

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
Government Affairs

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WASHINGTON, D.C. 20062-2000  
202/463-5310

July 10, 2006

The Honorable Deborah Platt Majoras  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

RE: Business Opportunity Rule, R511993

Dear Ms. Chairman:

On behalf of the U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, I am writing to express great concern over the Federal Trade Commission's ("FTC") proposed Business Opportunity Rule.

As a representative of legitimate businesses, we appreciate the work of the FTC to protect consumers. The FTC plays a vital role in protecting the public from "unfair and deceptive acts or practices." We commend the FTC for its vigilant efforts to prevent harmful practices and prosecute those who, through fraud or deception, cause financial loss to individuals or companies. Legitimate businesses, such as the ones we represent, have as great an interest as any to support laws and regulations that protect individuals and businesses. However, our members are also concerned about overly broad regulations that are burdensome to companies. This Rule, in its present form, we feel could severely inhibit many good companies.

One of the key objectives of the Chamber is to ensure that federal agencies conduct a reliable cost-benefit analysis of all proposed regulations and ensure that the federal government provides a detailed annual accounting of the costs and benefits of all regulations. As you know, Executive Order 12866 requires federal agencies to prepare cost-benefit analyses for all significant regulatory actions. In coordination with key industry leaders, our initial analysis suggests that this proposed rule will impose a tremendous burden on legitimate businesses with little benefit to consumers.

We believe any regulation should be narrowly drawn to target the specific segment to which it is addressed and focus on the harm it is trying to prevent. We believe the seven-day waiting period, 10 reference rule, legal actions disclosures, and record keeping requirement to be particularly onerous.

Specifically on the Rule's record keeping requirements, companies would have to keep copies for three years of all disclosure receipts signed by prospective purchasers of business opportunities. This would require companies to potentially keep millions and millions of additional records for inspection with little to no apparent benefit.

Overly broad laws and regulations create administrative problems for the public and private sector and dilute their own effectiveness. We ask the FTC to maximize the effectiveness and efficiency of any rule on business opportunities by tailoring it to regulate the elements creating the harm and not needlessly overburdening legitimate businesses.

We encourage the FTC to work with interested individuals and business entities to come up with the least burdensome alternative to achieve the consumer protection goals stated in the proposed rule. The Chamber appreciates your consideration and attention to the concerns expressed.

Sincerely,



R. Bruce Josten

cc: Commissioner Harbour  
Commissioner Leibowitz  
Commissioner Kovacic  
Commissioner Rosch