

# classified technologies

solutions for publishing

**February 26, 2004**

**TO: FEDERAL TRADE COMMISSION**

**RE: Monthly Registry Access, Project No. R411001**

To Whom It May Concern:

My name is Marc Mandt, and I am President of Classified Technologies Group. We are a small business in Tampa, FL and one of our primary revenue sources is a call center that serves independently-owned weekly newspapers. I am respectfully submitting my comments regarding the proposal to change the required update time for the DNC list from quarterly to monthly, and why I oppose such a change.

Small businesses are just now getting over the additional burden of the Federal DNC issue, and now the proposed changes will require even more compliance by businesses. I have spoken with independent publishers across the country, and they have expressed their concern and frustration about one more government regulation that costs them more money to comply with. Many of these businesses lack the resources to implement a cost-effective DNC solution that would still allow them to be productive.

For many companies, particularly small businesses, the technology for easy updating is not in place, and may not be affordable. Additionally, in many cases the persons that end up doing the list updates are highly compensated technical employees. For smaller companies, any time a human resource has to be diverted to work on something like this, it takes them away from other tasks that support growing their businesses.

I realize that there has been some discussion that the 3 month window might cause some consumers to get confused, and think that telemarketing calls will cease immediately after they place their number on the list. Reducing the amount of time companies have to update their lists from quarterly to monthly is not the answer. While the intention may be good, this is not good policy.

The FTC's website promotes the success of the Federal DNC program and how it has worked "Exceptionally Well" in terms of the small number of complaints. Here are the facts according to the FTC:

- Since the list was created, more than 55 million phone numbers have been added.
- In 2003 a total 150,409 complaints were registered
- Once incomplete and duplicates were removed, there were only 55,000 specific company names that had complaints lodged against them
- Of these companies, only 45 had 100 or more complaints
- 92% of people who signed up for the DNC list that were surveyed reported receiving fewer telemarketing calls

It is difficult to understand why the FTC is seeking such a major change to a very successful program, when there were only 45 companies in the entire country that were serious violators of the rules.

The FTC estimates that on average it costs a company \$100 each time it updates its DNC list, so a change from quarterly to monthly required updates at least triples the costs to businesses from \$400 per year to \$1200 per year per company. The dangerous thing about that estimate is that the real costs can be much larger than that.

My real concern here is that what seems like a simple change, going from quarterly to monthly updates, will actually end up costing businesses across the country hundreds of millions of dollars in labor and other costs. The FTC statistics are clear that the new DNC laws have met their goal of "reducing unwanted telemarketing calls", and the number of companies that are abusing the system is extremely low. I do not know how low the FTC wants to get that number, but I find only 45 to be incredibly low.

The impact of this change would easily result in hundreds of millions of dollars of additional costs to businesses of all sizes. All of this in an effort to achieve a statistical improvement so small, that it would not even be worth measuring.

I urge you to not implement this change because it is unnecessary, and simply increases costs to businesses. We have an economy that is just starting to recover, and increasing costs does not help. It is particularly harmful to small businesses like mine.

Thank you for your consideration.



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