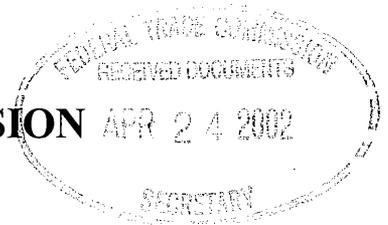


**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**



*In The Matter Of Telemarketing Rulemaking -*

**FTC File No. R411001**

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**COMMENTS OF  
CIRCULATION DEVELOPMENT, INC.  
ON THE PROPOSED REVISIONS TO THE  
TELEMARKETING SALES RULE**

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**INTRODUCTION**

We are a company based in Lake Saint Louis, MO which operates 10 telemarketing centers. Our offices are located in 7 states and we employ over 400 people. We specialize in outbound calling campaigns for daily and weekly newspaper publications ranging in size from under 5,000 subscribers to over 1,000,000. On average we call for 140 different clients each month resulting in about 36,000 new subscribers for them. We are writing to offer our 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 current Telemarketing Sales Rule. 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 easy and efficient means for consumers to remove their names and telephone numbers from telemarketers through company specific 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. Company maintained No Call lists place the costs and maintenance associated with this squarely on the individual company, not the FTC.
- B.) While the FTC contends that it will offer consumers a program with the ability to list companies they will accept calls from, that is clearly an unrealistic option. With literally thousands of companies with thousands of subsidiaries utilizing telemarketing, how would a consumer be able to make informed selections? How would a customer be advised of new companies added to the list? How would customers make changes and how would companies be apprised of these changes in a timely manner? Since this list would remove a company's ability to inform a customer about their products and services, how would the consumer become informed enough to make these individual selections? Would this program result in familiar brands or companies being given an unfair competitive advantage over smaller and less familiar brands or companies or vice versa?
- C.) The states have already moved to address any perceived loopholes in the existing Do-Not-Call framework. Now, 20 states have DNC lists and more are being added as we speak. The states, who 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. The FTC's list is another waste of taxpayer money to provide a service that is already offered to more than 60% of American citizens.
- D.) The impact of such a list would have a disastrous effect on the number of people we employ. Our business 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 sold in excess of 440,000 orders for our clients last year. We estimate that this law would force the loss of over 200 jobs within our company alone.
- E.) For most (if not all) of our clients, telemarketing is the only affordable way to reach their market. For many businesses in those markets, our

clients' newspapers are the only affordable way to reach their customers. For many of our clients' customers, their newspaper is the most affordable and convenient way to conduct daily business. By removing our clients' abilities to reach their markets, this law would result in significant and measurable increases in costs (both direct and indirect) to all consumers. It would also result in the failure of many businesses unable to afford more expensive and less effective advertising media.

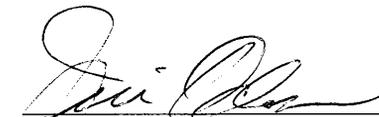
**(2) Predictive Dialers**

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 has used a combination of many types of dialers and technology. Without the benefits associated with the use of predictive dialers, our labor costs alone would more than double. This would result in an increased cost of our services beyond the ability for most of our clients to afford.

Because of the potentially disastrous effects that this redundant and unnecessary legislation would have upon the many thousands of legitimate businesses that rely upon telemarketing, we urge the Commission to consider these proposals with great care and caution. Telemarketing is a component of virtually every business in the country, and a vital part of many. Additional burdensome regulations of this nature will certainly have a dramatic and negative effect at a time when we already face unprecedented economic challenges. We urge the Commission to look at the overall negative impact that these proposals will have on jobs, our community and the economy as a whole. Thank you for your consideration. We would be happy to assist the Commission in the future.



William A. Wesa  
Chief Executive Officer



Tim Oden  
President

April 4, 2002

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