

June 17, 2019

Dear Senate Finance Committee Members:

On behalf of the members of the Electronic Transactions Association (ETA), I am writing in support of the United States-Mexico-Canada Agreement (USMCA). The USMCA would strengthen U.S. cross border digital trade leadership and advance electronic payment products and services ability to grow platforms and services that enable engagement with the digital economy. As Congress considers the many important provisions in the USMCA, we urge lawmakers to take into account the significance of the digital trade rules on the United States economy and to take the necessary steps to ratify the agreement.

ETA is the leading trade association for the payments industry, representing over 500 companies that offer electronic transaction processing products and services; its membership spans the breadth of the payments industry to include independent sales organizations, payments networks, financial institutions, transaction processors, mobile payments products and services, payments technologies, equipment suppliers, and online small business lenders.

Digital technology drives global commerce and ensures payments happen on time and in the right amount. The agreement sets a new and important precedent for modern trade rules that reflect the importance of data, technology, and innovation in the United States – and the North American – economy.

Businesses and entrepreneurs in every American state and every community use the internet to sell and export their goods and services across the globe and the USMCA provides strong provisions in the agreement allow for the free flow of information across borders. This is essential to the vibrancy of the international economy and ensures American businesses and entrepreneurs can easily access data and provide services to partners in Canada and Mexico.

The agreement also prohibits the data localization requirements that are harmful to business. Barring any country from requiring any sector to use or locate computing facilities in their territory as a condition for conducting business will allow companies to store their data wherever they choose. Leveraging the global, interconnected nature of the internet and lowering unnecessary costs and regulatory burdens – especially for United States small businesses expanding into new markets.

The USMCA enables each country to adopt a flexible privacy law to protect consumers. Privacy laws must be respected, but they need not be written in a way that prohibits the movement of personal data across borders. The USMCA allows the United States, Mexico and Canada, to develop their own privacy laws but requires each country to adopt mechanisms to promote compatibility between these different laws.

Ratification of the USMCA would be a boost for the American economy and bring predictable rules for all companies that use electronic payments in North America. The United States has an important opportunity to continue to be the world's leader in global commerce by passing the USMCA. We urge the Administration and Congress to work together to do so.

We appreciate your leadership on this important issue. If you have any questions, please feel free to contact me directly at stalbott@electran.org.

Sincerely,



Scott Talbott
Senior Vice President of Government Relations
Electronic Transactions Association