

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In The Matter Of Telemarketing Rulemaking -

FTC File No. R411001

**COMMENTS OF “North American Telephone
Network LLC” ON THE PROPOSED REVISIONS TO
THE TELEMARKETING SALES RULE**

INTRODUCTION

North American Telephone Network is based in Atlanta, Georgia. We provide low cost domestic and international long distance service to 20 thousand customers nationwide. We have a customer service site, as well as a telemarketing site located in our corporate location. We also outsource work to many independent companies nationwide, at times employing hundreds of employees, most of which are entry level employees. Some, if not most of these call centers are located in small towns in high unemployment regions of the country.

Our in-house payroll for last year was \$1,000,000.00 and we outsourced an additional \$3,000,000.00.

The long distance service that we provide allows our customers to make telephone calls to friends and relatives around the country at a rate, much lower than they could afford with the larger carriers.

We are writing to offer comments concerning the proposed revisions to the Telemarketing Sales Rule.

We support the recent efforts of the FTC to investigate and eliminate fraud in the industry and support the Telemarketing Sales Rule as drafted. However, we cannot support the revisions proposed by the Commission in this proceeding. The proposed revisions place many burdensome restrictions on the thousands of companies like ours that have ethically used the telephone as a legitimate sales and marketing tool. For the reasons set forth below we are concerned that the FTC's attempts will do nothing to curtail the abusive and deceptive telemarketing practices of a few bad actors, but will penalize the business practices of reputable companies and will have a disastrous impact on our company's ability to continue to conduct ethical and legal telemarketing programs.

In particular we oppose the following provisions proposed by the FTC:

(1) **Creation of a National Do-Not-Call Registry:**

- A.) Federal law already provides an efficient means for consumers to remove their names from telemarketer's lists via the Do-Not-Call lists. In contrast to the proposed FTC registry, the existing DNC system empowers consumers to make their own decisions. Consumers and consumers alone are given the authority to determine which calls they will accept and which they will block. While the FTC contends that it will offer consumers a similar program through the ability to list companies they will accept calls from, that is clearly an unrealistic option that will cost the FTC too much money to operate.
- B.) The industry has also attempted to provide consumers with a one-stop service to remove their names from all calling lists. The DMA's Telephone Preference Service offers consumers an easy, free, nationwide Do-Not-Call system that has already been created and will not require additional money to be expended by the FTC.
- C.) The states have already moved to address the perceived loopholes in the existing Do-Not-Call framework. Twenty states currently have DNC lists and more are being added as we speak. The states, which are in the best position to offer solutions to the concerns raised by their citizens, have looked at this situation and acted in a way that is appropriate for their constituents. An FTC list would be a waste of taxpayer money to provide a service that is already offered to more than 60% of America's citizens.

D.)

The impact of such a list would have a disastrous effect on the number of people we employ. Our company exists because consumers use telemarketing. While many may complain about the business of telemarketing, there is no denying the numbers generated. We follow the appropriate state and federal laws, we honor consumer do-not-call requests and we had sales revenue in excess of \$ 5,000,000 last year. We expect to conduct over \$6,000,000 this year. If the national DNC registry is established it is likely that we will to eliminate all outsourcing work and those outsource companies will have to lay-off a large numbers of their employees. This would be an economic disaster for us and our outsource agencies.

(2) **Use of Preacquired Account Information**

A.) There is nothing inherently fraudulent or deceptive about the use of preacquired account information in any sales and marketing programs, much less telemarketing. It is a widely used practice that provides consumers with easy access to goods and services. While there are certainly instances where it can be misused, those potential problems do not support a rule that prohibits the use of such information. As long as a marketer has obtained the express consent of a consumer to use the same information, the practice should be considered legal and ethical. We support the guidelines established by the ERA for the use of preacquired account information.

(3) **Definition of Outbound Call**

A.) There is no reason to redefine an outbound call simply because the call may include the offer of products or services from more than one seller. Requiring telemarketers to repeat certain disclosures, especially the fact that the call is to sell goods or services is a waste of time that will result in increased costs for marketers with no value to consumers. In nearly every case, whether an inbound or outbound call the additional disclosures are unnecessary. In an inbound call, the consumer knows the company who they are calling, and knows the call is about the consumer purchasing goods or services. Repeating that for additional products or services makes no sense and will likely prove to be very annoying to consumers.

With an outbound call, the consumer has already been informed that the call is to sell goods or services. They are clearly aware of the nature of the call. Requiring these same disclosures to be repeated will again cause consumer annoyance and increased costs for business.

(4) **Blocking of Caller ID**

- A.) While we support the concept of a prohibition on blocking Caller-Id, it must be clear that the prohibited practice is the deliberate manipulation of the caller-Id signal. As long as no overt actions are taken to disrupt the information, there is no violation.

(5) **Payment Issues**

- A.) When determining what constituted “express verifiable authorization” under the original rule, the Commission noted three distinct methods for obtaining this authorization using demand drafts. The reasoning at the time was that consumers were not used to these novel payment methods and needed additional disclosures so that they understood that they were being charged for goods or services. Why then are other “new” or “novel” payment methods being treated with a higher standard of scrutiny. As long as the consumer has a clear understanding that they will be billed for a product or service, and that they will be billed to a particular credit card, debit card, bank account, utility bill, etc, the transaction should be valid and enforceable. There is nothing inherently fraudulent, abusive or problematic with the written confirmation prior to submission method of obtaining such authorization, and this method should be retained in the Rule.

(6) **Predictive Dialers**

- A.) Predictive dialing devices are used by many telemarketing companies and make operation of such businesses much more cost effective by increasing productivity. Increased efficiency in marketing products and services over the phone through the use of predictive dialers helps to reduce costs and ultimately saves consumers money. Any regulation that would render this technology unusable would result in significant, perhaps unacceptable, cost increases to business and, ultimately, the consumer.

Our company uses a predictive dialer to maximize our contacts. When our inbound customer service department has low call volume during the day hours, we contact potential consumers and offer our long distance service. Without this option, in addition to laying off some of our very important customer service agents, during busy in-bound call times, we would not be staffed to handle our current customer calls. The end result would be a dramatic loss of our customer base, which is essence of our business, maintaining a happy and satisfied customer!!

We respect the time the Commission has invested in studying these issues and its commitment to continue modifying these proposals. There must be balance between public safety and security and the legitimate needs of businesses to conduct interstate commerce in legal and efficient ways.

Thank you for your consideration and we would be happy to assist the Commission in the future.

03/28/2002

Jack Wilkes
COO/ NATN LLC