

# US, EU warned of fallout if no data protection deal by January 31

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Max Schrems, seen in Luxembourg on October 6, 2015, was the first to challenge the "Safe Harbour" arrangement between Washington and Brussels on the grounds it did not properly protect European data

The top US and European trade groups have warned their leaders of enormous fallout for businesses and customers if the two sides fail to reach a new deal on data transfers by end January.

The European Court of Justice in October ruled that the EU-US "Safe Harbour" arrangement allowing firms to transfer European citizens' personal information to the United States was "invalid" because it did not properly protect the data from spy agencies.

EU and US officials have held several rounds of talks for a new arrangement with European officials hoping for a new deal by the end of January, and the four business groups mentioning a "deadline" of January 31, 2016.

"We are writing to convey the critical importance of your efforts to come to a comprehensive and sustainable transatlantic agreement concerning [data transfers](#)," the four business groups said in a letter to European Commission President Jean-Claude Juncker and US President Barack Obama.

A copy of the letter dated January 15 and obtained by AFP on Monday was signed by the heads of Business Europe, Digital Europe, the US Chamber of Commerce and the Information Technology Industry Council.

"This issue must be resolved immediately or the consequences could be enormous for the thousands of businesses and millions of users impacted," the groups said.

EU officials said in November they were taking seriously businesses' concerns about the legal void following the court ruling.

It has alarmed Washington which says it "put at risk the thriving transatlantic digital economy."

The landmark verdict stemmed from a case lodged by Austrian law student Max Schrems, who challenged the deal between Washington and

Brussels on the grounds it did not properly protect European data.

His concerns were raised by the scandal involving Edward Snowden, the former National Security Agency whistleblower who in 2013 revealed a worldwide US surveillance programme harvesting the data.

European Commissioner Vera Jourova said last year in the absence of "Safe Harbour," data can still flow between the two continents under provisions of a 1995 EU directive where data protection, for example, is guaranteed by clauses in individual contracts.

But she admitted there was no substitute for a new arrangement.

A spokesman for the European Commission, the EU executive, told AFP that Juncker received the letter and that the aim was still to conclude the deal by the end of January but declined to say where negotiations stood.

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