

US lawmakers ask trade czar to stem data threats (Update)

December 16 2013, by Marcy Gordon

Members of Congress want the Obama administration to demand that U.S. allies back away from proposed restrictions on international data transmissions, saying those actions could hurt U.S. companies.

Some nations are seeking to tighten the flow of data after reports this fall of the National Security Agency conducting massive information-gathering efforts abroad.

Germany has asked European Union officials to consider restrictions that would prevent U.S. companies from processing commercial and personal data from customers in Europe. That could affect the flow of information and hurt U.S. businesses such as Google, Facebook, Apple and Amazon.

Other proposals could affect the development of cloud computing.

A bipartisan group of House members—12 Democrats and six Republicans—has sent a letter to U.S. Trade Representative Michael Froman, insisting that nations abandon such efforts as a condition of pending trade pacts.

"These policies threaten to harm American and international businesses," the lawmakers said in a letter dated Friday. The letter's primary authors were Reps. Michael McCaul, a Republican, and Doris Matsui, a Democrat, co-chairs of the Congressional High Tech Caucus.

The letter also cited measures ordered by President Dilma Rousseff in Brazil to make the country's online system more independent from the U.S. and other countries.

Asked about the letter, Froman's office said, "We are confident that we will be able to respect privacy protections on both sides of the Atlantic as we advance our common digital trade agenda."

"The United States and the European Union have one of the most substantial data transfer networks in the world, and businesses on both sides of the Atlantic depend on the ability to transfer data seamlessly across borders to conduct their global business operations," the trade representative's office said in a statement. It called the existing U.S.-EU agreement "a vital bridge."

This fall, reports surfaced that the NSA has been monitoring the cell phones of a number of world leaders, including German Chancellor Angela Merkel. Other reports based on documents leaked by former NSA contractor Edward Snowden have portrayed agency spying on foreign governments, companies and tens of millions of telephone calls in Europe.

The backlash over the spying could threaten a sweeping free-trade pact with the European Union, which is aimed at adding about \$138 billion a year to both regions' economies. That deal is one of President Barack Obama's top trans-Atlantic goals.

The fallout also could hurt America's existing trade agreement with Europe, which generates tens of billions of dollars in trans-Atlantic business annually.

EU officials have said the trust needed for trade negotiations has been shattered. Chinese and Southeast Asian governments have demanded an

explanation from U.S. authorities on the NSA surveillance.

The lawmakers are urging Froman "to remind our trading partners around the world that all governments and all segments of the economy benefit from cross-border data flows." They are asking Obama's trade czar to keep the issue prominently on the table in ongoing talks on two landmark trade agreements: with the European Union and with a group of countries across the Asia-Pacific region.

Lawmakers sent the letter a week after a coalition of businesses including Google, Apple, Yahoo, Facebook and Microsoft penned its own, asking Obama to curb the surveillance programs.

Silicon Valley has been fighting in the courts and in Congress for changes that would allow them to disclose more information about the secret government orders they receive. Several companies are introducing more encryption technology to shield their users' data from government spies and other prying eyes.

The tech companies are straining to counter any perception that they voluntarily give the government access to users' email and other sensitive data.

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