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RULES
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Congress of the United States
House of Representatives
Washington, DC 20515-3604

8431305

June 7, 2006

PLEASE REPLY TO:

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The Honorable Deborah Platt Majoras
Chairwoman, Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Room H-135
Washington, D.C. 20580

Dear Chairwoman Majoras:

I am writing to express my concern on the proposed New Business Opportunity Rule. In general, I believe the rule should do more to maintain existing distinctions in current law, under the current Franchise Rule, between large financial investments and the relatively smaller investments that would be subject to stringent new regulations under the proposed rule. But my more specific concern is the seven calendar day issue.

The proposed rule specifically requests comment as to whether a seven calendar day waiting period is appropriate before business opportunity sales can be finalized. As business opportunity sales involve neither as much money nor as much complexity as franchise sales, it is my view that the proposed seven day calendar regulation is not appropriate for business opportunity sales that are not currently impacted under current law because of the \$500 threshold.

I would note that many consumer products exceed the cost of some of the investments to be impacted by this new rule. Many consumer products also involve decisions that are at least as complex in nature. The same holds true for decisions individuals face about where to invest money, many of which also do not require anything like the proposed seven calendar day rule.

The federal government has a large role to play in preventing and punishing fraud as well as in giving consumers appropriate information. But I do not believe that the seven day calendar regulation in the proposed rule, as it concerns business opportunity sales, serves any of those ends.

I thank you for the opportunity to make my views known on this issue and I appreciate your attention to this matter.

Sincerely,

Tom Cole
Member of Congress

FEDERAL TRADE COMMISSION
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CONG. CORRES. BRANCH