

Submitted electronically: <http://www.regulations.gov>

June 1, 2004

Donald S. Clark, Secretary
Federal Trade Commission
Room H-159 (Annex K)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: TSR Fee Rule, Project No. P034305

Dear Mr. Secretary:

Countrywide Financial Corporation ("Countrywide") appreciates the opportunity to comment in response to the proposal by the Federal Communication Commission (the "Commission") to revise the fees charged to entities accessing the National Do Not Call Registry (the "Registry").

Through its family of companies, Countrywide provides mortgage banking and diversified financial services in domestic and international markets. Countrywide is affiliated with Countrywide Bank, a division of Treasury Bank, N.A., a national bank regulated by the Office of Comptroller of the Currency ("OCC") offering customers CDs, money market accounts, and home loan products. Since 1969, Countrywide has helped millions of American families realize the dream of home ownership.

Countrywide and its family of companies respect a consumer's right not to receive unwanted telemarketing calls. We regularly obtain the National Do Not Call Registry and have a coordinated system and procedures across our family of companies to honor consumers' wishes not to receive telemarketing calls, whether expressed through the Registry or through company-specific requests.

Our comments reflect Countrywide's strong commitment to protect consumer privacy and our corresponding desire that the Registry be administered in a professional manner and in accordance with accepted best business practices. We respectfully request that the Commission, rather than peremptorily mandating increased access fees at this time, first initiate a comprehensive review of factors impacting the economic structure of the Registry.

First, we suggest that information related to the Commission's ongoing cost estimates, as well as more specific details about current operating costs, be made public. We note that over the course of the development of the Registry, numerous comment letters have expressed concern that the Commission's cost estimates were too low. Unfortunately, published cost estimates to date have been relatively conclusory, with details of underlying assumptions not being made public. It would be presumptuous to implement increased Registry access fees at this time, without first publicly disclosing comprehensive information about the assumptions underlying the Commission's ongoing cost estimates, as well as more specific details about current operating costs.

Second, we propose that the Commission initiate a thorough and independent analysis of the entire cost structure of the Registry, including a vendor audit. We ask the Commission to consider whether the Registry might possibly be operated more efficiently and therefore at a lower cost. While we commend the speed with which the Registry was established and the effectiveness with which it protects consumers, the magnitude of the Registry project and the potential impact of the proposed fee increase should prompt an audit simply as a matter of

prudent business practice.

Third, we propose that a thorough assessment of each feature of the current Registry be undertaken. For example, do the benefits of offering a toll-free number outweigh the corresponding costs? Or, as another example, do the benefits of updating the Registry monthly, rather than quarterly, outweigh the costs of doing so?

Fourth, we recommend that Registry compliance rates be audited. For example, is each of the 45,000 telemarketers who currently access fewer than five area codes at no cost legitimately exempt from paying access fees?

Finally, we ask that the Commission be sensitive to the ever-increasing nature of overall Registry compliance costs and the consequent implications. For example, compliance costs have already just recently dramatically risen by virtue of the mandate that businesses scrub their telemarketing lists against the Registry every 31 days rather than quarterly. We should not assume that such increased costs will impact only telemarketers. Ultimately, those costs will inevitably be passed along to consumers.

In conclusion, we respectfully submit that the Commission's discretion to impose fees carries with it the obligation to administer the Registry in accordance with responsible business practices. At a minimum, this should include a thorough and independent assessment of the Registry in its current form, with a report to Congress, before implementing any fee increase. We do not believe that the requisite broad examination of alternatives to the proposed fee increase has occurred, and accordingly respectfully recommend against adoption of the proposed fee increase at this time.

Sincerely,

Susan E. Kelsey
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& Senior Deputy General Counsel
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