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THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

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TTI]

MEMORANDUM FOR Laura D'Andrea Tyson
Anthony Lake

FROM: Ambassador Michael Kantor

SUBJECT: Transatlantic Trade Initiative

During my visit to Brussels last week, I outlined a four point program for developing transatlantic trade relations which I discussed with Secretary Christopher prior to my departure. Although I stopped short of endorsing a "free trade agreement", I did set out a vision of fully liberalized trade in the future. I believe this approach balances our interest in being forward leaning, without forcing the FTA issue for now given that Europe would almost certainly not be able to respond positively to the challenge of a full FTA due to agricultural sensitivities.

My four point program is as follows:

- 1) cooperate in the progressive elimination of trade barriers, through ongoing multilateral initiatives where possible;
- 2) engage in a bilateral "building block" process of confidence-building to produce agreements in the medium term in areas such as investment and standards;
- 3) conduct parallel studies on both sides of the Atlantic to identify obstacles to trade and options for eliminating them; and,
- 4) encourage the "transatlantic business dialogue" recently established by Secretary Brown and the EU Commission.

These points will be fleshed out by a TPRG process which Jeff Lang (Deputy USTR responsible for Europe, and our point person for the Transatlantic Initiative) will coordinate. The trade initiative in turn should be fit into the broader review of US-European relations coordinated by State.



THE WHITE HOUSE

WASHINGTON
June 2, 1995INFORMATIONMEMORANDUM FOR LAURA D. TYSON
ANTHONY LAKETHROUGH: ROBERT D. KYLE *RK*
FROM: MICHAEL FROMAN *mf*
SUBJECT: Transatlantic Trade Initiative

At Tab A is a memo from Ambassador Kantor regarding the transatlantic trade initiative he outlined in Brussels last week. In Madrid today, Secretary Christopher reiterated the interest of the U.S. in exploring the possibility of a transatlantic free trade agreement.

As you know, any such initiative faces a number of obstacles, chief among them the challenge of dealing with the thorniest issues of the Uruguay Round (e.g., audio-visual services, semiconductor tariffs, further agricultural reform).

This issue is sure to figure prominently in the upcoming U.S.-EU summit and, consequently, it will be important to have a unified, interagency position on our approach. USTR has requested a Deputies' discussion of this issue, and we are in the process of setting up such a meeting for early next week.

Attachment

Tab A Memorandum from Ambassador Kantor

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PLEASE STAFF

to Mike Froman

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