



DEPARTMENT OF THE TREASURY  
FINANCIAL MANAGEMENT SERVICE  
WASHINGTON, D.C. 20227

02-278

January 11, 2007

FILED/ACCEPTED

Chairman Kevin J. Martin  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

JAN 16 2007

Federal Communications Commission  
Office of the Secretary

REC'D DEC -7 10 2:10

Dear Chairman Martin:

The purpose of this letter is to bring to your attention a matter of significant importance to the Financial Management Service (FMS) and our mission to collect delinquent debt owed to the United States on behalf of federal agencies.

Under the Debt Collection Improvement Act of 1996 (DCIA), federal agencies are required to transfer nontax debts over 180 days delinquent to Treasury for collection. The DCIA further requires that Treasury maintain a schedule of private collection contractors eligible for referral of debts. One of the purposes of the DCIA is "To rely on the experience and expertise of private sector professionals to provide debt collection services to federal agencies." (31 U.S.C. 3711 note)

Pursuant to the DCIA, FMS, a bureau within the Department of the Treasury, has contracted with 5 private collection agencies to collect debts owed to federal agencies. These private collection agencies are an integral part of our debt collection program. In fiscal year 2005, FMS referred approximately \$2.3 billion in delinquent debts to private collection agencies. In addition to referrals from FMS, both the U.S. Department of Education and the Department of Health and Human Services separately refer delinquent debts to private collection agencies. Total referrals of delinquent federal debts to private collection agencies in fiscal year 2005 were \$13.7 billion.

Pending before the Federal Communications Commission (FCC) is a matter filed by ACA International (CG Docket #02-278) which seeks clarification as to whether the restrictions on the use of autodialers to call cell phones applies to private collection agencies. The FCC's action on this matter could have a serious impact on our efforts to collect the billions of dollars in delinquent debt owed to the United States. In each of the last four fiscal years, collections by private collection agencies on behalf of federal agencies have steadily increased. In fiscal year 2005 total collections by private collection agencies on debts owed to federal agencies exceeded \$693 million. In addition to these collections, private collection agencies significantly assist the federal government's debt collection program by entering into repayment agreements with debtors and by administratively resolving debt due to, for example, a debtor filing for bankruptcy. These successes are due, at least in part, to the use of technology such as autodialers.

No. of Copies rec'd  
List ABCDE

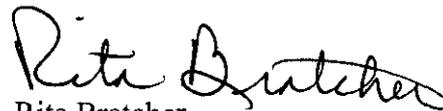
0+1

FMS agrees with ACA International that the Report and Order referenced in the petition filed by ACA International as the "2003 TCPA Order" may create confusion regarding the scope and applicability of the autodialer ban to debt collection calls. FMS further agrees with the distinctions outlined in ACA International's petition between telemarketing calls and calls to recover debt.

A ruling by the FCC that would apply the restrictions on the use of autodialers to the efforts of private collection agencies collecting debts on behalf of the United States, or leaving the issue unresolved, could hinder FMS's successful partnership with private debt collection agencies and negatively impact collections government-wide. We therefore urge the FCC to clarify this important issue.

Thank you for your attention to this matter. If you have any questions or would like to meet to discuss the government's debt collection program in more detail, please contact Richard Burnham, Director of the Private Collection Division, on 202-874-8700.

Sincerely,

A handwritten signature in black ink that reads "Rita Bratcher". The signature is written in a cursive style with a large initial "R".

Rita Bratcher  
Assistant Commissioner  
Debt Management Services