

# ISSUE BRIEF

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## U.S. Policy in Europe: Six Priorities for 2019

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2019 will be a key year for U.S. policy in Europe. Halfway through its current term in office, the Trump Administration will look to solidify implementation of its strategy for Europe. European Union parliamentary elections in May will color the continent's political discourse, and important national elections are scheduled throughout the year, including in Greece, Moldova, Poland, and Ukraine. On March 29, America's closest ally in Europe, the United Kingdom, will depart from the European Union. The U.S. should act swiftly to secure a U.S.–U.K. Free Trade Agreement (FTA). Additionally, the North Atlantic Treaty Organization (NATO) will mark its 70th anniversary in 2019, while continuing establishment of robust collective defense especially for Eastern European member states.

The U.S. National Security Strategy identifies three priorities for Europe: (1) deepening collaboration with allies to advance shared principles and counter outside aggression and subversion; (2) eliminating barriers to trade growth; and (3) fulfilling defense commitments, including bolstering deterrence in Eastern Europe. In an important year, U.S. leadership is crucial for continuing to advance these key priorities. Following are six recommendations for President Donald Trump and Congress in 2019 which will further that goal.

### 1. Negotiations on a U.S.–U.K. Free Trade Agreement

On March 29, the United Kingdom will leave the European Union. The U.S. should take advantage of the opportunities presented by Brexit by negotiating and implementing a U.S.–U.K. FTA. This deal would find broad support in the U.S. and strengthen the U.S.–U.K. Special Relationship. This past September, Heritage Foundation experts participated in drafting what an ideal U.S.–U.K. FTA would look like.<sup>1</sup> A U.S.–U.K. FTA should:

- Eliminate tariffs and quotas on visible trade,
- Ensure the continuation of the investment freedom that both countries enjoy, and
- Develop systems of mutual recognition for standards in a few high-value areas.

Such a trade deal would be good for both nations, and would set a valuable example of liberalization for the rest of the world.

### 2. Time Is Short for Stopping Nord Stream II

The Nord Stream II, a pipeline project that would connect Germany with Russia, is neither economically necessary, nor is it geopolitically prudent. Rather, it is a political project to greatly increase European dependence on Russian gas, magnify Russia's ability to use its European energy dominance as political trump card, and specifically undermine U.S. allies in Eastern and Central Europe. Russia's Gazprom has begun building the pipeline alongside partner compa-

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nies, including OMV (Austria), Engie (France), Uniper and Wintershall (Germany), and Royal Dutch Shell (Netherlands and the UK). Last week, EU Commissioner Guenther Oettinger stated that Nord Stream II “can no longer so easily be stopped.”<sup>2</sup>

The 2017 Countering America’s Adversaries Through Sanctions Act (CAATSA) already authorized the President to impose sanctions on companies that assist Russia in constructing energy export pipelines.<sup>3</sup> While the U.S. has not imposed any sanctions on companies partnering on Nord Stream II, in April 2018, then-State Department spokesperson Heather Nauert, current nominee for U.S. Ambassador to the United Nations, stated that “we’ve been clear with the companies that work in that realm that those who work in Russian energy export pipeline business, that they’re engaging in a line of work that could subject them to sanctions.”<sup>4</sup> In November, U.S. Secretary of Energy Rick Perry reiterated that “sanctions were an option that the president maintained.”<sup>5</sup>

The U.S. should continue to pressure the European Union and Germany to reverse course on Nord Stream II, and utilize the tools at its disposal to impose costs on companies that participate in the pipeline project. The U.S. should be clear that it views any potential Russian assurances to continue some gas transit through Ukraine as of dubious value, since they can be easily reversed once Russia accumulates increased leverage from a completed pipeline and decides the time is politically expedient to renege on prior assurances.

### 3. A Permanent Military Presence in Eastern Europe

U.S. basing structures in Europe harken back to a time when Denmark, West Germany, and Greece represented the front lines of freedom. The security situation in Europe has changed, and the U.S. should account for this shift by establishing a permanent military presence in allied nations further east, including Poland and the Baltic states.

The 2019 National Defense Authorization Act requires the Secretaries of Defense and State to submit a report on the “feasibility and advisability of permanently stationing U.S. forces in the Republic of Poland”<sup>6</sup> by March 1, 2019. The U.S. has stationed rotational forces in Poland, and serves as a framework nation for NATO’s Enhanced Forward Presence in that country. Permanently based forces provide considerable advantages over rotational forces.<sup>7</sup> In addition, a robust, permanent presence displays the U.S.’s long-term resolve to live up to its NATO treaty commitments.

In addition to Poland, the U.S. should also consider a permanent presence in the Baltic states, potentially as a component of a broader NATO shift from Baltic Air Policing toward Baltic Air Defense.<sup>8</sup> Even a small permanent presence will symbolize U.S. commitment to the region. The Trump Administration should consider options for a permanent deployment in both the Baltic states and Poland in 2019.

1. Daniel Ikenson, Simon Lester, and Daniel Hanna, eds., “The Ideal U.S.-UK Free Trade Agreement: A Free Trader’s Perspective,” Initiative for Free Trade and Cato Institute, 2018, <https://object.cato.org/sites/cato.org/files/pubs/pdf/ideal-us-uk-free-trade-agreement-executive-summary-update.pdf> (accessed January 8, 2019).
2. “Tough to Stop Nord Stream 2 Now It’s Being Built-EU’s Oettinger,” Reuters, December 28, 2018, <https://www.reuters.com/article/us-germany-russia-pipeline/tough-to-stop-nord-stream-2-now-its-being-built-eus-oettinger-idUSKCN1OR0YF> (accessed January 8, 2019).
3. Eric Maurice, “US Yet to Push on Nord Stream 2 Sanctions,” EU Observer, March 20, 2018, <https://euobserver.com/energy/141376> (accessed January 8, 2019), and Countering America’s Adversaries Through Sanctions Act, Public Law 115-44, Section 232, August 2, 2017, <https://www.congress.gov/115/plaws/publ44/PLAW-115publ44.pdf> (accessed January 9, 2019).
4. Heather Nauert, State Department Press Briefing, April 13, 2018, <https://www.state.gov/r/pa/prs/dpb/2018/04/280423.htm> (accessed January 8, 2019).
5. “U.S. Maintains Option of Sanctions Related to Nord Stream 2: Perry,” Reuters, November 8, 2018, <https://www.reuters.com/article/us-energy-poland/u-s-maintains-option-of-sanctions-related-to-nord-stream-2-perry-idUSKBN1ND2CW> (accessed January 8, 2019).
6. John S. McCain National Defense Authorization Act for Fiscal Year 2019, Public Law 115-232, Section 1280, August 31, 2018, <https://www.congress.gov/115/bills/hr5515/BILLS-115hr5515enr.pdf> (accessed January 9, 2019).
7. Daniel J. Kochis and Thomas W. Spoehr, “It’s Time to Move US Forces Back to Europe,” Defense One, September 13, 2017, <https://www.defenseone.com/ideas/2017/09/its-time-move-us-forces-back-europe/140950/> (accessed January 9, 2019).
8. Luke Coffey and Daniel Kochis, “Time for the Baltic Air Policing Mission to Become the Baltic Air Defense Mission,” Heritage Foundation *Issue Brief* No. 4769, October 2, 2017, <https://www.heritage.org/defense/report/time-the-baltic-air-policing-mission-become-the-baltic-air-defense-mission>.

#### 4. Maintaining Involvement in the Balkans

The Western Balkans is a region of Europe with unfinished business. Ethnic, religious, and cultural differences, along with historical grievances retain the potential to set off renewed hostilities and violence. Furthermore, the challenges posed by the destabilizing influence of Russia, rising Chinese interest and investment in the region, pockets of Islamist extremism, high unemployment, and lack of economic opportunity threaten to ensnare the Balkans in a permanent purgatorial geopolitical quicksand.

The U.S. cannot afford to take its eye off the ball in the Balkans;<sup>9</sup> rather it should continue to implement a comprehensive strategy.<sup>10</sup> Concrete proposals the U.S. should seek to advance in 2019 include support for Macedonia's accession to NATO, extension of the Visa Waiver Program to Croatia, and preventing a proposed land-swap agreement between Kosovo and Serbia.<sup>11</sup>

#### 5. Focusing on Ukraine in this Critical Year

Ukraine will hold presidential elections on March 31 and parliamentary elections on October 27. In November, the U.S. announced further assistance to help counter Russian election meddling.<sup>12</sup> In the east, Ukraine continues to fight an ongoing war with Russian forces. On November 25, Russian FSB border patrol boats rammed and fired on three Ukrainian coast guard vessels near the Kerch Strait.

Russia continues to hold 24 Ukrainian sailors and three vessels captive.<sup>13</sup> The U.S. should implement policies designed to improve Ukraine's maritime capabilities,<sup>14</sup> while continuing to call publicly for the release of Ukrainian service members and vessels held by Russia. The U.S. should also send a high-level representative to meet with Ukraine's new president in the spring, advocating for continued reforms, including judicial reform, and for policies of economic liberalization, which will lead to greater prosperity and by extension less opportunity for corruption.

#### 6. Ramping Up Engagement in the Black Sea Region

Russia's militarization and build-up in occupied Crimea, along with its recent aggression near the Kerch Strait, highlight the volatility of the Black Sea region. Five U.S. allies, including three NATO member states, have coastlines along the Black Sea. Furthermore, control of Crimea has allowed Russia to use the Black Sea as a platform to launch and support naval operations in the Eastern Mediterranean.

American engagement has declined in the region, notably the U.S. and allied naval presence in the Black Sea, which has declined significantly since 2014. In September 2018, a rotation of U.S. Marines with the Black Sea Rotational Force who have regularly deployed to Romania since 2010 were removed.<sup>15</sup>

In 2019, the U.S. should work with allies to establish a regular presence in the Black Sea, in accordance with the Montreux Convention.<sup>16</sup> Additionally, President Trump should consider a presidential

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9. Daniel Kochis, "A Roadmap for Strengthened Transatlantic Pathways in the Western Balkans," Heritage Foundation *Backgrounder* No. 3286, March 16, 2018, <https://www.heritage.org/global-politics/report/roadmap-strengthened-transatlantic-pathways-the-western-balkans>.

10. *Ibid.*

11. Luke Coffey, "The U.S. Should Not Support a Land Swap Between Kosovo and Serbia," Heritage Foundation *Backgrounder* No. 4905, September 25, 2018, <https://www.heritage.org/global-politics/report/the-us-should-not-support-land-swap-between-kosovo-and-serbia>.

12. News release, "Joint Statement on U.S.-Ukraine Strategic Partnership," U.S. Department of State, November 16, 2018, <https://www.state.gov/r/pa/prs/ps/2018/11/287421.htm> (accessed January 9, 2019).

13. "Moscow Rejects French, German Appeal to Release Ukrainian Sailors," Radio Free Europe/Radio Liberty, December 29, 2018, <https://www.rferl.org/a/merkel-putin-germany-russia-detained-ukrainian-soldiers-syria-kurds/29682464.html> (accessed January 9, 2019).

14. Luke Coffey and Alexis Mrachek, "Improving Ukraine's Maritime Capability: Next Steps for the U.S.," Heritage Foundation *Issue Brief* No. 4926, November 28, 2018, <https://www.heritage.org/global-politics/report/improving-ukraines-maritime-capability-next-steps-the-us>.

15. Shawn Snow, "No More Marine Rotations to the Black Sea. The Corps Is Focusing Here Instead," *Marine Corps Times*, November 29, 2018, <https://www.armytimes.com/news/your-marine-corps/2018/11/29/no-more-marine-rotations-to-the-black-sea-the-corps-is-focusing-on-the-arctic-instead/> (accessed January 8, 2019). The Marines now comprise an expanded Marine deployment to Norway. U.S. officials have indicated an increase in "joint rotational forces" in Romania following the departure of the Marines rotating with the Black Sea Rotational Force.

16. Luke Coffey, "Brussels NATO Summit 2018: Renewed Focus on the Black Sea Needed," Heritage Foundation *Issue Brief* No. 4872, June 26, 2018, <https://www.heritage.org/defense/report/brussels-nato-summit-2018-renewed-focus-the-black-sea-needed>.

visit to Romania to highlight U.S. cooperation in the region, and support for greater economic cooperation with allies in the region, notably through the Three Seas Initiative. Romania is one of only eight NATO member states to meet the 2 percent of gross domestic product on defense spending benchmark, and spends the second-highest proportion of its defense funds on equipment, including a deal to buy \$3.9 billion of U.S. patriot missiles.<sup>17</sup> Romania also hosts an Aegis Ashore site, and its Mihail Kogalniceanu Air Base is a major logistics and supply hub for U.S. equipment shipped, and personnel traveling, to the Middle East.<sup>18</sup> A presidential visit would be a fitting recognition of a worthy U.S. ally and would underscore the importance of security in the Black Sea region for U.S. interests in Europe.

## Conclusion

The U.S. has laid out its policy priorities for a prosperous and secure Europe, and taken some important steps to advance their implementation. This year will be a year of inflection in Europe. By addressing these six key focal points in 2019, the U.S. can react to political and security shifts as they occur, take advantage of opportunities such as Brexit, and place U.S. policy in Europe on a favorable course for advancing U.S. interests in the region.

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17. Jen Judson, "It's Official: Romania Signs Deal to Buy US Missile Defense System," *DefenseNews*, November 29, 2017, <https://www.defensenews.com/land/2017/11/30/its-official-romania-signs-deal-to-buy-us-missile-defense-system/>.

18. Dakota L. Wood, ed., *Index of U.S. Military Strength 2018*, "Assessing the Global Operating Environment: Europe," October 4, 2018, <https://www.heritage.org/military-strength/assessing-the-global-operating-environment/europe>.

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