Telefund, Inc.
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To the Commission:

Telefund, Inc., a for-profit organization that specializes in raising funds via the telephone for non-profit organizations respectfully submits this comment with regard to the FTC's proposed changes to the Telemarketing Sales Rule, 16 CFR Part 310, FTC File No. R411001.

Our concerns are with the following items:

1. "Do not call" registry -- The amendments would, in part, create a national "do not call" registry whereby consumers could prevent all fundraising and telemarketing calls from companies within the FTC's jurisdiction by registering with a central "do not call" list maintained by the FTC. The proposed rule impacts for-profit companies who make fundraising calls on behalf of non-profit organizations. Our comments are with respect to the following areas:

a. Limits charitable program. The proposed rule would have a direct negative impact on charitable organizations, many or most of which contract with for-profit companies to make fundraising telephone calls to consumers. Telephone fundraising is an essential means by which charitable organizations can alert the general public to issues and causes of concern, increase organizational membership, and raise funds to help charitable organizations to further their goals.

b. Requires that non-profit organizations divert more resources to fundraising and less to charitable program. Both small and large organizations would be negatively affected by the rule. Small organizations typically have neither the expertise nor infrastructure to run their own telephone fundraising operations. Larger organizations would have to significantly expand other fundraising efforts, as well as develop the institutional ability to successfully run their own telephone fundraising operations. This reallocation of resources could take both time and staff away from furtherance of the organizations' charitable programs and mission.

c. Treats telemarketing for non-profit organizations the same as for-profit commercial enterprises. If the proposed rule is enacted, for-profit organizations that serve a largely administrative function—raising funds for nonprofit organizations—will be treated the same as any for-profit company selling a consumer product over the telephone. This would be a tremendous disservice to charitable organizations. Charities exist for a range of reasons and serve a wide variety of causes—to support a cleaner environment, to promote civil rights and civil liberties, to protect consumers, and to promote and improve our democracy. But each raises funds to enable itself not to make a profit, but to benefit the public through furtherance of its charitable goals. An acceptable rule would regulate for profit commercial telemarketing, but exempt fundraising on behalf of nonprofit groups by both for-profit and non-profit organizations.

d. Duplicates efforts to minimize calls to people who prefer not to be called. Most non-profit organizations maintain lists of their own donors who prefer to be contacted via the mail; Telefund, Inc. also maintains such a database for its clients.

2. Predictive dialer limitations -- The rule would also provide that predictive dialers resulting in "dead air" violate the rule. Under currently available technology, the proposed rule would severely limit the use of such predictive dialers. Telemarketing firms utilize predictive dialers to maximize efficiency, and thereby reduce costs. The minor annoyance of "dead air" is a very small price to pay for the greater good of enabling charitable organizations to further their missions and improve our society.

For the above reasons, Telefund, Inc. respectfully requests that the proposed rule not be enacted.