



COMMITTEE ON  
**ENERGY & COMMERCE**  
RANKING MEMBER FRANK PALLONE, JR.

DEMOCRATS

**FOR IMMEDIATE RELEASE**

November 3, 2015

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**Statement by Ranking Member Frank Pallone, Jr., as prepared for delivery  
House Energy and Commerce Committee  
Subcommittee on Commerce, Manufacturing and Trade  
Subcommittee on Communications and Technology  
Joint Hearing on “Examining the EU Safe Harbor Decision and Impacts for  
Transatlantic Data Flows”**

Thank you, Mr. Chairman. This is the Committee’s second hearing on the topic of data moving across national borders. The digital movement of data affects consumers and businesses in both the United States and in Europe, and in every country of the world.

The United States leads the world in technological innovation. It has exported over \$380 billion worth of digital services in 2012. Meanwhile, Internet commerce grew threefold from 2011 to 2013 and is expected to reach \$133 billion by 2018. And the economic relationship between the United States and European Union is the strongest in the world.

Since our December 2014 hearing on this issue, the big change is that the European Court of Justice invalidated the Safe Harbor agreement between the United States and the European Union that allowed American companies to transfer European users’ information to the U.S. The elimination of the Safe Harbor has caused great uncertainty.

However, as early as 2013, long before the Court’s October 2015 decision, the 15-year old agreement was under renegotiation. During this time, the U.S. and E.U. have been working hard to strengthen the privacy principles of the original agreement to ensure they cover the newest business models and data transfers that exist.

Almost a year later, we today repeat our desire to see those negotiations completed. I urge the parties to quickly finalize a new agreement tailor-made for the modern economy and the modern consumer.

A new agreement can and should improve consumer privacy and data security. Businesses can and should adhere to strong privacy principles from inception.

Building trust with consumers worldwide requires a multifaceted approach through appropriate legislation and regulation, as well as through trade negotiations. Therefore, I also

would urge this Congress to act by passing effective baseline privacy and data security protections. For the Internet of the future, economic gains and consumer protections go hand-in-hand. When consumers feel safe—that their personal information is protected—they do more business online.

I hope that today's discussion, as well as the ongoing negotiations between the U.S. and E.U. will encourage a step in the right direction on data privacy not only for Europeans, but for American citizens as well. We can have innovation and protections for consumer privacy. We have done it time and time again. There is no reason why it should be different in this space than in any other.

In today's heavily digital commercial environment, cross-border data flows are not just a normal part of doing business, but essential to the American economy and American jobs.

I welcome this opportunity to discuss the value of secure and free data flow between the United States and Europe.

Thank you, I yield back.

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