

Telemarketing Rulemaking-Comment FTC File No. R411001

1. CHICAGO ASSOCIATION OF DIRECT MARKETING'S POSITION PAPER ON THE PROPOSED CHANGES TO THE TELEMARKETING SALES RULE

2. On January 22, 2002, The FTC proposed several changes to the Telephone Sales Rule of 1995. Many of the changes reflect the current practices and principals of ethical, professional users of telemarketing and are supported by both in-house call centers and service agencies.

3. Telemarketing programs are tied to all industries so these changes are of interest to all business entities. There are fourteen proposed changes or which three have been identified by organizations such as the DMA and ATA as having the potential to be detrimental to all aspects of direct marketing.

4. **Creation of a National "Do Not Call" list.**

This provision will create more consumer confusion than consumer relief. Consumers will be able to call an 800 number and have it automatically recognized and recorded on the list. Some consumers will be calling to ask questions without knowing their name is going on the list. Those who do knowingly opt out probably don't realize that the majority of the calls they receive are from exempt entities such as long distance carriers, insurance companies, banks, non profits and political organizations.

5. Suggested Position: Government is overstepping its boundaries by spending an estimated \$6Million when there is recourse in place. The DMA's Telephone Preference Service provides an excellent vehicle for the consumer.

6. **Elimination of "Dead Air".**

Dead air is caused by predicative dialers that are set to A] place several calls at once using an algorithm that says if you have X number of live agents and place X number of calls greater than the number of agents, X% will be successfully completed. Should more calls connect than there are agents available one of the calls is "abandoned" and dead air is heard by the consumer. B] there is a dialer setting to detect answering machines. This results in a few seconds of dead air while the dialer determines if the phone is being answered by a live person or an answering machine. The DMA has published Guidelines that require it's members to adhere to a 3% or better abandon rate.

7. Suggested Position: Allow the DMA to create an independent group to audit telemarketing operations for adherence to their Guidelines. Eliminate the current FCC prohibition so that "dead air" is replaced with a recorded message for unanswered calls identifying the company and the purpose of the call.

8. **Blocked caller ID**

Dialers typically don't block Caller ID. "T1" switches don't block Caller ID. Identifiers are lost by the routing systems of the long distance carriers. While these carriers say they don't have the technology available to fix the problem, technology experts disagree.

9. Suggested Position: Since the technology to allow a call identifier is not available, encourage long distance carriers to develop this technology.

Chicago Association of Direct Marketing ~ 203 N. Wabash Ave., #2100 ~ Chicago, IL 60601
Phone: 312.849.2236 ~ Fax: 312.849.2239 ~ E-Mail: info@cadm.org ~ Web: www.cadm.org

