

A COMPACT BETWEEN THE UNITED STATES AND EUROPE

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The partnership between Europe and the United States must endure, not because of what it achieved in the past, but because our common future depends on it. In recent weeks, optimism has grown that the partnership can find new vitality. But renewal requires more than hope; it requires action. This Compact shows that a way forward exists, if leaders on both sides of the Atlantic will take it. With bold steps, the partnership can survive and thrive, in a way that benefits Americans and Europeans alike.

The divide between Europe and the United States did not arise because of poor atmospherics or miscommunication. It arose because each side has taken actions the other strongly opposes, or declined to join in actions the other strongly favors. Moreover, these disputes have become self-perpetuating. American policies spark hostility among Europeans, or vice versa. That hostility, in turn, convinces leaders on both sides that they have no choice but to go it alone. This vicious cycle benefits no one and must end.

Europe needs America. American power applied for principled ends helped make possible the creation and expansion of the European Union and the model of peaceful integration among democracies that it represents. Today, Europe has at least as great an interest in seeing such a model take root in the greater Middle East, through the defeat of terror, a stable Iraq, control of dangerous weapons, an end to the Israeli-Palestinian conflict, and the rise of open societies across the region. Without the United States, none of these goals can be achieved, nor can any other great global endeavor in which Europe believes, from the fight against poverty and disease to the protection of the environment.

America also needs Europe. Without the aid of its allies, Americans will alone pay the costs, in lives and treasure, of maintaining global stability. Without the support of other leading democracies, America will be a less effective champion of democracy in the Middle East and elsewhere in the world. Its policies will lack the measure of legitimacy that comes from a transatlantic consensus. Its initiatives will be increasingly resented and

resisted. Its battle for hearts and minds in the Muslim world will likely be lost.

As President Bush sets off on his first trip to Europe since his reelection, both sides are proclaiming their desire for better relations and the atmosphere is clearly better than it has been for years. But words alone will not restore a productive partnership. Europeans cannot simply ask Americans to recognize the error of their ways and reverse all the policies of the last four years. Americans cannot simply explain the rightness of their ways and invite Europeans to come on board. Each side will have to take steps that address the legitimate concerns of the other.

The problem with any such steps is that they are hard to take in isolation. We therefore offer this Compact as a demonstration that a comprehensive strategy can be forged to deal with the full range of key challenges we face. We seek to demonstrate that if Europeans and Americans find common ground on the comparatively small number of issues that divide them, they will unleash powerful cooperation on the much larger number of issues that unite them. The result will be not the lowest but the highest common denominator – a safer, freer, more prosperous world for all.

Therefore, The United States, the European Union and its member states:

Reaffirming that the partnership between Europe and the United States remains key to the security, prosperity and freedom of their people and of people across the world,

Recognizing that they share the same fundamental interests in promoting peace, fighting terrorism and the spread of weapons of mass destruction, promoting democracy and human rights, eliminating poverty and disease, and protecting the environment,

Determined to resolve and overcome the disagreements that stand in the way of their joint endeavors, so they can share the risks and costs of building a better world together, as allies and as friends,

Have agreed to take the following steps.

AREAS OF AGREEMENT

IRAN

- *The United States and European Union reaffirm their determination to stop nuclear proliferation and their insistence that Iran abide by its obligations under the Nuclear Nonproliferation Treaty, including by providing full information about its nuclear program. In addition, the U.S. and EU insist that Iran permanently and verifiably end its fuel cycle (enrichment and reprocessing) program.*
- *The United States declares its support for the European Union's nuclear dialogue with Iran. If Iran permanently and verifiably ends its fuel cycle programs, the United States would support Iran's right to import technology for a civilian nuclear energy program (and not oppose the provision of fuel and fuel-cycle services on a commercial basis); not impose sanctions against European companies that engage in civilian trade and investment with Iran; enter into a dialogue with the Iranian government on regional security issues. The United States reiterates its intention to deal with the Iranian nuclear issue through diplomatic means while leaving all options open if diplomatic efforts fail.*
- *The United States declares its willingness to explore with Iran resolution of other areas of concern. These include Iranian support for terrorist groups such as Hizbollah and Palestinian Islamic Jihad; Iran's opposition to the Israeli-Palestinian peace process; the issue of bilateral diplomatic and economic relations; U.S. economic sanctions against Iran; Iran's membership in the World Trade Organization; and financial disputes dating back to the Iranian revolution. The United States will continue to support the efforts of the Iranian people to secure basic human rights and build a functioning democracy in Iran.*
- *The European Union countries declare their readiness to impose meaningful penalties on Iran if it refuses to end its fuel cycle programs or withdraws from the NPT. These penalties would include taking the issue to the United Nations Security Council and supporting a mandatory resolution requiring Iran to restore a suspension of its fuel cycle program, pending efforts to achieve a diplomatic agreement. If Iran refuses to comply with this resolution, the EU countries will support a UNSC resolution imposing economic sanctions against Iran, including a ban on foreign investment in Iran's energy sector. Russian and Chinese opposition at the Security Council will not prevent the EU countries from imposing sanctions on their own if Iran refuses to end its fuel cycle program and live up to its NPT*

obligations. As required, the EU is prepared to consider additional measures.

IRAQ

- *The United States shall start a strategic dialogue with European allies on Iraq's future through a new Contact Group. The Contact Group will consist of representatives from the United States, the European Union, the largest European contributors of forces and funding to Iraq, and key regional states.*
- *The European Union commits to launch a major training program for Iraqi civil servants, including police forces, civil administrators, judges and lawyers, doctors and nurses. The training programs will initially take place within Europe and could be expanded to in-country programs as security conditions permit. The EU commits to training 5,000 senior civil servants per year. Separately, various member-states commit to training 25,000 Iraqi security and police forces per year.*
- *The European Union and its member states will increase their financial contributions for Iraqi reconstruction. For the year 2005, the EU will grant \$1 billion in reconstruction funds, up from the \$300 million already pledged. In addition, EU member states will commit to rapid progress toward the disbursement of the \$1.6 billion in loans and grants proposed at the 2003 Madrid pledging conference, only a small portion of which has so far been spent. The EU also commits to writing off 50% of Iraq's existing debt to it and its member states, with consideration to be given next year to further debt write-off.*
- *After the drafting and ratification of an Iraqi constitution, the United States and member-states of the European Union will, if so requested by the Iraqi government, support UN Security Council authorization of a new multinational stabilization force for Iraq, which could be placed under NATO command.*

MIDDLE EAST PEACE

- *The United States and European Union reaffirm their commitment to the Roadmap as the framework toward moving to a two-state solution.*
- *The United States and Europe agree that the goal of the Roadmap is to end the conflict between Israelis and the Palestinians as soon as possible, with a secure, recognized Israel living alongside a secure, viable, democratic and sovereign Palestine. The borders of the two states would be based on the 1967 lines with mutual and agreed modifications to take into account security and demographic concerns. The permanent status agreement also would include an agreed, just, fair and realistic solution to the refugees issue and an agreement on Jerusalem.*
- *The United States and European Union reaffirm their support for Israel's disengagement from the Gaza Strip as a step in the fulfillment of the Roadmap. The disengagement should be coordinated with the Palestinian Authority, which must take steps to ensure security and the proper administration of Gaza. The disengagement also should be comprehensive, allowing Gaza to develop a viable economy. Both the United States and European Union will provide necessary economic and security assistance to that end.*
- *The United States and Europe reaffirm their opposition to steps by either side that prejudge the outcome of final status negotiations.*
- *The United States and Europe insist that Iran and Syria end their support for groups that seek to derail the Israeli-Palestinian peace process and agree to take appropriate steps should either country fail to do so.*

CHINA

- *The European Union pledges that if it proceeds with a lifting of its arms embargo against China, it will replace it with a strengthened transitional regime and a reinforced Code of Conduct on Arms Sales to include dual use technologies with significant military application. The transitional regime and the Code of Conduct will include an undertaking not to increase the quality or quantity of EU weapons sales to China or provide China with the technologies to upgrade significantly its military capabilities. It will require transparency in arms sales so that EU members would have the opportunity to object to a potential sale. Further, it will oblige member states, before authorizing export licenses, to take into account a range of factors including human rights, the potential for re-export of technology, and the potential*

impact of the sale on regional peace, security and stability. Before granting an export license the member state will certify in writing that all of these conditions have been met.

- *Before proceeding with a lifting of the arms embargo, the European Union will expect that China ratify the UN Convention on Civil and Political Rights. The EU will issue a statement reiterating its opposition to any attempt to unilaterally change the political status quo on Taiwan, and will engage in a dialogue with Taiwan, Japan and other interested parties in East Asia on how to maintain peace and stability in the region.*
- *The European Union will invite the United States, Japan, and other relevant actors to provide them with a specific list of weapons and technologies that they consider would negatively affect security and stability in the region.*
- *The United States reiterates its opposition to a lifting of the arms embargo but welcomes the EU's commitment to undertake the steps identified above. It reserves the right to impose penalties on European companies or member states it believes are violating this undertaking, but will refrain from taking action against the lifting of the embargo itself so long as the measures spelled out above are taken.*

CLIMATE CHANGE

- *The United States and European Union reaffirm their support for the work of the Intergovernmental Panel on Climate Change and recognize the scientific conclusions set forth in the Third Assessment Report of that body.*
- *The United States agrees to establish binding limits on emissions of heat-trapping gases in major industrial sectors, the power sector and the transport sector.*
- *The European Union agrees to allow subnational entities in the United States (including States and localities) to participate in the European Union's Emissions Trading System, provided those entities meet reasonable standards concerning the quality of emissions allowances. The United States agrees to facilitate the participation of subnational entities in the European Union's program.*
- *The United States agrees to participate in discussions under the UN Framework Convention on Climate Change concerning the design of an international agreement to control greenhouse gases for the period after 2012, when the Kyoto Protocol expires.*

- *The United States and European Union agree to launch a major new initiative to fund clean energy in the developing world. This initiative will provide support for (i) the full incremental cost of clean coal technologies over traditional coal-fired power plants in major developing countries, and (ii) purchase of wind, solar and other renewable technologies in sufficient quantity to help realize economies of scale. In connection with this initiative, the United States and Europe agree to work closely together in urging China, India, and other developing countries to join in an effective international greenhouse regime for the period after 2012.*
- *The United States and European Union agree to seek ways to redirect subsidies currently directed at food production toward the production of biofuels.*

DEMOCRACY IN THE MIDDLE EAST

- *The United States, the European Union and its member states affirm that encouraging the peaceful development of democratic societies that respect human rights in the broader Middle East is a central strategic aim of their foreign policies. We reject the notion that the people of any society are culturally or historically unsuited to participate in their own governance or to enjoy the freedoms enshrined in the Universal Declaration of Human Rights. We believe that open societies are key to lasting stability in the region and to the interest we share with its people in defeating extremism and terror.*
- *The United States and the European Union shall support the establishment of an independent Foundation for Democracy in the Middle East, and jointly contribute \$100 million a year over the next 5 years to its activities. The Foundation will work with leaders of civil society in the broader Middle East to support organizations and programs that encourage electoral democracy, political pluralism, independent media, respect for human rights, religious freedom and tolerance, and women's rights.*
- *The United States, the European Union and its member states pledge that in our bilateral engagement with leaders and governments in the broader Middle East, we will consistently and publicly encourage progress towards greater political pluralism and respect for human rights. We will consult with governments in a spirit of dialogue on our goals and principles. We will also engage directly with citizens and non-governmental organizations in the region working for peaceful reform. We will encourage governments in the region to abolish registration rules and other laws that restrict the ability of non-governmental organizations to engage in peaceful expression and political activism, as well as rules that prevent them from receiving support from outside donors.*

- *The United States and the European Union shall work to develop closer economic, political, and security ties with those nations in the broader Middle East that are making progress towards democratic reform and respect for human rights. Programs designed to foster greater integration of countries in the region with our economies, as well as our political and security institutions, shall include clear benchmarks for political reform.*

THE INTERNATIONAL CRIMINAL COURT

- *The United States reaffirms its concerns about the jurisdiction of the International Criminal Court (ICC) over citizens of countries not party to its Treaty and its intention to seek bilateral agreements that grant its officials and military personnel immunity from ICC prosecution. At the same time, the United States commits that in pursuit of this aim, it will not impose punitive measures, including withholding of bilateral assistance, on any nation.*
- *The European Union and the United States shall enter into an agreement under Article 98 of the ICC Treaty providing immunity from ICC prosecution to United States officials and military personnel acting in their official capacity.*
- *The United States shall not oppose a resolution by the U.N. Security Council referring the situation in Darfur, Sudan, to the International Criminal Court, and shall remain open to providing information and assistance to the ICC to support responsible, non-political prosecutions of genocide, war crimes and crimes against humanity.*
- *The United States and the European Union pledge to resolve their differences over the International Criminal Court through dialogue and will meet regularly to discuss the development of this institution, including any future changes in its jurisdiction, the appointment of judges and prosecutors, and any potential referrals from the Security Council.*

GENEVA CONVENTIONS

- *The United States, the European Union and its member states affirm that while the war against terror poses a challenge to the rules and institutions developed in earlier times, no person detained in that war is beyond the protection of law. Both sides have a legal obligation under the Convention against Torture and other Cruel, Inhuman or Degrading Treatment to ensure that no prisoner in our custody or control is ever subjected to torture or cruel, inhuman, or degrading treatment. The Geneva Conventions govern the status and treatment of all captured combatants and civilians whenever we engage in armed conflict with a state that is party to those Conventions.*
- *The United States and the members states of the European Union shall apply the Geneva Conventions to all battlefield combatants they may detain in the war on terror, including those captured during the war in Afghanistan who are now detained by the United States at Guantanamo Bay. No detained terrorist suspect shall be held incommunicado; all shall receive, at minimum, periodic visits from the International Committee for the Red Cross.*
- *To the extent these commitments and our other international obligations do not provide clear guidelines for, or are not well adapted to the new challenges we face, the United States and the member states of the European Union shall work to develop a common approach to the treatment and detention of terrorist suspects.*

AFGHANISTAN

- *The European members of NATO shall deploy at least an additional 5,000 troops to the International Security Assistance Force (ISAF) in Afghanistan no later than one month prior to the parliamentary and provincial elections in that country, expected in the latter part of this year.*
- *The United States shall provide additional air transport resources, as required, to enable NATO to meet its troop deployment commitments. The United States shall coordinate with its NATO allies to ensure there is sufficient capacity for emergency and medical evacuation for ISAF forces deployed outside Kabul.*
- *The European members of NATO shall accelerate implementation of their commitments to improve their military air transport capacity.*

UNITED STATES-EUROPEAN UNION RELATIONS

- *The United States reaffirms its longstanding support for the process of European integration and the progressive enlargement of the European Union as deemed appropriate by the members of the European Union.*
- *The United States affirms its willingness to engage the European Union on any issue that Europeans collectively designate as a European Union competence. The members of the European Union commit to ensuring that the international agreements reached in their name by the EU will have effect and will be implemented where appropriate into European national law and practice.*
- *The European Union commits to ensuring that any EU defense organization will maintain strong and transparent institutional links to NATO and complement rather than duplicate NATO functions. The United States will not oppose European efforts to develop an autonomous military planning capability so long as those efforts are undertaken transparently and in coordination with NATO planning efforts, including as appropriate through the use of dual-hatted officials.*
- *Building on the EU's recent decision to enhance its representation through the election of an EU President and appointment of an EU Foreign Minister, the United States and the European Union commit to enhancing the scope of their regular US-EU summits, and to underpinning summit meetings with institutional arrangements to ensure day-to-day cooperation. Summits will in the future be focused not only on trade issues but become a genuine forum for strategic dialogue on the full range of issues of concern to transatlantic relations, including in the area of foreign and security policy.*

THE DEVELOPING WORLD

- *The United States and European Union will make the substantial reduction of global poverty a top and enduring policy priority. To this end, the U.S. and EU reaffirm their commitment to achieving the Millennium Development Goals by 2015 and will give particular attention to promoting progress towards these goals in the regions that are being left behind—especially Africa, parts of South Asia, and the countries of the Former Soviet Union. The United States and EU member states will at latest by 2020 implement their prior commitment to devote 0.7% of GDP to development assistance and will target the increase to the world's poorest countries.*

- *By the end of 2005, the United States and EU member states will agree on the specific terms of a plan to write-off all bilateral and multilateral debt owed by the world's poorest countries in a manner that preserves the World Bank's long-term lending capacity.*
- *The United States and EU member states will commit now to implement in the context of the Doha Round the phasing out of all agricultural production and export subsidies that distort global trade or that harm or have the potential to harm producers in the developing world.*
- *The United States and the European Union view the HIV/AIDS pandemic as a grave and urgent threat to the health and security of the world's population. Accordingly, starting in 2005, the United States and the EU will ensure full funding for the Global Fund for HIV/AIDS, Malaria and Tuberculosis. The U.S. and EU will guarantee sufficient funds to reach the annual targets set by the UN by each providing 50% of the annual shortfall.*
- *The United States and EU member states will intensify and more effectively coordinate their global efforts with respect to conflict prevention, conflict resolution, post-conflict peace-building, peacekeeping capacity-building and democracy promotion.*

SUDAN

- *The United States and European Union members will work together to halt the killing and massive crimes against humanity taking place in Darfur, Sudan, which the United States deems to be genocide. If the Sudanese Government refuses to strengthen the mandate of the African Union (AU) force in Darfur, the U.S. and EU members will seek UN Security Council authorization for a fully effective mandate. The United States and EU members will provide all necessary support to the AU force to enable it to be maximally effective, including financial and logistical support. Working through NATO, they will also provide, as needed, strategic and tactical airlift, command, control, communications and intelligence support, and quick reaction capability.*
- *The United States and European Union members will immediately impose economic sanctions on the Government of Sudan, including prohibitions on the purchase of Sudanese oil and investment in the oil sector as well as targeted sanctions against the Khartoum regime. If these proposed sanctions are not approved in the UN Security Council, the United States and EU members will implement them outside the UN.*

- *The United States and European Union members will withhold the provision of economic assistance to the Sudanese Government until it has stopped the killing in Darfur.*

UNITED NATIONS

- *The United States and the European Union commit themselves to working for the revitalization of the United Nations on the basis of the proposals put forward by the UN Secretary General's High Level Panel on Threats, Challenges and Change.*

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