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OFFICE OF THE CHAIRMAN

David S.J. Brown
Senior Vice President/Public Policy
and General Counsel

July 25, 2002

The Honorable Timothy J. Muris, Chairman
Federal Trade Commission
Washington, DC 20580



Dear Chairman Muris:

The Newspaper Association of America requests an appointment with you to discuss the newspaper industry's concerns with the Federal Trade Commission's proposed changes to the Telemarketing Sales Rule. NAA has actively participated in this rulemaking and would appreciate the opportunity to present our position and concerns to you in person.

In brief, we would like to discuss the importance of telemarketing to the newspaper industry. In 2000, 57.8 percent of new subscriptions due to marketing came from telemarketing – by far the single largest source of new subscribers. And telemarketing is a marketing practice used by newspapers of all sizes – more than 80 percent of newspapers with circulation under 25,000 rely on telemarketing to maintain, and hopefully increase, their circulation. The vast majority of newspapers do not conduct national telemarketing campaigns but rather focus their efforts on their local community whether it be intrastate or across a state line.

It is imperative to newspaper telemarketing efforts that in the absence of a newspaper exemption, the FTC adopt an exemption to the national do-not-call list that will allow newspapers to contact individuals with whom they have an "established business relationship." Calls to individuals where such a relationship exists should be exempt from any do-not-call list. A majority of states that have adopted do-not-call registries also have adopted an existing business relationship exemption.

NAA also would like to discuss the interpretation laid out in the NPRM that the use of predictive dialers violates the Telemarketing Sales Rule. We believe this interpretation is incorrect. If the Commission elects to modify that interpretation and adopt an abandoned call rate, we urge the Commission to adopt a rate that is no lower than 5 percent.

Another issue of importance to the newspaper industry is the proposed elimination of the written confirmation method for obtaining express verifiable authorization when a consumer uses certain payment methods, such as demand drafts. This is a practice that many newspapers responsibly use after a consumer has agreed to purchase a newspaper subscription.

Newspaper Association of America®

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Finally, NAA is concerned with an idea that was raised at the forum, which proposed that the FTC and states would attempt to "harmonize" their respective do-not-call lists. NAA is not comfortable with such an idea as there are a number of states with newspaper exemptions, and it is not clear how harmonization would impact those exemptions. Nor is it clear what impact harmonization would have on intrastate telemarketing operations, which are outside the jurisdiction of the FTC.

We look forward to discussing these issues with you in person.

Sincerely,

A handwritten signature in cursive script that reads "David Brown". The signature is written in dark ink and has a long, sweeping horizontal line extending to the right.

David S. J. Brown