

INTRODUCTION

I am writing on behalf of ICT Group, Inc., a leading global provider of integrated customer relationship management solutions, based in Langhorne, Pennsylvania. We operate 30 telephone contact centers throughout the United States, and employ more than 7,000 individuals in both outbound telemarketing and inbound customer support programs in this country. I am writing to offer my comments concerning the proposed revisions to the Telemarketing Sales Rule.

While we support the FTC's recent efforts to investigate and eliminate fraud in the industry, and support the Telemarketing Sales Rule in its original form, we cannot support the revisions proposed by the Commission in this proceeding. The proposed revisions place unfair, burdensome restrictions on companies like ours, that ethically and lawfully use the telephone as a legitimate tool for sales and marketing. For the reasons set forth below, we are concerned that the FTC's well-meaning attempts will do little to halt the abusive and deceptive telemarketing practices of a few bad actors, and will have a negative impact on our company's ability to continue to conduct ethical and lawful telemarketing programs.

Specifically, we would like to address the following proposed revisions:

1. Creation of a National Do-Not-Call Registry

- A. The telemarketing industry has already attempted to provide consumers with a "one-stop" service to remove their names from all calling lists. The Direct Marketing Association's Telephone Preference Service offers consumers an easy, free, nationwide do-not-call system. Surely, the FTC need not expend taxpayer's dollars to recreate what the DMA has already created.
- B. In addition to the DMA's efforts, many states have also taken legislative steps to address any perceived loopholes in the DNC framework. Twenty states currently maintain their own DNC lists, and many others are currently considering creating their own.
- C. We respectfully suggest that, in the event that the FTC adopts this proposal and creates a National DNC Registry, it also work with the appropriate federal entities to ensure that this regulation preempts all state DNC laws. Complying with state and federal DNC requirements will only create an additional costly administrative burden for companies like ours.
- D. The creation of a National DNC Registry could have a disastrous effect on our business and on the number of people that we employ. Our company exists, in part, because substantial numbers of consumers use telemarketing to obtain goods and services. We

are scrupulous about complying with all of the relevant state and federal laws regarding telemarketing. Creation of a National DNC Registry would create another layer of administrative difficulty in compiling and sorting our databases, and could significantly reduce the number of consumers available to purchase the goods and services we promote on behalf of our clients. This could reduce our revenues, and in turn, lead to a reduction in our workforce by up to 60 percent.

2. Definition of “Outbound Call”

- A. We see no legitimate reason to redefine this term, simply because a call may include the offer of products or services from more than one seller. It appears that the net effect of such redefinition will be a requirement that telemarketers repeat their disclosures. Requiring telemarketers to repeat disclosures is a waste of time that will serve only to lengthen the calls, which will result in increased costs to telemarketers and to our clients, while providing no real value or protection to consumers. Required repetition of disclosures will only serve to annoy consumers. This requirement implies that consumers do not understand the nature of a call for which they have already heard a disclosure, which we believe not only creates no value or protection for consumers, and insults their intelligence.

3. Predictive Dialers

- A. The language of the proposed revision states, in effect, that a telemarketer who abandons even one call is in violation of the Telemarketing Sales Rule. We fear that this language can and will be used to prohibit the use of predictive dialers altogether, a development that would have a devastating negative effect on the telemarketing industry.
- B. Predictive dialing devices make the telemarketing process much more cost effective by increasing the productivity of each individual telemarketer. Increased efficiency in marketing products and services helps to reduce costs, and ultimately saves consumers money. Any regulation that limits the use of predictive dialers will inevitably result in cost increases to business, and ultimately, to consumers.

4. Use of Preacquired Account Information

- A. We believe that there is nothing inherently fraudulent or deceptive about the use of preacquired account information in any sales and

marketing programs, including telemarketing programs. While there may be instances in which a few unscrupulous individuals may have misused such information, these instances certainly do not support a blanket prohibition on the use of such information. As long as a marketer obtains the express consent of a consumer to use the preacquired information, the practice should be considered lawful and ethical.

We respect and appreciate the time and effort the Commission has invested in studying these issues, as well as its commitment to consumers. However, we urge the Commission to consider the negative impact that these revisions to the Telemarketing Sales Rule could have on the telemarketing industry, and on the lives of those who make their living in it.

If you would like to discuss these issues in more detail, please do not hesitate to contact me.