

Congress of the United States

House of Representatives

Washington, DC 20515

April 15, 2002

The Honorable Timothy Muris
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Muris:

We are writing to you about the Federal Trade Commission's (FTC's) proposed amendments to the Telemarketing Sales Rule. At the outset, we want to acknowledge the FTC's important work on behalf of consumers in promulgating the Rule and in striking an equitable balance between the interests of preventing deceptive and abusive telemarketing and not unduly burdening legitimate businesses. While we strongly support your efforts to eliminate abusive marketing practices and to protect people's privacy, certain aspects of the proposals go far beyond what is necessary or authorized by law and will unduly burden an already heavily regulated industry that is vital to the national economy.

First, contrary to Congressional intent in Gramm-Leach-Bliley, the proposed rule would chill commerce between financial institutions, third party providers of goods and services, and consumers. Clearly Congress was aware of the issues surrounding the proper billing of customer accounts, and dealt with the issue in the Gramm-Leach-Bliley Act. We are concerned that the FTC lacks the authority to promulgate this rule addressing sharing of necessary consumer financial information in light of the passage of Gramm-Leach-Bliley.

Second, the proposal would expand and totally redefine the definition of "outbound telemarketing call." Businesses would be punished for offering more services or products when a consumer voluntarily calls them by treating this incoming call as an "outbound call." There are no good reasons consumers and businesses should be prevented from a full business communication when the consumers seek out a company. "Up selling" is good customer service, not a telemarketing abuse. The proposed rule would require lengthy, unnecessary -- and thus costly -- disclosures, creating an unworkable standard that would dramatically and unnecessarily change the way businesses and teleservices firms handle an inbound call. The purpose of this rule should be to protect and empower consumers, not to limit the information and options available to the consumer.

Third, we are concerned that the proposed rule would add a new layer of regulation on top of an inconsistent patchwork of state telemarketing laws. Should this rule take effect we believe that it should preempt state laws in areas where there is overlap. Forcing telemarketing firms to attempt to fit their rules to meet both the patchwork of state laws and federal regulation

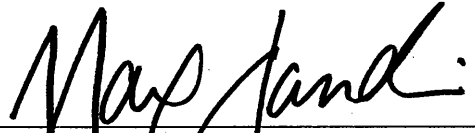
would be a tremendous burden. Attempting to meet the requirements of over twenty separate state laws, as well as federal regulations that duplicate the state laws is both unnecessary and unworkable.

In summary, we think there are defects with the proposed amendments that should be addressed before moving forward. Several of the proposed changes to the Rule would have a significant impact on American companies without providing consumers with any appreciable additional protections. We urge the Commission to rethink the proposal and develop requirements that are within its authority and that strike a more equitable balance between the interests of stopping fraudulent or abusive marketing activities and not unduly burdening legitimate businesses. In this regard, an economic impact analysis should be conducted before moving forward with the proposal.

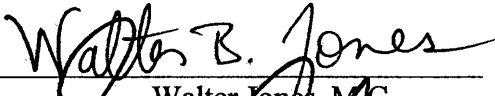
Sincerely,



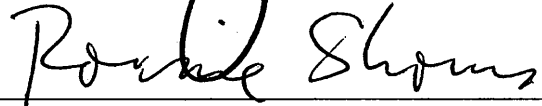
Bob Ney, M.C.



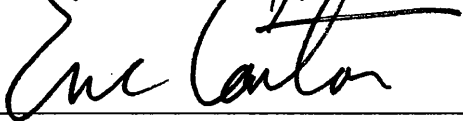
Max Sandlin, M.C.



Walter Jones, M.C.



Ronnie Shows, M.C.



Eric Cantor, M.C.