

Making A Sale Under The FTC's New Telemarketing Sales Rule

KEY

Existing/Unchanged
TSR Requirements

Additional/New
TSR Requirements

Are You Covered by the Rule?

- Any plan, program, or campaign to sell goods or services through interstate calls,
- Inbound & outbound telemarketing calls,
- Sellers that provide or arrange to provide goods/services to consumers in exchange for payment,
- Most business-to-business calls are exempt, and
- Does not apply to common carriers, airlines, some financial institutions, and insurance companies to the extent regulated under state law. *But the FTC has indicated that the TSR will apply to third party call centers making calls on behalf of exempt entities.*



Make Sure Your Call is Received Between 8 A.M. - 9 P.M.

Sec. 310.4(b)(4)(c) p. 254

(This is also required by the FCC for all marketers who market by phone.)



Honor In-House Suppress Requests

By scrubbing numbers of consumers (prospects & customers) who don't want to be contacted by your company from your company's telephone marketing list.
(This is also required by the FCC for all marketers who market by phone.)



Honor National Do-Not-Call (DNC) Registry

Effective Fall 2003



Calling Customers?



Calling Prospects?



You can call customers who are on the registry if you have an Established Business Relationship (EBR):

- Within 18 months of last purchase, transaction, shipment, end of subscription/membership, or
 - Within 3 months of last inquiry or application
- Sec. 310.2(n) pp. 242-243*

- Scrub national DNC registry - those consumers who don't want to be contacted from your marketing list, or
 - If consumer is on registry then you must get the consumer's signed permission to call
- Sec. 310.4(b)(1)(iii)(B) p.252*

Transmit Caller ID

- Cannot block transmission,
 - Must include phone number of seller, service bureau or customer service number that will be answered during normal business hours, and
 - Should also include name of seller or service bureau when technology is available.
- Effective January 29, 2004***
Sec. 310.4(a)(7) p.251

Do You Use Predictive Dialers Or Other Technology That Can Set Abandoned Rates?

**N
O**

You Must Connect the Call to a Live Representative Within 2 Seconds of the Consumer's Completed Greeting
(if you don't call is considered abandoned even if it's answered by a live rep. after the 2 seconds)
Effective October 1, 2003

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You Must Either Connect the Call to a Live Representative Within 2 Seconds of the Consumer's Completed Greeting
(if you don't call is considered abandoned even if it's answered by a live rep. after the 2 seconds)
Effective October 1, 2003

OR

You Must Meet Safe Harbor Requirements for Abandoned Calls:

- Allow 15 seconds or 4 rings before disconnecting the unanswered call,
- Set abandoned rates not to exceed 3% per day per calling campaign,
- *Play a pre-recorded message that includes company name and phone number, and
- Retain appropriate records

Effective October 1, 2003

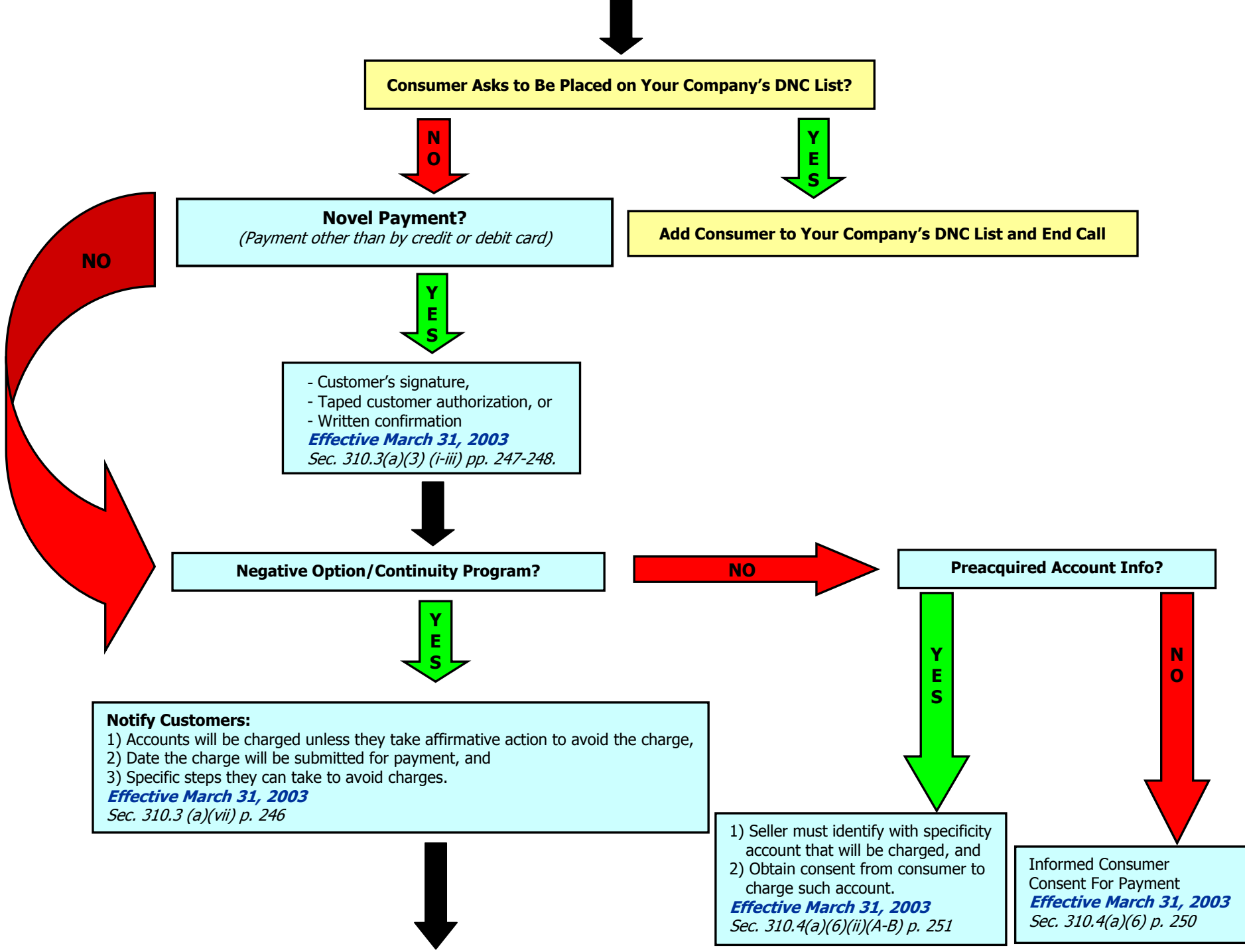
Sec. 310.4 (b)(4) pp. 253-254

**This may violate current FCC rules. FTC & FCC may harmonize in the future.*

Provide Promptly to the Consumer:

- 1) Identity of the seller,
- 2) That the purpose of the call is to sell goods or services, and
- 3) The nature of the goods or services.

Sec. 310.4(4)(d) p.254.



Preacquired Account Info?

YES

Free-to-Pay Conversion Program?

NO

YES

1) Seller must identify with specificity account that will be charged, and
2) Obtain consent from consumer to charge such account
Effective March 31, 2003
Sec. 310.4(a)(6)(ii)(A-B) p. 251

1) Obtain from customer last 4 digits of the account to be charged,
2) Obtain consent from consumer to charge such account, and
3) Record entire transaction.
Effective March 31, 2003
Sec. 310.4(a)(6)(i)(A-C) pp. 250-251

Upsell?
Each upsell is a separate transaction, not continuation of initial transaction. If novel payments, negative option, preacquired account info, and/or free-to-pay conversion are used then all previous relevant disclosures must be repeated.

Internal Upsell?

External Upsell?

YES

YES

Provide Any New Disclosures Not Initially Provided
Effective March 31, 2003

Provide Promptly to the Consumer:
1) Identity of the seller,
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Effective March 31, 2003
Sec. 310.4(4)(d) p.254

Charge or Debit Customer's Account.
And Don't Forget - Keep Those Records For 24 Months!
Sec. 310.5 pp. 255-256

