



AUTO ALLIANCE
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November 3, 2015

Chairman Michael C. Burgess
Subcommittee on Commerce, Manufacturing and Trade
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Chairman Greg Walden
Subcommittee on Communications and Technology
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Ranking Member Janice Schakowsky
Subcommittee on Commerce, Manufacturing and Trade
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Ranking Member Anna Eshoo
Subcommittee on Communications and Technology
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Chairmen Burgess and Walden and Ranking Members Schakowsky and Eshoo:

Thank you for holding a very timely joint hearing entitled “Examining the EU Safe Harbor Decision and Impacts for Transatlantic Data Flows.”

Together, the Alliance of Automobile Manufacturers, American Automotive Policy Council, and Association of Global Automakers, represent twenty-three major automobile manufacturers. Our member companies take consumer data privacy very seriously. We recognize that the relationship between our companies and their customers is dependent on trust.

Since 2000, the Safe Harbor Framework has been critical to protecting privacy on both sides of the Atlantic and to supporting economic growth in the United States and the European Union. However, the European Court of Justice’s recent ruling invalidating the Framework creates significant uncertainty for both U.S. and EU companies and consumers. The implications are far reaching for all areas of commerce, including the auto sector.

We urge lawmakers to forward a prompt conclusion of a new U.S.-EU Safe Harbor Framework that protects consumers’ data privacy while ensuring multinational automakers with operations in both the U.S. and the EU can freely transfer information between and among their respective localities. A new U.S.-EU Framework is an essential mechanism to supporting the economic growth that the auto sector is driving in both the U.S. and EU markets. Indeed, the competitive partnerships of U.S. and European automakers are mutually beneficial to each economy’s manufacturing sector.

Our companies are global leaders. Not only does data used to conduct business need to be accessed, but access and use of data regarding each entity and regarding those employed by multinational companies should not be firewalled based on our employees’ location and citizenship. Restrictions on access to, and the transfer of, such data would impede our companies’ ability to effectively and efficiently manage business operations, implicate our regulatory and reporting obligations, and lead to incongruous results, e.g., preventing company managers from accessing data about their own employees unless they are physically located in that country.



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One of the key drivers for the resurgence of the U.S. automotive industry has been our ability to focus on operational efficiencies. The unification of many of our information and communications technology (ICT) organizations is part of that strategy. For example, in order to optimize the IT infrastructure we maintain around the world, we need to be able to store and process data in the most efficient manner. Restrictions on transfers, access and use of data could force multinational automakers to maintain servers in specific markets and decentralize data processing, unnecessarily increasing the costs to produce vehicles and complicating the ICT management at each company.

Perhaps most important to fostering trust with our consumers, our engineering, manufacturing, and distribution networks, as well as warranty repair providers need to be able to freely share their data to ensure we manufacture the highest quality vehicles possible and quickly address problems when they arise. This demands the ability to harness this collective data into information that benefits all our consumers, not just as a whole, but also on an individual, vehicle, level. Unless that warranty data can be traced back to a specific vehicle, it is not especially useful.

The passage of the Judicial Redress Act (H.R. 1428) by the House of Representatives was a positive step forward in meeting the prerequisites for a new Framework. The final enactment of the Judicial Redress Act will be critical in rebuilding the trust of citizens worldwide in both the U.S. government and U.S. industry and in addressing the misconceptions underlying the European Court of Justice ruling. With the implementation of the Judicial Redress Act, the Umbrella Agreement, and the multiple oversight enhancements to U.S. national security practices, we believe the conditions laid out in the ECJ ruling are met and in some cases exceeded. U.S. and EU automakers strongly support the conclusion of U.S.-EU Safe Harbor Framework that protects consumers' data privacy while avoiding interruptions to U.S. and EU automakers' operations. We appreciate the Committee's attention to this critical issue.

Thank you for your consideration of our views.

Sincerely,

Alliance of Automobile Manufacturers
American Automotive Policy Council
Association of Global Automakers