

Testimony of Anthony Luzzatto Gardner
Ambassador-Designate to the European Union
Senate Foreign Relations Committee
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Mr. Chairman and distinguished Members of the Senate Foreign Relations Committee: it is an honor to appear before you today as the President's nominee to be the next United States Ambassador to the European Union. I would like to express my gratitude to President Obama and Secretary Kerry for the trust and confidence they have placed in me with this nomination.

If confirmed, I would be accompanied during my service in Brussels by my wife of 16 years, Sandra Mac-Crohon, who managed the American Embassy residence in Madrid when we met. Accompanying me today are my father, my sister and my brother in law. My father served this country with distinction as ambassador in Italy and Spain. As an indirect result of his service, I married a Spaniard, and my sister Nina, now an adjunct professor and consultant in Washington, married Francesco Olivieri, a distinguished former Italian diplomat.

Unfortunately, my mother, Danielle Luzzatto, did not live to see this day; but soon after her untimely death in 2008 I adopted her last name as my middle name to remember her and her remarkable family. Although his ancestors had lived in Italy for over 500 years, my maternal grandfather Bruno Luzzatto had to lead his family out of Italy in 1939 after the enactment of Mussolini's racial laws. He and his family were fortunate to start a new life in this country and to become proud Americans.

Serving as U.S. Ambassador to the EU would put me at the center of many of the issues I have cared about and have been involved in for 23 years – first as a lawyer, then as a government official, and more recently as a banker and investor living and working in Europe.

My journey to this moment began during my study of EU economic and legal affairs as a graduate student at Oxford and Columbia Law School. These experiences led me to work in the antitrust department of the European Commission in 1991; it was a fascinating time to be in Brussels due to the completion of the single market and the beginning of the opening toward new members from Central Europe. That experience, in turn, led me to take what was an unusual decision for a U.S. trained lawyer: to start my legal career practicing EU antitrust and trade law in Brussels.

All those decisions led me to work as a Director for European Affairs, responsible specifically for EU issues, in the National Security Council in 1994-95. I was extremely fortunate to have the opportunity to collaborate closely with the U.S. Mission to the EU, under the able leadership of Ambassador Stuart Eizenstat, on the launching of the New Transatlantic Agenda and the Transatlantic Business Dialogue – initiatives whose institutional impact reverberates today. My experience from that period, and confirmed by subsequent observation, is that we should never underestimate the political will of the European Union to survive, adapt and move forward – even under periods of extreme economic and financial stress. I also saw the powerful connections across the Atlantic, between our citizens, and between businesses large and small. I am convinced that those connections are continuing to grow stronger and deeper despite economic shocks and political challenges, and that when we work closely together, citizens on both sides of the Atlantic prosper.

Even when I returned to practice law in Brussels, Paris and then London, I remained involved in EU trade issues and subsequently in many regulatory issues that affect corporate and private equity investments in many European countries. As a banker and as a private equity professional over the past decade, I have been deeply involved in negotiating financial and legal transactions across the EU, and I understand both the benefits and the regulatory and market challenges investors face in operating on both sides of the Atlantic.

As you know, the U.S.-EU economic relationship is the deepest and most

balanced in the world: together we account for almost half of global output of goods and services and almost a third of global trade; and there is over \$3.5 trillion in two-way foreign direct investment. Looking beyond these impressive figures, free transatlantic flows of data, intellectual property, knowledge and innovation – including collaboration among our best scientific and business minds - are incalculably important to our economic growth. But these statistics tell only part of the story: we are a community of shared values, including democracy, free speech, respect for human rights and the rule of law.

I cannot think of a more interesting, and challenging time in U.S.-EU relations. Due in part to the institutional improvements brought about in the Lisbon Treaty, the EU has become a highly effective partner of the United States in adding its voice, and its weight as a leading source of development and humanitarian aid, to efforts to address key international challenges. We work in close partnership with the EU in efforts to persuade Iran to address the international community's grave concerns about its nuclear program. EU member states, collectively, have been the largest source of humanitarian assistance to those affected by the crisis in Syria. In Asia, the EU, along with the U.S., has been a strong and unceasing voice promoting democratic change in Burma. With support from NATO, the EU is building the framework to provide for enduring peace in the Balkans. In Africa, the EU played a key role in bringing Mali back to the path of democracy. The United States has worked closely, in concert with the EU's Eastern Partnership program, to promote political, social, and economic reform among the EU's eastern neighbours in Ukraine, Moldova, Belarus, Georgia, Armenia, and Azerbaijan, although these countries have chosen different levels of engagement with the process.

In addition, the EU is a critical partner in addressing an ever wider range of transnational challenges. In our interdependent world, many challenges – such as global crime and terrorism, the proliferation of weapons of mass destruction, economic and financial instability, humanitarian crises, supporting the aspirations of people in new and emerging democracies, climate change and infectious diseases to name a few – cannot be solved by any one country acting

alone. The United States and the European Union must continue to collaborate closely to address such challenges in the future. In doing so we need to interact effectively with all of the institutions of the European Union, including the European Parliament, whose legislative authorities have significantly expanded with respect to the conclusion of new EU treaties. The U.S. Mission to the EU is at the center of these efforts. It is staffed by a highly dedicated and experienced group of professionals. If confirmed, it would be an honor for me to lead them and I would seek to advance our country's interest on behalf of all businesses and citizens.

One of the most important objectives of the Mission is to help conclude an ambitious Transatlantic Trade and Investment Partnership, or T-TIP, that will position our economies for success in the 21st century. The United States and the EU will do this through significantly reducing obstacles to market access relating to tariffs, services, investment and procurement, but also by tackling the critically important area of regulation and standards. If the efforts are successful, we can boost job creation and investment on both sides of the Atlantic. A transatlantic marketplace will be especially critical for the small and medium-sized companies who remain the foundation of our economies and a key to transatlantic economic growth. T-TIP seeks to bridge the differences between our two systems, and to do so in a way that maintains our shared high levels of protection for safety and the environment, to the benefit of consumers and businesses alike.

Just as significantly, pursuing T-TIP also demonstrates our shared commitment to rules-based trade and to strengthening the rules-based trading system around the world. Concluding an agreement would have major geopolitical significance; it would reinforce the vitality, attractiveness and relevance of our shared model of governance. Free-market democracies remain the most promising engines of growth, innovation and wealth creation, especially when they exploit the benefits of free trade in an open and rules-based international economic regime.

Finally, the United States and the EU need to continue to work together to

address the challenges and promises of the emerging digital society, including reconciling the ways in which we protect personal data. I recognize that our partners in the European Union have questions about alleged U.S. intelligence activities. It is worth noting that the President has called for a review of the way that we gather intelligence so that we can ensure we properly balance the legitimate security concerns of our citizens and allies with the privacy concerns that all people share. We should also work to ensure that EU concerns about alleged U.S. intelligence activities do not undermine the cross-border data flows that underpin transatlantic trade and investment. One of my most important challenges if confirmed will be to help EU stakeholders understand how U.S. consumer protection regulators use their robust powers to protect individual privacy, and ensure that our approaches to achieving this important goal remain compatible. We should work together to preserve existing mechanisms and develop new ways to protect privacy while facilitating the flow of data across borders.

Thank you for your time. I look forward to your questions.