

Deepening European Resolve Despite Challenges to a Rules-Based Order

December 2018

The European Commission affirms its commitment to promoting integration among member states and taking concrete actions to address the global security and economic challenges that confront Europe and our institutions. We assert our resolve to strengthen EU and Transatlantic cooperation and work hand in hand with our allies to bolster defense investment, capability development, and our collective operational readiness. Despite growing trade tensions, we renew our calls for member states to preserve and deepen the ties between member states and reject protectionist policies that disrupt international trade. We welcome additional progress on furthering the legal text of the United Kingdom's Withdrawal Agreement from the EU, seek to highlight important aspects that have yet to be completed, and declare our intention to build a future partnership between the EU and UK, despite the latter's impending departure from this body. To address the broad range of policy matters that demand our attention, **the following stipulations are proposed for collective consideration:**

PREAMBLE

WHEREAS the EU has consistently sought to deepen integration among member states and declare our shared commitment to promoting democratic principles, the following should be taken into account:

- i. That the EU is an economic and political partnership, enabling the free movement of goods and persons through the establishment of a single market.
- ii. That closer integration among member states produces a net benefit for Europe and enhances the economic, political, and social welfare across member states and for EU citizens.
- iii. That the EU is a broad, diverse community historically divided by conflict and misgiving for centuries, now dedicated to jointly overcoming strategic challenges.
- iv. That the EU needs a strong common foreign and economic policy to respond efficiently to regional and global challenges, project our values, maintain core trade principles, and contribute to peace and prosperity globally.
- v. Within the Economic and Monetary Union, economic policies shall be coordinated to ensure member states can withstand future crises through economic and social reforms as well as responsible fiscal policies, which enables EU members to deliver greater job opportunities and improved living standards.

TRANSATLANTIC RELATIONSHIP

Security Cooperation and Investment

WHEREAS this Union recognizes that the Transatlantic relationship has anchored the established global order, driven the expansion of the world economy, provided peace and fostered international security. Despite some concerns in regard to recent US-EU foreign policy developments, most notably disagreements concerning climate change, the Joint Comprehensive Plan of Action (JCPOA), and the relocation of the US Embassy in Israel to Jerusalem, the EU continues to view the US as a reliable and important partner on international security issues.

WHEREAS member states must take greater responsibility for Europe's security and demonstrate the EU's role as a credible global actor across security issues. Evolving security challenges, an emboldened and increasingly brazen Russia, and new hybrid threats demand that member states expand US and EU consultations on key national security priorities and step up efforts to work jointly to advance our overlapping interests in multilateral forums.

WHEREAS the EU shall adopt initiatives that enhance its strategic autonomy while complementing and reinforcing the activities of our allies in a time in which our democratic institutions are persistently being undermined. Partnerships are essential to mitigate these risks and bolster our collective resilience.

WHEREAS the Permanent Structured Cooperation on Security and Defense (PESCO) is a legally binding and Treaty-based framework and process to deepen defense cooperation among EU members to jointly develop defense capabilities for EU military operations.

BE IT HEREBY RESOLVED that this Commission calls for the fulfilment of all PESCO commitments, expansion of the initial projects, and the swift implementation of the European Defense Industrial Development Program. Recognizing the calls from our US partners to deepen our financial contributions to Europe's collective security, we welcome additional defense investments to enhance the EU's capacity as an international security actor and maximize the effectiveness of member states' defense spending.

BE IT HEREBY RESOLVED that we call on relevant stakeholders including the High Representative to present, in cooperation with member states and in line with the March 2015 European Council, an action plan by the end of the year with specific proposals for a coordinated EU response to the challenge of disinformation. This issue—highlighted prominently by our US allies and technology companies in the context of election interference—is critical to preserving our democratic values and rejecting adversarial propaganda. We reiterate our previous calls to adopt a Code of Practice on Disinformation to promote transparency of online content, establish a European-wide

network of fact checkers, and support efforts to enhance citizens' media literacy to better identify online disinformation.

BE IT HEREBY RESOLVED that the EU welcomes further security and intelligence coordination between the US and member states. Said course of action is critical to defending the EU consensus from those who seek to undermine it. This also includes ensuring the resilience of upcoming European elections against increasingly complex cyber threats and implementing a coordinated communications strategy aimed at countering false narratives within and outside the EU.

EU-NATO relationship

WHEREAS the security of the EU and NATO are joined. Twenty-two EU members are also NATO allies, improving Europe's ability to deploy a broad range of tools and make efficient use of resources to address the unpredictable security environment. EU-NATO cooperation constitutes an integral pillar of the EU's work aimed at strengthening European security and defense as part of the implementation of the EU Global Strategy. This cooperation also contributes to Transatlantic burden-sharing; a stronger EU and a stronger NATO are mutually reinforcing.

WHEREAS facilitating the movement of military troops and assets is essential for European security and for building a more effective, responsive and agile European Union, as identified in the 2017 Joint Communication on improving military mobility in the EU. We applaud past and ongoing instances of cooperation between NATO and EU missions deployed under our Common Security and Defence Policy (CSDP), including Afghanistan, Iraq, Kosovo, Bosnia and Herzegovina, and the Horn of Africa.

WHEREAS further deepening the progress made in implementing the 2016 EU-NATO Joint Declaration and bringing together relevant entities through the establishment of new mutual security commitments will improve our collective security. Furthermore, it will emphasize the importance of reciprocity and respect for our respective decision-making bodies. The NATO Secretary General and the EU High Representative shall regularly report to NATO Allies and EU member states on progress in designated areas of cooperation.

BE IT HEREBY RESOLVED that an agreement on a civilian CSDP compact be reached by the end of this year to create an updated framework for member states to execute civilian crisis management and CSDP missions, resulting in a more practical consolidation of military and civilian assets in future deployments, including in support of NATO requirements.

BE IT HEREBY RESOLVED that we continue to expand cooperation on the basis of the signed Joint Declaration to strengthen the EU-NATO strategic partnership. We call on the member states to further enhance joint efforts in several key areas of concern to Europe. These include identifying and countering hybrid threats in a coordinated manner; deepening operational cooperation at sea and on migration via the Shared

Awareness and De-Confliction in the Mediterranean (SHADE MED) information-sharing forum; sharing cybersecurity threat assessments and indicators; building defense and research capabilities; and supporting Southern and Eastern partners' capacity-building efforts.

BE IT HEREBY RESOLVED that EU and NATO stakeholders shall commence expert exchanges to meet the goals outlined in the July 2018 Brussels Summit. These goals include swift progress in the areas of military mobility, counterterrorism, strengthened resilience to chemical, biological, radiological and nuclear-related risks, and the promotion of women's role in peace and security. In the context of threats to state sovereignty posed by an increasingly aggressive Russia, integrated military mobility will be critical to respond to and defend against prospective threats, ensuring that forces and equipment can move quickly across Europe

Trade Tensions

WHEREAS the EU and the US have the most integrated economic partnership and largest bilateral trade and investment relationship in the world. Our reciprocal investments are drivers of economic growth and job creation on both sides of the Atlantic and the combined economies account for about half of global gross domestic product (GDP) and for nearly a third of world trade flows. In 2016 alone, the EU's direct investment in the US stood at approximately \$3.2 trillion.

WHEREAS the transatlantic economic relationship is a cornerstone for the prosperity of both the United States and the EU. Given the importance of this relationship, we pledge to continue to engage with the US to strengthen these ties. Last year, US goods and services worth \$528 billion were sold to the European Union, while Europe sold \$629 billion of goods and services to the United States. We will work with US partners to lessen this trade deficit in a sensible manner that does not constrain either economy.

WHEREAS the Commission underscores the importance of preserving and deepening the rules-based multilateral system. The EU remains committed to working toward trade modernization and welcomes all partners to contribute positively to this aim. To that end, we look forward to the EU's ongoing trade negotiations with the US, which we hope will build on other recent successful trade deals with Canada, Japan, Singapore, and Vietnam. Any future trade accord must be fair and mutually beneficial to promote economic development and our shared values, including the protection of human rights.

BE IT HEREBY RESOLVED that the EU seeks to deepen our trade ties with the United States, working toward the reciprocal removal of tariffs and non-tariff trade barriers such as customs procedures and border regulatory restrictions. However, we continue to lament Washington's decision to impose tariffs on the EU for steel and aluminum products, which we strongly protest as a threat to US national security. We will continue

to challenge unfair trade practices, including those driven from protectionism, and fully support rebalancing efforts as well as the implementation of safeguard measures to protect EU markets.

BE IT HEREBY RESOLVED that the Commission is prepared to engage in further trade talks with the US on a broad range of topics to resolve outstanding concerns, which include: deepening our energy relationship, notably in the trade of liquefied natural gas; expanding cooperation between our respective regulatory authorities; partnering to advance World Trade Organization (WTO) reforms to level the playing field and work toward mutually acceptable solutions to lift the current blockage of new appointments to the WTO's appellate body; and improving market access for a range of industrial products, including automobiles.

BE IT HEREBY RESOLVED that this body calls on member states to partner with the US on improving the function of the WTO in several areas to improve global trade practices, such as adopting more flexible negotiations; implementing equitable rules to address evolving challenges, including for industrial subsidies, intellectual property and forced technology transfers; lowering trade costs; strengthening the WTO's surveillance capabilities and improving its transparency; and fashioning more effective dispute settlement policies.

BREXIT

Current Situation and Next Steps

WHEREAS we regret the UK's departure from this Union, we respect its sovereign decision. We remain fully committed to fairly and equitably organizing the UK's separation from the EU's institutions and policies. While the ongoing negotiations are neither simple nor wholly consensus-driven, the European Union is working tirelessly and transparently to reach an agreement with the United Kingdom on an orderly withdrawal, and looks forward to creating a framework for the future relationship with the UK.

WHEREAS while negotiations on this Agreement are ongoing, this body wishes to underscore the importance of the previously agreed upon transition process until 31 December 2020. During this transition, European laws will continue to apply in the UK, but London will no longer participate in European decision-making procedures.

WHEREAS the negotiations concerning the Withdrawal Agreement will be a three-stage process in which the first two stages—the first of which has been completed—are conducted on the basis of Article 50 and are due to be completed by late 2018, while phase three will commence after the UK has left the EU.

BE IT HEREBY RESOLVED that we commend both EU and UK negotiators for the initial agreements reached on the legal text of the Withdrawal Agreement on issues

concerning citizens' rights, financial settlement, transition period, and separation issues. Both parties have since reached additional agreements addressing intellectual property protection, judicial cooperation in civil and commercial matters, value-added tax and excise duty matters, and EURATOM-related issues on the ownership and rights of use and consumption of special nuclear materials in the UK.

BE IT HEREBY RESOLVED that progress continue on outstanding issues, including the territorial application of the Withdrawal Agreement for Gibraltar. In addition, discussions remain ongoing concerning the protection of data, the establishment of policies governing police and judicial cooperation in criminal matters, and the need to craft a solution for Ireland and Northern Ireland. We call on intensified efforts to address this border issue in the context of both parties' commitment to the Belfast or Good Friday Agreement in all its parts.

BE IT HEREBY RESOLVED both the EU and UK have confirmed their commitment to establish appropriate arrangements for the Sovereign Base Areas in Cyprus, in particular, to protect the interests of Cypriots who live and work in these areas consistent with the rights and obligations under the Treaty of Establishment.

Preparedness and Contingency Planning

WHEREAS all relevant stakeholders and national and EU administrations need to prepare for two main scenarios: if the Withdrawal Agreement is ratified before 30 March 2019, whereby EU law will cease to apply in the UK on 1 January 2021, or if an agreement is not ratified in time by both parties, thereby voiding the transition timeframe and leading to the cessation of EU law in the UK as of 30 March 2019.

WHEREAS in both scenarios outlined above, the UK will become a third country. However, failure to ratify a deal by next March will lead to no agreed-upon legal arrangements for EU citizens in the UK or for UK citizens in the EU. Further, the EU would apply its regulation and tariffs at borders, including checks and controls for customs, sanitary and phytosanitary standards and verification with EU norms.

BE IT HEREBY RESOLVED Member states, EU institutions, and relevant stakeholders must step up their work on preparedness at all levels and for all possible outcomes concerning the UK Withdrawal. While the EU seeks to have the closest possible partnership with the UK, spanning trade and economic cooperation, security and defense, and other relevant areas, the UK's negotiating positions are limiting the depth of a future partnership and threatening full completion of a Withdrawal Agreement.

BE IT HEREBY RESOLVED that such measures will have to be taken as a consequence of the withdrawal of the United Kingdom, regardless of whether there will be a ratified agreement. For example, member states may wish to consider measures to reduce the additional administrative burden that would follow from new border control measures and an increase in requests from economic operators for EU licenses or certificates, which are currently issued by UK authorities.

BE IT HEREBY RESOLVED that member states shall engage in contingency planning to mitigate the effects of a UK withdrawal from the EU without a mutually-agreed-upon Withdrawal Agreement, which would render the tentative transition period void. Member states are encouraged to develop policies that can be implemented at the national level in such an event. EU bodies will concomitantly pursue similar planning steps.

Post-Brexit Relationship

WHEREAS in parallel to the draft Withdrawal Agreement, the EU and UK have had discussions on the content of a political declaration, which would outline the overall understanding on the framework for a future relationship. This declaration will accompany the planned Withdrawal Agreement in late 2018.

WHEREAS after Brexit, the EU will remain one of the biggest world economies, and we will continue to share common values and interests with the UK. We renew our belief that our post-Brexit partnership will be a strategic and economic priority to cement both entities' standing in global affairs. We look to build on our previous proposals to the UK to cement this enduring relationship, including offering a free trade agreement with neither tariffs nor quantitative restrictions for goods, as well as close customs and regulatory cooperation.

WHEREAS the EU is open to further examining the prospect of forming an Association Agreement with the UK, similar to what was agreed upon with Ukraine. This agreement would place the relationship in a broad framework, establish joint institutions--including a court to settle disputes--and incorporate a security dimension. Such an option, which is described in Article 217 of the Treaty on the Functioning of the European Union, provides for association agreements "involving reciprocal rights and obligations, common action and special procedure", or in Article 8, which authorizes the EU to "develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness" and to conclude "specific agreements with the countries concerned" regarding "reciprocal rights and obligations as well as the possibility of undertaking activities jointly."

BE IT HEREBY RESOLVED that efforts must be accelerated to prepare a political declaration on the framework for the future relationship. The EU reaffirms the principles set out in its guidelines and the position defined in March 2018. The EU will be prepared to reconsider some of its proposals on this matter if UK positions were to evolve.

BE IT HEREBY RESOLVED that following the expected ratification of the Withdrawal Agreement, there will not be a circumstance in which we establish a hard border between Ireland and Northern Ireland, and that the Good Friday Agreement, which has brought peace and stability to Northern Ireland, will be protected. To that end, the body continues its call that Northern Ireland be included in a common regulatory area for goods and customs with the rest of the EU following the UK Withdrawal.

BE IT HEREBY RESOLVED that the European Union renews its belief that the Single Market that enables the free movement of people, goods, services, and capital has contributed to our collective prosperity. We will not comply with UK demands that call for the retention of free movement of goods after Withdrawal that at the same time deny such movement for people and services. We continue to oppose any post-Brexit proposal that simultaneously continues to apply EU customs rules to our economic relationship with the UK without subjecting the latter to the EU's legal order. This Union will not forfeit its border and legal controls.

BE IT HEREBY RESOLVED that on security issues following a political declaration, we maintain our desire to continue close cooperation with UK partners to protect our citizens and democratic societies. We welcome additional intelligence and law enforcement exchanges to counter our adversaries, hinder terrorist financing, and curtail illicit money-laundering. We are committed to expanding the scope of such cooperation and implementing swift and effective methods to identify criminals, ensure extradition practices, and protect citizens' privacy rights.