



June 5, 2018

Dear Ambassador,

Our organizations represent a large segment of the business community in Europe, the United States, Australia, Canada, and Brazil. All of our companies rely on the free flow of data in order to reach customers, create jobs, and grow the economy. Data flows are critically important to the international competitiveness of European companies – both large and small – not only in the technology sector, but also in manufacturing, logistics, health, financial services, and many more. The number of internet users across the globe is expected to grow from 3.5 billion today to 5 billion in 2020,<sup>1</sup> and as a result, economies that are more connected to cross-border data flows will experience up to 40 percent higher GDP growth than those that are less connected.<sup>2</sup>

For these reasons, we appreciate the European Commission's efforts to facilitate cross-border data flows within the EU and more recently to facilitate these same flows with third countries through future trade agreements.

However, we are concerned that the European Commission's proposed language for future trade agreements would fail to achieve its stated objective: to ensure that companies, governments, and citizens can benefit from cross-border data flows. We share the Commission's goal of ensuring high levels of privacy and personal data protection. However, the proposed exception for privacy and data protection is overly broad and would allow third countries to impose unwarranted restrictions on data flows that do not improve privacy and data protection. The lack of adequate protections for data flows continues to impact investment in Europe and encourage innovative EU-based startups and entrepreneurs to start their businesses in other regions of the world where they can create and take risks with the confidence that they can reach global markets.

We share the Commission's interest in creating a vibrant, innovative European economy. As such, we urge the Council and Commission to revisit the approach to data flows in trade agreements. We believe that there is an appropriate balance of language that supports trade, investment, and innovation while maintaining strong protections for the privacy and data protection rights of EU citizens. We look forward to working with the Commission and member states to find this balance and putting European companies on the cutting edge of innovation worldwide.

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<sup>1</sup> United Nations, International Telecommunications Union. Time series of International ICT Data: <http://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>

<sup>2</sup> US Chamber of Commerce, *Business without Borders: The Importance of Cross-Border Data Transfers to Global Transparency*, 2014



Sincerely,

American Chamber of Commerce to the EU (AMCHAM EU)  
 Australian Information Industry Association (AIIA)  
 Brazilian Association of Software Companies (ABES)  
 Computer and Communications Industry Association (CCIA)  
 Confederation of British Industry (CBI)  
 Confederation of Danish Industry (DI)  
 Confederation of Swedish Enterprise (SN)  
 Ibec – For Irish Business  
 Information Technology Association of Canada (ITAC)  
 Information Technology Industry Council (ITI)  
 Internet Association (IA)  
 National Foreign Trade Council (NFTC)  
 U.S. Chamber of Commerce  
 U.S. Council for International Business (USCIB)