

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

In The Matter Of Telemarketing Rulemaking -

FTC File No. R411001

**COMMENTS OF Business Response Inc., 1100
Corporate Square Drive, St. Louis, MO 63132 ON THE
PROPOSED REVISIONS TO THE
TELEMARKETING SALES RULE**

INTRODUCTION

We are a company based in St. Louis, MO that operates three telemarketing centers in Missouri and Illinois. We have been continuously in business under the same name since 1986. We employ approximately 1000 people in positions that pay significantly above minimum wage. We are major users of long distance and technology services, substantially enriching the economy beyond the jobs we represent. Our clients are Fortune 50 to 500 financial institutions, sellers of business and consumer products, automotive companies and health care organizations. We are proud of our compliance history and a zero complaint record with state attorneys general. We are writing to offer our comments concerning the proposed revisions to the Telemarketing Sales Rule.

We support the recent efforts of the FTC to investigate and eliminate fraud in the industry and support the Telemarketing Sales Rule as drafted. However, we cannot support the revisions proposed by the Commission in this proceeding. The proposed revisions place many burdensome restrictions on the thousands of companies like ours that have ethically used the telephone as a legitimate sales and marketing tool. For the reasons set forth below, we are concerned that the FTC's attempts will do nothing to curtail the abusive and deceptive telemarketing practices of a few bad actors, but will penalize the business practices of reputable companies and will have a disastrous impact on our company's ability to continue to conduct ethical and legal telemarketing programs.

In particular, we oppose the following provisions proposed by the FTC:

(1) **Creation of a National Do-Not-Call Registry**:

- A.) Federal law already provides an easy an efficient means for consumers to remove their names from telemarketers Do-Not-Call lists. But in

contrast to the proposed FTC registry, the existing DNC system empowers consumers to make their own decisions. Consumers and consumers alone are given the authority to determine which calls they will accept and which they will block. While the FTC contends that it will offer consumer a similar program through the ability to list companies they will accept calls from, that is clearly an unrealistic option that will cost the FTC too much money to operate.

- B.) The industry has also attempted to provide consumers with a one-stop service to remove their names from all calling lists. The DMA's Telephone Preference Service offers consumers an easy, free, nationwide Do-Not-Call system that has already been created and will not require additional money to be expended by the FTC.
- C.) The states have already moved to address any perceived loopholes in the existing Do-Not-Call framework. Now 20 states have DNC lists and more are being added as we speak. The states, which are in the best position to offer solutions to the concerns raised by their citizens, have looked at this situation and acted in a way that is appropriate for their constituents. The FTC's list is another waste of taxpayer money to provide a service that is already offered to more than 60% of American citizens.
- D.) The impact of such a list would have a disastrous effect on the number of people that we employ. Our company exists because consumers use telemarketing. While many may complain about the business of telemarketing, there is no denying the numbers generated. We follow the appropriate state and federal laws, we honor consumer do-not-call requests and sales for our clients represent millions of dollars. Our annual payroll is \$18mm, and if the national DNC registry is established it is likely that we will see as many as 600 employees laid off, reducing that number by more than half.

(2) **Definition of Outbound Call**

- A.) There is no reason to redefine an outbound call simply because the call may include the offer of products or services from more than one seller. Requiring telemarketers to repeat certain disclosures, especially the fact that the call is to sell goods or services is a waste of time that will result in increased costs for marketers with no value to consumers. In nearly every case, whether an inbound or outbound call the additional disclosures are unnecessary. In an inbound call, the consumer knows the company who they are calling, and knows the call is about the consumer purchasing goods or services. Repeating that

for additional products or services makes no sense and will likely prove to be very annoying to consumers.

With an outbound call, the consumer has already been informed that the call is to sell goods or services. They are clearly aware of the nature of the call. Requiring these same disclosures to be repeated will again cause consumer annoyance and increased costs for business.

(3) **Predictive Dialers**

- A.) Predictive dialing devices are used by many telemarketing companies and make operation of such businesses much more cost effective by increasing productivity. Increased efficiency in marketing products and services over the phone through the use of predictive dialers helps to reduce costs and ultimately saves consumers money. Any regulation that would render this technology unusable would result in significant, perhaps unacceptable, cost increases to business and, ultimately, the consumer. Predictive dialing improves employee efficiency and the quality of their work experience. Prohibiting predictive dialing would increase employee stress and reduce call quality for the consumer. Many consumer-directed programs simply would not be done without this technology, resulting in loss of employee jobs.

Summary

Business Response, Inc., has been active in the ATA and DMA since 1994 and has participated in developing and supporting all ethical practices of telemarketing. While we absolutely respect the time the Commission has invested in studying these issues and its commitment to continue modifying these proposals, we do urge the Commission to look at the overall negative impact that these proposals will have on jobs, our community and the economy as a whole. Thank you for your consideration and we would be happy to assist the Commission in the future.

Linda M. Tyler, Compliance
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Response, Inc. 4/12/02