

6 September 2024

Feedback of

ACT | The App Association

to the

European Commission

DG JUST

Unit 01 – International Affairs and Data Flows

regarding its consultation on the

EU-US Data Privacy Framework

ACT | The App Association ('App Association') appreciates the opportunity to contribute to the European Commission consultation on the EU-US Data Privacy Framework ('DPF').

The App Association is a policy trade association for the **small business technology developer community**. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. Today, the ecosystem the App Association represents—which we call the app economy—is valued at approximately **€830 billion globally** and is responsible for over **1.3 million jobs in the European Union (EU)**.¹

The seamless flow of data between economies and across political borders is essential to the functioning of the global economy. Innovative app developers must be able to rely on unfettered data flows as they seek access to new markets. Alongside the world's rapid embrace of mobile technology, our members have been developing innovative hardware and software solutions that power the growth of the internet of things (IoT) across modalities and segments of the economy. App Association members include many EU-based innovators who develop mobile technology products in both established and emerging markets. How our members can use, share, and transfer data affects how their products function and how consumers engage with those products and services. Our members handle and work with data every day, so they are committed to ensuring compliance with EU data protection rules.

Cross-border data flows between the United States and the European Union are the largest in the world and underpin a € 6.4 trillion bilateral trade and investment partnership.² The DPF brings significant benefits to businesses, particularly small and medium-sized enterprises (SMEs). For SMEs, which are often the most affected by the complexities of cross-border data transfers, the DPF offers a simplified and clear pathway to compliance. By reducing the regulatory burdens and providing a stable legal foundation for data transfers, the DPF enables smaller companies to compete more effectively in transatlantic markets, fostering growth and innovation across sectors.

The DPF brings much-needed legal certainty to businesses navigating the complexities of the global digital economy, facing new challenges every day. Without the DPF or an equivalent facilitation mechanism for cross-border data transfers, maintaining compliance with international data standards would be nearly impossible for many businesses, particularly those that cannot afford to use Standard Contractual Clauses (SCCs) or invest the time and resources required by alternative compliance mechanisms. The administrative burden and cost associated with navigating these complex compliance

¹ See <https://actonline.org/wp-content/uploads/Deloitte-The-App-Economy-in-the-EU-2020.pdf>.

² U.S. Secretary of Commerce Wilbur Ross Statement on Schrems II Ruling and the Importance of EU-U.S. Data Flows, 16 July 2020. <https://www.commerce.gov/news/press-releases/2020/07/us-secretary-commerce-wilbur-ross-statement-schrems-ii-ruling-and>

routes put smaller companies at a distinct competitive disadvantage, effectively stifling their ability to engage in transatlantic trade.

The DPF provides an essential legal tool for ensuring that our members can align with data protection principles that are well-supported by the app developer community. In practice, our members' policies exceed the DPF's requirements in many instances, and it gives them the ability to publicly differentiate themselves from other businesses and serves as a means of demonstrating alignment with the values that our members' customers prioritise in the EU.

Thank you for your time and consideration. We remain open to any follow-up discussions or clarifications and look forward to ongoing engagement.

Sincerely,



Mike Sax

Founder and Chairperson

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Policy Manager