## **UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION**

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| COMMISSIONERS:   | Edith Ramirez, Chairwoman<br>Julie Brill<br>Maureen K. Ohlhausen<br>Joshua D. Wright<br>Terrell McSweeny |
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| In the Matter of | )  |

In the Matter of

American Apparel, Inc., a corporation.

Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission ("EC") has made a determination that the recipient jurisdiction's laws ensure the protection of such personal data. This determination is referred to commonly as meeting the EU's "adequacy" standard.

- 6. To satisfy the EU adequacy standard for certain commercial transfers, the U.S. Department of Commerce ("Commerce") and the EC negotiated the U.S.-EU Safe Harbor Framework, which went into effect in 2000. The U.S.-EU Safe Harbor Framework allows U.S. companies to transfer personal data lawfully from the EU. To join the U.S.-EU Safe Harbor Framework, a company must self-certify to Commerce that it complies with seven principles and related requirements that have been deemed to meet the EU's adequacy standard.
- 7. Companies under the jurisdiction of the U.S. Federal Trade Commission ("FTC"), as well as the U.S. Department of Transportation, are eligible to join the U.S.-EU Safe Harbor Framework. A company under the FTC's jurisdiction that claims it has self-certified to the Safe Harbor principles, but failed to self-certify to Commerce, may be subject to an enforcement action based on the FTC's deception authority under Section 5 of the FTC Act.
- 8. The U.S.-Swiss Safe Harbor Framework is identical to the U.S.-EU Safe Harbor Framework and is consistent with the requirements of the Swiss Federal Act on Data Protection.
- 9. Commerce maintains a public website, <u>www.export.gov/safeharbor</u>, where it posts the names of companies that have self-certified to the U.S.-EU Safe Harbor

We at American Apparel Corporation ("American Apparel") respect your concerns about privacy and value the relationship we have with you. American Apparel has certified that it abides by the Safe Harbor privacy principles, as set forth by the United States Department of Commerce, regarding the collection, storage, transfer, use and other processing of Personal Information (as defined below) transferred to the United States from the European Economic Area ("EEA") and Switzerland...

13. Through the means described in Paragraph 12, respondent represents