphy warned that the European initiatives "could undermine trans-Atlantic security by duplicating NATO efforts and diverting valuable resources" and "make all of us less safe, Americans included."

Some countries, he said in remarks obtained by The Times, "are pursuing an industrial policy under the veneer of a security policy," with a priority on supporting national defense industries and trying to cut out participation and competition by nonbloc countries like Canada, Norway, the United States — and importantly, after Brexit, Britain.

AMERICAN OVERSIGHT

European ambassadors who were there, members of the Political and Security Committee of the European Union, which deals with the bloc's foreign and defense policy, said that the atmosphere was tense and that Mr. Murphy's remarks did not leave time for discussion afterward. The envoys requested anonymity because they were not authorized to speak publicly about closed-doors meetings.

"It was quite a tough presentation, which took some of the colleagues by surprise," said one European ambassador who was there. "The substance was not especially new to us, but we were surprised by the tone and toughness."

There was a similar but less aggressive meeting at the Pentagon, the diplomats said, and there was more time there for conversation and discussion.

The confrontation is centered on two new European military spending initiatives.

For the first time, there will be a European Defense Fund, taken from the European Union budget for research and development, planned with a relatively modest start of 13 billion euros, or about $14.6 billion, over the 2021-27 budget.

There is also a program called, in Brussels-speak, "permanent structured cooperation," or Pesco, in which 25 of the 28 member states agreed to work on cooperative military projects. Small coalitions of member states are already proposing projects to build attack helicopters and armored infantry vehicles.

But London and Washington have expressed concern that their defense contractors will be shut out of such projects, since the program specifies that third parties may only "exceptionally participate."

The current draft regulations, Mr. Murphy said, "risk delinking the North American and European defense sectors after decades of hard work to increase our integration" and "would only help our adversaries and create a new irritant in trans-Atlantic relations."

A number of Europeans find that language overblown and believe that, seeing as the Pentagon spends American taxpayer money on mostly American defense manufacturers, Europe should do the same.

Increased military spending is a hot-button topic in Europe, especially with a widely disliked Mr. Trump pushing the issue, and European politicians need to show that such spending will produce jobs at home.

"The Trump administration can't have its cake and eat it, too," said Stefano Stefanini, an Italian former ambassador to NATO and now a consultant in Brussels with Project Associates, a consulting firm.

AMERICAN OVERSIGHT

“If the U.S. rightly wants the Europeans to spend more for defense, the end must be more European capability to contribute to common security,’’ he added. ‘‘To do so, Europe needs to strengthen its industrial base, and one tool to do it are the initiatives undertaken by the E.U.”

A senior State Department official, explaining the context for Mr. Murphy’s remarks, said that discussions and maneuvering were continuing. But the official, who requested anonymity to speak publicly about private talks, also complained that the Europeans had leaked to the news media a May 16 letter to Washington even before the Americans had received it.

That letter was in response to a May 1 letter from two senior Defense and State Department officials raising concerns about third-party participation that was sent to the European foreign policy chief, Federica Mogherini.

Officials in Washington also warn of a possible backlash in Congress if lawmakers deem that the European regulations are unfair.

Gordon Sondland, the American ambassador to the European Union, said that deeper integration of military supply chains “is in the interests of both the U.S. and Europe, because it produces the best results for trans-Atlantic security.’’

‘‘For this reason,’’ he added, ‘‘we want to avoid a situation where Congress or the administration could see a need to respond to anything that looks unilateral or protectionist.”

For its part, the European Union is divided. Countries such as Poland and the Baltic States — Estonia, Latvia and Lithuania — are more worried about Russia and want to stay close to Washington. Other countries, such as the Netherlands and Sweden, are also sympathetic to American concerns and want to avoid a confrontation.

But larger countries with significant defense industries or ambitions for European strategic autonomy, like France, Italy and Spain, are taking a tougher line.

France and Spain have been particularly firm in trying to restrict third-country participation, with strict regulations to ban the transfer of intellectual property developed in European defense projects, including to American companies that have European subsidiaries.

But all the European nations say that Pesco is intended to coordinate with NATO and to work on projects that fill alliance shortfalls or gaps, and they deny that the intention is to delink the European Union from the pact.

AMERICAN OVERSIGHT

With 22 of the bloc's 28 members in NATO, European diplomats say, there is no reason for Washington to fear that an enhanced European defense sector would be allowed to damage the trans-Atlantic alliance, its military capabilities or its integration.

In a study by Globsec, a security think tank, the authors, including Mr. Stefanini, concluded that Europeans should spend the 2 percent of gross domestic product on defense — as agreed by NATO — and move on.

"Europeans need to spend more and better on defense and security," the report says. "It will only be sustainable if the European defense industry is a beneficiary and if the E.U. industrial base is consolidated and strengthened."

American officials point to existing military cooperation, like on the F-35 fighter jet, a helicopter with the Italian firm Leonardo and the Marines' use of Swedish-made rifles. Both sides argue about how much money each gives and gets.

The Europeans maintain that the American military-industrial complex is so dominant, and the sums in the European defense fund so modest, that Washington should relax.

Ms. Mogherini said, "At the moment, the E.U. is actually more open than the U.S. procurement market is for European Union companies and equipment."

Ursula von der Leyen, the German defense minister, said that the Europeans "are doing what our American friends have been demanding we do for years."

The regulations on third-party participation in the fund are essentially done, the Europeans say, though the Americans intend to keep pressing for changes. The regulations for Pesco are still being debated, with a decision probably slipping to July.

"It's not finished, and it's up to us to raise these concerns," the senior State Department official said. "We do support European defense initiatives, the idea that we don't is simply untrue. But we have real concerns that it shouldn't duplicate NATO and should be open to third-party states and not harm the way our military industries already work together."

AMERICAN OVERSIGHT

euronews.

"He loves the people of Europe:" US ambassador on Trump's EU visit

Euronews (June 6, 2019) - While Donald Trump continues his tour around Europe this week, the US ambassador to the EU, Gordon Sondland, has also been hosting events to build alliances with European partners.

"The President has a wonderful style," Sondland said. "He is very direct, he is very flamboyant in some of his descriptions. But the President understands that the US/EU relationship is an unshakable alliance. He does understand that. He has been to Europe, he loves Europe, he loves the people of Europe, he has vacationed in Europe."

He went on to say Trump shares his same goals.

"I think that we both have different ways of approaching but at end of day, we want same results," Sondland said. "We both want peaceful world. We do not want Iran with a nuclear weapon. And we both have our own approaches to get there."

The EU's foreign policy chief, Federica Mogherini, had similar thoughts to Sondland.

"I believe that we share the same values," Mogherini said. "We might have different approaches on some issues like the Iran nuclear deal, but the purpose of our work, Americans and Europeans, is the same."

European powers have less than one month to improve economic ties while Iran's Supreme Leader Ayatollah Ali Khamenei said on Tuesday that Tehran will not "deceived" by Trump.

AMERICAN OVERSIGHT



POLITICO
Brussels Playbook

POLITICO Brussels Playbook: Sondland hearts Mogherini

June 5, 2019

By FLORIAN EDER
with ZOYA SHEFTALOVICH

Send tips here | Tweet @florianeder | Listen to Playbook and view in your browser

Denmark heads to the polls today, and the Social Democrats are in pole position to take power after adopting a much tougher stance on immigration, writes Charlie Duxbury.

GOOD MORNING. Tuesday evening's Brussels excitement was U.S. Ambassador Gordon Sondland's Independence Day party. Guests included presidential son-in-law and adviser Jared Kushner, U.S. Energy Secretary Rick Perry and the EU's Federica Mogherini. Comedian Jay Leno entertained the audience (though a tipster tells us his material, delivered at breakneck speed and full of U.S. cultural references about things such as the service in American department store Sears, fell flat). The crowd, including many, many ambassadors to the EU, was very much worth a police helicopter or two patrolling overhead.

Fun fact: Commission Vice President Maroš Šefčovič was the first foreigner to fly aboard Air Force One under the Trump administration, when he traveled with the U.S. president to a Louisiana energy plant last month, Sondland, who was also on that flight, told Playbook over the phone late Tuesday during a break from his hosting duties. The trip was part of America's effort to convince the EU not to buy gas from Russia.

Dinner conversation: Right after Tuesday's splashy celebration of American independence, Sondland gathered about 20 VIPs for a more intimate dinner. Guests included Kushner, Mogherini and Perry, as well as Polish President Andrzej Duda, Romanian Prime Minister Viorica Dăncilă and Ukraine's President Volodymyr Zelensky (who is in Brussels on his first presidential visit abroad, and met with Jean-Claude Juncker Tuesday and will see Donald Tusk today). The countries represented are all America's "special friends" (as opposed to just plain old friends, by which the rest of the EU goes), Sondland told Playbook about the Easterner-heavy guest list. They were all "focused on strengthening Ukraine."

New-found love: Mogherini? "I call her my sister," the ambassador said. "We've had issues," he admitted of EU-U.S. relations in general, which have "created heated rhetoric on both sides." But

AMERICAN OVERSIGHT

things have gotten much better since last year's Trump-Juncker meeting, he said. Is the relationship currently in trouble? That's "not correct at all," Sondland said, expressing hopes that the relations that have gotten "warmer and warmer over the past months" would elicit "tangible results."

Any US wishes for the next term? America has no interest in meddling in the — difficult enough — search for new EU leadership, Sondland said. "We want leaders willing to engage with the U.S. and work with us on trade, on defense … whether those leaders come from one party or the other is less important … We want counterparts to be responsive to our requests as they want us to be responsive to theirs."

Middle East: The mood of a meeting between Juncker, Mogherini and Kushner was "very positive," Sondland said. Kushner gave some details of his otherwise still confidential Middle East peace plan. "It's fair to say that they found the part he presented interesting," Sondland said.

Not so convinced, perhaps: There's no pathway to Palestinian statehood in Kushner's plan as far as we know. Juncker and Mogherini "listened to Mr. Kushner's ideas" for peace in the Middle East, a Commission spokesperson said. That's code for … well … they were listening, taking notes and shaking their heads. Note that the EU's foreign policy has yet to show as much impact in the region as America's.

AMERICAN OVERSIGHT

NEWEUROPE
neurope.eu

Romania's PM Dăncilă to meet with Juncker, Timmermans in Brussels

By Irene Kostaki

New Europe (June 3, 2019) - Romania's Prime Minister Viorica Dăncilă arrived in Brussels to meet with European Commission President Jean Claude Junker and First Vice-President Frans Timmermans, as well as the President of the Party of European Socialists, Serghei Stanișev.

The meeting is scheduled and was formally announced on a government meeting in Romania, on Monday. "Starting this afternoon, I will make a working visit to Brussels," Dăncilă said following a formal announcement earlier on Monday and prior to her departure from Bucharest.

"We will have discussions with the President and First Vice-President of the European Commission, but also with the President of the Party of European Socialists. I will once again convey Romania's attachment to European values and I will also discuss in the context of the European Parliamentary elections what we have to do for a better presence for the functions that the discussions have already begun both in the EP and for European Commissioner Portfolio. I will also present the results of the Rotating Presidency of the European Council and how we will continue in the next period so that this successful Presidency," Dăncilă said, adding, "Romania and the Romanians will remain in the attention of the European institutions."

Dăncilă will also meet the US' Ambassador to the EU, Gordon Sondland, to discuss the results of the bloc's rotating presidency, which was held by Romania during the past semester.

"As Prime Minister of Romania, I will strive to ensure an adequate, politically and geographically balanced representation of the gender criterion at the level of the European institutions that will support the consensual adoption of the decisions for the benefit of all our citizens," Dăncilă said in reference to the EU's top jobs race that is currently at the forefront of discussions in Brussels.

AMERICAN OVERSIGHT

REUTERS

Hobbling Huawei: Inside the U.S. war on China's tech giant

By Cassell Bryan-Low, Colin Packham, David Lague, Steve Stecklow and Jack Stubbs

CANBERRA, May 21, 2019 (Reuters) - In early 2018, in a complex of low-rise buildings in the Australian capital, a team of government hackers was engaging in a destructive digital war game.

The operatives – agents of the Australian Signals Directorate, the nation's top-secret eavesdropping agency – had been given a challenge. With all the offensive cyber tools at their disposal, what harm could they inflict if they had access to equipment installed in the 5G network, the next-generation mobile communications technology, of a target nation?

What the team found, say current and former government officials, was sobering for Australian security and political leaders: The offensive potential of 5G was so great that if Australia were on the receiving end of such attacks, the country could be seriously exposed. The understanding of how 5G could be exploited for spying and to sabotage critical infrastructure changed everything for the Australians, according to people familiar with the deliberations.

Mike Burgess, the head of the signals directorate, recently explained why the security of fifth generation, or 5G, technology was so important: It will be integral to the communications at the heart of a country's critical infrastructure - everything from electric power to water supplies to sewage, he said in a March speech at a Sydney research institute.

Washington is widely seen as having taken the initiative in the global campaign against Huawei Technologies Co Ltd, a tech juggernaut that in the three decades since its founding has become a pillar of Beijing's bid to expand its global influence. Yet Reuters interviews with more than two dozen current and former Western officials show it was the Australians who led the way in pressing for action on 5G; that the United States was initially slow to act; and that Britain and other European countries are caught between security concerns and the competitive prices offered by Huawei.

The Australians had long harbored misgivings about Huawei in existing networks, but the 5G war game was a turning point. About six months after the simulation began, the Australian government effectively banned Huawei, the world's largest maker of telecom networking gear, from any involvement in its 5G plans. An Australian government spokeswoman declined to comment on the war game.

AMERICAN OVERSIGHT

After the Australians shared their findings with U.S. leaders, other countries, including the United States, moved to restrict Huawei.

The anti-Huawei campaign intensified last week, when President Donald Trump signed an executive order that effectively banned the use of Huawei equipment in U.S. telecom networks on national security grounds and the Commerce Department put limits on the firm's purchasing of U.S. technology. Google's parent, Alphabet, suspended some of its business with Huawei, Reuters reported.

Until the middle of last year, the U.S. government largely "wasn't paying attention," said retired U.S. Marine Corps General James Jones, who served as national security adviser to President Barack Obama. What spurred senior U.S. officials into action? A sudden dawning of what 5G will bring, according to Jones.

"This has been a very, very fast-moving realization" in terms of understanding the technology, he said. "I think most people were treating it as a kind of evolutionary step as opposed to a revolutionary step. And now that light has come on."

The Americans are now campaigning aggressively to contain Huawei as part of a much broader effort to check Beijing's growing military might under President Xi Jinping. Strengthening cyber operations is a key element in the sweeping military overhaul that Xi launched soon after taking power in 2012, according to official U.S. and Chinese military documents. The United States has accused China of widespread, state-sponsored hacking for strategic and commercial gain.

A THREAT TO CRITICAL INFRASTRUCTURE

If Huawei gains a foothold in global 5G networks, Washington fears this will give Beijing an unprecedented opportunity to attack critical infrastructure and compromise intelligence sharing with key allies. Senior Western security officials say this could involve cyber attacks on public utilities, communication networks and key financial centers.

In any military clash, such attacks would amount to a dramatic change in the nature of war, inflicting economic harm and disrupting civilian life far from the conflict without bullets, bombs or blockades. To be sure, China would also be vulnerable to attacks from the U.S. and its allies. Beijing complained in a 2015 defense document, "China's Military Strategy," that it has already been a victim of cyber-espionage, without identifying suspects. Documents from the National Security Agency leaked by American whistleblower Edward Snowden showed

AMERICAN OVERSIGHT

that the United States hacked into Huawei's systems, according to media reports. Reuters couldn't independently verify that such intrusions took place.
However, blocking Huawei is a huge challenge for Washington and its closest allies, particularly the other members of the so-called Five Eyes intelligence-sharing group – Britain, Canada, Australia and New Zealand. From humble beginnings in the 1980s in the southern Chinese boom town of Shenzhen, Huawei has grown to become a technology giant that is deeply embedded in global communications networks and poised to dominate 5G infrastructure. There are few global alternatives to Huawei, which has financial muscle – the company reported revenue for 2018 jumped almost 20 percent to more than $100 billion – as well as competitive technology and the political backing of Beijing.

"Restricting Huawei from doing business in the U.S. will not make the U.S. more secure or stronger," the company said in a statement in response to questions from Reuters. Such moves, it said, would only limit "customers in the U.S. to inferior and more expensive alternatives."

For countries that exclude Huawei there is a risk of retaliation from Beijing. Since Australia banned the company from its 5G networks last year, it has experienced disruption to its coal exports to China, including customs delays on the Chinese side. In a statement, China's foreign ministry said it treated "all foreign coal equally" and that to assert "China has banned the import of Australian coal does not accord with the facts."

Tension over Huawei is also exposing divisions in the Five Eyes group, which has been a foundation of the post-Second World War Western security architecture. During a trip to London on May 8, U.S. Secretary of State Mike Pompeo issued a stark warning to Britain, which has not ruled out using Huawei in its 5G networks. "Insufficient security will impede the United States' ability to share certain information within trusted networks," he said. "This is exactly what China wants; they want to divide Western alliances through bits and bytes, not bullets and bombs."

Huawei's 74-year old founder, Ren Zhengfei, is a former officer in China's military, the People's Liberation Army. "Mr. Ren has always maintained the integrity and independence of Huawei," the company said. "We have never been asked to cooperate with spying and we would refuse to do so under any circumstance."
In an interview with Reuters at the company's headquarters in Shenzhen, Eric Xu, a deputy chairman, said Huawei had not allowed any government to install so-called backdoors in its equipment - illicit access that could enable espionage

AMERICAN OVERSIGHT

or sabotage - and would never do so. He said 5G was more secure than earlier systems.

"China has not and will not demand companies or individuals use methods that run counter to local laws or via installing 'backdoors' to collect or provide the Chinese government with data, information or intelligence from home or abroad," the Chinese foreign ministry said in a statement in response to questions from Reuters.

Washington argues that surreptitious backdoors aren't necessarily needed to wreak havoc in 5G systems. The systems will rely heavily on software updates pushed out by equipment suppliers - and that access to the 5G network, says the United States, potentially could be used to deploy malicious code.

So far, America hasn't publicly produced hard evidence that Huawei equipment has been used for spying.

Asked whether the United States was slow to react to potential threats posed by 5G, Robert Strayer, the State Department's lead cyber policy diplomat, told Reuters that America had long been concerned about Chinese telecom companies, but that over the past year, as 5G loomed closer, "we were starting to talk more and more with our allies." Banning Huawei from 5G networks remains "an end goal," he said.

THE TECH THREAT

The West has long harbored concerns about Chinese telecom equipment. In 2012, a U.S. House Intelligence Committee report concluded Chinese tech companies posed a national security threat. Huawei denounced the finding. Despite such concerns, the U.S. government's response to the threats posed by 5G only took shape more recently.

In February 2018, Malcolm Turnbull, then prime minister of Australia, flew to Washington D.C. Even before Australia's eavesdropping agency had run its war game, Turnbull was already raising red flags in Washington. A former technology entrepreneur, he believed 5G presented significant risks and wanted to press allies to act against Huawei.

"He was warning about how important 5G networks would be and the security risks we all needed to think about around countries that had capability, form and intent, as well as coercive laws," a senior Australian source told Reuters.

A spokesman for Turnbull declined to comment.

AMERICAN OVERSIGHT

Turnbull and his advisers met U.S. officials, including Kirstjen Nielsen, then U.S. secretary of homeland security, and Michael Rogers, then head of the U.S. National Security Agency, the U.S. signals-intelligence operation. The Australians said they believed Beijing could compel Huawei to do its bidding and that this posed a threat should tensions with China rise in the future, said two of the Australian officials familiar with the meeting.

The U.S. officials were receptive to the Australian message, but imposing restrictions on the world's largest maker of mobile network gear didn't appear to be a high priority, according to the two Australian officials. "They didn't share our concern with the same urgency," said one.

Rogers declined to comment. A Department of Homeland Security official did not elaborate on the meeting, but said the agency works closely with Australia on security issues and that "China will continue to use cyber espionage and bolster cyber-attack capabilities to support its national security priorities."

5G technology is expected to deliver a huge leap in the speed and capacity of communications. Downloading data may be up to 100 times faster than on current networks.

But 5G isn't only about faster data. The upgrade will see an exponential spike in the number of connections between the billions of devices, from smart fridges to driverless cars, that are expected to run on the 5G network. "It's not just that there will be more people with multiple devices, but it will be machines talking to machines, devices talking to devices – all enabled by 5G," said Burgess, the Australian Signals Directorate chief, in his March address.

This configuration of 5G networks means there are many more points of entry for a hostile power or group to conduct cyber warfare against the critical infrastructure of a target nation or community. That threat is magnified if an adversary has supplied equipment in the network, U.S. officials say.

Huawei said in its statement that the company does "not control in any way the networks in which our equipment is deployed by our clients. The US and Australian allegations are fanciful and are not rooted in any evidence at all."
In July 2018, Britain delivered a blow to Huawei. A government-led panel that includes senior intelligence officials said it was no longer fully confident it could manage national security risks posed by the Chinese telecom equipment giant.

That panel oversees the work of a laboratory that was set up by the British government in 2010 and is funded by Huawei to vet the company's equipment used in the UK. The facility was established because even then Huawei was perceived as a security risk. The oversight panel said serious problems it had identified with Huawei's engineering processes "exposed new risks in the UK

AMERICAN OVERSIGHT

telecommunication networks and long-term challenges in mitigation and management."

That report was a "bombshell," shaping how the Americans viewed the Huawei 5G risk, said one U.S. official.

U.S. officials also point to Chinese laws enacted in recent years that they say could compel individuals and companies to assist the Chinese government in conducting espionage.

China's foreign ministry called this portrayal by U.S. officials of Chinese legislation "a misreading and a wanton smearing of relevant Chinese laws," adding: "Trying to smear others to wash oneself clean is futile."

THE WEST AWAKES

Through the middle of last year, the Australians continued to apprise other countries of their worries about 5G. "We were sharing our concerns about security with many allies, not just the U.S. and not just the traditional partners," said one of the senior Australian officials. "We shared our thoughts with Japan, Germany, other European countries and South Korea."

In Washington, the administration began imposing restrictions on Huawei. In August, Trump signed a bill banning federal agencies and their contractors from using equipment from Huawei and ZTE Corp, another Chinese telecom equipment maker. Huawei has since filed a lawsuit in federal court in Texas challenging the ban.

In late August, the Australians went further: They banned companies that didn't meet their security requirements, which included Huawei, from supplying any equipment for the country's 5G network, whether run by the government or by private firms.

Australia's decision, China's Foreign Ministry said in a statement, "has no basis in fact, and is an abuse of 'national security' standards. China urges the Australian side to abandon Cold War thinking and ideological prejudices, and provide a fair, transparent, non-discriminatory environment for Chinese companies."

In November, New Zealand's intelligence agency blocked the country's first request by a telecom service provider to use Huawei kit for a 5G network, citing national security concerns.

AMERICAN OVERSIGHT

Like the Australians and Americans, British security officials had concerns over China's potential use of Huawei as a channel for conducting espionage. But the options are limited. Huawei is one of only three major global companies that analysts say can supply a broad range of advanced mobile network equipment at scale. The other two are Ericsson and Nokia. And Huawei has a reputation among telecom operators for supplying cost-effective equipment promptly.

Nevertheless, British security officials were becoming increasingly frustrated with what they viewed as Huawei's failure to fix software flaws in its equipment, particularly discrepancies in the source code – the programs' underlying set of instructions. This problem means the laboratory near Oxford set up to vet Huawei equipment cannot even be sure that the code it is testing is exactly the same as the code Huawei deploys in its real-world equipment. This makes it difficult to provide safety assurances about the company's gear.

British officials say the array of flaws could be exploited by China, as well as other malevolent actors. Ian Levy, a British security official who oversees the UK's review of Huawei equipment, told Reuters the company's software engineering is like something from 20 years ago. "The chance of a vulnerability with a Huawei piece of kit is much higher than other vendors," he said.

The company said it has pledged to spend at least $2 billion "over the next five years" to improve its software engineering capabilities.

British ministers have agreed to allow Huawei a restricted role in building parts of its 5G network, but the government has yet to announce its final decision.

The European Union has left it to individual governments to decide whether to ban any company on national security grounds. Some European security officials say banning one supplier doesn't address the broader issue of the risks posed by Chinese technology in general.

HUAWEI FIGHTS BACK

As the tensions between the West and Huawei intensified through last year, they suddenly took a personal turn. U.S. law enforcement officials had for some time been investigating links between Huawei and Iran, including the involvement of Meng Wanzhou, Huawei's chief financial officer, who is the daughter of the company's founder. The probe followed Reuters stories in 2012 and 2013 that revealed links between Huawei, Meng and another company that allegedly attempted to violate U.S. sanctions on Iran.

AMERICAN OVERSIGHT

When U.S. officials became aware that Meng would be travelling through Vancouver in December, they pounced, asking Canada to detain her on allegations of bank and wire fraud. Meng remains free on bail in Canada while the U.S. government tries to have her extradited. Huawei said in its statement that Meng "is not guilty of the charges she faces," and that they are "politically motivated."

The Huawei conflict isn't only about U.S.-China superpower rivalry: The activities of Meng and Huawei were under scrutiny by U.S. authorities long before Trump began a trade war with China, according to interviews with people familiar with those probes. But there is no doubt the wider showdown with Huawei has now become intensely geopolitical.

In recent months, the U.S. has ramped up diplomatic efforts to urge allies to sideline Huawei. 5G is a "game-changing technology with implications across all aspects of society from business, government, military and beyond," **Gordon Sondland**, U.S. ambassador to the European Union, told Reuters in February. "It seems common sense to me to not hand over the keys to your entire society to an actor that has … demonstrated malign conduct."

Asked whether there is evidence of Huawei equipment having been used for espionage, Sondland said "there is classified evidence." He declined to expand on the nature of the material beyond saying there was no doubt that Huawei had "the capability to hack a system" and "the mandate by the government to do so upon request."

Pompeo has publicly gone further than most U.S. officials by directly linking the company to Beijing. "Huawei is owned by the state of China and has deep connections to their intelligence service," he said in March. "That should send off flares for everybody who understands what the Chinese military and Chinese intelligence services do."
Huawei has repeatedly denied it is controlled by the government, military or Chinese intelligence services. "U.S. Secretary of State Pompeo is wrong," the company said in its statement, adding that it is owned by its employees.

While Huawei was initially muted in its public response, it too has become more combative. In late February, the company confronted the United States at a major annual gathering of mobile industry executives in Barcelona, where Huawei's red logo was ubiquitous. Top American officials arrived intent on warning government and industry representatives off Huawei. But the company had flown in a team of senior executives to offer customers and representatives of European governments reassurance in the face of the U.S. accusations.

AMERICAN OVERSIGHT

In a keynote speech, Guo Ping, a deputy chairman at Huawei, took aim at America's own spying operations. "Prism, Prism on the wall. Who's the most trustworthy of them all?" he said. Guo was referring to a mass U.S. foreign-surveillance operation called Prism that was disclosed by former NSA contractor Snowden. The barb drew laughter from the audience.

Europeans pushed back, too. During one closed-door session, senior representatives from European telecom operators pressed a U.S. official for hard evidence that Huawei presented a security risk. One executive demanded to see a smoking gun, recalled the U.S. official.

The American official fired back: "If the gun is smoking, you've already been shot. I don't know why you're lining up in front of a loaded weapon."

AMERICAN OVERSIGHT

NEWEUROPE
neurope.eu

Production starts up at Cameron LNG export terminal in Louisiana

New Europe (May 15) – The Cameron LNG project has achieved first liquefied natural gas (LNG) production from train 1, French energy major Total said on 14 May. The second-largest private global LNG player, Total said the $10 billion Cameron Liquefied Natural Gas (LNG) export facility in Cameron Parish, Louisiana, would begin exports in the coming weeks.

“The start-up of the LNG production marks an important milestone for the Cameron LNG project,” Total Chairman and CEO Patrick Pouyanné said in a statement. “This achievement is the result of work carried out by all of the teams and project partners. Total’s commitment to Cameron LNG and its expansion is in line with our strategy to continue building a strong position in the US LNG market. With Cameron LNG start-up, we will achieve our target of being integrated along the gas value chain in the US since we are already a gas producer in the country,” he added.

US Ambassador to the European Union Gordon Sondland and European Commission Vice-President for Energy Union Maroš Šefčovič joined US President Donald J. Trump on a trip to the LNG export facility in Cameron Parish, Louisiana.

“And today (14 May), we celebrate the amazing workers at Sempra Energy as you open the Cameron LNG Export Facility for business,” Trump said. “From right here in Hackberry, Louisiana, you will very soon be exporting clean, American natural gas all over the globe,” he added.

“And we have some of our big people from our around the world because you’re going to be selling energy all around the world. Louisiana starts here and then it goes around the world. Our Ambassador to the European Union, Gordon Sondland. Thank you, Gordon. Where is he? Great job. Good,” Trump said. “And he brought along with the Vice President of the European Commission, Maroš Šefčovič. Maroš, thank you very much. Thank you,” Trump said.

AMERICAN OVERSIGHT

“The United States has now been a net exporter of natural gas for two straight years, and our net energy imports are at the lowest level that we’ve had in over 60 years. In other words, bringing it in. The lowest in 60 years,” Trump said.

Before departing Brussels, Sondland and Šefčovič spoke to a group of reporters about the importance of US-EU cooperation. “The United States is going to play a critical and important role in Europe’s future energy needs, and this will end the Russian stranglehold over European energy,” Sondland said. “We think this is very much a ‘Berlin Wall moment’ in that this is the beginning of the end of single source dominance of energy to Europe.”

Šefčovič hailed this “very important moment” as “transatlantic cooperation at its best,” adding “the Cameron LNG project is tangible proof of our strategic partnership in energy security.”

“I think that we see already today that [U.S.] LNG is competitive,” Šefčovič said. According to Šefčovič, in general, what Europe seeks is reliable suppliers, fair competition with no political strings attached, and competitive prices.

Total entered the Cameron LNG project through the acquisition of Engie’s upstream LNG business in 2018. Phase 1 of the Cameron LNG project of 13.5 million tonnes per annum (Mtpa) capacity includes three LNG trains of 4.5 Mtpa each. Construction is ongoing for trains 2 and 3 with the first production expected by the turn of the year and mid-2020 respectively.

The project is operated by Cameron LNG LLC jointly owned by Sempra Energy (50.2%), Total (16.6%), Mitsui & Co., Ltd. (16.6%) and Mitsubishi/NYK (16.6%).

In addition, the Cameron LNG co-owners are currently discussing a potential expansion of the base project, already authorized by the Federal Energy Regulatory Commission (FERC), that would add two liquefaction trains of 4.5 Mtpa capacity each and two LNG storage tanks.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Donald Trump issues executive order laying ground for Huawei ban

Demetri Sevastopulo and Kiran Stacey in Washington and Nian Liu in Beijing

Financial Times (May 15, 2019) - President Donald Trump has issued an executive order that effectively bars US companies from using any telecoms equipment manufactured by China's Huawei.

The White House said the order declared a "national emergency" in relation to threats against US telecommunications and authorised the US commerce secretary to "prohibit transactions posing an unacceptable risk" to national security. It will not apply to transactions that had been completed before the release of the order on Wednesday.

The order, which had been debated internally since last year, came just days after the US and China failed to reach a deal to end the escalating trade war between the two economic powers. It gives the commerce secretary 150 days to draft rules for implementing the policy.

A senior US official said the order was "company and country agnostic", but it was widely believed to be aimed at Huawei. The US government also took specific action against Huawei on Wednesday by putting the Chinese telecoms company on the so-called Entity List, meaning that American companies will have to obtain a licence from the US government to sell technology to Huawei.

"This action stems from information available to the [commerce] department that provides a reasonable basis to conclude that Huawei is engaged in activities that are contrary to US national security or foreign policy interest," the commerce department said in a statement.

The moves on Wednesday are the latest effort by the Trump administration to take a tougher stance on China on everything from trade to espionage.

Marco Rubio, a Florida Republican senator and China hawk, said the Trump administration deserved "enormous credit for their efforts to comprehensively tackle the threat that Huawei and other foreign state-directed telecommunications companies pose through their efforts to undermine and endanger critical US systems and infrastructure".

The move was also welcomed by Democrats. Mark Warner, the Virginia senator, said it was a "needed step" that reflected the "reality that Huawei and ZTE represent a threat to the security of US and allied communications networks".

China hawks in the administration had been pushing Mr Trump to sign the executive order amid rising alarm within national security circles about the

AMERICAN OVERSIGHT

vulnerability of Huawei-supplied wireless networks to Chinese spying. Mr Trump had previously resisted because he did not want to affect trade negotiations.

In February Mr Trump said he wanted the US to win the 5G ultra-high speed mobile telecommunications race through competition and "not by blocking out currently more advanced technologies". That was widely seen as referring to Huawei.

Ahead of the decision, David Wang, a Huawei executive, said the company was not aware of the order but that the US was not a big market for the group. "We are a company with global operations. So even with fluctuations in any country, we will still be able to have stable operations," he said on Wednesday.

The move against Huawei comes as China-US trade relations continue to worsen. Mr Trump upped the ante on Friday by saying he would move to put tariffs on the roughly $300bn in Chinese goods that were not already subject to levies. China retaliated by saying it would raise tariffs on $60bn of US imports.

"It's the right policy, but bad timing. It will be interpreted as China specific and Huawei specific. Doing it right now — when it is not meant to be a source of leverage — has lots of downside and no apparent upside," said Evan Medeiros, the former top White House Asia adviser to Barack Obama. "The Chinese will more and more see the trade dispute as a US effort to contain China economically as opposed to an effort to level the playing field."

At the same time the US national security establishment has been pushing other countries to bar Huawei from 5G networks. Australia and Japan have joined the US in barring Huawei from involvement in 5G, and New Zealand's intelligence services have expressed concern. But the UK and Germany have indicated they will allow Huawei to provide equipment for their 5G networks, in decisions that sparked US anger.

The Trump administration and intelligence officials are particularly worried about the UK move since it is a member of the "Five Eyes" intelligence-sharing network that involves top-secret co-operation with the US, Canada, Australia and New Zealand.

Gordon Sondland, the US ambassador to the EU, told the Financial Times last week that any country that "hands the keys to their country over to the Chinese . . . will regret having done so".

Huawei equipment is not used by any major US carrier but is employed by about a quarter of smaller rural network companies, according to the Rural Wireless Association. The group has not said how much it might cost to replace

AMERICAN OVERSIGHT

existing Huawei equipment, though Pine Belt, one of its members, said it could cost the company up to $14m, while another, Sagebrush, said it could cost $57m.

Rural broadband carriers argue that barring Huawei from 5G would mean it would take even longer to roll out high-speed internet in rural areas. The issue of access to broadband in rural areas is emerging as a theme in the 2020 presidential election as many Democrats talk about the need to take action.

AMERICAN OVERSIGHT

Trump Signs Executive Order That Will Lead To U.S. Ban On Huawei
Forbes (May 15, 2019) - The long-expected executive order barring U.S. companies from using telecoms equipment from manufacturers deemed a national security risk was finally signed by President Trump on Wednesday.

According to Reuters, "the executive order invokes the International Emergency Economic Powers Act, which gives the president the authority to regulate commerce in response to a national emergency that threatens the United States. The order directs the Commerce Department, working with other government agencies, to draw up a plan for enforcement within 150 days."

Commerce Secretary Wilbur Ross said that this should protect against "foreign adversaries [accessing] the nation's information and communications technology and services supply chain, [and now] under President Trump's leadership, Americans will be able to trust that our data and infrastructure are secure."

Ajit Pai, chairman of the FCC, described the move as "a significant step toward securing America's networks.

The executive order has been in the works for more than a year and was expected to be signed in time for February's Mobile World Congress in Barcelona. That didn't happen, and despite the best efforts of the U.S. officials on the ground in Spain, Huawei essentially stole the show.

The backdrop to the latest news is the rollercoaster trade talks between the U.S. and China that have at their heart the "unfair business practices" that the U.S. claims skew competition in key marketplaces, including telecoms equipment.

The large U.S. carriers do not include Huawei equipment in their networks, but the smaller, rural carriers do. Huawei delivers more for less, and this is hard to turn down for smaller companies. It is, of course, the explanation as to why Huawei is able to do this that is a central plank in U.S. arguments against the company. Is it because the company is financially supported by China as part of its export-led national security strategy, or is it even more blatantly an intelligence-collection ploy.

"The Rural Wireless Association," Reuters reported, "which represents carriers with fewer than 100,000 subscribers, estimated that 25 percent of its members had Huawei or ZTE equipment in their networks, it said in an FCC filing in December. "

And so should we talk about the 'elephant in the room'? This executive order puts the U.K. in a very difficult position, especially with Tuesday's announcement from

AMERICAN OVERSIGHT

Vodafone, Europe's largest carrier, that their 5G network will be live from July and will include Huawei equipment in the mix.

On Tuesday, U.K. Foreign Secretary Jeremy Hunt sought to play both sides of the U.S. and China fence on the subject of Huawei, balancing national security and intelligence sharing arrangements with the economic realities of Chinese trade. "We as a government are going through the process of making an assessment to what extent if, at all, we are able to use Huawei kit," he said. "We are never going to make a decision which compromises our intelligence sharing with our five eye partners."

But he also said that the U.K. needs to work with China given its trajectory to being the world's largest economy within. a generation. "The growth of China," he said, "is something that we should welcome. We need to avoid an unnecessary Cold War with China."

The U.S. has publicly expressed its frustration with the U.K. position on Huawei, and on a visit to London last week, U.S. Secretary of State, Mike Pompeo, said that "insufficient security will impede the United States' ability to share certain information within trusted networks. This is just what China wants - to divide western alliances."

Also last week, U.S. ambassador to the EU Gordon Sondland told the Financial Times that any country that "hands the keys to their country over to the Chinese . . . will regret having done so." This was a barb aimed specifically at the U.K. and Germany.

"China steals intellectual property for military purposes," Pompeo said in London. "It wants to dominate AI, space technology, ballistic missiles and many other areas. Why would anyone grant such power to a regime that has already grossly violated cyberspace? What can Her Majesty's government do to make sure sensitive technologies don't become open doors for Beijing's spymasters?"

Now that U.S. companies will be prohibited from using Huawei, the question will be how that impacts their operations overseas, and, just as critically, how it may impact on overseas companies operating in the U.S.

What is certain, is that this news will now focus minds in governments, regulators and carriers worldwide.

AMERICAN OVERSIGHT

EXPRESS.co.uk
Home of the Daily and Sunday Express

How Trump can use EU's 'Achilles heel' to his advantage – 'COLLATERAL damage'

By Katie Weston

Express.co.uk (May 15, 2019) - US AUTO tariffs on the European Union may be a “trojan horse” with Europe ending up as “collateral damage” for President Donald Trump, warned finance expert David Hauner.

Europe’s Achilles’ heel is that it “depends so much on trade” and doesn’t have enough “domestic wealth”, warned a finance expert. Bank of America’s David Hauner claimed the EU may become “collateral damage” for the U.S. if Donald Trump’s threat of auto tariffs on the EU are used to start discussions about agriculture. A CNBC presenter asked: “Europe is still potentially collateral damage isn’t it as far as the trade risks are concerned? Especially if the President turns his attention towards the European car imports and poses tariffs on them?”

The Managing Director replied: “Yes indeed. So on the car imports there’s also a decision imminently.

“We think that would be at least an attempt by the U.S. to push for some sort of concessions from Europe. It’s going to be very difficult particularly if Trump actually started discussion about agriculture.

“Some say that car tariffs might just basically be a Trojan horse to actually start discussion about agriculture. Because that’s really where the big business for the U.S. and Europe would be.

“As you know agriculture in Europe is politically very, very sensitive when it comes to allowing any American imports.

EU news: Europe has an 'Achilles' heel' in its trade dependency, claimed an expert

“So we think as long as the U.S. keeps it to cars there will be a deal, and the Europeans have actually tried to get a bit on the front foot there.

“And the European trade commission has been saying she wants to strike a deal by October, but it the discussions do include agriculture then it gets really, really dicey.

“As you say, Europe is really collateral damage here because Europe has not enough domestic wealth.

AMERICAN OVERSIGHT

“It really depends so much on trade and that is really now an Achilles’ heel.”

var brightcoveBrandsafety = '4 Sport and specialist news – passed for ad targeting';

Insiders claim the US President has placed less emphasis on important transatlantic security partners and instead is focused on enhancing relations with strongman and authoritarian leaders.

US relations with the UK, Germany and France are already at breaking point after a number of controversial decisions made by Mr Trump since he took office in 2017, including on climate change and the Iran nuclear deal.

And they look to fray further as the US President welcomes Hungarian Prime Minister Viktor Orban to the White House this week.
Nicholas Burns, a former US ambassador to Nato, said: “It is not lost on the Europeans that the President goes after the true democratic leaders and has refused to go after the true authoritarian figures.

“We are seeing a possible repudiation of what made the alliance viable over 70 years. President Trump does not believe that the EU is a valued ally. He believes that the EU is a competitor.”

Berlin’s prized car industry could be dealt a massive blow as expectations grow that Mr Trump will finally follow through with his threat to impose tariffs on European motor vehicles.

Gordon Sondland, US ambassador to the EU, said: “The President very much intends to use the auto tariffs as a tool if necessary.

“The President has a ‘wait and see’ attitude right now, as these talks resume to see if there is forward progress being made or if Europe continues to drag its feet indefinitely.”

Last July, Jean-Claude Juncker, the European Commission’s president, jetted out to Washington for crunch trade talks, which saw Brussels promise to buy more US soya beans in order to delay the tariff threat.
The top eurocrat also pledged to hold trade talks with Mr Trump in order to strike a new deal between the US and EU.

The Brussels-based executive was handed a mandate by the EU28 but have refused to allow agricultural industries to be included in the talks, which makes a deal with the US unlikely.

AMERICAN OVERSIGHT

THE CANADIAN PRESS

Trump pushes 'America First energy policy' on Louisiana trip

The Canadian Press (May 14, 2019) - HACKBERRY, La. — President Donald Trump showcased his "America First energy policy" on Tuesday during a trip to Louisiana designed to highlight his administration's efforts to increase liquefied natural gas exports and boost the country's energy infrastructure.

Trump toured the outskirts of a $10 billion export terminal that will liquefy natural gas for storage and shipping. The process involves cooling gas vapour to a liquid state. Sempra Energy announced Tuesday ahead of Trump's visit that the Louisiana plant has begun producing liquefied natural gas and will begin shipping to global markets in the next few weeks.

"Under my administration we have ended the war on America energy and ended the economic assault on our wonderful energy workers," Trump said in a wide-ranging speech to workers that emphasized energy efforts but also touched on the 2020 Democratic field, the economy and his 2016 election.

Trump cites an increase in liquefied natural gas exports as boosting jobs and cementing the U.S. role as an energy provider for international markets. The administration has also promoted liquefied natural gas from the U.S. as a way for Europe to reduce its reliance on Russia for energy.

"We should be producing energy at home, not enriching foreign adversaries abroad," Trump said.

Europe will be the largest purchaser of U.S. liquefied natural gas in the future, Gordon Sondland, ambassador to the European Union, told reporters on Air Force One.

"For too long, Europe has been in the stranglehold of Russian LNG and pipe gas. This is the beginning of the end of that stranglehold," Sondland said.

Declaring that production of liquefied natural gas was increasing, Trump said: "What does it really mean? It means jobs, jobs, jobs." He also criticized the Democrats' Green New Deal proposal for aggressively cutting carbon emissions, predicting that "under that deal, everybody in this room gets fired."

Still, it has not been all good news for U.S. producers. China announced Monday that it planned to increase its tariffs on liquefied natural gas from the U.S. to 25% as the trade war between the two nations intensified.

The president and congressional leaders are trying to work together on an infrastructure package that would boost energy development as well as rebuild roads, bridges and airports. Trump and Democratic leaders agreed to work

AMERICAN OVERSIGHT

toward a $2 trillion package, but it will be difficult for lawmakers and the White House to agree on how to pay for it.

Some Republican lawmakers have described raising taxes to pay for public works improvements as "a nonstarter." Democrats, meanwhile, will be wary of speeding up environmental reviews to hasten construction.

The nation's top business groups and labour unions support increasing the federal gasoline tax, currently 18.3 cents a gallon. It was last raised in 1993.

Democrats are waiting for Trump to unveil what he can support, knowing an infrastructure package will go nowhere in a Republican-controlled Senate without his strong backing.

As he spoke about his 2020 prospects, Trump made an infrastructure promise to Louisiana, a state that strongly supported him in 2016.

"If we win this election, we're giving you a brand new I-10 bridge," he said. "We're gonna have it all set, ready to go Day One, right after the election."

Trump also used the official government event to handicap his potential 2020 Democratic opponents. He said that former Texas congressman Beto O'Rourke is "falling fast," and he mocked former Vice-President Joe Biden, Massachusetts Sen. Elizabeth Warren and Vermont Sen. Bernie Sanders.

Trump claimed to the crowd: "Bernie's got a lot of energy. But it's energy to get rid of your jobs."

The visit is Trump's third to Louisiana since he took office. He also used the trip to attend a fundraiser in Metairie.

AMERICAN OVERSIGHT

NEWEUROPE
neurope.eu

Production starts up at Cameron LNG export terminal in Louisiana

New Europe (May 14, 2019) - The Cameron LNG project has achieved first liquefied natural gas (LNG) production from train 1, French energy major Total said on 14 May. The second-largest private global LNG player, Total said the $10 billion Cameron Liquefied Natural Gas (LNG) export facility in Cameron Parish, Louisiana, would begin exports in the coming weeks.

“The start-up of the LNG production marks an important milestone for the Cameron LNG project,” Total Chairman and CEO Patrick Pouyanné said in a statement. “This achievement is the result of work carried out by all of the teams and project partners. Total’s commitment to Cameron LNG and its expansion is in line with our strategy to continue building a strong position in the US LNG market. With Cameron LNG start-up, we will achieve our target of being integrated along the gas value chain in the US since we are already a gas producer in the country,” he added.

US Ambassador to the European Union Gordon Sondland and European Commission Vice-President for Energy Union Maroš Šefčovič joined US President Donald J. Trump on a trip to the LNG export facility in Cameron Parish, Louisiana.
“And today (14 May), we celebrate the amazing workers at Sempra Energy as you open the Cameron LNG Export Facility for business,” Trump said. “From right here in Hackberry, Louisiana, you will very soon be exporting clean, American natural gas all over the globe,” he added.

“And we have some of our big people from our around the world because you’re going to be selling energy all around the world. Louisiana starts here and then it goes around the world. Our Ambassador to the European Union, Gordon Sondland. Thank you, Gordon. Where is he? Great job. Good,” Trump said. “And he brought along with the Vice President of the European Commission, Maroš Šefčovič. Maroš, thank you very much. Thank you,” Trump said.

“The United States has now been a net exporter of natural gas for two straight years, and our net energy imports are at the lowest level that we’ve had in over 60 years. In other words, bringing it in. The lowest in 60 years,” Trump said.

Before departing Brussels, Sondland and Šefčovič spoke to a group of reporters about the importance of US-EU cooperation. “The United States is going to play a critical and important role in Europe’s future energy needs, and this will end the Russian stranglehold over European energy,” Sondland said. “We think this is very much a ‘Berlin Wall moment’ in that this is the beginning of the end of single source dominance of energy to Europe.”

AMERICAN OVERSIGHT

Šefčovič hailed this “very important moment” as “transatlantic cooperation at its best,” adding “the Cameron LNG project is tangible proof of our strategic partnership in energy security.”

“I think that we see already today that [U.S.] LNG is competitive,” Šefčovič said. According to Šefčovič, in general, what Europe seeks is reliable suppliers, fair competition with no political strings attached, and competitive prices.

Total entered the Cameron LNG project through the acquisition of Engie’s upstream LNG business in 2018. Phase 1 of the Cameron LNG project of 13.5 million tonnes per annum (Mtpa) capacity includes three LNG trains of 4.5 Mtpa each. Construction is ongoing for trains 2 and 3 with the first production expected by the turn of the year and mid-2020 respectively.

The project is operated by Cameron LNG LLC jointly owned by Sempra Energy (50.2%), Total (16.6%), Mitsui & Co., Ltd. (16.6%) and Mitsubishi/NYK (16.6%).
In addition, the Cameron LNG co-owners are currently discussing a potential expansion of the base project, already authorized by the Federal Energy Regulatory Commission (FERC), that would add two liquefaction trains of 4.5 Mtpa capacity each and two LNG storage tanks.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

US warns against European joint military project

Financial Times (May 14, 2019) – Washington letter to Brussels threatens retaliation if American groups are shut out

The US has warned that greater military co-operation between EU countries would be a "dramatic reversal" of three decades of transatlantic defence integration, in the latest sign of the fraying relationship between Washington and Brussels.

In a letter seen by the Financial Times, Washington threatened retaliation if the Europeans pressed ahead with rules that it said would restrict the involvement of US companies in pan-European military projects.

The correspondence was sent this month to Federica Mogherini, the EU's top diplomat, by Ellen Lord, US under secretary of defence, and Andrea Thompson, under secretary of state.

It said that Washington was "deeply concerned" that approval of the rules for the European Defence Fund and the Permanent Structured Cooperation, or Pesco, launched in 2017 to plug gaps in Europe's military power, would "produce duplication, non-interoperable military systems, diversion of scarce defence resources and unnecessary competition between Nato and the EU".

"It is vital . . . that independent EU initiatives like EDF and Pesco do not detract from Nato activities and Nato-EU co-operation," the letter said.

Washington said the rules for the EDF contained "poison pills" that would prevent companies based outside the EU, including the US, from participating in military projects.

The letter also warned that the US could respond with its own restrictions on EU groups. "It is clear that similar reciprocally imposed US restrictions would not be welcomed by our European partners and allies, and we would not relish having to consider them in the future," the letter said.

Gordon Sondland, US ambassador to the EU, said in March that if the bloc persisted with its "stubbornness or protectionism" on its multibillion-euro joint military projects, the US would consider various responses unlikely to "be positive for either side".

AMERICAN OVERSIGHT

The broadside will stoke anxiety among EU diplomats, who think the US has misinterpreted what European military upgrades are intended to achieve.

“There is a lot of misunderstanding of how the European Union works,” said one EU member state official. “They are reading language in it that is fencing the European continent off from American co-operation possibilities — and that’s not true.”

Ursula von der Leyen, Germany’s defence minister, said Europeans “are doing what our American friends have been demanding we do for years. Our task now is to convince our allies that Nato will only profit from the efforts to create a European Defence Union,” she said.

Twenty-five of the bloc’s 28 member states have signed up to Pesco, which involves projects ranging from a spy school to a new generation of battlefield missiles. The EDF is set to receive €13bn in the EU’s next seven-year budget.

EU officials said Pesco was a response to longstanding demands from Washington for Europe to contribute more to Nato, which have grown louder since Donald Trump became president. The EU said it wanted to improve its military capabilities without undermining Nato’s responsibility for Europe’s collective defence.

But US officials argue that the EU’s military plans could weaken Nato rather than enhance it. Some Nato officials also worry that initiatives such as Pesco could duplicate the alliance’s work and discriminate against non-EU members.

The letter to Ms Mogherini also attacked rules that require ownership of intellectual property arising from an EU project to remain with the recipient in Europe, even after the work is complete. Washington argued this would discourage non-EU companies from bidding.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Trump's embrace of Orban sends clear message to Europe

Financial Times (May 14, 2019) – Steve Bannon once described Viktor Orban as "Trump before Trump". Having provided Hungary's prime minister with the full Oval Office treatment on Monday, Donald Trump made it clear the mutual admiration runs deep.

In stark contrast to Mr Trump's habit of cavilling against his peers in Germany, France, Britain, Canada and other democratic allies, the US president had only honeyed words for Hungary's "illiberal" strongman.

Mr Orban was a highly respected leader who was doing a tremendous job, said Mr Trump. "You have been great with respect to Christian communities, you have really put a block up [against non-Christian immigration]," he said.

Mr Trump's boost to Mr Orban came days after Mike Pompeo, the US secretary of state and fervent evangelical Christian, abruptly cancelled a meeting with Angela Merkel, Germany's leader and an object of derision for Mr Orban and other far-right European figures.

The Hungarian strongman's White House meeting may only have lasted an hour. But coming a few days before European parliamentary elections, Mr Trump was sending a clear message that he is rooting for parties that want to undermine Europe.

They look poised to make big gains next week. Nigel Farage's Brexit party is leading the polls in Britain. Marine Le Pen's Rassemblement National is running neck and neck with Emmanuel Macron's La République en Marche in France. And Matteo Salvini's Northern League is on course to gain the most seats in Italy.

"What Trump did by meeting Orban was tremendously helpful," Mr Bannon told the Financial Times. "We are facing a potential European earthquake next week if the leading sovereigntist parties come out on top."

It is hard to overstate how fundamentally Mr Trump has broken with US transatlantic policy of the last three generations. Since the postwar Marshall Plan, which provided aid to Europe's nation states on condition they decided jointly how to distribute it, Washington has encouraged European co-operation.

It was in support of the EU that both George W Bush and Barack Obama refused to meet Mr Orban on his previous visits to the US capital. Mr Trump has turned that position on its head. Most of his ambassadors to Europe, including Woody

AMERICAN OVERSIGHT

Johnson in London, Rick Grenell in Berlin and Gordon Sondland in Brussels, publicly berate their host governments. So shrill have Mr Grenell's attacks been on Ms Merkel's policies that he is now persona non grata in Berlin.

By contrast, David Cornstein, Mr Trump's ambassador in Budapest, is a public cheerleader for Mr Orban. Last week, Mr Cornstein told the Atlantic Monthly Mr Trump envied Hungary's leader. "I can tell you, knowing the president for a good 25 or 30 years, that he would love to have the situation that Viktor Orban has, but he doesn't."

The political tides are shifting more ominously than many appreciate. Two years ago, Mr Macron's victory in the French presidential election was greeted by many as the beginning of the end of the west's populist moment. Today, Mr Macron is in danger of coming second to Ms Le Pen's far-right party, Italy is run by pro-Trump populists, Mr Farage is riding high in Britain and Mr Orban is arguably Europe's most entrenched national leader.

Mr Trump, meanwhile, has seen off Robert Mueller's investigation into interference in the 2016 presidential election and is preparing for a re-election campaign that he has at least even odds of winning. The Trump-Orban Oval Office meeting offered a symbolic photo-op for a world in which populists are feeling less and less lonely.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Trump to sign order laying ground for Huawei ban from US
Financial Times (May 14, 2019) – Move will prohibit companies from using telecoms equipment from Chinese group

President Donald Trump is poised to issue an executive order as early as Wednesday that would effectively prohibit US companies from using any telecoms equipment manufactured by China's Huawei.

One person familiar with the situation said Mr Trump planned to issue the order on Wednesday afternoon, just days after the US and China failed to reach a deal to end the trade war between the countries.

China hawks in the Trump administration have been pushing the president for months to sign the executive order, as the US security and intelligence establishment sounds the alarm about the Chinese company. Mr Trump previously resisted, partly because he did not want to jeopardise a potential trade deal with China.

The person familiar with the order said it would not mention any countries or companies by name. It would instead create a review process that would allow the US commerce secretary to review any transactions involving companies that are viewed as posing a security threat to the country, which would include Huawei.

Huawei executive David Wang said the company was not aware of the order but that the US was not big market for the group. "We are a company with global operations. So even with fluctuations in any country, we will still be able to have stable operations," he said at a product launch.

The news was first reported by Reuters.

In February, Mr Trump suggested that he would not sign the executive order by tweeting that he wanted the US to win the 5G ultra-high speed mobile telecommunications race by competition and "not by blocking out currently more advanced technologies". That reference was widely interpreted as referring to Huawei.

"American companies must step up their efforts, or get left behind. There is no reason that we should be lagging behind," Mr Trump tweeted at the time.

AMERICAN OVERSIGHT

The move against Huawei comes as Sino-US relations continue to deteriorate. Mr Trump upped the ante on trade by announcing on Friday that he would increase tariffs to 25 per cent on $200bn of Chinese products. Beijing retaliated this week by saying it would raise tariffs on $60bn of US imports.

At the same time, the US national security establishment has been pushing other countries to bar Huawei from 5G networks.

Australia and Japan have joined with the US in barring Huawei from involvement in 5G, and New Zealand's intelligence services have also expressed concern. But the UK and Germany have indicated they will allow Huawei to provide equipment for their 5G networks, in decisions that have sparked anger in Washington.

The Trump administration and career intelligence officials are particularly worried about the UK move since Britain is a member of the "Five Eyes" intelligence-sharing network that involves top-secret co-operation between the US, Canada, Australia and New Zealand. Richard Grenell, US ambassador to Germany, earlier this year said the US would row back intelligence co-operation with Berlin unless Huawei was blocked.

In an interview last week, Gordon Sondland, the US ambassador to the EU, told the Financial Times that any country that "hands the keys to their country over to the Chinese . . . will regret having done so". But he added that some previous sceptics were increasingly moving to the US view that Huawei posed an unacceptable threat.

Asked if the UK and Germany would suffer ramifications over their Huawei stance, Mr Sondland suggested that London and Berlin would not take actions to jeopardise intelligence-sharing relations with the US.

"I don't think, at the end of the day, that the UK is going to put itself in a position where it can't fully co-operate with the US on defence and intelligence information sharing," Mr Sondland said. "The UK and the US have an invaluable relationship as does the US with Germany, and I don't think either of them are going to put themselves in that position."

Huawei equipment is not used by any of the major US carriers but is employed by about a quarter of smaller rural network companies, according to the Rural Wireless Association. The group has not said how much it might cost to replace existing Huawei equipment, though Pine Belt, one of its members, says it could cost them up to $14m, while another, Sagebrush, says it could cost $57m.

AMERICAN OVERSIGHT

Rural broadband carriers argue that barring Huawei from 5G will mean it takes even longer to roll out high-speed internet in rural areas. The issue of access to broadband in rural areas is emerging as a theme in the 2020 presidential election as many Democrats talk about the need to take action.

It was unclear if the order would relate to US companies' use of Huawei equipment outside of the country. However, AT&T said it would not affect their operations in Mexico.

Dennis Wilder, former head of China analysis at the CIA, said Mr Trump may have decided to issue the order now because US officials had found themselves "in an uphill struggle" to ban Huawei from their emerging 5G networks. But he said the move would also make it harder for China to agree to sign a trade deal with the US.

"Signing of the executive order will add yet another complication to the current trade tensions with Beijing and be used by those in Beijing's leadership warning against signing a deal with the US because the attitudes of the Trump administration toward China are hardening to a point where a viable trade deal may not be possible," he said. Back to the Top.

AMERICAN OVERSIGHT

Deutsche Welle

US warns EU over €13-billion defense spending

Deutsche Welle (May 14) – The US has warned the European Union that plans to boost defense cooperation within the EU could undo decades of trans-Atlantic cooperation and damage NATO. The EU's foreign policy chief said US concerns were unfounded.

The United States has decried "poison pills" embedded in proposed rules which could shut third country allies such as the United States out of European defense projects.

US Ambassador to the EU Gordon Sondland emphasized the point in a letter and warned of possible US sanctions: "I hope we can avoid contemplating similar courses of action," he said. The EU has been asked to respond to the letter by June 10.

Speaking after EU defense ministers met in Brussels on Tuesday, Mogherini said the US concerns were unfounded.

"The EU is actually at the moment much more open than the US procurement market is for the European Union companies and equipment," Mogherini said in Brussels. "In the EU there is no 'buy European' act and around 81% of international contracts go to the US firms in Europe today."

Self-reliance in the EU

The US concerns are focused on the seven-year, €13-billion ($14.6 billion) European Defense Fund (EDF) approved by the European Parliament in April, and the EU defense pact Permanent Structured Cooperation (PESCO). The plans would see EU states cooperate on projects to develop new military equipment such as fighter planes and drones, and on support systems such as military hospitals and training centers.

German Defense Minister Ursula von der Leyen said Europeans were doing what the Americans had been demanding for many years: building up their defense capabilities. She said it was necessary to trust that NATO would benefit from their collective efforts.

AMERICAN OVERSIGHT

However, the US had written of its suspicions: "The draft EDF regulation and PESCO general conditions represent a dramatic reversal of the last three decades of increased integration of the trans-Atlantic defense sector," US Undersecretary of Defense Ellen Lord and US arms control negotiator Andrea Thompson, wrote in their May 1 letter to Mogherini.

NATO Secretary-General Jens Stoltenberg has publicly backed the pact, as long as it does not lead to duplication.

Mogherini met with EU defense ministers on Tuesday to discuss how to involve non-EU states, including the UK and the US, in the bloc's defense projects.

According to the Stockholm International Peace Research Institute think tank, the US is the world's largest arms exporter with a 36% share, followed by Russia, France and Germany. In terms of imports it sits at 16th on the list, with Germany, the Netherlands and France being the three top sources.

New projects

France and Germany are planning to develop a European fighter jet as part of a project to achieve improved strategic autonomy and end the historic reliance on the US to guarantee regional security.

In 2011, a Franco-British mission in Libya ran out of munitions and equipment and was obliged to turn to the US. The French response has been guided by that experience.

EU governments claim surveys indicate a majority of citizens want the bloc to provide security.

AMERICAN OVERSIGHT

US warns EU over 'poison pill' defence plans

Agence France-Presse (May 14, 2019) – The United States has sent a stern warning to the European Union that its plans to boost defence cooperation within the bloc could unravel decades of transatlantic cooperation and damage NATO.

A May 1 letter from two of President Donald Trump's top defence officials, obtained by AFP, is the latest sign of deep misgivings in Washington about the EU's push to make its military spending more coherent.

The letter to EU diplomatic and security chief Federica Mogherini says "poison pills" embedded in proposed rules would shut third country allies such as the United States out of European projects.

And a cover letter accompanying the warning, from US Ambassador to the EU Gordon Sondland and also obtained by AFP, demands a rapid response from Mogherini and warns of reciprocal US sanctions.

"I would appreciate your response by June 10, 2019," Sondland wrote, in language European officials saw as undiplomatic. "I hope we can avoid contemplating similar courses of action," he warned.

Mogherini told reporters the EU was preparing a "clear and complete reply" to the letter and insisted the EU would remain open to American defence manufacturers.

"The EU is actually at the moment much more open than the US procurement market is for the European Union companies and equipment," she told reporters.

"In the EU there is no 'buy European' act and around 81 percent of international contracts go to the US firms in Europe today."

The concerns focus on the European Defence Fund (EDF), a seven-year 13-billion euro ($14.6 billion) pot approved by the European Parliament last month, and the EU defence cooperation pact known as PESCO.

"The draft EDF regulation and PESCO general conditions represent a dramatic reversal of the last three decades of increased integration of the transatlantic defence sector," the letter to Mogherini says.

AMERICAN OVERSIGHT

The proposed rules "would not only damage the constructive NATO-EU relationship we have built together over the past several years but could potentially turn the clock back to the sometimes divisive discussions about EU defence initiatives that dominated our exchanges 15 years ago," the letter warns.

Along with the warnings, the US officials also make a veiled threat to hit back, saying the EU would object to similar US restrictions "and we would not relish having to consider them in the future".

EU countries launched PESCO in late 2017 to try to harmonise a highly fragmented approach to defence spending.

Under the pact, countries cooperate on projects to develop new military equipment such as fighter planes and drones, and on support systems such as military hospitals and training centres.

The US letter chimes with bitter divisions within the bloc on what rules to set for non-EU allies such as the US, Norway -- and for Britain after Brexit -- who want to contribute to projects.

A group led by France wants to set tough rules, arguing the aim is to improve cooperation within Europe and achieve "strategic autonomy" -- ending the historic reliance on the US to guarantee the continent's security.

A rival grouping led by the Netherlands and Sweden favours a more inclusive approach, arguing that Europe should not shut out longstanding allies with strong defence expertise, like the US.

Washington argues that shutting out third countries by making the rules too tough will ultimately lead to more money being wasted and make it harder to ensure European and US military systems can operate together in NATO.

European defence officials say there is some misunderstanding of their plans in Washington, insisting that close cooperation with NATO is in place to ensure projects dovetail with the alliance's priorities.

They also note that the money available under the EDF -- 13 billion euros over seven years -- is little more than loose change in the defence sector.

But there is also sympathy in some quarters for US concerns about PESCO. A government official from one EU member said Europe should not have "a complete open door" but warned against closing it too far.

AMERICAN OVERSIGHT

"There's a difference with some other countries in the union or within PESCO like France or Spain, who really want to put ten locks on this door and prevent everybody from coming in," the official said.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

US-Europe rift widens ahead of Orban's visit to White House

DEMETRI SEVASTOPULO ; GUY CHAZAN

Financial Times (May 13, 2019) - President's treatment of traditional EU allies hints at 'repudiation' of 70-year alliance

When Mike Pompeo, US secretary of state, abruptly cancelled a meeting with German chancellor Angela Merkel last week, the Süddeutsche Zeitung newspaper declared that the US-German friendship was "in ruins".

Washington said Mr Pompeo had to fly to Iraq for a pressing Iran issue. But the cancellation of the meeting with Ms Merkel, who has faced harsh attacks from Donald Trump, was another reminder of how strained relations have become between the US and its key European allies.

Abigail Spanberger, a former CIA operative elected to Congress last year, said the "contemptuous" way Mr Trump treated allies had hurt some of the most important US relationships. "When you have a good relationship, world leaders understand that things come up," she said. "If we were in a circumstance where we were benefiting and working closely with the Germans ... it would be less of a diplomatic drama."

Since Mr Trump came to office in 2017, the US and its key European allies Germany, France and the UK have diverged over everything from climate change to trade to the Iran nuclear deal.

Critics say Mr Trump is undermining alliances that have underpinned transatlantic security for decades by welcoming authoritarian leaders, such as Hungarian prime minister Viktor Orban, who visits the White House this week.

"It is not lost on the Europeans that the president goes after the true democratic leaders and has refused to go after the true authoritarian figures," said Nicholas Burns, a former US ambassador to Nato. "We are seeing a possible US repudiation of what made the alliance viable over 70 years ... President Trump does not believe that the EU is a valued ally. He believes that the EU is a competitor."

Beto O'Rourke, a Democratic presidential contender, told the FT that Mr Trump should be strengthening alliances to help deal with joint concerns such as China. "We have a great opportunity to renew those alliances and friendships ... and

AMERICAN OVERSIGHT

also an opportunity to stand up to the strong men, the autocrats, the dictators that dominate so much of the challenges that we face right now," he said.
US officials say the president is just trying to ease an unfair burden on the US.
Gordon Sondland , US ambassador to the EU, said there had been "too much gilding the lily and not enough substance" over the years.

"We're interested in substance and then resetting certain relationships between us that have gone completely out of balance, instead of coming here and taking nice photos and attending lovely soirées and allowing the underlying issues to fester," said Mr Sondland. "Good friends and strong allies have serious conversations."

Constanze Stelzenmüller, a Brookings Institution Europe expert, says US ties with the EU in general have entered a period of "uneasy peace", as Mr Trump has been focused on reaching a trade deal with China. But the bigger issue with Germany beyond Mr Pompeo's cancelled visit is that both sides are miles apart. Mr. Trump is exercised about Berlin's huge current account surplus, its level of defence spending, and the Nord Stream 2pipeline bringing Russian gas into Germany.

"The US would say there has been no discernible progress on any of these issues, so why even bother to talk," said Norbert Röttgen, head of the Bundestag's foreign affairs committee. "Trump's style is that if you don't give in to America's demands, he'll snub you."

The US has distanced itself from the multilateral institutions and international agreements that Germany holds dear, such as the Paris climate accord. This stance has been reinforced by John Bolton, as national security adviser.

"Talks with Pompeo in Berlin would not have achieved a breakthrough on any front," said Ulrich Speck of the German Marshall Fund. "All the dossiers are stuck."

Germany's failure to meet its Nato commitment to spend 2 per cent of GDP on the military is a good example. Now Berlin is braced for the possibility that Mr Trump will follow through on a threat to impose import tariffs on European cars, which would be a body blow for the German car industry.

Although some European officials hope this will not happen while Mr Trump negotiates with China, Mr Sondland warned that the president "very much intends to use the auto tariffs as a tool if necessary. [He] has a 'wait and see' attitude right now, as these talks resume, to see if there is forward progress being made or if Europe continues to drag its feet indefinitely." Relations between the US and Germany have also been hurt by highly unusual interventions by the US ambassador to Berlin, Richard Grenell. In March, he warned Germany that the US would scale back intelligence sharing unless Berlin blocked Huawei from

AMERICAN OVERSIGHT

its 5G network. And in January he wrote to companies involved in Nord Stream 2, warning that their activities "carry significant sanctions risk". Martin Schulz, the former Social Democrat leader, said Mr Grenell was behaving "like an extreme rightwing colonial officer".

Germany and the US have hit rocky patches before. Gerhard Schröder and George Bush famously fell out over the US invasion of Iraq, but their administrations stayed in close contact. For Mr Trump and Ms Merkel, that is not the case. At the G7 in Canada last year, Mr Trump threw several pieces of candy on to the table in front of Ms Merkel and then told her she could never claim that he never gave her anything.

"The temperature of the relationship froze as soon as Trump came in, and it has never recovered," said Mr Speck.

'Trump does not believe that the EU is a valued ally. He believes that the EU is a competitor'

AMERICAN OVERSIGHT

EXPRESS.co.uk
Home of the Daily and Sunday Express

Threat to world peace as US no longer trusts EU as an ally – Trump ready to SCRAP alliance

By Joe Barnes, Brussels Correspondent

Express.co.uk (May 13, 2019) - The accepted US-European transatlantic alliance which has kept peace in the world for 70 years is on the brink of collapse as Donald Trump no longer sees the EU as a trusted ally, it was claimed today.

Insiders claim the US President has placed less emphasis on important transatlantic security partners and instead is focused on enhancing relations with strongman and authoritarian leaders. US relations with the UK, Germany and France are already at breaking point after a number of controversial decisions made by Mr Trump since he took office in 2017, including on climate change and the Iran nuclear deal. And they look to fray further as the US President welcomes Hungarian prime minister Viktor Orban to the White House this week.

Nicholas Burns, a former US ambassador to Nato, said: "It is not lost on the Europeans that the President goes after the true democratic leaders and has refused to go after the true authoritarian figures.

"We are seeing a possible repudiation of what made the alliance viable over 70 years.

"President Trump does not believe that the EU is a valued ally. He believes that the EU is a competitor."

US officials claim that Mr Trump's attitude is driven by a desire to fix alliances that "have gone completely out of balance".

Donald Trump reevaluating tradition EU allies, according to US insiders Gordon Sondland, US ambassador to the EU, said there had been "too much gilding the lily and not enough substance" in recent years.

He said: "We're interested in substance and then resetting certain relationships between us that have gone completely out of balance, instead of coming here and taking nice photos and attending lovely soirees and allowing the underlying issues to fester.

"Good friends and strong allies have serious conversations."

Germany could potentially fall victim to Mr Trump's reevaluation of the US' transatlantic alliances as he looks to implement a tough trade strategy.

AMERICAN OVERSIGHT

Berlin's prized car industry could be dealt a massive blow as expectations grow that Mr Trump will finally follow through with his threat to impose tariffs on European motor vehicles.

Mr Sondland said: "The President very much intends to use the auto tariffs as a tool if necessary.

"The President has a 'wait and see' attitude right now, as these talks resume to see if there is forward progress being made or if Europe continues to drag its feet indefinitely."

Last July, Jean-Claude Juncker, the European Commission's president, jetted out to Washington for crunch trade talks, which saw Brussels promise to buy more US soya beans in order to delay the tariff threat.

The top eurocrat also pledged to hold trade talks with Mr Trump in order to strike a new deal between the US and EU.

The Brussels-based executive was handed a mandate by the EU28 but have refused to allow agricultural industries to be included in the talks, which makes a deal with the US unlikely.

AMERICAN OVERSIGHT

EU commissioner says agriculture not on agenda for US talks

By Georgi Gotev

EurActiv (May 10, 2019) - The European Union intends to keep agriculture off the agenda in its trade talks with the United States and continues to support rules-based, open and predictable international commerce, the EU's agriculture commissioner said on Friday (10 May).

A free trade agreement between the European Union and Japan is the "benchmark and ceiling" for the EU's negotiations with the United States for a trade pact, Phil Hogan said.

Hogan, a former Irish government minister, also urged the United States to reverse tariffs on goods from China and the EU and return to a more "benign" system of global trade.

"Agriculture should be excluded from negotiations with the United States," Hogan said.

"The fact that the European Union and Japan have a very good agreement will operate as the benchmark … to what is achievable between the EUand the United States."

Hogan, who spoke to journalists at a press conference, is in Japan for a Group of 20 agriculture ministers' meeting.

The EU indicated last month it is ready to start talks with the United States on only two areas: cutting tariffs on industrial goods and making it easier for companies to show products meet EU or US standards.

This stance puts Brussels at loggerheads with Washington, which has insisted on including farm products in the talks.

No trade deal without agriculture, warns US ambassador to the EU

The US will not sing up to any trade deal that does not include agriculture, US ambassador to the EU Gordon Sondland warned during a conference at the European Bussiness Summit in Brussels on Tuesday (7 May), ahead of another round of transatlantic talks.

US President Donald Trump's administration is seeking better terms of trade with the EU, as well as China, Japan, Canada and Mexico.

AMERICAN OVERSIGHT

In some cases the US has raised tariffs on goods in response to trade practices it considers unfair, which has roiled financial markets and slowed the global economy.

The EU is already facing US tariffs on its steel and aluminium exports and the threat of higher US tariffs on products ranging from large commercial aircraft and parts to dairy products and wine.

The US will also increase duties on $200 billion of Chinese goods to 25%t from 10% later on Friday as it negotiates with China for a trade pact.

In response to questions about US-China talks, Hogan said cooperation is better than confrontation for global trade.

Earlier this year, a trade pact between the EU and Japan went into effect, creating the world's largest open market.

AMERICAN OVERSIGHT

No trade deal without agriculture, warns US ambassador to the EU

Beatriz Rios

EurActiv (May 9, 2019) - The US will not sign up to a trade deal with the EU unless agriculture is included, US ambassador to the EU Gordon Sondland warned during a conference at the European Business Summit in Brussels on Tuesday (7 May), ahead of another round of transatlantic talks.

EU member states backed the negotiating mandate to start talks with the US to work towards the elimination of tariffs for industrial goods earlier in April, in spite of France's opposition.

The mandate does not allow the European Commission to put agriculture on the table but only industrial goods. However, Donald Trump's administration keeps pushing for farming to be included in the deal.

"Before a final agreement is ratified by Congress, there has to be something on agriculture. I don't know how broad this agreement needs to be; maybe it is symbolic, maybe it is substantial, maybe it is something in between, but agriculture is absolutely, one way or another, going to be in that agreement," Sondland told the audience.

The basis for the EU-US trade talks is the joint statement Trump and Commission president Jean-Claude Juncker signed in July 2018. There was no mention of agriculture there.

"They will get to agriculture eventually," Sondland insisted. "Even though you can romanticise the small French family farmer, we have a lot of small romantic farmers in Iowa," the US ambassador to the EU said.

"I don't think that agriculture is necessarily enough to fix the whole trade deficit but there needs to be, in good faith, an inclusion of agriculture," Sondland insisted.

France opposed opening trade talks with the US amid fears that they could revive the Transatlantic Trade and Investment Partnership (TTIP) through the backdoor. Agriculture was one of the key sticking points in the failed TTIP talks, including the protection of geographical indications of origin.

French President Emmanuel Macron also opposed reopening EU-US talks because of Trump's decision to walk away from the Paris Agreement on climate change.

Ambassadors pave the way for EU-US trade talks, despite French opposition

AMERICAN OVERSIGHT

Europe is set to start trade talks with the US after ambassadors gave their green light on Thursday (11 April) to a proposed mandate for the European Commission to conduct the negotiations on behalf of the 28 EU member countries.

EU 'dragging its feet'

Juncker's visit to Washington in July was meant to ease tensions between the two sides, following Trump's decision to impose restrictive measures on steel and aluminium imports and threats of further tariffs on European cars.

Now that EU member states have approved the mandate, the EU and the US can start the actual negotiations.

At the end of the month, US trade representative Robert Lighthizer and trade Commissioner Cecilia Mälmstrom are expected to take stock of progress made in the negotiation.

Asked whether the EU was "dragging its feet" on getting to the substance, US Ambassador Sondland answered categorically: "Yes."

"The EU in its own selfish interest, they have no interest in negotiating this trade agreement," Sondland argued, referring to existing non-tariff barriers and the EU's trade surplus with respect to the US that the Trump administration has been complaining about for the past year.

"Everyday that goes by and the EU is not negotiating a trade deal with the US in its own interest, it's a good day for Europe," Sondland claimed. On the other hand, it would be a bad day for the US, "because these kinds of imbalances cannot be sustainable in the long term," he said.

"The president has no choice. He has to confront this issue," the US ambassador argued.

Sondland showed confidence in the future though. Confronted with a potential failure of the negotiations, the US ambassador said that "the EU will soon recognise" that in the long term, "these imbalances are not good for them either."

On a side note, when asked about whether the US was sounding out British prime minister Theresa May for her plans after Brexit, Sondland said that "it is in the US interest that when Brexit does occur, we are free to negotiate trade agreements with both the UK and the EU ."

EU will eliminate industrial tariffs only if US lifts metal duties

The European Commission has made clear to the US administration that the elimination of industrial tariffs will depend on Washington lifting duties it imposed on EU steel and aluminium last summer.

AMERICAN OVERSIGHT

agence europe

IRAN; EU analyses Iran's decision to no longer comply with certain obligations of nuclear agreement

Brussels, 08/05/2019 (Agence Europe) – While reactions are coming from all sides regarding Iran's announcement to withdraw from certain obligations under the Joint Comprehensive Plan of Action (JCPOA), the European Union remained silent on Wednesday 8 May. One year to the day after the announcement of the US withdrawal from the agreement, Iranian President Hassan Rohani and the Supreme National Security Council (SNSC) announced that his country was ending, "as from today, 8 May 2019", certain measures taken under the nuclear agreement to "protect the security and national interests of the people of Iran".

As a result, Iran is no longer committed to respecting the limits for the conservation of enriched uranium and heavy water reserves. The agreement limits uranium reserves to 300 kg and heavy water reserves to 130 tonnes.

And Tehran is issuing a 60-day ultimatum to the courts party to the agreement – the EU, Germany, France, France, the United Kingdom, China and Russia – to fulfil their obligations, "especially in banking and oil fields".

"If they fail to meet Iran's demands in the time given, then the Islamic Republic of Iran will suspend compliance with the uranium enrichment limits and measures to modernise the Arak Heavy Water Reactor", the SNSC and Mr Rohani warned.

As part of the agreement, Iran undertook not to enrich uranium to more than 3.67%.

Conversely, as soon as the requests are met, Iran will resume the suspended commitments. "[Otherwise], the Islamic Republic of Iran will suspend the implementation of other obligations step by step", added the Iranians, who said they were ready to discuss with members of the 'E3+2' group.

"The window that is now open to diplomacy will not remain open for a long time, and the United States and the remaining members will be fully responsible for the failure of the JCPOA and any possible consequences", they threatened.

Numerous calls for compliance with the agreement

As we were going to press, the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, who has consistently called on Iran to maintain its commitments, had not spoken out.

AMERICAN OVERSIGHT

“We are in an analysis phase”, explained one senior European official questioned about the Iranian decision. The subject could be discussed at the Foreign Affairs Council on Monday 13 May.

The E3+2 members were more severe. For example, the French Minister of the Armed Forces, Florence Parly, considered that by derogating from some of its commitments, Iran “would be exposed to new sanctions”, while the British Foreign Minister, Jeremy Hunt, referred to “consequences”.

“Our message is, and remains, clear: our partners respect and we respect the nuclear agreement. And we do it without compromise. That is why we expect Iran to implement the agreement in full and without compromise”, warned German diplomatic chief, Heiko Maas.

China has also called for full implementation of the Iranian nuclear agreement.

Russian Foreign Minister Sergei Lavrov, who met with his Iranian counterpart Mohammad Javad Zarif, said, “The United States is to blame for the situation”. And he added: “This makes it difficult for Iran to fulfil its obligations” and undermines the overall state of the nuclear non-proliferation regime.
When questioned by EUROPE, the US Ambassador to the EU, Gordon Sondland, , said that “Iran's expected potential failure in relation to the JCPOA was widely expected. I don't think it's news”, he added. According to him, the Iranians had already violated the spirit of the agreement since its signature, because the spirit was to encourage Iran to join a community of nations, and to act as a “normal country”, which it did not do.

AMERICAN OVERSIGHT

Washington has no 'red lines' in future trade negotiations, according to Ambassador Sondland

Brussels, 07/05/2019 (Agence Europe) - Speaking on Tuesday, May 7, on the future of transatlantic economic relations at the European Business Summit, Gordon Sondland, US Ambassador to the EU, said the United States is ready to address "all issues in upcoming trade talks. The EU, for its part, will have to agree to include agriculture "in one form or another" before the end of the negotiations.

“The relationship between the EU and the US is a strong one, and as strong as ever”, the US ambassador said at the outset, also underlining the dynamic diplomatic work with Member States whenever the Commission showed itself to be “difficult”.

“Economic security”

Returning to the issue of the threat of tariff sanctions on imports of European cars under section 232 of the Trade Expansion Act (see EUROPE B12195A1), the US ambassador defended the need to ensure his country’s “economic security”. According to him, it is not so much a question of achieving a rebalancing of the United States' trade balance with the EU than to guarantee "fair" conditions for American producers.

He also criticised a recent World Trade Organisation (WTO) panel ruling in a dispute between Russia and Ukraine (DS512). This ruling confirms that a WTO panel can determine whether a security exception invoked by a WTO member is justified and warns that such exceptions cannot be invoked to circumvent WTO obligations.

For Mr Sondland, it is a matter of a country's sovereignty to judge, alone, what affects its national security.

The ambassador also recalled Washington's reluctance to comply with this WTO 'jurisprudence', thus justifying the blocking of the appointment of judges to the WTO Appellate Body. The multilateral institution must nevertheless be reformed, Mr Sondland admitted, but in the sense of a "need to go back” to “why the WTO was negotiated in the first place”, its “original charter”, he clarified.

“Agriculture” in the negotiations

As for the upcoming bilateral trade negotiations, they must “satisfy” both parties, stresses Mr Sondland.

AMERICAN OVERSIGHT

However, in his view, the EU is “dragging its feet” because, "the EU, in its own, selfish interest, has no interest in negotiating a trade deal” because of its trade surplus, customs duties and non-tariff barriers, which "continue to come from the Commission”. And if the United States is in surplus on the transatlantic services balance, it is only because the EU “is not in this business”.

As for the question of including agriculture in these discussions, which has been radically rejected on the EU side, Mr Sondland admits that it will not be a condition for launching negotiations, but that European negotiators “will have to agree... on some form of agriculture... before a deal gets signed”.

No red line

Ambassador Sondland also added that Washington had “no red lines” and was ready to put all topics on the table.

Cecilia Malmström, the European Commissioner for Trade, had indicated in early January that the United States did not wish to discuss the Jones Act [excluding the European industry from the sale of ships destined for US coastal trade], public procurement via the Buy American Act or geographical indications.

However, Sondland acknowledges that launching these talks is not a priority for the USTR, the United States Trade Representative office, which is more involved in US relations with China or the validation of the USMCA, its free trade agreement with Canada and Mexico.

Earlier in the day, the President of the European Commission, Jean-Claude Juncker, also wanted to be reassuring, stressing "daily" exchanges with Washington. “I think we can trust the President of the US when it comes to trade relations between the US and the EU”, he told the press.

AMERICAN OVERSIGHT

Trade Policy: EU Resistance to Free Trade in Agriculture – Google Translation

By Till Hoppe, Torsten Riecke

Handelsblatt (May 6, 2019) - Despite pressure from the US, the EU refuses to fully open the agricultural trade. Paris leads the resistance - also in the German interest.

The EU and the USA are intensifying their negotiations on closer trade relations under difficult circumstances. Experts from the EU Commission are traveling to Washington next week to discuss closer regulatory cooperation on both sides. At the same time, they want to pave the way for a meeting of Trade Commissioner Cecilia Malmström with US Trade Representative Robert Lighthizer on the sidelines of an OECD ministerial meeting in Paris on 22 and 23 May. The main issue is the opening of formal negotiations for an industrial customs agreement.

The EU states had equipped Malmström with the necessary mandates in mid-April. The positions of both sides are still far apart: Washington is pushing to talk about opening the market for agricultural goods, but this rejects especially France categorically. Commission President Jean-Claude Juncker emphasized in the Handelsblatt interview that the negative attitude is the position of the entire EU: "The Americans have tried this again and again, but we have prevented that," he said.

However, the US Ambassador to the European Union, Gordon Sondland, told the Handelsblatt that the Americans are not leaving their point of view: "If our trade talks are to move forward, agriculture must be included," he said. President Donald Trump, US Trade Representative Lighthizer and Trump's economic adviser Larry Kudlow made it clear to their negotiating partners with the EU Commission that no agreement to reduce tariffs would be approved by the US Congress if it did not include agriculture.

US President Trump has a very powerful lever in his hand: He could impose tariffs on imported cars, justifying a threat to national security.

France is the EU's largest beef producer and fears that cheaper US hormone meat could supplant its own products. Animal welfare standards are also more relaxed in the US. With their resistance, the Paris government also represents German interests. For the German producers are the number two in the EU and have to lose a lot in view of a production value of 3.9 billion euros (2018) for beef alone.

AMERICAN OVERSIGHT

HANDELSPOLITIK; EU-Widerstand gegen freien Agrarhandel

By Till Hoppe; Torsten Riecke

Handelsblatt (May 6) - Trotz des Drucks aus den USA weigert sich die EU, den Agrarhandel völlig zu öffnen. Paris führt den Widerstand an - auch im deutschen Interesse.

Die EU und die USA intensivieren unter schwierigen Vorzeichen ihre Verhandlungen über engere Handelsbeziehungen. Experten der EU-Kommission reisen kommende Woche nach Washington, um über eine engere regulatorische Zusammenarbeit beider Seiten zu sprechen. Zugleich wollen sie den Boden bereiten für ein Treffen von Handelskommissarin Cecilia Malmström mit dem US-Handelsbeauftragten Robert Lighthizer am Rande eines OECD-Ministertreffens am 22. und 23. Mai in Paris. Dort geht es vor allem um die Aufnahme formeller Verhandlungen über ein Industriezollabkommen.

Die EU-Staaten hatten Malmström Mitte April mit den nötigen Mandaten ausgestattet. Die Positionen beider Seiten liegen aber noch weit auseinander: Washington drängt darauf, auch über eine Marktöffnung für Agrargüter zu reden, das aber lehnt vor allem Frankreich kategorisch ab. Kommissionspräsident Jean-Claude Juncker betonte im Handelsblatt-Interview, dass die ablehnende Haltung die Position der gesamten EU sei: "Die Amerikaner haben das immer wieder versucht, aber wir haben das verhindert", sagte er.

Der US-Botschafter bei der Europäischen Union, Gordon Sondland, sagte dem Handelsblatt jedoch, dass die Amerikaner von ihrem Standpunkt nicht abrücken: "Wenn unsere Handelsgespräche vorankommen sollen, muss die Landwirtschaft einbezogen werden", forderte er. Präsident Donald Trump, der US-Handelsbeauftragte Lighthizer und Trumps Wirtschaftsberater Larry Kudlow hätten gegenüber ihren Verhandlungspartnern bei der EU-Kommission klargemacht, dass kein Abkommen zur Reduzierung von Zöllen vom US-Kongress bewilligt würde, wenn es nicht die Landwirtschaft beinhalte.

US-Präsident Trump hat ein sehr wirksames Druckmittel in der Hand: Er könnte mit der Begründung einer Bedrohung der nationalen Sicherheit Zölle auf importierte Autos verhängen.

Frankreich ist der größte Rindfleischerzeuger der EU und fürchtet, dass günstigeres US-Hormonfleisch die eigenen Produkte verdrängen könnte. Auch die Normen für Tierschutz sind in den USA laxer. Mit ihrem Widerstand vertritt die Pariser Regierung auch deutsche Interessen. Denn die deutschen Erzeuger sind die Nummer zwei in der EU und haben angesichts eines Produktionswerts von 3,9 Milliarden Euro (2018) allein bei Rindfleisch einiges zu verlieren.

AMERICAN OVERSIGHT

AMERICAN OVERSIGHT

THE WALL STREET JOURNAL.

U.S. Boosts Natural-Gas Exports to EU, Aiming to Dent Russian Sales; Energy Secretary Rick Perry praised burgeoning trade as 'tip of iceberg'

By Emre Peker

The Wall Street Journal (May 2, 2019) - BRUSSELS—The U.S. has nearly tripled its natural-gas exports to the European Union since July and signed new licenses Thursday seeking to establish American energy as an EU mainstay.

Washington's liquefied natural-gas push comes as the EU seeks to preserve a trade truce with President Trump and avoid potential U.S. tariffs on cars. It also aims to break Russia's grip on European energy markets.

U.S. Energy Secretary Rick Perry hailed the burgeoning trade as "the tip of the iceberg" during a visit to Brussels, where he signed two new export licenses. The permits allow Texas-based Tellurian Inc. and California-based Sempra Energy to eventually export a combined 60 billion cubic meters of gas annually, or six times the total volume the EU imported since it started buying U.S. LNG in 2016.

The rise in American gas exports to Europe marks a bright spot in trans-Atlantic relations, marred by disagreements on issues ranging from trade to Iran's nuclear deal.

European officials said they hope LNG purchases will provide some breathing room as the EU scrambles to deliver on a July accord between Mr. Trump and European Commission President Jean-Claude Juncker. At their White House meeting, the leaders agreed to bolster trans-Atlantic commerce by removing barriers to trade in industrial goods, services, pharceuticals, chemicals, medical products and soybeans. They also pledged energy cooperation to facilitate more U.S. LNG sales to Europe.

EU and U.S. negotiators have been struggling since July to slash tariffs on goods—a main pillar of the Trump-Juncker deal. Booming energy trade, EU and U.S. officials said, could serve as a blueprint for aligning market forces and political support to boost trans-Atlantic commerce.

"We're here to talk about LNG, and that's probably the biggest opportunity we have," Mr. Perry said at the first EU-U.S. high-level business-to-business energy forum, urging companies to strike deals. "The bottom line is the United States has what Europe wants—an incredible abundance of clean and affordable natural gas."

AMERICAN OVERSIGHT

U.S. LNG exports to the EU still represent only a fraction of the bloc's energy needs. Since 2016, Europe imported just over 10 billion cubic meters of American gas, compared with about 160 billion cubic meters from Russia last year alone, according to EU data. While the U.S. LNG shipments accounted for about 2% of total EU imports in 2018, Russian pipelines delivered 40% of European purchases.

Germany and some EU members have also clashed with the U.S. over Russia's Nord Stream 2 project. The U.S. has threatened sanctions against the Baltic Sea link, which would double the capacity of an existing pipeline. Nord Stream 2 would enable Moscow to ship almost 70% of its EU gas sales directly to Germany, cutting Russia's reliance on Ukrainian transit routes in a geopolitical victory.

Washington's longstanding policy to curb Russian energy sales is squeezing Europe, the world's top energy importer. In recent years, the EU provided €656 million ($733 million) in financing for new LNG links and terminals across the bloc, to diversify its supply sources.

The U.S. is also bolstering its export capacity, which is projected to double by next year, according to the Energy Department. As U.S. LNG prices become more competitive, the EU is emerging as an attractive market.

The EU was America's top gas customer in the final quarter of last year and first quarter of this year, Mr. Perry said. According to the EU, 35% of U.S. LNG landed in Europe during the first four months of 2019, up from 11% last year.

"European-U.S. cooperation on LNG is an obvious match," EU Energy Commissioner Miguel Arias Cañete said Thursday. "This makes business sense." American officials insisted on including LNG in the Trump-Juncker agreement last year, according to an EU official. Rising American gas exports could address some outstanding issues—such as the widening U.S. trade deficit with the EU—and forestall a White House decision to slap duties on U.S. auto imports.

Mr. Trump has repeatedly said that without a deal to rebalance EU-U.S. trade, he would impose car tariffs. That could hit $60 billion in annual EU car and auto-parts sales to the U.S. and trigger retaliation on €20 billion worth of American exports. EU-U.S. talks to improve regulatory cooperation will resume next week in Washington, a European Commission official said. The negotiators are also expected to lay the groundwork for discussions on an industrial-goods trade pact. The following week, EU and U.S. experts will take up other elements of the July deal, including the pledge to boost European purchases of U.S. gas.

AMERICAN OVERSIGHT

"I don't think LNG exports will solve the problem in its entirety," said Gordon Sondland, the U.S. ambassador to the EU. "It will solve some aspects of the problem."

AMERICAN OVERSIGHT

‘Freedom gas’: US opens LNG floodgates to Europe

By Frédéric Simon

EurActiv (May 2, 2019) - US energy secretary Rick Perry will sign two export orders for liquefied natural gas (LNG) in Brussels today (2 May), in a move officials said will double America’s export capacity to Europe to 112 billion cubic meters per year as of 2020.

Seventy-five years after liberating Europe from Nazi Germany occupation, “the United States is again delivering a form of freedom to the European continent,” said Rick Perry, the US energy secretary.

“And rather than in the form of young American soldiers, it’s in the form of liquefied natural gas,” he told reporters in Brussels on Wednesday (1 May).

“So yes, I think you may be correct in your observation,” he said in reply to EURACTIV, who asked whether “freedom gas” would be a fair way of describing US LNG exports to Europe.

Perry is in Brussels to sign an LNG export order “with a couple of companies” on the sidelines of the first EU-US high-level business forum on energy, hosted by the European Commission on Thursday (2 May).

“So that’s a big deal,” Perry told a small group of journalists invited to a briefing. “The opportunity for Europe to have a very substantial supportive alternative to Russian gas is on display here,” he said.

US-Poland LNG deal will ease Europe's reliance on Russia: Perry

Washington’s energy secretary on Thursday (8 November) hailed a 24-year deal to deliver US liquefied natural gas (LNG) to Poland as signal for Europe on ensuring energy security and easing dependence on Russian supplies.

The LNG export orders come as a follow-up to a July 2018 joint statement by European Commission President Jean-Claude Juncker and US President Donald Trump, in which both sides agreed to strengthen strategic energy cooperation. “The European Union wants to import more liquefied natural gas (LNG) from the United States to diversify its energy supply,” the statement said.

It’s only been a couple of years since the US started exporting LNG, and Japan is currently the biggest destination country. But the new export orders will allow doubling capacity to Europe, said Steven Winberg, assistant US secretary for fossil energy, who was sitting alongside Secretary Perry as part of an impressive US delegation.

AMERICAN OVERSIGHT

"We're expecting about 8 billion cubic meters per annum of [additional] US LNG into Europe over a 12 month period. We have about 10bcm per annum of capacity right now, so we could in effect double exports to Europe," Winberg said.

"Perhaps even more relevant is that by 2020, we will go from 50bcm of export capacity to 112bcm per annum – more than doubling capacity in the next 18 months," Winberg added.

US gas lobby chief: A lot of LNG can come to Europe through Poland

There is a strong possibility that Poland will build a floating Liquefied Natural Gas (LNG) terminal in Gdańsk, according to Fred H. Hutchison, who says "a lot of gas" can come to Central European markets this way.

LNG is significantly more expensive than pipeline gas from Russia and Norway, which are currently the two main exporters of gas to Europe. But some EU countries – chiefly Poland and the Baltic states – are ready to pay a premium in order to diversify their supplies.

Bulgaria, which is currently 100% reliant on Russian gas, said it was ready to import LNG from the US if the price was competitive, suggesting a $1 billion US fund could be used to bring the price down.

But Perry dismissed any suggestion that the US government would interfere on pricing, saying it was up to the companies involved to sign export and import deals.

"We are competing against a state actor which is heavily subsidised," said, Gordon Sondland, US ambassador to the EU, in reference to Russia's Gazprom. "And the more volume we do, I think the price will come down naturally," he added.

AMERICAN OVERSIGHT

As election looms, Spaniards are hit by WhatsApp disinformation campaign

Samuel Stolton

EurActiv (April 26, 2019) - Spanish citizens have been subject to a series of disinformation campaigns ranging from fake news about Prime Minister Pedro Sánchez signing a Catalan independence deal, to conspiracies about migrants and propaganda against gay people, a new study has found.

The news comes as citizens in the country head to the polls on Sunday, as part of the Spanish general elections.

The report, conducted by the human rights group Avaaz, shows that around 9.6 million potential voters in Spain have been receiving WhatsApp messages deemed to be peddling fake news.

Gordon Sondland

Commission urges platforms to take action on fake accounts before EU elections

Online platforms need to step up their attempts to quell the spread of fake accounts but also provide greater independent access to their content for fact checkers, as part of their wider efforts in compliance with the code of practice against disinformation, the European Commission said on Wednesday (20 March).

Some of the stories disseminated over the instant messaging service, which is owned by Facebook, featured claims that Prime Minister Pedro Sanchez's grandfather fought alongside Franco in the Spanish civil war and that Madrid Mayor Manuela Carmena planned to set up open "sex zones" for gay people around the city.

As to the potential source of such scare stories, Avaaz Campaign Director Christoph Schott told EURACTIV that it was "impossible to tell," but that there are clear thematic trends in the types of stories that kept cropping up during the research.

For example, 43% of the disinformation identified in the study was deemed to be an 'Anti-Left/Anti-Sanchez' sentiment, 14% Anti-immigration, and 10% Anti-LGBT/Anti-Feminist.

The study was conducted by using a combination of crowdsourced submissions from Avaaz members, data processing tools like Twilio and fact-checks by Spanish media.

AMERICAN OVERSIGHT

Schott said that Spanish Avaaz members were asked to forward on examples of fake news they had received into a centralised WhatsApp group managed by Avaaz, in order to collect the content to be analysed.

“We found that participants in the survey had been sent disinformation messages completely out of the blue, or, perhaps more worryingly, they fake news had spread organically, by being shared amongst WhatsApp groups or forwarded onto from one WhatsApp user to another,” he said.

When pressed as to whether the decision to survey content only received from Avaaz members may have skewed the results somewhat, Schott cited Avaaz’s broad church of members from the “entire political spectrum” as a reason why the study could be regarded as well-balanced and proportionate. An Avaaz spokesperson also added that the poll was designed to be representative of different opinions across Spain.

EU raps Facebook, Twitter and Google for inaction on fake news

Online platforms are failing to make sufficient progress in the fight against disinformation, the European Commission warned on Thursday (28 December). As the European elections draw closer, the EU cybersecurity agency ENISA has called for national legislation in the fight against fake news.

Recent polls have suggested that as many as 30-40% of voters in Spain are still undecided as to who to vote for in an election that is set to pave the way for a multi-party parliamentary composition. It will be the third time in four years that Spaniards have cast their ballots in a national vote.

Schott struck a cautious vote in light of these figures. “With so many voters still undecided, the last thing they may see before they head to the polls may be a completely fabricated story,” he said. “These stories may tip the balance.”

While Sanchez’s ruling Socialists are expected to win the largest share of the vote, they will not receive enough support to govern alone. Polls say their seats in the chamber could increase by around 50, still short of the 176 seats required to form a government.

As a result, PSOE will be required to form an alliance, most likely with the leftist Podemos party and one of the Catalan separatist parties.

On the other side of the spectrum, however, there has been speculation that a right-wing grouping could be formed by PP, Ciudadanos and the far-right Vox party.

Russian disinformation attempts to weaken 'America’s commitment to Europe,' US ambassador says

AMERICAN OVERSIGHT

The Russian state is engaging in “subtle and insidious” disinformation campaigns that aim to “weaken America’s commitment to Europe” and “exploit the open market of ideas in our democracy,” the US Ambassador to the EU Gordon Sondland has said.

WhatsApp has often escaped more intense scrutiny as part of the wider disinformation debate, while other platforms have taken the brunt of the blame for the dissemination of fake news.

Schott said he would like to see the company implement measures to allow users to more easily flag fake news content to fact-checkers as well as issue disinformation warnings to users.

At the time of reporting, WhatsApp hasn’t responded to EURACTIV’s request for comment.

Earlier this week, WhatsApp’s parent company, Facebook, announced that it had taken action against fake and duplicate accounts, in removing three Spanish far-right networks that had been managing 17 different pages.

The pages had been deemed to be peddling anti-immigrant, anti-LGBT and anti-Islam content. Before the takedown, the pages had accrued more than 1.4 million followers.

Across the continent more generally, the European Commission has been keen to tackle the risks emanating from fake news, in the run-up to the May European elections.

Towards the end of 2018, alongside a number of signatories including Facebook, Twitter and Google, the Commission launched the code of practice against disinformation, a voluntary framework that aims to quell the spread of fake news online.

The first issues of the compliance reports, published earlier in the year, heavily criticised the lack of effort made by the platforms, which Security Commissioner Julian King described in January as “patchy, opaque and self-selecting.”

However, more recently, the signatories have upped their game in compliance with the measures.

“We appreciate the efforts made by Facebook, Google and Twitter to increase transparency ahead of the European elections.” a joint statement from Commissioners Ansip, Jourova, King and Gabriel read on Tuesday (23 April). “In particular, we welcome Google increasing cooperation with fact-checking organisations and networks.”

AMERICAN OVERSIGHT

agence europe

SRI LANKA; after multiple attacks, EU offers assistance

Brussels, 23/04/2019 (Agence Europe) – On Sunday, 21 April, the European Union—notably through the voices of the Presidents of the Commission, the European Council, and the European Parliament—condemned the attacks on hotels and churches in Sri Lanka that resulted in at least 310 deaths and 500 wounded. ISIS claimed responsibility for these attacks on

Tuesday, 23 April. On the same day, Commission spokeswoman Mina Andreeva reiterated that the EU was ready to provide assistance. "EU stands ready to send aid in any way whatsoever", she stressed, wishing Sri Lanka "strength and courage".

When asked by EUROPE about this possible support, the European External Action Service (EEAS) specified that following the Sri Lankan president's request that the international community support his government (including in the technical fields of forensic medicine and law enforcement assistance), the EU was considering providing future assistance to the justice sector and was prepared to strengthen cooperation in the security and law enforcement sector. Moreover, shortly after the attacks, the European consular response plan was activated, and the EU delegation on the ground is in constant contact with the Sri Lankan Disaster Management Centre and Member States. This delegation has taken the lead in coordinating aid provided to European citizens. "At the request of the EU, a briefing was organised by the Prime Minister, notably on the situation of European nationals", added the EEAS.

A few hours after the first attacks, High Representative of the Union for Foreign Affairs and Security Policy Federica Mogherini had emphasised the EU's solidarity with the Sri Lankan people and authorities "at this difficult time".

She had pointed out, "Easter Sunday is a special moment for Christians around the world. [...] Such acts of violence on this Holy Day are acts of violence against all beliefs and denominations and against all those who value the freedom of religion and the choice to worship".

In a joint statement, EEAS Secretary General Helga Schmid and U.S. Ambassador to the EU Gordon Sondland had also felt, "Terrorism has no place in our world". "Everyone should be free to practice their own faith without fear", they had added.

AMERICAN OVERSIGHT

EXPRESS.co.uk
Home of the Daily and Sunday Express

END OF MACRON: How EU-US trade talks have TERRIFIED France - leader facing more protests

By Simon Osborne

Express.co.uk (April 12, 2019) - EMMANUEL Macron is launching a bid to block trade talks between the European Union and the US over Donald Trump's refusal to sign up to the Paris Climate Agreement.

The US President enraged Brussels when he described the EU as "brutal trading partners" in a tweet offering support to Britain at Wednesday night's Brexit summit. And the French president fears talks will revive a politically difficult trade debate in his country which plagued previous negotiations for the Transatlantic Trade and Investment Partnership . France's opposition to the trade talks is unlikely to affect the planned formal adoption of EUnegotiating mandates on Monday.

But Mr Macron has indicated he will stick to his principles and intends will instruct his ministers to also abide by them.

A French official said: "In accordance with the commitment of the president of the Republic, France is opposed to the initiation of any trade negotiations with countries outside the Paris Climate Agreement.

France's stance is at odds with Germany's position and could lead to more friction between Paris and Berlin after splits appeared over the Brexit extension.

Commission presidential hopeful Manfred Weber tweeted: "I warmly welcome steps taken today that pave the way to open trade negotiations with the United States.

Emmanuel Macron wants to block EU-US trade talks

"Trade deals create millions of jobs and stabilise the world economy. I'm ready for a far reaching trade agreement with the US."

And popular opposition in France to TTIP will risk inflaming protests in France with Mr Macron already battling yellow vest protests throughout 2019.

Brussels wanted to avoid controversy by keeping any new trade deal simple but officials admit they are unsure of how to handle the unpredictable US President, who warned things "are about to change" in his controversial tweet attacking the EU"s treatment of the UK.

AMERICAN OVERSIGHT

US Ambassador to the EU Gordon Sondland warned Washington would fight “unfair barriers” against American companies.

He said: “I think if we woke up five years from now, the level of non-tariff barriers and the deficit will be so insurmountable. It would be so difficult for US companies to compete in Europe.”

Donald Trump branded the EU 'brutal trading partners'

Mr Sondland also rejected criticisms of America’s green credentials.

He said despite leaving the Paris accord, the US was aggressively pursuing a renewable energy policy.

He said: “The US is not hung up on the process — what we are hung up on is the result.

“What we don’t want is to enter in an agreement that artificially constrains us to spending money in places where we don’t think it’s effective.”

AMERICAN OVERSIGHT

European Union Paves Way for U.S. Trade-Pact Talks; Agriculture is sticking point threatening trans-Atlantic efforts to negotiate trade deal

By Emre Peker

Wall Street Journal (April 11, 2019) - BRUSSELS—The European Union agreed to launch talks for a trade pact with the U.S., seeking to preserve a truce with President Trump despite competing demands over agriculture.

EU governments directed on Thursday the bloc's executive and sole trade authority, the European Commission, to focus on slashing tariffs on industrial goods, explicitly excluding agriculture. Two days earlier, the U.S. envoy to the EU said agriculture must be included for negotiations to move ahead.

Despite the brewing clash over U.S. demands that Europe open its food markets, the EU agreement over negotiating guidelines comes at a critical time. U.S. officials have been cautioning that their patience is wearing thin, and Mr. Trump is considering tariffs on U.S. car imports, which would hit $60 billion in European exports.

"We have made little progress," Gordon Sondland, the U.S. ambassador to the EU, told a group of EU lawmakers on Tuesday. "The more the EU leadership plays the delay game, the more the resentment grows in Washington."

EU officials said Brussels wants to show it is ready to deliver on the July 2018 deal between Mr. Trump and EU Commission President Jean-Claude Juncker. The leaders agreed to halt a trade fight, pledging in a joint statement to reduce tariffs and cut red tape. They promised a nonauto industrial-goods agreement, and both sides said they want quick results.

EU officials, however, haggled for months to get consensus among the bloc's 28 members to start trade-deal negotiations. Parallel efforts to get regulatory agreements haven't been finalized.

Meanwhile, the U.S. trade deficit with the EU widened last year to €139.7 billion ($157.3 billion), fueling Mr. Trump's complaint that the trans-Atlantic relationship is unfair. Adding to European urgency has been the mid-May deadline for vehicle and auto-parts tariffs that the president is facing.
"We are working loyally to implement all aspects of the July 2018 statement," commission spokesman Margaritis Schinas said Thursday. "We're engaging, we're talking."

AMERICAN OVERSIGHT

The U.S. is also inching toward a trade deal with China, which is adding pressure on the EU as it grapples with domestic pushback.

Some European leaders, wary of an antitrade backlash ahead of European Parliament elections in May, have been reluctant to approve negotiations with the U.S.

France has been particularly concerned that U.S. talks could energize populist, anti-EU parties seeking to capitalize on fears that a deal with Washington would erode European standards.

Topping EU worries is food safety, especially over U.S. practices including hormone-treated beef and chicken washed with chlorinated water to kill bacteria. "If Mr. Trump wants to make us import chlorinated chicken or meat with antibiotics or hormones, our answer is no," said Nathalie Loiseau, French President Emmanuel Macron's lead candidate in the EU elections.

Paris delayed agreement on the negotiating mandate last week. France allowed on Thursday the measure to advance for formal adoption, only to say afterward that it would vote against U.S. trade talks, despite EU reassurances to exclude agriculture.

Honoring French requests, EU governments also said negotiating directives for the Transatlantic Trade and Investment Partnership must be considered obsolete. The clause is meant to quash speculation about the resurrection of controversial TTIP negotiations during the Obama administration. Those talks collapsed, partially over agriculture.

EU governments are expected to formally approve the mandate for U.S. trade talks on Monday, despite France's symbolic vote against. That would pave the way for the commission to start negotiations with the U.S. trade representative. "We showed a lot of flexibility to accommodate the French because we wanted this adopted" before Mr. Trump has to decide on car tariffs, an EU diplomat said. "We were willing to accept anything to get this done."

AMERICAN OVERSIGHT

POLITICO

US ambassador warns Washington will fight EU on trade

By Anca Gurzu

Politico.eu (April 11, 2019) - U.S. Ambassador to the EU Gordon Sondland warned today that Washington will aggressively combat what he called unfair barriers levied by the EU against American companies.

“I think if we woke up five years from now, the level of non-tariff barriers and the deficit will be so insurmountable,” Sondland said at a POLITICO event. “It would be so difficult for U.S. companies to compete in Europe.”

His comments come just hours after U.S. President Donald Trump tweeted that the EU is “a brutal trading partner with the United States, which will change.”

Sondland said that the trade deficit between the U.S. and the EU is at about $165 billion, and that it’s become politically unsustainable for the U.S. That’s prompting a much more aggressive approach on trade policy under the current administration.

Trump “decided we will have to experience a bit of pain, we will have to pull the Band-Aid all at once and fix it so that trade is free and fair and non-subsidized,” Sondland said.

Asked about French pressure to link trade agreements to the Paris Agreement, Sondland dismissed that concern. Although the U.S. is quitting the climate deal, he said it’s aggressively pursuing renewable energy at home.

“The U.S. is not hung up on the process — what we are hung up is the result,” Sondland said. “What we don’t want is to enter in an agreement that artificially constrains us to spending money in places where we don’t think it’s effective.”

AMERICAN OVERSIGHT

POLITICO

US ambassador criticizes Commission on Nord Stream 2

By Anca Gurzu

Politico.eu (April 11, 2019) - U.S. Ambassador to the EU Gordon Sondland today criticized the European Commission for not putting more effort into killing the Nord Stream 2 pipeline.

The Commission is trying to regulate the operation of the contentious Gazprom-led project through amended EU gas rules, but argues it cannot stop the pipeline from being built because its construction doesn't violate EU rules.

Using the rule of law argument is "a very convenient excuse for essentially facilitating primarily Germany's desire to have cheap energy from wherever it comes," Sondland said at a POLITICO event.

He said the EU should decrease its dependency on Russian gas, adding that "if history teaches us anything is that it's the wrong place to hang your hat."

He described the U.S. as a "co-signer" to the EU's energy security and said that "we don't want to have to show up in the middle of January when Russia cuts off gas."

Asked whether the U.S. is considering imposing sanctions to stop Nord Stream 2, Sondland said that "sanctions are tools that are in the president's arsenal. They are always a possibility."

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Letter: The Americans are trying to undermine Europe's efforts to become more autonomous over security

Letter by Hélène Conway-Mouret Vice-president, Senate of France, Member and former vice-president of the Foreign Affairs, Defence and Armed Forces Committee

Financial Times (April 11, 2019) - Gordon Sondland, Washington's ambassador to Brussels, reacted strongly last month to the EU's proposal that European Defence Fund investment should go to EU-based and controlled companies only ("Europe must open military projects to foreign firms, says US envoy", March 11). He has threatened the EU with retaliation if it excludes American companies from European industrial defence projects.

In linking the European Defence Fund to Nato, the Americans now seem to correlate the solidarity of the alliance with the purchase of US military equipment. When Mr Sondland claims that the EU's reasons may be "stubbornness or protectionism" he forgets that foreign companies can only benefit from American financing if they employ American personnel only and are set up in the US. We are starting to wonder whether President Donald Trump is not putting undue pressure on us to increase our military spending simply in order that we purchase more American equipment. He also appears to be trying to force us to spend our taxpayers' money to support American research via the European Defence Fund!

The European Commission set up the fund in order to strengthen our security. It should be endowed with €13bn over the next seven years if the new European Parliament approves the budget next autumn. It is to promote security and defence research and innovation, built on existing frameworks. Whether it is the future European MALE RPAS drone, the European Secure Software-defined Radio program for the development of military communications, or projects in artificial intelligence and cyber security, the signal is clear: for the first time Europe is claiming its strategic autonomy as well as agreeing on the definition of what the European industrial base is. Obviously it displeases our long-term partner, who is actively attempting to divide us.
In my visits to European capital cities I have observed that lobbying by the Americans is quite successful, particularly in eastern European countries, which are deeply attached to the protection of Nato. They say that this is the price to be paid for the US's continued protection. They see Nato as the only deterrent against potential Russian aggression. They of course don't really believe that

AMERICAN OVERSIGHT

Russia will invade them as it would trigger an immediate reaction from Nato and the EU. However, they don't trust Europe to be capable of defending itself.

However, beyond the economic interests placed at the forefront of all negotiations by the current US administration, it is the security of European citizens that is at stake. European unity an expression of citizenship in the making as well as European sovereignty is being challenged by our long-term friends the Americans. A dangerous game to play with one of the US's traditional and strongest allies.

Hélène Conway-Mouret Vice-president, Senate of France, Member and former vice-president of the Foreign Affairs, Defence and Armed Forces Committee

AMERICAN OVERSIGHT

Inside U.S. Trade

EU countries hope for compromise on U.S. mandate language by next week

Inside U.S. Trade (April 3, 2019) - European member states hope to agree next week on a compromise mandate authorizing the launch of limited trade talks with the United States after a meeting of ambassadors in Brussels on Wednesday left unresolved the question of whether to revoke the Commission's existing mandate on the Transatlantic Trade and Investment Partnership.

France has called for member states to revoke the Commission's TTIP mandate, but that idea has been met with some pushback because others fear it could set a worrying precedent, sources said. The new mandate under consideration would not cover a comprehensive trade negotiation, as the TTIP mandate does. Instead, it would cover a limited deal focusing on non-agricultural market access.

Some member states believe going through the legal proceedings to revoke a mandate could send the wrong signal to other countries that Brussels could back out of negotiation commitments, sources said. The TTIP mandate also gives the EU the flexibility to resume comprehensive trade talks with the U.S. at a later date, even though there is no appetite for such negotiations in the EU today.

The EU launched negotiations with the Mercosur South American trade bloc in 2010, suspended them in 2012, and resumed talks in 2016, all under the same mandate.

The Commission is intent on elaborating that expected negotiations with the Trump administration for a limited deal are separate from what is allowed under the TTIP mandate, sources said. The question remains whether a new mandate would state that directly or go further and revoke the TTIP mandate.

EU ambassadors will reconvene next Thursday. Member states hope before then to agree on language that would address the TTIP mandate, sources said. The negotiating mandates need the approval of a qualified majority of EU countries, meaning the other 27 member states could move forward without France's support. However, the Council presidency has said it wants member states to reach a complete consensus on the politically sensitive issue of trade negotiations with the U.S.

France had also sought changes to the environmental language in a draft mandate the Commission proposed in January. New language could clarify when an environmental impact assessment of a limited trade agreement would be conducted, according to one EU source. Environmental impact assessments are conducted by third-party consultants hired by the EU.

AMERICAN OVERSIGHT

Bernd Lange, the chairman of European Parliament's International Trade Committee, told Inside U.S. Trade last month that the Parliament and member states had previously made clear to the Commission their desire for environmental impact assessments to be conducted before the launch of trade negotiations.

Parliament was ultimately unable to approve non-binding recommendations for a mandate for talks with the U.S., but an amendment supporting an impact assessment of a potential deal's effects on carbon dioxide emissions and the revocation of the TTIP mandate received the support of a majority of EU lawmakers.

U.S. Ambassador to the EU Gordon Sondland last month said the EU's draft mandates have fallen far short of U.S. expectations. U.S. and EUofficials disagree about whether agriculture should be included in the scope of the deal.

According to Reuters, Sondland also said the U.S. would "use leverage to realign" the trans-Atlantic relationship if the EU stalled the trade talks. President Trump has used Section 232 tariffs as a means of leverage in trade negotiations. The EU has been hit with tariffs on steel and aluminum, and President Trump is considering trade restrictions on autos as well. The Commerce Department in February sent the results of its Section 232 investigation on auto and auto parts imports to the White House; Trump has until mid-May to decide whether to impose restrictions.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Nato's strained relations

By Michael Peel; Aime Williams

Financial Times (April 3, 2019) - Donald Trump has spent much of the past two years bashing Nato. As the alliance celebrates its 70th anniversary, European politicians fear the president's views reflect a waning US commitment.

When Nato celebrated its 50th anniversary at a 1999 summit in Washington, President Bill Clinton sought to assure America's allies that the end of the cold war would not reduce its commitment to the region. Citing Theodore Roosevelt, he said there was no doubt that the US would continue to play a "great part in the world |(85) The only question is whether we will play it well or ill".

At the time, European leaders could afford to smile at the reference. But as Nato prepares to celebrate its 70th anniversary in Washington this week, the ambivalence of Mr Clinton's remark seems charged. The commemoration of the 29-member bloc has turned into a public test of the tensions tearing at the transatlantic relationship since Donald Trump took office.

For some European politicians, the president's sometimes scathing views of their continent are not a blip, but a reflection of a withering of Washington's commitment to the alliance.

"The 70th anniversary should be a reason for celebration and reminding everybody of Nato's great historic successes, but nobody is doing that," says Heinrich Brauss, a former assistant secretary-general of the western alliance and now a senior assistant fellow at the German Council on Foreign Relations think-tank. "Everybody is concerned about Nato's current shape, about the future and about the changing transatlantic partnership — and rightly so." The big question for the European countries that dominate Nato numerically — if not militarily — is whether what one analyst dubs the "transatlantic distancing" will reverse after Mr Trump leaves office, or widen further. The president has flayed allies over military spending and pan-EU defence projects. He has also pulled the US out of an atomic weapons control treaty with Russia and a nuclear accord with Iran, actions many Europeans see as having a potential direct impact on security.

Some in Europe already view Mr Trump's approach to the relationship as part of a lasting change in the way Washington views the world. European leaders see a great power competition amid the growing US preoccupation with China — and a belief that the US military should deploy more sparingly and Europe should take on more responsibility, albeit on Washington's terms. The European anxiety about the bond with the US has grown since Mr Trump took office. Angela

AMERICAN OVERSIGHT

Merkel, the German chancellor and a frequent target of the president, acknowledged last year that transatlantic ties were "under strong pressure". During a visit to Washington last month Florence Parly, France's defence minister, said Europeans feared the US commitment to defend them was wavering and warned that other powers including China were trying to split the continent.

"The transatlantic relationship is changing: it's a transition that started before Trump's presidency and will continue after," says Sophia Besch, a research fellow at the Centre for European Reform. "His approach that the US gains nothing from alliances is something that is specific to him. But the shift of interest to Asia and a general reluctance to get involved militarily because of the experience of forever wars has shaped the thinking of the next generation of American leaders."

Abnormal situation

One sign of the rift between Washington and European capitals since Mr Trump took office is that Nato member country leaders will not be at the 70th birthday celebrations — unlike the 60th anniversary in France and Germany attended by President Barack Obama in 2009. The alliance's heads of state or government are not due to meet until a December event in London. Some diplomats already view that event with trepidation after Mr Trump criticised European countries over their military spending at a fiery summit in Brussels in July last year.

Mr Trump has also unnerved allies with mixed messages on Nato that have varied from support to outright hostility. On the presidential campaign trail, he branded the organisation "obsolete". Last year he appeared to question the alliance's foundational principle of collective defence, saying he would be uncomfortable sending US troops to defend Montenegro because the country was "very aggressive".

The host for the week's anniversary meeting will instead be Mike Pompeo, secretary of state — though the shadow of his boss in the White House nearby will loom large.

"The whole thing is really weird," says Thomas Wright, director of the Center on the United States and Europe at the Brookings Institution. "They're not including the president of the US because they're frightened of him and they're trying to act like everything is normal, but it's not.

"The elephant in the room — or besides the room — is Trump. Everyone will be monitoring their phones to see if there's a tweet from across the road."

Nato and Jens Stoltenberg, its secretary-general who will meet Mr Trump on Tuesday, have grown used to managing the US leader. Mr Stoltenberg, a former Norwegian prime minister, has praised the president for helping push other

AMERICAN OVERSIGHT

alliance members towards a target to spend the equivalent of 2 per cent of their gross domestic product on their militaries.

In a rare moment of bipartisan consensus, Congress has backed Nato, following reports that Mr Trump told aides and officials that he would like to withdraw from the alliance. In January, the House passed a bill by 357 votes to 22 reiterating US support for Nato and preventing federal funds from being used to leave it. Jim Risch, Republican chair of the Senate foreign relations committee, says there is "zero appetite" in Congress for leaving Nato.

"Hardly anyone on Capitol Hill agrees with the president, and that's the silver lining to this cloud," says Nicholas Burns, a Harvard professor and former top state department official.

Yet for many politicians and observers in Europe, the patch-up job by Congress over Nato cannot hide a deeper security schism.

Bruno Tertrais, deputy director of the Paris-based Foundation for Strategic Research think-tank, says what is "troubling" is that since Mr Trump arrived, both sides in the transatlantic relationship have started to question old assumptions that they share values and interests. "Nato is doing fine for now," Mr Tertrais says in a forthcoming paper for the Nato Defense College. "But the Atlantic alliance remains in trouble."

For some Europeans, the present difficulties mark a belated awakening to strategic realities that have been evident since the end of the cold war. Nathalie Tocci, director of the Rome-based Institute of International Affairs, says the failure to respond sooner was "our big moment of hubris".

"We felt there was no need," says Ms Tocci, an adviser on the EU's global strategy. "It was the end of history, for us as well as the US. We didn't realise — because we felt there was no need to realise anything."

Sharing risks and costs Many of the criticisms of the transatlantic relationship articulated by Mr Trump are not new — even if pretending that they are suits his self-image. US presidents from both parties have long called for Europe to spend more on their militaries — and many Europeans acknowledge the need to do so, given that only six countries other than the US hit the 2 per cent of GDP target last year.

"That's not [just] Trump," says Dan Fried, formerly a top official in the administrations of Bill Clinton and George W Bush. "That's been the US position for decades".

In 2011, Robert Gates, defence secretary in the Obama administration, issued a stern warning in a farewell speech in Brussels to those who "enjoy the benefits of Nato membership |(85) but don't want to share the risks and the costs". He attacked nations "apparently willing and eager for American taxpayers to assume

AMERICAN OVERSIGHT

the growing security burden left by reductions in European defence budgets". European military spending had already started to rise before Mr Trump arrived in the White House in January 2017, in part because of US pressure and also due to the shock of Russia's 2014 annexation of Crimea.

The US has long been suspicious of EU plans to encourage greater military cooperation. Although the US has called on Europe to spend more on defence, it resents the idea that countries might develop their armed forces outside Nato and become too independent. Months before the alliance's 50th anniversary in 1999, Madeleine Albright, secretary of state in the Clinton administration, drew her so called "three Ds" — red lines on what Europeans should avoid — "no diminution of Nato, no discrimination and no duplication".

Once again, Mr Trump's bluntness — as well as his aggressive lobbying for US business interests — has only made a longstanding Washington argument sharper. Late last year, he castigated France's President Emmanuel Macron for an "insulting" suggestion that the EU should develop its own army. Gordon Sondland, Washington's ambassador to the EU, last month warned the bloc that it risked US retaliation if it pressed ahead with plans to limit American companies' involvement in pancontinental military projects.

Heather Conley, a former senior state department official, says the US is "stuck" in an old ambivalence when it comes to European military strength. "We tell [European countries] we want them to spend more, but we want them to buy US equipment," she adds, noting that more money spent on European defence would inevitably mean "more competition to the US".

Breakdowns in dialogue Where Mr Trump has gone much further than his predecessors is in his doubts that European security is a prize worth paying for. Patrick Shanahan, acting defence secretary, was forced last month to play down media reports that the president was demanding Nato allies pay the cost of hosting Washington's forces, plus a 50 per cent premium.

"Previous presidents have thought [the US] has benefited from a stable and secure Europe and if that ended up costing us, it was worth it, even if we get a bit grumpy that the Europeans aren't paying enough," says Philip Gordon, a senior official in the Obama administration. "Trump's view is that the rich people are screwing us on trade and benefiting from our generosity on defence and that has to stop. He essentially sees Nato as a protection racket."

The White House is also applying pressure on European countries to take a more assertive line on China. Washington has helped push Beijing up Nato's agenda: Mr Stoltenberg said in February that China was becoming a more important issue for western allies' security because of its spending on military and cyber activities and its involvement in regions such as the Arctic and Africa. But European diplomats say the efforts for joint transatlantic action over Beijing

AMERICAN OVERSIGHT

are complicated because of European capitals' resistance to pressure from Washington to ban Huawei, the Chinese technology company, from sensitive work on new 5G mobile communications networks.

The breakdowns in dialogue between the US and European allies since Mr Trump took power have created further difficulties. When the president last year initially signalled US plans to withdraw from the Intermediate-Range Nuclear Forces missile ban treaty with Russia, he cited violations by Moscow first alleged by the Obama administration and accepted by European countries (though denied by Moscow). But the suddenness of the announcement prompted a strong statement from an alarmed EU warning of the risk of a new "arms race". Washington hurriedly dispatched senior arms control officials to European capitals to offer reassurances, including that it would closely consult allies on next steps.

More optimistic Europeans point to less publicised efforts that benefit transatlantic co-operation. Washington has expanded its European Deterrence Initiative to fund exercises, partnerships and US force deployments. European projects are under way to develop capabilities ranging from armoured vehicles to missiles; diplomats say countries with larger navies could respond to the US focus on China by offering ships for joint freedom of navigation exercises.

Rather than the sort of rupture that Mr Trump occasionally flirts with, analysts say the bigger risk to the alliance is a slow decay in the face of uncertainty about Washington's true commitment. "Nato is only as good as your belief that the US president will go to war to defend European countries," says Mr Gordon, the former Obama administration official. "If you don't believe that, then Nato doesn't really exist."

The current tension is "permanent because it's structural", says Claudia Major, a defence analyst at the German Institute for International and Security Affairs. "Trump is particularly brutal — but many of the ideas we in Europe find problematic have long been there."

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Nato at 70: Europe fears tensions will outlast Trump

By Michael Peel in Brussels and Aime Williams in Washington

Financial Times (Apr 2) - As the military alliance celebrates its anniversary, America's committment is being questioned

When Nato celebrated its 50th anniversary at a 1999 summit in Washington, President Bill Clinton sought to assure America's allies that the end of the cold war would not reduce its commitment to the region. Citing Theodore Roosevelt, he said there was no doubt that the US would continue to play a "great part in the world . . . The only question is whether we will play it well or ill".

At the time, European leaders could afford to smile at the reference. But as Nato prepares to celebrate its 70th anniversary in Washington this week, the ambivalence of Mr Clinton's remark seems charged. The commemoration of the 29-member bloc has turned into a public test of the tensions tearing at the transatlantic relationship since Donald Trump took office.

For some European politicians, the president's sometimes scathing views of their continent are not a blip, but a reflection of a gradual withering of Washington's commitment to the alliance.

"The 70th anniversary should be a reason for celebration and reminding everybody of Nato's great historic successes, but nobody is doing that," says Heinrich Brauss, a former assistant secretary-general of the western alliance and now a senior assistant fellow at the German Council on Foreign Relations think-tank. "Everybody is concerned about Nato's current shape, about the future and about the changing transatlantic partnership — and rightly so."

The big question for the European countries that dominate Nato numerically — if not militarily — is whether what one analyst dubs the "transatlantic distancing" will reverse after Mr Trump leaves office, or widen further. The president has flayed allies over military spending and pan-EU defence projects. He has also pulled the US out of an atomic weapons control treaty with Russia and a nuclear accord with Iran, actions many Europeans see as having a potential direct impact on security.

Some in Europe already view Mr Trump's approach to the relationship as part of a lasting change in the way Washington views the world. European leaders see a growing preoccupation with China and great power competition — and a belief

AMERICAN OVERSIGHT

that the US military should deploy more sparingly and Europe should take on more responsibility, albeit on Washington's terms.

The European anxiety about the bond with the US has grown since Mr Trump took office. Angela Merkel, the German chancellor and a frequent target of the president, acknowledged last year that transatlantic ties were "under strong pressure". During a visit to Washington last month Florence Parly, France's defence minister, said Europeans feared the US commitment to defend them was wavering and warned that other powers including China were trying to split the continent.

"The transatlantic relationship is changing: it's a transition that started before Trump's presidency and will continue after," says Sophia Besch, a research fellow at the Centre for European Reform. "His approach that the US gains nothing from alliances is something that is specific to him. But the shift of interest to Asia and a general reluctance to get involved militarily because of the experience of forever wars has shaped the thinking of the next generation of American leaders."

One sign of the rift between Washington and European capitals since Mr Trump took office is that Nato member country leaders will not be at the 70th birthday celebrations — unlike the 60th anniversary in France and Germany attended by President Barack Obama in 2009. The alliance's heads of state or government are not due to meet until a December event in London. Some diplomats already view that event with trepidation after Mr Trump criticised European countries over their military spending at a fiery summit in Brussels in July last year.

Mr Trump has also unnerved allies with mixed messages on Nato that have varied from support to outright hostility. On the presidential campaign trail, he branded the organisation "obsolete". Last year he appeared to question the alliance's foundational principle of collective defence, saying he would be uncomfortable sending US troops to defend Montenegro because the country was "very aggressive".

The host for the week's anniversary meeting will instead be Mike Pompeo, secretary of state — though the shadow of his boss in the White House nearby will loom large.

"The whole thing is really weird," says Thomas Wright, director of the Center on the United States and Europe at the Brookings Institution. "They're not including the president of the US because they're frightened of him and they're trying to act like everything is normal, but it's not.

AMERICAN OVERSIGHT

“The elephant in the room — or besides the room — is Trump. Everyone will be monitoring their phones to see if there’s a tweet from across the road.”

Nato and Jens Stoltenberg, its secretary-general who will meet Mr Trump on Tuesday, have grown used to managing the US leader. Mr Stoltenberg, a former Norwegian prime minister, has praised the president for helping push other alliance members towards a target to spend the equivalent of 2 per cent of their gross domestic product on their militaries.

In a rare moment of bipartisan consensus, Congress has backed Nato, following reports that Mr Trump told aides and officials that he would like to withdraw from the alliance. In January, the House passed a bill by 357 votes to 22 reiterating US support for Nato and preventing federal funds from being used to leave it. Jim Risch, Republican chair of the senate foreign relations committee, says there is “zero appetite” in Congress for leaving Nato.

“Hardly anyone on Capitol Hill agrees with the president, and that’s the silver lining to this cloud,” says Nicholas Burns, a Harvard professor and former top state department official.

Yet for many politicians and observers in Europe, the patch-up job by Congress over Nato cannot hide a deeper security schism.

Bruno Tertrais, deputy director of the Paris-based Foundation for Strategic Research think-tank, says what is “troubling” is that since Mr Trump arrived, both sides in the transatlantic relationship have started to question old assumptions that they share values and interests. “Nato is doing fine for now,” Mr Tertrais says in a forthcoming paper for the Nato Defense College. “But the Atlantic alliance remains in trouble.”

For some Europeans, the present difficulties mark a belated awakening to strategic realities that have been evident since the end of the cold war. Nathalie Tocci, director of the Rome-based Institute of International Affairs, says the failure to respond sooner was “our big moment of hubris”.

“We felt there was no need,” says Ms Tocci, an adviser on the EU’s global strategy. “It was the end of history, for us as well as the US. We didn’t realise — because we felt there was no need to realise anything.”

Many of the criticisms of the transatlantic relationship articulated by Mr Trump are not new — even if pretending that they are suits his self-image. US presidents from both parties have long called for Europe to spend more on their militaries — and many Europeans acknowledge the need to do so, given that only six countries other than the US hit the 2 per cent of GDP target last year.

AMERICAN OVERSIGHT

“That’s not [just] Trump,” says Dan Fried, formerly a top official in the administrations of Bill Clinton and George W Bush. “That’s been the US position for decades”.

In 2011, Robert Gates, defence secretary in the Obama administration, issued a stern warning in a farewell speech in Brussels to those who “enjoy the benefits of Nato membership . . . but don’t want to share the risks and the costs”. He attacked nations “apparently willing and eager for American taxpayers to assume the growing security burden left by reductions in European defence budgets”. European military spending had already started to rise before Mr Trump arrived in the White House in January 2017, in part because of US pressure and also due to the shock of Russia’s 2014 annexation of Crimea.

The US has long been suspicious of EU plans to encourage greater military co-operation. Although the US has called on Europe to spend more on defence, it resents the idea that countries might develop their armed forces outside Nato and become too independent. Months before the alliance’s 50th anniversary in 1999, Madeleine Albright, secretary of state in the Clinton administration, drew her so called “3 Ds” — red lines on what Europeans should avoid — “no diminution of Nato, no discrimination and no duplication”.

Once again, Mr Trump’s bluntness — as wells as his aggressive lobbying for US business interests — has only made a longstanding Washington argument sharper. Late last year, he castigated France’s President Emmanuel Macron for an “insulting” suggestion that the EU should develop its own army. Gordon Sondland, Washington’s ambassador to the EU, last month warned the bloc that it risked US retaliation if it pressed ahead with plans to limit American companies’ involvement in pan-continental military projects.

Heather Conley, a former senior state department official, says the US is “stuck” in an old ambivalence when it came to European military strength. “We tell [European countries] we want them to spend more, but we want them to buy US equipment,” she adds, noting that more money spent on European defence would inevitably mean “more competition to the US”.

Where Mr Trump has gone much further than his predecessors is in his doubts that European security is a prize worth paying for. Patrick Shanahan, acting US defence secretary, was forced last month to play down media reports that the president was demanding Nato allies pay the cost of hosting Washington’s forces, plus a 50 per cent premium.

“Previous presidents have thought [the US] has benefited from a stable and secure Europe and if that ended up costing us it was worth it, even if we get a bit grumpy that the Europeans aren’t paying enough,” says Philip Gordon, a senior

AMERICAN OVERSIGHT

official in the Obama administration. “Trump’s view is that the rich people are screwing us on trade and benefiting from our generosity on defence and that has to stop. He essentially sees Nato as a protection racket.”

The White House is also applying pressure on European countries to take a more assertive line on China. Washington has helped push Beijing up Nato’s agenda: Mr Stoltenberg said in February that China was becoming a more important issue for western allies’ security because of its spending on military and cyber activities and its involvement in regions such as the Arctic and Africa. But European diplomats say the efforts for joint transatlantic action over Beijing are complicated because of European capitals’ resistance to pressure from Washington to ban Huawei, the Chinese technology company, from sensitive work on new 5G mobile communications networks.

The breakdowns in dialogue between the US and European allies since Mr Trump took power have created further difficulties. When the president last year initially signalled US plans to withdraw from the Intermediate-Range Nuclear Forces missile ban treaty with Russia, he cited violations by Moscow first alleged by the Obama administration and accepted by European countries (though denied by Moscow).

But the suddenness of the announcement prompted a strong statement from an alarmed EU warning of the risk of a new “arms race”. Washington hurriedly dispatched senior arms control officials to European capitals to offer reassurances, including that it would closely consult with allies on next steps.

More optimistic Europeans point to less publicised efforts that benefit transatlantic co-operation. Washington has expanded its European Deterrence Initiative to fund exercises, partnerships and US force deployments. European projects are under way to develop capabilities ranging from armoured vehicles to missiles; diplomats say countries with larger navies could respond to the US focus on China by offering ships for joint freedom of navigation exercises.

Rather than the sort of rupture that Mr Trump occasionally flirts with, analysts say the bigger risk to the alliance is a slow decay in the face of uncertainty about Washington’s true commitment. “Nato is only as good as your belief that the US president will go to war to defend European countries,” says Mr Gordon, the former Obama administration official. “If you don’t believe that, then Nato doesn’t really exist.”

The current tension is “permanent because it’s structural”, says Claudia Major, a defence analyst at the German Institute for International and Security Affairs. “Trump is particularly brutal — but many of the ideas we in Europe find problematic have long been there.”

AMERICAN OVERSIGHT

Bloomberg

EU-U.S. Trade Talks Face Delay, Risking Trump Backlash
By Viktoria Dendrinou and Nikos Chrysoloras

Bloomberg (April 2, 2019) - European Union governments are struggling to reach consensus on a mandate to begin trade talks with the U.S., risking a delay that would further provoke Donald Trump's ire after the bloc's refusal to include agriculture in the negotiations.

At a meeting of EU ambassadors in Brussels on Wednesday, France is expected to resist giving the European Commission the green light to start negotiations to eliminate industrial tariffs between the regions, according to two officials familiar with the matter, who asked not to be named because the talks are private. Failure to get France on board would mean the EU's executive arm won't be given a mandate to negotiate.

The main sticking points include the role of climate and environment in the mandate given the U.S. decision to withdraw from the Paris climate accord and a clarification of what this negotiation would mean for the shelved Transatlantic Trade and Investment Partnership, according to the officials.

A draft mandate prepared ahead of the meeting of ambassadors and seen by Bloomberg reiterates that the EU seeks trade accords only with countries that have signed up to the Paris agreement against climate change, even though the U.S. has pulled out.

An escalation of tensions with the U.S. would come at a very bad time for Europe's economy, which is already struggling amid a global slowdown. Germany's car industry is already facing a tough environment of tighter emissions rules and weaker demand, and surveys show manufacturing in the euro area is shrinking at the fastest pace in six years.

The EU has been trying to kick start trade deliberations with the U.S. in a bid to show President Trump progress in enacting a political accord that he reached with Commission President Jean-Claude Juncker in July. That agreement helped put on hold the American threat of tariffs on European cars and auto parts.

A 25 percent U.S. levy on foreign cars would add 10,000 euros ($11,346) to the sticker price of European vehicles imported into the country, according to the commission, the EU's executive arm. The EU exported about 58 billion euros worth of cars and auto parts to the U.S. in 2017.

AMERICAN OVERSIGHT

Washington has shown frustration over the lack of progress since, with U.S. Ambassador to the EU Gordon Sondland saying in a February interview that “so long as the EU leadership plays the delay game the more we will have to use leverage to realign the relationship.”

AMERICAN OVERSIGHT

Facebook says political ads fix brings 'unprecedented levels of accountability'

By Samuel Stolton

EurActiv (March 29, 2019) - Facebook has unveiled a raft of measures to prevent foreign campaigns from interfering in national elections. But the plans will also make it more complicated for pan-European parties to advertise in countries where they are not directly represented.

European parties are preparing plans to advertise in member states across the bloc ahead of the May EU elections.

But "if they do not have a representative located in the country in which they want to advertise, they will not be able to do so," said Richard Allen, VP of Global Policy Solutions at Facebook.

Pan-European parties have already come out in criticism of the move, with liberal leader Guy Verhofstadt telling the Financial Times that the plans would be "killing the idea of European democracy."

Moreover, in a move that may raise privacy concerns, Facebook will be asking all EU advertisers to verify their identity and location by submitting documents and using technical checks.

Facebook Director of Product Management Rob Leathern told EURACTIV recently that "identity documents" would be needed as part of the location validation process.

Moreover, ads "related to politics and issues on Facebook and Instagram in the EU" will have to be clearly labelled with a "paid for by" disclosure.

Facebook is putting the verification tools in place to "increase transparency," it says. Allen told EURACTIV that online advertisers will be put under "unprecedented levels of accountability" as part of the new plans.

Holding political advertisers to account has not been Facebook's forte until now. An obscure pro-Brexit outfit recently hit the headlines for spending over £340,000 on ads over Facebook, rallying the cause for a hard Brexit.

This information about the group, known as 'Britain's Future,' is publicly available via Facebook's political transparency platform, the Ads library. However, more details about the group, such as its composition, leader or funders are unavailable, and have been a source of intense speculation.

When pressed as to the approach Facebook will take with regards to the example of a group such as Britain's Future, Allen said due processes will need

AMERICAN OVERSIGHT

to be respected. The group would not fall under the new obligations set out by the identity verification programme, unless a complaint was issued against the group on these grounds, in which case Facebook would ultimately oblige the user to provide more details, he explained.

The new rules will affect all of those running political ads in the EU on Facebook from mid-April, but those who have previously run suspicious campaigns will not, by default, be obliged to provide further identification details, Allen said.

Facebook's move to clamp down on political advertisers comes as the EU seeks to bolster its cyber resilience as a means to ensure the integrity of the upcoming European elections.

One of the EU's flagship mechanisms in this field thus far has been the code of practice against disinformation. The code is a voluntary and self-regulatory framework that aims to stamp out the spread of fake news online. Signatories to the code include firms such as Facebook, Google and Twitter.

The measures set out by the Commission cover five elements in the moderation of fake news online, including disrupting advertising revenues from companies that spread disinformation, tackling fake accounts and online bots, making political advertising more transparent, allowing users to report instances of disinformation more easily, and providing better frameworks to monitor the spread of disinformation.

The EU has already reported on steps taken by the platforms to comply with the code, and the initial findings have sparked concern.

In the first report, Commission Security Chief Julian King criticised the "patchy, opaque and self-selecting" feedback provided by Facebook and said that the details of their compliance with the code lacked substance.

Since then, the platforms have stepped up their game, but the Commission still wants more to be done, particularly in tackling the spread of bots and fake accounts online.

"More systematic information is needed for the Commission to assess the efforts deployed by the online platforms to scrutinise the placement of ads and to better understand the effectiveness of the actions taken against bots and fake accounts," a statement from the Commission said, following the publication of the most recent compliance report.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Brussels unveils EU-wide plan to address 5G security risks

By Michael Peel in Brussels, Nic Fildes in London and Mehreen Khan in Strasbourg

Financial Times (March 26, 2019) - Move reflects rising fears about opening up sensitive networks to Chinese tech groups

Brussels has unveiled an EU-wide plan to deal with the potential security risks of new 5G mobile networks in a move that reflects rising fears about Chinese companies and is seen by critics as overdue.

The bloc's 28 countries will have three months to carry out national risk assessments and then another 15 to act on and tighten new pan-EU standards to protect the critical communications infrastructure, under a European Commission proposal published on Tuesday.

The recommendation comes at a time when the EU is in a series of rolling 5G spectrum auctions, and under growing pressure from the US to take a tough line and ban products made by Huawei and other Chinese technology businesses from sensitive systems.

Gordon Sondland, US ambassador to the EU, who has previously called on European countries to do more to deal with 5G security risks, said it was "good to see" the commission recommendation. "The infrastructure we put in place today will be used for decades; inaction will cost us dearly," he tweeted.

"5G technology will transform our economy and society and open massive opportunities for people and businesses," said Andrus Ansip, European Commission vice-president in charge of the digital single market. "But we cannot accept this happening without full security built in." He added: "We have to take those risks seriously. We have to hurry up."

The commission has called on member states to complete a national security assessment of 5G network infrastructures by the end of June, taking into account "risks linked to the behaviour of suppliers or operators, including those from third countries".

Join the Europe Talks project

These results would then be used to draw up an EU-wide risk assessment by October and agree on any mitigating measures needed by December. Member states would then have until October next year to decide whether they needed to take further action.

Julian King, the EU's Security Union commissioner, said that while the commission was not "talking about bans" on suppliers today, eventual counter measures could include branding certain products insecure.

AMERICAN OVERSIGHT

But the slow rate of EU progress clashes with the speed at which 5G is being tested and rolled out by the largest telecoms companies across the continent. Matthew Howett, founder of research company Assembly, said: “You can understand why they want a common framework but working to that timescale is risible. It doesn’t make any sense.”

Mr Howett said that the impending report by the UK government into telecoms infrastructure and its view of Huawei’s involvement would be likely to prompt more action from member states and that the slow pace of the plan belied the commission’s previous view that Europe needs to push ahead rapidly with 5G deployment. “We are in a global race to launch this technology. This timescale is incompatible with the EU’s other objective to be a leader in 5G,” he said.

Huawei said it welcomed the commission’s “objective and proportionate” approach on 5G security. “Huawei understands the cyber security concerns that European regulators have,” said Abraham Liu, the company’s chief representative to the European institutions. “We are firmly committed to continue working with all regulators and partners to make the 5G roll-out in Europe a success.”

The commission’s plan is part of wider European efforts to develop a more coherent approach to the rise of China and the strategic pressures that has brought. The plan chimes with actions already taken by some countries in the bloc to establish a code for choosing suppliers to build a network.

The commission’s risk-management approach is likely to dismay Washington, which has already clashed with big EU member states including Germany and the UK over their decisions not to block Huawei from new 5G product supply contracts.

The UK is due to report the results of its infrastructure review in the coming weeks.

AMERICAN OVERSIGHT

Brussels faces US clash over plan to monitor Huawei 5G security

By Michael Peel

Financial Times (March 25, 2019) - European Commission favours risk management rather than ban on Chinese company

The European Commission will this week call for the bloc's 28 countries to provide data to help map and then close possible vulnerabilities if they choose Huawei or other Chinese suppliers to build critical communications systems, diplomats say.

The move is in line with the national strategies of many EU member states but at odds with pressure from Washington to shut out Chinese companies from sensitive areas of electronic infrastructure. US officials have warned that a European embrace of Huawei could undermine transatlantic military and intelligence co-operation.

"Huawei technology is good and it's cheap — the only problem is it's Chinese," said one EU diplomat of the European view. "The approach will be, let's see how we can somehow manage the security risks. This is clearly the direction we are going in."

The commission will call for member states to quickly carry out assessments on which parts of its 5G networks are most at risk and how the problems might be mitigated, diplomats said. The results would then be pooled and used to develop recommendations for EU-wide minimum standards, to be made available as auctions for 5G spectrum are rolled out.

The commission work is part of a push for a more coherent EU response to the growing strategic challenges presented by China, while acknowledging that national security remains the domain of member states. A document on China published earlier this month by the commission and the EU's diplomatic service urged a "common EU approach" to 5G security risks, including a framework to exchange information and improve awareness.

Andrus Ansip, a commission vice-president responsible for the digital single market, said in December that the bloc should be "worried" about the risk that Huawei and other Chinese companies "had opened their systems for some kind of secret services" to use them as back doors.

Julian King, security union commissioner, said in January that it was "vital" countries used a diversity of 5G equipment manufacturers and addressed questions about "supply-chain integrity and the need for greater transparency regarding the provenance of technological components".

Brussels' decision to favour a non-binding approach and avoid outright prohibition of Chinese products contrasts with the hardening line in the

AMERICAN OVERSIGHT

US where Congress has banned government agencies from buying Huawei equipment.

The security fears around 5G stem from its potential to become deeply embedded in daily life through its use in road and rail management to controlling household devices.

Gordon Sondland, Washington's ambassador to the EU, warned this month that using Chinese 5G mobile technology risked making European countries vulnerable to Beijing "for the next 10 to 20 years". He said use of the technology for sensitive functions could damage the ability of US military and intelligence "to be able to comfortably interlink with our allies and our friends in a way that doesn't jeopardise our systems".

Both Huawei and the Chinese government have denounced suggestions that the company poses security risks. Wang Yi, China's foreign minister, last week branded western suspicions as "groundless accusations for political purposes" and called them abnormal and immoral.

AMERICAN OVERSIGHT

United States Ambassador to the European Union Gordon Sondland said he hoped the...

Press Association National Newswire (March 22, 2019) - United States Ambassador to the European Union Gordon Sondland said he hoped the UK and the EU would not do anything to "preclude a free trade agreement" with the US during Brexit negotiations.

Speaking to the BBC Today programme, he said: "This is a very, very challenging process for both sides.

"It's our desire to see both sides come to an amicable conclusion so that the US can enter into free trade agreements and that neither do anything that would preclude a robust free trade agreement with the US.

"In terms of the minutiae of the scheduling negotiations and the question of a crash out versus no crash out, it's a very, very delicate situation that needs to proceed on its own and I don't think I would be helpful in contributing anything at this point."

Mr Sondland stressed he wanted the UK to be left without its "hands tied" by any Brexit agreement and suggested EU standards would have to come closer to US standards to prevent this.

He said: "I don't have a concern per se, I'm saying that when the UK departs under whatever circumstances we don't want the UK in any free trade negotiation with the US to have to say 'we want to do X, Y, Z, with you but our agreement with the EU precludes that'.

"We want them to have free hands to do a complete and robust free trade agreement with the US...

"A great example would be if they entered into an arrangement with the EU where the standards of that arrangement were completely in contravention with US standards and there was no prospect of any arrangement, and that would tie their hands."

Irish government minister Regina Doherty said she remained positive that a Brexit deal could be agreed during the "Flextension" period.

Ms Doherty said in the meantime the Dublin government would continue to ready itself to absorb the impacts of a no-deal.

"We will continue to prepare for a no-deal Brexit," she told RTE Radio One.

"That's because we don't know what's going to happen and the outcome of the next few weeks. But we remain positive."

AMERICAN OVERSIGHT

Labour MP Hilary Benn, Commons Brexit committee chairman, told the Today programme the Prime Minister must open her mind to alternatives to her Brexit deal.

Setting out his plans to bring forward an amendment for indicative votes on alternatives on Wednesday, Mr Benn (Leeds Central) said: "This won't work if the Prime Minister is not prepared to move an inch.

"I'm afraid that's the story of the last 2 and 3/4 years because about a month ago she said 'my door is open, come and talk to me' but it was very evident that her mind was closed.

"We need to open up this process because we have rejected her deal, we've rejected no-deal, the EU has decided to give us a little more time and we've really got to get on with it."

The European Parliament's Brexit co-ordinator Guy Verhofstadt has welcomed the decision to approve an extension to the Article 50 negotiation process.

He tweeted: "Welcome that £EUCO followed the advice of @Europarl_EN & has provided for an extension that will give the UK Parliament time to deliver a constructive cross-party majority for a positive future relationship. £Brexit"

Ireland's European affairs minister Helen McEntee has said avoiding a hard border in a no-deal scenario will be "very difficult".

Ms McEntee insisted Ireland was still not planning for such an eventuality. She said the Dublin government would only enter into negotiations with the UK and EU Commission on how a future border would work when, or if, it becomes clear that a no-deal is the only option.

"If a no-deal scenario is the only option left and looking like that is going to happen then we need to sit down with the Commission and with the UK and we need to understand and work with each other and essentially this is negotiation as to how we can avoid borders on the island of Ireland and, be under no illusion, it's very difficult without a deal," she told RTE Radio One.

"We are not planning for a hard border and we have always said that.

"When it gets to the point, and if it gets to the point, and we hope it does not, that if a no-deal scenario is the only likely and possible outcome then we need to engage with the UK and with the Commission as to how we would do that, but until that happens we will not be planning for a border."

Former Ukip leader Nigel Farage has said he will take over the leadership of the Brexit Party, he told the Today programme.

When asked if he would stand again in any EU elections for the new party, Mr Farage said: "Absolutely I will.

AMERICAN OVERSIGHT

"The Brexit Party was set up a few weeks ago, it's registered with the Electoral Commission, it is at the moment a virtual party - it's a website - we haven't launched."

Pressed on the resignation of the previous leader, Catherine Blaiklock, over racist tweets, he said the messages were "horrible... angry, intolerant stuff".

He added: "She was never intended to be the long-term leader, she was there as an interim...

"I knew she had strong opinions but I was unaware of this.

"I will take over as the leader of the Brexit Party and I will lead this party into the European elections."

Ms McEntee said the risk of no deal remained "very strong".

She said the prospect of the UK having to participate in European elections if the Withdrawal Agreement was not passed could "focus minds" at Westminster.

"I do believe that things are changing, I do believe the fact there is a very clear date of the European elections will focus people's minds," she said.

"I don't know if this will pass next week, I don't know if minds are focused enough on this, but I do believe that we now have a very specific timeline and I think we now need to give the Prime Minister the time to try and see what she is doing next, and obviously if the Withdrawal Agreement can be passed in the House of Commons."

Tory MP Nick Boles, who is pushing for a softer, Norway-style Brexit, urged colleagues to defy the whip "for the national interest" on the Today programme.

When asked if he thought it was time for the Prime Minister to go, he said: "No, because I think that would create more instability and uncertainty.

"Frankly, at this point MPs need to start taking responsibility for the national interest and ignoring the whip if the whip is one that is profoundly contrary to the national interest.

"I hope that many of my colleagues, both in and out of Government, will actually look at the proposals we present to them on Monday and then on Wednesday and decide whether they believe in good conscience they can oppose them and I hope that many of them will conclude whatever the whip says they need to vote for them."

AMERICAN OVERSIGHT

Tory MP Michael Fabricant expressed disappointment that the UK is not leaving the EU on March 29, telling the Press Association: "Even the Bank of England now say that a no-deal Brexit is workable given the tranche of legislation that has been passed since November on both sides of the Channel."

He added: "At this difficult time we need a Churchill, not a Chamberlain."

Conservative backbencher Steve Double has said Theresa May is now "isolated" within the party and called on her to consider her position.
"Although she has been clearly let down and undermined by a number of her Cabinet, ultimately the main responsibility for where we are today is hers," he told the Press Association.

Mr Double said Mrs May was unable to maintain collective responsibility after two-thirds of "her own parliamentary party voted against a motion (on extending Article 50) that she put to the House".

"I think it is quite clear that she is not leading her party. She is isolated, sadly, from a majority of the parliamentary party now. We need to find a way forward and I think that requires new leadership.

"I know that many people feel that next week is a defining moment and I would very much hope that she would reflect on her position.

"We have got to, as a party, reunite and I don't think we can do that around her leadership. I think I will be among many in the parliamentary party giving her a very clear message."

Mrs May has returned to Downing Street following the EU summit in Brussels.
Brexit Minister Kwasi Kwarteng has said the Government will allow free votes in any indicative votes.

Responding to an urgent question on Article 50 extension in the Commons, he said: "If the House is being asked to decide a way forward, it would be surprising if those votes were not free votes."

Downing Street has said Theresa May is "absolutely determined" to end the uncertainty over Brexit.
Following her return to the UK, the Prime Minister has been briefing ministers on her talks with EU leaders in Brussels, her official spokesman said.
"There is now a clear point of decision. If we are able to have a successful vote next week then we can pass the necessary legislation for ratifying the agreement and we can, as a country, be outside the European Union two months today," the spokesman said.

"The Prime Minister is absolutely determined to try to end the uncertainty and deliver clarity for the country and for employers."

AMERICAN OVERSIGHT

Mrs May said at a late-night press conference in Brussels that she would be bringing back her Brexit deal for a third "meaningful vote" next week.

No 10 has not said which day the vote will take place but her spokesman said it was important that there was a "realistic prospect of success".

A senior Conservative backbencher said: "I think it's very unlikely that she'll get her deal through next week. I don't think there's a majority for it. Unless she pulls a rabbit out of the hat over the weekend and secures the support of 70 or 80 Labour MPs, I don't see how she can get it through.

"My impression talking around Westminster and to colleagues, both Labour and Conservative, doesn't suggest to me that she's got the numbers to do it, but I may be wrong.

"I have no particular desire to see Theresa May to step down, partly because I am by no means convinced that her stepping down is going to have any positive impact at all, because we need to find a replacement.

"It wouldn't be a replacement from six leisurely weeks of a Conservative Party leadership election, it would have to be one the following morning - where is that going to come from?

"Having said that, what she did on Wednesday was to my mind massively unhelpful, and not just that, it was wrong. To just come along and attack parliament and set parliament against the people didn't seem to me to be the right approach at all.

"It's clearly not a happy party. A party likes to be successful and doing good things, and at the moment we're mired going round in circles on one particular subject and so is Labour for that matter."

Irish premier Leo Varadkar has met with heads of state from Norway, Iceland and Lichtenstein on the second day of the EU summit in Brussels.
He tweeted: "Good to meet up with the Norwegian, Icelandic and Liechtenstein PMs. All in the single market for 25 years but not in the EU. Sensible solutions are possible once red lines don't restrict them."

Discussing the Brexit extension deal at a press conference in Brussels, European Council president Donald Tusk said: "Personally I am really happy about this development.

"As I said yesterday, it means that until April 12, anything is possible - a deal, a long extension, if the United Kingdom decided to rethink its strategy, or revoking Article 50, which is a prerogative of the UK Government.

"The future of Brexit is in the hands of our British friends.

AMERICAN OVERSIGHT

"As the EU, we are prepared for the worst, but hope for the best.

"As you know, hope dies last."

Mr Tusk said: "We were and will be really determined to achieve the best possible deal, but almost everything is now in the hands of the British Parliament and Theresa May's Government."
Asked whether he would like the UK still to be a member of the EU by this time next year, Mr Tusk smiled as he said: "You know my position, I'm more pro-British than you."
After a reporter drew a parallel between the EU's relations with the UK and China, he added: "To me, the UK is still a member of our family, not a rival."
Asked whether the decision to delay Brexit had simply allowed Theresa May to "kick the can further down the road", European Commission president Jean-Claude Juncker said: "The road the can has in perspective is a very short one."
Standing alongside Mr Tusk at the European Council summit's concluding press conference, Mr Juncker joked about the twin themes of this week's talks, revolving around EU relations with the UK and China.

"We did not talk only about the United Kingdom, but also about China," he told reporters.

"The discussion on China was easier than the discussion on the UK. Not because China would like to join the EU, but because China isn't leaving."
German Chancellor Angela Merkel welcomed the decision on a Brexit delay, telling a press conference at the end of the Brussels summit: "We have for the time being prevented a no-deal Brexit for the 29th.

"But these are very short periods of time, so Britain will have to make clear yet again which path it wishes to pursue.

"With the debate we had yesterday night, we proved yet again that what we have done for the past two years will continue to apply, because as 27 member states, we work together and act together."

Irish premier Leo Varadkar has denied the extension offered by the EU to the UK is an example of the rolling cliff-edge Brexit scenario.

Asked whether the EU was now in the midst of a rolling exit, he replied: "It's not. There won't be further extensions.
"We've set out now what the timeline is and in many ways the European Union has taken control of the timeline which in the past had been set by the UK."
Mr Varadkar made the comments at the end of the summit of EU leaders in Brussels.

Mr Varadkar said the choices were now "very obvious".

AMERICAN OVERSIGHT

"It's this agreement; no deal; or the parliament taking indicative votes for a much closer long-term relationship with the EU which would allow the joint political declaration aspect of the withdrawal package to be amended," he said.

"I don't see any other choices."

He added: "I hope the Withdrawal Agreement will be ratified by the House of Commons. If it isn't I imagine they'll go onto indicative votes and that may point the way to a closer long-term relationship."

Leo Varadkar said the view of Theresa May is that it would be a "farce" for the UK to participate in the European Parliament elections.

"(Mrs May) gave some indication in that from her point of view, there is no desire whatsoever to take part in the European elections.

"I think she feels, and most British politicians feel, it would be a farce for the UK to participate in the elections if it were to leave and that's mainly the reason why the date of April 12 was chosen, because that is when they have to trigger the European elections and so they need to know they're definitely going by then, or if they're going to stay or there's going to be a long extension well then the European elections will have to happen in the UK."

Mr Varadkar said Mrs May is confident she can win her upcoming vote.

"Prime Minister May feels there is a pathway to victory and getting a majority in the House of Commons, and I hope she can achieve that," he said.

"I wouldn't be in a better position than she is to access the parliamentary arithmetic that exists in the UK and it's a political matter for the British Parliament."

DUP deputy leader Nigel Dodds has said Theresa May failed to secure changes to her Brexit deal - including the Northern Ireland backstop - at the summit in Brussels.

"The Prime Minister missed an opportunity at the EU Council to put forward proposals which could have improved the prospects of an acceptable Withdrawal Agreement and help unite the country," he said.

"That failure is all the more disappointing and inexcusable given the clear divisions and arguments which became evident amongst EU member states when faced with outcomes they don't like."

He added: "Nothing has changed as far as the Withdrawal Agreement is concerned. We will not accept any deal which poses a long-term risk to the constitutional and economic integrity of the United Kingdom."

AMERICAN OVERSIGHT

Business Secretary Greg Clark has confirmed the Government will give the Commons chance to express its view on the way forward if Theresa May's Brexit deal is defeated again, as Cabinet Office Minister David Lidington promised last week.
"If it doesn't get passed then the Government will facilitate, as David Lidington put it, the ability for Parliament to express a majority of what it would approve. I think that is the right step," he told the BBC.
Asked if that meant Theresa May would give MPs "indicative votes" on the way forward, he said: "Yes."

His comments came amid speculation a fresh cross-party attempt to enable MPs to take control of Commons business to allow a series of indicative votes could succeed on Monday.

However Mr Clark said: "The commitment that he made was that the Government would provide Parliament with the means to come to a view on the options.

"The Government will provide that so there is no reason why the Government should be forced to do something which it is committed to do anyway."

Nicky Morgan, former Cabinet minister and Conservative backbencher, told the Press Association: "I think there should be a third meaningful vote next week. It's important to see and important to know whether this Withdrawal Agreement can finally get over the line.

"I will vote for it and I will carry on voting for it, because I think having that agreement in place is the best way to avoid a no-deal outcome, and it gets us on to talking about phase two, the future relationship.

"But I have to say I am less confident it will go through after the events this week: asking for an extension, the Prime Minister's statement on Wednesday night."

Ms Morgan added: "We're all very good at saying what we want our Brexit to look like, and that's not all going to be achievable, and there is a public mood of 'get on with it'.

"But unfortunately the tone of the statement was ill-judged, and I think it did push people back into their positions, when they were starting to think about whether they could compromise further, and I don't think it's a wise move for a Prime Minister to pit Parliament versus the people, because we are all representatives of our constituents."

"There is no doubt that Conservative MPs have told, whether it's Downing Street or the Whip's Office or Graham Brady, that they want her to go. Given that no-deal is taken off the table, she's had to apply for an extension to Article 50, we're

AMERICAN OVERSIGHT

not leaving on March 29, and particularly if the third meaningful vote isn't approved, I think that makes her position very difficult.
"I think what the EU is then looking for is then a change of strategy, and it would be very difficult for the person who has been in charge of one strategy with very hard red lines to move to another strategy. Very difficult - not impossible, but I don't see any sign that that is what she would want to do."

Labour has tabled an amendment instructing the Government to provide sufficient parliamentary time next week for a series of votes on alternative Brexit proposals.

Jeremy Corbyn said: "Theresa May's damaging deal has been overwhelmingly rejected twice by Parliament, and she cannot keep bringing it back unchanged.

"Her insistence on ploughing on with her botched and failed deal, while threatening MPs, is pushing the country to the brink.

"Following a series of meetings with MPs from all parties, EU leaders, businesses and trade unions, I am convinced that a sensible alternative deal can be agreed by Parliament, be negotiated with the EU and bring the public together, whether they voted leave or remain.

"It's time for Parliament to take control of the Brexit process from this failed Prime Minister, and end the chaos and confusion created by the Government's divisions and incompetence."

Theresa May has written to MPs telling them she may not seek to bring her Brexit deal back to the Commons next week if there is not sufficient support for it. The Prime Minister said if the Withdrawal Agreement is rejected again, or is not put to a vote next week, the UK could ask for another extension to its EU membership before April 12.

Mrs May wrote: "The Council's decisions mean we have a clear choice: 1. We can revoke Article 50 - but that would be to betray the result of the referendum.

"2. We can leave with no deal on 12 April - but the House has previously said this is not something it will support.

"3. If it appears that there is not sufficient support to bring the deal back next week, or the House rejects it again, we can ask for another extension before 12 April - but that will involve holding European Parliament elections.

"4. If it appears that there is sufficient support and the Speaker permits it, we can bring the deal back next week and if it is approved we can leave on 22 May."

Mrs May also offered to hold talks on Brexit with any MPs who would like them, as she thanked those who have supported her deal in previous votes.

AMERICAN OVERSIGHT

The PM said: "Finally I want to say something about my statement on Wednesday night, which a number of colleagues have raised concerns about.

"I expressed my frustration with our failure to take a decision, but I know that many of you are frustrated too.

"You have a difficult job to do and it was not my intention to make it any more difficult. People on all sides of the debate hold passionate views and I respect those differences.

"I would like to thank all of those colleagues that have supported the deal so far and also those that have taken the time to meet me to discuss their concerns.

"I hope we can all agree that we are now at the moment of decision. If you would like to speak to me over the coming days as Parliament prepares to take momentous decisions, please contact my office."

AMERICAN OVERSIGHT

REUTERS

EU falling far short in trade talks - U.S. ambassador

By Philip Blenkinsop

BRUSSELS, March 21 (Reuters) - The European Union's plans for trade negotiations with the United States fall far short of what is required and any idea of delaying formal talks would not work, the U.S. ambassador to the EU said on Thursday.

The European Commission, which negotiates trade deals on behalf of the 28 EU countries, has presented two negotiating mandates to governments for approval, one on reducing tariffs on industrial goods, the other on making it easier for companies to clear their products for sale on both sides of the Atlantic.

"The mandate that is being circulated falls far short of what even (Commission) President Juncker and President Trump discussed in July in Washington. The idea was to have a wide-ranging conversation about all aspects of our relationship," Gordon Sondland told an AmCham business conference in Brussels.

The EU and the United States ended months of standoff in July when President Donald Trump agreed with Jean-Claude Juncker not to hit EU car imports with extra tariffs while the two sides worked on improving economic ties.

EU governments have failed so far to agree on launching formal trade talks, Germany pressing for a quick start, and France bidding for more time.

Stalling, said Sondland, would have consequences.

"The more the EU leadership plays the delay game the more we will have to use leverage to realign the relationship," he said.

Some in Europe, he said, believed they could simply wait for a new U.S. president, but this tactic would not work.

"The (U.S.) Democrats disagree with President Trump on many issues.... but when it comes to fixing our trade imbalance with the EU there is no daylight between (us), none," he said.

A key part of the July agreement was to remove import duties on "non-auto industrial goods". The EU has said cars should be included and rejected Washington's demand that agriculture should feature in talks too.

U.S. Trade Representative Robert Lighthizer told Congress last week that discussions were at a "complete stalemate".

AMERICAN OVERSIGHT

The EU says progress has been made - its two negotiating mandates, discussions of possible regulatory cooperation and the doubling of U.S. soybean imports into Europe since July, although mainly because they are cheaper than rival imports.

Sondland repeated the U.S. line that agriculture had to be part of trade discussions, but acknowledged that the two sides could build up deals piece by piece, as long as they did move though the issues.

AMERICAN OVERSIGHT

Bloomberg

Too Early to Call U.S.-EU Trade Talks Doomed, EU's Katainen Says
By Jones Hayden
Bloomberg (March 19, 2019) - Don't give up on free-trade negotiations between the European Union and the U.S. before they've even started, a top EU official said.

"It's too early to say that our trade discussions with the U.S. are doomed to failure," European Commission Vice President Jyrki Katainen told reporters in Brussels on Tuesday. "There are discussions going on at several levels, and I still see lots of light at the end of the tunnel -- we can end up having some sort of agreement with the United States on trade."

European Trade Commissioner Cecilia Malmstrom, who is waiting to get authority from EU governments to start the negotiations, said last month that a U.S.-EU trade accord could be reached before the end of this year. Her projection came even as the two sides dispute what exactly commission chief Jean-Claude Juncker and U.S. President Donald Trump agreed on last July as a starting point to the trade talks.

The U.S. wants agriculture to be addressed in the negotiations, while the EU insists that the political pact reached in July to lower trans-Atlantic trade barriers is limited to industrial goods. The EU is seeking to show progress toward a deal in order to avoid a U.S. threat to hit European cars and auto parts with tariffs on national-security grounds.

Malmstrom said last week that "there is momentum" among EU governments toward giving the authorization to begin the trade talks "in the weeks ahead." The U.S. has warned that if the EU doesn't start negotiations soon, Washington could take punitive measures.

"So long as the EU leadership plays the delay game the more we will have to use leverage to realign the relationship," U.S. Ambassador to the EU Gordon Sondland said in a February interview.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

US warned over retreating from European security role

By Aime Williams in Washington and Michael Peel in Brussels

Financial Times (March 18, 2019) - French minister says pullback by Washington could come back to haunt it

European countries fear the US commitment to protect them is wavering and will be further tested by the efforts of rival powers, including China, to gain influence in the region, Florence Parly, France's defence minister, has warned.

Speaking in Washington ahead of a meeting on Monday with Patrick Shanahan, acting US defence secretary, Ms Parly said a US decision to pull back from European defence and "do its own thing" could come back to haunt it.

Her remarks highlight growing transatlantic tensions as President Donald Trump ramps up longstanding US pressure for European allies in Nato to raise their military spending. While US officials insist Washington has no plans to pull out of the western alliance, European diplomats are anxious about the president's past antipathy towards an organisation he once described as "obsolete".

"Every time the US has retreated from Europe, threats have come back to haunt the US itself," Ms Parly said. "Just look at what happened in the 20th century."

The minister urged the US to sustain its "incredible" underpinning of European security in the face of what she described as efforts by China and others to "split" the continent. Beijing has denied that it is trying to divide the EU by its wooing of individual European countries through its Belt and Road global investment drive and 16+1 grouping of central and eastern European states.

Ms Parly said the US would be "further tested by adversaries" if they perceived Washington had weakened its security guarantee to Europe.

"I believe it would be detrimental to the US if part of Europe was co-opted from the outside," she said.

Fewer than a quarter of European Nato countries last year hit an alliance target to spend the equivalent of 2 per cent of gross domestic product on their militaries, with France among those that fell short. More than half the 29-member organisation's overwhelmingly European membership lagged below 1.5 per cent, including Germany, Italy and Spain.

Ms Parly acknowledged Europeans had "hell of a homework in front of them if they want to stand on their two feet and really share the burden with America". Efforts under way by EU countries to do more joint military projects

AMERICAN OVERSIGHT

were aimed at improving European capabilities and should “never be seen as a move against the US”, the minister insisted.

Some US officials suspect EU moves to develop more “strategic autonomy” through initiatives such as developing missiles and armoured vehicles are an effort to shut out Washington. Gordon Sondland, Washington’s ambassador to the EU, warned this month that the EU risked provoking retaliation if it pressed ahead with plans to limit US companies’ involvement in pan-continental military projects.

AMERICAN OVERSIGHT

Parliament rejects opening trade talks with Trump

By Jorge Valero

EurActiv (March 14, 2019) - The European Parliament failed to pass a resolution on Thursday (14 March) supporting the start of negotiations with the US on removing tariffs for industrial goods, worsening the prospects of de-escalating trade tensions between Brussels and Washington.

The negative vote followed the divisions among member states on whether to start trade talks with US President Donald Trump to remove the tariffs and progress on standards alignment.

No political support for reopening EU-US trade talks | #TTIPreloaded not set to re-born @EP_Trade pic.twitter.com/X9ZaPTr59x

— Alberto Alemanno (@alemannoEU) March 14, 2019

Although the resolution is not binding, the parliament has to approve any deal agreed signed with the US, and EU governments said they wanted to hear the view of lawmakers before deciding.

The draft text, broadly supported by centre-right parties but opposed by social democrats and other left-wing groups, set conditions for the negotiations: to include cars and exclude agriculture and to be suspended if Washington imposes new punitive tariffs.

However, leading MEPs voiced their concerns about opening negotiations with Trump while the steel and aluminium tariffs punishing European exporters remain in place.

The chair of the Parliament's international trade committee said, Bernd Lange, said the EU had already done many concessions, and he wondered "where the concessions from the US are."

Some critics also suspect that Trump is leaning toward imposing fresh duties on European car exporters, in order to force the EU to open its market to US farmers.

However, this remains a 'red line' for the Europeans, especially in France, where the government is particularly reluctant to continue with the talks while tariffs are still in place.

The two sides ended a stand-off last July, when Trump agreed to hold off imposing tariffs on EU car imports while the two sides looked to improve trade ties.

AMERICAN OVERSIGHT

Since then, U.S. soybean exports to the EU have more than doubled and Brussels and Washington have discussed how they could agree on product standards and boost U.S. energy exports to Europe.

But critics warned of the risky precedent of negotiating 'at gunpoint' while 'unfair' tariffs are still punishing European exporters.

They also complained that the EU's latest trade deals include provisions on climate change, which is not the case with the negotiating mandates the Commission sent for approval to the member states.

These are two texts – one on tariffs, the other on making it easier for companies to have products tested and cleared for sale across the Atlantic.

EU governments failed to reach a consensus at a meeting last month, with Germany keen to push ahead, but France reluctant.

Trump's envoy in Brussels, Ambassador Gordon Sondland, warned on several occasions that the US president would slap fresh duties on European cars unless there was real progress on the trade talks.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Op-Ed: Reliance on Russian gas has big risks for Europe

By Gordon Sondland

Financial Times (March 12, 2019) - The EU has alternatives to putting its energy future in Moscow's hands

Europeans are debating whether to invest billions in Russian-backed gas infrastructure, including the Nord Stream 2 pipeline. They should not. And they do not have to — alternative supplies at affordable prices already exist and more are coming on line, from the eastern Mediterranean, the Caspian Sea and the US.

The EU has a once-in-a-generation opportunity to loosen Russia's energy chokehold on parts of Europe.

Five years ago, Russia illegally invaded Crimea, raising fears in Europe that the gas supplies it received through Ukraine would be disrupted, as what had happened in 2006 and 2009.

That scare led the European Commission to call on the industry to diversify sources, suppliers and routes of supply, including a "southern corridor" through Turkey, gas from the eastern Mediterranean and the Black Sea as well as strategic gas interconnectors.

Nonetheless, Russia remains the dominant supplier of natural gas to Europe — a position that has only increased since the invasion, rising from about 30 per cent market share in 2014 to 37 per cent for all of last year.

If Europe allows new Russian gas arteries into the heart of the continent, it will find itself hosting a Trojan horse. If completed, the new pipelines will allow Moscow to make good on its public threats to end gas transit through Ukraine—cutting a vital link between that country and the west. If Gazprom, the state-owned Russian gas company, can bypass Ukraine, it will not only give Moscow significant leverage but also leave the west vulnerable anew to a cut-off in supplies in coming winters.

The good news is that Europe does not have to make the unwise and unnecessary choice of depending on Russia's president Vladimir Putin to keep the lights on.

There are other sufficient, reliable and price-competitive sources of liquefied natural gas free of the true costs of Russian gas. New discoveries, including one just weeks ago off the shore of Cyprus, underscore the availability of supply from within the EU.

AMERICAN OVERSIGHT

The US can be a major and immediate part of the solution. It is now the world's largest producer of crude oil and natural gas. The US energy department projects export capacity reached 50bn cubic meters in 2018 and will grow to more than 90 bcm by the end of 2019, putting it in line to be the third largest exporter of LNG, after Qatar and Australia. New transmission infrastructure and liquefaction terminals could extend US exports beyond 200 bcm a year, equal to about 40 per cent of Europe's annual gas demand.

Rick Perry, US energy secretary, and Larry Kudlow, National Economic Council director, have prioritised the expansion of American LNG exports.

Production is expanding across the country and six export terminals will come online by the end of 2019. US LNG has now landed at 34 import terminals around the world, and the EU was the top destination for American supplies in the fourth quarter of 2018.

Sizeable European gas storage capacity would also allow the bloc's energy companies to benefit from the profitable midstream market through seasonal re-export to Asia. That market will become even more attractive as extra infrastructure is constructed.

Yet the argument that the US opposes Russian pipelines just so that we can export more LNG to Europe is wrong. Our support for European energy security has been a hallmark of the transatlantic relationship since the end of the cold war.

EU leaders recognise that the availability of reliable US supplies stands in stark contrast to the risks associated with Russian pipelines. Last summer, US president Donald Trump and European Commission president Jean-Claude Juncker agreed to strengthen strategic co-operation on energy.

The EU now faces one of its most important geostrategic decisions of this generation: how will it heat homes and power factories. The US is a solid, reliable partner, while investing in further European energy dependence on Russia makes little sense.

Mr Putin uses energy as a political weapon. The EU should not rely on a bare-chested version of the Harry Potter villain Lord Voldemort as a supplier, even if his gas is a bit cheaper. There are better choices available.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Europe must open military projects to foreign firms, says US envoy

By Michael Peel & Alex Barker

Financial Times (March 11, 2019) - The EU risks retaliation from Washington if it presses ahead with proposals to limit the involvement of US companies in pan-continental military projects, Washington's envoy to Brussels has warned.

Gordon Sondland told the Financial Times that if member states continued to hold businesses from outside the bloc at arm's length because of "stubbornness or protectionism" on the multibillion-euro projects, the US would consider various responses unlikely to "be positive for either side".

The ambassador said in an interview that the transatlantic relationship was fundamentally "very strong", but he was critical of EU states over both security and their dealings with China. Mr Sondland warned that proposed EU rules for funding joint bloc defence projects such as the development of new infantry fighting vehicles and missile systems threatened to curb the involvement of the US and other outside countries. The European Commission suggested it would bolster the European Defence Fund with a €13bn investment.

"Even if they wanted to consider an R&D project from the US, the way they're proposing to write this [means] they can't," he said. "Their hands are going to be tied. That makes no sense to us at all and we're engaged in some very, very in-depth discussions about why you would want to preclude at least your ability to consider ... a US proposal."

Governments, including the UK, are concerned that planned controls on intellectual property ownership for materials developed in bloc-funded military projects will deter third countries from participating.

The ambassador was also highly critical of Europe's handling of China. The head of Germany's national cyber security agency last month backed a "nospy" deal to manage concerns about using Huawei equipment in new 5G mobile networks. Mr Sondland warned that such agreements were unreliable, adding that using Chinese 5G mobile technology risked making European countries vulnerable to the communist country "for the next 10 to 20 years".

The US envoy has developed a reputation for delivering tough policy messages and critiques of EU institutions since his appointment last year. This has included denouncing the commission for "dogmatic posturing" this month after its efforts to put four US territories and Saudi Arabia on an anti-moneylaundering blacklist sparked a revolt by member states.

AMERICAN OVERSIGHT

Mr Sondland, however, denied relations between the US and EU were "irreparably damaged" because of rifts on subjects ranging from trade to the Iran nuclear deal, and Mr Trump's pressure on European allies to increase their military spending.

He said the EU's pressure on crisis-hit Venezuela to hold elections was an example of how the bloc and Washington could find common ground when they were both "very clear and very firm" on a subject.

"Husbands and wives have spats about money," he said. "It doesn't mean they're going to get a divorce."

AMERICAN OVERSIGHT

Money Laundering: the list that embarrasses the Europeans (Google translation)
Les Echos (March 7) - The Member States unanimously reject a proposal from the Commission.

This is a rare scenario in European machinery. This Thursday, member states should formally reject, unanimously, the proposal of the European Commission on money laundering. In accordance with the directive approved by these same member states, Brussels has put on the table a list of jurisdictions with which European banks should strengthen their controls to ensure the source of funds. An embarrassing list, because containing 7 new jurisdictions, including Saudi Arabia or territories like the island of Guam and the US Virgin Islands.

The argument invoked by the Member States is methodological. According to them, Brussels would have tried at all costs to complete this file before the end of the term of office, to the detriment of the quality of the preparatory work. "To tackle territories that are not included in the OECD list that refers to, it is better to be methodologically sound to be able to hold in the event of a court challenge," argues a close to the debates. The Member States have, moreover, been insufficiently consulted and almost taken aback by the announcement of this list when it leaked in the press, argues another protagonist. The Commission is defending itself vigorously. "Our methodology is public since last June, there is nothing secret in this procedure, which is a legal obligation for us", tackles an internal source. For Brussels, there is no doubt: the methodological argument is a pretext found by some not to say clearly how problematic the content of the list is.

A way out

A source in the Council - the institution that unites the Member States - recognizes it: "In fact, the UK, France and Germany have, from the beginning, had a problem with the presence of Saudi Arabia or of United States territories in the list and the methodological argument offered them a nice way out ".

External pressures were visible. Gordon Sondland, the US ambassador to the EU, spoke of a "shameful" selection process. In the midst of a commercial battle with Washington, and as Donald Trump threatens the European auto industry, a new transatlantic front would be very bad. As for Saudi Arabia, it has mobilized intensely. European ambassadors were summoned on the subject, while a letter was sent to European states to warn them of the "serious consequences" that such a list could have. In Brussels, we also advance the fact that London, a few weeks of Brexit, fears to be against such a significant partner for its future.

AMERICAN OVERSIGHT

Blanchiment : la liste qui embarrasse les Européens
Les Echos (March 7) - Les Etats membres rejettent, à l'unanimité, une proposition de la Commission.

C'est un scénario rarissime dans la machinerie européenne. Ce jeudi, les Etats membres devraient formellement rejeter, à l'unanimité, la proposition de la Commission européenne relative au blanchiment d'argent. Conformément à la directive approuvée par ces mêmes Etats-membres, Bruxelles a mis sur la table une liste de juridictions avec lesquelles les banques européennes devraient renforcer leurs contrôles pour s'assurer de la provenance des fonds. Une liste gênante, car contenant 7 nouvelles juridictions, notamment l'Arabie saoudite ou des territoires comme l'île de Guam et les îles vierges américaines.

L'argument invoqué par les Etats membres est méthodologique. Selon eux, Bruxelles aurait cherché à tout prix à boucler ce dossier avant la fin de la mandature, au détriment de la qualité du travail préparatoire. « Pour s'attaquer à des territoires qui ne sont pas inclus dans la liste de l'OCDE qui fait référence, mieux vaut être solide au plan méthodologique pour être en mesure de tenir dans le cas d'une contestation en justice », plaide un proche des débats. Les Etats membres auraient, en outre, été insuffisamment consultés et presque pris de court par l'annonce de cette liste lorsqu'elle a fuité dans la presse, avance un autre protagoniste. La Commission, elle, se défend vigoureusement. « Notre méthodologie est publique depuis le mois de juin dernier, il n'y a rien de secret dans cette procédure, qui est une obligation légale pour nous », tacle une source interne. Pour Bruxelles, il n'y a pas de doute : l'argument méthodologique est un prétexte trouvé par certains pour ne pas dire clairement à quel point le contenu de la liste leur pose problème.

Porte de sortie

Une source au Conseil - l'institution qui réunit les Etats membres - le reconnaît : « En réalité, le Royaume-Uni, la France et l'Allemagne ont, dès le début, eu un problème avec la présence de l'Arabie saoudite ou de territoires des Etats-Unis dans la liste et l'argument méthodologique leur a offert une belle porte de sortie ».

Les pressions extérieures ont été visibles. Gordon Sondland, l'ambassadeur des Etats-Unis auprès de l'UE, a évoqué un processus de sélection « honteux ». En pleine bataille commerciale avec Washington, et alors que Donald Trump menace l'industrie automobile européenne, un nouveau front transatlantique serait très malvenu. Quant à l'Arabie saoudite, elle s'est mobilisée intensément. Des ambassadeurs européens ont été convoqués à ce sujet, tandis qu'une lettre était envoyée aux Etats européens pour les mettre en garde contre les « graves

AMERICAN OVERSIGHT

conséquences » que pourrait avoir une telle liste. A Bruxelles, on avance aussi le fait que Londres, à quelques semaines du Brexit, redoute de se mettre à dos un partenaire aussi important pour son avenir.

AMERICAN OVERSIGHT

Russian disinformation attempts to weaken 'America's commitment to Europe,' US ambassador says

By Samuel Stolton

EurActiv (March 7, 2019) - The Russian state is engaging in "subtle and insidious" disinformation campaigns that aim to "weaken America's commitment to Europe" and "exploit the open market of ideas in our democracy," the US Ambassador to the EU, Gordon Sondland, has said.

"In order to sow discord, division, and doubt, the Russian state has used malicious tactics to systemically inflame the existing divisions within our societies," Sondland told a Brussels audience on Thursday (7 March).

However, he was keen to reiterate Washington's commitment to working alongside the EU in the fight against disinformation, despite wider diplomatic skirmishes between the two parties.

"Despite our difference on trade and on certain political issues," he said, "our alliance with the European Union is unshakeable and strong."

The US ambassador's comments came amid wider concerns in the EU about the integrity of the upcoming European elections in late May.

Last week, the EU's cybersecurity agency, ENISA, published an opinion paper that called for national disinformation legislation across member states, as a means to protect the integrity of future elections.

Meanwhile, ALDE President Guy Verhofstadt recently said that "the integrity of upcoming European elections and our democracies is at risk… The case for regulation is overwhelming."

Currently, the best tool the EU has is a self-regulating voluntary framework, known as the code of practice against disinformation. Signatories to the code include Facebook, Google and Twitter.

The Commission publishes monthly reports that analyse the platforms' compliance with the code, which attempts to encourage measures that stifle the spread of online disinformation, such as tackling fake accounts and making political advertising more transparent.

The first reports published so far have fall short of the Commission's expectations, with Security Commissioner Julian King criticising the "patchy, opaque and self-selecting" responses provided by the tech giants.

AMERICAN OVERSIGHT

However, in what is regarded as a direct response to the code, Facebook has said that they plan to establish an authorising department that will vet political ads for approval. The new plans will be announced this month.

On Thursday, Daniel Fried of the Atlantic Council said that “transparency rules” should be put in place to verify online identities in the social media space. The former US diplomat also came down hard on the social and civic responsibility of the social media sector.

“What is being sold on the internet today is actually you and me,” Fried said. “Our detailed profiles are the commodity that is central to the business model of the social media companies.”

Heads of social media “believed they were living in a post-national paradise, a new utopia,” he added.

“They are now eager, if not desperate, to be seen as doing the right thing.

AMERICAN OVERSIGHT

Saudi Arabia evades EU dirty-money list for now



By ANDREW RETTMAN

EUObserver (Brussels, March 6, 2019) - EU states have rejected a European Commission proposal to blacklist Saudi Arabia and four US territories on money laundering and terrorist financing grounds.

All 28 member countries' ambassadors blocked the move at a meeting in Brussels on Wednesday (6 March) in an unusual step, an EU source said.

The veto is to be formalised by EU justice and home affairs ministers on Thursday, forcing the commission to submit a new proposal later down the line.

The commission had called to add Saudi Arabia and the US territories of American Samoa, Guam, Puerto Rico, and the US Virgin Islands, as well as Panama, Libya, and some other countries, to what is known in the EU capital as the "dirty-money list".

But EU states complained about due process, saying the proposed new register had exceedingly loose legal criteria and that they had not been adequately consulted on its contents, the EU source noted.

AMERICAN OVERSIGHT

"It was not about leaving off this or that country. It was disagreement on points of principle," the source said.

"The Council [member states] does not have the power to add or remove names from the list, only to approve or disapprove of the whole document," the source added.
The veto came after Saudi Arabia and the US had complained about the commission proposal.

The listing would have damaged "trade and investment flows between the kingdom and the European Union", Saudi Arabia's king Salman said in a letter to EU leaders.
The US ambassador to the EU, Gordon Sondland, also said last Friday, as objections began to surface, that it was "heartening to see common sense from the member states prevail over the commission's dogmatic posturing".

Vera Jourova, the Czech EU commissioner who drew up the failed proposal, had stood by her text on Tuesday.

"I personally gave a lot of commitments and promises to European people that we will efficiently fight against money-laundering and terrorist financing," she told MEPs in a committee hearing.

But Jourova herself had also voiced forebodings that her list would not pass prior to the ambassadors' veto on Wednesday.

"I did not ask the member states why they are opposing. I will ask the member states in the near future what shall we do together to achieve this goal," she told the MEPs.
The blacklist, which was first created in 2016, is not a sanctions register, but EU banks which do business with countries which are named and shamed must do higher levels of due diligence on financial transactions.

The back-and-forth on Saudi Arabia comes after it shocked Europe by ordering the murder of a journalist, Jamal Khashoggi, in Turkey last year.
Several EU states, led by Germany, imposed an arms embargo in response, but there was no EU-level or US reaction.

The oil kingdom has also tried to mend fences by sending diplomats to meet EU officials via the College of Bruges, an EU-funded academy in Belgium.

AMERICAN OVERSIGHT

The existing dirty-money register, which includes countries such as Ethiopia, Iran, Iraq, North Korea, and Pakistan, is to remain in force pending the approval of another commission draft.

The fact that neither Azerbaijan nor Russia were included in Jourova's proposals meant she was not prepared to really crack down on corruption, campaigners noted in February, when her draft list first came out.

AMERICAN OVERSIGHT

EU vetoes plan to add Saudi Arabia to money-laundering list

Agence France Presse (March 6, 2019) - Envoys from the 28 EU member states on Wednesday unanimously rejected a proposal by the European Commission to add Saudi Arabia and other nations to the bloc's money-laundering blacklist, European sources said.

The ill-fated plan, drawn up by the EU's executive arm, infuriated Saudi Arabia as well as the United States and exasperated European capitals.

The EU's 28 interior ministers will formalise the rejection at talks in Brussels on Thursday, a European source told AFP.

The EU governments "cannot support the current proposal," said a strongly worded draft statement that will be approved by the ministers.

EU diplomats have complained that the way the commission had drawn up the list was unclear and potentially vulnerable to legal challenges.

The list "was not established in a transparent and resilient process that actively incentivises affected countries to take decisive action while also respecting their right to be heard," the draft said.

The controversial list faced a diplomatic onslaught with Saudi Arabia's King Salman intervening personally to fight it, writing to European leaders to protest.

The letter, seen by AFP, called the move to list the Gulf monarchy "surprising and unexpected" and warned it would damage "trade and investment flows between the kingdom and the European Union".

The US ambassador to the European Union, Gordon Sondland, on Friday called the list "dogmatic posturing", furious that the US territories of Guam, Puerto Rico, American Samoa and the US Virgin Islands were included.

Under the commission proposal, the new countries -- which also included Panama -- would have joined 16 others seen as doing too little to stop the financing of terrorism and organised crime.

Those blacklisted already include the likes of Iran, Iraq, Pakistan, Ethiopia and North Korea.

Inclusion on the EU list does not trigger sanctions, but it does oblige European banks to apply tighter controls on transactions with customers and institutions in those countries.

AMERICAN OVERSIGHT

Agence Europe

United States; Washington announces upgrading of EU mission diplomatic status

Brussels, 04/03/2019 (Agence Europe) – US Ambassador to the EU, Gordon Sondland, announced on Monday 4 March that “effective immediately” the US State Department will “again” recognise the EU's representation in Washington as “equivalent to that of a bilateral mission in the Diplomatic Corps Order of Precedence”. “The European Union is a uniquely important organization, and one of America’s most valuable partners in ensuring global security and prosperity. [...] Europe’s security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings”, said Mr Sondland in a statement from the US Mission to the Union.

According to the mission, “Secretary of State Mike Pompeo has instructed the Chief of Protocol to take the necessary measures to effect this reinstatement”.

At the beginning of January, Europeans expressed their dissatisfaction with the decision taken at the end of 2018 by US President Donald Trump to downgrade the diplomatic status of the EU mission from Member State to international organisation (see EUROPE 12168). The spokeswoman of the European External Action Service, Maja Kocijancic, therefore welcomed, on Monday 4 March, the American decision to “revert to the usual practice”.

This US announcement comes at a time when Stavros Lambrinidis took over as EU Ambassador to Washington on 1 March, replacing David O'Sullivan. An arrival “warmly welcomed” by the American mission.

AMERICAN OVERSIGHT

The Washington Post

The Trump administration quietly corrects its diplomatic slight of the E.U.

By Emily Tamkin

The Washington Post (March 4, 2019) - On Monday, two months after news broke that Washington had downgraded the diplomatic status of the European Union mission to the United States, the U.S. ambassador to the European Union announced that the United States has restored the diplomatic status.

The downgrade was largely taken as a sign that the Trump administration saw the European Union as another pesky multilateral institution and not a partner organization. The reversal is "a gesture of goodwill" as a new E.U. ambassador arrives, said Benjamin Haddad, director of the Atlantic Council's Future Europe Initiative. Still, Haddad said, "It was a completely unnecessary denigrating move in the first place."

Experts agree that, while the move will be seen as a welcome course correction, it cannot undue the damage from a diplomatic downgrade Europeans believe should not have happened in the first place.

"Although Europeans will welcome the restoration of his diplomatic status and move forward, this unfortunate incident has reinforced the diminishing trust in the transatlantic relationship," Amanda Sloat, a senior fellow at the Brookings Institution's Center on the United States and Europe and former deputy assistant secretary for Southern Europe and Eastern Mediterranean Affairs at the State Department in the Obama administration, wrote in an email.

"Reversing the decision matters in that it restores the E.U. mission to its rightful place, which is that of a bilateral partner on par with all other European allies," echoed Rachel Rizzo, a fellow at the Center for a New American Security focused on the transatlantic relationship.

The Obama administration in September 2016 upgraded the status of the E.U. ambassador to the United States to be on par with that of the head of any bilateral mission. The Trump administration reversed that decision, though it did not inform the European Union. E.U. officials determined the downgrade had happened in October or November of last year; news of it broke in January. The news outraged both E.U. officials and Democratic lawmakers.

"The news two months ago that the E.U. Ambassador's status would be downgraded was very much perceived by the Europeans as an intentional slur by the Trump administration," Erik Brattberg, director of the Europe Program at the Carnegie Endowment for International Peace, wrote in an email. "It came on top of repeated negative statements about the E.U. by the president and other

AMERICAN OVERSIGHT

administration officials. It also seemed to reinforce the notion that the Trump administration viewed the E.U. as just another multilateral organization."

But then, on Monday, Gordon Sondland, U.S. ambassador to the European Union, said that "effective immediately, the Department of State will again recognize the European Union's representation in Washington as equivalent to that of a bilateral mission in the Diplomatic Corps Order of Precedence."

"The European Union is a uniquely important organization and one of America's most valuable partners in ensuring global security and prosperity," Sondland said.

"The decision to reinstall the EU ambassador's status is likely a way for the administration to correct an error — and certainly a response to the strong reaction from the EU side," Brattberg wrote.

The State Department did not respond to a request for comment as to why the reversal was announced now, two months after news of the downgrade broke. But the reversal coincides with the arrival of a new E.U. ambassador to the United States — Stavros Lambrinidis, who is replacing David O'Sullivan.

Maja Kocijancic, a spokeswoman for the European External Action Service, said Monday, "We are pleased that the United States took the decision to revert to usual practice."

O'Sullivan, in a final round table discussion with the media last month, openly questioned whether certain actions taken by the Trump administration toward the European Union — including trade tariffs — were the most conducive to building an alliance. The Trump administration has put steel and aluminum tariffs on the European Union, and Trump has threatened to introduce tariffs on cars and car parts if the European Union does not start negotiating a trade deal.

"There are moments when we feel, this is not maybe the best way to build an alliance," O'Sullivan said.

AMERICAN OVERSIGHT

THE WALL STREET JOURNAL.

U.S. Offers EU Olive Branch Restoring Embassy's Status; Move reverses a decision to downgrade the bloc to status of international organization

By Laurence Norman

Wall Street Journal (March 4, 2019) - BRUSSELS—Frosty relations between the U.S. and the European Union warmed Monday when Washington reversed its decision to downgrade the bloc's embassy, a move late last year that had strained already tense trans-Atlantic ties.

The downgrade, which designated the EU as an international organization from its previous rank as a bilateral mission equivalent to a nation state, was, EU officials say, never formally announced by Washington. Still, it symbolized souring relations between Brussels and Washington amid disputes over trade, the Iranian nuclear deal and President Trump's backing for Brexit and some European nationalist parties.

EU diplomats were informed about the demotion at the funeral ceremony for former U.S. President George H.W. Bush. Diminished status had little practical effect, EU diplomats said, but could have resulted in the bloc's officials having formal access only to lower-level administration counterparts.

On Monday morning, the U.S. mission to the EU said in a statement that effective immediately, the State Department would again recognize the EU mission in Washington "as equivalent to that of a bilateral mission."

The announcement was timed to coincide with the arrival in Washington of the EU's new ambassador, Stavros Lambrinidis, a former Greek foreign minister.

"The European Union is a uniquely important organization, and one of America's most valuable partners in ensuring global security and prosperity," U.S. Ambassador Gordon Sondland to the EU said. "Europe's security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings."

Monday's decision comes as trade talks between the EU and the U.S. are set to resume, with the EU trade commissioner Cecilia Malmström and the EU's top civil servant, Martin Selmayr, expected in Washington this week.

President Trump has slammed current trade ties between the EU and the U.S., placing tariffs on EU steel and aluminum exports and threatening import duties on cars, trucks and auto parts. Mr. Trump said last year the EU is "possibly as bad as China, just smaller. It is terrible what they do to us" on trade.

AMERICAN OVERSIGHT

U.S. officials had also signaled they prefer working with individual EU member states on important issues and have criticized EU institutions. Washington has gone out of its way to court some of Europe's most nationalist, euroskeptic governments in Hungary, Poland and Italy, whose own relations with Brussels are strained. President Trump visited Warsaw in July 2017 to set out his foreign policy objectives and Secretary of State Mike Pompeo was in Poland and Hungary last month talking up bilateral ties.

"Is the EU ensuring that the interests of countries and their citizens are placed before those of bureaucrats here in Brussels?" Mr. Pompeo said in a speech in the EU's capital in December attended by many European officials.

Formal links between Washington and Brussels blossomed during the Obama administration. President Obama met regularly with the two top EU officials, the presidents of the European Commission and the European Council in Brussels, Washington or at summits like those of the Group of Seven industrialized nations.

After the EU's diplomatic status was downgraded, EU officials were largely silent in public on the U.S. move but said in private they were working to reverse it. Asked about the issue in January, EU foreign policy chief Federica Mogherini acknowledged "diverging views" with the U.S. but said the EU and the U.S. worked closely together.

"I have personally assessed that the change in the protocol order might not be the priority number one to comment on in these times of geopolitical trends that we are facing in our region, and in the world," she said.

Signs of a thaw in contacts emerged over recent weeks. After Ms. Mogherini didn't attend a U.S.-led conference on the Middle East in Warsaw last month, Mr. Pompeo flew to Brussels to meet her for talks. Separately, the EU and the U.S. are both moving to make official their negotiating positions for formal trade talks.

Last month, House Speaker Nancy Pelosi led a bipartisan congressional delegation to Europe that she said amounted to around 10% of entire Congress. She said the visit was intended to reaffirm "our commitment to the trans-Atlantic alliance, our commitment to NATO, our respect for the European Union."

AMERICAN OVERSIGHT

REUTERS

U.S. returns higher diplomatic status to EU's Washington mission

BRUSSELS, March 4 (Reuters) - U.S. President Donald Trump's administration has restored a higher protocol status to European Union diplomats in Washington after a snub that highlighted how the traditional allies were becoming estranged.

The trans-Atlantic alliance has been damaged since Trump came to power in 2017 by feuds over trade, security and international affairs including accords on climate change and Iran's nuclear programme.

Late last year, the Trump administration downgraded the protocol status for the bloc's diplomats without notifying Brussels.

In a statement to welcome a new EU ambassador to Washington, the U.S. mission in Brussels said on Monday that the bloc had been restored to its previous status in the U.S. capital.

"The United States and the European Union are a strong force when we work together," Gordon Sondland, the U.S. ambassador to the EU, said in a message coinciding with the EU's new envoy, Stavros Lambrinidis, taking up his post in Washington.

"Europe's security and success are inextricably linked to that of the United States," Sondland added. "And this level of engagement and cooperation should be recognised appropriately in all settings."

The downgrade had meant that the bloc's Washington-based diplomats were less likely to be invited to high-profile events and had lower importance than under Barack Obama.

"We are pleased that the U.S. took the decision to revert to the usual practice," said a spokeswoman for the European Commission, the EU's executive.

AMERICAN OVERSIGHT

POLITICO

US bumps EU diplomatic status back up after downgrade

The bloc is 'one of America's most valuable partners in ensuring global security and prosperity,' US ambassador says.

By Emma Anderson

Politico.eu (March 4, 2019) - The U.S. will again recognize the EU's representation in Washington as equal to national ambassadors, after its diplomatic status was downgraded last year.

The U.S. State Department said Monday that "effective immediately," it will recognize "the European Union's representation in Washington as equivalent to that of a bilateral mission in the Diplomatic Corps Order of Precedence."

Reports emerged earlier this year that last October the Trump administration had reversed an Obama-era change and started ranking the EU's ambassador to Washington the same as envoys from international organizations, who fall into a secondary category on the protocol list.

The downgrade came amid a low point in transatlantic relations and led to confusion among European officials, as well as outcry from Democrats in the U.S. Congress and members of the European Parliament. The EU said at the time it had not been alerted to the change; however, there is no formal mechanism for communicating such adjustments.

The State Department announced the reinstatement of the mission's former status in a statement welcoming the EU's new ambassador to Washington, Stavros Lambrinidis, whose predecessor left as part of the regular rotation of diplomats.

Without providing a reason for the prior downgrade, U.S. Ambassador to the EU Gordon Sondland said in the statement that the EU "is a uniquely important organization, and one of America's most valuable partners in ensuring global security and prosperity.

"Europe's security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings," he added.

AMERICAN OVERSIGHT



POLITICO
Brussels Playbook

POLITICO Brussels Playbook: EU's diplomacy bounces back in Washington

March 4, 2019

By ZOYA SHEFTALOVICH

Send tips here | Tweet @zoyashef | Listen to Playbook and view in your browser

PLAYBOOK SCOOP: "Effective immediately," the U.S. will again recognize the EU's representation in Washington as equal to national ambassadors, the State Department is set to announce any minute now. The news comes after the EU discovered the Trump administration had downgraded its status to a secondary category on the protocol list — on par with envoys from international organizations — at the funeral of George H.W. Bush. The news of the downgrade emerged at a time when transatlantic relations were at a low point, amid rancorous disputes with Donald Trump and his administration over trade and other issues. The move to reverse it seems intended to reduce anxieties in Brussels over the EU's relationship with Washington.

US ♥ EU: Without providing a reason for the prior downgrade or the upgrade, U.S. Ambassador to the EU Gordon Sondland said in the statement that the EU "is a uniquely important organization, and one of America's most valuable partners in ensuring global security and prosperity." He added: "Europe's security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings."

New face, old status: The State Department announced the reinstatement of the mission's former status in a press release welcoming the EU's new ambassador to Washington, Stavros Lambrinidis. Emma Anderson has the full details.

AMERICAN OVERSIGHT

The New York Times

In a Change of Tone, U.S. Restores E.U.'s Diplomatic Status

By Steven Erlanger

New York Times (March 4, 2019) - BRUSSELS — As diplomatic spats go, it was a spring shower in a teapot, not even a minor tempest. But European feelings were badly bruised last year when the Trump administration downgraded the diplomatic statusof the European Union's delegation to the United States without making a formal announcement or even informing the bloc about the change.

The permanent reversal of that decision was announced on Monday, with the ambassador of the European Union to the United States now again considered to be equivalent to an ambassador from a country, not just to an envoy from an international organization.

The announcement was made with some fanfare by the American ambassador to the European Union, Gordon Sondland, whom European diplomats credit with pushing hard for the fix. In a statement, Mr. Sondland called the bloc "a uniquely important organization, and one of America's most valuable partners in ensuring global security and prosperity."

President Trump has called the European Union "a foe" in economic competition with the United States, but Mr. Sondland said that "Europe's security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings."

It is a change in tone for Mr. Sondland, a hotelier and businessman from Washington State who has regularly criticized the European Union as being "out of touch." He has faulted the bloc for being obsessed with regulation and for not being eager enough to meet Mr. Trump's demands to lower the roughly $150 billion trade deficit in goods it has with the United States (though that figure ignores the American advantage in services).

In an interview with Politico Europe in December, Mr. Sondland said of Brussels: "There is clearly an effort to maintain the status quo, and we now have to recognize that the relationship and all of the good will that has been built up since the Marshall Plan doesn't seem to count when it comes to getting a little consideration. So we are going to have to do what we have to do."

A month ago, Mr. Sondland said that the European Commission was "like a factory churning out regulation after regulation after regulation. Even regulating things that don't exist today on the theory that someday, someone is going to get hurt somewhere." He also warned that Washington would escalate a trade

AMERICAN OVERSIGHT

dispute — “forced to do a tit-for-tat” — if Brussels did not heed the Trump administration’s demands.

Privately, Mr. Sondland is even more caustic, and European officials tend to raise their eyes when asked about his negotiating style, which they consider to be brash. But some of those same officials were also quick to praise Mr. Sondland for going to bat for the bloc in the protocol battle and for understanding that the change had been needlessly offensive.

The downgrade became evident at the December funeral of President George Bush, when the name of the European Union ambassador, David O’Sullivan, was not called in the expected order. The names of diplomats who had gathered in Washington to pay their respects were spoken, as is custom, from the longest-serving ambassador to the newest, but Mr. O’Sullivan was called last.

The demotion that was apparent at the funeral came a day after Secretary of State Mike Pompeo delivered a blistering speech in Brussels, in which he questioned the value of multinational organizations like the United Nations and the European Union. Mr. Pompeo asked whether the European Union was “ensuring that the interests of countries and their citizens are placed before those of bureaucrats.”

There followed quiet complaints through diplomatic channels from the European Union, and in January the downgrade was described as having been “temporarily reversed.” The announcement of the permanent reinstatement came on Monday in a statement to welcome Mr. O’Sullivan’s replacement, Stavros Lambrinidis.

Christian Ehler, chairman of the European Parliament’s delegation for relations with the United States, said that he welcomed the move but “would like to highlight that the downgrading was a mistake in the first place that has now been corrected.”

Mr. Ehler said that he hoped that the upgrade “will restore trust and will ensure the continuation of a close and constructive trans-Atlantic cooperation.”

Marietje Schaake, a Dutch member of the European Parliament who is in Washington with a delegation to discuss the trans-Atlantic relationship, said the downgrading “should never have happened, and we don’t know why it happened.” She added, “it may have been just a mistake.”

Ms. Schaake said she was pleased that the rhetoric had become less insulting. “The administration is often very direct and sometimes outright provocative,” she said. “But in the Congress you can hear a very different tone.”

In addition to Mr. Trump’s regular criticism of NATO, the United States and the European Union have been at odds over the Iran nuclear deal. Mr. Trump has pulled out of that pact, while European allies have been seeking to preserve

AMERICAN OVERSIGHT

it. Washington and Brussels are also at loggerheads over climate change, after Mr. Trump withdrew the United States from the Paris accord.

The two sides have also been engaged in sometimes vicious negotiations about trade and about American tariffs on European steel.

The Trump administration is also threatening new “national security” tariffs on imported cars, in an effort to reduce the American trade deficit with the European Union, a threat that hangs over current negotiations with Brussels and that is aimed foremost at Germany. And Washington has sharply criticized Berlin for supporting the Nord Stream 2, a gas pipeline from Russia to Germany.

Follow Steven Erlanger on Twitter: @StevenErlanger. Milan Schreuer contributed reporting.

AMERICAN OVERSIGHT

NEWEUROPE
neurope.eu

US restores diplomatic status for EU delegation in Washington

New Europe (March 4, 2019) - The US' ambassador to the EU Gordon Sondland put an end to a dispute between the Americans and the European Union over diplomatic protocol with an announcement early on March 4 which said that Washington had "effective immediately" reversed the recent demotion of Brussels' ambassador in the ceremonial order of precedence.

"The European Union is a uniquely important organisation and one of America's most valuable partners in ensuring global security and prosperity," said Sondland as he sought to soothe the friction that was caused in early January that only underscored the already deteriorating trans-Atlantic relations over disagreements on trade tariffs, the Trump Administration's verbal attacks against NATO allies, and a general refusal by the EU to join Washington's sanctions against Iran, which are aimed at curtailing Tehran's increasingly aggressive behaviour in the Middle East and Europe.

Pleased to announce US will again recognize EU's representation in Washington as equivalent to a bilateral mission. Look forward to working very closely w/ my good friend AMB @SJLambrinidis to advance US-EU shared interests. 欄 □@EUintheUS□ https://t.co/us7X2IDruA

— Ambassador Sondland (@USAmbEU) March 4, 2019

"From generatingjobs andeconomic growth, to setting international standards, to keeping destabilising regimes in check, the United States and the European Union are a strong force when we work together. Europe's security and success are inextricably linked tothat of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings," said Sondland.

The US government downgraded the bloc's diplomatic status shortly after the New Year. Prior to the change, the State Department's order of precedence had treated the EU's ambassador as an equivalent to a chief of state or head of government and listed in precedence order with the other representatives of sovereign nations – a policy that had been put into place by the Obama Administration.

The White House's demotion of the bloc, which was not announced by the Trump Administration, first came to Brussels' attention on December 5, 2018, during the state funeral service for former US President George H.W. Bush. The EU's ambassador to the US, David O'Sullivan, was not called up in the usual

AMERICAN OVERSIGHT

chronological order, from the longest-serving to the newest ambassador, but was instead announced last.

O'Sullivan, who is in the process of exiting his post in Washington, was ranked amongst the top 30 ambassadors in terms of seniority of the more than 150 foreign representatives dispatched to the US capital. By demoting him this, in effect, lowered the EU's status for occasions and seating events, both of which are considered key protocols in the decorum of diplomatic affairs.

The State Department said after Sondland's announcement that Secretary of State Mike Pompeo had instructed his Chief of Protocol to take the necessary measures to reinstate the EU's previous status.

Washington's reversal comes just as Stavros Lambrinidis, the EU's Greek-born former human rights representative, takes up his post as the bloc's ambassador to the US.

AMERICAN OVERSIGHT

US returns diplomatic status of EU representative in Washington

By Alexandra Brzozowski

EurActiv (March 4, 2019) - After downgrading the EU's diplomatic status last year, the US administration on Monday (4 March) said it had returned the EU representative in Washington back to the status of a national ambassador.

The US State Department said on Monday that it will recognise "the European Union's representation in Washington as equivalent to that of a bilateral mission in the Diplomatic Corps Order of Precedence."

"Secretary of State Mike Pompeo has instructed the Chief of Protocol to take the necessary measures to effect this reinstatement," it said in a statement.

The change will be "effective immediately," it added.

The decision comes after complaints from Europe when, at the state funeral of former US President George Bush in early December, the Head of Delegation of the European Union, David O'Sullivan, was not called up in the usual chronological order, but as the last person.

In the Diplomatic Corps Order of Precedence of the US State Department, the Head of Delegation of the European Union, David O'Sullivan, appeared only after all the ambassadors, ranked according to the date of presentation of their credentials.

Prior to the demotion, O'Sullivan would have been ranked among the first 20 or 30 ambassadors of the more than 150 foreign representatives dispatched to the US capital.

According to diplomatic protocol, as a representative of an "international organisation", he back then was on par with the African Union Ambassador to Washington, Arikana Chihombori Quao.

European diplomats saw this move as a sign of the chilled relations between the Washington and Brussels under President Donald Trump as the US administration did not notify the EU about the change in advance in line with diplomatic courtesy.

O'Sullivan described the downgrade as an "unfortunate incident".

Naming no reason for the previous downgrade, US Ambassador to the EU, Gordon Sondland, said in a statement that the EU "is a uniquely important organization, and one of America's most valuable partners in ensuring global security and prosperity."

AMERICAN OVERSIGHT

“Europe’s security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings,” he said.

Although no reason was provided for the three-month ‘relegation’, the upgrade coincides with the Greek former MEP, Stavros Lambrinidis, taking over the ambassadorship from O’Sullivan, who has been ambassador since 2014, as the EU representative in Washington.

In mid-February, a high-ranking delegation of US lawmakers, led by House of Representatives Speaker, Democrat Nancy Pelosi, sought to reassure Europe of Washington’s continued commitment to transatlantic ties and NATO during a visit to Brussels.

Some of the delegation criticised the downgrading, among them Democrat Congressman Gerry Connolly, who told EURACTIV that the downgrading was a “terrible mistake” by the US administration and expressed hopes that it would be “corrected very swiftly.”

AMERICAN OVERSIGHT

Deutsche Welle

Washington restores status of EU mission to US

Deutsche Welle (March 4, 2019) - The US has put an end to its dispute with the EU over diplomatic protocol and praised the bloc as "one of America's most valuable partners." The perceived snub had caused friction earlier in the year.

The US ambassador to the European Union announced on Monday that Washington's decision to demote the EU's embassy in Washington, D.C. would be ended "effective immediately."

Gordon Sondland said that the US Department of State "will again recognize the European Union's representation in Washington as equivalent to that of a bilateral mission in the Diplomatic Corps Order of Precedence."

"The EU is a uniquely important organization, and one of America's most valuable partners in ensuring global security and prosperity," Sondland said.

"Europe's security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings," he said.

The downgrading, which was first reported by DW, is believed to have been implemented in late October or early November.

It gave the EU a lower status for occasions such as invitations and seating at events — protocols that can have great significance in diplomatic affairs.

Read more: Trump administration downgrades EU mission to US

Despite the soothing in terms of protocol, there remain issues for the EU and US to resolve.

EU trade chief Cecilia Malmstrom is in Washington this week to meet her counterpart Robert Lighthizer for talks on car tariffs. She said "there is full support" from EU member states to respond if the Trump administration imposes tariffs on cars and car parts.

Washington's reversal of that decision comes as Stavros Lambrinidis, the EU's former human rights representative, takes up his post as the bloc's ambassador to the US.

AMERICAN OVERSIGHT

US restores mission status of 'valuable partner' EU

Agence France Presse (March 4, 2019) - The United States said Monday it has restored the EU's mission in Washington to its former status, calling the bloc one of "its most valuable partners" as their troubled trade talks are set to resume.

The US State Department lowered the European Union mission's diplomatic status from member state to international organisation late last year, in what was seen as a further blow to transatlantic ties.

"The Department of State will again recognise the European Union's representation in Washington as equivalent to that of a bilateral mission in the Diplomatic Corps Order of Precedence," a statement from Gordon Sondland, the US ambassador to the EU, said.

"The European Union is a uniquely important organisation, and one of America's most valuable partners in ensuring global security and prosperity," Sondland said.

"Europe's security and success are inextricably linked to that of the United States, and this level of engagement and cooperation should be recognized appropriately in all settings."

Maja Kocijancic, spokeswoman for EU foreign policy chief Federica Mogherini, welcomed the announcement.

"We are therefore pleased that the United States took the decision to revert to the usual practice," Kocijancic told a briefing in Brussels.

The EU said in January it was in talks with US officials about the mission's status after German broadcaster Deutsche Welle reported the downgrade.

Deutsche Welle said it only came to light when the EU ambassador in Washington did not receive an invitation to the funeral of former US president George H.W. Bush in December.

Under US President Donald Trump, Europe's once solid ties with the US have deteriorated and last year Washington imposed tariffs on steel and aluminium from the EU and other partners.

EU trade commissioner Cecilia Malmstrom is to meet her US counterpart Robert Lighthizer on Wednesday in Washington as the two sides seek a trade deal limited to industrial goods and avert threatened US auto tariffs.

In December, Secretary of State Mike Pompeo used a major policy speech in Brussels to take aim at the bloc, saying Britain's Brexit vote had raised valid questions about whether the EU was putting the interests of bureaucrats ahead of those of citizens.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

US slams Brussels 'posturing' as dirty money blacklist is rejected in Europe

By Michael Peel, Mehreen Khan, Jim Brunsden

Financial Times (March 2, 2019) - Washington has criticised the European Commission for "dogmatic posturing" after Brussels suffered a humiliating defeat by its member states over plans to put Saudi Arabia and four US territories on a dirty money blacklist.

Gordon Sondland, US ambassador to the EU, branded the exercise a "ridiculous waste" after a rare unanimous revolt by the bloc's 28 countries upended the effort to name almost two dozen jurisdictions alleged to be sources of moneylaundering risks.

The envoy's broadside capped weeks of furious lobbying by Washington, Riyadh and other blacklist targets against a process that EU capitals say had blindsided them on a matter of high sensitivity. "The Americans fell on us like a tonne of bricks," said a Brussels official.

EU members will formally block the list from publication next week, forcing Brussels back to the drawing board.

"It's heartening to see common sense from the member states prevail over the commission's dogmatic posturing on this issue," Mr Sondland told the Financial Times.

The blacklist marks the first time the EU has attempted to draw up an independent list of foreign money laundering risks and comes after a series of high-profile dirty money scandals in Europe over the past year. The inclusion of four US territories sparked a lobbying counter-offensive from Washington. Steven Mnuchin, US Treasury secretary, wrote to Brussels warning of US retaliation if Brussels went ahead with the list. Guam, the US Virgin Islands, American Samoa and Puerto Rico were named alongside Saudi Arabia by the EU as jurisdictions failing to crack down on money laundering and terrorist financing risks. None of the jurisdictions are included in a similar exercise carried out by the Financial Action Task Force — the global body responsible for combating money laundering.

Inclusion on the blacklist would require European banks to carry out enhanced customer checks.

Saudi Arabia's King Salman used a meeting of the Arab League and EU leaders in Sharm el-Sheikh last week to push governments to reject the commission's

AMERICAN OVERSIGHT

exercise. A letter from the king to the commission, seen by the FT, urged Brussels to "reconsider the decision".

Brussels officials admitted they had underestimated the resistance in European capitals. "We hadn't fully grasped the degree of opposition," said one.

AMERICAN OVERSIGHT

US welcomes demise of EU money-laundering blacklist plan
By Damon Wake

Agence France Presse (March 1, 2019) - The United States on Friday welcomed the blocking of a proposal to add a group of countries, including four American territories, to the EU money-laundering blacklist after almost all member states opposed it.

The US ambassador to the European Union, Gordon Sondland, hit out at the "dogmatic posturing" of the European Commission, the bloc's executive arm.

The commission was behind the ill-fated plan which infuriated Saudi Arabia -- which was also among the proposed additions -- and exasperated European capitals.

EU diplomats complained that the way the commission had drawn up the list was unclear and potentially vulnerable to legal challenges, with as many as 27 out of 28 member states opposing it in a non-binding test vote on Thursday.

Crisis talks between the commission and the member states on Friday failed to yield any breakthrough and the proposed changes to the list will be formally killed off in a vote in the coming days.

"It's heartening to see common sense from the member states prevail over the commission's dogmatic posturing on this issue," Sondland said in a statement to AFP.

He said the US fight against the bid to list the territories of Guam, Puerto Rico, American Samoa and the US Virgin Islands was a "whole of government effort that cut across agencies".

"It's a simply ridiculous waste when you think about all the effort that could instead have been spent on increasing GDP and jobs or on advancing the US-EU relationship. Instead, we had to spend our energy killing this bad idea," he said.

Under the commission proposal, the new countries -- which also included Panama -- would have joined 16 others seen as doing too little to stop the financing of terrorism and organised crime.

AMERICAN OVERSIGHT

Those blacklisted already include the likes of Iran, Iraq, Pakistan, Ethiopia and North Korea.

Inclusion on the EU list does not trigger sanctions, but it does oblige European banks to apply tighter controls on transactions with customers and institutions in those countries.

A European source said the problem with the commission proposal was "the criteria used to create the list and the way those criteria were applied".

"If you bear in mind that such lists must stand up in court, then it might give you second thoughts. We must work on the criteria and also on the justification," the source said.

The US was not the only affected country to mobilise against the list -- Saudi Arabia's King Salman intervened personally, writing to European leaders to protest.

The letter, seen by AFP, called the move to list the Gulf monarchy "surprising and unexpected" and warned it would damage "trade and investment flows between the kingdom and the European Union".

Commission spokeswoman Mina Andreeva defended the list, insisting that the methodology had been created in consultation with EU member states.

AMERICAN OVERSIGHT

Agence Europe

UKRAINE; EU-US joint visit to Odessa

27/02/2019 (Agence Europe) – A delegation of EU and US representatives visited Odessa, Ukraine, on Tuesday 26 February, on the occasion of the stopover of the US destroyer USS Donald Cook. On board the ship, the delegation met with Ukrainian President Petro Poroshenko to discuss the partnership between the United States, Ukraine and other European countries, according to a statement from the US Mission to the EU. "We are here to counter Russian aggression on the shores of the Black Sea and to support Ukraine's independence, territorial integrity and, above all, European orientation. Our friends from the EU, represented by Jean-Christophe Belliard (Deputy Secretary General of the EEAS), are working hand in hand with us", explained US Ambassador to the EU Gordon Sondland, who headed the delegation. Ana Birchall, Romanian Deputy Prime Minister, for the Presidency of the Council of the EU, and Jani Taivalantti, Advisor to the EU High Representative on Ukraine and Russia, were also present.

AMERICAN OVERSIGHT

The Telegraph

Inside Huawei's secretive Chinese research base
By Robin Pagnamenta

The Telegraph Online (February 16, 2019) - As the strains of Vivaldi blast from the train loudspeaker, a pair of red carriages pull out of the station and past a stunning panorama of European architecture.

Gothic spires and a towering castle with elaborate arches give way to a picturesque lake where children play.

In the distance, the honey-coloured stone and pitched roof of a French chateau looms up beneath a crisp blue sky.

It may sound like a fairytale landscape somewhere north of the Alps. But this is Dongguan in southern China and none of the buildings are more than two years old.

Here at Huawei's sprawling new research campus, China's biggest private company is building a grand new home fit for its future.

With enough space for 23,000 employees, its own railway, pavement cafes and a station named after the Arc de Triomphe, there is no shortage of ambition.

But perhaps that's no surprise. Founded by billionaire former military engineer Ren Zhengfei, Huawei, the world's biggest manufacturer of telecoms equipment, generated sales of over $100bn last year and spent $15 billion on R&D - more than Apple and surpassed by only four other companies globally.

But the 74-year-old tycoon's decision to build a miniature recreation of Europe here in the Pearl River Delta may be good timing.

As Huawei limbers up for what could be its most lucrative opportunity yet - the roll-out of next generation 5G telecoms networks around the world - several of the countries depicted here are proving a tougher nut to crack than planned.

Amid mounting US political pressure, trade tensions and the arrest of Mr Ren's daughter, Meng Wanzhou, in Canada amid allegations Huawei kit might be used

AMERICAN OVERSIGHT

for espionage, the company has become a lightning rod for western unease at China's growing economic and technological prowess.

In Germany, authorities are examining stricter scrutiny of providers including Huawei for its rollout of 5G, a technology which will enable innovations from remote surgery and connected homes to autonomous cars.

France's biggest mobile operator Orange in December ruled out Huawei for its own 5G network.

Even Britain, the first big western market to open its doors to Huawei 15 years ago, has cooled its reception.

BT plans to strip Huawei kit from parts of its core 4G network while a joint evaluation unit formed by UK security officials has flagged fresh concerns over vulnerabilities in its software.

This month, Gordon Sondland, US ambassador to the EU, didn't mince his words, citing suspicions that "back doors" for eavesdropping could be built into equipment produced by Huawei, a private company owned by 88,000 current and former employees.

"Those who are charging ahead blindly and embracing Chinese technology without regard to these concerns may find themselves in a disadvantage in dealing with us," he said, in a thinly veiled threat: US allies who install Chinese gear may suffer consequences.

Over at Huawei's lush headquarters in the buzzing Chinese technology hub of Shenzhen, senior officials dismiss such talk as nonsense motivated by raw jealousy of its growing edge in the race to master 5G.

With no US companies on the list of major 5G suppliers, they see American criticism as a crass exercise to smear Huawei's reputation as Washington DC seeks to ratchet up pressure on Beijing in a trade war.

"Some politicians have turned 5G and cybersecurity into a political or ideological discussion," says Eric Xu, one of Huawei's three rotating chairman. He says decisions should be based on "clear-eyed understanding and expertise instead of groundless judgement".

He plays down the significance of efforts to ban Huawei by the US, Australia and New Zealand, adding: "I believe technology is technology ultimately and… scientists and engineers would prefer better products."

AMERICAN OVERSIGHT

US concerns should be seen in the context of waning American leadership in the technology, he claims, insisting that allegations of 'backdoors' and links to Chinese spy agencies are simply untrue.

Huawei is a private company with no direct links to the state, he says.

With 180,000 staff, 45pc in R&D, there is no denying the scale and sophistication of Huawei's operations.

From base stations to antennas, smartphones to tablets, the company's products are already being used by 3 billion people in 170 countries and have been absorbed deep into the networks of 45 of the world's 50 top carriers, including BT, Vodafone and Three.

With 1970 patents in 5G, Huawei, which has pumped $60bn on R&D over the past decade, is some way ahead of the nearest competition.

Finland's Nokia, LG of South Korea and Ericsson of Sweden are lagging some way behind with 1471, 1448 and 1444 patents each.

Mr Xu says: "When we look at the major equipment providers you have Nokia, Ericsson, Huawei, Samsung and ZTE. As you can see there is no American company here."

Huawei has already signed 26 5G commercial contracts and has been setting up more than 10,000 5G base stations.

Dr Zhou Yuefeng, head of Huawei's 5G business, agrees: "The leadership that we have in 5G may cause some over-concern from certain parties."

Founded in 1987 by Mr Ren as a Shenzhen-based importer of telecom switch gear from Hong Kong, Huawei has adroitly surfed the wave of China's extraordinary economic boom.

A Communist Party member with links to China's leadership, Mr Ren gradually moved into the manufacture, design and export business and moved steadily up the value chain.

Employees say his management philosophy was: "It's not enough to make simple tofu, we must all the different kinds of tofu and of the best quality."

AMERICAN OVERSIGHT

Starting with emerging markets in Asia, Latin America and Africa, Huawei has steadily won more contracts in key western markets too.

But its rapid growth - with revenues up 21pc in 2018 alone - has not come without controversy.

An aggressive spirit of long-hours and relentless expansion has been nicknamed a “wolf culture” by some observers.

It’s a reputation that was not helped when the US Department of Justice last month unsealed a 10-count indictment alleging the company conspired to steal intellectual property from T-Mobile and a string of other abuses. Huawei denies the charges.

In recent years it’s not just telecom network gear where Huawei has been making rapid inroads against western competitors.

Sales of Huawei smartphones in China soared by 23 pc in the fourth quarter of 2018. Apple’s iPhone sales fell 20pc over the same period.

In a pristine smartphone manufacturing plant at the Songshan Lake high-tech park back in Dongguan, a bank of robotic arms are printing circuit boards on a production line for brand new P20 phones.

Every 29 seconds, a new phone worth £799 is spewed out from an almost fully automated 120 meter long production line to be collected in trays by robots.

Wang Jin, director of Huawei’s Independent Cyber Security Lab, insists the security concerns around Huawei are unfounded.

“We embed cyber security into our processes so they never come above commercial interests. Huawei exercises backdoor control more strictly than any other peer in this industry.”

Red banners at the lab exhort staff to: “Comply with laws, lead standards, consolidate trust, create value.”

But Eric Xu warns against complacency in its fight to shake off western suspicions of the company.

He cites the relationship with UK security agencies including GCHQ, which in 2010 formed a cell to jointly evaluate the security risks posed by Huawei equipment, as a model for other countries to follow.

AMERICAN OVERSIGHT

Last month, Mr Ren wrote to all of Huawei's staff to announce plans to rewrite all of the company's source code - the most basic elements of its software - to satisfy cyber-security concerns.

Mr Xu likens the need to upgrade the source code to improving the standards in a Chinese restaurant.

He said: "You have all tried Chinese food and... found it delicious. But you won't know which practices the chef follows if you don't check the kitchen. [Rewriting the source code] is about going in and setting a whole set of procedures and guidelines. If the chef doesn't follow certain steps the food won't be as tasty."

Ultimately, Xu believes western criticism of Huawei will be exposed as unwarranted and politically motivated.

"I believe in the wisdom of the world's 7bn people. They can clearly see those possibilities."

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Trump to boost troop numbers in Poland

Financial Times (February 14, 2019) - The US plans to significantly increase troop numbers in Poland as the Trump administration ratchets up its engagement in central Europe, according to the country's ambassador to Warsaw.

Alarmed by Russia's growing assertiveness, Polish officials have been lobbying hard to persuade the US to establish a permanent military base in their country, and last year offered to provide up to $2bn towards funding it.

Georgette Mosbacher, who took office as US ambassador to Warsaw last year, said the US's 4,000-strong troop presence in Poland would increase but stopped short of saying a permanent base would be established.

"The Department of Defense sees [the forces of the 21st century] as ... more agile, more rotating, rather than where you have physical hospitals and homes and you bring your families," she said in an interview with the Financial Times.

"But in terms of a presence that is undeniable and a large number of American troops here, that's a given. And I think [the Poles are] going to get most of what they want."

Asked if the increase would be in the hundreds or thousands, Ms Mosbacher said: "It will be significant. It passes the hundred mark, the hundreds mark."

A spokesperson for the Pentagon said that discussions with Poland were continuing and no decision had yet been taken.

Ms Mosbacher's comments come as Washington launches a diplomatic push in central Europe, where US officials are concerned that Russia and China have established a foothold in recent years.

On Monday, Ms Mosbacher — a friend of President Donald Trump and former chief executive of cosmetics group Borghese — hosted colleagues from US embassies in 12 EU capitals to discuss how the US could support the Three Seas Initiative, a forum dreamt up by Poland and Croatia to promote central European economic integration.

Meanwhile, Mike Pompeo, US secretary of state, launched a tour of the region with a visit to Budapest in which he pledged to try to prevent central European states from falling into the orbit of Moscow or Beijing.

In recent weeks, the US has expressed concern about the influence of Chinese telecoms group Huawei in the region, seeing it as a potential conduit for Chinese intelligence services to snoop on host countries.

AMERICAN OVERSIGHT

Huawei strongly denies it is vulnerable to such interference.

Gordon Sondland, US ambassador to the EU, who was in Warsaw for the Three Seas talks, said it would be hard for the US to co-operate with countries using Huawei's technology. He urged those that already did so to rethink if they wanted to continue working closely with the US.

"5G [mobile] is the gamechanger ... and given that it's the game-changer ... even if a country has a significant investment today in Huawei 4G or below, it would probably behove them to look at starting with a clean sheet of paper with western technology," Mr Sondland said. In the latest sign of the growing links between Washington and Warsaw, Poland yesterday signed a $414m deal with the US for mobile rocket launchers.

Ms Mosbacher said Poland's willingness to play its part in bolstering Europe's defences was central to the strength of US-Polish relations.

"The Poles are an important ally.

They are investing their 2 per cent [of GDP in defence] without even coaxing. They're well into a $40bn modernisation of their military. We respect that," she said, contrasting Poland with those states that did not meet Nato's spending target. "We've asked [other states] to step up and do some burden-sharing to 2 per cent of their GDP and they're whining about it. But the Poles aren't. And that doesn't go unnoticed. So when it comes to an enduring presence here, I think they will be rewarded."

AMERICAN OVERSIGHT

EU should resist Washington's coercion on 5G

China Daily (February 11, 2019) As US ambassador to the European Union, Gordon Sondland is tasked with helping to maintain good ties between the United States and the EU. However, he has been busy lately trying to sabotage relations between the EU and China.

Sondland told media group Politico that the US and EU should overcome their current trade tensions and join forces against the Chinese to "check China in multiple respects: economically, from an intelligence standpoint, militarily" and "we want to keep critical infrastructure in the Western world out of Chinese malign influence".

Sondland is just one of many US diplomats lobbying and coercing allies to ban China's Huawei Technologies from its 5G networks, to advance US commercial and geopolitical interests.

"Someone from the Politburo in Beijing picks up the phone and says,'I wanna listen in on the following conversation, I wanna run a certain car off the road that's on the 5G network and kill the person that's in it,' there's nothing that company legally can do today in China to prevent the Chinese government from making that request successfully," Sondland was quoted as saying.

Huawei has rejected such US accusations, saying the company"has a clean track record on cybersecurity" and is "committed to work with European institutions to develop a cybersecurity standard for Europe".

The truth is, despite desperate US efforts to defame Huawei's reputation and halt its rise, no one has provided any evidence of Chinese intelligence agencies spying with the help of technological backdoors or implants in Chinese-made equipment, whether from Huawei or ZTE, another Chinese telecom giant.

Instead, there is solid evidence following the Edward Snowden whistleblowing revelations that the US National Security Agency has conducted such practices with and without the help of Silicon Valley giants.

The 1994 Communications Assistance for Law Enforcement Act enables US federal agencies to access data traffic. The renewed and extended Foreign Intelligence Surveillance Act allows the NSA to gather intelligence on foreigners overseas by collecting data from chokepoints where fiber optic cables owned by telecom giants enter the US.

It is also Washington that has weaponized US companies to carry out its political missions, such as blocking financial services provided by Visa, MasterCard,

AMERICAN OVERSIGHT

Bank of America, PayPal and Western Union to WikiLeaks, which publishes and reveals government documents and other politically sensitive information online, in 2010.

The EU, which promises to honor the landmark Iran nuclear agreement after the US withdrawal, has also been fighting the threat of US sanctions given the US hegemony of the global financial system. Belgian Prime Minister Charles Michel complained earlier that the EU cannot accept that the US decides the regions where European companies can or cannot conduct business.

European political and business leaders, some targeted by NSA eavesdropping, are more rational than Sondland might hope. Arne Schoenbohm, head of Germany's Federal Office for Information Security, told German news magazine Der Spiegel that "for such serious decisions like a ban, you need proof".

But all the "proof" the US has provided so far is nothing but hallucination, as Sondland has exhibited.

Deutsche Telecom AG, which has partnered with Huawei in developing 5G technology, has warned thatif Germany bans Huawei from the new generation networks, it risks delaying its 5G rollout and falling behind the US and China. That is certainly true for many European nations.

Despite their differences in political systems, China and the EU have forged a comprehensive strategic partnership for the past 15 years and set a good example of how different systems can work together to expand win-win cooperation and tackle common global challenges.

China and the EU are also major advocates for multilateralism when the US threatens the world with many disruptive and unilateral actions, from canceling international and bilateral agreements to cutting funds to the United Nations to imposing punitive tariffs on China, the EU and many other countries.

The EU should firmly resist US coercion and not be infected by Washington's Cold War syndrome. The world needs more cooperation and less tribalization, which is a dangerous path that Sondland and his boss would like to lead the EU toward.

AMERICAN OVERSIGHT

US and EU must link arms against MALIGN influence and 'future problem' of China

Daily Express (February 9, 2019) Gordon Sondland, US ambassador to the European Union, said China's influence was "malign" and the US and EU should join forces and overcome their current trade tensions.

He recommended they combine "mutual energies" and take on the East Asian nation on three fronts: economically, from an intelligence standpoint and militarily. But the USA and EU are currently locked in a trade war with little hope of progress.

In an interview with political website Politico, Mr Sondland said: "We should ... combine our mutual energies — we have a $40 trillion combined GDP, there is nothing on the planet that is more powerful than that — to meet China and check China in multiple respects: economically, from an intelligence standpoint, militarily.

"That's where the EU and US really should be linking arms."

He also advocated for "a quick resolution that would move our trade relationship in the right direction so that we can both turn toward China, which is really the future problem in multiple respects."

This is not the first time a EU-US pact against China has been discussed, with French President Emmanuel Macron proposing the same idea to Washington last year.

In a visit to the White House, Mr Macron called for joint action against Chinese trade practices such as heavy subsidies, forced technology transfer and state-owned enterprises.

However, tensions currently exist between the bloc and America as they negotiate a trade agreement.

Mr Trump and European Commission chief Jean-Claude Juncker reached a truce in July and last month both sides delivered negotiating objectives for a planned trade deal.

But insiders believe current negotiations between Europe and America are reaching a stalemate due to the two sides taking very different positions.

The US seeks greater access to EU agricultural markets while Brussels is keen to leave food out of the talks.

AMERICAN OVERSIGHT

On the other side of the negotiating table, Brussels wants tariffs on industrial goods, including the 25 per cent tariff on European cars, to be scrapped but the Americans see this as a red line issue.

But progress is being hampered by their failure to reach agreement over these two issues.

Mr Sondland said the US is eager to avoid escalation but added that its “patience is not unlimited”.

The US ambassador linked his criticism of Beijing’s practices to the case of Chinese telecoms giant Huawei, which is the main target of a US campaign advising Europeans not to use Chinese companies when building their 5G networks.

He said: “We want to keep critical infrastructure in the Western world out of Chinese malign influence.

"Someone from the Politburo in Beijing picks up the phone and says 'I wanna listen in on the following conversation, I wanna run a certain car off the road that's on the 5G network and kill the person that's in it,' there's nothing that company legally can do today in China to prevent the Chinese government from making that request successfully."

Huawei rejects the allegations and insists the company “has a clean track record on cybersecurity" and is "committed to work with European institutions to develop a cybersecurity standard for Europe”.

AMERICAN OVERSIGHT

Huawei VP calls comment by US official 'senseless'
China Daily (February 9, 2019) - BRUSSELS - A senior representative of Chinese tech company Huawei lashed out at Gordon Sondland, United States ambassador to the European Union, in one of the strongest public remarks ever by the company against fearmongering.

In a ballroom in Brussels, Belgium, on Thursday, with more than 100 guests, mostly Europeans, Abraham Liu, Huawei's vice-president for the European region and chief representative to the EU institutions, launched into a robust defense of the technology giant.

"Recently, Huawei has been under constant attack by some countries and politicians. We are shocked, or sometimes feel amused, by those ungrounded and senseless allegations," he said.

"For example, yesterday, the US ambassador to the European Union, Mr Sondland, said someone in Beijing could remotely run a certain car off the road on a 5G network and kill the person that's in it. This is an insult to people's intelligence, let alone the technological experts around the world," Liu said.

"Excluding Huawei from the market doesn't mean the network is safe. For example, since Huawei's equipment is not used in US networks, does the US have the most secure network? The answer is no."

Huawei has an excellent cybersecurity record, Liu said, with its devices being approved by strict reviews by multiple regulators and operators. Its partners in Europe include big-name telecom operators, including Deutsche Telekom, British Telecom, Vodafone, Orange, Proximus and others. These partners "have publicly endorsed their trust in Huawei", he said. "I applaud these sensible approaches."

"Cybersecurity should remain a technical issue, instead of an ideological issue, because technical issues can always be resolved through the right solutions. Ideological issues cannot," he said.

Certain Western governments and media outlets have consistently cast doubt on Huawei's ownership and governance. Liu reiterated that "Huawei is a 100 percent employeeowned private enterprise", adding that "if we want commercial success, we must follow our own business ethics. We have never harmed the interests of any customer or nation".

"For Huawei, Europe has become our second home," he said. "Our success is Europe's success. Our loss would be Europe's loss."

AMERICAN OVERSIGHT

Bloomberg

U.S. Threatens Retaliation If Companies Tap Iran Trade Vehicle
By Nikos Chrysoloras and Richard Bravo

Bloomberg (February 8, 2019) Companies using a European initiative meant to facilitate trade with Iran face U.S. retaliation, President Donald Trump's envoy in Brussels said in a warning that casts even greater doubts about the plan's effectiveness in contending with U.S. sanctions.

"Anyone actually using it to trade on anything other than humanitarian activity is going to be sanctioned by the United States," U.S. Ambassador to the European Union Gordon Sondland said in a Feb. 7 interview. "We'll find them and sanction them and they won't be doing any business with the United States."

The threat of U.S. action means that the so-called special purpose vehicle "will sit there and will be little used," Sondland said, adding that it's a "fig leaf" the European Union offered to the Islamic Republic to salvage the Iran nuclear deal after Trump pulled the U.S. out of the accord and reinstated sanctions.

Germany, France and the U.K. are shareholders of the SPV, which was unveiled last month and is called the Instrument in Support of Trade Exchanges. The initiative is the cornerstone of the EU's effort to keep Iran from quitting the Joint Comprehensive Plan of Action, which was signed in 2015 and was aimed at constraining the nation's nuclear activities.

The U.S. pulled out of the deal in May.

'Maximum Pressure'

Since the U.S. left the nuclear accord, the deal's remaining powers -- China, France, Germany, Russia and the U.K. -- have struggled to provide the sanctions relief promised when Iran agreed to limits on its nuclear activities. The mechanism launched by the European nations had faced delays and skepticism that it can successfully persuade companies to trade.

The European action inflamed tensions with the U.S., which called the SPV an attempt to evade its "maximum pressure" campaign on Iran. But the importance of the American market place calls into question whether international business will risk using the new vehicle.

Fear of U.S.

AMERICAN OVERSIGHT

“Most non-US institutions want to avoid running afoul of the U.S. sanctions regime, to avoid the risk of any potential restrictions on accessing the U.S. market,” Doug Davison, a dispute resolution partner and sanctions expert at the lawfirm Linklaters, said in a Jan. 31 statement when the SPV was unveiled. “What happens next will be a true test of how far parties are willing to go to trade with Iran in view of U.S. economic sanctions risk.”

The new financing vehicle will likely be discussed at a meeting next week of the North Atlantic Treaty Organization, which has already come under fire from the Trump administration for members spending too little on defense. The U.S. president had questioned the American commitment to the trans-Atlantic body and was forced to address reports that he privately threatened to leave the post-World War II alliance.

Sondland said that the U.S. role in NATO shouldn’t be taken for granted.

“Is anything gonna happen today, imminently?” Sondland asked. “No, but who can guarantee that in the future?”

AMERICAN OVERSIGHT

EXPRESS.co.uk
Home of the Daily and Sunday Express

China Warning: US and Europe must join together to FIGHT Asian superpower

By Simon Osborne

Express.co.uk (February 7, 2019) - EUROPE and the US should put their trade tensions aside and join forces to fight China, according to Donald Trump's envoy to Brussels.

Donald Trump and Jean Claude-Juncker Gordon Sondland, US ambassador to the EU, said the two sides should combine their energies and take on to Beijing on three fronts: economically, from an intelligence standpoint and militarily. Mr Sondland described China's growing global influence as malign and called for Washington and Brussels to "link arms" to challenge it. He said: "We have a $40 trillion combined GDP, there is nothing on the planet that is more powerful than that.

Related articles Pro-EU Germany gets PROTECTIONIST to save industries from China and US Trump WARNING: EU doesn't even think it will get a deal "We should combine our mutual energies to meet China and check China in multiple respects: economically, from an intelligence standpoint, militarily.

"That's where the EU and US really should be linking arms."

Mr Sondland urged "a quick resolution that would move our trade relationship in the right direction so that we can both turn toward China, which is really the future problem in multiple respects".

But insiders warned the odds remained stacked against a quick fix with Washington demanding difficult concessions from Europe while Brussels accuses the US of trying to blackmail the EU with tariff threats.

US ambassador to the EU Gordon Sondland Mr Trump and European Commission chief Jean-Claude Juncker reached a truce in July and last month both sides delivered negotiating objectives for a planned trade deal.

But progress is being hampered by the EU's refusal to discuss greater market access for US agricultural products and American reluctance to accept reductions in duties on European cars.

The EU made a similar pitch to Washington last year when French President Emmanuel Macron visited the White House and called for joint action against Chinese trade practices such as heavy subsidies, forced technology transfer and state-owned enterprises.

AMERICAN OVERSIGHT

Mr Sondland linked his criticism of Beijing's practices to Chinese telecoms giant Huawei which is the main target of a US campaign advising Europeans not to use Chinese companies when building their 5G networks.

Related articles China hit by MORE economic pessimism as annual growth SLASHED Tehran sends dire warning to EU He said: “We want to keep critical infrastructure in the Western world out of Chinese malign influence.

"Someone from the Politburo in Beijing picks up the phone and says 'I wanna listen in on the following conversation, I wanna run a certain car off the road that's on the 5G network and kill the person that's in it,' there's nothing that company legally can do today in China to prevent the Chinese government from making that request successfully."

Huawei rejected the allegations and insisted the company “has a clean track record on cybersecurity" and is "committed to work with European institutions to develop a cybersecurity standard for Europe”.

Related articles EU-US trade war: Brussels warns Trump of £18billion tariffs Germany warns Trump: You are putting EU economy at RISK HUAWEICHARGED: Charges issued against Chinese mobile giant

AMERICAN OVERSIGHT

US diplomats pressure Germany's partners over Russian gas pipeline

Berlin (dpa, February 7, 2019) - The US ambassadors in Germany, Denmark and the EU have called on Germany's EU partners to support legislative proposals that would regulate the German-Russian gas pipeline Nord Stream 2.

"Nord Stream 2 would further increase Europe's vulnerability to Russian blackmail in the energy sector," Richard Grenell in Berlin and his counterparts Carla Sands and Gordon Sondland wrote in a guest article in German for Deutsche Welle.

The fact that the EU depends on Russian gas carries risks for Europe and the West as a whole, they wrote.

"Nord Stream 2 will deliver more than just Russian gas. Russia's power and influence will spread through the Baltic Sea to Europe," the article said.

The pipeline will allow Moscow to further undermine Ukraine's sovereignty and stability, it added. In addition, Europe's billions could finance fake news factories targeting democratic institutions in Europe and the United States, the ambassadors wrote.

In the EU, a revision of the so-called Gas Directive will be voted on this Friday.

It would allow the European Commission to regulate at least parts of the long-distance gas pipeline already under construction.

Nord Stream 2 would then have to meet new conditions that could reduce profits and possibly make the project uneconomic.

For example, it is envisaged that a gas supplier may not simultaneously be the operator of a pipeline.

The success of the regulatory plans was previously considered unlikely, but according to information from German daily Sueddeutsche Zeitung, France could now side with its supporters, thereby decisively changing the prospects for its success.

AMERICAN OVERSIGHT

Deutsche Welle

France set to undermine Nord Stream 2 pipeline deal

Deutsche Welle (February 7, 2019) - Paris has signaled it will support changes to EU guidelines regulating gas imports. Germany has thus far ignored opposition to its project, but it may not be able to any longer.

France's Foreign Ministry has signaled its intention to vote for changes to the EU's Third Energy Package Gas Directive regulating gas imports when the topic comes up for discussion Friday in Brussels.

The proposed changes would effectively extend existing rules to cover offshore pipelines. The posture signals a direct confrontation with Germany over the construction and operation of the controversial Nord Stream 2 pipeline that Berlin is currently building with Russia.

On Thursday, the Foreign Ministry released a statement saying: "France intends to support the adoption of this directive. Work is continuing with our partners, in particular with Germany, on modifications that could be made to the text."

Moscow, we may have a problem

The changes, which would regulate gas from third-party providers, could eventually make the project less profitable or even cost prohibitive. Friday's vote, put on the agenda by Romania — which currently holds the rotating presidency of the EU — will not be binding, but instead move to the European Parliament for negotiation.

The European Commission has voiced criticism of the pipeline project as it runs counter to the aims of European energy independence. The European Council, which represents member states, has so far opposed such changes. Russia, for its part, has taken up the issue of EUrules with the World Trade Organization (WTO).

Germany has been lobbying EU partners to support the German-Russian project, but has made little progress in allaying criticism, mostly from eastern and central European states, as well as Ukraine and more recently — and more vocally — from the United States.

Putting EU energy independence at risk?

Critics say the project puts European energy independence at risk, giving Russia outsized control over supplies. Nord Stream 2 will be operated by the Russian gas giant Gazprom, and deliver Russian natural gas to Germany via a Baltic Sea pipeline. The EU rule changes would also bar suppliers from operating their own pipelines.

AMERICAN OVERSIGHT

Speaking at a meeting of the so-called Visegrad States — the Czech Republic, Hungary, Poland and Slovakia — in Bratislava, German Chancellor Angela Merkel addressed the issue of energy independence saying, "There is no way that we intend to make ourselves solely dependent on Russia." She spoke of Germany's plans to build new liquefied natural gas (LNG) terminals as evidence of its energy diversification.

Although Russia accounts for 30 percent of gas imports to Europe, natural gas makes up less than 10 percent of the bloc's overall energy mix. The United States is keen to increase sales of LNG to Germany and the EU, which is likely one major reason President Donald Trump has been so vocal in his opposition to the Nord Stream 2 project.

Berlin has also been quick to counter criticism from Trump and others by pointing out that the EU is currently investing heavily in LNG terminals in Poland. Poland has been an outspoken critic of Nord Stream 2.

US ambassadors warn of Russian blackmail

On Thursday, US Ambassador to Germany Richard Grenell, along with Carla Sands and Gordon Sondland — US ambassadors to Denmark and the EU — wrote in a Deutsche Welle guest commentary that, "Nord Stream 2 will heighten Europe's susceptibility to Russia's energy blackmail tactics."

Grenell previously made headlines in Germany when he warned companies involved in Nord Stream 2 that they could face US sanctions if they didn't pull out of the project. Sondland warned EU leaders that President Trump had "many, many tools" to "curb and stop the project" if Germany refused to do so on its own.

The route of Nord Stream 2 bypasses Ukraine, thus robbing it of transit fees and making Germany western Europe's main distribution hub. Trump has criticized German payments to Russia as he says it only strengthens Moscow's position in the region, especially as regards Ukraine. Chancellor Merkel has said that Germany wants Ukraine to remain a transit country and that she has consistently conveyed that desire to Russian President Vladimir Putin.

Businesses opposed to rule changes

Steffen Ebert, Nord Stream 2 communications manager in Germany, told DW that EU rule changes would not affect construction, which he says is well under way. He also noted that the vast majority of business representatives have voiced support for Nord Stream 2. Ebert added that those same representatives oppose rule changes as they would only fuel uncertainty.

Wolfgang Büchele of the German Eastern Business Association (OAOEV) also warned against rule changes: "We find it disconcerting that an economically sensible project in which a number of European companies are financially involved, among them some from France, is now being called into question as a

AMERICAN OVERSIGHT

result of irrelevant political deliberations and sustained pressure from the United States."

Not everyone in Germany agrees with the chancellor

Although Chancellor Merkel has long been a proponent of the pipeline, not everyone in Germany shares her enthusiasm. Norbert Röttgen, a member of Merkel's Christian Democratic Union party (CDU) and head of the parliamentary foreign affairs committee, told the German newspaper Tagesspiegel that Germany has "isolated" itself on the issue.

Röttgen said that the German government's policy "has been one-sided for years, and not taken opposition to the plan by the majority of EU states, nor the security concerns of our eastern European neighbors, into consideration."

Although Reinhard Bütikofer was critical of Richard Grenell's DW column, the chairman of the European Green party said, "it is extremely embarrassing for German politics that our government insists upon being the very last to acknowledge that Nord Stream 2 runs counter to European and German interests."

Bütikofer later released a tweet with the words, "If you can't bang your head through a wall, at some point you should stop charging into it."

AMERICAN OVERSIGHT

REUTERS

Huawei offers to build cyber security centre in Poland

WARSAW, February 6, 2019 (Reuters) - China's Huawei has offered to build a cyber security centre in Poland where last month authorities arrested a Chinese employee of the telecommunications firm along with a former Polish security official on spying charges.

"We are ready to establish a cyber security centre in Poland if authorities accept this as a trusted solution," Tonny Bao, head of Huawei in Poland, told a news conference on Wednesday.

Huawei has set up information security labs in Germany and Britain aimed at building confidence that its equipment does not contain "back doors" for Chinese intelligence services.

Poland's government is set to exclude Huawei equipment from its future 5G network over concerns first raised in the United States that Huawei technology could be equipped with such back doors, sources told Reuters.

Huawei's regional public affairs director, Austin Zhang, said there is no reason for the Polish government to exclude the Chinese firm from its future 5G network development.

"If it does happen ... we will try all our means to protect our business and reputation in Poland," Zhang said.

The United States wants to steer people away from Huawei towards Western products because of its concerns over the security of the Chinese company's technology, the U.S. envoy to the European Union said last week.

Huawei denies allegations that its technology could be used for spying and the Chinese executive from Huawei arrested last month in Poland on suspicion of spying has also said he is not guilty.

Still, the company faces increasing international scrutiny over the matter.

Last week the company was excluded from a tender to build a Czech tax portal after the country's cyber watchdog warned of possible security threats posed by the telecoms supplier.

AMERICAN OVERSIGHT

Separately the U.S. Justice Department has charged Huawei with conspiring to violate U.S. sanctions on Iran and with stealing robotic technology from T-Mobile US Inc.

AMERICAN OVERSIGHT

REUTERS

U.S. wants Western tech to be used instead of Huawei kit

By Foo Yun Chee and Robert Muller

BRUSSELS/PRAGUE, Jan 31 (Reuters) - The United States wants to steer people away from Huawei towards Western products because of its concerns over the security of the Chinese company's technology, the U.S. envoy to the European Union said on Thursday.

Huawei faces international scrutiny over its ties with the Chinese government and allegations that Beijing could use Huawei's technology for spying, which the company denies

However, Gordon Sondland said that there was classified evidence on security breaches by the Chinese firm, saying he had raised the U.S. concerns with EU officials.

"The U.S. is very supportive of the discouraging the purchase of any Chinese digital products that involve potential national security implications and steering people away from Huawei into Western products is our desired outcome," Sondland told Reuters before an event in Brussels.

Huawei is the world's largest supplier of telecommunications network equipment and second-biggest maker of smartphones. It derives nearly half of its total revenue outside China and its global reach has come under attack from the United States, which is trying to prevent U.S. companies from buying Huawei equipment and is pressing allies to do the same.

U.S. security experts are worried the gear could be used by China for espionage, a concern Huawei says is unfounded

Asked about security issues with Huawei's products, Sondland said: "There is a lot of evidence, most of it classified."

Responding to Sondland's comments, a spokesman for Huawei said it had a proven reputation on cyber security and does not buy all of its materials from China.

"Only one third of materials used to make Huawei products are sourced in China," the spokesman said in an email.

"The rest are from other parts of the world. In today's globalised world, all major ICT companies have global supply chains. Huawei has a clean track record on cyber security."

DE-FACTO EU BAN?

AMERICAN OVERSIGHT

The EU is considering proposals that would amount to a de-facto ban on Huawei kit for next-generation mobile networks, Reuters reported on Wednesday.

The United States and Australia are among Western nations that have already restricted Huawei from the 5G mobile networks.

As Huawei comes under increasing pressure in Europe, Czech President Milos Zeman met representatives of the company to discuss cybersecurity and other topics, his spokesman said.

Huawei has been excluded from a Czech tender to build a tax portal after the country's cyber watchdog warned of possible security threats, documents showed on Wednesday.

"Huawei representatives informed the President about the current state of investment activities and plans for the future. The debate also touched upon cybersecurity. Huawei representatives declared that they complied with relevant standards," spokesman Jiri Ovcacek said on Twitter.

Zeman, who has long promoted close cooperation with Beijing and has publicly backed Huawei, also plans to meet its chief executive when he visits China in April, Ovcacek said.

AMERICAN OVERSIGHT

Parliament recognises Guaidó in Venezuela and calls on 28 to follow

EurActiv (January 31, 2019) - The European Parliament recognised on Thursday (31 January) the Venezuelan opposition leader Juan Guaidó as president of the Latin American country and called on the EU and its member states to follow suit.

"I am happy to announce that the European Parliament recognizes Juan Guaidó as the legitimate interim president of Venezuela," Parliament president head Antonio Tajani said after the vote on the resolution.

The Parliament is the first EU institution to take a firm stand in acknowledging Guaidó, the chair of Venezuela's national assembly who proclaimed himself president only a week ago in an attempt to oust Nicolás Maduro.

The resolution was largely backed by the main political groups in the Parliament, the European People's Party, the Socialists and Democrats, ALDE (liberals) and the European Conservatives and Reformists, with 439 votes in favour, 104 against and 88 abstentions.

For Spanish EPP MEP Esteban González Pons, the resolution of the Parliament "certified the end of Nicolás Maduro's regime." Pons defended a peaceful political transition that would lead the country out of the crisis.

S&D MEP Ramón Jauregui insisted that the resolution rejects any use of force or international intervention in the country. "There can only be a peaceful and democratic solution," he stressed.

However, members of the Greens and the European Left voted against.

Speaking on behalf of the Greens, MEP Molly Scott explained that while her group deplores the crimes of Nicolas Maduro regime, "in responding, we should not abandon key principles of international relations."

"Latin America has a long a tragic history of intervention by foreign players motivated by self-interest," Scott recalled, and such interest must not put the security of the Venezuelans at an "even greater risk."

The Green MEP called for the crisis in Venezuela to be solved through political dialogue and therefore supported the creation of an international contact group, as proposed by High Representative Federica Mogherini.

Most of the foreign interventions in Latin American countries in the past were carried out by the US. President Donald Trump was the first international leader to recognise Juan Guaidó.

AMERICAN OVERSIGHT

Left MEP João Pimenta accused the EU of supporting the US "coup" in Venezuela. "Will the EU support a US military intervention or the peace and dialogue proposed by Mexico and others?" Pimenta wondered.

In a telephone briefing for the media, Kimberly Breier, assistant secretary in the Bureau of Western Hemisphere Affairs of the US government, called for a peaceful resolution of the crisis in the country.

"That's our focus, that's our priority," she said. Although she refused to clarify how far the US was willing to go, Breier warned that "all options are on the table."

Guaidó thanks the Parliament

MEPs urged the member states and the High Representative Federica Mogherini to agree with the chamber and extend their recognition, as EU28 foreign affairs ministers were having an informal gathering in Romania on Thursday and Friday.

On its resolution, the Parliament condemned the episodes of violence that have led to dozens of casualties in the past few days and support a peaceful solution to the conflict, including by putting forward an international contact group.

Venezuela has been in a deep social and economic turmoil for the past few months, which has forced more than 3 million people to flee the country.

In Parliament's view, only Guaidó can lead the country "until new free, transparent and credible presidential elections can be called in order to restore democracy."

After the vote, Tajani spoke with Guaidó, who tweeted: "Europe and Venezuela step up their cooperation.[…] Waiting for the European countries."

Acabo de conversar con @EP_President. Iniciamos hoy procesos de cooperación entre Europa y Venezuela, de cara a la protección de los activos y la ayuda humanitaria. A la espera de los paises de Europa.

— Juan Guaidó (@jguaido) January 31, 2019

The US Ambassador to the EU, Gordon Sondland, praised the European Parliament "for standing with the people of Venezuela" and called on the EU and member states to follow suit.

The European Parliament has passed several resolutions in support of the people in Venezuela and a democratic transition in the country. In 2017, it awarded the Sakharov Prize to Venezuela's democratic opposition.

EU ministers to discuss the affair

Foreign ministers of EU 28 member states are gathering in Bucharest for an informal meeting. The establishment of an international contact group to mediate in the Venezuelan conflict tops the agenda.

AMERICAN OVERSIGHT

“Our position is already very clear,” High Representative Mogherini said upon arrival. “We clearly called for new elections that have to be fair, free and supervised,” she pointed out.

She recalled that the EU had shown its support to the National Assembly as the legitimate democratic institution and the role of its president, Juan Guaidó while putting in question “from the very beginning” the results of the elections last year. In line with this position, the EUambassadors did not attend Maduro’s inauguration.

In a previous statement, Mogherini said “the people of Venezuela have massively called for democracy and the possibility to freely determine their own destiny. These voices cannot be ignored”.

Despite the pressure coming from the European Parliament and dozens of other countries, including the US, Canada, Australia and Israel, the ministers EU are not expected to recognise Guaidó immediately.

The objective is to take the necessary measures to avoid an escalation of the conflict and ensure a democratic transition in the country.

AMERICAN OVERSIGHT

Bloomberg

Don't Let China Control Your Networks, U.S. Envoy Tells Europe
Bloomberg (January 31, 2019) China seeks to take control of Western data and networks, the U.S. ambassador to the European Union said, in the latest warning from Washington to its allies that they should think twice before using equipment from companies such as Huawei Technologies Co.

“China is working to establish itself as a cyber power through illegal frameworks and control over data and networks,” American envoy Gordon Sondland told a telecoms conference in Brussels. Chinese laws "require it’s state-owned and private companies to cooperate with and share data with Chinese intelligence and security,” giving rise to U.S. security concerns, he said on Thursday.

The U.S. has been pushing European allies such as Germany to shun telecom suppliers “subject to foreign government control.” Donald Trump’s administration in December sent officials to Berlin to step up pressure on Chancellor Angela Merkel’s government over Huawei, while the U.S. Embassy said allies and partners are being urged to be vigilant in ensuring network security, including when carriers award equipment contracts.

The warnings may be having an impact. Last week the EU’s digital chief urged the bloc’s member states to consider the risk of partnering with Chinese companies like Huawei. In an interview, Andrus Ansip, European Commission Vice-President for digital affairs, said Chinese data laws have increased the risk in dealing with Chinese companies in Europe.

Controversial Law
The concern voiced by Sondland and Ansip center on China’s National Intelligence Law, passed in 2017. The law mandates any organization and citizen to support and assist national intelligence in their investigations and to keep information related to such investigations.

Huawei has fought back against allegations that it is an enabler for Chinese espionage, and that blacklisting the Chinese company without proof will hurt the industry and disrupt new high-speed technology. Huawei has previously said it had commissioned a legal opinion to analyze the consequences of the law. The opinion says the law doesn’t require it to cooperate with state intelligence if it would contradict the legitimate rights and interests of individuals and organizations, a spokesman said.

AMERICAN OVERSIGHT

On Tuesday U.S. prosecutors filed criminal charges against Huawei, alleging it stole trade secrets from an American rival and committed bank fraud by violating sanctions against doing business with Iran.

Huawei is one of the leaders in developing the next generation of network technology, known as 5G. Some countries have sought to limit the company's influence, with Australia and New Zealand banning Huawei equipment from the planned 5G networks of carriers, and other nations, including Germany, considering restricting Huawei's role.

The U.S. has made the security of networks and services a priority - and this has implications for 5G, said Sondland. "This is not a decision about price or quality. This is a decision about whether or not to allow malign actors take control of your national telecommunications system," he said.

AMERICAN OVERSIGHT

Agence Europe

IRAN; France, Germany and the United Kingdom officially launch Instex fund to continue trade with Teheran

Bucharest, 31/01/2019 (Agence Europe) – France, Germany and the United Kingdom officially launched the special purpose vehicle (SPV) on Thursday 31 January, which was immediately welcomed by the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini . Announced by Mrs. Mogherini in September, this mechanism should enable European companies to continue their trade with Iran despite US sanctions and the risk of extraterritorial measures from Washington.

“We are pleased to announce the creation of Instex, an instrument to support trade (...) which aims to enable European companies that so wish to pursue legitimate trade in areas such as health and agri-food, which are essential sectors”, announced French Foreign Minister Jean-Yves Le Drian , on the margins of the Informal Council of Foreign Ministers in Bucharest, along with his German, Haiko Maas, and British, Jeremy Hunt, counterparts.

Earlier in the week, Mr. Maas explained that the SPV would cover “areas not sanctioned by the United States”.

Instex SAS, short for Instrument in Support of Trade Exchanges, was registered on Thursday 31 January at the Paris Commercial Court and its address corresponds to the French Ministry of the Economy and Finance . It will be led by a German and use British, French and German funds.

Expected by the Iranians for 4 November and the entry into force of American sanctions to allow them to continue selling oil, Instex should therefore be above all symbolic. “This is an important political gesture”, said Mr. Le Drian, noting that this mechanism was in continued support of the Iranian nuclear agreement. According to him, this mechanism is also "a gesture of protection of European interests; companies that respect our law must be able to trade”.

Mr. Hunt said that there were still technical and legal steps to be taken before the mechanism was fully operational. "As soon as possible", Mr. Le Drian hoped, and he also hoped that “the text would be quickly supported by others”. Earlier in the day, Belgian Minister Didier Reyndersexplained to EUROPE that his country could participate in this mechanism. “I have always said that we were quite ready to participate in a European operation; since we support the logic of the nuclear agreement, we really want its implementation”, he stressed, while acknowledging that it was “particularly complicated for many companies”. “Ultimately, it is companies that will decide whether or not they want to continue working in Iran; it

AMERICAN OVERSIGHT

is they who will decide whether to do so, knowing the risks of US sanctions", he added.

On the United States side, the red lines are clear. US Ambassador to the EU, Gordon Sondland , told Europeans earlier this week that if companies used this mechanism for anything other than humanitarian goods, for activities "directly or indirectly sanctioned" by his country, they would have great difficulty or even be unable to trade with the United States, under penalty of sanctions. (Original version in French by Camille-Cerise Gessant)

AMERICAN OVERSIGHT

POLITICO

EU's Iran fight is not about Iran (or Trump)
By DAVID M. HERSZENHORN

Politico.eu (January 30, 2019) The EU's delicate diplomacy to preserve the Iran nuclear accord has stumbled into an unexpected mud patch: An old-fashioned spat between Spain and Italy over who gets to sit at the proverbial grown-ups' table.

Infuriated by Italy's induction into an expanded version of the so-called E3 club — the trio of France, Germany and the United Kingdom that helped negotiate the nuclear deal along with the European External Action Service — Spain has blocked proposed European Council language on Iran intended for approval by EU leaders at a summit next month.

The feud boiled over just as the EU is trying to put the finishing touches to a "special purpose vehicle" (SPV) to help European businesses circumvent the economic sanctions U.S. President Donald Trump re-imposed when he pulled out of the nuclear accord, known as the Joint Comprehensive Plan of Action.

The Council conclusions aim to walk a diplomatic tightrope, by not raising any doubts about the EU's commitment to the nuclear deal despite the withdrawal of the U.S., but also holding Iran to account for a continuing pattern of military meddling in the Middle East and at least two recent assassination plots in Denmark and the Netherlands.

EU officials insisted on Tuesday that all of their diplomatic efforts regarding Iran remained on track — and attempted to distinguish between the steps needed to preserve the JCPOA and the effort to develop coordinated Council conclusions.

Spain has done little to hide its annoyance that it is not part of the E4.

"You know that the work on setting up the SPV has been intensified and is actually in its final stages, so the moment there will be something to announce this will be done," said Maja Kocijančič, a spokeswoman for Federica Mogherini, the EU's high representative for foreign affairs.

"The efforts are being led by the member states in coordination with the EU," Kocijančič said at a news conference. As for the proposed conclusions, she said: "This work is currently still very much ongoing. There are active

AMERICAN OVERSIGHT

discussions. I would not enter into details of them but just confirm to say this is ongoing work."

But Madrid's continued blocking of the Council conclusions left the EU struggling to explain why one of the highest-priority security initiatives had fallen victim to what appeared to be a petty, and utterly avoidable, internal argument.

The spat stems from an effort by the EU last year to address other concerns about Iran, including its role in wars in Yemen and Syria, without creating the perception that the discussions were taking place in the same format that led to development of the nuclear accord. The nuclear deal was brokered by the E3+3 — the EU, France, Germany and the U.K. plus Russia, China and the United States.

For the new framework, the EU established the E4 — adding Italy. But that move was seen by some EU countries, including Spain, as a bit of home-country favoritism by Mogherini, a former Italian foreign minister. Others saw it as an effort to appease Rome, which was annoyed at being excluded from the E3 while Berlin was included.

In any event, Spain has done little to hide its annoyance that it is not part of the E4.

"There is a reference in the conclusions to a group of four countries who were supposed to have contacts with Iran on Yemen," said a Spanish diplomat who agreed to discuss the situation on condition of anonymity. "We cannot accept that the conclusions of the European Union, which is a formal document of the Union, a formal decision, endorses groups that have not been discussed in the framework of the European Union, that has not been, let's say, blessed by the 28, that does not have authority in the institutions of the Union."

The diplomat readily conceded that Spain's blocking of the conclusions did not have anything to do with Iran, the nuclear agreement, concerns about Tehran's ballistic missile program, or any other substantive issue related to Middle East security.

"The question is about a purely internal EU matter," the diplomat said. "We cannot accept that people form an informal group and then they pretend that these informal groups have any mandate from the European Union whatsoever."

Kocijančič, the EU foreign affairs spokeswoman, defended the E4 as a useful format but did not directly address a question about how its membership had been determined.

AMERICAN OVERSIGHT

"There is not very much I can say on this specific point," she said. "It was a format that was chosen at the moment that these discussions were held because obviously this is not specifically a format that would be addressing JCPOA but other regional issues. And it was an informal format that at that time delivered quite concrete results. You know that as part of our work we do use various tools and ways that we have at our disposal to actually achieve foreign policy goals that the EU has set for itself."

The squabbling comes at a moment when U.S. officials are eager to paint the EU as feckless and desperately clinging to the JCPOA, which Trump has derided as a failed attempt to constrain a rogue regime.

U.S. officials have issued pointed warnings to companies that might continue to do business with Iran despite the EU's refusal to recognize the reimposed American sanctions.

"Those businesses engaged in that activity with Iran are certainly free to do business with Iran but they'll find it very difficult if not impossible to do business in the United States once that occurs," the U.S. ambassador to the EU, Gordon Sondland, warned during a briefing for reporters on Monday.

Sondland and other U.S. officials have insisted the EU's effort to preserve the JCPOA will fail, largely because companies will see little reason to choose doing business with Iran over the risk of losing access to the far more lucrative U.S. market.

Sondland also chastised the EU and European countries for showing little interest in a conference on Middle East peace that the Trump administration is organizing in Warsaw next month. Critics have said the event is unlikely to accomplish much toward the goal of Middle East peace but is largely designed to intensify pressure on Iran and also to exacerbate tensions within the EU.

Sondland defended the event and said the Europeans should participate. "This is not a trash Iran conference," he said.

Some experts have said that the survival of the nuclear deal depends most of all on the government in Tehran sticking with the agreement despite American pressure. The creation of the SPV is intended in part to help ease domestic political pressure on the Iranian government to abandon the agreement, perhaps creating enough breathing space to sustain the deal until the next U.S. election, which the Iranians and Europeans clearly hope Trump will lose.

AMERICAN OVERSIGHT

Luca Giansanti, a retired Italian diplomat who represented Rome in the initial E4 meetings, said the expanded format was created at the invitation of the larger EU countries — France, Germany and the U.K. — and also at the behest of Iran, which would not discuss issues unrelated to the nuclear deal in the E3+3 format.

"EU dialogue with Iran on regional issues could not take place in the JCPOA format (E3)," Giansanti wrote on Twitter. "Unacceptable to Iran. EEAS and E3 asked Italy to join. Iran agreed. EEAS/E4 format made this dialogue possible."

The Spanish diplomat, however, said the E4 should have no more authority than an informal group of seven southern EU countries, sometimes referred to as Club Med, that met on Tuesday in Cyprus.

"We will not [be] putting in conclusions of the European Union that the Med 7 said this or that," the diplomat sniped.

AMERICAN OVERSIGHT

NEWEUROPE
neurope.eu

Poland to host Middle East conference

New Europe (January 29, 2019) - Poland and the United States will co-host an international ministerial conference on "the Future of Peace and Security in the Middle East" in the Polish capital Warsaw on February 13-14, a senior official from the Polish foreign ministry and his counterpart at the US State Department announced during a press briefing on January 28.

Both officials said the conference aims to gather ministerial-level representatives from the region as well as from parties with interests in the wider Middle East.

According to the two officials, which was later confirmed by the US' Ambassador to the European Union, Gordon Sondland, the gathering will include discussions on missile development and proliferation, the humanitarian crises in Syria and Yemen, the status of the region's Kurdish population, terrorism, Israel's security, money laundering, and emerging threats from cyber warfare.

Sondland also addressed the issue of Iran, saying representatives from the US and EU are not conducting the meeting with the purpose of setting up an "anti-Iranian agenda" but both have recognised the depth of the Islamic Republic's "destructive policies in the region" and that Iran's "expansionist revolutionary foreign policy" in places such as Lebanon, Iraq, Syria, and Yemen are the "principal driver" of instability in the Middle East, which is why, according to the senior officials who briefed the press, the discussion "inevitably gravitates towards Iran".

Russia – the main foreign ally of the regimes in Damascus and Tehran – will not be attending the conference, a move that both the Polish and US officials said they found regrettable as it will hinder the international community's efforts find concrete solutions to long-standing problems in the Middle East.

Sondland, while responding to a question from New Europe regarding whether the plight of the Kurds will be on the agenda of the meeting, reinforced the US' stance that having an open discussion about important regional issues, such as the Kurdish question, is a key reason why the nations who have interests in the Middle East need to be in attendance.

The Special Payments Vehicle that has been floated by some EU countries who are hostile to the Americans' newly re-assertive posture towards the Iranian government after the White House reintroduced stiff economic sanctions against Tehran may also be addressed at the conference. The proposed agency would assist Iran in circumventing US sanctions, but the so-called SPV has yet to see

AMERICAN OVERSIGHT

the light of day as no EU member has been willing to host the agency out of fear that they would then be subject to the US' sanctions.

This agenda-setting conference is the first initiative of its kind by the Trump Administration. For over two years, the diplomatic agenda in the Middle East has been dominated by UN initiatives and trilateral meetings between Russia, Iran, and Turkey. The one significant exception was a meeting between stakeholders to the Yemen conflict in Stockholm, Sweden – an initiative by former US Secretary of Defense James Mattis, who resigned in December after disagreeing with Trump over the latter's sudden decision to pull US troops out of Syria and Afghanistan.

The conference will serve to highlight the continued rise of Poland as a major NATO ally, one that has played a significant role in the Middle East for decades. In the lead-up to the conference, Senior Polish officials reiterated Warsaw's continued support for the 2015 Joint Comprehensive Plan of Action – also known as the Iran nuclear deal – and Warsaw's commitment to contributing to US efforts aimed at curbing the activities of Iran's Revolutionary Guard Corps both in Europe and the Middle East.

AMERICAN OVERSIGHT



Transatlantic Relations: Difficult Decisions Ahead

By **Gordon D. Sondland**

New Europe's Our World 2019 Edition - January 15, 2019 – As the son of European immigrants to the United States, I'm proud to call myself an Atlanticist; my heritage has given me an enduring affinity for Europe and its people, as is true for many Americans. I believe the transatlantic relationship has been a powerful driver of positive change that benefits all of our citizens. With focus, diligence, and honest commitment, it will continue to be.

Still, let's not ignore the irritants in this relationship. The United States has legitimate concerns that must be addressed. The EU often espouses the rhetoric of supporting free trade, while simultaneously employing numerous non-tariff barriers to its markets. While these NTBs take many forms, prominent among them are the EU's unjustified and trade restrictive policies with respect to agricultural and food products, notably unwarranted bans not based on science or actual risk. It is not a coincidence that the United States has an agricultural trade surplus with the world of $22 billion and a deficit with the EU of $15 billion. The EU's tariffs are also higher than the United States.

Without exception, every successful partnership accommodates the needs of both parties involved. Removing the serious but surmountable obstacles

AMERICAN OVERSIGHT

between us, beginning with our imbalanced trade ledger, will allow us to focus on important common external threats and opportunities. Indeed, a strong transatlantic partnership, rooted in a fair and reciprocal trading relationship, will be essential to confronting the challenges of unfair trade practices and overly aggressive economic rivals in the years ahead.

Historically, the United States has been there for Europe for more than seven decades. Our commitment to a free, prosperous and secure Europe has come in many forms, from American dollars to American lives. The United States decided to make a strategic, long-term investment in this transatlantic relationship. Hundreds of billions of dollars have flowed into Europe, along with the incalculable investment into Europe's security via non-obligatory defense spending. At the same time, we have opened our lucrative markets and welcomed European trade and investment throughout our economy.

Against this backdrop, I arrived in Brussels last July highly optimistic. I came to government work from the business world, and I was pleased that, after years of deadlock, Presidents Trump and Juncker met in Washington on July 25, 2018. On that day, both men pledged to make the imbalanced U.S.-EU trade relationship freer, fairer, and more reciprocal. President Trump is a man of action, and it seemed as though things were happening. I was ready to engage the EU leadership in friendly, open-minded discussions.

Fast-forward six months. I am deeply disappointed we have not seen faster, deeper progress on the wide number of areas where European rules prevent U.S. firms from fair access to European markets. This lack of demonstrable progress on real and tangible U.S. concerns presents a serious challenge to the transatlantic relationship at a time when it is more important than ever that we be working together. Rest assured, President Trump is committed to fixing the imbalance in our trade relationship so it will not burden yet another American administration.

In my view, it is clearly time for the United States to adopt a different approach. I believe that unless the EU recognizes and corrects our one-sided trade arrangement, the United States should consider a range of actions to address this problem. In my opinion, these steps should happen sooner rather than later.

It would be extremely unfortunate for the transatlantic relationship to devolve to this, but the status quo in our trade relationship is unacceptable. Europe needs to recognize the United States has tremendous leverage in this relationship and this president will not shy away from applying that leverage when it is required to address our trade imbalance. So, let me be clear when I say the United States—from the working level to the President— is ready now, today, to work

AMERICAN OVERSIGHT

with the EU to correct the imbalances in our trade relationship. But, our patience is not endless. We need the EU leaders to step up, take control of the EU bureaucracy, recognize the unfairness in many of the EU's current rules, and change the rules to make them fair.

The United States and Europe are partners in a transatlantic market that accounts for about one third of global GDP. Forty trillion dollars. We approach regulation differently, but essentially wind up in the same place. In fairness, the United States should also review any of its own protectionist rules to allow for freer and more open trade between us. In the future, working together, we should be able to achieve virtually limitless opportunities. But, to get to that future, we need address the imbalances of today.

We should not be squabbling over EU rules and regulations that too often serve as protectionist non-tariff barriers. Instead, the EU should get its proverbial house in order and open all of the trade doors, as should the United States. The resulting growth in GDP, transatlantic innovation, and additional U.S.-EU joint ventures will more than compensate for any short-term rebalancing.

If we can put this trade disagreement behind us, think about what the United States and the European Union have to offer when we work together. Together we should be setting global standards that ensure safety and health and providing an example for fledgling democracies. We should be expanding our collaboration on countering the threat of terrorists, isolating rogue regimes, and delivering developmental assistance and disaster response to those countries most at risk. As guarantors of the liberal world order, the United States and the EU shouldn't be distracted by challenges that are readily solvable. We should be unified in our confrontation of China, Russia, and other world actors who fail to share our vision or values and who are actively working against all of us. Instead, we are wasting our time locked in endless discussions that produce no results, despite the fact we seek the same goal. This is no time to turn on one another in the name of "process".

We are better than this, and the reality is that a U.S.- and EU-led world is far better than any other alternative. I encourage the leadership of the EU to pause and reflect on what is truly important – that which makes this transatlantic partnership such a potent force for good, for so many – then decide how it wishes to make its own long-term, strategic investment in the future of this relationship. Our enemies want nothing more than to see us divided. Let's not play into their hands.

AMERICAN OVERSIGHT



Gordon D. Sondland is the United States Ambassador to the European Union. He is also the founder and chairman of Provenance Hotels and co-founder of the merchant bank Aspen Capital.

AMERICAN OVERSIGHT

Bloomberg

Who's right? U.S. and EU contradict each other on trade talks

By Jonathan Stearns

Bloomberg (January 21, 2019) - As the U.S. and European Union gear up for free-trade talks, disagreement over what will be negotiated could sink the effort.

U.S. officials say a pledge by the two leaders on July 25 to lower trans-Atlantic trade barriers extends to agriculture. The EU insists the political pact is limited to industrial goods (except for a European vow to buy more American soybeans -- something the market was already doing).

“It said very clearly, without doubt -- and I was in the room where it happened so I know this -- that agriculture would not be in,” European Trade Commissioner Cecilia Malmstrom told reporters on Friday in Brussels after presenting a blueprint for a trans-Atlantic deal that would cut tariffs on industrial goods.

That contrasts with the view of U.S. envoy to the EU Gordon Sondland , who said two months ago: “I had the advantage -- or disadvantage -- of standing in the room when this was discussed on July 25 at the White House. Agriculture was always part of the discussion.”

EU Outlines Trade Goal With U.S. in Bid to Bolster Truce

To gloss over the mismatch in expectations, Juncker’s commission dispensed with some of the EU formalities regarding trade-negotiation mandates. Malmstrom largely skipped the task of working out with her U.S. counterpart the precise scope of any deal to be sought, fast-forwarding straight to the request for EU governments to approve the start of talks.

The EU is determined to show the notoriously impatient Trump that progress is being made in enacting the July agreement, which put on hold a much-feared U.S. threat to hit European cars and auto parts with tariffs based on national-security grounds.

AMERICAN OVERSIGHT

Commission wants to submit two trade negotiation mandates to Member States

Brussels, 09/01/2019 (Agence Europe) – With the publication in February of the results of the survey on US imports of foreign cars, the European Commission wants, as a token of goodwill towards Washington, to submit to the Member States the negotiating directives for two trade agreements. "The European Commission decided to trigger the relevant procedures to submit the draft negotiating mandates to EU Member States for a conformity assessment agreement and a trade agreement with the United States to remove tariffs on industrial goods, both reflecting the goals agreed on the July Joint Statement", a Commission spokesman told EUROPE on Wednesday 9 January.

This decision comes after the meeting in Washington between Trade Commissioner Cecilia Malmström and US Trade Representative Robert Lighthizer in the framework of the Executive Working Group set up in summer 2018. They both reviewed the work accomplished in implementing their trade agenda and discussed the next steps in these discussions, the spokesperson said. These will continue at the technical level throughout the week in Washington.

Mr Lighthizer should, for his part, obtain the Congressional mandate to negotiate with the EU in the coming days. He will then have 30 days to submit his negotiating objectives to Congress. In a letter published in mid-December, 53 agri-food organisations from across the Atlantic urged Mr Lighthizer to include agriculture in these talks, an option however excluded by the EU.

The sword of Damocles of car sanctions

The US Ambassador to the EU, Gordon Sondland, until recently deplored the lack of “substantial progress on the trade front”, still threatening sanctions on European cars.

The findings of the investigation, opened by the Trump administration last May, into imports of vehicles and car parts, are expected to be published on 17 February. Donald Trump will then have until 18 May to decide on the levying of tariffs, which could reach 25%.

However, it is likely that the Americans will find a way either to delay the publication of the report or to suspend the imposition of customs duties, in order to use the threat of sanctions to influence their trade negotiations with Europeans and Japanese.

AMERICAN OVERSIGHT

Deutsche Welle

EU lawmakers decry Washington downgrading of EU ambassador

Deutsche Welle (January 9, 2019) - The US Congress has been sent an open letter by EU parliamentarians fuming over the sidelining of the EU's mission in Washington. The MEPs again accuse President Donald Trump of eroding trans-Atlantic relations.

A letter published Wednesday by the 58-member EU parliamentary Delegation for Relations with the United States slammed the White House's "increasingly harmful approach" to trans-Atlantic relations and urged Congress to help "strengthen and not undermine" ties.

The European delegation criticized the demotion of the EU Ambassador to the United States, David O'Sullivan, saying neither the ambassador nor the EU's foreign policy chief, Federica Mogherini, had been "formally notified of this change" in advance.

O'Sullivan lost his rank on the US Diplomatic Order of Precedence and had been relegated to "the bottom of the list," wrote German Christian Democrat Christian Ehler, the delegation's chairman, as well as delegation vice chairpersons, Danish Social Democrat Jeppe Kofod and Dutch Liberal Marietje Schaake.

The EU signatories urged Congress to build on a "long-cherished" trans-Atlantic relationship. "This is no way to treat partners," they wrote.

Together the 28-nation EU and the US should "face shared challenges from countries such as China, Russia and Iran" as well as climate change and economic inequality, the signatories added.

Deutsche Welle broke the news Tuesday, saying O'Sullivan was being treated in Washington as a representative of an international organization and not as an ambassador. Brussels subsequently intimated that O'Sullivan's rank had been reinstated.

'Modernize not undermine'

Schaake said the letter, which she made public Wednesday, was also addressed to Nancy Pelosi — the newly chosen Speaker of the House of Representatives and a member of the Democrats — and stressed the need to modernize strong trans-Atlantic relations.

She told DW: “I hope that members oft he new Congress will take the time to reflect on the impact of the Trump administration’s confrontations with Europe, the changing role of the United States in the world, and that they will feel empowered to do something about it.“

AMERICAN OVERSIGHT

"There are so many areas where it is important that frivolously-made decisions by tweet or otherwise are not just met with just applause but that there's also checks and balances."

The delegation's letter specifically takes aim at President Trump, US Secretary of State Mike Pompeo and US Ambassador to the EU Gordon Sondland.

"They lambast the EU as bureaucratic, make no secret of their preference to deal with individual member state governments bilaterally, and have praised populist and nationalist movements," wrote the delegation in its open letter.

2018 EU resolution slammed "America first"

In a resolution passed last September, the European Parliament said it regretted "that the current US administration has chosen a one-sided 'America first' policy that harms the interests of both the EU and the US and undermines mutual trust."

During his election campaign in 2016, Trump supported Britain's exit from the European Union, and he has since repeatedly lashed out at the bloc on issues such as defense and trade.

Next meeting mid-January in Strasbourg

On the EU delegation's website, Ehler said the next twice-yearly meeting of EU parliamentarians with their US counterparts — the so-called Inter-Parliamentary Meeting (IPM) — is scheduled for 17 January in Strasbourg.

The previous IPM Dialog scheduled for 5 December 2018 was postponed due to funeral arrangements for former US President George H.W. Bush.

Delegation members had, however, held "two full days of meetings" on December 3-4 with the US Senate and House of Representatives, Ehler said.

AMERICAN OVERSIGHT

l'Opinion

How the diplomacy of Donald Trump undermines the Union European interior – Google Translation

L'Opinion (January 7, 2019) - Emerging from the traditional diplomatic prudence, American ambassadors in post in London, Berlin and Brussels do not hesitate to openly campaign against the EU mixing sensitive issues such as Brexit or Franco-German trade disputes The facts - Mistreated by the United States' standoff with China, the differences between Washington and Brussels persist. Cecilia Malmström, the European Commissioner for trade is expected this January 9 in the US capital to take stock of the agreement of free trade being negotiated. While the discussions seem to be stalled and the next few weeks are crucial, Donald Trump has his diplomats up in the air in Europe.

"I had the opportunity to travel all over Wales, Ireland, Scotland and also England and I the feeling that this country needs leadership ". As a Happy New Year greeting for 2019, Theresa May, the British Prime Minister, could have hoped for better, especially from a Diplomat! But like many of his American counterparts chosen by Donald Trump to represent him in Europe, like Richard Grenell in Berlin or Gordon Sondland in Brussels, the US ambassador to the Court of St. James, is not there to give in the understatement. Her mission is to carry the good word of the host of the White House, even to sow discord. Disregarding the principle of non-interference in the internal affairs of a friendly country, Robert Wood Johnson did not hesitate to lead the charge in an interview on 31 December at the BBC, against the occupant of 10 Downing Street. While Theresa May is struggling for the House of Commons to endorse the agreement negotiated with the European Union on the Brexit, Donald Trump's man in London has very clearly explained that if she succeeds, there is was unlikely that the United States would agree to sign a trade agreement with Great Britain.

Since the presentation of his credentials to Queen Elizabeth in November 2017, the back grandson of the founder of the US pharmaceutical giant Johnson & Johnson, manager of family affairs reunited in The Johnson Company and owner of the football team American New York Jets preaches, indeed, openly in favor of the exit of the United Kingdom of the EU. On July 4th, the day of the National Day of the United States, he drew the parallel between American independence, the reluctance of some settlers of the time to cut the bridges for essentially commercial reasons with London and those displayed by some British, today, vis-à-vis the risk of breaking with their European neighbors. " You have the unique opportunity of your life to go in another direction and choose what you

AMERICAN OVERSIGHT

want to be and what you want to accomplish (...) It could be the beginning of something very big " he explained then before returning to the charge on November 28 in a published forum by The Times. "If Britain regains control of its trade policy, you will be at the top of the list (...). Together we could agree on the most sophisticated and more ambitious free trade agreement never before reached, of such weight that the whole world will have to think about it and take it into account, "he wrote then.

Catapulted to London by Donald Trump, in appreciation of his contribution to his election presidential election, Robert Wood Johnson may have the excuse of being a newcomer diplomatic. What Richard Grenell (52) did not have as spokesman for the mission at the United Nations, under George W Bush, between 2001 and 2008. Just arrived in Berlin in May, the former communications advisor and consultant for Fox News, did not yet no longer in the lace by inviting, via Twitter, German companies "to reduce immediately their operations in Iran "after the US withdrawal from the 2015 agreement on Iranian nuclear power. Before stating in an interview with Breitbart, the site launched by Steve Bannon who is leading a crusade in Europe today in favor of Donald Trump, his willingness to support "all conservative leaders across Europe". Today, he tries to sow discord between Germany and its European partners while Washington has taken hostage German manufacturers, threatened by an increase in the rights of customs in the United States.

He can count on the active support of Gordon Sondland (61), the US ambassador with the European Union in Brussels. Arrived in early July, the founder of a small chain awarded a $ 1 million gift for the investiture ceremony Donald Trump was quick to fight with his hosts. " The European Commission has lost all sense of reality "he denounced, from the month of October in an interview with the site American politician talking about his "obstruction mentality" in the negotiations with the United States, denouncing in passing France, which has nothing to do with German industry "all busy" to protect its agriculture at all costs ". And to sink the highlighting that agriculture is well on the agenda of discussions between Washington and
Brussels. The man did not hesitate either to denounce the project of the Europeans to circumvent the US embargo imposed on Iran through the creation of a "special purpose vehicle", "a tiger of paper "in his eyes.

And to say that the choice of Gordon Sondland had been greeted with relief, European side, after the evocation of the appointment of Ted Malloch, a close friend of the American president who promised himself to inform the EU of the same fate as the USSR and believed that Greece should have abandoned the euro for a long time! In any case, France can so far consider herself privileged:

AMERICAN OVERSIGHT

Jamie McCourt, the ambassador of the United States, shines with his absence, visibly enjoying
"Inaugurate the chrysanthemums".

AMERICAN OVERSIGHT

THE WALL STREET JOURNAL.

EU's High Trade Surplus With the U.S. Poses Risk to 2018 Tariff Truce
By Emre Peker

Wall Street Journal (January 1, 2019) - BRUSSELS—The European Union narrowly avoided a bruising economic war with the U.S. in 2018 by vowing to rebalance trade. In 2019, the EU faces headwinds to fulfilling its promise and satisfying President Trump's demands.

EU and U.S. negotiators missed a self-imposed November deadline to deliver quick results on removing nontariff barriers. Their talks on a broader free-trade deal appear doomed amid sparring over the scope of any pact. And the EU trade surplus in goods with the U.S.—a top concern for Mr. Trump—is on track for a record for 2018.

U.S. Trade Representative Robert Lighthizer is slated to meet EU Trade Commissioner Cecilia Malmström in Washington on Jan. 9 to continue talks.

EU officials say their strategy is to negotiate with the U.S. to cut duties and red tape in ways that satisfy the interests of both Washington and Europe. They also hope market forces will boost some U.S. exports, such as soybeans and liquefied natural gas, providing breathing room as talks continue.

But slow progress, coupled with Mr. Trump's focus on eliminating trade deficits, risks landing the EU back in his sights for punitive measures—led by tariffs on European automobiles.

"So long as the EU leadership plays the delay game, the more we'll have to use leverage," said Gordon Sondland, U.S. ambassador to the EU. "Recalibrating our trade relationship to make it more free and fair is the United States' No. 1 goal."

Mr. Trump renegotiated Washington's free-trade deal with Canada and Mexico by threatening to scrap a 1994 pact, and he forced South Korea's hand with steel and aluminum tariffs to revise a Seoul-Washington accord.

The president has focused his main firepower on China, imposing tariffs on $250 billion of Chinese exports. Washington is seeking to balance trade flows and curb Beijing's state capitalism. Beijing has responded with retaliatory tariffs on $110 billion in U.S. goods—or 85% of American goods that entered China in 2017.

AMERICAN OVERSIGHT

The EU avoided a similar tit-for-tat escalation with Washington. Europeans kept communication channels open, even after Mr. Trump imposed metals tariffs on EU exporters and the bloc responded.

Starting a trade war would be "stupid," but that wouldn't deter the EU from defending itself, the bloc's top executive, European Commission President Jean-Claude Juncker, said in March. He visited Mr. Trump in Washington in late July and clinched a truce.

The presidents pledged in a joint statement to "work together toward zero tariffs, zero nontariff barriers, and zero subsidies on nonauto industrial goods." They also agreed to boost commerce in services, chemicals, pharmaceuticals, medical products and soybeans.

Mr. Juncker sweetened the deal, pledging increased EU imports of U.S. liquefied natural gas to help diversify its energy supplies. The EU imports roughly 40% of its natural gas from Russia. Mr. Trump had lambasted Germany's dependence on Russian gas two weeks earlier.

In exchange, Mr. Trump promised to shield European car makers from potential U.S. tariffs, which would hit more than $40 billion in annual EU auto exports.

Since the handshake, the EU has posted arresting statistics: American soybean exports to the EU have almost doubled since July, giving the U.S. 69% of the EU market. LNG exports are up 52% in the same period.

Yet European and American officials acknowledge that those surges were driven by market dynamics like China's retaliatory tariffs on U.S. exports. U.S. LNG exports still only equal roughly 2% of annual EU natural-gas imports from Russia.

The deeper problem with U.S.-EU trade from the White House's perspective is that following the 2008 global financial crisis, Europe's trade surplus in goods—including cars and machines—rose to a record €122 billion ($139.9 billion) in 2015. In 2018, it hit €115 billion in October.

"We permanently get the message that the president is losing patience," said Markus Beyrer, director-general of BusinessEurope, the biggest association of European trade federations.

A senior European diplomat said the EU hopes to appease Mr. Trump until he either gives the 28-member bloc a pass or leaves office.

AMERICAN OVERSIGHT

“The objective is to keep the process alive and keep Washington happy,” the diplomat said. “How long can this go on? Very difficult to say.”

The EU is bolstering its efforts by also accelerating negotiations to help U.S. exporters to tap a larger portion of the bloc’s import quota for hormone-free beef, the latest chapter in a two-decade standoff over the beef trade.

German car makers’ top executives met with Mr. Trump on Dec. 4 at the White House, pledging expanded U.S. investments to avoid auto tariffs.

Yet in a sign of looming turbulence, American farm groups told the Trump administration that agriculture should be included in any trade deal with the EU. European leaders have repeatedly rejected that idea and Mr. Juncker asked Mr. Trump to keep agriculture out of their July agreement if the EU and the U.S. wished to seal a pact.

“We are working hard to fulfill our joint ambition,” Mr. Juncker said after reconfirming his deal with Mr. Trump at the Group of 20 summit in Buenos Aires. “Our commitment stands.”

Whether the U.S. and the EU will get the “early harvest” Mr. Lighthizer predicted in September remains an open question.

“This president checks his watch, not his calendar,“ Mr. Sondland said of Mr. Trump. ”We need action now.”

AMERICAN OVERSIGHT

NEWEUROPE
www.neurope.eu

Setting the record straight on the US-EU relationship

By Andrianos Giannou

New Europe (December 17, 2018) - In the days immediately after United States Secretary of State Mike Pompeo's address in the Concert Noble unsettled the Brussels establishment, New Europe's Director of European Affairs Andrianos Giannou had the chance to speak with US Ambassador to the European Union Gordon D. Sondland at an on-the-record briefing of the EU press corps on December 7.

It was Pompeo's clear and unequivocal defence of principled realism, the underpinning tenet of the new national security strategy under the Donald J. Trump administration that made waves. The rationale behind it is impossible not to embrace axiomatically: "Every nation must … ask if the current international order serves the good of its people as well as it could," the United States' top diplomat said. "And if not, we must ask how we can right it."

Sondland assuredly subscribes to this theory and refers to the "need for any multilateral institution to be responsive to the constituents that put it together," as reflected in Secretary Pompeo's speech. Sondland feels confident corroborating that, had he reviewed the speech – he was "out of town for the trade talks in DC" – he "would have made it even stronger," putting to rest suggestions from within the halls of the EU that had the US Mission perused the speech ahead of time, it would have been different.

The message is clear, however. There is no dissent over things Europe within the US administration. Europeans looking to exploit cracks in the wall should change tack. There aren't any. As is "playing a waiting game" until the end of the administration's mandate in the hope of a change in 2020. That is "not a fruitful pursuit," given that the current trade deficit would "not be sustainable under any administration."

The current trade deficit was the key point of discussion at the briefing, with Sondland saying the $150 billion deficit is not sustainable and the European Union and the United States need to "trade in a more balanced fashion".

The US' Trade Representative Office's data shows that in 2016 the trade imbalance rose to $92 billion, a number that was not tipped in the United States'

AMERICAN OVERSIGHT

favour. The deficit of goods trade – the principle issue for the US Ambassador – stood at $147 billion. The trade surplus for services reached a total of $55 billion for the US in 2016. It is not helpful that the European Union chooses to selectively focus on the services trade surplus, however. The Ambassador calls such practice “a specious argument.”

With the Transatlantic Trade and Investment Partnership permanently shelved and the risk of a trade war, prioritisation of job creation under the Trump administration as well as 15 million jobs at stake on both sides of the Atlantic, his argument should be taken as a concern, not a threat.

The United States is “entitled to a little bit of consideration,” said Sondland. “Numerous attempts to engage with (the Directorate General for) Trade were rebuffed each time until steel and aluminium tariffs were threatened and subsequently imposed,” adding, “The expectation is that the European Union will become responsive to our concerns.”

Lists of “non-tariff barriers, subsidies, and structural frameworks designed exclusively to exclude American companies” have been sent to EU officials multiple times to no avail, Sondland claimed, who added that they will have to be “relaxed or eliminated,” for the trade relationship to be beneficial for both parties.

Right now, “one party is benefiting greatly while the other party is at a complete disadvantage financially.” It is the European Union that chose to see this in a transactional manner, the Ambassador suggests. “It’s what have you done about me lately, not what we have done for each other in the past 70 or 80 years,” he remarks on the approach of the European Union.

What is to be done? Recent talks between European Commissioner for Trade Cecilia Malmström and US Trade Representative, Robert Lighthizer, were “friendly” but “no sustainable trade progress was made”.

Sondland stressed that “Even the easy stuff is being made difficult,” but Trump is “keenly aware of the lack of progress and is losing patience”. “If his hand is forced, all options are on the table. At some point, and that point is coming sooner rather than later, the US will do whatever it has to do to rebalance the trade relationship, voluntarily or involuntarily.”

Trump believes that the European Union will have to recognise the exceptional nature of the trade relationship and show openness to the concerns of a strategic partner that has stood by it. “It’s not a hard fix to make. I know I spend a lot of time talking about trade…that’s what often dominates the transatlantic discussions here in Brussels. But we also need to step back so we don’t lose

AMERICAN OVERSIGHT

perspective. Think about what the United States and the European Union have to offer when we work together. Setting global standards that ensure safety and health, confronting the threat of a China unconstrained by international norms, providing an example for fledgling democracies—these are real opportunities. Sure, we might chide each other, but the reality is that a US and EU-led world is far better than any other alternative," Sondland enthusiastically concluded.

For this special strategic partnership to outlast the determination of its common enemies to see it collapse, both sides will have to strife to strengthen the bond by making it work for those who truly matter – their citizens. They are the only ones who can make it or break it by either embracing it or rejecting it.

AMERICAN OVERSIGHT



Gordon Sondland, the outspoken U.S. ambassador to the EU | European Union

Trump's man in Brussels slams 'out of touch' EU

'The French are heavily involved ... they are taking a very parochial view,' says US ambassador.

By DAVID M. HERSZENHORN

Politico.eu (December 10, 2018) - The EU is regulation-obsessed, "out of touch," and stalling trade negotiations with Washington, U.S. President Donald Trump's ambassador to the EU said Monday.

And Trump is going to put a stop to it, the ambassador, Gordon Sondland, warned in an interview with POLITICO.

"There is clearly an effort to maintain the status quo and we now have to recognize that the relationship and all of the goodwill that has been built up since the Marshall Plan doesn't seem to count when it comes to getting a little consideration," Sondland said in

AMERICAN OVERSIGHT

the interview at the U.S. embassy in Brussels. "So we are going to have to do what we have to do."

Washington and Brussels have been engaged in high-stakes trade talks since a meeting at the White House in July between Trump and Commission President Jean-Claude Juncker. At that meeting, Trump agreed to hold off on his threat to impose tariffs on EU-made cars, a move that would dramatically escalate a trade war he initiated by imposing tariffs on European steel and aluminum.

But Sondland's remarks made clear that Washington is now fed up with what it views as egregious delaying tactics by Brussels. The EU has rejected the accusation and says it remains fully committed to the July agreement.

"The Commission in particular is out of touch with reality" — *Gordon Sondland*

"There are a multitude of tools available to the president and to the U.S. trade representative beyond just tariffs on cars to make it more difficult for Europe to sell its products to America and I think all of those tools are on the table and available," Sondland warned. Trump wants to "fundamentally fix the imbalance so that future presidents aren't saddled with this."

Sondland said that while he remains on good personal terms with EU officials, he finds the bloc to be utterly obstructionist, so much so that he now routinely jokes during meetings that Brussels won't give him the time of day. "My joke today is if I ask someone at the EU what time it is, the answer is 'no'," he said.

The interview took place days after a speech in Brussels last week by Secretary of State Mike Pompeo, who bashed a wide array of international organizations, including the EU, the United Nations, the Organization of American States, the African Union, the World Bank, the International Monetary Fund and the International Criminal Court.

"Is the EU ensuring that the interests of countries and their citizens are placed before those of bureaucrats here in Brussels?" Pompeo asked. "Our mission," he said of the Trump administration, "is to assert our sovereignty before the international order."

Sondland said he had not seen the text of Pompeo's speech in advance but, if he had, would have urged him to make it even tougher. "I completely applaud his speech. I

AMERICAN OVERSIGHT

thought it was spot on," Sondland said. "I did not see it ahead of time, but if I had weighed in, I would have made it even stronger. I thought he was being very subtle."

'Off in a cloud'

Sondland said he hears frequently from European businesses frustrated by EU regulation and bureaucracy. "When I meet with ... various business groups, when I meet with chambers of commerce, whatever the organization is," he said, "the discussion turns to our difficulties in moving the EU anywhere on any issue."

"The Commission in particular is out of touch with reality," Sondland said. "They are off in a cloud, regulating to the heart's content, and regulating some things that don't even need to be regulated because they haven't even occurred yet, while stifling growth and innovation. And like I said, the most caustic remarks that I hear are from indigenous European business leaders, from all different countries."

He described the stalling tactics as totally logical. "They are enjoying the benefits of a completely disproportionate relationship, and every day that goes by that that relationship continues to be disproportionate in their favor, why would they want to change it?" Sondland said.

"We tried to fix it without ruffling feathers — unsuccessfully," he continued. "Because it's apparent that the transatlantic relationship, as much as it's celebrated, appears on the EU side to be very transactional. You know the fact that we have done what we have done for Europe since the end of World War II speaks for itself — and a lot of it was selfless.

"It doesn't count when it comes to asking the European Union to cut us a little slack and shift some of the benefit across the table to us, so we can feel like we are getting a fair shake. And this is what the president has been complaining about. So we don't ever beg. That's not our style. But we do what we need to do in order to fix a problem. And if it can't be done in a voluntary and cooperative fashion, it'll have to be done in other ways."

AMERICAN OVERSIGHT



Sondland with European Commission President Jean-Claude Juncker | European Union

The Commission declined to comment on the content of the interview with Sondland other than to point out its earlier statements on transatlantic trade.

In Brussels, EU officials have said it is the Trump administration that has repeatedly sought to rewrite the July agreement after realizing that Trump had agreed to a terrible deal — effectively offering to eliminate tariffs, and non-tariff barriers on industrial goods but excluding agricultural products, which Juncker had warned posed too many political obstacles.

Sondland insisted agricultural products were never excluded from the deal. "Completely incorrect," he said.

As part of that deal, Juncker said EU countries would increase purchases of U.S. soybeans and liquified natural gas (LNG) — increases that were likely to happen anyway as a result of market conditions. Washington now seems to realize that making those promises was not a heavy lift for Brussels.

AMERICAN OVERSIGHT

"The EU, largely driven by the French, is trying to build a fence around their own industries" — *Gordon Sondland*

"The EU itself doesn't buy soybeans," Sondland said. "Companies in the EU buy soybeans and that's really a function of pricing in the market, like any commodity. Same with LNG." The ambassador complained that even a pledge to allow an increase in imports to the EU of American hormone-free beef had not come to fruition.

"That doesn't even involve a lot of money — in the context of a $150 billion trade deficit, it's not moving the needle," he said. "But even that we can't get done."

It's all France's fault

When asked who in the EU was pressing the anti-U.S. agenda, Sondland leveled particularly harsh criticism at France.

"The French are heavily involved," he said. "They don't seem to care about the German car industry or any other car industry, other than their own. And you know they want to protect agriculture at all costs, even if it completely destabilizes the relationship, and I think they are taking a very parochial view."

Apart from trade, Sondland also criticized the EU for obstructing U.S. policy on numerous other fronts, including by "clinging" to the Iran nuclear accord, which Trump has abandoned, and by some EU countries continuing to support the Nord Stream 2 gas pipeline from Russia to Germany.

"We don't want it to happen, because we want the EU to buy its energy from anyone other than Russia," Sondland said. "The president's motivation is he does not want Europe to be in a position where someone can turn off the gas at a moment of tension, because indirectly or directly we'll be involved in something like that and we don't want to be. We want Europe to have complete energy independence."

AMERICAN OVERSIGHT



U.S. President Donald Trump has repeatedly harangued European countries over the payments to NATO | Alex Edelman/AFP via Getty Images

The ambassador also accused EU members of NATO of resisting Trump's push for increased military spending on the alliance, while being willing to raise spending on the EU's own security and defense projects. (NATO financing is based on national military budgets — a point that Trump either purposely or accidentally ignores.)

Sondland said the EU security initiatives "might not be harmonious with NATO's own expenditures and NATO's needs."

He noted that some leaders, including France's Emmanuel Macron, have called for creating an EU army, while others are highly resistant to that idea.

"You see those two extremes and it leads you to wonder, when you are writing the kinds of checks that we're writing every year to NATO, where do they really stand?" Sondland said. "And it's a fair question for America to ask because it's keeping its commitments to NATO. It's asking others to step up their commitments. On one hand they are hesitating, but on the other hand they are happy to fund the EU's capabilities when some of those capabilities may not be complementary to NATO at all, and may be in competition with NATO, which would really add insult to injury."

AMERICAN OVERSIGHT



French President Emmanuel Macron has advocated the creation of a European army | Yoan Valat/AFP via Getty Images

Sondland also criticized the EU for taking a protectionist approach to military procurement, putting U.S. manufacturers at an unfair disadvantage.

"The EU, largely driven by the French, is trying to build a fence around their own industries, exclude others, but at the same time would still like us to buy a lot of their products and help defend Europe," he said. "So it's a cake-and-eat-it-too issue."

In the end, Sondland said, European leaders were failing to capitalize on the opportunity to work with Trump.

"I told them ... you should be taking advantage of the fact that you have a very non-ideological president who is a dealmaker. He wants to make a deal ... You should take advantage of that. This is a deal person. You should make a deal," he said. "They don't want to make a deal."

AMERICAN OVERSIGHT

Europe and U.S. Agree on Chinese Threat, but Are Too Busy Feuding to Fight It
By Jack Ewing

New York Times (Dec. 7, 2018) - BRUSSELS — They are creating defenses to limit Chinese investment, accusing China of seizing technology from foreign companies and warning of Chinese efforts to undermine their political system.

It may all sound like a game plan hatched by officials in Washington, but the agenda is straight out of Brussels. While President Trump battles China over the issue of trade, Europe is in the midst of a conflict with Beijing that, in its own way, is just as intense.

European leaders have become increasingly alarmed by what they consider China's aggressive incursions into the continent's economy, including paying $23 million to expand port facilities in Bulgaria, providing $3.8 billion in financing for a high-speed railroad connecting Hungary and Serbia and acquiring a German robotics company that employs 14,000 people worldwide.

Now, Brussels is passing laws to counter China's influence in the region. Last month, in a move clearly directed at China, European lawmakers and political leaders agreed on a system to scrutinize investments in the 28-member bloc as a way of protecting key industries.

"We want to have a better overview when certain critical infrastructure is targeted by them," Cecilia Malmstrom, the European trade commissioner, told an audience in Brussels last month.

European politicians are also frustrated that although they have many of the same concerns as their American counterparts about China, there has been little cooperation or coordination in their strategies. Rather than joining forces to contain China's economic expansionism, the Trump administration has treated Europe with disdain.

"We had some serious differences in the past," Marietje Schaake, the vice chairman of the European Parliament's delegation for relations with the United States, said in an interview. "But it has become much more confrontational, at the worst possible moment. We need to stand together as defenders of the liberal order."

There were signs of a possible thaw after Mr. Trump and members of his administration met with German car executives at the White House on Tuesday. Those on both sides described the atmosphere as friendly.

AMERICAN OVERSIGHT

Representatives of BMW, Daimler and Volkswagen described plans to expand manufacturing in the United States, which could tamp down Mr. Trump's complaints that Europe exports far more cars to America than the other way around. His threat to impose tariffs on imported cars receded for the moment, representatives of Volkswagen and Daimler said.

Some White House officials, including Robert Lighthizer, the United States trade representative, and Steven Mnuchin, the Treasury secretary, have consistently argued that friction with Europe is a distraction from the more urgent task of reining in China. And behind the scenes, Ms. Malmstrom said, American, European and Japanese officials are having "quite constructive discussions" about trade with China.

But conversations with officials in Brussels make it clear that the relationship between the European Union and the United States has deteriorated significantly since Mr. Trump took office, and they are unsure how or if it can be salvaged.

Robotic arms made by Kuka working on a Volkswagen Passat in Emden, Germany. Kuka, a German company with robotics in factories around world, was bought by the Chinese appliance maker Midea in 2016, causing a political furor in Germany.

In response to Mr. Trump's claims that Europe treats American products unfairly, representatives of the European Commission and the United States government have tried to dismantle barriers to trade in industries like pharmaceuticals, medical devices and even shellfish. But several participants in the talks said European and American officials have been completely out of sync, making it difficult to achieve progress.

Each side accuses the other of obstructionism. The Americans have expressed frustration with the Europeans' insistence on assembling a consensus among its 28 member countries before agreeing to anything. White House officials have told the Europeans directly that they believe they are stalling, in hopes of waiting out the Trump administration.

"So long as the E.U. leadership plays the delay game, the more we will have to use leverage to realign the relationship," Gordon Sondland, the United States ambassador to the European Union, told an audience in Brussels last month. "But some believe they can delay and wait out this president."

AMERICAN OVERSIGHT

Mr. Sondland spoke of missed opportunities for the United States and Europe to join forces against what he described as “China’s persistent and unfair trade practices,” but there have been examples of cooperation.

In September, Mr. Lighthizer and his counterparts from Japan and the European Union met in New York and issued a joint statement against unfair competition by companies that are either owned by governments or subsidized, a clear dig at China.

But the Europeans have accused the White House of repeatedly poisoning the atmosphere with its raw, transactional approach to relations. They were floored when, at the end of May, Mr. Trump imposed tariffs on steel and aluminum from Europe, while threatening to impose levies on foreign-made cars and car parts.

“That was a shocking experience, that the U.S. administration is ready to impose tariffs against Europe,” said Jeppe Kofod, a Danish member of the European Parliament who has met several times during the past year with Wilbur Ross, the commerce secretary, and other American officials.

Mr. Kofod said he first realized the depth of the Trump administration’s antagonism toward Europe during a lunch in Washington late last year with Mr. Ross and a delegation from the European Parliament. The meal, in a room at the Library of Congress with a view of the Capitol, began on a cordial note, Mr. Kofod recalled. But then Mr. Ross began attacking what he said were Europe’s unfair trade practices.

“We appealed to him that we should take on China together,” Mr. Kofod said. “He said, ‘No, you are as bad as China.’”

Mr. Ross said he remembered the conversation differently. “What I said was that both Europe and China espouse free trade rhetoric but are in reality much more protectionist than the United States,” Mr. Ross said in a statement on Friday.

The prospect of auto tariffs brought Europe to the negotiating table, he said. “Europe showed little interest in trade negotiations before that.”

In some ways, China is even more of a threat to Europe than it is to the United States. In America, cheap products from China are blamed for hollowing out the industrial heartland. Europe has been though the same thing. In the tumultuous last decade of financial and debt crises, China’s efforts to expand its economic portfolio and pursue manufacturing around the world left Europe with fewer well-paying, middle-class jobs at home.

AMERICAN OVERSIGHT

The European Commission, the union's administrative arm, has fought a long-running battle to protect its steel industry from subsidized Chinese competitors. Low-price solar cells made in China devastated Germany's attempts to cultivate a solar-cell industry in the last decade.

China has acquired significant assets across Europe in recent years. During the debt crisis that unnerved the most vulnerable economies in Europe, China invested in ports in Portugal and Greece and even bought a stake in Italy's electrical grid. Chinese investment in Europe totaled $40 billion last year, compared with $29 billion in the United States, according to the Rhodium Group, a research firm.

The financing from China has often been welcome. Chinese investors were willing to put money into distressed companies shunned by others. Zhejiang Geely Holding Group has revived Volvo Cars since buying it from Ford in 2010, and has helped to rejuvenate the region around Gothenburg, Sweden, the port city where Volvo has its headquarters.

But European sentiment toward China shifted in 2016 after Midea, a Chinese appliance manufacturer, bought Kuka, a German maker of industrial robots for 4 billion euros, or $4.6 billion.

Kuka robots are ubiquitous in car factories around the world, and the company was an example of German technological leadership in a growing industry. Midea's acquisition of the company caused a political furor because Germans feared the Chinese would gain control of Kuka's expertise as factories were becoming increasingly automated. But German political leaders had few legal tools to intervene.

The decision in Brussels last month to give the European Union more power to block such acquisitions was, in large part, inspired by the Kuka deal and the inability of political leaders to protect sensitive technology.

European leaders are also worried that China is trying to disrupt European unity. Since 2012, China has been holding summit meetings with 11 eastern European Union countries and five Balkan countries, an effort called 16+1. The group's stated purpose is to promote business ties and investment. One example is a project to upgrade freight transport facilities in the Bulgarian port of Burgas on the Black Sea.

But 16+1 is also seen as an attempt to exploit tensions between wealthier Western European countries and formerly Communist countries like Hungary. Unlike Chancellor Angela Merkel of Germany, the Chinese do not nag Viktor

AMERICAN OVERSIGHT

Orban, Hungary's authoritarian prime minister, about policies that are seen as a threat to democracy. A bank controlled by the Chinese government is financing improvements to the rail line between Belgrade and Budapest.

So even if the United States and Europe share many of the same objections to Chinese economic policy, they are far apart on what to do about it. Mr. Trump has used tariffs and threats of tariffs to put pressure on China, and has been unconventional in his approach. Mr. Trump sees international trade as a deal, by him and with him, to be made personally with President Xi Jinping of China.

The Europeans want to preserve the World Trade Organization as the forum to resolve conflicts. Last month the European Commission proposed changes to the organization's rules that were drawn up in part to allay American concerns about the panel that adjudicates trade disputes. The reforms would place limits on the legal issues the appeals panel can consider, a response to complaints by the United States that it often oversteps its mandate.

The proposals found an unlikely ally. China was among 11 other countries that backed the reforms. The United States did not. A spokeswoman for the United States mission in Geneva, where the trade organization is based, declined to comment.

"That's what we try to tell our American friends," Ms. Malmstrom, the European trade commissioner, told a small group of reporters at a briefing in Brussels last month, two weeks after returning from talks in Washington. "Let's work together. When we work together we have a lot of impact."

https://www.nytimes.com/2018/12/07/business/european-union-trump-china-trade.html

AMERICAN OVERSIGHT

Washington still sees no improvement in trade relations with EU
Brussels, 07/12/2018 (Agence Europe) - US Ambassador to the EU, Gordon Sondland, warned Europeans once again on Friday 7 December against possible additional measures if EU-US trade relations were not rebalanced.

“At some point and that point is coming up sooner rather than later the United States will do what it has to do to rebalance the trade relationship voluntarily or involuntarily”, he told a trio of journalists, including EUROPE. The ambassador estimated the US deficit with the EU at 150 billion dollars.

While Europeans and Americans are negotiating on trade issues and discussions between US negotiator Robert Lighthizer and Trade Commissioner Cecilia Malmström are ongoing, so far they have not yielded “any positive results", according to Sondland. “There was no substantive trade progress made”, he added. The Commission, for its part, has recently highlighted some progress.

"President [American Donald Trump] is well aware of the lack of progress and is losing patience. We will use the means of our choice. And at the time of our choice”, the ambassador explained. "If the president were to go into an economic battle with the EU, the trade deficit would likely be fixed very quickly. He's trying to avoid that for obvious reasons, but his hand is forced. He has all options on the table”, he stressed.

According to the American representative, however, the situation is easy to resolve. All that is “required [is] a little bit of collegiality, congeniality and flexibility, to date, the European Union has shown me none of those three”, he regretted.

Thus, the ambassador called on the EU to act on its non-tariff barriers, recalling that the United States, since the end of the Second World War, had provided financial assistance to Europe. “So we're entitled to a little bit of consideration when we asked that some of these non tariff barriers, some of these subsidies [...] that exist, designed exclusively to exclude the United States companies from Europe be either relaxed or eliminated so that some of that trade deficit can begin to recede”, he explained. “As of today, we haven't heard any serious response from the EU that indicates that that would be forthcoming”, he added.

Mr Sondland also called for greater regulatory convergence between Americans and Europeans. “Our standards are the highest in the world [...] and the European Union clearly needs to acknowledge that if they want to treat us the same way, they would treat a smaller third world country and put us all in the

AMERICAN OVERSIGHT

same box. we're going to have a very, very difficult time resolving these things", he warned.

The EU must also put an end to "regulatory proliferation", according to the US representative. "The higher the pile of regulations, the tougher the trade talks will be", he said.

"The EU is very transactional and the areas in which there is cooperation is clearly in their interest to cooperate. It's not in their interest to fix a trade imbalance [...] It's certainly in their interest to cooperate on security matters because we have been instrumental in working with our European partners to prevent all kinds of tragedies that may have occurred", he added.

(Original version in French by Camille-Cerise Gessant with Hermine Donceel)

AMERICAN OVERSIGHT

Talks with United States on hormone-free beef quotas hampered by European “demand”

Brussels, 07/12/2018 (Agence Europe) - According to US Ambassador to the European Union Gordon Sondland, negotiations to review tariff quotas for imports of high quality US beef from animals not treated with certain growth hormones are hampered by unrealistic "European demand".

"What we thought was going to be a very straightforward negotiation to restore our ability to sell hormone-free beef has now been complicated by an EU demand", he told a trio of journalists, including EUROPE, on Friday 7 December.

“They know that that demand will result in us not being able to sell [our beef]", the U.S. ambassador added, but did not specify the content of the request. It could probably relate to European health requirements.

"That’s an unworkable demand that they know we would never agree to, when in fact, it was supposed to be one of those sort of friendly gestures to get this process moving, that was made during the July 25th [meeting] in Washington", he concluded, referring to the joint statement by Presidents Juncker and Trump. This approach is part of Europe's commitment to explore ways to deepen trade relations with the United States.

When questioned by EUROPE, the European Commission did not wish to comment on these statements.

These talks, launched on 23 October, had made rapid progress, according to European sources. Washington seemed on track to obtain about 30,000 tons of the existing 45,000-tonne tariff quota.

(Original version in French by Hermine Donceel with Camille-Cerise Gessant)

AMERICAN OVERSIGHT

US ambassador to the EU: 'We're not getting due credit on trade issues'



By Armen Georgian

France 24 (December 3, 2018) - Gordon Sondland, US President Donald Trump's man in Brussels, gives FRANCE 24 his first long-format interview to a European broadcaster. Five months into the job, he talks tough on the EU but says that, despite all the problems, Trump's ultimate goal is still to drop all trade barriers on both sides. "I think the president is willing to take that political heat as long as there's no cherry-picking".

On the transatlantic relationship, Sondland says that "while the relationship is long and deep, and the United States has for decades supported the EU, we don't really get credit for that when it comes to trade issues".

Regarding the European defense, the US stand firm, he says: "It cannot undermine spending on NATO, it has to be complementary with NATO and NATO would have to sign off on it. We've encouraged the Europeans, whether we agree or not, to come up with a very specific list of what they intend to do and how they intend to spend the money. But I'm not even sure the Europeans agree on what they define as European defence."

On the new Franco-German proposal to jointly host a "special purpose vehicle" to get around Iran sanctions, the ambassador says: "They can create all the special purpose vehicles they want; they're useless….Any business can do business with Iran; they can also do business with the United States, but they can't do business with both."

AMERICAN OVERSIGHT

Produced by Isabelle Romero, Roxane Runel and Mathilde Bénézet.
https://www.france24.com/en/20181201-talking-europe-usa-donald-trump-gordon-sondland-eu-trade-agreements-iran-nato

AMERICAN OVERSIGHT

EU will 'hit back' if US imposes auto tariffs, Malmstrom says

By Verena Schmitt-Rossmann and Michael Donhauser, dpa

Berlin/Washington (Deutsche Presse-Agentur, November 14, 2018) - EU Trade Commissioner Cecilia Malmstrom warned the United States that Brussels has a list of retaliatory measures ready to go should Washington place extra tariffs on its car imports from the bloc.

Malmstrom was speaking after talks with US trade officials in Washington. She said the retaliation measures could target cars, agriculture or other goods, but such a move would first require talks with EU member states.

She still expressed hope the US would not levy new tariffs, but noted that the final decision rested with President Donald Trump.

The US president insists he is seeking to correct imbalances that have created unfair trade conditions for the US and has shown he will play hardball to get what he wants, including placing tariffs on allies.

Malmsrom had earlier told German newspaper Die Zeit that, if Trump follows through on this long-standing threat, "we will hit back."

Malmstrom's team and the office of US Trade Representative Robert Lighthizer have been working on a framework for a future agreement ever since Trump and European Commission President Jean-Claude Juncker met in July to defuse trade tensions.

The US-EU trade dispute erupted in June with the hiking of US tariffs on steel and aluminium imports, prompting the EU to raise tariffs on US products.

A statement issued after the July meeting referenced the potential abolition of tariffs, non-tariff barriers and subsidies for industrial goods.

However, the EU remains concerned about the potential threat of new tariffs on its auto exports. The US is assessing the option as a potential national security measure.

Malmstrom called this premise "totally implausible."

"We're talking about cars," she added. "This is not how you treat friends."

The US Ambassador to the EU, Gordon Sondland, blamed the EU on Tuesday for delaying progress and cited its unwillingness to include agricultural products in an eventual deal.

AMERICAN OVERSIGHT

US farmers have long sought increased access to European markets, but the EU remains strongly opposed. Malmstrom reiterated the EU position Wednesday, declaring that concession "is not going to happen."

AMERICAN OVERSIGHT

REUTERS

U.S. envoy warns sanctions still an option against Nord Stream 2

Reuters (November 13) - BRUSSELS (Reuters) - The United States could yet impose new sanctions to try to block construction of the Russian Nord Stream 2 gas pipeline across the Baltic Sea to the European Union, the U.S. ambassador to the EU said on Tuesday.

Asked if Donald Trump could take further measures to thwart a project which the president has said would leave EU countries even more beholden to Moscow for their energy, Gordon Sondland said: “We have not deployed the full set of tools yet that could significantly undermine if not outright stop the project.”

Addressing an audience at the European Policy Centre think-tank in Brussels, Sondland added: “We’re hoping that the opposition to the project works organically, because the EU and its member countries agree that dependence on Russian energy is not a good long-term geopolitical decision.

“If that philosophy is not adopted and Nord Stream continues, then the president has many, many other tools at his disposal — I’m not going to go through the litany — to try and curb and stop the project.”

In August, Trump signed new sanctions on Russia into law that the pipeline’s promoter, Gazprom, said could hold up some of its projects. For now, construction is continuing with the participation of some major EU companies, despite opposition from many EU states and from the EU executive.

Germany, the pipeline’s destination, refuses to join EU opposition, describing it as a private enterprise.

Last week, on a visit to Poland which is a vocal critic of Nord Stream 2, U.S. Energy Secretary Rick Perry said Trump was maintaining the option of imposing sanctions.

Washington has not detailed potential actions but one way in which the United States could undermine the project would be by penalizing big multinational firms working on it.

Sondland stressed that U.S. opposition was not based on hopes of exporting more U.S. gas to Europe but on concern that Russia could increase its leverage on key allies in the U.S.-led NATO alliance through its control of their energy supplies.

AMERICAN OVERSIGHT

“We don’t want to see someone’s gas turned off in the middle of the winter when there is a political crisis,” he said.

“When Europe is vulnerable, the United States is vulnerable and we don’t want to put ourselves in that position.”

AMERICAN OVERSIGHT

U.S. threatens measures to stop controversial North Stream 2 pipeline

BRUSSELS, Nov 13 (LETA Latvian News Agency, November 13, 2018) - The United States could take steps to prevent the construction of the North Stream 2 gas pipeline project aimed at delivering Russian gas to Europe, Washington's ambassador to the European Union warned Tuesday.

"There are several tools that the United States has and we have not deployed the full set of tools yet that could significantly undermine - if not outright stop - the project," Gordon Sondland said at a

think tank event in Brussels.

Berlin is one of the main backers of the project, which will pump Russian gas straight to Germany, avoiding overland eastern European routes by crossing the Baltic Sea. It is due to be completed in 2019.

Countries such as Poland and Ukraine worry, however, that they will lose out on the transit fees they currently receive for gas flowing westwards from Russia. Others criticize the project for boosting European countries' reliance on Moscow for their energy needs.

US President Donald Trump railed against the project earlier this year, accusing Germany of being "totally controlled" by Moscow at a NATO summit in July.

"We're hoping that the opposition to the project works organically, because the EU and member countries agree that dependence on Russian energy is not a good long-term geopolitical decision," Sondland said Tuesday at the event organized by the European Policy Center.

"If that philosophy is not adopted and Nord Stream continues then the president has many, many other tools at his disposal (...) to try to curb and stop the project," he added, without going into detail.

Sondland denied that Washington's stance was motivated by an interest in selling liquefied US gas to Europe, arguing instead that the pipeline was a geopolitical mistake.

"We don't want to see someone's gas turned off in the middle of the winter when there is a political crisis," the ambassador said. "If Europe is vulnerable the United States is vulnerable," he added. "This is how strong the trans-Atlantic relationship is. We're joined at the hip."

AMERICAN OVERSIGHT

Sondland further accused the EU of playing a "delay game" in trade discussions with a view to kick-starting negotiations on a deal that could remove tariffs, subsidies and other barriers to trans-Atlantic trade.

The talks stem from a meeting in July between Trump and European Commission President Jean-Claude Juncker aimed at defusing trade tensions, after the US hiked tariffs on EU steel and aluminum exports.

"Some believe they can delay and wait out this president," Sondland said. "The problem is that that tactic really doesn't work because a president of either party is very likely to demand a realignment," he added.

AMERICAN OVERSIGHT

EXPRESS Home of the Daily and Sunday Express

'Trump could BLOCK Nord Stream 2' US shock warning to Russia

The Express (November 13) - THE United States could impose new sanctions to try to block construction of the Russian Nord Stream 2 gas pipeline across the Baltic Sea to the European Union, the US ambassador to the EU said today.

Gordon Sondland warned the US has not yet "deployed the full set of tools" to undermine the project, which has been opposed by many EU states. The US issued slapped Russia with sanctions in August that pipeline promoter Gazprom said could hold up some of its projects. As construction on Nord Stream 2 continues, Germany, the pipeline's destination, refuses to join EU opposition, describing it as a private enterprise.

Asked if Donald Trump could take further measures to thwart a project which the president has said would leave EU countries even more beholden to Moscow for their energy, Mr Sondland said: "We have not deployed the full set of tools yet that could significantly undermine if not outright stop the project.

"We're hoping that the opposition to the project works organically, because the EU and its member countries agree that dependence on Russian energy is not a good long-term geopolitical decision.
Express. Home of the Daily and Sunday Express.express_logo

Last week, on a visit to Poland which is a vocal critic of Nord Stream 2, US Energy Secretary Rick Perry said Trump was maintaining the option of imposing sanctions.

Washington has not detailed potential actions but one way in which the United States could undermine the project would be by penalising big multinational firms working on it.

Mr Sondland stressed the US opposition was not based on hopes of exporting more US gas to Europe but on concern that Russia could increase its leverage on key allies in the US-led NATO alliance through its control of their energy supplies.

He said: "We don't want to see someone's gas turned off in the middle of the winter when there is a political crisis.

AMERICAN OVERSIGHT

"When Europe is vulnerable, the United States is vulnerable and we don't want to put ourselves in that position."

AMERICAN OVERSIGHT

US threatens measures to stop controversial North Stream gas project

Brussels (Deutsche Presse-Agentur, November 13, 2018) - The United States could take steps to prevent the construction of the North Stream 2 gas pipeline project aimed at delivering Russian gas to Europe, Washington's ambassador to the European Union warned Tuesday.

"There are several tools that the United States has and we have not deployed the full set of tools yet that could significantly undermine - if not outright stop - the project," Gordon Sondland said at a think tank event in Brussels.

Berlin is one of the main backers of the project, which will pump Russian gas straight to Germany, avoiding overland eastern European routes by crossing the Baltic Sea. It is due to be completed in 2019.

Countries such as Poland and Ukraine worry, however, that they will lose out on the transit fees they currently receive for gas flowing westwards from Russia. Others criticize the project for boosting European countries' reliance on Moscow for their energy needs.

US President Donald Trump railed against the project earlier this year, accusing Germany of being "totally controlled" by Moscow at a NATO summit in July.

"We're hoping that the opposition to the project works organically, because the EU and member countries agree that dependence on Russian energy is not a good long-term geopolitical decision," Sondland said Tuesday at the event organized by the European Policy Centre.

"If that philosophy is not adopted and Nord Stream continues then the president has many, many other tools at his disposal (...) to try to curb and stop the project," he added, without going into detail.

AMERICAN OVERSIGHT

Commission is ready to analyse scope of limited agreement targeting manufactured goods

Brussels, November 9, 2018 (Agence Europe) – There is still uncertainty hanging over trade relations between the European Union and the United States. This was the conclusion reached at the meeting of European trade ministers held in Brussels on Friday 9 November. European Commissioner for Trade Cecilia Malmström briefed ministers on the state of progress of work initiated by the executive working group created after the meeting between Presidents Juncker and Trump in Washington on 25 July last (see EUROPE 12071).

According to the European institution, significant progress was made on the subject of regulatory cooperation according to the terms of the July declaration. The idea is to close the gap between European and US legislations in a series of areas, in order to facilitate trade.

Progress concerns certificates of compliance, medical devices, mutual recognition for pharmaceutical products and new standards for new technologies.

No farming but ...

Malmström reiterated: “We are not going to negotiate agriculture”.

Europeans nonetheless trust that two other issues relating to agri-food will be able to meet the American appetite.

Targeted first and foremost are negotiations aimed at revising the working of a quota for imports of high quality beef or veal, not treated with growth hormones (see EUROPE 12124). Talks, which were initiated on 23 October, are said to be well on track towards a successful conclusion: the United States would obtain at least half of the existing tariff quota of 45,000 tonnes.

Secondly, some regulations could be the subject of normative rapprochement when the levels of protection are similar. “There are some things for which the levels of certification are very close, where there is really no controversy and, where that is the case, we can perhaps do something”, Malmström told the press.

Timetables not compatible

In July, Americans and Europeans agreed to work together towards an agreement focused on industrial products other than motor vehicles.

Early October, the Trump administration informed the Congress of its intention to negotiate with the European Union, inter alia. In line with the provisions of the

AMERICAN OVERSIGHT

American Trade Promotion Authority (TPA), the mandate from Congress will not be obtained until January.

With a view to negotiating a free trade agreement, the Union must, for its part, begin with a “scoping exercise” for a possible agreement. That exercise forms the base for the draft Commission mandate.

“From our point of view, we are ready to start the scoping”, Malmström said before the meeting. The United States, however, is still not allowing this exploratory exercise to begin. “We are going to explore (next week) how to move about this”, added Malmström, who is to meet her American counterpart, Robert Lighthizer, in Washington on Wednesday 14 November.

It will then be up to the Council of the EU to grant a mandate to the Commission. This stage, for which the duration is uncertain, will depend on the content of the draft of negotiation directives.

Nonetheless, pessimism prevails at the European Parliament regarding the chances of escaping new American sanctions, this time on motor vehicles.

Regarding statements made by US Secretary for Trade Wilbur Ross, the new US Ambassador with the EU, Gordon Sondland, and given a number of developments in the United States, “I expect customs duties to soon be in place”, commented Bernd Lange (S&D, Germany), who chairs the committee on international trade at the European Parliament, when speaking earlier this week.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

France vows to lead Europe in defying US on Iran sanctions

By Jim Brunsden and Michael Peel in Brussels

Financial Times (November 7, 2018) - Bruno Le Maire seeks to prevent Washington acting as world's 'trade policeman'

France has vowed to press ahead with plans to flout Washington's Iran sanctions and boost the international role of the euro as it moves to lead Europe in defying US efforts to act as the world's "trade policeman".

Bruno Le Maire, economy minister, told the Financial Times that plans for a special financial channel to keep trade with Iran flowing were part of a push by Europe to assure its own "economic sovereignty", with the goal of making the euro as powerful as the dollar.

"Europe refuses to allow the US to be the trade policeman of the world," said Mr Le Maire in an interview in Brussels. The spat over the Iran sanctions showed the need for the EU to "affirm our independence", he said.

Mr Le Maire's comments reflect deep frustration in Europe at Mr Trump's decision in May to pull out of a landmark international nuclear deal with Tehran. Washington has since reimposed sanctions on Iran and anyone doing business with targeted entities and individuals.

But the EU, which along with China and Russia remains committed to the nuclear deal, is struggling with the limited tools at its disposal to fight the sanctions and facilitate continued trade with the Islamic republic.

Like almost all other EU states, France has so far received no exemptions for doing business with Iran. Leading French companies, including Peugeot parent PSA and oil group Total, have already announced plans to curb their Iran activities.

Europe's difficulties were laid bare on Monday, when Swift, the Belgium-based global financial messaging system, said it would fall into line with the US restrictions by disconnecting targeted Iranian banks.

Meanwhile, EU moves to set up a separate channel to trade with Iran, known as a special-purpose vehicle, have been delayed after a failure to agree crucial details. These include where it would be based, with countries fearing a political and economic backlash from Washington if they host it.

AMERICAN OVERSIGHT

Mr Le Maire said Swift's move underlined the need for measures such as the SPV to give Europe more capacity to chart its own course. The planned mechanism would allow companies to do business with Iran while financial payments remained centralised in Europe, he said.

France wanted the SPV to develop over time into a "real intergovernmental institution that will serve as the financial instrument of Europe's independence", he added. "It should allow us to trade in any product, with any country, so long as it is in line with international law and Europe's commitments."

But the work to create the SPV, led by the so-called E3 — France, Germany and Britain — has prompted scepticism.

"If they are really serious about it, it should be up and running already," said one diplomat from a non-E3 country that has backed efforts to save the nuclear deal. "Some people think this is just a political gesture."

Mr Le Maire insisted work was advancing on a blueprint to set up the SPV as a limited company, which in a second step would be given a banking licence.

While refusing to name possible host countries, he said there had been expressions of interest. The priority was to find a city that had experience "welcoming international institutions" and the most "stable and rigorous" legal framework possible, he said.

But critics say companies will not be willing to risk the wrath of Washington to safeguard their business with Iran.

Gordon Sondland, US ambassador to the EU, on Monday dismissed the planned SPV as "nothing more than a paper tiger", adding: "I wouldn't touch it with a 10-foot pole."

France sees the SPV as one leg of a broader attempt to boost international take-up of the euro. The European Commission has said that by the end of the year, it will present plans to advance this ambition. Officials have indicated they will include moves to denominate energy supply contracts in euros.

But other steps, such as improving the crisis resilience of the eurozone by deepening its capital markets and creating a single budget, were also vital, said Mr Le Maire.

"It is urgent to adopt these new instruments to help the eurozone gain strength and stability," he added. "That is the first step on the path of making the euro an international reference currency."

AMERICAN OVERSIGHT

AMERICAN OVERSIGHT

Bloomberg

U.S. Lambasts Europe's 'Paper Tiger' Response to Iran Sanctions

Bloomberg (November 5th, 2018) - Gordon Sondland, the U.S. ambassador to the European Union, said he's a "little bit disappointed" with the bloc's response to Washington's reimposed sanctions on Iran.

"It's breathtaking to me that although we understand there are differences with how to deal with the JCPOA between the EU and President Trump's view, that the EU would send signals to Iran that simply give them a pass on these other activities," Sondland said during a phone briefing, referring to the Iran nuclear deal, also known as Joint Comprehensive Plan of Action.

"The leadership of the EU is so intent on preserving the JCPOA they appear to be willing to let behavior that otherwise would not be acceptable to any sovereign" in the bloc continue, he said.

The U.S. on Monday renewed sanctions on buying Iranian oil, abandoning a 2015 nuclear deal backed by the EU. The 28-nation bloc has pledged to protect the agreement, in part by creating a so-called special purpose vehicle that would circumvent the U.S. action.

"I think the SPV is nothing more than a paper tiger," Sondland said. "We have not heard of any serious player out there intending to avail themselves of the SPV."

AMERICAN OVERSIGHT

agence europe

IRAN; Opposition continues between Europeans and Americans over sanctions on Tehran

Brussels, November 5, 2018 (Agence Europe) – Although the USA reintroduced numerous sanctions against Iran on Monday 5 November, the Europeans continue to defend the nuclear deal and economic relations with Tehran. In a joint statement on 2 November, High Representative of the EU for Foreign Affairs and Security Policy Federica Mogherini and the E3 (France, Germany, UK) foreign affairs and finance ministers reiterated their commitment to the nuclear deal that they spent long negotiating. "We deeply regret the further re-imposition of sanctions by the United States, due to the latter's withdrawal from the Joint Comprehensive Plan of Action (JCPOA)", they once again stated.

The Americans have reintroduced sanctions on the energy sector as well as on the maritime transport, shipbuilding and finance sectors. As part of this, over 700 individuals, entities, aircraft and ships will be sanctioned, including more than 300 that were not subject to the sanctions before they were lifted in connection with the JCPOA. Over 50 Iranian banks are involved. "Enterprises throughout the world must know that we will apply our sanctions strictly", warned US Treasury Secretary Steven Mnuchin.

Continuing economic relations despite sanctions

Stating that the Iranian nuclear deal provided for "the lifting of international sanctions in order to have a positive impact on trade and economic relations with Iran", Mogherini and the ministers said in their statement that their aim is "to protect European economic operators engaged in legitimate business with Iran, in accordance with EU law and with UN Security Council resolution 2231".

The Europeans are especially interested in the Iranian oil exports that are subject to sanctions, apart from some exemptions, from 5 November. The US indeed decided to exempt eight countries (including Greece and Italy) from risks of the restrictive measures in order to enable these countries to continue buying Iranian oil for six months. This could damage European unity. According to US Secretary of State Mike Pompeo, these eight countries (the two EU member states, China, India, Taiwan, Japan, Turkey and South Korea) have already considerably reduced their imports of crude oil, cooperated on numerous other fronts and taken important measures to reach the zero crude oil import goal.

AMERICAN OVERSIGHT

The US special representative for Iran, Brian Hook, said that of these eight countries, two have stopped their oil imports and a third has announced that it will do so by the end of the year – but he did not name these countries.

Italy and Greece are not the only member states to import Iranian oil. In 2017, eleven member states imported Iranian oil – Italy, Greece, Austria, Belgium, Bulgaria, Croatia, France, Germany, the Netherlands, Poland and Spain – for a total of €9,988 billion (or 199,968,000 barrels of crude oil). Iranian oil accounted for 5.2% of oil imports in the EU, in other words the eighth country of import.

The joint statement says that the Europeans are committed to working on "the preservation and maintenance of effective financial channels with Iran, and the continuation of Iran's export of oil and gas". "On these, as on other topics, our work continues, including with Russia and China as participants to the JCPOA and with third countries interested in supporting the JCPOA. These efforts have been intensified in recent weeks, particularly those underpinning the European initiative to establish a Special Purpose Vehicle on which we are proceeding with work to set up", the joint statement says (see EUROPE 12103). The Europeans said that they were continuing to work with Russia and China as participants in the JCPOA and with third countries interested in supporting the deal.

The 'special purpose vehicle' or SPV, that Iran wants in place from Monday, is still being developed at the level of the member states. According to Mogherini and the E3 ministers, this "will (...) allow for European exporters and importers to pursue legitimate trade".

On the US side, the Americans consider this ad hoc structure to be useless. "The SPV is nothing more than a paper tiger", US Ambassador to the EU Gordon Sondland stated. "We have not heard of any serious actor intending to take advantage of the SPV", he added. In Sondland's view, even if this mechanism is set up, there will not be a big enough volume of trade through it. "We have not seen any demand for such a structure", Hook also stated (see EUROPE 12118). Questioned about the possible US sanctions on this structure, the special representative replied indirectly: "the USA will not hesitate to sanction any punishable activity in relation with our sanctions regime against Iran".

The Europeans have already set up a blocking law, which has been operational since 7 August. According to one source, five companies have asked for an exemption with this law and the files are still being examined. For Sondland, whether it be the SPV or the blocking law, the EU's tools are useless. "I do not believe it will work", he said, adding that many Europeans companies had already chosen to continue their trade with the US rather than with Iran.

AMERICAN OVERSIGHT

What is more, on Monday the global provider of secure financial messaging services, SWIFT, which had been asked by Pompeo to exclude Iranian financial establishments placed on the black list except for "humanitarian transactions", announced its decision to "suspend" the access of certain Iranian banks to its network. SWIFT is based in Brussels.

Further efforts needed

In the face of the US measures, the E3 ministers and Mogherini recognised that "further work must be done to assist and reassure economic operators pursuing legitimate business under EU law". They announced that the French, German and British finance ministers would further pursue this at their next meeting, but no precise date was mentioned. According to one French source, this issue of US sanctions could be addressed informally at the economy and finance ministers' meeting on Tuesday 6 November. "Our collective resolve to complete this work is unwavering", the Europeans said in their statement. (Original version in French by Camille-Cerise Gessant)

AMERICAN OVERSIGHT

Expert: US-China dispute 'is not a trade but economic war'

By Jorge Valero

EurActiv.com (October 29, 2018) - The ongoing trade dispute is an instrument of cold economic warfare launched by the US to "contain" China, and it could lead to the fragmentation of the global economic and financial system, warned Alicia García-Herrero, a senior fellow at Bruegel think tank.

"The difference between past trade wars and the current one is the goal", she told EURACTIV.com in an interview.

The US aimed to reduce its trade deficit when it targeted Japan in the 1980s. The burst of Japan's bubble that left a decade of deflation was an "unintended consequence", she said.

But this time around, García-Herrero argued that the US is using tariffs as a "quick and not expensive tool to contain China, if not more".

"At this stage, everybody knows that," she added, recalling that the first list of the €50 billion Chinese goods hit by US tariffs included products not exported to the US.

And these trade barriers are only one part of a broader economic war. It also includes restrictions on Chinese investment in the US and a "tax war", as the tax reform passed by US President Donald Trump was followed by Beijing's corporate tax cuts.

"More dangerously", both sides are entering into a new stage with the imposition of economic sanctions, as the case of ZTE showed.

Washington was ready to impose penalties on ZTE, a Chinese telecommunications giant, but Trump in the end decided to hold his guns as the Chinese government was key to facilitating the talks with North Korea.

Ambassador Zhang: China will do more to strengthen IP protection
China and the EU are "in the same boat" when it comes to preserving multilateralism, China's ambassador to the EU, Zhang Ming, stressed in an exclusive, wide-ranging interview with EURACTIV.com, which also addressed next week's ASEM summit and China's relations with its Asian neighbours.

Fragmentation

AMERICAN OVERSIGHT

But this was just an impasse. García-Herrero believes that neither China nor the US are going to blink

The dangerous outcome could be the fragmentation of the global economic and financial system, as it happened during the cold war with Comecon, the organisation of economic cooperation set by the former USSR.

“It could create two parallel universes…it is very dangerous”, she said.

The question is where the US would drop the ‘bomb’ of sanctions outside its territory.

In her view, Washington would target Hong Kong, given its transparency and the dollar-based system of the Chinese territory.

But these moves would be fruitless to contain China.

In her view, the largest economy on earth (by many measures) has “well-founded” expectations of becoming a “hegemon”, and “that could only be stopped by force”.

EU and China pledge to deepen relationship despite trade tensions
The EU and China said on Friday (1 June) they would expand trade and investment cooperation amid the global trade dispute triggered by US tariffs. But as part of the efforts to address outstanding trade disputes, Europe will present a complaint before the World Trade Organisation against China’s intellectual property practices.

Europe’s multilateralism

Multilateralism would be the main victim of this economic war. But despite Europe’s ambitions to become the guardian of the multilateral system, the EU “cannot do it alone”.

Trump Administration is openly undermining the global status quo, while Europe and China’s view of multilateralism “have little in common”, in particular when it comes to the issue of subsidies or the concept of market economy.

“It is impossible that the EU and China reach an agreement on a new crippled multilateral world without the US, as it is Washington who created it”, García-Herrero added.

Even more, she believes that this is not a three-way game between Washington, Beijing and Brussels.

US, EU should 'clean the house' and deal with China – US ambassador

AMERICAN OVERSIGHT

Europe and the US should quickly sort out the current issues in their “long-term faithful marriage” so they can speak in “one powerful voice” and address China’s global activities, US ambassador to the EU, Gordon Sondland, said on Wednesday (3 September).

“It is between the US and China, and Europe is the wild card they are competing for”, she argued.

If the EU gets closer to China by progressing on the investment agreement, Trump would slap tariffs on European cars.

While not much can be expected on that front, García-Herrero argued that China could strengthen its ties with Europe without sending dangerous signals to the US by opening up its markets to European companies, as it happened recently with Mercedes.

US blames Europe for lack of progress in trade talks, threatens car tariffs
Senior US and EU officials blamed each other on Wednesday (17 October) for a lack of progress in ongoing trade talks, reviving the possibility of fresh tariffs on European cars, said the American representatives.

Import effort

But Beijing is also opening up in different manners. While foreign investment remains under tight control, China is ready to import a vast amount of goods from third countries in the next few years. “Beijing would even incur a trade deficit …to send a signal of the US’s isolationism”, predicted García-Herrero.

Next Monday (5 November), Chinese President Xi Jinping is expected to speak at the opening of the first China Import Expo.

More than 130 countries and 2,800 companies have decided to take part, including 180 U.S. companies.

However, the Trump Administration will not send senior government officials to the event as will be the case of some European countries, the Chinese foreign ministry said this week.

AMERICAN OVERSIGHT

THE WALL STREET JOURNAL.

U.S.'s Ross Presses EU On Pace of Trade Talks -- WSJ

By Emre Peker

The Wall Street Journal (October 18, 2018) - BRUSSELS -- Commerce Secretary Wilbur Ross said Wednesday that President Trump wanted quick results from trade talks with the European Union and warned that progress was unsatisfactory.

"We really need tangible progress, our president's patience is not unlimited," Mr. Ross said during a press briefing in Brussels, a day after meeting European Trade Commissioner Cecilia Malmstrom in the EU's capital. He said the U.S. stressed "the need for speed and for getting to near-term deliverables."

Mr. Ross's remarks came just hours after Ms. Malmstrom blamed Washington for not engaging with the EU to establish the framework of a trade pact.

The fighting words by Mr. Ross and Ms. Malmstrom highlight the difficulty of clinching any U.S.-EU trade deal less than three months after Mr. Trump and European Commission President Jean-Claude Juncker agreed to slash tariffs and regulatory barriers to trade. They also raise the risk of U.S. tariffs on European car exporters, which the White House pledged to withhold as long as negotiations continue.

U.S. warnings against prolonged talks come a day after U.S. Trade Representative Robert Lighthizer announced the administration's intent to negotiate a trade deal with the EU. An EU delegation is also set to arrive next week in Washington to hash out areas of regulatory cooperation. Ms. Malmstrom and Mr. Lighthizer are eyeing a late-November handshake on cutting trans-Atlantic red tape.

Meanwhile, Mr. Trump continues to wield the threat of car tariffs. Mr. Ross said a U.S. national-security investigation into auto imports, which would pave the way for potential U.S. tariffs on European cars, "will be ready when it's needed."

The U.S.-EU agreement of July 25 specifically left out autos from efforts toward an free-trade pact.

The presidents' agreement temporarily defused a trade spat, triggered by Mr. Trump's steel and aluminum tariffs on the EU and the bloc's response with countermeasures on American exporters. At stake is the world's largest

AMERICAN OVERSIGHT

commercial partnership, with $1 trillion in annual goods and services trade and some $6 trillion in total foreign-direct investment.
Yet a quick trade deal has proved elusive. EU and U.S. officials have sparred over what would be included in the "non-auto industrial goods" accord described in the White House agreement.

"We are ready to start the scoping exercise on a limited agreement focused on industrial goods," Ms. Malmstrom said Wednesday. "The U.S. has not shown any big interest in this. The ball is in their court."

Mr. Ross hit back within hours that Ms. Malmstrom's allegation was "simply inaccurate."

On Wednesday, Washington's ambassador to the EU, Gordon Sondland, reiterated the U.S. view that any final trade deal would have to include agriculture. That is a problem for Brussels, and EU officials said the White House agreement specifically left out agriculture to avoid prolonged, contentious negotiations.

Indeed, the presidents' joint statement doesn't mention agriculture among the areas the U.S. and the EU agreed to slash duties and non-tariff barriers. But it does say the agreement "will open markets for farmers and workers."
EU officials said talks with Mr. Lighthizer's team are on track. The focus is on regulatory cooperation as Brussels awaits a U.S. response for a trade pact, Ms. Malmstrom said earlier this month.

Mr. Sondland, who accompanied Mr. Ross at the meeting with Ms. Malmstrom, said the EU's trade chief was misrepresenting the state-of-play in trade talks.

"They're not moving at all because of the complete intransigence by her team in engaging in any meaningful way on any of the issues we discussed, " Mr. Sondland said. If the president were to take stock of talks today, he said, "I don't believe...that he would consider those negotiations to be progressing satisfactorily."

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

US and EU at loggerheads over July trade 'handshake'

By Jim Brunsden

Financial Times (October 18, 2018) - Ross and Malmstrom swap barbs ? Trump's patience 'not unlimited'

A fragile trade peace between the US and EU was at risk of collapse yesterday after the Trump administration and European Commission accused each other of undermining a White House deal reached in July.

Wilbur Ross, the US commerce secretary, said President Donald Trump's "patience was not unlimited" after his EU counterpart accused Washington of dragging its feet in Brussels talks.

"It's as though she was at a different meeting from the one that we attended," Mr Ross said of Cecilia Malmstrom, the EU trade commissioner. "Our purpose in the meeting was to address the need for speed and for getting to near-term deliverables including both tariff relief and standards."

The brinkmanship between Mr Ross and Ms Malmstrom puts in peril a White House "handshake" agreement between Mr Trump and Jean-Claude Juncker, the EU commission president, in which the leaders agreed to work towards eliminating all trade barriers on non-auto industrial goods.

The Trump administration has tried to lure strategic allies — including the EU and Japan — into trade talks in recent months, in a bid to pivot all of its protectionist firepower against China.

But the flare-up in tensions with Brussels shows just how tenuous Washington's attempts to mount a united front against Beijing are, given the lack of trust that has built up ever since Mr Trump took office.

Analysts have been sceptical of the Trump-Juncker deal, arguing it was short on specifics and did little to deal with the biggest hazard to transatlantic trade: Mr Trump's threat to impose tariffs on EU carmakers, accusing Europe of treating US car imports unfairly.

Ms Malmstrom appeared to share those concerns, saying after the talks with Mr Ross that the EU had "asked and said several times" that it wanted to begin a "scoping exercise" on the Trump-Juncker deal — the first step towards a fully-fledge trade agreement — but the US had yet to respond.

AMERICAN OVERSIGHT

"So far the US has not shown any big interest there, so the ball is in their court," Ms Malmstrom said. "We have not started negotiating yet."

Mr Ross took issue with Ms Malmstrom, saying her contention that "the US has been the one that is slowing things down ... is simply inaccurate".

Gordon Sondland, US ambassador to the EU, was more blunt, attacking Ms Malmstrom's team for "complete intransigence" and saying Brussels had not engaged "in any meaningful way on any of the issues we discussed" during Mr Juncker's White House visit.

Mr Sondland suggested Ms Malmstrom was attempting to "wait out the term of President Trump", something he described as a "futile exercise".

The US officials hinted Mr Trump could revive plans to hit the EU car sector with tariffs if progress was not made. Additional reporting by James Politi in Washington Wilbur Ross page 9

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Trump-Juncker 'handshake' deal at risk

By Jim Brunsden

Financial Times (October 18, 2018) - Transatlantic trade US and EU accuse each other of undermining White House accord

A fragile trade peace between the US and EU was at risk of collapse yesterday after the Trump administration and European Commission accused each other of undermining a White House deal reached in July.

Wilbur Ross, the US commerce secretary, said President Donald Trump's "patience was not unlimited" after his EU counterpart accused Washington of dragging its feet in Brussels talks.

"It's as though she was at a different meeting from the one we attended," said Mr Ross of Cecilia Malmstrom, EU trade commissioner. "Our purpose was to address the need for speed and for getting to near-term deliverables, including both tariff relief and standards." The brinkmanship between the two threatens a White House "handshake" deal in July between Mr Trump and Jean-Claude Juncker, European Commission president, in which they agreed to work towards eliminating all trade barriers on non-motor industrial goods.

The Trump administration has tried to lure America's strategic allies, including the EU and Japan, into trade talks recently in an attempt to pivot all its protectionist firepower against China.

But the new flare-up with Brussels shows how tenuous are Washington's moves to mount a united front against Beijing, given the lack of trust that has built up since Mr Trump took office.

Analysts have long been sceptical of the Trump-Juncker deal, arguing it was short on specifics and did little to tackle the biggest hazard to transatlantic trade: Mr Trump's threat to impose tariffs on European carmakers, accusing the EU of treating US car imports unfairly.

Ms Malmstrom appeared to share those concerns, telling reporters after the talks with Mr Ross that the EU had "asked and said several times" they wanted to begin a "scoping exercise" on the Trump-Juncker deal, the first step towards a fully-fledged trade pact, but the US had yet to respond. "So far the US has not shown any big interest there, so the ball is in their court," she said. "We have not started negotiating yet."

AMERICAN OVERSIGHT

Mr Ross said her contention "the US has been the one that is slowing things down ... is simply inaccurate". Gordon Sondland, US ambassador to the EU, was more blunt, attacking Ms Malmstrom's team for "complete intransigence" and saying Brussels had not engaged "in any meaningful way on any of the issues we discussed" during Mr Juncker's White House visit.

Mr Sondland suggested Ms Malmstrom was trying to "wait out the term of President Trump", which was a "futile exercise". The US officials hinted Mr Trump could revive stalled plans to hit the EU car sector with punitive tariffs if more progress is not made.

Even as the White House launched new trade talks with the EU and Japan, it had not removed the threat of motor tariffs based on national security grounds. "If the president sees more quotes like the one that came out today his patience will come to an end," Mr Sondland said. Officials from both sides will meet in the US next week.

Additional reporting by James Politi in Washington

AMERICAN OVERSIGHT

agence europe

Launch of second evaluation of 'Privacy Shield'

Brussels, 18/10/2018 (Agence Europe) – On Thursday 18 October, the American and European authorities launched the second evaluation of the transatlantic data protection system, the highly criticised 'Privacy Shield'. During two days of meetings in Brussels, the European Commission intends to ensure that the promises of the US authorities have been kept. Nearly 100 people gathered with, on the American side, people responsible for the operation of the system, but also for its supervision and, on the European side, representatives of the European data protection authorities. A few representatives of American companies were also invited.

On Thursday, the European Commissioner for Justice, Věra Jourová, also met with US Secretary of Commerce Wilbur Ross and the President of the Federal Trade Commission, Joseph Simons.

Under no circumstances should the conclusions of the first evaluation be repeated, and the Commission has made this clear to the Americans, said a European official, who sees this second exercise more as a 'stress test'.

"Without prejudging the outcome of the final evaluation, there are good signs", he assured. On the Commission side, there seems to be satisfaction with the 'high level' of the people sent to the meeting, which is a testimony to the importance given to this mechanism.

But also because concrete progress has been made on the American side in recent weeks. On Friday, October 12, the US Senate confirmed the three missing members of the US Privacy and Civil Liberties Oversight Board (PCLOB), Edward Felten and Jane Nitze and Adam Klein as Chair.

Another step forward was achieved on Tuesday 16 October with the publication of a declassified version of a PCLOB report on the implementation of Presidential Directive 28, which shows the US authorities' limits on access to European personal data.

On the reauthorisation of section 702 of the US Foreign Intelligence Surveillance Act (FISA) in January 2018, all the elements on which the European Commission based its decision for 'Privacy Shield' were maintained, Wilbur Ross said in an 'op-ed' published Thursday in the Financial Times.

AMERICAN OVERSIGHT

Of course, there remains the thorny issue of the appointment of a permanent ('Ombudsperson') to handle complaints from Europeans whose data are processed by American companies. Several people have already held the position on an interim basis and on September 28, the State Department appointed Manisha Singh. The European Commission is expected to meet with her on Friday.

Although not always a permanent mediator, Ms. Singh was confirmed by the Senate, unlike her predecessors. Another person will be identified to occupy the position on a permanent basis, but it is now necessary to give the American authorities time to initiate the necessary procedures.

Earlier this month, the US Ambassador to the EU, Gordon Sondland, said that his country was in full compliance with the scheme, in an interview with EUROPE, Euractiv and EUobserver. He also considered that there was no real need for an Ombudsperson since no complaints had been received to date.

"All this pressure we have created seems to be working", commended the European official. The Commission, which has said on several occasions that it would not hesitate to suspend the scheme if insufficient progress was made, had raised its voice this summer and left it until October for the US authorities to comply.

At the beginning of July, the European Parliament also got involved by adopting a resolution calling for the suspension of the system, if the Trump administration had not acted by 1 September.

From the same official, the Americans are well aware of the threat of suspension and especially the value of 'Privacy Shield' for their companies.

Nothing is to be expected on Friday at the end of the discussions, as the Commission must now check that all the commitments demonstrated have actually been implemented. It will present its findings in a report expected to be published at the end of November.

AMERICAN OVERSIGHT

REUTERS

Trump's patience with EU on trade not unlimited, says Ross

By Philip Blenkinsop

BRUSSELS, October 17, 2019 (Reuters) - The United States demanded rapid results on Wednesday in transatlantic trade talks with the European Union, accusing the bloc of holding up progress, but the top EU trade official said the ball was in Washington's court.

U.S. President Donald Trump agreed with European Commission chief Jean-Claude Juncker in July to refrain from imposing tariffs on EU cars while the two sides launched discussions to remove import duties and improve trade ties.

U.S. Commerce Secretary Wilbur Ross, who held talks with EU Trade Commissioner Cecilia Malmstrom on Tuesday, said that some three months after that pledge there was a "big disconnect" between the two sides.

"Our purpose in the meeting was to stress the need for speed and of getting to near-term deliverables, including both tariff relief and standards," U.S. Commerce Secretary Wilbur Ross told a briefing in Brussels on Wednesday.

"What we're interested in, whether it's the exact next time or some time shortly thereafter, is we really need tangible progress. The president's patience is not unlimited," he said.

Earlier, Malmstrom said the EU had asked the United States several times to start preparatory work for negotiations on a deal to remove tariffs on industrial goods, adding:

"So far the U.S. has not shown any big interest there, so the ball is in their court."

Ross said Malmstrom's statement was very weak and implied that Washington had slowed things down. "That's simply inaccurate," he said.

"This is not meant to be a five-year project. This is meant to be something that was to move quickly and in a cooperative fashion," he said, adding that standards were as much of a barrier to trade as tariffs.

The July statement issued by Trump and Juncker referred to a goal of zero tariffs and non-tariff barriers on non-auto industrial goods, as well as a close dialogue on standards to ease trade.

AMERICAN OVERSIGHT

The European Commission has said agriculture was not part of the planned talks, but the U.S. ambassador to the EU, Gordon Sondland, said this was not Washington's view.

"Agriculture was definitely discussed on July 25 as one category and it was the full expectation of the president that it would be discussed in the final negotiations." he said.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Wilbur Ross criticises EU for not driving forward trade talks with US

By Jim Brunsden

Financial Times (October 17, 2018) - One of the US's most senior trade officials has hit out at the European Commission for not living up to commitments it made in July to drive forward trade talks, saying they risked exhausting the patience of US president Donald Trump.

Speaking to reporters in Brussels, Wilbur Ross, the US commerce secretary, took issue with comments made by Cecilia Malmstrom, the EU's trade commissioner, earlier that day suggesting the US has so far shown little impetus to enter into negotiations on a trade deal on industrial goods.

"My problem with the statement is that it is a very weak and a very conditional thing, and it implies that the US has been the one that is slowing things down, that is simply inaccurate", Mr Ross said. "The president's patience is not unlimited".

Mr Ross, who met with Mr Malmstrom and other senior EU officials on Tuesday, said he was responding to statements from the EU commissioner saying that it was for the US to come forward and say it was ready to start discussing a deal to eliminate tariffs.

Ms Malmstrom told reporters on Wednesday that "we have asked and said several times that we are prepared to start the scoping exercise on a limited agreement focused on industrial goods, on tariffs."

"So far the US has not shown any big interest there, so the ball is in their court."

"We have not started negotiating yet, but if this is the first step taken by the US we are happy to continue those discussions," she said.

Mr Ross said that the comments, if accurate, were "very discouraging" and did not reflect his conversations with her.

"It's as though she was at a different meeting from the one that we attended", he said. "Our purpose in the meeting was to address the need for speed and for getting to near-term deliverables including both tariff relief and standards".

AMERICAN OVERSIGHT

Mr Ross was speaking alongside, Gordon Sondland, the US's ambassador to the EU, who also warned the EU needed to boost its efforts to honour an agreement reached by the EU and US in July to bolster commercial ties.

Mr Sondland complained of "complete intransigence of her [Malmstrom's] team in engaging in any meaningful way on any of the issues we discussed on July 25".

He went as far as to suggest that the approach could be a ploy to "wait out the term of president Trump", something he described as a "futile exercise".

The US officials hinted that Mr Trump could revive stalled plans to hit the EU car sector with punitive tariffs if more progress is not made.

"If the president sees more quotes like the one that came out today his patience will come to an end", Mr Sondland said.

Ms Malmstrom's comments reflect others she has made in recent weeks indicating that the US has been more interested in taking forward talks on removing non-tariff, regulatory, barriers to trade, than on discussing tariffs. The EU commissioner has said she is happy to work on that basis and that officials from both sides will meet in the US next week for technical talks.

Ms Malmstrom's main point of contact in her talks with the US is the country's trade representative, Robert Lighthizer, although she did have extensive discussions earlier this year with Mr Ross at a time when EU-US trade tensions were escalating over cars and steel.

AMERICAN OVERSIGHT

FT FINANCIAL TIMES

Negotiators warn Trump-Juncker trade agreement at risk

By Jim Brunsden

Financial Times (October 17, 2018) - US says EU 'intransigence' puts July deal in peril after Ross talks with Malmstrom.

A fragile trade peace between the US and EU was at risk of collapse on Wednesday after the Trump administration and European Commission accused each other of undermining a White House deal reached in July.

Wilbur Ross, the US commerce secretary, said that President Donald Trump's "patience was not unlimited" after his EU counterpart accused Washington of dragging its feet in Brussels talks.

"It's as though she was at a different meeting from the one that we attended," said Mr Ross of Cecilia Malmstrom, the EU trade commissioner.

"Our purpose in the meeting was to address the need for speed and for getting to near-term deliverables including both tariff relief and standards," he said.

The brinkmanship between Mr Ross and Ms Malmstrom puts in peril a White House "handshake" agreement reached in July between Mr Trump and Jean-Claude Juncker, the European Commission president, in which the leaders agreed to work towards eliminating all trade barriers on non-automotive industrial goods.

The Trump administration has tried to lure America's strategic allies, including the EU and Japan, into trade talks in recent months, in an effort to pivot all of its protectionist firepower against China.

But the new flare-up in tensions with Brussels shows just how tenuous Washington's attempts to mount a united front against Beijing is, given the lack of trust that has built up ever since Mr Trump took office.

Analysts have long been sceptical of the Trump-Juncker deal, arguing that it was short of specifics and did little to deal with the biggest hazard to transatlantic trade: Mr Trump's threat to impose tariffs on European carmakers, accusing the EU of treating US car imports unfairly.

AMERICAN OVERSIGHT

Ms Malmstrom appeared to share those concerns, telling reporters after the talks with Mr Ross that the EU had "asked and said several times" that they wanted to begin a "scoping exercise" on the Trump-Juncker deal — the first step towards a fully-fledged trade agreement — but the US had yet to respond.

"So far the US has not shown any big interest there, so the ball is in their court," Ms Malmstrom said. "We have not started negotiating yet."

Mr Ross took issue with Ms Malmstrom, saying her contention "the US has been the one that is slowing things down . . . is simply inaccurate".

Gordon Sondland, the US's ambassador to the EU, was even more blunt than Mr Ross, attacking Ms Malmstrom's team for "complete intransigence" and saying that Brussels had not engaged "in any meaningful way on any of the issues we discussed" during Mr Juncker's White House visit.

Mr Sondland suggested that Ms Malmstrom was attempting to "wait out the term of President Trump", something he described as a "futile exercise".

The US officials hinted that Mr Trump could revive stalled plans to hit the EU car sector with punitive tariffs if more progress were not made.
Even as the Trump administration launched new trade talks with the EU and Japan, it has not taken off the table the threat of motor tariffs based on national security grounds.
"If the president sees more quotes like the one that came out today his patience will come to an end," Mr Sondland said of Ms Malmstrom.

Ms Malmstrom's comments reflect others she has made in recent weeks indicating that the US has been more interested in taking forward talks on removing non-tariff, regulatory, barriers to trade, than on discussing tariffs.

The EU commissioner has said she is happy to work on that basis and that officials from both sides will meet in the US next week for technical talks.

Ms Malmstrom's main point of contact in her talks with Washington is the US trade representative, Robert Lighthizer, although she did have extensive discussions earlier this year with Mr Ross at a time when EU-US trade tensions were escalating over cars and steel.

AMERICAN OVERSIGHT

EU-US relations ‘like an up-down marriage but intact’ – US ambassador

By Nima Ghadakpour

EU-US relations ‘like an up-down marriage but intact’ – US ambassador



Euronews (October 17, 2018) - EU-US relations have hit a rocky patch of late, with ongoing an ongoing trade dispute souring the transatlantic friendship. The US has announced new talks for separate agreements on trade with Britain, Japan and the EU.

We spoke to the new US ambassador to the EU, Gordon Sondland, in Brussels about the spat, in particular on President Donald Trump's comments, Sunday, that nobody treats the US 'much worse than the EU'.

"I've likened our relationship to a long-term faithful marriage that has its ups and downs, and the marriage is intact but we're having a down right now. Soon we'll have an up," explained Sondland.

We asked about his own dealings with the European Commission President Jean-Claude Juncker, whom Trump has described as a 'tough cookie'.

"I believe he shares the notion that we have these deep and binding ties aside from trade, and the relationship is too important to let any specific issue dictate our overall relationship. But trade is definitely where our focus is right now," said Sondland.

AMERICAN OVERSIGHT

Shifting to Iran, the ambassador said he didn't agree with the EU's approach to dealing with the Islamic Republic, and the ways in which it is aiming to keep the nuclear deal intact after Washington pulled out of the accord earlier this year.

"The special vehicles they are trying to set up to wire around upcoming sanctions are not going to work for a simple reason, which is that most companies will not avail themselves of that structure. They have a choice to make. They can do business with the US. They can do business with Iran. But they can't do business with both."

Questioned on whether the sanctions on Tehran actually harm the ordinary people, rather than impacting the government, US Special Representative for Iran, Brian Hook said the suffering was not due to US sanctions.

"It is simply a talking point and it allows the regime to deflect blame away from their own 39 year perfect record of corruption, self-dealing, mismanagement and violent misadventures all over the Middle East and beyond," he said.

The next wave of US sanctions on Iran hit on November 4.

AMERICAN OVERSIGHT

US blames Europe for lack of progress in trade talks, threatens car tariffs



US Secretary of Commerce, Wilbur Ross, on the left, is greeted by commissioner for Trade, Cecilia Malmström, on Tuesday. [European Commission]

By Jorge Valero

EURACTIV.com (October 17, 2018) - Senior US and EU officials blamed each other on Wednesday (17 October) for a lack of progress in ongoing trade talks, reviving the possibility of fresh tariffs on European cars, said the American representatives.

US Secretary of Commerce, Wilbur Ross, met with EU Trade Commissioner Cecilia Mamström and other EU officials on Tuesday. But the interpretation both officials made of their encounter was worlds apart.

While the Swedish commissioner saw the meeting as a mere stocktaking exercise, Ross told reporters he had stressed "the need for speed and for getting near term deliverables" in the trade talks, launched on 25 July to avoid an escalation of the trade war between the two sides.

US President Donald Trump "agreed to put in the drawer the threat of future tariffs as long as negotiations were progressing satisfactorily," said Gordon Sondland, the US ambassador to the EU who was also present at the briefing.

AMERICAN OVERSIGHT

"I don't believe if he was to take stock today he would consider negotiations to be progressing satisfactorily," the ambassador said, recalling that duties on European car imports were a "remedy" still available to him.

The Europeans "are giving the impression that things are moving forward. They are not moving forward, not moving at all," he insisted.

Sondland blamed the "complete intransigence" of Malmström and her team in engaging "in any meaningful way" on the issues discussed by Trump and Juncker last July.

Earlier on Wednesday, Malmström explained the EU position in the talks. EU negotiators have "said several times that we are prepared to start the scoping exercise on a limited agreement focused on industrial goods, on tariffs," she told a press conference.

"So far the US has not shown any big interest there, so the ball is in their court," she said.

If the request to the US Congress to open negotiations with the EU represented a first step, "we are happy to continue those discussions," the commissioner added.

Ross said the "problem" with Malmström's "very discouraging" statement was that her words were "very conditional" and implied that the US was slowing the process down, which was "inaccurate".

"I think if the president sees more quotes like the one that came out today, my guess is that his patience will come to an end," concluded ambassador Sondland.

The aim of the Trump administration was to achieve some results by the end of November. The President "is interested in good faith, quick negotiations that produce tangible results," Ross said.

US officials put special emphasis on the harmonisation of standards in fields such as cars or agriculture, seen as a "far more serious trade barrier than the tariffs," said Ross.

"Discussing tariffs in the absence of discussing standards is a useless exercise," he stressed.

EU officials said both sides had discussed standards and regulatory barriers, including on medical devices.

But Ross said no "substantial" discussion on this issue had taken place. The first discussion on standards will take place next Tuesday, when Malmström's team travel to Washington, he indicated.

The next meeting between Malmström and US Trade Representative Robert Lighthizer will take place at the end of the month.

AMERICAN OVERSIGHT

agence europe

Transatlantic differences of opinion over progress in bilateral trade negotiations

Brussels, 17/10/2018 (Agence Europe) – In Brussels on Wednesday 17 October, European Commissioner Cecilia Malmström said that her meeting the day before with the US Secretary of Commerce, Wilbur Ross, had mainly been a "stock-taking exercise". She confirmed that any negotiation with the United States must respect the following sequence: a scoping exercise followed by a mandate request to the member states, adding once again that the negotiations were not yet underway.

"We have said that we are prepared several times to start a scoping exercise on a limited agreement focused on industrial tariffs", the Commissioner told the press. "So far, the US has not shown a big interest there, so the ball is in their court", she added.

The American interpretation is quite different. Addressing a small group of journalists, Ross denied Malmström's assertions that negotiations on the 'roadmap' discussed by Presidents Juncker and Trump in Washington at the end of July were progressing "smoothly".

"This is not the case at all", added the US Ambassador to the EU, Gordon Sondland, who said that the process underway "is not meant to be a five-year project". He went on to say that the Commission's Trade services were not engaged in a meaningful way on these subjects.

Although he is not Commissioner Malmström's designated interlocutor in these negotiations – this role belongs to Ambassador Lighthizer – the Secretary reiterated the need to achieve concrete results by November. Otherwise "the President's patience will come to an end", he warned.

Behind this obligation to achieve results there is the threat of new American sanctions, this time on European cars, in the framework of 'Section 232', making it possible to restrict all imports that threaten the security of the country.

A report is still being drawn up, which "will be ready when it is needed", Ross stressed. This should be understood to mean: once negotiations are making satisfactory progress. "But nothing has moved", he lamented.

As for the content of these negotiations, Ross said that the American administration was interested in "all sectors where there is protectionism",

AMERICAN OVERSIGHT

confirming that there was, on the other side of the Atlantic, “expectations that agriculture would be discussed in the final negotiations”. (Original version in French by Hermine Donceel)

AMERICAN OVERSIGHT

US warns EU over trade talks impasse

Agence France Presse (October 17, 2018) - Top US officials slammed the European Union on Wednesday for stalling trade talks, putting pressure on a hard-earned transatlantic trade truce.

In July, US President Donald Trump and European Commission head Jean-Claude Juncker pledged to hold off from further tit-for-tat tariffs and to work towards scrapping customs duties on all goods.

Both sides hailed the deal as a major breakthrough, but subsequent talks have showed that disputes persist, especially over agriculture, which Washington insists will be a key part of any agreement.

US Commerce Secretary Wilbur Ross told reporters in Brussels Trump's "patience was not unlimited" after his EU counterpart accused Washington a lukewarm attitude to the trade talks.

The EU considers US Trade Representative Robert Lighthizer their main interlocutor.

On Tuesday he notified Congress that the Trump administration still intends to negotiate a free trade agreement with the EU as well as with Japan and the United Kingdom after Brexit.

EU Trade Commissioner Cecilia Malmstrom on Wednesday said that the US "has not shown any big interest" in pursuing the trade deal and "the ball is in their court."

"It's as though she was at a different meeting from the one that we attended," Ross said.

"Our purpose in the meeting was to address the need for speed and for getting to near-term deliverables including both tariff relief and standards," he said.

US Ambassador to the EU Gordon Sondland accused Malmstrom of "complete intransigence by her team in engaging in any meaningful way in any of issues we discussed on July 25."

"If the president sees more quotes like the one that came out today his patience will come to an end," Sondland said.

AMERICAN OVERSIGHT

US 'fully compliant' with EU privacy shield, ambassador says

EurActiv (October 4, 2018) - The United States is abiding by EU data protection rules and has an ombudsman to monitor complaints in the field, US ambassador to the EU, Gordon Sondland, said on Wednesday (3 October).

Addressing a small briefing for journalists, Sondland said he had explained to the Europeans that compliance is in place and the issue should not be discussed any further.

The EU-US privacy shield is an agreement between the two parties that allows European data to be treated under the same regulatory terms as in Europe.

After facing heavy criticism from the European Commission, which said as recently as last month the US was not complying with the agreement, Sondland told the briefing: "There is no non-compliance. We are fully compliant."

Data agreement: EU jumps into bed with Japan as tensions rise over US privacy shield

The EU will look to ensure the safe transmission of data between the bloc and Japan, Justice Commissioner Věra Jourová said on Wednesday (5 September). The announcement comes at a time the EU's other big data transmission agreement, the EU-US privacy shield, faces harsh criticism.

"As we've told the Europeans, we really don't want to discuss this any further. And their response was 'OK'… Let's discuss things that have true relevance instead of discussing something where there is no problem."

European regulators had not treated the issue lightly.

EU Justice Commissioner Věra Jourová said recently that the agreement was in potential turmoil if the US did not step up its efforts in the field.

Speaking to reporters in September, she made it clear that if the US did not toe the line with regards to the EU calls for US compliance, then the Commission would "take action".

AMERICAN OVERSIGHT

MEPs have also put pressure on the Commission to scrap the agreement, saying that the mechanism does not effectively protect European citizens due to non-compliance by US companies.

“If the US authorities fail to comply with its terms, then it must be suspended until they do,” Parliament’s rapporteur for the agreement, Claude Moraes said in July.

Civil Liberties MEPs want EU-US Privacy Shield suspended by September

MEPs in the European Parliament’s powerful Civil Liberties Committee (LIBE) want the European Commission to suspend its Privacy Shield agreement with the United States unless the Trump administration introduces data protection safeguards by 1 September, in a move that comes amid mounting transatlantic political tensions.

Sondland explained that Manisha Singh had been designated Privacy Shield Ombudsperson, as well as acting under secretary for economic growth, energy and environment.

With such a substantial move on the US’s part in complying with the EU’s requests, the Commission’s mid-October review of the effectiveness of the shield is likely to go a lot smoother than had first been planned.

AMERICAN OVERSIGHT

euobserver

EU and US risk 'negative shocks' to economy, IMF warns

EUobserver.com (October 9, 2019) - France and Germany will be among the hardest hit by a global slowdown caused by US protectionism, the International Monetary Fund (IMF) has warned.

Germany, the economic engine of the eurozone, would grow above 2 percent of GDP this year and next year, but growth would fall to 1.9 percent in 2019 and 2020, the Washington-based lender said in its "economic outlook" on Monday (8 October).

French growth would shrink by a similar degree, it said, while the US itself would suffer a 0.4 point drop.

Meanwhile, the British economy would grow by 1.1 percent this year, not 1.3 percent, as the IMF had previously forecast, due to uncertainty on Brexit.

The international lender seldom takes political sides.

But it singled out US president Donald Trump for blame after he imposed tariffs on EU steel and aluminium and on hundreds of billions of dollars of Chinese trade.

"Protectionist rhetoric has increasingly turned into action, with the United States imposing tariffs on a variety of imports," the IMF said.

"Intensification of trade tensions, and the associated rise in policy uncertainty, could dent business and financial market sentiment, trigger financial market volatility, and slow investment and trade," it said.

"Unsustainable" borrowing by some wealthy states, which put sovereign solvency at risk, made the outlook even more worrisome, Maurice Obstfeld, the IMF's chief economist, added.

"The likelihood of further negative shocks to our growth forecast has risen," he said.

Wide-open

AMERICAN OVERSIGHT

The survey comes amid US and EU talks on a free-trade deal.

The new accord could be in place by the end of 2019, Gordon D. Sondland, the US ambassador to the EU, told press in Brussels last week.

When Trump met European Commission president Jean-Claude Juncker in Washington in July, the US president also offered him a "wide-open" trade accord with no tariffs, barriers, or subsidies of any kind, but Europe was not ready for that, Sondland said.

"I was there [at the Trump-Juncker] talks. I heard the discussion," he said.

"I don't think the political will is there yet on the side of the EU to do a deal like that, because there are too many industries [in Europe] that have fences built around them," Sondland said.

He described the value of an EU-US trade bloc in adversarial terms, despite the IMF's warning on "rhetoric" and "tensions".

A Western trade bloc would help US strategy to curb Chinese growth and expansionism, Sondland said.

"The sooner we conclude our business [EU-US trade talks] ... the sooner we can seize the opportunity to make China act like a good global citizen," he said.

The IMF warning on sovereign borrowing also comes amid Italy's plan to overspend on EU fiscal limits, putting its future solvency in doubt.

Italy and Greece

Markets have punished Italian bonds and bank shares, as well as Greek bank shares in a knock-on effect of the dispute, which has descended into name-calling.

"The enemies of Europe are those sealed in the bunker of Brussels," Italy's populist interior minister and deputy prime minister, Matteo Salvini, said on Monday.

"I would not wish that, after having really been able to cope with the Greek crisis, we'll end up in the same crisis in Italy," Juncker said one week ago.

"One such crisis has been enough," he said.

AMERICAN OVERSIGHT

His comparison of a potential Italian crisis to the Greek one failed to note the difference in scale.

The Greek bailouts gobbled up €300bn, but Italy's economy and banking sector are vastly larger than those of Greece, making it too expensive to save.

Good times

Monday's IMF survey came on the heels of another warning, last week, that the world economy was also at risk of another 2008-type financial meltdown due to reckless behaviour by private banks.

It said global debt levels were higher than in 2008, meaning that if one big bank were to fail, the way Lehman Brothers did 10 years ago, the ensuing market panic could be more severe than before.

"Risks tend to rise during good times," the IMF said.

AMERICAN OVERSIGHT

The Washington Post

U.S. ambassador to Europe: Let's take on China together

By Adam Taylor

Washington Post (October 4, 2018) - The U.S. ambassador to the European Union is offering a message to a continent that is frequently at odds with his boss: Let's get over our problems so that we can take on China together.

Gordon Sondland, who was sworn in as ambassador in late June, told a group of reporters in Brussels that once the United States had an appropriate trade deal with Europe, they could form a unified front to take on China.

"The jackpot is having what is about $40 trillion combined GDP working as a bloc in terms of dealing with Chinese growth, Chinese theft of intellectual property, Chinese malign activity, Chinese militarization in South China Sea and all the other things we've been calling out to China to stop doing," Sondland said, according to Euractiv.

"The sooner we conclude our business, the sooner we can both turn to the real opportunity, which is to deal with China and make China act like a good global citizen in the business world and otherwise," he said.

The United States could help European governments by giving them access to the Committee on Foreign Investment in the United States (CFIUS), a mechanism that can help screen investors, Sondland told the reporters. "You don't want to sell a business to someone that you think is a Dane, or an American, or a Greek, then find out it's Chinese money or control behind it," he said.

The ambassador's message came the same week that Vice President Pence accused Beijing of using trade policies to try to undermine U.S. leadership. "By one estimate, more than 80 percent of U.S. counties targeted by China voted for President Trump in 2016; now China wants to turn these voters against our administration," Pence said in a speech at the Hudson Institute on Thursday.

Sondland has personal ties to Europe as his parents fled Nazi Germany during World War II. Though he distanced himself from Trump during the 2016 presidential election campaign, Sondland, the founder of a chain of boutique hotels, was later reported to have donated $1 million to the Trump inaugural committee.

AMERICAN OVERSIGHT

It's a difficult time in transatlantic relations. European leaders are often at odds with Trump, who has spoken disparagingly of the E.U. as an institution and has taken policy actions, such as pulling out of the Iran nuclear deal, that prominent leaders, such as Germany's Angela Merkel and France's Emmanuel Macron, oppose.

A recent Pew poll of global views of the United States found a high level of skepticism about Trump among the European public. In France, Germany and Spain, confidence in Trump's ability to properly handle global affairs was lower than 10 percent, and sizable majorities in many European nations surveyed said that the United States did not consider their interests when considering policy.

However, the same poll found that in most European countries surveyed, majorities said they would prefer the United States to be a the leader global power, as opposed to China, suggesting a window of opportunity that Sondland could exploit.

The United States is seeking a new trade deal with the E.U. after pulling out of talks for a Transatlantic Trade and Investment Partnership last year, with some reports suggesting that the early stages of a deal may be worked out before the end of the year. Sondland told reporters in Brussels that "the president is expecting" significant progress on a deal by November or December, Euractiv reported.

The Trump administration has had some success on trade deals recently, revising an agreement with South Korea and reaching a new pact with Mexico and Canada. Some experts have suggested that the administration is focusing its efforts on China, which it sees as a bigger problem. One notable clause in the new United States-Mexico-Canada Agreement allows signatories to pull out if one country seeks a separate free trade agreement with a "nonmarket country" — widely interpreted as a warning against a side deal with China.

"We cannot talk about trade without talking about China," Sondland wrote in an article for Politico Europe last month. "We all share an interest in seeing China offer greater market access and eliminate unfair trade practices, and together we can insist China take the necessary steps to allow its economy to operate more fairly."

AMERICAN OVERSIGHT

US, EU should 'clean the house' and deal with China – US ambassador

By Zoran Radosavljevic

EurActiv (October 4, 2018) - Europe and the US should quickly sort out the current issues in their "long-term faithful marriage" so they can speak with "one powerful voice" and address China's global activities, US ambassador to the EU, Gordon Sondland, said on Wednesday (3 September).

Speaking to a small group of journalists, Sondland said that concluding a trade deal with the EU – should, of course, help Washington turn its trade deficit with Europe into neutral "or even surplus", but the real benefit would be the possibility to address the China issue.

"The jackpot [in concluding the trade deal] is having what is about $40 trillion combined GDP working as a bloc in terms of dealing with Chinese growth, Chinese theft of intellectual property, Chinese malign activity, Chinese militarisation in South China Sea, and all the other things we've been calling out to China to stop doing."

UK plans to send warship to S. China Sea in move likely to irk Beijing

Britain plans to send a warship to the disputed South China Sea next year to conduct freedom of navigation exercises, Defence Minister Michael Fallon said on Thursday (27 July), a move likely to anger Beijing.

"I think when we're done cleaning our own house with the EU and have our act together, we can act as one voice and that's a very powerful voice. That's where the president ultimately wants to get to," the ambassador said.

He said the US was willing to do "a wide open deal with the EU, no tariffs, no barriers, no subsidies, wide open on both sides, but that means no cherry picking either". But he added that he did not think "political will is there yet on the side of the EU to do a deal like that, there are too many industries that have fences built around them".

AMERICAN OVERSIGHT

Despite the ongoing EU-US trade dispute, Sondland said there were “lots of technical talks going on as we speak, at a lower level… I would say that as we get into November and December we hope to see significant progress. The president is expecting it”. Asked if a deal should be reached before the end of this Commission’s mandate next year, he replied “Yes”.

“The sooner we conclude our business, the sooner we can both turn to the real opportunity, which is to deal with China and make China act like a good global citizen in the business world and otherwise.”

At the same time, China has been trying to build common positions with the EU against Trump’s protectionist policies.

Help with investment screening

Sondland also said the US was offering its CFIUS programme, a very sophisticated screening tool, to the EU, which is also trying to put in place a similar programme to deal with investments.

“If you decide you want to sell an important business to the Chinese, you should go into that decision with your eyes wide open, you should not sell a business to someone you think is a Dane, or an American, and then find out there is Chinese money or control behind it.”

“Once you know, you have to make a decision and we obviously would not want to see critical assets or infrastructure, given their expansionist aspirations, in the hands of the Chinese. We would prefer to see them in the hands of friendlier actors,” he said, adding that it was up to Europe to decide whether to accept US help and then, when assessing a particular business deal, whether to approve it or not.

Regarding China, the EU has since recently tried to define strategies and defend its neighbourhood and business interests. EU foreign affairs chief Federica Mogherini recently unveiled what appears to be a reply to China’s Belt and Road initiative.

Russia and Nord Stream-2

AMERICAN OVERSIGHT

Turning to Russia, Sondland said things should be “turned up a notch”, but the issue of Nord Stream-2 pipeline should be addressed.

“When you have things like Nord Stream-2 in the mix, it makes it hard to turn up that pressure because Nord Stream-2 tends to enrich Russia, it tends to create inexpensive energy dependence on the part of Europe. But absent that, I think Europe and the US see eye to eye on many Russian malign activities that are occurring.”
He made clear once again the US administration “adamantly opposes Nord Stream 2 for one simple reason: it believes Nord Stream 2 does not provide for energy independence that Europe should and can have.”

“There is a misnomer out there, that our opposition to NS2 is nothing more than a sales gimmick to try to sell more US energy to Europe. While certainly, the US would like to sell more energy to Europe, that is in no way the president’s thinking. This is not about selling more LNG or anything else… This is about not putting Europe’s energy in the hands of those who might turn against Europe some day and curtail supply at the worst possible moment.”

“Whether Europe gets its energy from the US or from any other friendly actor on the globe, we don’t care. if the events that I describe were to occur, the US would have to step in and help. it is not because we have to, it’s because that’s what we do. We don’t want to put ourselves in that position by having Europe put itself in that position.”

AMERICAN OVERSIGHT

US 'fully compliant' with EU privacy shield, ambassador says
By Samuel Stolton, Zoran Radosavljevic

EurActiv.com (October 4, 2018) - The United States is abiding by EU data protection rules and has an ombudsman to monitor complaints in the field, US ambassador to the EU, Gordon Sondland, said on Wednesday (3 October).

Addressing a small briefing for journalists, Sondland said he had explained to the Europeans that compliance is in place and the issue should not be discussed any further.

The EU-US privacy shield is an agreement between the two parties that allows European data to be treated under the same regulatory terms as in Europe.

After facing heavy criticism from the European Commission, which said as recently as last month the US was not complying with the agreement, Sondland told the briefing: "There is no non-compliance. We are fully compliant."

Data agreement: EU jumps into bed with Japan as tensions rise over US privacy shield

The EU will look to ensure the safe transmission of data between the bloc and Japan, Justice Commissioner Věra Jourová said on Wednesday (5 September). The announcement comes at a time the EU's other big data transmission agreement, the EU-US privacy shield, faces harsh criticism.

"As we've told the Europeans, we really don't want to discuss this any further. And their response was 'OK'… Let's discuss things that have true relevance instead of discussing something where there is no problem."

European regulators had not treated the issue lightly.

EU Justice Commissioner Věra Jourová said recently that the agreement was in potential turmoil if the US did not step up its efforts in the field.

Speaking to reporters in September, she made it clear that if the US did not toe the line with regards to the EU calls for US compliance, then the Commission would "take action".

AMERICAN OVERSIGHT

MEPs have also put pressure on the Commission to scrap the agreement, saying that the mechanism does not effectively protect European citizens due to non-compliance by US companies.

“If the US authorities fail to comply with its terms, then it must be suspended until they do,” Parliament’s rapporteur for the agreement, Claude Moraes said in July.

Civil Liberties MEPs want EU-US Privacy Shield suspended by September

MEPs in the European Parliament’s powerful Civil Liberties Committee (LIBE) want the European Commission to suspend its Privacy Shield agreement with the United States unless the Trump administration introduces data protection safeguards by 1 September, in a move that comes amid mounting transatlantic political tensions.

Sondland explained that Manisha Singh had been designated Privacy Shield Ombudsperson, as well as acting under secretary for economic growth, energy and environment.

With such a substantial move on the US’s part in complying with the EU’s requests, the Commission’s mid-October review of the effectiveness of the shield is likely to go a lot smoother than had first been planned.

AMERICAN OVERSIGHT

EU and US should hold back China, Trump envoy says



Gordon D. Sondland (c) - the hotel magnate and philanthropist took up his EU post in July (Photo: ec.europa.eu)

By **ANDREW RETTMAN**
BRUSSELS, 4. OCT, 13:43

The US wants to create a massive trade bloc with Europe to curb Chinese expansionism, Washington's ambassador to the EU has said.

It is also ready to use sanctions, including against European firms, to bring Iran and Russia to heel.



AMERICAN OVERSIGHT

Donald Trump (l) with European Commission president Jean-Claude Juncker in Washington (Photo: European Commission)

"The jackpot ... is to have what is about a $40 trillion combined GDP working as a bloc in terms of dealing with Chinese growth, Chinese theft of intellectual property, [and] Chinese militarisation of the South China Sea," Gordon D. Sondland, the US envoy to the EU, told press in Brussels on Wednesday (3 October).

"The sooner we conclude our business [EU-US trade talks] ... the sooner we can seize the opportunity to make China act like a good global citizen," he said.

US president Donald Trump tore up a previous US-EU trade treaty, the Transatlantic Trade and Investment Partnership (TTIP), and slammed tariffs on EU steel and aluminium exports.

But the US envoy said talks on a new trade deal - that would see both sides open up their agricultural, automotive, defence, and other markets - ought to be concluded by the end of 2019.

The US is keen to help the EU stop China from buying up strategic industries, he added.

"We would not want to see [Europe's] critical assets and critical infrastructure, given their [China's] expansionist intentions, in the hands of the Chinese," he said.

The US has created an investor-screening mechanism, the Committee on Foreign Investment in the United States (Cifus), to prevent clandestine acquisitions, in a tool that Washington wanted to share with the EU, he noted.

"You don't want to sell a business to someone that you think is a Dane, or an American, or a Greek, then find out it's Chinese money or control behind it," he said.

Iran and Russia

AMERICAN OVERSIGHT

Iran and Russia were two other "malign" actors that the Western alliance must keep in check, Sondland said.

Trump also tore up an Iran nuclear arms control accord, known as the Joint Comprehensive Plan of Action (JCPOA).

The EU has tried to keep the deal going by designing a new payment system to stop the US from imposing sanctions on European firms that did business with Iran.

But none of that would stop Trump from strangling Iran's economy if it did not negotiate a new accord, Sondland said.

"We believe those [US] sanctions will take a significant toll, notwithstanding all the actions being taken by the EU," he said.

"It's our belief, based on discussions with many, many companies that do business with Iran and the US, that those companies, no matter what's available to them [in terms of EU protection], will not continue to do business with Iran," he warned.

French and Danish authorities recently foiled plots by Iranian intelligence to harm anti-Iranian groups in Paris and Copenhagen, showing that Trump was right, he added.

"Those types of activity would not occur if we entered into an agreement [with Iran] that had real depth," he said.

Sanctions on Russia also "need to be turned up a notch," the ambassador added.

He singled out Russia's plan to build a gas pipeline, called Nord Stream 2, with Germany as a target for US action amid threats of US fines on EU firms that financed the project.

"The administration adamantly opposes Nord Stream 2 for one clear reason - Nord Stream 2 doesn't provide the energy independence that the EU could and should have," he said.

AMERICAN OVERSIGHT

NS2 "makes it hard to turn up the pressure [on Moscow]" because it "enriches" Russia, he noted.

It also makes the EU vulnerable to energy blackmail, he said.

"What this is about is not putting Europe's energy in the hands of those who might turn against Europe one day and curtail supplies at the worst moment," he added.

US marriage

The multiplying list of EU clashes with the US - on trade, Iran, and NS2, as well as Nato spending and climate change - has prompted European leaders to explore closer relations with China, Iran, and Russia.

But Sondland, a hotel magnate from America's Pacific Ocean coast, who took up his post in July, said he did not see any shifting of allegiance on the geopolitical stage.

"Not at all. I couldn't see anything further from that," he said.

He described the transatlantic relationship as a "long-term faithful marriage that has its ups and downs" and that was currently in a "complicated phase".

Europe was a "continent far away with which we have a long treasured relationship, which we would never leave behind," he said.

"Whether it's hybrid attacks, or cyber attacks, or a full-on Nato-style Article Five attack, I don't have any qualms that the EU would be on our side, just as we would be on theirs," he said, referring to the Nato treaty article on mutual defence.

The ambassador, whose parents fled Nazi Germany and who is a philanthropist and an arts patron, has criticised Trump in the past - for instance over Trump's verbal attacks on the parents of an Iraq war casualty.

But he said the US leader had proved effective in office and won respect in the EU capital.

AMERICAN OVERSIGHT

'Not comical'

"I don't consider president Trump a comical figure. I consider him a highly effective chief executive because when you look at the substance of what's being delivered, as opposed to the style of the messages, you will see ... lots of movement in our direction around the globe," he said.

"There has not been even a scintilla of: 'How can you be working for such a person?'," in his contacts with EU officials, he said.

Trump had to "put his foot down" by imposing tariffs on Canada and Mexico in order to get a new trade deal, he said.

Nato also needed "shaking up" to get European allies to spend more on defence, Sondland said.

The US might return to talks on climate change if other countries did not try to give their industries a free pass to pollute, he added.

"President Trump views climate change through more of an economic lens," he said. "If there was more parity, I think he would be more interested in participating," the US envoy said.

AMERICAN OVERSIGHT

Ambassador Gordon Sondland says trade deal between EU and USA has ultimate goal of weighing against China

Brussels, 03/10/2018 (Agence Europe)

On Wednesday 3 October, the new US ambassador to the EU, Gordon Sondland, said he thought the *"real benefit of concluding a trade deal with the EU"* was giving more weight to the EU and US in the face of China.

"Part of the benefit (of a deal) is shifting the trade deficit into either neutral or even a surplus, but that's not the big benefit. The jackpot in the conclusion is now having what is about $40 trillion dollars combined GDP, working as a bloc in terms of dealing with Chinese growth (…) malign activities (...) and all the other things we're calling out to China to stop doing", he said in a interview with *EUROPE, Euractiv* and the *EUobserver.* In Sondland's view, therefore, the sooner the deal is concluded, *"the sooner we can both turn to real opportunity, which is to deal with China and make China act like a good global citizen in the business world"*.

And the ambassador said that such an agreement is within arm's reach. He hoped that *"significant progress"* would be achieved by the end of the year and that a deal could be concluded before the end of the Juncker Commission. Despite his optimism, Sondland did not hide the fact there are differences. He attended the discussions in Washington at the end of July between US President Trump and European Commission President Jean-Claude Juncker and said that under the agreement obtained, *"all issues relating to trade will be on the table and open for discussion",* especially *"agriculture, entry to the European defence market, cars, everything" – "which is a point of difference between the EU interpretation and ours",* he acknowledged.

According to Sondland, Trump clearly told Juncker that he *"would love to not have to negotiate all of these issues point by point"* and *"would be willing to do a wide open deal with the EU. No tariffs, no barriers, no subsidies, wide open – but that means no cherry picking either." "I think that President Juncker appreciated the gesture but I don't think the political will is there yet on the side of the EU to do a deal like that"*, Sondland said, adding that neither Brussels nor Washington wanted a new TTIP.

When asked about the UK leaving the EU, Sondland said he would like the EU, and also London, to be strong partners, and for them to be able to conclude independent trade deals with the US. "We would like each side to have the maximum flexibility in their dealings with us", he said.

Daily cooperation

But relations between the EU and USA are broader than just trade. And while Sondland recognised that these relations are *"in a complicated phase"* with differences on Iran, trade and spending on defence, which *"require point by point negotiations"*, Sondland wanted to highlight the daily work between the two parties.

When asked by *EUROPE* about the nature of the 'marriage of love or of convenience' relationship, the ambassador described the transatlantic tie as a *"long term faithful marriage that has occasional ups and downs". "So many things are going on with the EU which are positive, aside from Iran and trade issues"*, he said, mentioning cooperation on Venezuela,

AMERICAN OVERSIGHT

military mobility, the former Yugoslav Republic of Macedonia, border management, Ukraine and Georgia.

But the relationship seems above all to be of reason. *"If the US were not working with the EU on this huge list of things, either the EU will have to do it on its own, which would require significant additional financial commitment, or someone else will have to come and help. And who could that someone else be? China, Russia, I don't think so",* he said. While the Europeans seem to be seeking new interlocutors across the globe, Sondland did not seem to be concerned. *"The EU has different priorities and times than the US. Interlocutors with whom it is choosing to engage are responding to these priorities that are not necessarily ours, but that does not means that our relationship is in jeopardy",* he said.

Cooperating with the US on European defence

Speaking about the relationship in terms of defence, Sondland said he thought the US had *"the moral authority"*, as the biggest contributor to NATO, to tell the Allies to respect their financial commitment. *"If we are sharing the burden for the defence of a continent far away, with whom we have a long and treasured relationship that we never leave behind, at least do your fair share"*, he said.

When asked about the EU's efforts on defence, Sondland argued in favour of greater cooperation with Washington. *"We have no problem with the EU spending its own money on its own defence. In fact we welcome it – the greater defence expenditure, the better. One dollar spent by the EU is hopefully a dollar less that the US has to spend ultimately",* he said. He then added: *"what we have a problem with is when a dollar is not spent in a way that is harmonious with the EU expenditure and either duplicative or not spent wisely in order to achieve the mission which primarily NATO is responsible for – coupled with the fact that the US is sending their dollars to defend Europe and would like at least a seat at the table and to help advise or comment on how the additional European funds are spent",* he said, mentioning, for example, the ongoing work on military mobility in Europe.

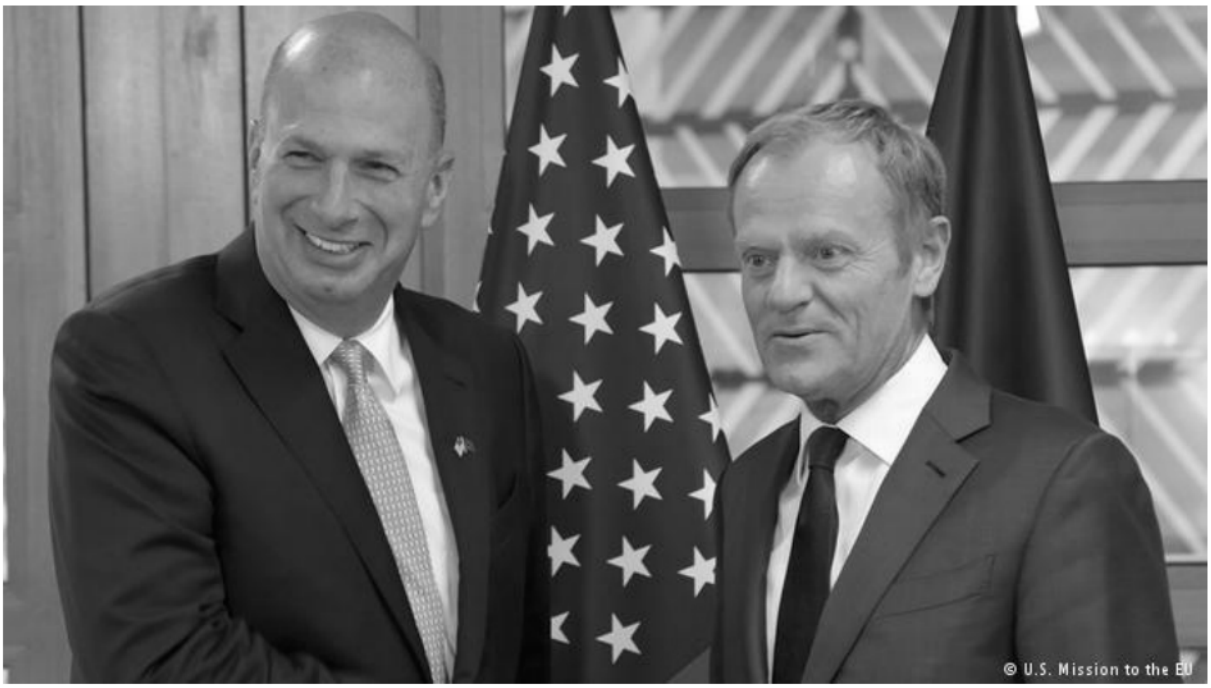
Working together despite the Iranian issue

In addition, with regard to Iran, Sondland said he *"understood and respected"* the position of High Representative of the EU for Foreign Affairs and Security Policy Federica Mogherini on the Iranian nuclear deal. In his view, the US will try to bring it to work with them to reengage in a new dialogue with Tehran and to resolve certain issues identified by the US, which are not addressed in the nuclear deal. Sondland also thought that the measures taken by the Europeans would not prevent European companies from leaving Iran to avoid the US sanctions. *(Original version in French by Camille-Cerise Gessant)*

AMERICAN OVERSIGHT

Donald Trump's man in Brussels extends a hand to the EU

Deutsche Welle (September 25, 2018) - President Donald Trump is actually a "huge fan" of Europe, insists new US Ambassador to the EU Gordon Sondland. It's the trade deficit he despises. DW's Teri Schultz talks to Sondland in his first Brussels interview.



DW: For some 18 months everybody was waiting for an ambassador to the European Union. What kind of reception have you gotten?

Gordon Sondland: From the senior leadership of the European Commission, the Council, all the way to the person who opens the gate at the mission in the morning, I think people are happy to have a confirmed ambassador in place. They ask a lot of questions. As you know, a charge [d'affaires] is an important job, but a charge can only do so much in a role that really requires a confirmed person. So I've felt very welcome.

So you've made it clear... that you are very proud of your German heritage. Your parents' life stories, I think, are pretty remarkable: Your dad was smuggled out of Germany and your mom and sister had to come from South America. So how does it feel to be

AMERICAN OVERSIGHT

representing an administration that doesn't feel that way about the European Union and doesn't feel that way about immigrants?

I don't share the notion that this administration rejects Europe in any way. I think this administration bifurcates our shared values and the importance of the trans-Atlantic relationship, which encompasses many things beyond just trade. This administration has to have some uncomfortable conversations with close friends and allies in order to right the ship, and I don't think that is a destructive perspective to take.



Trump often chooses Chancellor Angela Merkel as a target for his frustrations about the US-EU trade gap

What do you bring to the table as someone who grew up with some European sensibilities and knowing the history of this continent?

Well, I love Europe and I love Europeans; when I look at my own personal travel, for most of my life, 80 percent of it has been to European countries. And that was long before I ever considered becoming an ambassador or was offered the opportunity, because I love everything about Europe. I like the culture. I like the food. I like the charm. I like the people. I like the lifestyle. And frankly, I think the president is a huge fan as well, based on the conversations I've had with him. What he's not a huge fan of is trade deficits.

Sondland: Converse conversations in public and private

AMERICAN OVERSIGHT

You've just been in Germany, [which] feels very much like it's put on the spot by Trump. Foreign Minister Heiko Maas has said that he thinks that Europe should "prepare strategically." That doesn't sound like a warming trend. So what do you hear on your travels from Germans about their thoughts on the future?

I hear and see these things in the media. And then I have closed-door meetings with ministers, with senior members of the business community and that never comes up. They're very substance-focused: "Let's talk about this policy; let's talk about that policy. How do we get through this issue; how do we get through that issue." I had a conversation, for example, with a trade association and with a senior minister about medical devices. I never heard a word about "Do you really hate us? Does the president dislike Germany? Do we need to get started and get ready for a trade war?" I don't hear any of those conversations. I hear very specific questions about what is it you want, how do you want us to do it. Here's what we can do; here's what we can't do. And it's a very focused discussion. I don't hear the sort of general whining except in the media.

So it's all of us?

I'm not saying it's all you. It is the same people who I'm talking to that then turn around and get in front of the camera and make these pronouncements, but I don't hear those behind closed doors.

You wrote an op-ed saying you know things need to be done differently and that shaking things up isn't bad. So what is your plan? There are some hurt feelings. What can you do to reassure the Europeans?

I think there is angst and I think there are some fears, and I think based on some of the rhetoric, despite how that rhetoric is generated — whether it's media spin or it's honest fear among the citizenry of Europe or a politician — fair enough. What I'm intending to do to help reinvigorate the relationship, fully supported by the administration. We have a number of initiatives, again unrelated to trade, that are being worked on as we speak by many senior people in the White House that I think the Europeans will consider as olive branches.

Like what?

I'm not prepared to announce any of them.

Trump administration: 'Zero tariffs' would solve US-EU trade issues

AMERICAN OVERSIGHT

You were in the room when Trump and [European Commission President Jean-Claude] Juncker met and came out with this surprisingly optimistic, upbeat statement that said things are going to get better at least in several categories. The Europeans came back and told us that agriculture is not on the table. The Americans came out and said that it is. What's the reality here?

Well, the reality is we made it very clear to the Europeans — the president did and the senior trade officials made it clear — that everything was on the table and in fact everything was on the table on a bilateral basis. In other words, we invited the Europeans to put on the table any of their concerns about the way we treat their exporters. So we wanted to have a no-holds-barred, free-flowing conversation. Where that will ultimately wind up — I'm obviously not going to negotiate the trans-Atlantic relationship today with you. But I can tell you that our side expects that everything is up for discussion.

But it's a seriously different set of negotiations whether agriculture is on the table or not.

Well, at the end of the day, remember what the president is focused on. The president is focused on the trade deficit. And the president is focused on free, fair and equitable trade. I can tell you that if the Europeans were willing to do a deal that involved no tariffs, no barriers, no subsidies, all together as one package, I think the president would agree to that deal tomorrow.

Is that part of your job, to try to convince them?

My job is to advance the president's agenda, and the president's agenda changes depending on real-time information on the ground. So as the president's agenda changes or modifies or morphs, my job is to advance it. That's why he has me here.

AMERICAN OVERSIGHT



The EU could be on a collision course with the US over its plans to circumvent sanctions to facilitate business with Iran

Iran: EU efforts will fail

The Europeans still believe — at least they say they believe — they can keep the Iran deal together without the United States. And they've just established a new "special purpose vehicle" that would try to bypass US sanctions. Do you think this is going to work?

The Europeans are entitled to try whatever they'd like. I don't believe it will work.

You don't believe the JCPOA [Joint Comprehensive Plan of Action] can be kept together with any of these mechanisms or just by sheer will of the Europeans trying to do so?

I believe the JCPOA is deficient in 12 issues that the parties that signed it did not include in it. And until those 12 issues are dealt with, I don't believe that it's in the United States' interests to be held to it. Which is why the president withdrew from it.

From 'nice' to next steps

And finally, you've said that you expect to have some "uncomfortable conversations." What do you think are going to be the most uncomfortable of those and what are you prepared to go head on into, as you wrote, that you think needs to be done?

AMERICAN OVERSIGHT

Well, I don't want to pre-project an uncomfortable conversation when an uncomfortable conversation may not be necessary. You know my mother taught me "always start nice," and I think the president and the administration in their outreach to Europe right after the election followed my mother's advice; they started nice and there were multiple outreaches between senior trade officials in the White House and the European Union. And as I said previously, the EU really wasn't interested in engaging because they liked the status quo. And until the outreach became a little bit firmer and brought other pressures to bear, they weren't interested in outreach. All of a sudden, meetings were scheduled.

Do you think it's nice now?

I think it's frank.

That's State Department talk for "not necessarily nice."

No, that's State Department talk for "pragmatic."

And that's how you describe the relationship right now?

No. Again I want to be very clear. I'm separating the trade discussions, which is a small percentage of the overall relationship because the overall relationship cannot just be measured in money; it can be measured in shared values, in culture, in history, in wars where we were allies. So when you take an issue on which we have differences and you put it aside and you look at all of the other shared values which we don't necessarily have with every country and every community in the world, it's a very, very important distinction to make.

AMERICAN OVERSIGHT

Inside U.S. Trade

USTR to begin consultations with Congress on Europe trade talks under TPA

Inside U.S. Trade (September 13, 2018) - The Trump administration will begin consultations with Congress on trade talks with the European Union, U.S. Trade Representative Robert Lighthizer announced on Monday after meeting with EU Trade Commissioner Cecilia Malmström.

The "constructive" meeting was held to officially kick off an executive working group agreed to in July by President Trump and European Commission President Jean-Claude Juncker. Lighthizer and Malmström held talks on Monday in Brussels to address each of the topics laid out in a statement issued by Trump and Juncker following their July 25 meeting.

"We look forward to each party pursuing their domestic processes for negotiating mandates," USTR said in a statement after the Monday meeting. "USTR will begin consultations with Congress pursuant to Trade Promotion Authority to facilitate negotiations on longer-term outcomes."

Without a mandate from the EU member states, Malmström and Juncker cannot secure a new trade deal with the U.S.

The statement offered few specifics on what was addressed on Monday, though it singled out a desire for "an early harvest in the area of technical barriers to trade."

Malmström and Lighthizer will meet again at the end of September, after which staff members will "hold further discussions on identifying and reducing tariff and non-tariff barriers to trade," the statement reads.

"Ministers will then meet in November to finalize outcomes in a number of areas," it adds.

Malmström tweeted on Monday that the two sides discussed how to move forward with short- and medium-term outcomes, but that "Lots of work remains this autumn."

U.S. Ambassador to the EU Gordon Sondland last week painted a far rosier picture of the U.S.-EU trade relationship than European Agriculture Commissioner Phil Hogan. Sondland wrote in Politico that the ties that bound the U.S. and EU were strong and could be improved with "frank discussions" about

AMERICAN OVERSIGHT

their difference, but Hogan, in a speech in Ireland, said the U.S. wanted to tear down the rules-based international trading system -- and that the EU would deal with the "'America First' bully" only as it needs to.
French President Emmanuel Macron suggested last Thursday that securing a mandate to deal with the U.S. could prove difficult. "We must not have trade negotiations with countries that don't respect the Paris [climate] agreement," Macron said in Luxembourg. "And if certain people say we can resume making big deals with the United States of America that say they don't want to respect the Paris agreement: No, no."

All EU member states must endorse a negotiating mandate for the Commission to be able to enter into formal trade negotiations. -- Dan Dupont

AMERICAN OVERSIGHT

Inside U.S. Trade

U.S., EU officials paint contrasting pictures of trans-Atlantic relationship

Inside U.S. Trade (September 13, 2018) - European Union and U.S. officials last week presented starkly different perceptions of the trans-Atlantic relationship this week, with U.S. Ambassador to the EU Gordon Sondland painting a rosy picture of a strong partnership made stronger under the Trump administration and European Agriculture Commissioner Phil Hogan portraying the EU as a skeptical, reluctant trading partner that will push back against President Trump's short-sighted trade policies.

The U.S.-EU relationship is a partnership based on shared foundational values that the U.S. can make even better with "frank discussions" about their differences, Sondland wrote in a Politico op-ed on Sept. 6.

Hogan, on the other hand, said in a speech in Ireland on Sept. 7 that the EU has not taken kindly to a U.S. that wants to tear down the rules-based system of international trade -- and will deal with the "'America First' bully" only as it needs to.

The contrasting visions set the stage for U.S. Trade Representative Robert Lighthizer's visit to Brussels this week, where he met with EU Trade Commissioner Cecilia Malmström.

Sondland pointed to frequent meetings between senior U.S. and EU officials as a sign of the "importance the administration places on our trade relationship." Despite some "handwringing" over the state of the relationship between the U.S. and the EU, Sondland wrote, the two share key values, and the U.S. is ready to "talk candidly" to advance common interests.

"I am not trying to sweep aside our differences. On the contrary, I think we should meet them head on," Sondland said. "Through frank discussions, I firmly believe we can come to concrete agreements that advance our common interests rather than falling into the pattern I saw under some previous administrations, where warm handshakes and friendly smiles failed to achieve anything beyond a nice photo opportunity."

Sondland added that he was "reinvigorating" the U.S. approach and promised "to work with the EU honestly and constructively." He pointed to the handshake deal between President Trump and European Commission President Jean-Claude Juncker in July as a "breakthrough."

AMERICAN OVERSIGHT

The EU is willing to talk trade with the U.S., Hogan said. However, he compared the Trump administration approach to that of a cattle dealer, as opposed to a farmer. The latter thinks long-term, he argued, while the former looks to increase profits in the short term.
Sondland asserted that what Trump wants is simply "free, fair and reciprocal trade." But Hogan, in his speech, countered that claim, arguing that trade deals under "America First" will always include more "short-term safeguards."
The EU will remain committed to its long-term interests, he said -- and that is the crux of the issue between the two.

Trump has imposed Section 232 tariffs on steel and aluminum -- which EU officials have decried as safeguards -- as well as Section 201 safeguards on washing machines and components of solar panels. Hogan took exception to the EU, a longtime U.S. ally, being framed as a "security threat."
"Hard-driven bargains are no foundation for long-term relationships," Hogan said.

In a speech in North Dakota Sept. 7, Trump portrayed his threatened Section 232 auto tariffs as leverage to get countries, including the EU, to negotiate with the U.S.
The EU has learned to separate Trump's policies from his rhetoric, Hogan added, but it will not back down on Trump's claims because "friends have to be able to tell each other the truth." On this one point, Sondland seemed to agree, writing that the U.S. and EU should remember how beneficial it is that the two partners can speak freely with each other.

And in that vein, Hogan did not hold back on the many issues the EU has with the new U.S. approach on trade.

"We don't like it that America is steering away from a multilateral rules-based trading system," he said. "We don't like it that President Trump's current policies are amplifying America's rogue trader status. We don't like it that Making America Great Again seems to mean making Europe -- and indeed everyone else -- weak again. We don't like it because we don't believe that a responsible trader takes the attitude of strike first, talk second."

The EU, he concluded, is prepared to "stand up and fight for the things we believe in," including "to resist the forces of populism and nationalism."
Hogan did acknowledge that Juncker had built a rapport with Trump in the wake of their July meeting. But in order for Juncker to be able to deliver on the promise of the July handshake deal, he would need a mandate from the EU member states. That mandate must come by consensus, and there is at least one head of state, France's Emmanuel Macron, who is signaling his support comes with

AMERICAN OVERSIGHT

conditions -- notably, implementing the Paris Climate Accord, from which Trump has withdrawn the U.S.

"I'm extremely strict about that point: We must not have trade negotiations with countries that don't respect the Paris agreement," Macron said on Sept. 6 in Luxembourg. "And if certain people say we can resume making big deals with the United States of America that say they don't want to respect the Paris agreement: No, no."

Without Macron, Juncker would not have the mandate he needs to negotiate lower tariffs with the U.S. -- Hannah Monicken

AMERICAN OVERSIGHT

New ambassador to EU gives reassurance on transatlantic partnership, but without betraying Trump

Brussels, 07/09/2018 (Agence Europe)

In an article published in *Politico Europe* on Friday 7 September, the new US ambassador to the EU, Gordon Sondland, seemed reassuring on the future of transatlantic relations.

Aware of the doubts on both sides of the Atlantic as regards the state of the transatlantic relationship and even of its relevance, the ambassador says that "these concerns ignore a key fact: our relationship has faced and overcome disagreements big and small since the very beginning". Underlining the US commitment to Europe during the Cold War, based on *"unshakeable"* values, Sondland said he *"still firmly believe(s) that engagement is indispensable and irreplaceable as we seek to promote security, address shared global challenges and advance the prosperity of all our citizens".*

He thus sees his mission as being *"to strengthen the transatlantic partnership and nurture its transformative power to create mutual security and prosperity – even at the cost of some uncomfortable conversations".* This will come about through building and maintaining the strongest possible relationships with the EU's leaders and decision-makers, which will enable red tape to be cut; seeking bold new ways to increase transatlantic prosperity and ensure the best possible outcomes for the citizens of the US; and working with the EU *"honestly and constructively"* to address global security threats – whether these be Islamic State, North Korea or ensuring energy supplies.

Sondland does not sweep aside the current differences, which he says should be met *"head on". "One of the key strengths of the US-EU relationship is our ability to talk candidly and freely about our differences"*, he says, adding that this *"is not an advantage we enjoy with all our partners, and we should not lose sight of its importance".*

Relationship without false pretences

According to Sondland, through frank discussions, Americans and Europeans will be able to reach concrete agreements that advance their common interests, and he criticises the *"warm handshakes and friendly smiles"* of some previous US governments with the Europeans, which produced nothing more than *"nice photo opportunity".*

More specifically, he speaks about the announcement made by US President Donald Trump and European Commission President Jean-Claude Juncker in July, and he describes this as an *"important breakthrough"* and *"a perfect example of the triumph of practical vision over unfounded negativity". "Now we must maintain the momentum and positivity of that meeting, and see beyond the details that could sidetrack us from President Trump's vision of free, fair and reciprocal trade"*, he warns.

He also states that to maximise US-EU trade and investment potential *"we will need to reduce barriers"*, and he seems optimistic that these can be overcome, *"as long as the US and the EU are willing to work together"* and have frank discussions.

The enemies of my enemies are my friends

AMERICAN OVERSIGHT

Sondland also considers the EU as an important partner for countering China, and sees *"real opportunities for the transatlantic relationship to be a force that curtails Chinese economic aggression and unfair trade practices"*. *"Together we can insist China take the necessary steps to allow its economy to operate more fairly",* he says. In particular, he mentions opportunities for cooperation to address overcapacity, theft of intellectual of property, forced technology transfer, investment security, subsidies and reform of the World Trade Organization.

The ambassador also believes that beyond trade, there are a wealth of issues that can be tackled in cooperation, such as *"malign Russian activity"*, data privacy, and Iran – a subject on which there are many differences. *"We work best when we work in tandem"*, he says. *(Original version in French by Camille-Cerise Gessant)*

AMERICAN OVERSIGHT

The power and potential of the US-EU relationship

Reinvigorating how the US Mission to the EU does business.

By **GORDON SONDLAND**
9/6/18, 2:17 PM CET

Updated 9/7/18, 1:47 PM CET



The transatlantic partnership needs to be nurtured and strengthened | Tobias Schwarz/AFP via Getty Images

BRUSSELS — Spend time in Europe or the United States these days and you will see a lot of handwringing about the state of the transatlantic relationship, and even hear questions about its relevance. These concerns ignore a key fact: Our relationship has faced and overcome disagreements big and small since the very beginning.

AMERICAN OVERSIGHT

Anyone who grew up during the Cold War saw the strength and resilience of the U.S.'s engagement with Europe — a resilience based on the unshakeable values we share. I still firmly believe that engagement is indispensable and irreplaceable as we seek to promote security, address shared global challenges and advance the prosperity of all our citizens.

I was in the room and saw the commitment to the transatlantic relationship reinforced just this summer by U.S. President Donald Trump and European Commission President Jean-Claude Juncker as they launched a new phase in the relationship between the U.S. and the European Union to bring freer, fairer and more reciprocal trade to both sides of the Atlantic. I have heard this commitment emphasized in every one of my meetings with EU counterparts and senior U.S. government officials.

I am not trying to sweep aside our differences. On the contrary, I think we should meet them head on, and one of the key strengths of the U.S.-EU relationship is our ability to talk candidly and freely about our differences. That is not an advantage we enjoy with all our partners, and we should not lose sight of its importance.

Through frank discussions, I firmly believe we can come to concrete agreements that advance our common interests rather than falling into the pattern I saw under some previous administrations, where warm handshakes and friendly smiles failed to achieve anything beyond a nice photo opportunity.

Whether defeating the Islamic State, countering North Korea's belligerency or ensuring energy supplies will never be used for political coercion, we will stand together.

As the U.S. ambassador to the EU, it will be my mission to strengthen the transatlantic partnership and nurture its transformative power to create mutual security and prosperity — even at the cost of some uncomfortable conversations.

AMERICAN OVERSIGHT

To bring the relationship to its potential, I am reinvigorating how the U.S. Mission to the EU does business based around three priorities. First, I will build and maintain the strongest possible relationships with the EU's leaders and decision-makers, which will allow us to cut through bureaucracies and advance key policy goals.

Second, my team and I will seek bold new ways to increase transatlantic prosperity and ensure the best possible outcomes for the citizens of the U.S.

Third, I pledge to work with the EU honestly and constructively to address the global security threats that seek to destroy our shared history, values, and culture. Whether defeating the Islamic State, countering North Korea's belligerency or ensuring energy supplies will never be used for political coercion, we will stand together.



U.S. President Donald Trump, right, with European Commission President Jean-Claude Juncker in July | Jim Lo Scalzo/EPA

So let's start big, and no economic relationship is bigger than the U.S.'s with Europe. The transatlantic market accounts for one-third of global GDP. A stock of $5 trillion in two-way foreign direct investment fuels annual trade of

AMERICAN OVERSIGHT

$1.1 trillion in goods and services, supporting up to 15 million jobs on both sides of the Atlantic.

The July announcement by Presidents Trump and Juncker was an important breakthrough, and a perfect example of the triumph of practical vision over unfounded negativity. While pundits were predicting the death of the transatlantic relationship I stood with the presidents, and with them watched the television in chuckling disbelief as we hammered out the details of our joint declaration.

Now we must maintain the momentum and positivity of that meeting and see beyond the details that could sidetrack us from President Trump's vision of free, fair and reciprocal trade.

I recently spent two weeks meeting some of our great American companies based on the West Coast of the U.S. Those meetings made it clear to me that U.S. companies want to do more in the EU — creating more American jobs by bringing more world-beating American products to European consumers.

To maximize our trade and investment potential we will need to reduce barriers, but I believe those can all be overcome, as long as the U.S. and the EU are willing to work together and have the frank discussions I mentioned above. To give you some sense of the importance the administration places on our trade relationship, just look to the frequency with which senior officials from both sides of the Atlantic have been meeting in recent months.

We cannot talk about trade without talking about China, and here again I see real opportunities for the transatlantic relationship to be a force that curtails Chinese economic aggression and unfair trade practices — concerns shared by both the U.S. and the EU. I foresee opportunities for cooperation to address overcapacity, theft of intellectual of property, forced technology transfer, investment security, subsidies and reform of the World Trade Organization.

From malign Russian activity, to data privacy, to Iran — yes, even Iran — we work best when we work in tandem.

AMERICAN OVERSIGHT

We all share an interest in seeing China offer greater market access and eliminate unfair trade practices, and together we can insist China take the necessary steps to allow its economy to operate more fairly.

Beyond trade, there are a wealth of issues we can tackle together. From malign Russian activity (ranging from disinformation campaigns to invasion and occupation of sovereign nations), to data privacy, to Iran — yes, even Iran — we work best when we work in tandem.

I have already rolled up my sleeves, and my terrific team and I are focused on delivering results. We invite our EU counterparts to join us!

Gordon Sondland is the U.S. ambassador to the EU.

AMERICAN OVERSIGHT



U.S. Ambassador to the EU Gordon Sondland meets with European Council President Donald Tusk | U.S. Mission to the EU

US ambassador to EU arrives in Brussels

New diplomat presents credentials as Trump heads to Europe for NATO summit, UK visit and Putin meeting.

By **DAVID M. HERSZENHORN**

Politico Europe (July 9, 2018) - U.S. President Donald Trump's new ambassador to the EU arrived in Brussels on Monday and presented his credentials to European Council President Donald Tusk, just a day before Donald Trump arrives for a NATO leaders' summit.

Gordon Sondland, a hotel developer and longtime fundraiser for the Republican Party, was confirmed by the Senate late last month. The post of ambassador to the EU had been vacant since Trump took office on January 20, 2017.

Sondland is a first-generation American whose parents escaped Nazi Germany.

In a statement, the United States Embassy noted that the new envoy was fully prepared for Trump-style communications and engagement with Europe.

"Ambassador Sondland also relaunched the @USAmbEU Twitter feed today," the embassy said. "Follow him on Twitter."

AMERICAN OVERSIGHT



US' new ambassador to EU arrives in Brussels

By Nicholas Waller
Managing Editor

New Europe (July 9, 2018) - With all eyes turned towards Brussels in anticipation of a highly anticipated NATO summit set for later in the week, **Gordon Sondland**, a hotelier-turned-United States Ambassador to the European Union, arrived in the EU capital a day ahead US President **Donald J. Trump** to present his credentials to European Council President **Donald Tusk**.

Sondland, a first-generation American whose parents fled from Germany after the rise of the Nazi Party, is a billionaire hotel magnate and a longtime member of the Republican establishment that disavowed Trump's xenophobic isolationism and his nationalistic campaign pledges.

He arrives in Brussels at a time when the foundations of the Western alliance that have been in place since the end of the Second World War are in disarray after Trump opted to slap the EU with hostile trade tariffs and accused the NATO military alliance of "ripping off the United States".

Sondland was confirmed by the US Senate in late June and arrives at his as ambassador to the EU after the post had been vacant since Trump took office on January 20, 2017.

Like the bulk of Trump's other key appointees, Sondland has no experience in diplomacy. He has, however, been a key donor to the Republican Party and had previously supported Trump's long-time rival **Jeb Bush** for the party nomination prior to the 2016 election.

AMERICAN OVERSIGHT

Sondland's will hit the ground running now that he has taken up the position as Washington's point man in the European Union capital. The whole of the Western Alliance is waiting in nervous anticipation about what Trump might do and say at the NATO summit.

Trump has threatened further tariffs against the EU and continues to curry favour with Russian President **Vladimir Putin**, going so far as to say he would look into the possibility of recognising Russia's invasion and illegal annexation of Ukraine's Crimea Peninsula, while all the while excoriating both NATO and the European Union – both pillars of the post-World War II security order – for being threats to the US' national security interests.

In addition to offering French President **Emmanuel Macron** a deal on bilateral trade if he pulled France out of the EU, Trump has labelled the European Union "worse than China", and made comments about German Chancellor **Angela Merkel** in which he said he, "can't stand" because "embodies everything that I hate".

Sondland's views towards Europe and NATO remain unknown, though he had long been a stalwart of the "traditional" wing of the Republican Party, which has been a staunch defender of Washington's decades-old tradition of internationalism and defending the US' place as an essential global player both economically and militarily.

Owing to his background as a respected international businessman, a philanthropist, and the son of Jewish immigrants who faced persecution in a Europe that was descending into chaos, it will be difficult task for the cultured and urbane Sondland to carry the message of a highly erratic White House that all too often appears to detest the pragmatic and wiser wing of the Republican Party that, in the seven decades since the defeat of Nazi Germany and the Empire of Japan, helped solidify the US' position as a global superpower and built the Western Alliance into the mutually robust relationship that it continues to be.

AMERICAN OVERSIGHT





Another day, another Ambassador

By Kassandra
Legendary EU insider, uncovering the deepest and darkest realities of EU governance and administration

New Europe (July 2, 2018) - Kassandra hears that **Stavros Lambrinidis** will be the one replace **David O'Sullivan** as the Ambassador of the European Union to the United States and the Head of the Delegation of the European Union to the United States.

Lambrinidis has been the European Union's Special Representative for Human Rights since July 2012, gathering much praise by his colleagues inside the EEAS for doing work which is often not very visible to the outside.

Lambrinidis has, among others, previously held the positions of the Minister for Foreign Affairs of Greece and Vice President of the European Parliament.

On the flip-side, Ambassador-designate **Gordon Sondland** has received his Senate confirmation and the EU will finally see a new ambassador arrive from the US since the departure of **Anthony Gardner**. Sondland is the founder and chairman of Provenance Hotels and the co-founder of Aspen Capital.

Sondland's nomination received bipartisan support during his confirmation hearing before the Senate Foreign Relations Committee.

In a nod to the EU's leadership, Sondland said during his hearing: "I'm proud that the first language I spoke at home was German, and if confirmed, I look forward to once again conversing with our friends throughout Europe in English and also in German where spoken."

AMERICAN OVERSIGHT

Newsmax

Trump Pick for EU Ambassador Lauded by Karl Rove, Sen. Tillis

Monday, June 4, 2018 10:33 AM

By: Theodore Bunker

Karl Rove on Monday lauded President Donald Trump's choice for ambassador to the European Union, **The Washington Free Beacon** reports.

Gordon Sondland, co-founder of Provenance Hotels, has "been actively engaged in thinking about the world for a long time," Karl Rove, former deputy chief of staff to George W. Bush, told the Free Beacon. Rove first met Sondland while working on Bush's first presidential run.

"[Diplomatic] jobs like this require you to juggle a lot of things at the same time and require you to have a sense of collegiality because you're dealing with a lot of different people, from a lot of different countries, on a lot of different issues simultaneously, and I think this is going to be one of his strengths. He's used to having a bunch of different balls in the air."

Sondland worked under former Gov. Ted Kulongoski, a Democrat, for over a decade, at one point serving as Oregon's liaison to the White House.

"He has a good ability to work with people and to bring both sides together and I think that will be good for this country given not only what's going on in the world, but specifically in Europe," Kulongoski told the Free Beacon. "I've seen Gordon in business and he listens very well and that's what a diplomat is supposed to do—to listen well, know what the administration wants, and basically be their advocate. I think he can do that very well, he did that for me."

Sondland also has the support of Sen. Thom Tillis, R-N.C., who he met during the senator's 2014 campaign. Tillis noted that Sondland's family history, how his parents fled Germany after World War II began, is particularly important.

"When you have parents who were brought up as his were, then you have to believe that part of the family tradition is understanding what can happen when these ideas take hold and understanding the reality that we're only a couple of generations away from what happened in Nazi Germany," Tillis told the Free Beacon. "Having that in the back of your mind, having that family experience and history, is just another reason why he rounds out a good resume for the job."

Related Stories:

- **US Singled out by G7 Allies over Steel and Aluminum Tariffs**
- **Trump Tariffs on EU, Mexico, Canada Draw Retaliation Threats**

© 2018 Newsmax. All rights reserved.

AMERICAN OVERSIGHT

AMERICAN OVERSIGHT

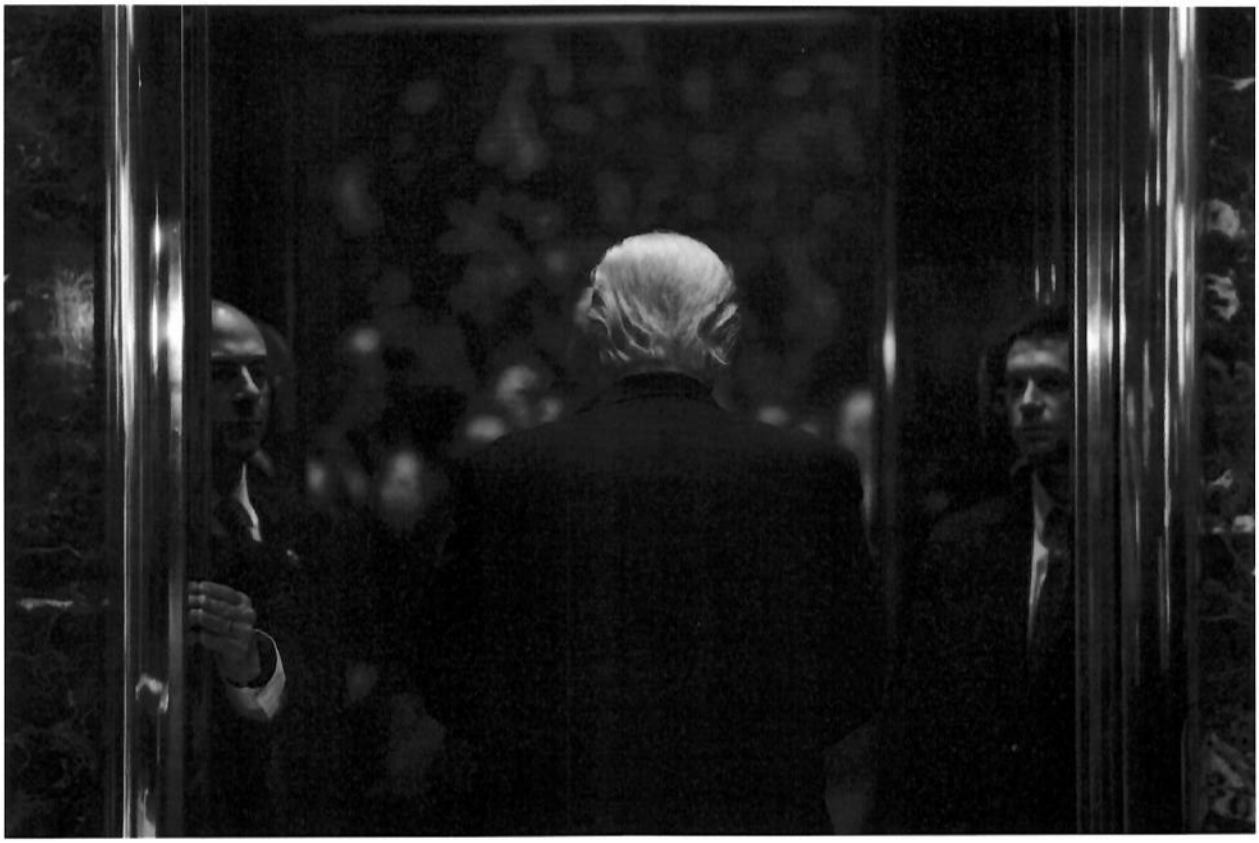
FL-2020-00021 06/15/2020 439

POLITICO

America's unlikely envoy to Brussels

Gordon Sondland is a wealthy hotel magnate with German roots.

By **DAVID M. HERSZENHORN** | 5/14/18, 4:05 AM CET | Updated 5/17/18, 7:39 PM CET



Trump's pick for ambassador to the EU is a patron of fine-art museums who at one point publicly disavowed Trump's candidacy because of his anti-immigrant and nationalist views | Drew Angerer/Getty Images

He's rich and he's in the hotel business. But the similarities largely end there.

Gordon D. Sondland, Donald Trump's pick for ambassador to the EU, is a patron of fine-art museums who at one point publicly disavowed Trump's presidential candidacy because of his anti-immigrant and nationalist views.

A long-time establishment Republican, Sondland is also a first-generation American whose parents escaped Nazi Germany. And he is a self-made, multimillionaire hotel magnate from the Pacific Northwest, which is about as European as it gets in America without crossing the Canadian border.

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 440

The contrasts with Trump could prove a major asset if Sondland's nomination is approved, given that the EU is mostly seething at the U.S. president these days over an array of policy disputes — pulling out of the Iran nuclear deal, threatening steel tariffs, and abandoning the Paris climate change accords to name just a few.

> In the last presidential campaign, Sondland had initially been a supporter of Jeb Bush.

Even in their common industry, the sensibilities of the two men could not seem more different. Unlike Trump, whose tastes trend toward gilded and gaudy, and who never owned a building he didn't want to slap his own name on, Sondland's company, Provenance Hotels, is known for refurbishing and reimagining old, historic buildings, and its properties have names like the Sentinel Hotel, the Healthman Hotel, and the Hotel Preston.

Sondland and his wife, Katherine Durant, also run a charitable foundation.

Sondland's political views on Europe are largely unknown, and like other political appointees with no experience in diplomacy he is likely to face a steep learning curve.



ALSO ON POLITICO
Trump nominates Oregon hotelier as EU ambassador
GINGER HERVEY



ALSO ON POLITICO
US ambassador to UK: Trump is 'very thick-skinned'
ESTHER KING

He will also likely face doubts about whether he has Trump's ear. He is a longtime major donor, and fundraising "bundler," for the Republican Party, who was appointed to the Commission on White House Fellows by President George W. Bush, and served in fundraising roles for Bush, former Republican presidential candidates Mitt Romney and John McCain, as well as for the Republican National Committee.

But he is an ally of Reince Priebus, the ex-chief of staff, who was an early casualty of the chaotic churn in Trump's White House. In the last presidential campaign, Sondland had initially been a supporter of Jeb Bush, and had been named part of the former Florida governor's Jewish leadership team.

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 441



Gordon Sondland speaks with Portland Business Journal editor Suzanne Stevens in March 2016 | Portland Business Journal video

Later, Sondland abruptly withdrew from participating in a major fundraiser for Trump in Seattle in August 2016, and publicly disavowed his candidacy, after Trump feuded with Khizr and Ghazala Khan, whose son, Humayun Khan, was an army captain killed in the Iraq war.

The president of Provenance Hotels, Bashar Wali, who immigrated to the U.S. from Syria, also withdrew as a host of the Seattle fundraiser.

At the time, a company spokeswoman explaining the decision had noted Sondland's historic support for Republican candidates. "However, in light of Mr. Trump's treatment of the Khan family and the fact his constantly evolving positions diverge from their personal beliefs and values on so many levels," the spokeswoman said in a statement to local media, "neither Mr. Sondland or Mr. Wali can support his candidacy."

After Trump was elected, however, Sondland donated $1 million to his inaugural committee, through four limited liability companies that he controlled. The donations were traced to Sondland by the Center for Responsive Politics, a nonprofit group that tracks the influence of money in U.S. politics. The same spokeswoman then declined to comment when journalists inquired about the donations.

Sondland has never worked in government, but he served on the transition team for Oregon Governor Ted Kulongoski, a Democrat who held that office from 2003 to 2011.

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 442

Kulongoski named Sondland to the Governor's Office of Film and Television, which Sondland led for more than a decade.

Reached by email, Wali said he expected Sondland to do well in Brussels. "Gordon is a self-made American success story, and the same skill set that led to his success in business, here at home and internationally, will be crucial when acting as a representative of our country, negotiating on behalf of the U.S. and managing multiple agendas."

Survival story

While the nomination to the ambassador's post is undoubtedly a direct result of Sondland's generous financial support, and decades of aggressive fundraising on behalf of the Republican Party, his family history is a European survival story that will resonate in Brussels and across the Continent.

His parents, Günther Sondland and Frieda Piepsch, were born in Germany where they married in 1937, when she was just 16.

Sondland told their story in a public interview with the Portland Business Journal.

"They were both born in Berlin," he said. "They had to escape Nazi Germany. That was the beginning of the uprising of Hitler, and they left Germany in a very, very precarious way. My mother was able to get out of Germany because her father was Russian, and those with a Russian passport could leave. My father was not so fortunate and he had to be smuggled out of Germany."

His mother, then pregnant, ended up in Montevideo, Uruguay, where his sister was born. And it would take another eight years for the couple to be reunited.

Sondland's mother recounted the escape story, of his father being hidden in the vegetable bin of a freighter and nearly losing his legs, for an oral history project.

In telling the family's remarkable journey, she also described how she instilled an entrepreneurial spirit in her son by offering to pay for half of a tape recorder he wanted when he was 12.

"I said, 'Gordie if you can earn half the money I pay the other half,'" she told the interviewer. "So he went, he did lawn work for the neighbors and all sorts of thing and he earned half."

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 443

> Sondland met Durant, his wife, in the early 1990s when she was working as a commercial real estate broker and showed him a building that he didn't buy.

As for his father, Sondland said, "He wound up in France. And the French took him in. He joined the French Foreign Legion, fought in North Africa and then was put in a concentration camp in Africa, was rescued by the British, and joined the British army. He obviously spoke fluent German so he wound up helping the British army decode German ciphers."

After being reunited, the couple moved to Seattle in 1953, where Sondland was born four years later. In the interview, he credited international aid workers with helping his parents stay in touch.

"I have a huge amount of respect for the Red Cross, the International Red Cross," he said. "Because they were the agency actually that facilitated communication between refugees. So they passed letters back and forth, and my mother still to this day has several shoeboxes full of letters between she and my father."

Sondland met Durant, his wife, in the early 1990s when she was working as a commercial real estate broker and showed him a building that he didn't buy, according to a joint interview the couple gave to Oregon Business. They married in 1993 and have a college-age son and daughter. "Today we say it was the best deal we've ever done that didn't go through," said Durant, who goes by Katy and runs their foundation as well as one of their real estate investment firms.

Durant is originally from Oregon and the couple own a home there but Sondland has also maintained a residence in the state of Washington, where he grew up, and which critics assert has been used to avoid Oregon's higher state income taxes. Indeed, the nomination Trump sent to the Senate lists Sondland's home state as Washington.

In the Portland Business Journal interview, Sondland described his mother as "Dr. Ruth's twin sister" — with the same short stature and heavy German accent as the American sex therapist Ruth Westheimer — and said his parents had imparted to him their deep love of fine art.

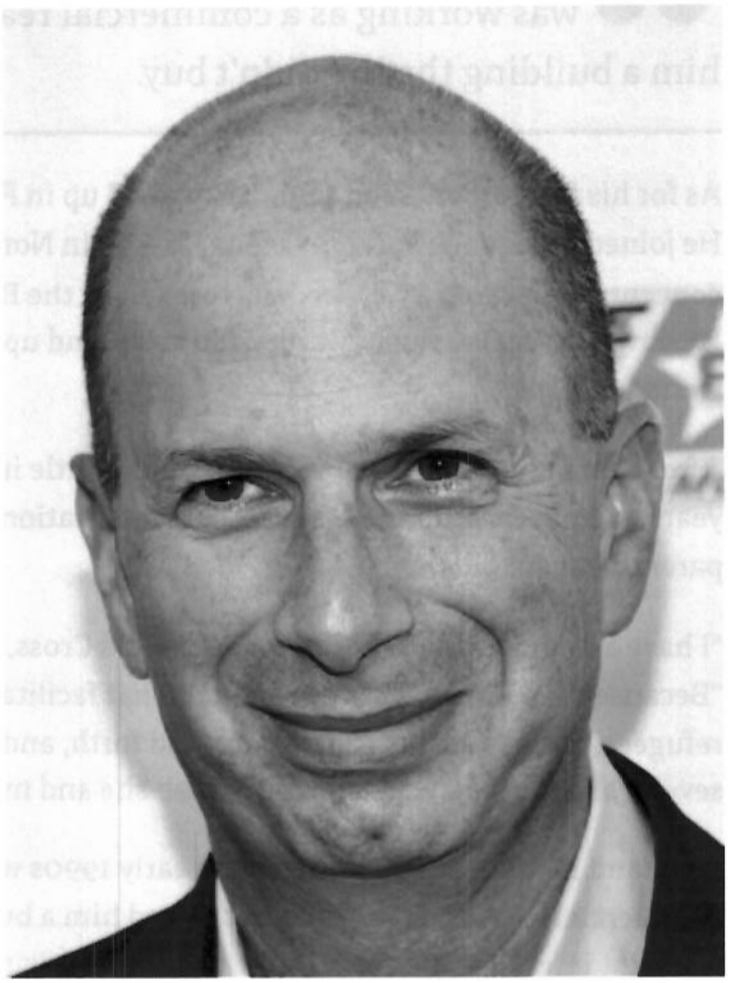
In addition to other philanthropic efforts, Sondland and Durant are major benefactors of the Portland Museum of Art, where they endowed a program to allow children under 18 to visit free. Sondland, in the public interview, also talked his own approach as a

AMERICAN OVERSIGHT

collector, in which he described himself as far more deliberative than the impulsive president he would represent in Brussels.

"Any dealer who says 'you have to buy it now or it's going to be gone,' I generally won't do business with," he said. "I try to go back and visit it again because ... art interacts with you differently depending on what mood you are in. And I might be in a manic mood, I might be in a great mood, I might walk in and look at the painting and say, 'I want to buy that,' but then the next day I'll go and look at the same painting and — what was I thinking? — it doesn't inspire me."

"So if, after a few visits, I still feel the same about it and Katy and I agree on the piece, then we'll put it in the collection."



Gordon Sondland | Amanda Edwards/Wirelmage

As for their tastes, he said, it runs the gamut. "Figurative. Impressionist. Contemporary. We have glass. We have sculpture. We have a little bit of everything and you react to different mediums differently. And a lot of the works we have no room for in our home, so they are in some of the hotels and they are loaned to museums."

He added, "We were fortunate enough that we loaned two works to the White House, which hung there for eight years."

If Senate confirmation goes smoothly, he will have a new home of his own to decorate soon enough.

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 445

POLITICO



Gordon Sondland speaks with Portland Business Journal editor Suzanne Stevens in March 2016 | Portland Business Journal video

Trump nominates Oregon hotelier as EU ambassador

Portland hotel magnate Gordon Sondland donated $1 million to US president's inaugural committee.

By **GINGER HERVEY** | 5/11/18, 12:22 PM CET | Updated 5/11/18, 1:12 PM CET

Donald Trump has nominated U.S. hotelier and Republican donor Gordon Sondland as his pick for ambassador to the European Union, the White House announced Thursday.

Sondland is the founder and chief executive of Provenance Hotels, which manages a number of luxury hotels and restaurants, mostly in Portland and Seattle. He also sits on the advisory board of bank holding company U.S. Bancorp and co-founded the merchant bank Aspen Group.

The hotelier reportedly donated $1 million to the Trump inaugural committee in 2017.

Sondland, whose parents fled persecution in Nazi Germany before World War II, had previously distanced himself from Trump and refused to take part in a 2016 fundraiser,

AMERICAN OVERSIGHT

FL-2020-00021 06/15/2020 446

saying via a spokesperson that Trump's "constantly evolving positions" diverged from his "personal beliefs and values on so many levels."

The position of EU ambassador has been empty since Anthony Gardner, the EU ambassador under President Barack Obama, left in January 2017.

Sondland's nomination has been sent to the U.S. Senate for approval, along with several other State Department and diplomatic nominations. Out of the U.S.'s 188 ambassadorial positions, 44 are still vacant, according to the American Foreign Service Association.



ALSO ON POLITICO

Trump dabbles in made-for-TV diplomacy

NANCY COOK



ALSO ON POLITICO

'Trump burns Iran and Europe'

ZOYA SHEFTALOVICH

AMERICAN OVERSIGHT

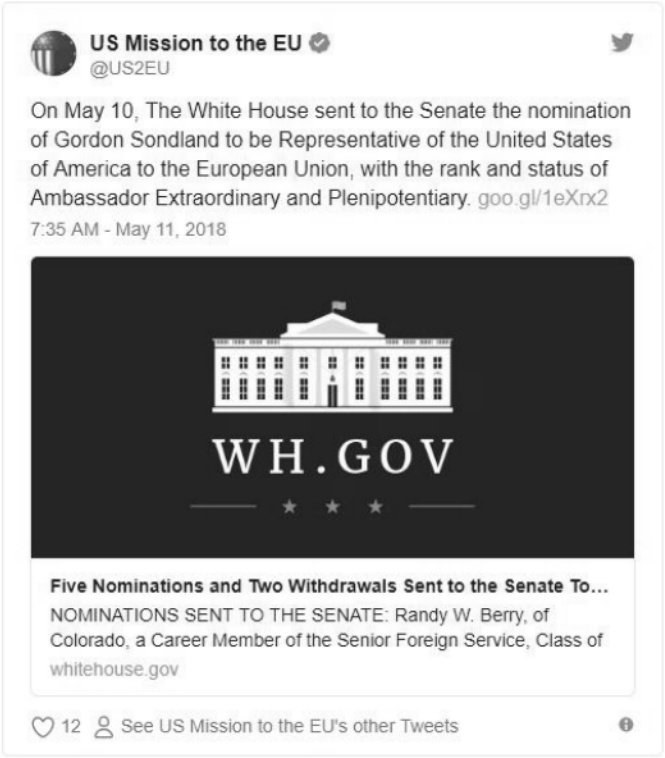
Trump nominates US ambassador to EU: What you need to know

By Alice Tidey • last updated: 11/05/2018



Euronews (May 11) - Nearly a year and a half into Donald Trump's presidency, dozens of ambassador roles remain empty, creating an important diplomatic vacuum.

The EU, one of the US' closest allies and the country's largest trade partner, is one of them. But that could soon come to an end as Trump on Thursday officially nominated Gordon D. Sondland for the critical position.



AMERICAN OVERSIGHT

Who is Gordon D. Sondland?



Born in Seattle in 1957, Sondland is the founder and CEO of Provenance Hotels, which owns and manages 10 hotels across the US — most of them are in Portland, Oregon and Seattle, Washington.

He has also been involved in politics for nearly two decades having served as adviser and White House liaison for Ted Kulongski, a former Democratic governor of Oregon.

In 2007, he was appointed member of the Commission on White House Fellows by President George W. Bush. The programme provides "gifted and highly motivated young Americans with some first-hand experience in the process of governing the nation."

Although he publicly denounced Donald Trump's proposed policies during the presidential campaign by pulling out of a fundraising event — citing how their personal beliefs and values diverged "on so many levels" — but the Intercept reported that he had donated $1 million to the Republican candidate. Sondland had not made the donations using his name but through four limited liability companies he owns, according to the report.

What does the US ambassador to the EU actually do?

"Above all, the US ambassador to the EU is the primary point of contact for trade policy issue," said Ian Bond, director of foreign policy at the Centre for European Reform think tank to Euronews, as that is an exclusive competence of the bloc and not individual member states.

"There is also some coordination on foreign policy issues," Bond added. Such was the case for the JCPOA (Joint Comprehensive Plan of Action) deal with Iran, with was negotiated by the EU's top diplomat, first Catherine Ashton and then Federica Mogherini.

"The role of the US mission to the EU would have been to stay in touch on a day-to-day basis with the EU external action service," Bond explained.

Finally, the ambassador is the first point of contact for issues pertaining to some security and counter-terrorism coordination and cooperation.

Why has the role been vacant for one and a half years?

Like many of his peers appointed under former President Barack Obama, Anthony Gardner left his position as US ambassador to the EU on January 20, 2017 after being ordered to do so by the Trump administration.

AMERICAN OVERSIGHT

In February 2017, the name of Ted Malloch was floated about as a potential candidate although White House officials denied he was ever in the running after it emerged that he had made some false claims in his autobiography. Sondland's name was only first reported two months ago.

"Although Trump has pointed the finger at Democrats and the Senate for that, the reality is that his administration is simply not nominating people. There are many many job for which there is at yet no nomination and that's unusual for an administration," Bond said.

How has the long wait been perceived in the EU?

According to Bond, the wait for a new US ambassador has not be perceived well in Brussels, especially given Trump's vitriolic opinion of the bloc.

"Trump has repeatedly suggested that the EU was designed against US interest which is contrary to history. He's been critical of its trade policies and suggested in an interview that he wouldn't mind if the EU broke up which creates quite a negative impression," Bond said.

Trump's nominee is also a departure from what Brussels was used to. Gardner had spent 20 years working on multiple EU-US projects, spoke several languages (French, Italian, Spanish, German) and had degrees in government, international relations and law from Harvard, Oxford University and Columbia respectively.

"Mr Sondland will have a good staff working for him, but he himself is not going to be able to do this job to the same level at least for some time until he has learnt how to do it," Bond concluded.

AMERICAN OVERSIGHT

U.S. Moves to Appoint New Ambassador to EU

Washington has asked the EU if Portland hotelier Gordon Sondland would be an acceptable nominee



European Union flags outside the European Commission's headquarters in Brussels. PHOTO: YVES HERMAN/REUTERS

By Laurence Norman and Stephen Fidler

Wall Street Journal (March 12, 2018) - BRUSSELS—Amid escalating tensions between the U.S. and Europe over trade and foreign policy, the Trump administration is moving to fill the long-vacant post of U.S. ambassador to the European Union.

Washington has asked the EU if Portland hotelier Gordon Sondland would be an acceptable nominee, according to two senior European officials. If nominated and approved by the Senate, a process that can take months, he would fill a job that has been vacant since January 2016.

Mr. Sondland is co-founder and chief executive officer of Provenance Hotel Partners. Neither he nor the White House was immediately available for comment. The State Department referred an inquiry to the White House.

AMERICAN OVERSIGHT

Through associated companies, he donated $1 million to Mr. Trump's inaugural committee, according to Federal Election Commission records.

However, he wasn't always a supporter of Donald Trump. During the GOP primary race preceding the 2016 presidential election, Mr. Sondland made the maximum contribution allowed by law to Jeb Bush and put $25,000 into an outside group supporting the former Florida governor, records show.

President Donald Trump's rocky relationship with the EU—he has publicly embraced Britain's decision to leave the bloc—led some officials in Brussels to doubt whether the administration would fill the EU ambassador post.

Shortly before taking office, Mr. Trump said the EU was "basically a vehicle for Germany. That's why I thought the U.K. was so smart in getting out." In an interview with British television in January, he said he would have taken a "tougher stand" than Prime Minister Theresa May in negotiating Brexit with the EU.

Tensions between Brussels and Washington have sharpened in recent days. The EU has warned it will take countermeasures against the U.S. if it is not exempted from Mr. Trump's plan to place import tariffs on steel and aluminum, a step that the bloc says could cost thousands of jobs.

The administration and the EU have been at loggerheads on policies like climate change and the U.S. decision to recognize Jerusalem as Israel's capital. EU officials are also warning that relations would be further damaged if Mr. Trump, as threatened, withdraws the U.S. from the Iranian nuclear agreement.

According to some European diplomats, the new administration has preferred to deal bilaterally with EU capitals on many issues, thus excluding Brussels.

With the Trump administration making budget cuts at the State Department, dozens of ambassadorships and other top diplomatic posts are still vacant.

—Rebacca Ballhaus contributed to this article.

Write to Laurence Norman at laurence.norman@wsj.com and Stephen Fidler at stephen.fidler@wsj.com

AMERICAN OVERSIGHT