



# LIAISON LETTER

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## EU, US Lawmakers Push for Cybersecurity Laws

"Cyber" seems the word on everyone's mind. In Washington DC rarely a hearing or conference elapses without its mention, often as a coda in discussions touching issues as wide-ranging as trade, innovation, US-Chinese relations, and national security. A broad spectrum of policy advocates has underscored the national unpreparedness and costs of cyber theft and espionage. Yet, Congress went into recess in late September having failed to pass even a watered-down cyber legislation (S. 2105) that would have provided liability protection for the implementation of minimum security best practices by key US private cyber networks. Leading businesses had ardently opposed a federal response, arguing that though the US should go on the offensive against cyber threats, government regulation of private cyber security would both lag behind threat developments and impede businesses from effective defence, which they do quite well anyway.

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# The European Single Market turns 20

In its 20-year lifetime, the European Single Market helped create 2.8 million jobs, made European firms more competitive and provided consumers with more choice at lower prices.

"The single market has improved the lives of some 500 million people, in the way people live, do business, study and travel," European Parliament president Martin Schulz said on the occasion of Single Market Week, which took place across Europe between 15 and 19 October.

Although the Single Market has produced many benefits, it is far from complete. Mr Schulz said: "The 20th anniversary should give new impetus to the Single Market project, both for growth and for social justice."

If the achievements of the European Single Market are remarkable, equally it faces challenges including unemployment, access to funding for businesses and crisis-fuelled populism. Defeating the arch-enemy of the Single Market—protectionism—requires concrete measures towards growth.

## ***Free movement of capital*** ***Free movement of goods*** ***Free movement of persons*** ***Free movement of services***

Through extensive research, the European Union has elicited the [20 main concerns](#), which European citizens have expressed on the malfunctioning aspects of the Single Market. The results revealed that there were issues concerning the recognition of professional qualification in different Member States while others involved cross-border consumer redress, tax, investment and difficulties with job seeking or *de-facto* discrimination or protectionist practices.

The European Union has responded with a strategy to reform the Single Market called the [Single Market Act](#) and the [Single Market Act II](#), which include measures to improve transport and energy networks, better citizen mobility, boost the digital economy and ensure wider access to bank accounts.

In its [resolution on the future of the Single Market](#), the European Parliament said that sectors that have a direct impact on the daily lives of citizens and consumers should be at the heart of Single Market policy and legislation, stressing the need to reinforce and revitalise the EU's single market.

## A timeline of achievements

1992	Treaty of Maastricht
1993	Single Market becomes a reality for 12 Member States: Belgium, Denmark, Germany, Ireland, Greece, Luxembourg, The Netherlands, Spain, France, Italy, Portugal and the UK
1995	Austria, Finland and Sweden join the EU and become part of the Single Market
1996	Electricity: First liberalization Package
1998	The European Central Bank starts operating with a mandate to decide and conduct monetary policy for the euro area Gas: First liberalisation package Opening of EU Telecoms Market
1999	The euro is created for financial (non-cash) transactions
2002	Introduction of the euro as a single currency
2003	Gas and Electricity: Second liberalisation directives
2004	Eastern enlargement: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Malta and Cyprus join the EU
2006	Directive on services in the internal market
2007	Bulgaria and Romania join the EU
2009	Lisbon Treaty enters into force Gas and electricity: third liberalisation directive
2011	The "six pack" comes into force 2.5 million students have participated in Erasmus since 1987
2012	EU celebrates 20 years of the Single Market
2013	Croatia to join the EU

## US Ambassador to the EU Kennard Hails EU Single Market

“As Europe and the United States struggle to recover from the financial crisis, boosting growth and employment is the number one priority for leaders on both sides of the Atlantic,” US Ambassador to the EU William E. Kennard said in an [op-ed](#) published in the newspaper *European Voice*.

“Europe has enormous unrealised potential to restore economic growth by unleashing the power of the single market, a project which turns 20 years old this month.”

The US had reaped enormous dividends from an integrated market, Ambassador Kennard says, and as a market with 500 million people, the EU has this potential and more. But for now, he notes, the EU's single market remains too fragmented, with too many barriers to market entrants, innovation and growth. “Economic integration that brings lasting peace and prosperity to Europe is a powerful vision that propelled the EU's formation in the first few decades after the Second World War,” Ambassador Kennard writes. “I disagree with those who say that this vision can no longer resonate with today's generation of younger Europeans. Indeed, the challenge for today's European leaders is to reinvigorate this vision. Completing the single market is an indispensable step in doing so and in achieving long-term economic security and stability in Europe.”

### THE EU SINGLE MARKET IN A NUTSHELL

The Single Market allows people and businesses to move and trade freely across borders within the EU. Initially open to 345 million people in 1992, it can now be accessed by over 500 million people in 27 EU Member States. The changes brought in along the years included:

- Trade in goods within the EU was costly and unpredictable. So trade barriers and physical custom controls were lifted
- Changing national rules that prevented companies from trading across borders
- Common public procurement rules were introduced so that European companies, especially small- and medium-sized ones, could bid for contracts anywhere in the EU
- Rules were eased to allow Europeans to move to and work in Member States other than their own country of origin
- The lifting of barriers to trade enabled companies to offer their services across the EU without prior authorisation or a particular license

[Single Market Week Events Press Kit](#)

[Website dedicated to the EU Single Market](#)



# EP President calls for resolute stand against an EU split-up

## 'Nobel Peace Prize should renew commitment toward reunification'

The President of the European Parliament, Martin Schulz, is asking EU heads of government to take a resolute stand against all moves to split the European Union.

In his address to the 27 Heads of State and Government gathered in Brussels on Thursday evening, President Schulz said:

"This EU Summit will consider proposals which threaten to drive a wedge through our Union. I am referring specifically to the report of the 4+1 Group.

"Europe's recipe for success – which has now been recognised through the award of the 2012 Nobel Peace Prize – is the Community method. In practice, the Community method means striking a balance between the interests of the smaller and larger Member States, between the less well-off and more prosperous Member States, between North and South and between East and West; resolving disputes by means of dialogue and consensus," Mr Schulz said.

He said the Nobel Peace Prize to the European Union encourages the EU to renew its commitment to the European unification process.

Reacting to the news that the European Union had won the Nobel Peace Prize last week, Mr Schulz said the award was a great honour for the EU and that the Nobel Peace Prize "is for all EU citizens."

"We in the European Parliament are deeply touched. The European Union has reunified the continent through peaceful means and brought arch enemies together. This historic act of reunification has been rightfully recognised.

"The values of human dignity, freedom, democracy, equality, the rule of law and the respect for human rights are absolutely fundamental to the European Union. These fundamental values underpin all of the European Union's activities both internally and in our external policies. Several nations are freely negotiating accession to the European Union, a sign that despite challenging economic conditions, the European Union is a magnet for stability, prosperity and democracy."

According to the European Parliament President, the EU's principles and values of reconciliation can serve as an inspiration to other regions in the world. From the Balkans to the Caucasus, the EU serves as a beacon for democracy and reconciliation.

"On behalf of the European Parliament, we, together with the other EU institutions, look forward to receiving the Nobel Peace Prize in Oslo."

*"Despite challenging economic conditions, the European Union is a magnet for stability, prosperity and democracy."  
EP President Martin Schulz*

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## MEPs call for Serious EU Cyber Defence Strategy

*Continues from page 1*

Many are not convinced, and high-level pronouncements of varying alarm have proliferated in recent weeks. Sen. Joe Lieberman (I-CT), Chair of the Homeland Security and Governmental Affairs Committee and co-author of the stalled legislation, condemned in a 9 October *Washington Post* op-ed such private obstructionism and reinforced the need to enhance the most crucial cyber networks. Recalling a letter to Congress by prominent former defence and homeland security officials on the threat of a "cyber 9/11," he asserted that "We must act before another catastrophe occurs." The tone joins such recent remarks as Defence Secretary Leon Panetta's warning of a "cyber Pearl Harbor." Though Lieberman and others have supported President Obama's as of yet unrealized executive order on cyber security, such a measure would fall far short of appropriate Congressional legislation. Sen. Susan Collins (R-ME) recently reinforced the need for a proper long-term solution to a grave long-term problem. Cyber attacks are estimated to have increased nearly twenty fold in only the last three years.

Across the Atlantic, the cyber question has not yet elicited the same fervent debate. Yet, amid increasing reports of cyber security breaches (particularly the first publication of the "Annual Incidents Report" by the European Network and Information Security Agency), the European Parliament's calls for a serious EU-level strategy for cyber defence reflect what could be seen a precarious state of affairs. Comprehensive legislation from the European Commission is anticipated by year's end, which will seek to compensate for what many deem widely inadequate national cyber defence measures. The Commission has further announced the creation of a Europol-based European Cybercrime Centre for 2013.

# EU Nobel Peace Prize 2012: A US Media Snapshot

News of the European Union's 2012 Nobel Peace Prize hit the United States in the early morning of Friday 12 October. TV networks' morning bulletins broke the story first, knocking, if for a brief moment, coverage of the US Presidential election off the air waves. As the news trickled down to the major national web portals and newspapers over the weekend, comments varied from the enthusiastic to the incredulous.

The underlying thread in much of the reporting and commentary was the contrast between the European Union's achievements as a peace building project and the current economic crises plaguing the union. While the more cynical doubted the "controversial" choice of Norway's Nobel Committee and expressed incredulity, often dubbing the award "a joke", other commentators pointed out that the post-World War II leg-up given to Europe from the United States should not be overlooked.

The "political" timing of the award was one of the salient issues on which the US media focussed on, sparing little criticism for the Nobel Committee. *The Christian Science Monitor* opined that because of the current troubles facing the EU, "the Nobel's Norwegian committee was smart to remind Europeans of the power of gratitude in recognizing past successes as a way to help heal the current rifts and stresses."

However it was equally evident that the US media's take on the Nobel Prize has been somewhat conditioned by the memory of past prizes, notably the 2009 Peace Prize awarded to US President Barack Obama immediately after the US President had taken office. That year, in *nationaljournal.com*'s words, the Norwegian Committee had "awarded the prize to Barack Obama for simply being Not-Bush." That memory evokes an array of feelings in a nation where political allegiance is an important factor shaping perspectives and worldviews.

Despite the criticism, leading media made solid arguments as to why the EU deserved this year's Nobel Peace Prize. During its 70-year period of peace, the European Union has spread democracy, made poor countries richer through an ongoing process of integration and made "Europeans" think of themselves as such. That was the reasoning put forward by *The Wall Street Journal*. *The Atlantic*, for instance, argued that though Europe was currently struggling, nobody could deny it its success. "The European Union," it observed, "should also be commended for the work it does outside its borders in the form of international aid. The EU accounted for around half of the world's aid last year providing some €53.1 billion (\$68.8 billion). The European Commission alone -- union's executive branch -- spent €11.3 billion (\$14.6 billion), making it the largest multilateral donor in the world and the second-largest bilateral giver, after the United States."

There is no question that the E.U. has come to symbolize the transformation of a continent mired for centuries in war to one that has embraced peace and human rights. And by opening its doors to newly liberated members of the Soviet bloc, the E.U. certainly helped to break down the division of East and West.

*The New York Times, editorial, 12 October*

The notion that a bunch of Eurocrats created the peace of Europe omits some key chapters — like Omaha Beach, the Marshall Plan, the Berlin crisis and the eventual fall of the Wall.

*The New York Post editorial, 13 October*

The EU has not abolished political quarrels or economic divides or human folly. In the past, those factors kindled war. Today, they bring down parliamentary governments and generate mass demonstrations. Germans and Greeks may not love each other right now, but they are conducting their battles with words, not bullets. For that historic feat — and for the fact that it can be so easily discounted — we can all thank the EU.

*Chicago Tribune, 13 October*

But all that aside, who can begrudge the E.U. a dollop of positive reinforcement at this time? There is little question that the E.U. is a remarkable achievement, and if this award helps it overcome its current woes, good. One way to do that would be to give the award money to Greece.

*International Herald Tribune, editorial 12 October*

Indeed, it is high time the European Union was celebrated for its achievements in this regard. This award not only bestows legitimacy upon Europe and the European project, but it also goes some way to restoring the status of Nobel Peace Prize, repeatedly besmirched and degraded by its misattribution.

*The Atlantic Liam Noare op-ed. 12 October*



## Opinion

# Peace: the European Union's Most Remarkable Accomplishment



**Vicki L. Birchfield,  
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*'It should serve as a reminder of what can be accomplished when narrow, national interests are transcended in the hopes of building a stronger, more stable and prosperous collective future.'*

The European Union is rarely in the news—the on-going debt and financial crisis notwithstanding—and when it does make the headlines, it is almost always negative. Thus, unsurprisingly when the announcement came that the EU was the 2012 recipient of the Nobel Peace prize for its contributions “to the advancement of peace and reconciliation, democracy and human rights in Europe,” it did not take long for the chorus of cynical remarks to flood the Internet and airwaves. The choice of the EU may strike some as odd because of its collective nature. What individual, representing which EU institution will make the acceptance speech? The EU represents six decades of political and economic integration, 27 independent countries, 500 million citizens and multiple figureheads at the EU level, not to mention the many historical and living figures who were key architects of momentous changes such as the reconciliation of France and Germany, the reunification of Germany, the end of the Cold War and the enlargement that brought 10 former communist countries into the Union and back into the fold of democratic, free and open societies.

The timing of the award might also seem ironic in light of the desperate straits the EU finds itself in economically and as predictions of its imminent demise abound. As it turns out, this was in fact a motivating factor in selecting the EU among the other 231 nominations. As highlighted by Thorbjorn Jagland, former Norwegian Prime Minister and chairman of the panel awarding the prize: “There is a real danger that Europe will start disintegrating. Therefore, we should focus again on the fundamental aims of the organization.” I would argue therefore that this indeed a propitious moment to remind EU citizens

and politicians about its origins and achievements as a peace project. The EU remains a unique and unparalleled success story in this regard and one for which its founders and those who continue to believe in and work for its continued success certainly merit this award. In fact, when I first heard the news, I immediately wrote to my friend, Geoffrey Harris, Deputy Head of the European Parliament's office in Washington, D.C. to congratulate him on a personal level for his own life's work-- like that those of countless others-- who collectively contributed to this award. Referring to the recent plea by EU Commission President, Mr. Barroso, to win the “hearts and minds” of EU citizens, I quipped that jobs might do more to win them over than this announcement of the Noble peace prize. However, even on that front, it is worth recalling the remarkable economic transformation of countries like Ireland, Portugal and Greece when they first acceded and the more recent example of Poland whose unemployment declined from 20% in 2004 to 8% today. Further testament to the economic advantages of integration is that average income per capita in the new Member States has risen from around 35% of the old Member States' average in 1999 to more than 52% by 2008.

In addition to these economic benefits, the attraction of becoming an EU member continues to engender political and legal reforms in the Western Balkan region and has led candidate countries like Turkey to abolish the death penalty. Still, the most remarkable accomplishment is that of peace and in the midst of this difficult economic crisis, it should serve as a reminder of what can be accomplished when narrow, national interests are transcended in the hopes of building a stronger, more stable and prosperous collective future.

# European Parliament Pays Tribute to Congressman Sam Gibbons, Normandy Veteran and Pioneer of Transatlantic Relations

The European Parliament has conveyed its condolences to the US Congress on the death of Florida Congressman Sam Gibbons, age 92, who passed away on 9 October.

Congressman Gibbons, a member of the Democratic Party elected from Tampa, Florida, was highly engaged in the transatlantic partnership involving Members of the European Parliament and Representatives from the US Congress.

After a stint at the Florida House of Representatives, he made it to the US House of Representatives in 1962. He made it to Congress 16 consecutive times over five decades. Before his retirement, he chaired the House Ways and Means Committee.

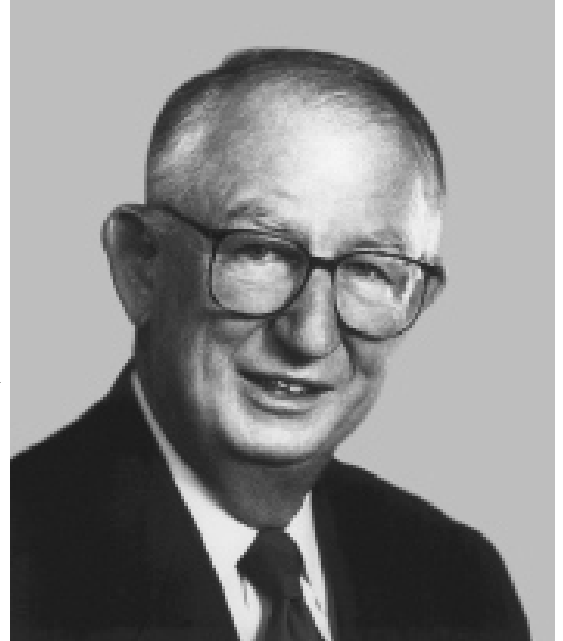
In an obituary, *Tampa Bay Times* hailed Congressman Gibbons's "lasting imprint on social programs, world trade, health care and a raft of improvements for the Tampa Bay area." The World War II veteran who fought for the liberation of Europe was esteemed for his ability to win over legislators from both sides of the aisle with his passion and determination. In the tumultuous decades lived as legislator, Congressman Gibbons was not a man of black and white. "He took nuanced positions over his career. Mr. Gibbons voted for President Lyndon Johnson's anti-poverty program and against school busing; supported the Vietnam War at first and then regretted it; backed rights for women under *Roe vs. Wade* and bucked protectionist trade policies advocated by labor unions," writes Andrew Meacham of *Tampa Bay Times*.

Conveying the European Parliament's condolences on Gibbons's death to John Boehner and Nancy Pelosi, Speaker and Minority Leader of the House of Representatives respectively, MEP Elmar Brok, chair of the EP's Foreign Affairs Committee, wrote: "A veteran from Normandy, Congressman Gibbons knew the importance of European integration and of a dynamic transatlantic partnership for the stability and prosperity of the world."

In the 1970s, Congressman Gibbons had been instrumental in establishing cooperation between the US Congress and the European Parliament.

"He led the first congressional delegation to the European Parliament which became the basis for the Transatlantic Legislators' Dialogue, the framework of our current cooperation", Mr Brok wrote.

The origins of relations between the European Parliament and the US Congress date back to 1972 when a US Congressional delegation visited the European Parliament in Brussels and Luxembourg for the first time. It is the longest and the most intensive interparliamentary relationship in the history of the European Parliament.



Congressman Sam Gibbons, from Florida, (pictured) was a pioneer of EP-US Congress relations. He passed away on 10 October, aged 92.



The late Congressman Sam Gibbons was a personal and professional inspiration for German MEP Elmar Brok (pictured), chair of the EP Committee on Foreign Affairs.

*"A veteran from Normandy, Congressman Gibbons knew the importance of European integration and of a dynamic transatlantic partnership for the stability and prosperity of the world"*

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## Legislative focus

# Conflict minerals in your smart phone?

Both sides of the Atlantic have taken important steps in recent weeks to shed light on notoriously murky industries. In the United States, late August saw the Securities and Exchange Commission (SEC), well past its initial April 2011 deadline, finalise rules on Sections 1502 and 1504 of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act.

Though a far cry from the traditional SEC mandate, the latter will require resource extraction issuers (engaged in the development of minerals, natural gas, and oil) to disclose payments made to US and foreign governments for fiscal years ending after September 30, 2013. Companies expending more than \$100,000 must file a special form with the SEC.

Just weeks later, the European Parliament Committee on Legal Affairs voted in support of similar disclosure rules-which extend the requirement to logging in primary forests and threaten harsher sanctions for non-compliance-with a roughly equal €80,000 disclosure threshold for payments made to Member States or other governments. The coming months should reveal final EU legislation. Both US and EU endeavors seek greater transparency in the finances of developing countries where much resource extraction flourishes.

The SEC also finalized rules for Section 1502, the much debated and awaited disclosure requirements for industries potentially using "conflict minerals" in their supply chains. These new rules reinforce the 2010 OECD principles—supported by the Commission—for supply chain due diligence, and the multi-year transition process toward full reporting and auditing of supply chains employing such minerals begins in May 2013.

Both OECD and SEC rules target the violence that has plagued eastern Democratic Republic of the Congo and adjoining countries for nearly two decades. To fuel this struggle, warlords and government army alike have subjected communities to effective slavery in the mining of the highly valuable tantalum, tungsten, tin, and gold ("3TG"), vital components of smart phones and computers, inter alia. Though human rights groups applaud the measures, affected industries have fought vigorously against what they allege is an unfeasible task and unfair burden. Others have charged that an effective embargo on eastern Congo has set in as companies avoid it entirely, destabilizing already fragile non-warring communities.

The impact of noble EU and US intentions will depend on the ability and willingness of industries to comply while remaining economically engaged in eastern Congo, as well as on the NGO community and consumer response to revelations about the supply chain .

*Both US and EU endeavors seek greater transparency in the finances of the often unstable developing countries in which much resource extraction flourishes.*