

# THE POL ICY PRIS M

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# INTRO

The Policy Prism is a quarterly newsletter providing the latest on transatlantic legislative news to policymakers on both sides of the Atlantic.

In this issue, Section I on the Polish nuclear deal and its impact on the transatlantic relationship is meant for all readers. Those in Europe may wish to continue to Section II, which provides some of the latest Capitol Hill news on issues of transatlantic interest. American readers may want to skip to Section III for some of the latest happenings in Brussels. We hope readers everywhere will enjoy the shorter fun fact in Section IV.

**Happy reading!**

# SECTION I: U.S.-EU



# TRANSATLANTIC STATE-OF-ENERGY PLAY: THE POLISH CASE

## KEY POINTS

- To France's dismay, Poland has turned to the United States and South Korea, willing partners, as it seeks to build its first nuclear power plants.
- President Emmanuel Macron has called for an increase in R&D spending on French nuclear technology to provide France with a renewed competitive advantage.
- Opportunities for transatlantic exchange of nuclear technology expertise should not be underestimated.

France generates about [70% of its electricity](#) from [56 state-owned nuclear reactors](#). Electricity production in France has been dominated by the nuclear sector since the 1980s. But Poland chose to look elsewhere, opting for the American company Westinghouse to diversify the Polish energy portfolio. In a \$40 billion deal, Westinghouse will build nuclear power plants near the Baltic coast by 2033, with the last reactors up and running by 2043. U.S. Energy Secretary Jennifer Granholm called this deal a [“huge step in strengthening our relationship with Poland for future generations to come.”](#) If that wasn't enough to threaten French interests, the Polish government signed a second agreement days later with South Korea's state-owned [Korea Hydro & Nuclear Power](#) to build another large-scale nuclear plant.

If these projects are completed as planned, 70% of electricity that is currently generated from coal in Poland could be replaced with nuclear energy. These deals also could provide strategic advantage to the United States as other countries look to build nuclear plants to respond to environmental and energy crises. Russia, until now, has been the [world's largest exporter of nuclear plant development](#). In a tweet, Secretary Granholm said that the announcements of the deals with Westinghouse and South Korea send [“a clear message to Russia: We will not let them weaponize energy any longer.”](#)

EDF, France's state-owned nuclear company, [was in the running for these contracts](#), but the reality is that France has been losing its competitive edge in the nuclear sector. [After a slew of national scandals](#), EDF has struggled to keep pace with its competitors. Aware of the decline, President Macron announced a major buildup of France's nuclear program in February. With a nuclear turbine factory as his backdrop, he said [“What our country needs is the rebirth of France's nuclear industry.”](#)

As France plays catch up, the United States should look to work with its transatlantic partners to modernize nuclear technology. The European Union and the United States find themselves with similar goals on the energy and sustainability fronts. Together they can strengthen their development of these technologies. In the United States, the 2022 Inflation Reduction Act passed by Congress at the behest of the Biden Administration offers [significant tax breaks for the nuclear industry](#). The EU, while split

on whether to label nuclear energy as green, ultimately decided to include it in its [taxonomy for sustainable activities](#). Opportunities for such transatlantic engagement in the clean energy arena exist but must be expanded. Earlier this year the US-EU International Nuclear Energy Research Initiative issued a [call for projects to be co-funded](#) by the European Atomic Energy Community and the U.S. Department of Energy. Both sides offer talent and innovations that can be capitalized on to ensure energy security on both sides of the Atlantic.



## SECTION II: HAPPENING ON THE HILL





# MIDTERM MANIA

## KEY POINTS

- Results for the midterm elections in the US did not deliver the anticipated 'red wave' many pundits and politicians had predicted. It was more of a 'red trickle.'
- Issues that were top of mind for voters were: democracy, inflation, abortion and crime.

Voters everywhere in the United States headed to the polls to cast their ballots in the midterm elections, traditionally a time when the political party in the White House suffers losses. But this November, the results were different than many had predicted. The so-called 'red wave' that would have brought new power to the Republicans, instead became more of a 'red trickle.' The Democrats secured control of the Senate, and while the House has turned to a Republican majority, the margin is slim. In Georgia, a runoff for the U.S. Senate seat is scheduled for December 6th. The outcome could strengthen the Democratic Party's control of the Senate, but time will tell.

Voter turnout in the midterms hit record numbers both in person and by mail and drop box balloting. Most notable was the youth vote (18-29 years old). In this election, 27% of young people turned out to vote, [the second-highest turnout](#), after a record 31% of young people went to the polls in the last midterm election in 2018. The youth turnout this year helped decide results [in several battleground states](#) like Pennsylvania and Wisconsin. In Pennsylvania, the Senate race had Democrat John

Fetterman win by a 3-point margin, with the youth vote preferring Fetterman to Dr. Mehmet Oz [70% to 28%](#). In Wisconsin, the governor's race also was a 3-point margin with Democratic Governor Tony Evers winning re-election with [high youth support](#).

As a whole, myriad factors motivated voters this election cycle.

## Inflation

One in three Americans said that [inflation was top of mind for them](#) while voting. Republicans capitalized on inflation rates hovering around 8% at the time of the election. A Wall Street Journal Poll found that the GOP was able to garner more support from a larger percentage of [Black and Latino voters](#) than in previous elections and that the economy played a substantial role in this shift.

This demographic shift was most evident in the gubernatorial race in Florida. Republican Governor Ron DeSantis won re-election, notching [55% of the vote](#) in Miami-Dade County, a traditional Democratic stronghold. In 2018, this was a county he lost by 21 points, only receiving 39% of the vote. President Biden received 53% of the vote there in the 2020 election. Miami-Dade's population is estimated to be around [70% Latino](#). DeSantis successfully converted those who previously had not voted for him in part due to his message that he could strengthen the economy. In a poll conducted by the [National Association of Latino Elected and Appointed Officials](#), the results consistently showed that

the top concern for Latino voters in the U.S. was the economy. DeSantis, who is viewed as a likely rival to former President Donald Trump for the 2024 Republican nomination for president, is expected to remain a central political personality in the runup to 2024.

## Democracy

The Washington Post reported that nearly [300 election deniers were running](#) for election in the midterms for a variety of state and federal offices. Of those, 168 won their races. Those tracking democratic trends should also note that Trump-backed candidates did not do as well as MAGA Republicans hoped. This is viewed as reflecting a reality that [most Americans do not support the agenda](#) promoted by former President Trump, and may portend a more competitive field of candidates vying for the GOP presidential nomination in 2024.

In several states, [Trump endorsed candidates were outperformed by non-Trump Republicans](#) in the same state, which is being viewed by many in the Republican party as reflecting a shift in the GOP. In Ohio for example, Trump-backed Senate candidate J.D. Vance won his race with a margin of a mere six points, compared to popular Governor Mike DeWine, a Republican who has publicly and repeatedly denounced the former president. DeWine has called Trump's refusal to accept election results a move that ["started a fire that has threatened to burn down our democracy."](#) DeWine outperformed Vance, Trump's endorsed Senate candidate in Ohio, winning re-election by more than 25 points.

The fight for democracy played a large role in Arizona, with many election watchers closely following the gubernatorial race between Democrat Katie Hobbs and Republican Kari Lake. Lake, a highly polished former television news anchor, was one of the most prominent election deniers in the GOP. She secured her primary nomination, in part, due to her repeated statements that the 2020 election had been stolen from former President Donald Trump. In [an interview with CNN](#) prior to the election, Lake said "I'm going to win the election, and I will accept that result." When asked what would happen if she did not win, Lake said: "I'm going to win the election, and I will accept that result. Because the people of Arizona will never support and vote for a coward like Katie Hobbs." Hobbs, the low-key Democratic secretary of state, topped Lake by about 30,000 votes out of more than 2.5 million cast. The importance of this race should not be underestimated, as Arizona is expected to be a key battleground state in the 2024 presidential contest, as it was in 2020, when it went for Democrat Joe Biden after [years of backing](#) Republican presidential candidates.

In several states, measures to protect voting rights were also on the ballot. Connecticut approved a law to allow early in-person voting while Michigan established a nine-day early voting period. Ohio decided that non-U.S. citizens were not allowed to vote in local elections, and in Nebraska and Michigan photo ID became a requirement to vote in any election. On Nevada's ballot was the option to choose ranked-choice voting, which currently is only conducted in two of the 50 states- Maine and Alaska. Nevada voters [approved of the measure with 52.8 percent of the vote](#).



## Abortion

While Republicans used inflation as their central campaign theme, many Democrats campaigned on preserving abortion rights. Democrats spent an unprecedented amount of time, as well as money on abortion messaging, spending [almost 20 times more](#) than during the 2018 midterms. In the aftermath of the U.S. Supreme Court's decision in June to overturn Roe V. Wade after 50 years of preserving the right to abortion, Democrats swayed voters on this issue.

In Pennsylvania, the gubernatorial race and Senate race [reflected this](#). Both Democratic candidates, Attorney General Josh Shapiro who was running for governor against a Trump-backed candidate, and Lt. Governor John Fetterman, who also faced a Trump-backed candidate in his bid for the U.S. Senate, made it explicitly clear that they would defend abortion access. The Republican candidates, State Senator Doug Mastriano and Dr. Mehmet Oz, refused to ensure protection for such medical care. Shapiro won the race with 55.7% of the vote and Fetterman with 50.4%.

In several states, voters were asked to enshrine abortion protection in their state constitution. [California, Michigan, and Vermont](#) all successfully passed these ballot measures. Voters in [Kentucky](#), a deeply red state that immediately imposed a trigger ban following the Supreme Court decision to overturn Roe v. Wade, chose to uphold abortion access.

## Crime

Crime was a huge talking point for Republican candidates. In New York, the governor's race was a lot closer than most expected due to the efficacy of Republican messaging on crime in the state. For comparison, in the 2018 gubernatorial race, Democratic candidate Andrew Cuomo received 59.6% of the vote, while his Republican counterpart, Mark Molinaro received 36.2%. In 2022, Democratic candidate and incumbent Kathy Hochul secured 52.8% of the vote, while her Republican counterpart, Lee Zeldin, garnered 47.2%.

In Oregon, the Republican message about rising crime also was quite successful with its voter base. In Portland alone, homicide rates [saw an 83% increase](#) between 2019 and 2020. In 2021, the city [recorded 90 homicides](#). Previously, the highest number of annual homicides recorded was 66- more than three decades earlier. Nationally, homicide [rates increased by 30%](#) in 2020. The governor's race was quite competitive due to this issue, with Democratic candidate Tina Kotek receiving 47% of the vote, and Republican candidate Christine Drazan receiving 43.6% of the vote. Crime was an effective message in getting the GOP vote out, but did not put the Republicans over the top in these blue states.

## From the Domestic to the International

On the other side of the Atlantic, European concerns over the future of American foreign policy and funding for

Ukraine are high after the midterm elections.

In a speech in Iowa, Republican Representative Marjorie Taylor Greene [stated](#) that “Under Republicans, not another penny will go to Ukraine.” In early October, Republican and House Minority Leader Kevin McCarthy stated that no more “blank checks” would be written in a Republican-controlled Congress. And yet there exists a split in the GOP with certain [neo-Reaganist Republicans](#) still holding steadfast to their anti-Russia position. A split akin to the Republicans’ can be found within the Democratic party. Before the November election, the Congressional Progressive Caucus sent a letter to the White House demanding President Biden change his approach to Ukraine. After intense pushback from other Democrats, the letter was withdrawn. Even with the split, Democrats still champion continued, and strong support for Ukraine.

Current congressional debate centers around the Biden Administration’s recent \$37 billion request for sending additional military assistance to Ukraine. Republican Senator John Thune [stated](#) “There’s strong bipartisan support for supporting Ukraine, but I think there’s also an interest in accounting for the dollars that have already been spent.” Republicans [will push for increased financial oversight](#) regarding the support to Ukraine, and this issue is expected to spill over into 2023.

As a whole, nearly [75% of Americans](#) believe that the US government should continue to back aid to Ukraine. This should not lure the reader into thinking that continuing support for Ukraine played a deciding factor in the midterm elections. Concern for an imminent recession still topped the list for the average voter.

As the United States creeps into its election campaign for 2024 and with former President Donald Trump announcing his bid for re-election, Europeans look to Americans with uncertainty for what the future might bring and are keeping close watch on the upcoming 118th Congress.



## SECTION III: SPOTLIGHT ON STRASBOURG



# BUY AMERICAN.. EUROPEAN.. TRANSATLANTIC

## KEY POINTS

- The Biden Administration's Inflation Reduction Act and its "Buy American" language has created a source of friction with the European Union.
- France and Germany are some of the more vocal opponents of this policy within the EU. Member states argue this is a protective measure unfairly discriminating against the European market.
- The recently established EU-US Joint Task Force on the Inflation Reduction Act is looking to swiftly assuage European concerns.

While the Biden Administration secured a historic domestic win with the bipartisan approval of the Inflation Reduction Act, the European Union has voiced concern over some of the policies included in the legislation. The encouragement from the U.S. government to "Buy American" when choosing an electric car has sparked fury on the other side of the Atlantic.

The main point of contention is the terms for purchasers' tax credits. To qualify for this benefit, a purchaser must buy a vehicle [assembled in North America](#) that contains a battery with a certain threshold of metals mined or recycled in the U.S., Canada or Mexico. By 2024, at least [50% of the battery's components must come from North America](#), increasingly rising every year to hit 100% threshold by 2029. This is in line with the Biden

Administration's previous emphasis on building in America. In his first week in office, the president signed [Executive Order 14005](#): *Ensuring the Future is Made in All of America by All of America's Workers*.

The EU has stated that this requirement in the Inflation Reduction Act, is at odds with World Trade Organization rules. China, Japan, Russia, and South Korea have also complained to the WTO, arguing that the policies unfairly discriminate against foreign manufacturers.

Currently, the Czech Republic holds the presidency of the Council of the EU. The Czech Trade Representative Jozef Síkela has said that the measures were "[extremely protective against exports from Europe](#)" and that Europe should expect to receive the "[same status as Canada and Mexico](#)."

One of the most vocal opponents is French President Emmanuel Macron. Macron has argued that if the issue is not resolved, the EU must create its own "Buy European Act" to rival the American law. From 2010 to 2020, Europe produced [25% of the world's electric vehicles](#), making the market a substantial one to protect. Macron's finance minister, Bruno Le Maire, said that the U.S. measures risked a "[new trade war](#)."

Germany has also been a vocal opponent of the American legislation. In the past, the country has [offered tax breaks](#) for consumers who purchase electric vehicles. The American company, Tesla, was on the list of qualifying

companies, as the tax incentive was offered to all, regardless of where the car is made. German Car Lobby VDA President Hildegard Muller criticized the “Buy American” initiative before it was approved. “Unilaterally designed funding criteria contradict transatlantic cooperation, which we would do better to intensify rather than slow down,” [she said](#).

On October 25, in hopes of reaching a swift conclusion, the European Commission launched an EU-U.S. Task Force on the Inflation Reduction Act. The aim of the task force is to encourage close coordination among the EU and U.S. governments and eliminate protectionist barriers.

To further quell the discord, U.S. Trade Representative Katherine Tai flew to Europe at the end of October and engaged in diplomatic talks with the EU. Tai and Executive Vice President of the European Commission Valdis Dombrovskis issued a joint statement that signaled plans to [“increase engagement on the issue.”](#) The trade dispute is expected to cast a dark shadow on the upcoming US-EU Trade and Technology Council meeting, scheduled for December 5th.





## SECTION IV: HISTORY IN THE PRESENT





## DOWN THE MINK HOLE

Historically, Denmark has created more than 40% of the world's mink pelts and has ranked as the leading exporter of mink fur. Minks were introduced to the country as a farm animal in the 1920s, and by the mid-1980s Denmark was the world's second largest mink producer, behind the United States. The country has some of the largest mink farms in the world, as well as several family-run farms that churn out an [estimated 17 million furs per year](#).

Denmark's Prime Minister Mette Frederiksen's election on November 1 was triggered by the so-called "mink gate," in which Danes were infuriated with the government-mandated mink cull during the Covid-19 pandemic. Millions of minks were slaughtered, but there was no legislation in place authorizing the cull. The cull devastated the country's mink industry.

The snap elections resulted in a win for Prime Minister Frederiksen. But she took a long view, recognizing that the "mink gate" legacy would be an obstacle to effective governance. So, she decided to formally resign and a new government will be formed. Prime Minister Frederiksen said that building a new government with broad coalition support was critical to face the upcoming challenges that face her country. Arguing for a coalition support that [reaches across the left and right](#), the prime minister, if successful, may create a model for combatting the rising challenge of political polarization around the globe.