

**Testimony of Scott Taylor
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**Before the Subcommittee on Commerce, Trade and Consumer Protection;
Committee on Energy and Commerce
of the
United States House of Representatives
June 20, 2006**

Mr. Chairman, Ranking Member Schakowsky, and distinguished Committee members, my name is Scott Taylor and I am the Chief Privacy Officer for Hewlett-Packard Company.

Headquartered in Palo Alto, California, HP is a leading global provider of computing and imaging solutions and services, conducting business in over 170 countries around the world with 150,000 employees globally and revenues of \$88 billion. Respecting our customers' privacy has been in our DNA since the inception of the company and an integral part of our success. I very much appreciate the opportunity to share with you today our views on the importance of Congress considering a unifying, workable and comprehensive Federal privacy standard.

I want to leave you with three important messages today:

- **First, privacy is a core HP value.** We firmly believe that our ability to succeed in the marketplace depends upon earning and keeping our customers' trust. Only by ensuring the privacy and security of all the customer information that we handle can we rightfully gain and maintain that trust.
- **Second, HP has long been a leader in corporate efforts to strengthen consumer privacy protections globally.** From becoming the first U.S. company to participate in the EU's Safe Harbor program back in 2001, to having helped launch the Consumer Privacy Legislation Forum last fall, HP has a lengthy track record of advancing forward-looking, workable privacy initiatives that respond to consumer needs.
- **And finally, in keeping with that record of leadership, HP believes it is time for Congress to consider establishing a comprehensive, flexible, and harmonized legal framework for protecting consumer privacy.** Consumers want it, companies need it, and our economy will be the better for it.

Let me briefly address each of these points.

First and foremost, privacy is a core HP value.

As a company, HP is 100 percent committed to excellence in consumer and employee privacy, and for two fundamental reasons.

First, because it's the right thing to do. We have an obligation to fulfill the trust that HP employees have given us in handling their information

Second, because successful customer relationships are fundamentally about *trust*. Consumers who purchase any one of the 10,000 computer and imaging products produced by HP must be confident not only in the quality of our products, but in the integrity of their customer experience. They must trust that we will do right by them, particularly when it comes to protecting the privacy and security of their personal information.

It is for this reason that HP operates one of the most rigorous global privacy policies of any major U.S. company. In fact, in January 2005, TRUSTe and the Ponemon Institute named HP "The Most Trusted Company in America for Privacy."

Secondly, HP has long been a leader in strengthening consumer privacy protections.

In fact, we've been at the forefront of corporate efforts to strengthen global privacy protections for many years now.

First, a bit about our own policies. HP's global website, www.hp.com, posts a privacy statement on every page as well as privacy notices at every personal data collection point. We offer a range of pro-consumer privacy protections for users, including choices about marketing contact preferences and an opt-in approach for sharing personal information with third parties outside our company. My position -- Chief Privacy Officer -- is charged with ensuring that HP's global privacy policies match the highest standards of privacy excellence everywhere in the world.

We are also active in efforts to advance dialogs on privacy issues outside our company. HP was a founding sponsor of the Better Business Bureau's BBB*OnLine* Program, one of the earliest and, today, most internationally recognized privacy protection self-certification programs.

In 2001, we became the first American company certified by the Department of Commerce to participate in the European Union's Safe Harbor program. Our global privacy policy is, in fact, based on the Safe Harbor, a rigorous standard designed to be compatible with the European Union's high data privacy requirements.

And finally, HP was one of three U.S. companies who last fall launched the Consumer Privacy Legislation Forum -- a group of privacy-minded companies and consumer

organizations focused on advancing a national dialogue on a workable, responsive Federal privacy standard.

Which brings me to my final point:

HP believes it is time for Congress to consider a unifying Federal privacy law.

As a leader in e-commerce, HP is a strong proponent of effective corporate self-regulation. We believe that the future of e-commerce depends on companies acting responsibly to advance consumer needs.

At the same time, however, we recognize that consumer privacy presents a series of challenges that have not yet been fully addressed. For example, the patchwork of state-based privacy regulations in existence today with many different statutes means that consumers are confused as to the extent of their protections in any given context, and that companies must contend with a mix of differing and often conflicting regulations.

Further, heightened consumer concerns about existing privacy threats – from spyware to phishing, spam to data breach, and any number of other challenges – risk undermining the economic health of e-commerce. No one is served – not consumers, not governments, and certainly not corporations – by a lack of customer confidence in the security and privacy of personal information.

Which adds up to one thing:

HP believes that Congress should take steps to consider a comprehensive federal approach to protecting consumer privacy – one that provides a workable *national* standard in lieu of the current patchwork of state laws. This national baseline should be built on fundamental, sound privacy principles that include:

- transparency and consumer choice;
- scalability and flexibility;
- information security;
- accountability; and
- strong enforcement.

Let me be clear: we are not looking for Congress to dictate the terms *or technologies* for protecting privacy. That would be counter-productive and self-defeating. Rather, we are urging Congress to examine ways of establishing a workable, flexible benchmark that unifies the divergent regulations currently in existence and, at the same time, responds to the very real needs of anxious consumers.

We recognize that this is likely to be a multi-year effort – one that will require careful study and consideration by this Committee and by the Congress as a whole. But it is a process that we believe is well worth embarking upon.

At HP, we stand ready to serve as a resource to you, so that working together, we may find meaningful, functional ways to protect the privacy of American consumers and realize the full potential of e-commerce.

Thank you.