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## HP Policy Position

### Market Access

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HP supports open markets through the reduction and elimination of duties on all products, removal of non-tariff barriers to IT goods and services, and policies that encourage global innovation and access to technology. HP has a presence in approximately 170 countries and earns 65 percent of its revenue from outside the United States.

#### HP's Policy Recommendations

- In the U.S., HP strongly supports passage of Trade Promotion Authority legislation to bolster the negotiation process and facilitate implementation of completed trade agreements.
- HP seeks to further eliminate tariff and non-tariff barriers for products and services by supporting free trade agreements such as the Trans Pacific Partnership, Transatlantic Trade and Investment Partnership, and International Services Agreement, and updating the Information Technology Agreement.
- HP supports opening markets to IT products through duty reductions, including updating the ITA to reflect new technologies and functionalities. HP seeks market openings for IT services, specifically allowing free flow of data across borders and eliminating data localization requirements.
- Trade agreements should also enhance the protection and enforcement of intellectual property rights, promote regulatory transparency and convergence, and facilitate trade and customs for international supply chains.
- HP opposes discriminatory domestic preference policies, local content mandates, unique technical standards, in-country testing requirements, and required transfer of sensitive technology for purported security compliance purposes. Such practices create unfair conditions for multinational companies and do not make domestic industries globally competitive in the long run. Government procurement policies should ensure competition, innovation, and efficient use of resources.

#### Issue Background

##### Trade Promotion Authority

In the U.S., HP supports bipartisan legislation to reinstate Trade Promotion Authority to provide Congressional guidance to the executive branch on trade policy and negotiating objectives, and establish consultation mechanisms and procedures to authorize entering into trade agreements and implementing those agreements. The bill also contains important provisions to address key trade issues in the information economy. The legislation reinstates trade promotion authority, first established in 1974 and expired in 2007, which allows a simple up or down Congressional vote on concluded trade agreements, without amendment. HP strongly supports passage of the Bipartisan Congressional Trade Priorities Act as critical for implementing carefully negotiated agreements such as the Trans Pacific Partnership when it is concluded.

### Trans Pacific Partnership

Launched in 2011, the Trans-Pacific Partnership (TPP) is now in a critical phase of conclusion. The agreement between Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, Canada, Mexico, Japan and the United States would enhance trade and investment in a fast-growing region. The current TPP parties represent 40 percent of world GDP and is estimated to boost U.S. exports by \$124B annually.<sup>1</sup>

The TPP embraces the 21<sup>st</sup> century global marketplace by addressing high-tech issues critical to HP such as cross-border data flows, prohibition of data localization requirements, privacy protections, intellectual property, and elimination of technical barriers such as unique standards for encryption or other IT products. TPP negotiations also include important provisions on government procurement, state-owned enterprises, trade facilitation for the global supply chain, and conformity assessment to eliminate duplicative testing and certification. HP strongly supports the successful conclusion of the TPP with progressive language in these areas.

### Transatlantic Trade and Investment Partnership

Announced in 2013, the Transatlantic Trade and Investment Partnership (T-TIP) between the U.S. and the European Union (EU) would enhance one of the world's largest trade relationships, with two-way trade representing \$1 trillion, or 30 percent of worldwide trade, and mutual foreign direct investment totaling \$3.7 trillion.

HP is headquartered in the U.S., and has a large presence and market in Europe. As such, HP strongly supports the T-TIP as a mechanism to address trade and investment barriers between the two regions. T-TIP is an opportunity to further strengthen the transatlantic relationship, and to establish high standards for lowering global trade barriers.

The agreement should eliminate remaining tariffs and address new non-tariff trade barriers in areas such as cross-border data flows, data localization requirements, services, government procurement and state-owned enterprises, e-commerce and regulatory and standards compatibility. The agreement should also encourage trade and customs facilitation and cooperation on intellectual property protection.

### Trade in Services Agreement

In January 2013, the U.S., EU, Japan and other countries announced intent to negotiate the Trade in Services Agreement (TISA) to liberalize trade in services, addressing non-tariff barriers. U.S. public consultations were launched in March 2013. TISA would be a comprehensive services agreement among 23 partners, representing 50 countries and accounting for two-thirds of global trade in services. HP supports a high-ambition agreement that provides national treatment, contains flexibility to cover new emerging service technologies without renegotiation, enables free flow of data across borders, embraces recognition and interoperability of data security and privacy protection regimes, encourages e-commerce, and promotes international standards.

### Information Technology Agreement Update

The ITA is one of the most successful trade agreements ever implemented. Created in 1996, and now comprised of 80 WTO members representing 97 percent of global trade in IT products, the ITA eliminated duties on IT products. However, in the nearly two decades since the agreement was signed, many new technologies and functions have developed, but the products in the agreement remain static. HP is

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<sup>1</sup> <http://www.iie.com/publications/pb/pb12-16.pdf>

seeking to include several products to the expanded ITA, namely all flat panel monitors (including flat panel display TVs); large format/graphics printers; all printer cartridges (when classified as ink or toner, not covered under current ITA); bulk ink for digital products, laptop/notebook batteries; all laser all-in-one printers (print, scan, fax, copy); GPS devices; all software imported on discs or other media (including entertainment media such as movies and music). Negotiations to expand ITA product coverage made significant progress before hitting a disappointing impasse in December 2014. HP encourages discussions to resume with the goal of reaching an ambitious and commercially significant agreement.

#### Domestic preference policies

Increasingly, governments throughout the world are implementing policies that undermine the ability of global IT companies such as HP to compete on a level playing field. Such policies discriminate against multinational companies in favor of domestic production in government procurement and the private sector. Some countries' policies wrongly favor "homegrown" intellectual property and implement forced technology transfer for presumed security purposes to the detriment of the economies. Increasingly, in-country testing and physical inspection requirements are creating additional barriers to trade. HP supports the use of international standards and recognition of declarations of conformity.

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