



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

In The Matter Of Telemarketing Rulemaking -

FTC File No. R411001

**COMMENTS OF TELEPERFORMANCE USA ON
THE PROPOSED REVISIONS TO THE
TELEMARKETING SALES RULE**

INTRODUCTION

Our company is a telemarketing service provider to major US financial institutions, insurance companies, telecommunication & wireless providers as well as a range of other industries. Today, we serve approximately 40 national clients. We are based in Salt Lake City, Utah and have a network of 35 call centers located throughout the United States. We employ approximately 7,500 people (4,000 FTEs).

Our approach has been to create small call centers in small and somewhat remote locations throughout the US in order to tap into the excellent workforces that exist in those communities and where labor competition is typically less intensive. Employment opportunities that would not otherwise exist in these communities are created and allow people to stay in these communities instead of going elsewhere for jobs. This creates a win-win-win situation for our employees, our company, our clients and ultimately consumers.

The solid growth of our organization since its inception in 1993 is testament to the contribution that telemarketing makes in terms of employment and services made available from our corporate clients to consumers. We are writing to offer 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 and 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 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 consumers 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, best positioned 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 business 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 we had sales in excess of \$148.1 million last year. *If the national DNC registry is established it is likely that we will see as many as 4,500 employees laid off.*



(2) **Predictive Dialers**

Many of our client's return on investment models are highly dependent upon achieving sales or contacts per hour that can only be achieved through the use of this type of technology. Effectively removing this capability will result in the collapse of a wide variety of product and service lines for our major clients. Ultimately, this will reduce the variety of offers now available to consumers and result in job losses within our organization as well as throughout our clients' organizations.

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.

We certainly respect the time the Commission has invested in studying these issues and its commitment to continue modifying these proposals. We 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.

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