

# TAA and FIPS: Why They Matter When Buying Drives

## Technology Point of View

Now more than ever, enhanced data security is a necessity for government agencies and contractors. As such, we need to go beyond safeguarding systems—security must start at the drive level. Seagate® TAA and FIPS-compliant hard drives and SSDs answer this need, addressing every step of the supply chain, reducing risks and meeting Federal security standards.

### Understanding TAA

TAA (Trade Agreements Act: 19 U.S.C. § 2501–2581) fosters fair and open international trade between nations, requiring that products are produced or undergo “substantial transformation” within the United States or designated country. While TAA compliance is often thought of in relation to storage systems, it also applies to individual components, such as hard drives and SSDs.

#### Four types of designated countries having reciprocal trade agreements with the US:

- Canada, Mexico and Australia
- Countries participating in the World Trade Organization’s Government Procurement agreement, including Japan and many European countries
- Caribbean Basin countries, such as Costa Rica, Haiti and Jamaica
- Countries designated as “least developed,” such as Afghanistan, Bangladesh, Laos and Ethiopia<sup>1</sup>

#### Non-TAA countries include:

- People’s Republic of China, Iran, North Korea, Russia, Cuba and India (This presents a significant issue for some electronics manufacturers.)

#### Approved and Recorded in the Federal Register

Seagate’s TAA-compliant solutions for enterprise and notebook hard drives are the only solutions approved and recorded in the Federal Register. This eliminates the requirement for waivers for TAA storage and meets the encryption requirements set by the US Government for both US Government entities and contractors.

#### Penalties for Non-Compliance

Any supplier having a GSA Schedule or other US Government contract, such as DOD and IDIQs, must ensure their products comply with TAA standards. Non-compliance could lead to bid award cancellation, significant fines and potential

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exclusion from Federal contracting. Additionally, TAA cannot be ignored if order values are below the dollar threshold, which is currently \$203,000 for goods and services. GSA states,

*Since the estimated dollar value of each Schedule exceeds the established TAA threshold, TAA is applicable to all Schedules. In accordance with TAA, only U.S.-made or designated country end products shall be offered and sold under Schedule contracts. Based on this ruling, that means all products offered under GSA Schedule contracts must be TAA compliant, regardless of cost.<sup>2</sup>*

## Understanding FIPS 140-2

FIPS 140-2 (Federal Information Processing Standard, with 2 referring to the version) is part of a set of US Government computer security standards used to approve cryptographic modules and their use within IT systems. It applies to any product that might store or transmit sensitive data, including link encryptors, hard drives, SSDs or other removable storage media. It ensures that a product uses sound security practices, such as approved, strong encryption algorithms and methods. It also specifies how individuals or other processes must be authorized in order to utilize the product, and how modules or components must be designed to securely interact with other systems.

### Other standards related and complementary to FIPS 140-2:

- NIST Special Publication 800-88: provides guidelines for media sanitization, including the processes and methods of clearing cryptographic modules<sup>3</sup>
- NIST Special Publication 800-171: outlines the requirements for protecting controlled unclassified information in nonfederal information systems and organizations
- Federal requirements for DAR (data encryption at rest): a US Government wide requirement

Seagate Self-Encrypting Drives (SED) are validated as FIPS 140-2 Level 2 compliant. This matters because organizations of all types are increasingly demanding that data at rest be encrypted to protect against loss or theft. FIPS 140-2 Level 2 validation is viewed as a mark of security and quality, and certifies to all buyers that the Seagate FIPS SEDs meet the U.S. federal government requirements for security products.

## Conclusion

Seagate is a trusted trailblazer in the world of data management for government entities and contractors, providing highly secure, top performing, affordable solutions. Armed with TAA-compliant hard drives and SSDs, customers are able to adhere to strict government mandates while adding essential protection to the some of the world's most valuable data.

<sup>1</sup> [Current list of designated countries](#)

<sup>2</sup> [GSA ordering guidelines](#)

<sup>3</sup> [Guidelines for media sanitization](#)

<sup>4</sup> [NIST Special Publication](#)

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