

**Opening Remarks of Commissioner Edith Ramirez
Federal Trade Commission Workshop on
Enforceable Codes of Conduct: Protecting Consumers Across Borders
Washington, DC
November 29, 2012**

Good morning, everyone, and welcome. Before I begin, I would like to take this opportunity to thank Keith Fentonmiller, Hui Ling Goh, and Stacy Feuer for organizing today's event.¹

Earlier this week we had "Cyber Monday," the 21st century online shopping extravaganza that complements Black Friday. Cyber Monday is a distinctly American phenomenon, but it illustrates our interconnected, global marketplace. On that day, consumers from all over the world can, and do, purchase goods from online American merchants. And, of course, many of the goods themselves – clothing, home appliances, and electronics – are produced abroad. Thanksgiving may be an American holiday, but Cyber Monday – and, more broadly, modern commerce – is an increasingly global enterprise.

But where there is trade, there is a need for consumer protection. Consumers want the goods they purchase to be safe, no matter where they were produced. They want an effective remedy if a merchant sends an item that does not work, whether the merchant is across the street or across the globe. Businesses, too, need safeguards as they seek to manage their relationships with a complex chain of partners in far-flung places. And they want easy ways to resolve disputes with foreign companies and customers.

But it can be a challenge for governments

These arrangements, which we have bundled under the “cross-border codes” label, include industry codes of conduct, third-party certification programs, guidelines

The APEC Cross-Border Privacy Rules System is the product of just such a process. The APEC Cross-Border Privacy Rules, on which we will have a panel this morning, are an attempt to create a voluntary and interoperable system of meaningful protection for consumer data. Despite the differences in privacy and legal regimes across the vast Asia-Pacific region, APEC members have developed a system that reflects a consensus on what constitutes sound cross-border data protection. This approach – of agreeing on common rules to which companies can pledge their adherence that are then enforceable across jurisdictions – has immense potential.

The APEC model holds great promise and may be transferable to other areas. One purpose of this forum is to examine what those areas might be and what form those systems should take. To this end, this forum will also look at the operation of codes, guidelines, and standards in areas that the FTC does not traditionally regulate, such as corporate social responsibility and toy and food safety. The government, business, and civil society experts in these areas have much to teach the FTC and other government agencies about the potential rewards and downsides of an oversight system developed and overseen by multiple stakeholders.

As a result of today's program, we would like to have a better sense of the range of code- and standards-based systems, and an appreciation for what works well and what does not. Our goal is to articulate a set of best practices and metrics to judge these systems. Some have already begun this task, notably the final panelists, who will look at the core indicators of legitimacy and effectiveness as well as how to measure and compare code-based systems.

The FTC is well-suited to synthesize the knowledge being developed around the world on cross-border codes of conduct. We have broad expertise in, and authority over, a wide range of consumer protection issues in the United States. With that expertise, as well as the extensive networks in which our Office of International Affairs participates, I believe the FTC is well-positioned to take a leadership role in exploring transnational, enforceable codes of conduct and promoting best practices that I hope will emerge from today's program.

To conclude, I would like to turn back to the shopping frenzy that occurred a few days ago. Whether purchases are made in a brick and mortar store or online, commerce will only continue to become more global. Wherever consumers and merchants happen to be, economic activity should be marked by secure transactions instead of vulnerabilities, clarity instead of misrepresentations, and, especially on occasions like Cyber Monday, deals instead of scams.

I am confident that today's discussion of cross-border codes will help bring us closer to that goal. Thank you all for joining us in that endeavor.