

flows start and end. ¹Michael Mandel has preliminarily estimated however that crossborder data flows comprise 16-25% of all U.S. data traffic, while approximately ²16% of data traffic in Europe crosses into other regions. ³What is crystal clear is that communication between the U.S. and Europe has been growing rapidly, with telecom providers ⁴scrambling to increase transatlantic cable capacity at an average annual rate of 19% between 2008 and 2012.

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purest form of a broadband bonus, since countries that exchange data win without anyone losing.”⁷

Cloud computing is a special case of cross-border data flows and is about more than just sending content. Cloud computing enables parties in different geographical locations to contribute in real time to the same work product, resulting in what Paul Schwartz called a “distributed computing” environment that gives firms “greater flexibility than ever before in deciding on shape of work” and “play[s] an important role today in allowing novel business approaches.”⁸ Cloud computing is the core technology that is enabling a wide range of location-agnostic business models and consumer services.

Cloud computing is big, and it is still growing fast. According to Cisco estimates, total cloud Internet traffic is predicted to increase nearly 4.5 fold between 2012 and 2017. Overall, cloud IP traffic is forecast to grow at a compound annual growth rate of 17.6%.

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ability of legal regimes to work together, and enhanced cross-

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EC officials to consider appropriate improvements. In fact, FTC staff is meeting with EC representatives this week to further discuss these issues.

The Safe Harbor is a major component of the FTC's ongoing efforts to strengthen the interoperability of privacy regimes in different countries. But it is not the only such effort. Indeed, the Commission is working around the world to build frameworks and agreements that enable data to move between countries with different privacy and consumer protection regimes.

APEC. Our work on the Asia-Pacific Economic Cooperation framework is another good example of our interoperability efforts. As you know, the APEC framework facilitates interoperability of different privacy regimes. FTC Chairwoman Edith Ramirez recently described APEC as "allow[ing] information to flow freely among the 21 APEC economies yet still maintain[ing] strong privacy protections for consumer data."¹⁴

I want to highlight one other recent effort that will promote interoperability. Recently the FTC announced the results of a project mapping the APEC Cross Border Privacy Rules to the EU Binding Corporate Rules¹⁵. The resulting document was jointly designed by APEC officials and the EU's Article 29 Data Protection Working Party to be a practical reference tool for companies that seek "double certification" under these APEC and EU systems¹⁶. The document shows the substantial overlap between the EU and APEC frameworks, while noting the areas in which the regimes differ. Understanding the contours of these two systems should help companies design their systems and practices to comply with both