



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

March 7, 2006

Mr. Russell W. Schrader  
Senior Vice President and Assistant General Counsel  
VISA U.S.A. Inc.  
P.O. Box 194607  
San Francisco, California 94119-4607

Re: DSW Inc.  
Matter No. 0523096

Dear Mr. Schrader:

This acknowledges your letter commenting on the Federal Trade Commission's consent agreement in the above-entitled proceeding. Your letter was placed on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and was given serious consideration by the Commission.

Your comment discusses a number of general matters concerning information security and also asks the Commission to clarify the consent order to make clear that "all failures to encrypt information do not result in a failure to take reasonable and appropriate security measures to protect information." The Commission agrees that the failure to encrypt does not ipso facto establish that a company lacked reasonable procedures to safeguard the information. Accordingly, the complaint in this matter alleges that DSW's overall security procedures were not reasonable, and cites several deficiencies (including the failure to encrypt) which, taken together, support this conclusion.

After reviewing your comment, and the other submitted comment, the Commission has determined that the public interest would be best served by according final approval to the consent order. Thank you again for your comment.

By direction of the Commission.

Donald S. Clark  
Secretary