



Credit Card Services
2700 Sanders Road
Prospect Heights, IL 60070

847 564 5000 Telephone
847 205 7417 Facsimile

Via Electronic Delivery

May 1, 2003

Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

**RE: Telemarketing Rulemaking – Revised Fee NPRM Comment
FTC File No. R411001**

Ladies and Gentlemen:

We appreciate this opportunity to submit our comments to the Revised Notice of Proposed Rulemaking (“Revised Fee NPRM”) issued by the Federal Trade Commission (“FTC”) to amend the FTC’s Telemarketing Sales Rule (“TSR”). Household Bank (SB), N.A. (“Household”) is one of the largest issuers of MasterCard and VISA credit cards in the United States. Household’s principal bank card programs are the GM Card, a co-branded product offered in conjunction with General Motors, and the Union Privilege credit card program, an affinity program offered in conjunction with the AFL-CIO. In addition, through its Household Bank and Orchard Bank branded programs, Household offers credit cards to middle-market Americans under-served by traditional credit card providers. Household makes its credit card products available via mail, telephone, the internet, and partnership marketing. Household’s credit cards are serviced by its affiliates, Household Credit Services, Inc. and Household Credit Services (II), Inc.

FTC Registry and State Do-Not-Call List Coordination

As we have previously stated, Household generally supports the concept of a national do-not-call registry. Together with our affiliates, Household maintains a centralized database that contains approximately 24 million consumer do-not-solicit records (e.g., do-not-call, do-not-mail). This database is populated with information Household and its affiliates obtain from the Direct Marketing Association, state do-not-call lists, and consumers. In light of the fact that the FTC’s national do-not-call registry (“Registry”) does not preempt state do-not-call lists, we strongly urge the FTC to continue to work with the various state list administrators to reach a simplified, centralized and cost effective process for consumers to communicate and telemarketers to receive consumer telemarketing preferences. Simply put, the purchase of the

entire Registry should constitute the purchase of all state lists, and the purchase of portions of the Registry should constitute the purchase of those corresponding state lists. Further, the FTC and state do-not-call list administrators should make it clear to consumers that they only need register once. That is, if their state has a do-not-call list, the consumer's registration on that list or the Registry should be sufficient to be enrolled on both lists. Separate administration of the Registry and state do-not-call lists provides absolutely no benefit to consumers or the industry. Quite to the contrary, failure to coordinate these lists will serve only to increase the economic and compliance burdens to the industry, with no corresponding benefit to consumers, and cause further consumer confusion and frustration.

Entities that Are Allowed Access and Paperwork Reduction Act

As expressed in our June 27, 2002 comment letter ("June Letter") to the FTC's May 29, 2002 User Fee Notice of Proposed Rulemaking ("User Fee NPRM"), we support allowing broader access to the Registry. Accordingly, we encourage the FTC to adopt its proposal that Section 310.8(e) allow access to the Registry by telemarketers, sellers, and all other entities involved in making, or engaging others to make, telephone solicitations.

We also continue to support the FTC's proposal to require only minimal identifying information from entities that wish to access the Registry, and that such information need only be provided once per year. We again, however, ask the FTC to reconsider its proposal to require an entity to submit all identifying and certifying information again during a given year if it wishes to access area codes in addition to those originally requested for that year. Since the FTC now proposes that each entity receive an account number at the time it originally accesses the Registry, unless the entity's identifying information has changed materially, it should only have to provide its account number if it wishes to obtain additional area codes during that same year. This will save both the entity and the FTC time and expense.

Corporate Divisions, Subsidiaries and Affiliates

We again ask the FTC to reconsider its position with respect to the sharing of the Registry between members of the same corporate family. While we understand the FTC's concern that the cost of the Registry be shared equitably by the industry, it still does not make sense to require that the same list be purchased over and over again by the same family of companies, regardless of corporate size or complexity. This requirement makes even less sense if the Registry and state do-not-call lists are not coordinated and, as a result, the same family of companies must continue to buy state do-not-call lists that contain much of the same information that is on the Registry. As we noted in our June Letter, all but a few states allow corporate affiliates to pay for and share one do-not-call list. If the FTC remains adamant in its position on this issue, we suggest it consider assessing the user fee to one affiliate per corporate family, and assessing a lower access fee (e.g., \$1000 per year) to all corporate family members that are sharing the Registry.

Because we are a seller, we cannot speak to the estimates of how many firms will access the Registry and how many area codes will be accessed. Again, we suggest that the best sources for this information are the various state list administrators, the Direct Marketing Association, and telemarketing trade associations.

Once again we appreciate the opportunity to comment on these important issues. If you should have any questions regarding the information in this letter, please call me directly at (847) 564-6324.

Sincerely,

Julie A. Davenport
Deputy General Counsel