



Highlights of [GAO-05-113](#), a report to congressional committees

TELEMARKETING

Implementation of the National Do-Not-Call Registry

Why GAO Did This Study

In response to consumer frustration and dissatisfaction with unwanted telemarketing calls, Congress has passed several statutes directing the Federal Trade Commission (FTC) and Federal Communications Commission (FCC) to regulate intrusive and deceptive telemarketing practices, authorizing both agencies to establish the National Do-Not-Call Registry (the national registry), and authorizing FTC to collect fees to fund this national registry. The objective of the national registry is to limit the numbers of unwanted telemarketing calls that registered consumers receive. The Conference Report for the Consolidated Appropriations Act, 2004, mandated that GAO evaluate the implementation of the national registry. Specifically, this report addresses (1) how FTC and FCC have implemented and operated the national registry, (2) fees collected to cover costs to operate the national registry, and (3) how FTC has measured the success of the national registry.

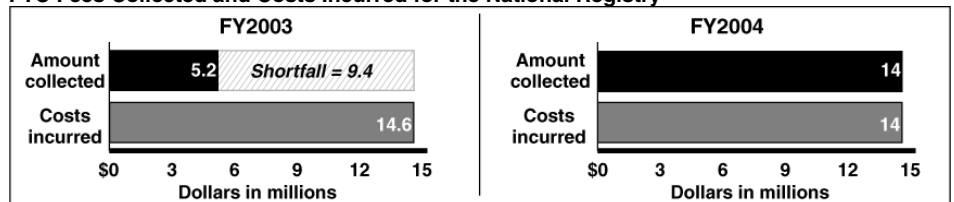
What GAO Found

FTC and FCC have done several things to implement the national registry, including issuing regulations and coordinating with each other on the development of regulations and enforcement efforts. FTC has contracted out management of the operational aspects of the registry.

Fees for the national registry were less than costs incurred in fiscal year 2003 but covered costs in fiscal year 2004, the first full year of operation. Fees collected by FTC in fiscal year 2003 fell short of actual costs incurred by about \$9.4 million. However, fees collected in fiscal year 2004 covered FTC's \$14 million in costs incurred. FTC uses appropriated funds to cover costs associated with the national registry and, as required, reduces its appropriations by the amount of fees collected. FCC uses appropriated funds to cover its costs associated with the national registry.

FTC established three objectives to measure whether the national registry was successful—(1) having the system operational in calendar year 2003, (2) having the system capable of enrolling about 60 million telephone numbers within the first 12 months of operation, and (3) reducing by 80 percent unwanted calls to consumers who sign up for the registry. The national registry was operational in calendar year 2003, and 62 million telephone numbers had been registered by consumers as of June 2004, within 12 months after registration opened. FTC cannot measure how much unwanted calls have been reduced because it does not know how many calls were being received before the establishment of the registry. However, as an alternative, FTC relied upon two surveys. The results of one survey showed that respondents had an 80 percent reduction in unwanted telemarketing calls since registering on the national registry. However, this result is questionable because, among other problems, the survey relied on respondents' recall of the number of telemarketing calls received at least three months prior. The two surveys found that about 90 percent and 87 percent of registered consumers surveyed reported receiving fewer calls. The surveys may provide indications of the national registry's overall performance; however, GAO is uncertain how representative the results are because, for example, one survey did not use a probability sample that can be projected nationwide. FTC and FCC provided informal technical comments to our report, which we incorporated where appropriate. According to FTC, there is no evidence that the national registry is not working.

FTC Fees Collected and Costs Incurred for the National Registry



Source: GAO analysis of FTC data.

www.gao.gov/cgi-bin/getrpt?GAO-05-113.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Paul L. Jones at (202) 512-8777 or jonespl@gao.gov.