

# ChoicePoint<sup>®</sup>



October 28, 2004

Federal Trade Commission  
Office of the Secretary  
Room 159-H (Annex R)  
600 Pennsylvania Avenue NW  
Washington, DC 20580

Re: FACTA Prescreen Rule, Project No. R411010

Ladies and Gentlemen:

This letter is submitted by ChoicePoint Precision Marketing Inc., a subsidiary of ChoicePoint Inc., in response to the request for public comments regarding the Federal Trade Commission's ("FTC") proposed rule ("Proposed Rule") to improve the required notice to consumers regarding their right to opt-out of prescreened solicitations for credit or insurance.

ChoicePoint is the leading provider of identification and credential verification services for making smarter decisions in a world challenged by increased risks. Serving the needs of business, government, non-profit organizations and individuals, ChoicePoint works to create a safer and more secure society through the responsible use of information while ensuring the protection of personal privacy.

ChoicePoint Precision Marketing Inc. provides a sophisticated array of data and campaign management services, ranging from large-scale database management services and campaign execution outsourcing to distributed sales-force lead generation and loyalty systems. ChoicePoint Precision Marketing, in conjunction with the three national credit bureaus, provides prescreened solicitation services to its customers.

We believe that the communication of an effective privacy notice is essential to allow consumers to elect to exercise those opt-out rights mandated by the Fair Credit Reporting Act (the "FCRA") in connection with prescreened solicitations for credit or insurance. While we commend the FTC for its efforts to improve this process, ChoicePoint believes that the implementation of a layered notice is a less effective technique for communicating the privacy notice to consumers and would prove burdensome for many of ChoicePoint's customers.

ChoicePoint believes that the currently allowed single disclosure provides a more effective notice of a consumer's privacy rights. Approximately 20 to 25 million consumers are currently taking advantage of their opt-out rights under the current system. Many of our customers currently place the disclosures required by Section 615(d) of the FCRA conspicuously on the principal promotional document. The establishment of the layered notice as set forth in the Proposed Rule will relegate the disclosures required by Section 615 to the long notice, which may appear elsewhere in the mail package.

Many of our customers utilize single sheet "postcards" to make a prescreened offer of credit or insurance. Customers, including many small businesses, find this an especially effective and low-cost method of targeting those consumers that otherwise would not have access to such services. The implementation of the layered notice would effectively eliminate this method of solicitation due to form and format requirements set forth in the Proposed Rule and space limitations associated with the use of the cards.

The implementation of the layered notice approach would have a disparate impact on small businesses that cannot afford to utilize a more expansive mailer package and may adversely affect access to credit or insurance products and services for underserved consumer markets that may otherwise be inaccessible to those markets. We suggest that the Rule require a layered notice only when the "long notice" does not appear on the principal promotional document or the document that is designed for consumers to see first when they open the envelope.

In the event the FTC implements the Proposed Rule with the layered notice approach, ChoicePoint advocates the recommendations made by the Center for Information Policy Leadership at Hunton & Williams in its letter to the FTC dated October 28, 2004.

Finally, we believe the effective date of the Proposed Rule should be changed to 180 days after becoming final, as opposed to the current 60 day effective date. Many of our customers take advantage of volume discounts associated with the creation and printing of prescreened mail packages and, as a result, have stockpiled significant inventories of the packages. To allow these companies adequate time to exhaust their existing stock and mitigate any economic loss, ChoicePoint suggests that the FTC extend the effective date of the Proposed Rule to 180 days after it becomes final.

Thank you very much for the opportunity to respond and for your consideration of our comments. Please do not hesitate to contact us should you have any questions or need any additional information.

Sincerely,

Michael Perrett  
Attorney