

**Congress of the United States**  
**Washington, DC 20515**

January 11, 2016

The Honorable Jacob J. Lew, Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington DC 20220

The Honorable Michael Froman  
U.S. Trade Representative  
600 17th Street NW  
Washington, D.C. 20508

The Honorable Jeffrey Zients, Director  
National Economic Council  
The White House  
1600 Pennsylvania Avenue NW  
Washington DC 20500

Dear Secretary Lew, Ambassador Froman, and Director Zients:

We write to express concern with the exclusion of financial services from the Electronic Commerce chapter of the Trans-Pacific Partnership (TPP), including its provisions on cross border data flows and data localization.

As the Administration has rightly noted, the ability to transfer data across borders, as well as decide where and how to structure information technology infrastructure, is crucial for U.S. companies operating in a global environment across a range of sectors. U.S. digital services companies are global leaders in information technologies, including cloud computing, and depend on the free flow of data to operate and innovate. In addition, U.S. manufacturers, service providers, and farmers, among others, rely on the free flow of data to identify market opportunities, innovate and develop new products, maintain supply chains, serve customers, and manage their workforces on a global basis.

Given the importance of digital trade to the U.S. economy and U.S. companies, the data rules in the Financial Services chapter in our view are inadequate to address the data-related barriers facing U.S. financial institutions. Congress has provided the Administration clear guidance for U.S. negotiators to pursue provisions that protect against restricting cross-border data flows and that prohibit localization requirements for all sectors, including financial services.

Financial services companies are a critical piece of the economic infrastructure, providing banking, insurance, electronic payment systems, and securities services in the United States and other markets. As in every other sector, U.S. financial services companies depend on the free flow of data to run operations on a global basis. Increasingly, however, foreign countries are requiring U.S. companies to “localize” data infrastructure, including storing data within a

country and establishing costly in-country servers and data centers. These types of requirements not only impair the competitiveness of U.S. companies but also reduce overall data security and create inefficiencies.

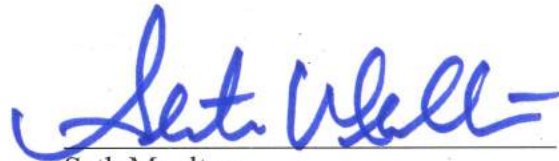
Omission of these disciplines in the Trans-Pacific Partnership (TPP) is a missed opportunity to ensure that all U.S. companies benefit from strong rules prohibiting localization requirements. We note that such disciplines can be included in trade agreements while maintaining the ability of U.S. regulators to protect consumers through prudential regulation.

Therefore, we request that your agencies use all available measures to address the existing gaps in the TPP. In addition, going forward, we request that there be a single approach that prohibits localization requirements in future trade and investment agreements, including the Trans-Atlantic Trade and Investment Partnership (TTIP), the U.S. China Bilateral Investment Treaty, and the Trade in Services Agreement (TiSA). We look forward to your immediate engagement to address these issues.

Sincerely,



Mike Kelly  
Member of Congress



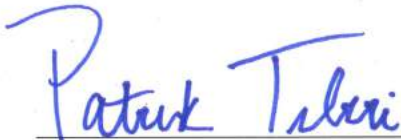
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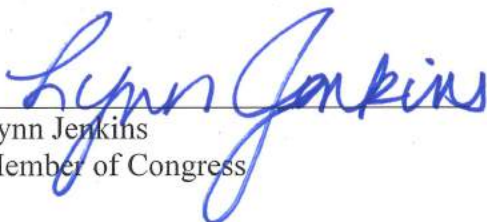
Ann M. Kuster  
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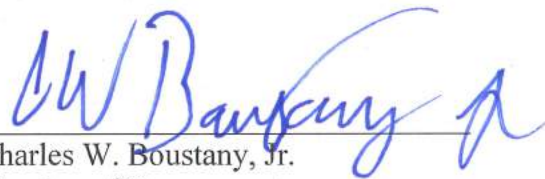


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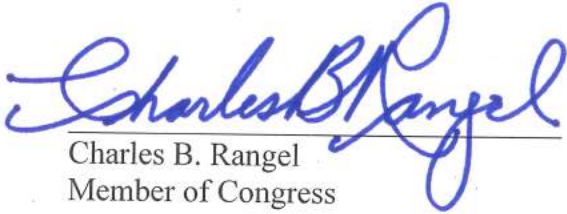




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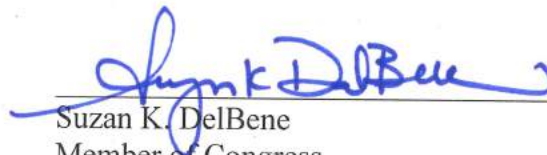
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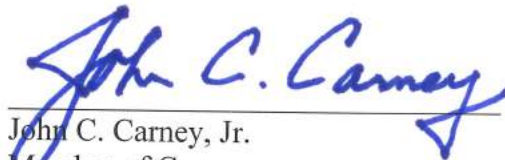
James A. Himes  
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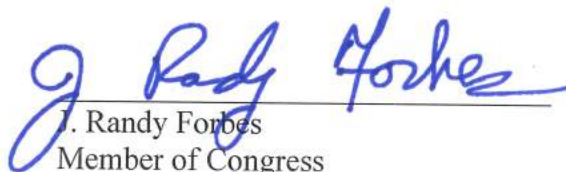
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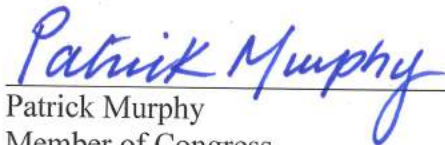
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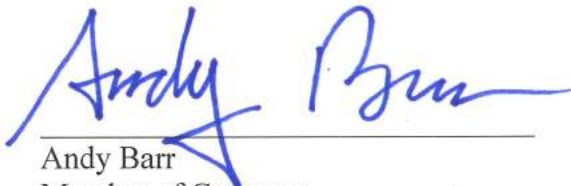
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Mike Quigley  
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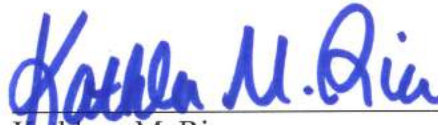
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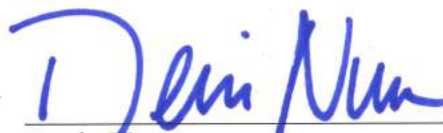
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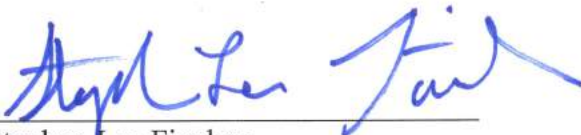
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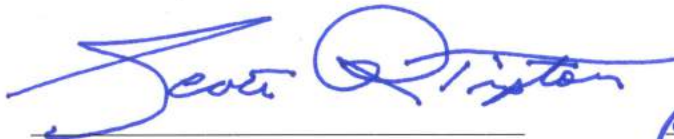
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Luke Messer  
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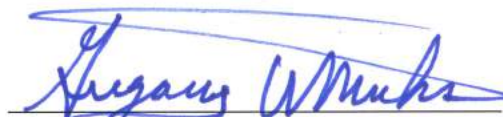
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