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AN UPDATE ON EUROPE'S TRANSFORMATION

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## P R O C E E D I N G S

MR. VAÏSSE: Okay, we're going to get started.

Hi, everybody. My name is Justin Vaisse. I'm a senior fellow here at the Center on the U.S. and Europe. And I'd like to welcome all of you at Brookings this afternoon for what is actually a second discussion on the Lisbon Treaty, after the very interesting discussion we had on October 5th, just three days after the Irish voted yes.

As many of you know, we are having this series of discussions on the future of the European Union with the Heinrich Böll Foundation, which is not only supporting our work, but also actively contributing to putting these events together.

Unlike the discussion of October 5th where there was still sort of lingering doubt about the fate of the Treaty because of Mr. Close's hesitation, will we say. This time we have no more uncertainties since the Treaty, as you know, entered into force on December 1st. But of course now the hard questions begin, the questions of implementation. In particular, on the foreign policy side, which was one of the main aspects that the Treaty streamlined, if you will. The two senior policy positions created by the Treaty, the president of the European Council and the high representative for foreign affairs and security policy, have been filled, as you know, respectively by Herman Van Rompuy, the former prime minister of

Belgium, and by Catherine Ashton.

Maybe you've noticed how Americans always insist on calling her Baroness Ashton. In France no one does that, presumably because we've cut so many nobles in half during the Revolution that the mystique worn out. And so we don't call her Le Baron Catherine Ashton. But here she's very often referred to as the Baroness Catherine Ashton, so that's how I will refer to her.

This selection of Ashton and Van Rompuy prompted criticism, and skepticism more importantly, with many observers pointing out that these two figures were relatively obscure and leading them to ask whether the Lisbon Treaty really represented any meaningful breakthrough for Europe. And more or less that's the question I'm going to put today to the very distinguished panel we have assembled with the Heinrich Böll Foundation.

And then going beyond the question of who does what, there are a couple of hard questions that I'd like the panel to address. You all know Kissinger's quip about Europe's phone number. The question of course now is not whether Europe has a phone number, but whether it has too many. In other words, there are real risks of tension between the three officials. There are now three or four that are now representing Europe: Van Rompuy, Catherine Ashton, and, of course, José Manuel Barroso for

the control of European foreign policy. After all, Catherine Ashton has many tools at her disposal, including a very significant budget. But, for example, the huge part of this budget, foreign aid, doesn't really depend on her. So what will the outcome of her relationship with the other figures be and will that be an obstacle to precisely that streamlining of European foreign policy.

Another question is isn't Catherine Ashton's success dependent on something that she doesn't control, which is good cooperation between the 3 main European countries, and then I would say the 6 main, and then the 27 EU member states. In other words, once again, does the Treaty change something this sort of background question of harmony or divergence between the main European member states.

And then there are other questions like the fact that many pointed out that the rotating presidency, in terms of foreign policy, allowed many small countries to have their say in running Europe. And so opening the horizons of Europe beyond what just, you know, Germany, the UK, France, and others would do. And that was beneficial not only for these small countries who had a sense of ownership, but also for Europe as a whole. So as you know, the rotating presidency is not completely abolished, but in terms of foreign policy its role will be extremely reduced. And so isn't Europe losing something here.

So these are just a sample of the questions that I'd like us to

address this afternoon to the very perceptive observers of the European scene we have assembled. And I will introduce them further just before they speak. And of course one background question will be what the impact for the United States will be.

So I'll start with Angelos Pangratis. He's the chargé d'affaires and acting head of the Delegation of the European Union to the U.S..

Angelos served many years in Brussels, but also represented Europe in various places like Argentina and South Africa and South Korea before that.

And the two questions I will ask him is, very concretely, what does it change here, the Delegation of the European Union, what does it change concretely for you here in Washington. But of course the second and more general question is what -- and especially for us who don't follow -- for those who don't follow these institutional questions too closely, what does the Lisbon Treaty really change for Europe. So if you could address these two questions. The floor is yours.

MR. PANGRATIS: Thank you, Justin. Good afternoon, ladies and gentlemen.

So, I leave aside your other questions because they were quite impressive, an impressive list of introductory samples of questions, as you said. Let me try to respond briefly to your questions, and make just a couple of more general comments.

First, what the Lisbon Treaty means overall. I think there are many aspects. One can look at it from different angles, and we will do that this afternoon, I'm sure. But if I was to choose three points where the Lisbon Treaty will have, on the longer term, its biggest impact, I would put on the top something that is not in the Lisbon Treaty, really. Which is the fact that the EU, by adopting the Lisbon Treaty, finally finished this huge period of almost a decade, seven, eight years, certainly, of introspection and obsession with institutional debates. I think this is going to be a fundamental change in itself. For almost 10 years the whole debate about the EU was about institutions, procedures, powers. It does not really help. It did not really help the image of the EU towards its own citizens and internationally. And finally the EU now enters into a period where we all agree this will be a period of institutional stability. Nobody wants to foresee a similar change of the profound institutional arrangements for several years, many years. So the EU will be able to concentrate on what it's really meant to do, that is to serve the interests and to the prosperity of its citizens, and to promote the values of the citizens internally and internationally, where we can better do this together than the individual states on their own. I think that's the first of the three points.

I think the second is something that Barroso said in one of his declarations. It's related to the first. He said that the Lisbon Treaty puts the

citizen in the center of the European project. And I think this is also going on the same line, going to be very important for the way the EU will evolve, particularly in their relations with its own citizens. That means towards its overall capability to be coherent and act both internally and internationally. I just mentioned briefly the main reasons for that, is the Charter of Fundamental Rights that expand the rights of the citizen. It's an overall capability of the EU, with the Lisbon Treaty, to meet better the expectation of its citizens in areas where the citizens do have expectations from the EU. Energy, it's one area. Climate change is another, the cross-border crime, immigration, and external action. Just to give the more visible examples. These are areas where we know that our citizens want more from the EU. And the EU will be able to deliver better in those areas.

And finally, also closer to the citizens because of an additional degree of democratic legitimacy. You know, this is a very fundamental aspect. If all of you who followed the debate that rejected -- the rejections of the constitution on the Lisbon Treaty, the lost referenda, this aspect of degree of democracy of the EU as such has been permanently in the center of the debate. And of course with the Lisbon Treaty you know that the European Parliament practically has a say on all the legislation at the level of the EU. The national parliaments have a role to check the subsidiary principle in everything that we do. And there is this citizen's initiative with

one million signatures that can trigger the process at the level of the EU institutions, where for the first time there is a link established between the individual citizens and the obligation of the institutions back. So these are all things that count. And even I see already the question coming concerning the citizen's initiative which is not completely defined, but it will be defined. We are working on that. These are all aspects that will become, I think, very important.

Finally, third point, I would put, of course, a third something which is very important, it's in the minds of everybody, which is the ability of the EU to be more coherent globally. The creation of the permanent president of the European Council, the creation of the post of high representative of the vice president of the Commission, and the merge of the capabilities that we have at the level of the EU, to act internationally for the first time in the history of the EU. Really create the conditions with the creation of the External Action Service of an EU much more coherent in its international activities.

On that level, to answer also your questions, briefly, Justin. It's important to realize, you say, well, you said, for example, that cooperation development budget is not under Catherine Ashton. Well, it's only partially true. Mrs. Ashton will also be a vice president of the Commission responsible of ensuring the coherence of the external action of

the Commission. So she will be responsible to ensure the coherence of the instruments that the Commission is handling too, and very clearly so. But it's true, the spirit of the question that you asked about the relationship of the member states, it's important to understand, now that's something that is not enough said, that the Lisbon Treaty does not alter the definition of competencies between member states and the EU in this area. It establishes a process, a process of building coherence. It has to be seen for what it is. It's a formidable step. I believe that it will have very significant consequences relatively quickly. And, in fact, we start seeing those. But it's a step; it's not a revolution. And it does not alter the basic definition of competencies.

What it means in concrete terms, to answer your first question, for us, for the delegations around the world. Well, we had a very nice ceremony in the first of December, where we changed our plate. Instead of being a delegation of the European Commission we are now the Delegation of the European Union. And we are working very hard, both here and in Brussels, to prepare the process. Because it is going to be a process. During the previous presidency practically nothing has changed in the way we operate with the presidency in third countries, you know, in countries outside the EU. But it's quite clear that progressively we will introduce changes. And before the end of the Spanish presidency, all the tasks

basically that the presidency was having are going to be taken over by the Delegation of the Commission in terms of representation, chairing of meetings, agendas, contacts, demarches, et cetera.

So in the case of the U.S., of course the U.S. is one of the most important, if not the most important third countries. There will be a kind of country-by-country review in Brussels, where a calendar will be defined. It will not be a calendar similar for everybody. There will be some principles on the case-by-case review. This review, I repeat, is defining the transition, at what stage what will happen, and at what moment. How it will happen and at what moment.

But it's quite clear that by the end of the Spanish presidency when we will enter the Belgium presidency the Delegation of the European Union will have the full responsibilities. And of course somehow in the process we realize it's a matter of resources. We will have people coming from member states, diplomatic colleagues from member states. This will take some time. We need new financial regulation. We need new staff rooms. The system will (inaudible) operational from April; that's the aim on the basis of the report that Lady Ashton or Cathy Ashton will present to the member states. But clearly even when all this will be done, it doesn't mean that the External Action Service will be in full speed. This will take, I would say, certainly 12 months.

MR. VAÏSSE: Okay, so no more weekends for you in 2010.

MR. PANGRATIS: Not the beginning, for sure. No, no, no.

MR. VAÏSSE: Okay. Thanks, Angelos.

Next I'm going to turn to Kori Schake. Kori is currently a research fellow at the Hoover Institution. But that title certainly understates her accomplishments, I would say, even if you add that she's also an associate professor of International Security Studies at the U.S. Military Academy. Just to -- I won't be talking about the 1990s; I'll focus on this decade. During President Bush's first term, she was the director for Defense Strategy and Requirements on the National Security Council, contributing in particular to the 2002 National Security Strategy document. And then more recently, in 2007, 2008, she was the deputy director of the Policy Planning Staff at the State Department. And following on that, she was an advisor to the McCain Campaign in 2008.

And Kori has for long been a very subtle observer of transatlantic relations. And so the question I will put to her is very easy. So, is the Lisbon Treaty going to change that much for Europe and for U.S.-Europe relations.

MS. SCHAKE: I wish I could say yes, but I don't think so. I'm sorry, my friend, I am deeply skeptical, either that much will change on foreign and security policy as a result of the Treaty or even that, as you so

nicely put it, the obsession with institutional debate will cease. I mean, even in the course of your own remarks you talked about the process of building consensus, the importance of new financial regulations, all the things that still need to come into place to make the standup of the External Action Service, for example. Which I support. I think it's good for Europe. I think it's good for us. But I don't think that the institutional debate stops now that we have decided that it should come into being.

I'm also skeptical, more profoundly, that the Lisbon Treaty coming into effect is going to change much. And I'll tell you the two major reasons. One is the people, and the other is the foundation of a common European foreign and security policy.

(Microphone interference)

SPEAKER: I think it's your BlackBerry.

MS. SCHAKE: Sorry.

SPEAKER: Sorry. We're disturbing with our phone, so that's what.

MS. SCHAKE: All the gunfighters with their Blackberries up here close to microphones are setting them off.

So, the people. Javier Solana was an extraordinarily good foreign policy guy for the EU. And I think it's important to remember why he was chosen, because I think that gives a sense of the contrast of what the

EU wanted to do when Solana was chosen and what the EU wanted to do now when they chose Baroness Ashton.

The first is that, remember, Solana was/is a Spanish socialist. He had opposed Spain's entry into NATO. And then as NATO's security general, he oversaw the Kosovo war. He was extraordinarily helpful in building a strong, solid basis that NATO could take action, military action, to serve Europe's security and beyond without a UN Security Council resolution. He was the living embodiment of the kinds of changes that were going on in Europe and in the transatlantic relationship. And he did his job bigly, brashly, and had fantastic relationships with Americans.

And if you look at Baroness Ashton, she wasn't chosen because of a history that made her personally significant for what Europe wanted to achieve, I don't think. Please correct me if I'm wrong, but I don't see her background coming into play that way. Second, it's not clear to me from the choice of her what Europe's ambition is for its foreign and security policy. But I doubt it is comparable to the ambition that the European Union had when they put Javier Solana in as the foreign policy head in the mid-1990s. So I think both the ambitions are quite modest and also unclear. And I don't think that's likely to produce a commonality of action around the world on European issues.

The second reason I'm skeptical that the Treaty will make that

big of difference on foreign and defense policies is that I don't think there's a common European position on most of these issues. My entire professional life we have been having the conversation about an ever closer union and stronger foreign and security policy. In the 1990s the argument was that Europeans wouldn't spend money for defense policy in NATO, but they would do it in the EU. We now have 19 years of data on that, and it's not true. Right. You still have an inter-European burden sharing problem where a couple of countries, Britain, France, the Netherlands, Denmark have quite strong, robust defense policies and defense forces, and most other Europeans are making different choices. And I don't think you get to a common European defense policy while you continue to have that division of labor internally.

Second -- I hope I'm wrong. Again, I'm a believer in a broad shouldered, activist European Union. I think it's good for Europe. I think it's good for the United States. But I don't see, on the crucial policy issues affecting Europeans right now, a commonality. Let me just take two: Russia, where there's quite a deep division between Germany and Italy on the one hand, and important differences between them, and the attitudes of many other Europeans.

And second, the Bush Administration took a lot of heat for dividing Europe over the Iraq war. And I won't say there wasn't a certain

amount of satisfaction in having some Europeans fight on an Allied side in Iraq. But the divisions were there, the Bush Administration didn't create them. Tony Blair was the most ardent advocate of the use of force to change the international order in a way that protected people from their governments. And I don't see the British attitude, even independent of Blair, coming writ large into European foreign policy. For example, the reason that Blair's purported nomination was such a tumultuous thing was people were so stridently opposed to his views on this.

So it's not clear to me that you're going to get a much deeper consensus on the most important foreign and defense policy issues that Europe is facing: Afghanistan, Russia policy, Cypress. I wish the EU would come together on that. I very much hope that as you guys pull this together you will find a way to do it. But I have to say I'm honestly a little bit skeptical.

Let me give one last example. And it's a positive one. The place where I think European foreign and security policy has been most effective in the last 20 years has been the Policy of Stabilizing Europe. And the way the European Union succeeded at that, incentivizing countries in transition to want to be democratically governed with transparent budgets, military subordinate to civilian control, resolve disputes with their neighbors. They did it with the incentive that if their neighboring countries made those changes, they would be European. And not just in the philosophical sense,

in the EU slush fund sense, in the common market sense, in the trade policy sense. And as Europeans have grown less amenable to continued expansion, I think the most important success story isn't being continued in the same. And I hope that as the EU picks up on a bigger, broader foreign and security policy role they will really give serious thought to why what has made Europe peaceful after the Cold War is a set of policies that can be applied beyond Europe.

MR. VAÏSSE: Thanks very much, Kori. I'm sure people in the panel would like to answer, but we'll keep that for the discussion afterwards.

And I'm going to turn to Dan. Dan Hamilton is, as many of you know, not only the director of the Center for Transatlantic Relations just next door, just the other side of the street at SAIS, but he's also the executive director of the American Consortium on EU Studies and a professor at SAIS here next door. Just yesterday Dan gave testimony before the Subcommittee on Europe of the House Foreign Affairs Committee, along with Karen Donfried, Sally McNamara, and, of course, Phil Gordon, whom, as you know, is the assistant secretary for Europe and Eurasia, and created the Center on the U.S. and Europe here.

And so, Dan, based on this testimony, which you have made available to people just on the table outside, and also based on the very dynamic output of the Center for Transatlantic Relations -- reports just seem

to be flowing out of CTR, and once again some of them are available outside -- what can you tell us about what the Lisbon Treaty will change, and in particular will change for U.S.-Europe relations.

MR. HAMILTON: Well, thank you, Justin. And thank you. It's a pleasure to be here to talk about this. As Justin said, the testimony's in the back. So if you are really a glutton for punishment, then can read something a little longer.

You know, I tend to share Kori's view that the notion that somehow Europe will now emerge from its introspection suddenly because the Treaty's been signed is maybe a bit premature. Because the fight is almost really on now to sort of define it. And as Angelos said, there are many elements of the Treaty that have been written down, but have not been defined, you know, or implemented in any terms of mechanism. The External Action Service is a good example of that. The citizen's initiative to which he referred is another. There's another about a voluntary humanitarian aid corps that's sort of mentioned, but, you know. So there are a lot of -- and I think the relationship between the president of the Council now and the high representative is also not quite clearly defined, particularly in their external representation. There are just a lot of issues that will still preoccupy EU officials for some time to come.

And so I think one has to be realistic about this. This is

another step on the road of ever closer union, if you will. But it just is, you know, it's one more significant step, I would argue, but it's not a revolution and it doesn't change things instantly. And I think one approaches that with that sense of realism, one does see then some areas in which there will be some changes.

I also agree with Kori that foreign policy and defense policy is probably not the strong area here. I don't think Lisbon particularly changes a lot in this area. It does create the External Action Service. But if you look at what that is going to be, that'll take some time. It's not going to, again, change things instantly.

And I would argue the capital that'll see that change last is probably Washington. Because as we know, and Angelos probably doesn't like to hear this, many of his fellow ambassadors in the embassies here all like to preserve their bilateral relationship with Washington. And so it's a struggle, I think, here. I don't think this is the first place where you'll see the change.

Where you will see a change -- and Federiga's going to talk External Action Service, so I'm not going to stress that. If you think about what -- there's a resource implication what will happen here. So where Americans will -- American officials, ambassadors will see a change, it's not in Washington, it's in Kiev or it's in Yerevan or it's in Rahbat or it's in many

third countries when they notice that the EU ambassador suddenly has, maybe, 10 times the resources of the British ambassador. And if you're dealing with some really tough issues, and stabilization or assistance issues and those types of things, the EU ambassador then might be an interesting person to start to talk to, and maybe in the past hadn't been quite that prominent. And I think that's where some practical changes will start faster. They won't be seen here as quickly.

So, and I think the third point I agree that, you know, I think many people are disappointed that some global celebrities weren't put in charge of the new positions. But I agree again that I don't think that's really the way to think about this now. The issue is not, you know, what new faces to have in Brussels, but are there new attitudes in national capitals. And as Kori said, there is tremendous diversity in European opinion on some pretty core issues affecting the future of Europe. And unless there is a consensus and a willingness among the national capitals to forge a consensus on some critical issues, it doesn't matter whose face, you know, is on a certain position. It'll test those people.

I think, frankly, it was a fairly realistic choice of the people we're discussing because it signifies that Europe isn't where many thought it was, that Lisbon didn't take it instantly to this new world. It needs another period of consolidation. And I think the terms of both of these people will

essentially be that period. I think between 2-1/2 and 5 years is a pretty good sense of Europe's sorting out the meaning of Lisbon, getting some of these things together, and seeing whether EU member states can really -- and want to, even -- forge a consensus on some of these foreign policy issues.

But my point why I think Lisbon is more significant is because - and not only for Europe, but for the United States -- is to step back a moment and understand the nature of our own relationship. First of all, the European Union is the most important organization in the world to which the United States does not belong. So like it or hate it, we need to understand something about it. And it's a continuing amalgam. It's not a country; we can't treat it as such. It is not stationary. It's not, you know, the typical kind of relationship.

And it's also probably the most complete relationship we have with any partner in the world. And by that I mean it reaches -- we are so deeply integrated these days in our societies, in our economies, and in our own security concerns that actions taken on either side of the Atlantic not only are a foreign policy interest -- in fact, I think foreign policy's probably the least interesting here in terms of what the implications are. That's why I'm not going to spend much time on it. It reaches deep into our domestic societies. They change the way people live their lives. And because Lisbon has some legal character now in terms of some new things, those will not

only affect the lives of European citizens, they'll affect American citizens living abroad, they'll affect American companies operating abroad, they will affect Americans here who depend for their livelihood on European companies and the free flow of commerce across the Atlantic.

So there are lots of things in Lisbon which have those kinds of implications. They are not what one immediately thinks about if one stays in the traditional foreign sense. My point is we have transcended foreign relations. And the neat distinction between domestic and foreign policy has - - really don't apply in many areas anymore. And many actions by the U.S. Congress or the Administration and the European Parliament now have some direct affect, and where our mechanisms aren't really equipped to deal with the nature of that relationship.

So, for instance, while we focus much of the commentaries on foreign policy, I would argue the most significant change for Lisbon for the United States is actually in justice and home affairs. This in home -- what we would call Homeland Security, as well, it's a combination. It spans from justice. Because not only is there a qualified majority voting now, so there's a different arrangement among the member states, but it gives the institutions in Brussels much more authority in this realm.

And if you look at developments in the recent years, this has been a growth industry in transatlantic issues. In fact, it was the Bush

Administration, I would argue, that forced the Europeans to integrate deeper in this area. Because after September 11th, the United States said to the Europeans, you've been having this interminable debate about area of justice and a European arrest warrant. It's been going on for years, we really need it right now. A less coherent Europe, a weak Europe is affecting the security of our citizens. And it was, I would argue, under severe U.S. pressure that the EU finally did come together in this area. We also negotiated some agreements, mutual legal assistance and extradition. The Bush Administration negotiated those and Congress has passed those. These are treaties that we've actually ratified. We don't do that very often. These have been successful.

And if you look at the agenda in front of us, the kind of challenge we face today is security. That I think more people worry about than traditional war is how the networks that support our free societies can continue to exist in an open way. And how do we make those both secure and open at the same time. And that addresses a whole range of issues from cyber defense, energy security, intimidation tactics perhaps of others, societal pressures and societal resilience. And if we say to each other we really do have a transatlantic space of common security, we have to think about the bandwidth we need to deal with this, not just the telephone number.

And the answer, I think, partly lies in the idea that NATO fits, in a certain way, in dealing with some of these challenges. But when you start to go further into this area of civilian societal security, it doesn't have the full toolbox. And it's seen, obviously, as a military alliance. And we have to think, I think, harder about this new realm of security that we face together. And frankly the other framework that is underused, and now Lisbon makes a difference, is with the European Union.

So the proposal we have been making -- and, again, and our reports you can get online; I think the copies were taken already -- is to think about this transatlantic space of freedom, justice, and security. It was initiated by the Bush Administration. I think there's significant Republican support for thinking harder about how we fight terrorism together and these kinds of challenges. If you look at what the U.S. Congress and the Obama Administration are doing, I think they sign on to that, as well, although they'll have to, you know, respond to these ideas. And my conversations in Brussels told me, and at national capitals, there's a new willingness to think about some deeper issues here. We propose what we would call a transatlantic solidarity pledge. That is, if -- and it reflects a bit the Lisbon Treaty, which has a solidarity clause in it, among the EU members -- if there is a natural disaster, catastrophic disaster affecting civilian societies, either manmade or natural, that we would come to each other's assistance. I think

we'd do it, probably, anyway. In fact we have done it recently, on both sides of the Atlantic. But we have no obligation to each other in this realm.

Our only obligation across the Atlantic is through NATO, and it's against armed attack. This dimension of security doesn't fit that definition. And instead of trying to force it into the NATO Article 5 debate which is ongoing right now, I think we need to supplement this sort of sense of security together. I think something like that would then force a whole range of other issues that we would do more practically: dealing with data protection, legal agreement on that, principles on combating terrorism, a whole series of things on critical vulnerabilities abroad. Both of us are vulnerable and have networks that we rely on that are not based or rooted domestically. And that's a critical challenge that we have to think more on.

So I think there's significant room, and in fact necessity, and it's urgent to start to do this kind of realm much more authoritatively than we have in the past. I think Lisbon is one element. It's not a big change, but it is -- is it's opportunity. After Lisbon, there's something called the Stockholm Program which was also just passed, justice and home affairs realm, which charts out a five-year plan for the EU in this area. And if you look at it, you see a lot of elements to which the United States could probably sign on and probably needs to engage on.

Another related area is in development and humanitarian

assistance. Together we comprise almost 90 percent, 85, 90 percent of the world's development and humanitarian assistance. It's really stunning. And as Angelos mentioned, there are some elements here which do give new authority to work on this on the EU side. We need to work better together. Can't we develop greater synergies among our priorities in these two realms? They're related, but different. We bring quick response humanitarian relief or disaster -- I mean, development assistance. Certainly there is an area. The U.S. and EU at the summit in October or early November revived a high-level dialogue on development assistance. They took some low hanging fruit that had been left over and not worked on for a number of years. But that could only be the beginning.

And again, in our report we outlined very pragmatically, I think very specifically a whole range of areas where we could do better in this area, including reaching out to get other donors to start to, you know, take the responsibility. This would include outreach to Islamic donors, which is important. It's outreach to rising powers. China is a donor at the moment, but it's not donating in the same way as we would want it to. And so there's a big agenda there. Lisbon gives us some extra tools in that area, the EU. And so that's why I think some of these areas maybe are much more significant.

The other one important for Europe, I think implications for the

United States -- Angelos mentioned it; I just, again, reiterate it -- this Charter of Fundamental Rights. I think this might be misunderstood or misappreciated. During the debate leading up to the constitutional treaty which failed, there was a development to put together basic principles of rights for European citizens in this charter. And what Lisbon has done is, there's only a brief cross reference to it, but it says it has legal status. And so through the Lisbon Treaty, the Charter of Fundamental Rights is now a legal document of European law that applies across the entire EU space and will be interpreted by the European Court of Justice. So it has enhanced considerably the role of the European Court of Justice. And if you look at the body of rights listed there, it's breaking considerably new ground, for better or worse, as many people probably want to debate it. It includes most of the rights in the U.S. Constitution, but it includes a whole catalog now of what one would call positive social rights. And just to give you an example: right to education, right to health protection, right to environment, social assistance. The right against unjustified dismissal as a worker. The right to petition, which is a new right, which Angelos mentioned, but it's a right now of citizens.

You know, as you know, our Supreme Court interprets our Bill of Rights every day. And the Court of Justice now will have to start doing these things because these rights are not just like our Constitution. It's fairly

vague in what all that means. And there will be a whole -- and that's why I say it'll take a number of years, but this will be a significant development affecting a number of things. And I think it poses some reflection for Americans, not only Americans living in Europe, but also how we have to do with that.

The last piece I just mentioned is the role of the European Parliament, which is also enhanced considerably here and in ways that I think are misappreciated, probably on both sides of the Atlantic. The fact is that now the authority given to the European Parliament in all sorts of areas, what they call co-decision: justice and human rights, I mean, justice and home affairs, trade, budget, agriculture, transportation, all sorts of areas, they have co-decision. That means the same lawmaking capacity as the Council and will work with them on it. They are going to oversee a lot of these issues. And so it gives them a whole new capacity.

It is, in fact, the only parliament now in Europe, I would argue, that I know of, that has powers approximating that of the United States Congress, in these areas. Not in all areas, but in these areas. And if you look at our relationship, frankly the legislative relationship across the Atlantic is the weakest reed that we have. There is a transatlantic legislator's dialogue. It's fairly weak. It doesn't have much oomph, if you will say it. I think members of Congress don't quite see all these changes coming.

Although the testimony yesterday, they seemed to be quite interested in what it meant for the Congress.

So again, we have a series of proposals that we've put forward, including opening an office of the U.S. Congress in Brussels. Not, again, because of Lisbon per se, but because decisions made reach so deeply into our respective domestic societies that we need to know about this legislation and either head it off or align it in some way so we don't run into all these conflicts that we tend to run into again. So my conclusion is Lisbon's significant, but maybe not for the reasons that most people are paying attention to. Certainly not, I don't think, frankly, for some time in foreign and defense policy. Although, again, we have some proposals in that area. I think it's in these other areas. And one understands that if one understands the more complete nature of our relationship that extends, really, into all sorts of things that is far beyond foreign policy. Thank you.

MR. VAÏSSE: Thanks, Dan.

For those of you who have attended the last two iterations of our series on the future of the EU, the ones on institutions, the one October 5th and the one in June, I don't need to introduce Federiga Bindi. She's my colleague here at Brookings. She's an expert on European political integration, and in particular European foreign policy on which she has many publications and books, and a book coming up soon --

MS. BINDI: Tomorrow.

MR. VAÏSSE: I'm sorry?

MS. BINDI: Tomorrow.

MR. VAÏSSE: Tomorrow.

SPEAKER: Well, that's soon.

MR. VAÏSSE: Soon, very soon. And I'd like to ask her to share her expertise on especially -- so, Dan just said that maybe foreign relations and defense were not the main change in foreign policy. But still, it seems to me that it's a crucial thing, especially for Americans. So I'd like to ask Fed what -- basically to enlighten us on the role of Catherine Ashton. And more precisely on what everybody mentioned as a step that will take time but is nonetheless significant, which is the creation of an EU diplomatic core which is called the External Action Service.

MS. BINDI: Thank you, Justin. It has been a pleasure to do this series with you, and Sebastian, I would say. Otherwise, wouldn't --

I think I will focus on three points here. One, talk a little bit about Lady Ashton and the president. Second, talk a little bit about what is going to happen in the next months in the field of all the external relations and explain it to you. And third, talk a little bit about the long-term consequences which I expect.

Now, the first thing is that I must say when the press conference took place presenting the new two people, I was in Rome and I just as I get home, and I switch on the TV and I have these three people. And I have Barroso smiling like, "I'm the winner of all this," like he was smiling out to here. And Van Rompuy was giving his very long speech saying, "I have been very surprised of being named," and giving a 25 minute speech.

And Cathy Ashton, which was clearly very surprised at being named, because she had no speech whatsoever prepared to talk about. And I was there looking at that, and what the moment of Van Rompuy looking down at the papers, without much hair here said I'm going to meet with the heads of states of the world, I thought about him together with Obama, and it's like, "God, this is really painful."

So at the beginning, my reaction was like, ugh, this is really bad for us. But then, you know, I slept on it and I thought about that, and I thought about Delors. Remember how Delors was appointed in 1984. When in 1984 the European Council, they had to decide on the new President of the Commission, Margaret Thatcher fired a couple of French, among which (inaudible), because they were too strong. We don't want strong men in Brussels, we want a weak, wishy-washy personality. And Jacques Delors, when you look at him, is not something somebody who is

really physically particularly significant. You know, he can walk by you and you don't even notice. And he turned out to be the most astonishing President of the European Commission. And he made a big impact. He had a big, huge impact.

And if we are where we are today -- and I think we are very much ahead, it's very much thanks to him. Without him, we wouldn't have a single -- the Common Market, wouldn't have the common currency. And mostly like this treaty, as well.

So giving it a second thought, I thought that after all, this can be very successful. And if you think about that, Van Rompuy managed to put together Belgians, and managed to have the Belgians agree.

Now Belgian politics are, God forbid, even worse than Italian politics. And if he can have the Belgians agree, he can easily have the Europeans agree. And this is basically the role of a chair -- to have Europeans, the heads of states and governments get together and agree.

And Lady Ashton, I don't know her personally, but all the people I know that they know her personally, and I trust, they all tell me that she's an extremely accomplished lady, she's extraordinary. And she's a Brit, and she's a woman, which means that she's pragmatic and she's going to be into the job.

So I do have expectations on her -- much higher expectations than the night I was, sorry, looking like this at the TV.

Now, that being said, when last year Obama was elected, those Europeans which were here, those which have some relationship with the embassies, we recall that there were calls from the capitals, "We want to meet Obama," "We want to meet with Clinton," we want to meet with this and that. And the embassies were keep telling their own capitals, it's like, "You have to wait." The fact that you have a new President, and the new President has been sworn in, it doesn't mean you have a new administration in place.

In fact, if you look at U.S. Administration today, many of the posts still have to be filled in. Treasury, for one. So in the U.S., it takes at least one year to fill in the posts.

Now, imagine what that will be in Europe, with External Service. Not only we have a new administration, we have a brand new administration.

So the work will be tough, it will be difficult. And you can't expect to have from day to night changes, because that will be unfair. That would also mean not understanding how institutions are put into place.

So you have to expect a process of seven months first -- and several years afterwards -- basically in order for the External Service to be completely full into place we have to wait, it will take until 2014.

So you have to put that in perspective -- okay? Otherwise we do like it has somehow happened with President Obama, everyone thought he could come and have Cinderella stick and change everything. Change takes time.

If you have, as we were discussing today in our foreign policy brown bag seminar, too much expectation leads to too much disillusionment. So you have to keep this in mind.

That being said, what will happen -- now, as Angelos correctly said, the Treaty enter into -- and we discussed a little bit this also in the conference in October -- the Treaty did not enter into detail about how the External Service would take place, how the division of powers will be spread among the different institutions -- the Council, the Commission, the new High Representative.

So negotiations have been going on in the last couple of months very tightly in Brussels. And there have been very tough negotiations which are still going on. Because as he correctly said, the

member states are, some of them, especially the bigger ones, not so thrilled about having the External Service in the High Representative.

The fact that little by little the EU delegations will be the ones coordinate the EU member states' delegations, it will mean take away a nice game, a nice toy, from the ambassadors of the European Union. And eventually we come to Washington, as well. As Angelos said, it will be their guidelines which regards all the delegations. So everybody's called delegation. And then so there will be general guidelines for all the delegations and, as Angelos said, there will be some (inaudible) interactions for different delegations in the world.

But eventually, even in D.C., the EU delegation will be coordinating the EU ambassadors. So they're not very happy about that. And there are other reasons why they're not very happy. So they're trying to resist. They're trying to say, "Oh, this policy is going to stay in our hands."

I'll give you one example -- commercial policy. Commercial policy, with the Lisbon Treaty is clearly falling under the field of External Competencies of the Union. But there have been -- one of the (inaudible) the negotiations is that it will be under the External Service, but not under

the direct competence of the External Service action -- which, in my mind, is a contradiction in terms.

So there are very strong resistances.

Now, the European External Service will be composed, in principle, of one-third, one-third, one-third. What does it mean? One-third of people sent by the member states, people by the Commission and the Council. I'm saying "people," and not diplomats. Because some member states, like Italy, will only send diplomats, because they're supposedly better than other public administration. The reality, why they're sending diplomats, that they're scared to death that other administrations can take on diplomatic roles like it happens in other countries. Like in France. If you look at the French Embassy, Washington was the last one to adapt, but the economic advisor is actually coming out of the Ministry of Finance, not of the Ministry of Foreign Affairs.

So the Italians are like, "Oh, no, no, no, no, we can't send anybody else." But the reality is that they're scared. And they're not the only ones.

Other countries already told that they would send a mix of diplomats and non-diplomats. And EU also has one problem here to balance. On the one side -- as a member state -- on the one side, you

want to send your best people, because you want to take pros. The Commission already said that some of the delegations will have heads which are coming from the member states starting next spring already. So they want to make sure they send the best people, because then they can take up important roles and have important role.

But on the other side, if you send 25 of your top diplomats -- well, some countries might have problems, okay? Because they might lose them. And there is also something else -- the socialization effect. If you are a young diplomat, especially, and you have to spend eight years, first four years in Brussels and then four years in External Representation, working as EU diplomat -- hmm? -- your perspective on the world is going to change.

So this is -- I start to enter in the long-term projection -- these people, in a way, risk to be lost forever to the member states. And I know from the state I know best, like Italy, that some of the most brilliant people, they want to go to Brussels. It's like one of the most successful programs we have in the European Union which is the Erasmus Program, when I -- I was the first one in my home university to go, and people are looking at me very weird, like, "Eww, you're going to go to France. Eww." It's

strange. Why do you want to go to France? And who is going to cook your meal, and things like this.

And then today, it's widespread. I teach in a university, an Italian university which is very good, but out in the periphery, and where we've had lots of people from a very lower social background, so they don't have much money. Their family might live on -- what? -- \$2,000 a month. And still, most of them are going, are trying to go on the Erasmus. Erasmus has been a huge revolution.

And the External Service is going to do exactly this at the core of the national public administration. So in the medium to long-term, it's going to be a true revolution -- silent, but true revolution.

And also, there will be the tensions which we have, which we see -- as I said, we have tensions within the foreign ministry. I see my foreign minister (inaudible) saying we have to send the best people, and they'll say, no, let's send not the best people -- and saying we only shall send diplomats, others saying, no, we don't really want to send only diplomats.

There are tensions between the Commission and the Council -- for instance, Barroso, next year he wants Corporation for development to be the instrument of Corporation for Development to be

retained in the hands of the Commission. Nobody's -- not all are happy about that. Or you have all sorts of clashes.

Now, one-and-a-half years ago we invited here --

actually, it was in this room, Samuel Hicks. Samuel Hicks had written a remarkable book which is titled *What is Wrong with Europe and How to Fix It*. And his main thesis is that for Europe to make a big shift there needs to be questions, real questions, substantial policy questions which we fight. And these are coming.

And so, yes, we don't have a true defense policy. But again, the book, which is coming out tomorrow, we're looking for a (inaudible) representation of this in February, our results of the book was that if -- very much whether European Union has a foreign policy or not, it very much depends on the definition of foreign policy. The idea of foreign policy that the Europeans have, not only as a Union but also as member states, is much less militarized than the U.S. one. So if you look at foreign policy only as defense -- if you confuse, or put at the same level your foreign policy and defense policy, yeah, Europe might not be the greatest actor.

But because we had World War I, because we had World War II, because we had Balkans war, it's in our genes and that's the reason why we don't want to have it any more. So we have a different perception.

But if you look from other points of view, there is a foreign policy. And in the medium term, all the differences which currently exist

will, little by little, come to an end. This has been exactly the same in the other fields, and in the medium term I bet it will be on foreign policy, as well.

MR. VAÏSSE: Thanks very much, Fed.

What I'm going to do, I'm going to give no more than two minutes for each of you to pick on one point and, of course the most -- I guess the most salient ones, you know, Kori's skepticism, for example, or Dan's point about foreign policy probably not being the main change in the Lisbon Treaty, and other salient points -- and comment on them or respond, maybe to some arguments that have been presented.

Angelos, would you like to start?

MR. PANGRATIS: Thank you, yes, of course. With pleasure.

MR. VAÏSSE: Two minutes each.

MR. PANGRATIS: First, let me say, these were all extraordinarily good contributions. If I don't comment on some aspect, it doesn't mean that I agree -- okay?

(Laughter.)

I just choose a few aspects to comment upon -- yes?

I think there is an important starting point here, not to forget, which is that I agree with Dan, we have to see the EU integration -- I said it myself -- as a step-by-step process -- okay? And the thing not to forget is that in each step of this integration, what the EU has done has been underestimated seriously, particularly in this capital.

So just something to keep in mind when we look at what is happening now -- right?

Second, not to forget that the EU is not a state. So don't project too much a comparable thing to what we are used to. You know, we all grow up and we are educated on this concept of states and international organizations, and we function that way and we project what we know to the EU, the same thing. And when you start comparing, you know, Obama with Van Rompuy, you compare two very different presidents. Obama is elected by direct vote in a unified state, with a mandate to government. Rompuy is elected in a very different way with a very different mission. He needs to coordinate efficiently, put (inaudible) in the system.

So it's important to Rompuy -- you know, the right perspective, when we compare things, because we tend too much to project simply and say, "Oh, but that's not as good as ours."

The same thing when we talk about the role of the member states, or the foreign policy of the EU. The Union is a union of sovereign states and it intends to stay that way -- right? So the fact that we need the support and the basic common orientation from the member states in order to be effective, that's the starting point. It's not something to add our reflection upon, it's the starting point.

In that context, when you think about it, underlining the difficulties -- of course there are difficulties, there are challenges -- but we are now a few days from a formidable declaration of these member states, because we have the adoption of the Treaty which was adopted by all governments and all the people, democratically, and this is a declaration not only of intention but of an additional commitment to move in the directions that we have committed ourselves to move. So please do not underestimate that.

So when we talk about the administrative difficulties to set up the new service, all the arrangements that we have to do between institutions, et cetera -- of course this is a challenge. You know, you put two people -- every administration with more than one person has some frictions in it, right? It's unavoidable. But we have to distinguish what is really important from what is manageable frictions and difficulties.

So I would certainly not subscribe to the idea that, you know, the member states are difficult to (inaudible), and the challenges are so big. We have a formidable moment within the EU where we see the whole EU system functioning with admirable efficiency every day, and we move forward. And the member states in Brussels, like here, they are fundamentally cooperative and a great help, and they are as committed to make this a success as we are.

As I say to them, you know, the commitment to make this common effort a success is equally theirs as it is mine. And I think it's true all the way.

So it's important to recognize the dynamics in the process.

Finally -- and I will finish with that -- I will take Dan's point, because I think there is another big truth somewhere in there that we still need to develop further, when he says that foreign policy transcended to what we knew up to now. I think it's a big, huge truth.

We need to think of what is happening at the level of the EU, together with the challenges of what foreign policy is going to be in the 21<sup>st</sup> Century. And making a very long story very short, one could argue -- and we tend to argue -- that, really, the foreign policy in our days is changing, is moving towards the challenge of managing bilaterally and globally an

extraordinary new level of interdependence -- interdependence not only the area of the classical foreign policy as we know it, but in many other aspects where we are interdependent. And the transatlantic relationship is a good example of this complex relationship.

So in managing this interdependence, I would argue that these Europeans have accumulated, because of their recent history, and because of the existence of the EU, a formidable comparative advantage of how we managed interdependence among sovereign states. And it's the projection of this reality that will define the success of what is happening today.

And when I mentioned my three points that I consider the most important of the Lisbon Treaty, I think I specified that I see this as a kind of longer-term evolution, rather than the next month.

Let me just add one sentence, to say how much I support the whole message and effort of Dan on the EU-U.S. I don't want to argue about the very good list of issues that he mentioned, because I think very much that this is an extremely valuable contribution that has to become the basis of a real debate over the Atlantic. We will have a lot to say on the specific issues that he mentioned, but I think he does a great service to this relationship by putting forward such good ideas in the way he does.

MR. VAÏSSE: Thanks. I really want to give the floor to the room, so, Kori, the floor is yours, and then Dan and Fed, but please keep your comments very short.

MS. SCHAKE: I'll give my time for questions.

MR. HAMILTON: Yes.

MS. BINDI: I'm fine with that.

MR. VAÏSSE: Okay. Okay.

So, since they have relinquished their time for you, I'll ask Adrianna if she can start giving the floor.

We're going to take a series of three questions. And I have three people here in the front. Could you start with the gentleman?

So, please identify yourself, and, you know, as the saying goes here at the U.S., make sure there's a question mark at the end of your sentence.

MR. GOYAL: Thank you. Raghubir Goyal, for *India Globe*, and *Asia Today*.

My good question, two part, one as far as the humanitarian aid for disasters and all over China, I may not agree everything China

does, but as far as aid is concerned, what Chinese are saying that most of the aids giving billions of dollars to some countries do not reach to the people, like for disasters or natural disasters, humanitarian like in Pakistan. After eight years of earthquakes, still people are living, they don't have any shelters or food or education. And the same thing in the name of fighting terrorism, and still we know what's going on there.

Now, as far as many people, also there were some discussions why you have two, EU and NATO? What's difference? They were thinking might just join them?

MR. VAÏSSE: Merge them? Okay. Interesting.

Here, Dimitri.

MR. NOVIK: My name, Dimitri Novik.

I have two questions, one to Kori Schake about history. And Mr. Pangratis about future.

About history, I'd like to ask you, because you're deeply involved, what's happened with the initiation of rejection from NATO to use Chapter 5 in the initiation Afghanistan campaign? And for --

MS. SCHAKE: I'm sorry. I didn't follow your question. Could you --

MR. HAMILTON: Why Afghanistan, Article 5 --

MR. VAÏSSE: Dimitri, I'm sorry, we're focusing on the Lisbon Treaty. And I'm sure you can ask the question to Kori after the session.

Could you move to the second question, to Angelos?

MR. NOVIK: Second question, about future.

It seems to me it's a fundamental question -- and I think it's very empowered by Lisbon -- what's happened with European Union? It will increase, to increase the number of sovereign states, or you'd like to restrict the number?

It's absolutely fundamental question.

MR. VAÏSSE: Thanks. Angelos will address that.

And then last question of this round, here.

MR. WOOTEN (ph.): Yes, hi, Ivan Wooten, I'm from Italy, SAIS grad, now working for a public relations firm here in D.C. So, yes, I used to work also for the European Union High Representative in Bosnia, so I'm very much appreciative the changes it brings in merging European Commission delegation and EU Council functions.

But I also know how much is supported the role of the local delegation. So this is maybe now too soon to ask, but just your personal opinion, Mr. Pangratis, what is your ambition to promote the role, the more coherent role of the EU locally in D.C.? Because as Professor Hamilton said, it's easier in Sarajevo, Yerevan or Kiev, but it's more difficult in D.C.

So do we have any plans? I understand it's too soon, but your personal opinion.

Thanks.

MR. VAÏSSE: We're going to leave one minute for Angelos to think about this question, and maybe I'll ask Dan to start.

Dan, why don't we merge EU and NATO?

(Laughter.)

MR. HAMILTON: I have a book on that, but -- no, I mean, obviously, it's a much more difficult question.

I mean, I think the two are interlinked in ways that many don't want to acknowledge -- particularly each institution. And I'd just make a very brief point about it.

After World War II, NATO became the umbrella under which European integration could successfully proceed. For me, that is the link

between these processes. And many people, especially professionally working for one or the other don't want to sort of go that way.

But I think that shows not only the need for security reassurance among the nations of Europe, but the role, the continuing role, of the United States as an actor in European integration.

And that's not going to answer your question, but I think maybe it's the more profound thing to think about as we think about all these debates, that NATO has still a continuing role, not only to be a forum for common security debates, but actually to provide reassurance to Europeans about themselves. Lack of that was the tragedy of the 20<sup>th</sup> Century.

And the reassurance provided, frankly, by the United States of America. I think over decades, of course, that reassurance among Europeans is greater than it was, certainly after that war. But the idea that Europeans don't look over their shoulder at each other any more -- well, there's security policy, but how to build a common security, is really quite essential, not only for NATO but for the European Union.

And the EU, as yet, does not really provide that. And so those are reasons why there's this distinction. I think also NATO is a military alliance. It includes us. The EU does not include us. And I don't think we're applying any time soon.

So it's simply there is a different nature. It also includes Canada, obviously.

So there are some reasons for this which we go to in great detail, but I think that's a core, why the two are actually related in many ways.

But I could say, on humanitarian assistance, I don't really buy that premise. I think if you look at humanitarian assistance both provided by Europeans and Americans around the world, it is actually quite effective. But it is short term. That's the nature of it. It is disaster response in a short period. And we should be able to coordinate that better.

But development assistance policies, that's something for the longer term.

So we can save and help the people from an earthquake, but humanitarian assistance isn't going to, you know, 10 years later make sure that they have livelihood. That's a different process.

I think you're right to point to Pakistan. I think we have a common challenge in how we deal with Pakistan. I think the EU is challenged right now on what it should do with Pakistan. What is the EU-Pakistan policy, for instance? That's another debate.

But I think on humanitarian assistance, I would disagree on that.

MR. VAÏSSE: Thanks.

Angelos, two questions.

MR. PANGRATIS: Very briefly, then, on enlargement.

Yes, of course, the process will continue. We have at least two countries, Croatia and Iceland, that are advancing quickly. We have at least two other candidates, and the southeast Europe, the Balkan areas, is the new frontier of enlargement. And nobody is putting that in doubt. It's a question of when rather than, you know, if.

On increasing role in the U.S., that's basically very simple. You know, I think we are many on the European side to share this feeling that with the Obama Administration we have our best chance ever to build the best possible transatlantic relationship.

And we have had a good start, I would say. There are certainly a lot to improve even better in the foreseeable future. Improving EU-U.S. relations, by definition will increase the coherence of the EU in Washington. And then, of course, you have the other chapter, which is

the local coordination among embassies and our delegation, which is something that works very well, and will continue to work very well.

Don't forget that the real mission given to us by the Lisbon treaty is to build and increase coherence among the foreign policies of the member states. And we are building a common foreign and security policy. It's a common policy.

MR. VAÏSSE: Thanks.

We're going to take a second run of three questions, in the middle of the room here. There are two gentleman, and then a third one, Adriana, if you could --

MR. TRINKL: Thank you. Garth Trinkl, Department of Commerce. Two quick questions.

First, will the members of the European Union be able to decide who attends the next three meetings of the G20 in Canada, Korea and France, over the next 18 months?

And secondly, you talked about the Balkans as being a case of not if but when. Do you have any -- can you continue that thought, on both Turkey and the three near countries of the Eastern Partnership -- Moldova, Ukraine and Belarus?

MR. VAÏSSE: Thanks.

MR. MARBLE: Michael Marble with the Ecologic Institute.

My question is, this comes, the entrance of the Lisbon Treaty, that comes at a time when there's also a change in the Commission, with the new Director Generals, and what have you.

What type of changes, going beyond with personalities and with increased competencies, looking forward, are likely to play a role and to come into -- you know, be noteworthy in the next couple of years? With change in personalities, change in competencies and what have you, with the change in Lisbon and the Commission?

MR. VAÏSSE: Thanks.

And the third question, here.

MR. ROTHKE (ph.): Edmund Rothke, University of Munich, and (inaudible) Center of (inaudible) Organizations.

You've all underlined that it's a process, European integration, and it will continue next year.

So, Mr. Pangratis, if you could design a U.S. policy towards Europe, what do you wish the U.S. would do to support this process? And is there any role for the U.S., and what could this role look like?

MR. VAÏSSE: Thanks. So we're going to take these three questions. Who would like to -- there's obviously one for you, at least.

MS. BINDI: I can take the Commission and the G20.

MR. VAÏSSE: The Commission and the changing.

MS. BINDI: The G20, it's very clear. I mean, you will have the member states -- the representative of the member states, like you had before. And for the European Union, you will have lady Ashton and you will have the President of the Commission. So we should -- before, it was three people, and now you have two. So it is a reduction.

For the Commission, the biggest expectation, I think, the biggest change will probably be with Barroso. Because in the first term, he was preoccupied by being renamed again. Now he cannot be renamed a third time, so it is his chance to do something very remarkable, to be remanded and possibly posted somewhere else -- you know, United Nations, you never know. Or he will be retired.

So I expect Barroso to be much more high profile than he has been in the past. And signs are that he's willing to do that.

As for the others, some are staying for their Commission, some are coming back, like Michel Barnier. Some are newcomers.

But if Barroso is more proactive, the (inaudible) Commission will be more proactive. And I think he will also feel a little bit a competition with Lady Ashton, so that also will raise his level of activity.

MR. VAÏSSE: Interesting.

Angelos? And then I'll give a change --

MR. PANGRATIS: Yes, briefly -- what is left?

Yes, G20, I would not subscribe necessarily, would not have a kind of official announcement, and I don't have an announcement to make on the participation. Those who are there will continue to be there, and we'll see.

Please understand that there are many aspects, in terms of consequences, for our external action of the Lisbon Treaty that will be only made clear when we get there. Ahh? You say, again, there again, it's a step-by-step.

But you can trust that when we come close to that, you will know officially if there is any change.

In terms of enlargement, I cannot tell you more than what you know. You know, with Turkey there is a process under way. There

are different points of view, but officially, EU is committed to an accession negotiation, and we continue with that process.

With the other three countries that you mentioned, there is no, you know, decision from the perspective of membership yet. We have the Eastern Partnership, and that's the basis of our relations with them.

On the U.S. policy towards Europe, I don't think it would be appropriate to me to ask for changes of the U.S. policy towards the EU. I think the best contribution that you will get from this panel on this issue is what Dan has said before.

MS. SCHAKE: Can I have one point about --

MR. VAÏSSE: Please.

MS. SCHAKE: -- the question about the G20, which is that I think Europeans frequently speak as though the internal obsession of Europe is of general interest to the world.

(Laughter.)

And not so much -- just as the internecine fights and insider baseball in Congress, State and Defense in the U.S., isn't that interesting to people who aren't Americans.

MR. HAMILTON: Or even most Americans.

MS. SCHAKE: Or even most Americans.

MS. BINDI: The same thing for Europeans.

MS. SCHAKE: And yet, Europeans spend an inordinate amount of their time talking about it. And I would just caution that I don't think Europe -- I think there is a variance between how Europe looks to itself right now, and how it looks to the rest of the world -- namely that -- what? -- eight of the G20 are European states? That's not, it is not clear to me that in Delhi and Beijing and Sao Paolo, that that looks like what the world's distribution in institutions should look like.

And if I were European, I would be giving some serious thought to the issue of transition of your representation in international bodies, because I think there is an issue of fairness that others begin to chafe that. And it would be in Europe's interest to return that.

MR. VAÏSSE: Interesting.

We're going to take a last round of questions, of three questions.

Julius, here. The lady next -- well, ladies first.

MS. ABAJUNEVA (ph.): Hi. My name is Danielle Abajuneva. I'm a Fulbright scholar. I come from Bulgaria.

Member state. I'm a European citizen -- okay?

My question refers to the European Citizen Initiative. Mr. Pangratis mentioned it, and it is one of the innovations that were introduced first in the European Constitution, and then in the Lisbon Treaty.

I am very doubtful that this device for direct, sort of indirect-direct decision-making for European citizens will remedy the deficit of democracy in the European Union. But still it is in the making. And now there is consultation process undertaken by the European Commission about how to design it -- what thresholds, how many signatures, how the petitions will be circulated, and so on.

So do you think it can be a working mechanism? Or will it be stillborn? And what the parameters that are important for the working mechanism should be?

Thank you.

MR. VAÏSSE: Thanks.

(Inaudible)?

SPEAKER: At the last meeting here on the EU, somebody said that the position of the President was actually less important than that

of the High representative. And in the discussion about who was going to be President and who would be High Representative, a variety of names were talked about, in the press at least, about who -- would it be Tony Blair, would be Felipe Gonzalez. Van Rompuy was mentioned mostly in the Belgian press.

But I didn't see any speculation about High Representative. And my question is, was -- if anybody knows -- was there an attempt to diminish the importance of the High Representative by choosing somebody who was little-known and had very little apparent foreign policy experience? Were there other candidates who might have had more? And, indeed, which nations seem to have figured in this?

MR. VAÏSSE: Thanks.

And one last question. The gentleman next to you, Adriana. And I'm sorry for the others.

MR. RAHMAN (ph.): Hi, I'm Don Rahman. I work for Ambassador Herbst, the Coordinator for Reconstruction and Stabilization at the State Department.

I guess I came today to understand what impact, for my own particular interest, Lisbon would have on the common foreign security

policy. And my understanding from the panelists is that it won't be that much, and it won't be right away.

I'm just wondering if there's any additional take-away beyond that that any of the panelists might want to mention at this point?

I'm not trying to be cynical, but just trying to sum up what I think I heard.

MR. VAÏSSE: No, no -- thanks. That's a great question.

So I suggest we finish, and you can both answer and make concluding remarks.

Going in the reverse direction, Fed, you start.

MS. BINDI: Okay. I'll address mainly the EU President -- I was the one making the remark actually.

Yes, for the reason that Angelos explained before, the EU President, is EU chair, is not elected "president" like the U.S. one. In fact, all the confusion came from the fact that it should have been EU "Chair." And, you know, we always have issues with languages.

Was Lady Ashton chosen as a less -- because she was less important? Of course. In some member states there was certainly this

back-thinking of "Let's put someone less strong," so we'll diminish the role of European foreign policy.

But she was really excellent example of how this intra-European discussions take place. Basically Brown put forward, came to European Council and said, "I need to have a British." "I need to have a British, because I need to bring something back. I'm struggling to not lose too badly the elections, I need to have a British." So they needed to give him something.

And all this fuss about Blair, Blair was never a real candidate. But he was always in there. So there was this preconception.

And then the Nordics came in and said, "We want a woman." The Scandinavians were very strong, and some of the Nordics were very vocal about the fact of having at least one woman there.

And as said as this may happened, there is not plenty of women around in Europe of prominent women, because it's a very -- because the political scenarios. So there were not many of them. One would have been the former President of Latvia, but you know, people would have possibly contested her. So it was really the reason why she -- it was a mix of reasons why she was elected.

But, again, don't underestimate her. Because I think she can do a great job. What I heard about her is really very good. She has been a Minister of Justice, after all, which is not nothing.

Impact of EU foreign policy -- it would be locked into your hands, really. Phil Gordon came to visit, came to Italy when I was there, same dates. And he had a meeting with Frattini, our Foreign Minister. And his question -- they talked about Lisbon, and the question was like, next semester, when we have the Spanish Presidency, we have the EU-U.S. summit, who should we call? Should we call Moratino, should we call Lady Ashton?

And it would really be also in your hands. As we said, there will be a transition. But if you, as a U.S. Administration, insist on the fact that it is your interest in having a united, a more united EU foreign policy and that, as Kori said, you're not interested in the intra-European rivalries, that will also enhance the European foreign policy.

And I think it's your interest. I think it's not in your interest to have quarreling Europeans. I think it's your interest to have a European Union which stands by you on the things which matter.

MR. VAÏSSE: Thanks.

Dan?

MR. HAMILTON: I'd just like to ask, because I purposely did not get into that, but you're right. And I just, you know, sort of dismissed this security stuff on purpose, because others were talking about it.

But it's very specific, I think, in terms of what Lisbon does for the areas. First of all, not only there's a name change -- of course, the ESTP now is called the "Common Security Defense Policy," so it's simply different terminology.

The European Defense Agency is now within the legal framework of the Lisbon Treaty. That's something also different.

There are some elements of the former ESTP that, in fact, do not go under the now purview of the High Representative, and some member states have reserved some rights in some areas.

But it does extend to the EU, from the so-called Petersburg Task, which the EU used to do, which was mainly low-intensity crisis management, to the -- and I have this as a quote from the Treaty, so -- to extend it to "joint disarmament operations, military advice and assistance tasks, peacemaking and post-conflict stabilization." So it mentions it directly. "Conflict prevention and post-conflict stabilization missions."

So the implication of that is that becomes much more a purview of the EU, per se, versus sort of a collective thing.

The other thing that Lisbon does is provide also an innovation -- any member states that are willing and able, have a capacity and political will, can intensify their cooperation in this area even further, without excluding others. So it provides for a deeper integration among a selected subset of member states, if they choose to do that. And I think there is some willingness actually -- it's there because some member states want to do this. And others could then join it. And others could be thrown out if they don't show capacity.

So there's sort of a test here of how -- back on Kori's point -- of how serious this could be.

The point we try to make in our report, which I could give you, because we have a whole section on it -- and John Herbst was just with us last week on this topic -- is I believe in the civilian-to-civilian connections across there is a need and also an opportunity from more direct U.S.-EU contacts.

The theology of this, of course, is fraught with difficulties in terms of NATO-EU issues. But if you can tease out the civilian-to-civilian, I think that's where NATO, again, doesn't have the full toolbox, where we really have a need in many areas around the world, and where the EU does have a capacity in many areas of civilian deployments and so on. They have, you know, a Rolodex of 20,000 people. They are in eight

missions right now, I think, in the civilian area. We even have Americans now posted to the EU missions. So this is an innovation.

I think it's the area we could probably work most productively on. I believe your office is quite interested in that. I think there are some practical ways one could do that, in terms of exchanging watch-lists of failed states, in terms of exchange of planners to each others' offices. I think you're talking about those things.

And to look practically at civilian operational doctrine. There is no real doctrine for civilian ops. There's a lot of military doctrines and procedures, but we simply throw our civilians into these situations. And I think that is one productive area one could work on.

MR. VAÏSSE: Kori.

MS. SCHAKE: Three areas where I think European consensus, or European cooperation is going to come under enormous stress in 2010 that we didn't speak about -- the first is sovereign debt, the problem of whether the EU is going to back up countries that belong to the monetary union as their debt comes under attack in financial markets -- Greece being the most obvious example, but not the only one. That's going to put an enormous pressure on the sense of commonality.

Second, the question of financial regulations, where the German Chancellor's quite outspoken, and I think you will have a difficult time bringing consensus. And that could be quite fractious, given that something like 60 percent of Britain's GDP comes from operations, financial operations in the city of London.

And the third is on negotiations over Iran, because that is the place where the EU has taken a major foreign policy role, and it's going to get complicated not just because of the bad behavior of the Iranians, but also there was one country that did not vote with the West in the IAEA last month about sanctioning Iran, and that was Turkey. And I think the interplay of Europe's broader relationships in the world, and the question of Turkish accession or not accession is going to frustrate quite a lot of other things that Europeans want to do.

MR. VAÏSSE: Thanks, Kori.

Angelos -- last word.

MR. PANGRATIS: Yes -- certainly three important challenges, Kori.

But let me try to answer, briefly, the three questions. I think we owe that to the audience.

The first, on European Citizens Initiative -- yes, of course, it's clear that it's not going to be the big revolution again that we will, or (inaudible) inject, you know, the full level of democratic input that we need at the level of institutions.

I mentioned at least a couple of other aspects that were important from that point of view, a more democratic EU. But it's certainly to be underestimated. I'm among those who really hope that it will be something very significant down the road. And there are many in Brussels who want to make this something that can function and can be a channel of connecting the EU with its citizens. And this is a work in progress. We will see what form it will take.

The very interesting question, comparing the President with - the importance of the President with the High Representative. The President will represent the EU at his level, that means at the level of a head of government or state. So from that point of view, you can say that from the protocol point of view, he is more important.

On the other hand, he will have a small staff, whereas Catherine Ashton will have a very significant service under her -- thousands of people, probably the most important diplomatic service around.

We are already, the Commission Delegations, you know, the network of the Commission Delegations, we are almost third in terms of numbers, after the British and the French, around the world, more or less at the same level with the Germans. So that's the figures that I saw some time ago. And this will be reinforced.

So it's a formidable machine. And this answers, to a very great extent, very great extent, the very valid point that Kori also made between Solana and Ashton. Why Solana, why Ashton? It's a very different job requirement.

When Solana was nominated, we needed somebody who can succeed in, you know, in impossible diplomatic missions almost on his own. The guy operated, he had admirable results, but he operated almost alone, particularly in the beginning. Then a small cell was built around him.

This is a very different mission than what Ashton is getting. Ashton will have this formidable machine on both sides of the institutions, the Commission and the Council. And she will chair the Ministers of Foreign Affairs.

So we are talking about a very different mission. That's why a very different person was needed.

Finally, on CFSP, you certainly did not hear “not much, and not right away” from me. What I said is that we have to see the next month as a formidable window of opportunity for the transatlantic relation.

And this says something in itself. I do believe that the Lisbon Treaty is helping a lot. It’s not only the Lisbon Treaty that creates this window of opportunity. But the Lisbon Treaty is a very significant help in that direction.

And I will repeat what I said in my previous comment -- make sure, in all this, when you think about all these issues, don’t underestimate what is happening in Brussels -- okay?

MR. VAÏSSE: I think that’s a great conclusion.

My apologies for the delay. And please join me in thanking the participants today.

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