Leggett & Platt
INCORPORATED

KARL G. GLASSMAN
SENIOR VICE PRESIDENT

March 28, 2002

Federal Trade Commission
Office of the Secretary
Room 159
600 Pennsylvania Avenue
Washington, DC 20580

RE: Telemarketing Rulemaking - Comments
FTC File No. R411001

Dear Secretary:

Leggett & Platt, Incorporated submits this letter in response to the FTC's request for comments concerning its proposed changes in the regulations governing telemarketing. Leggett & Platt does not engage directly in telemarketing. However, Leggett and Platt manufacturers products purchased by companies that rely on telemarketing as a substantial element of their sales strategy. The purpose of this letter is to bring to the attention of the FTC the fact that the proposed rulemaking would have an adverse economic effect on Leggett & Platt and other suppliers of telemarketers' products and would have a ripple effect that would chill the economy in areas outside the generally perceived specter of traditional telemarketers.

Leggett & Platt, Incorporated is a Fortune 500 diversified manufacturer of engineered products. The company was founded in 1883 in Carthage, Missouri where the corporate offices are still maintained. We employ approximately 31,000 employee partners. Included in our product line are specialized adjustable bed mechanisms designed exclusively for Craftmatic Organization, Inc. Craftmatic is one of Leggett's largest customers. Craftmatic engages in extensive telemarketing under a system that is currently exempt from federal regulation because Craftmatic employs telemarketers to arrange in-home sales presentations rather than to sell the product directly over the telephone. The proposed rulemaking would change the nature of federal telemarketing regulations to an extent that would most likely cause significant increases in Craftmatic's marketing costs and decreases in Craftmatic's sales. These potential problems are explained in greater detail in the comments submitted separately by Craftmatic. Leggett & Platt is concerned that any adverse impact on Craftmatic's business resulting from the proposed regulations will also have an adverse economic effect on L&P's sales and operations.

Leggett & Platt manufactures the Craftmatic adjustable bed mechanism at locations in Linwood, North Carolina, Winchester, Kentucky and Cerritos, California. These combined locations employ approximately seven hundred and fifty (750) employees, the majority of whom are hourly wage earners involved in the manufacturing process. Craftmatic represents approximately sixteen million dollars ($16,000,000) of Leggett & Platt's annual gross income.

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The negative impact of the proposed rulemaking on Craftmatic will inevitably trickle down to L&P. A decline in Craftmatic's sales will cause a direct reduction in its purchases of L&P adjustable bed mechanisms. This reduction in demand for L&P's products will necessarily decrease L&P's income and will ultimately result in a reduction in its labor force. L&P workers represent the backbone of the American economy. When determining whether to confirm the proposed rule the FTC should seriously consider the negative impact of its proposed rulemaking on hourly wage earners like those employed by L&P, who are collateral to the telemarketing industry.

L&P understands the concerns for individual privacy and deterrence of telemarketing fraud or trickery that gave impetus to the proposed rulemaking. However, L&P feels that current federal regulations combined with state laws restricting the telemarketing industry adequately address those concerns. At a minimum, the proposed rulemaking should be modified to allow an exception for companies like Craftmatic who employ telemarketing only to arrange appointments for sales presentations rather than to make direct sales over the telephone. The separate sales presentation provides consumers with ample opportunity to make an informed and reflective decision regarding any purchase.

Finally, L&P also understands that the proposed rulemaking likely enjoys large public support because the public often feels inconvenienced by intrusions by the telemarketing industry as a whole. The general public, however, does not typically consider the overall economic impact such restrictions would have. L&P respectfully urges that the FTC weigh the economic impact of the regulation against public concerns. Given the certain negative effect of the proposed regulation on the economy and the already extensive federal and state controls that govern the telemarketing industry, we feel strongly that the FTC should not enact this proposed rule.

Best regards,

LEGGETT & PLATT, INCORPORATED

Karl G. Glassman
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