

March 31, 2004

Federal Trade Commission  
CAN-sySPAM Act  
P.O. Box 1030  
Merrifield, VA 22116-1030

Re: CAN SPAM Act Rulemaking  
Project No. R411008

Dear Sir/Madam:

Navy Federal Credit Union provides the following comments in response to the Federal Trade Commission's (FTC) request for comments on the practicality, technical feasibility, privacy, enforceability, and other concerns regarding the establishment of a Do Not E-Mail registry. Navy Federal is the nation's largest natural person credit union with over \$20 billion in assets and 2.4 million members.

Navy Federal supports effective measures that significantly limit or eliminate the delivery of unwanted e-mails ("spam") to consumers and businesses. The receipt of spam is costly in terms of storage capacity and time spent reviewing and deleting spam messages. We believe the cost to establish and maintain a Do Not E-Mail registry at this time, however, will far exceed the benefits derived from such a registry.

Enforcing the use of a Do Not E-Mail registry will be a considerable challenge. Until spam is regulated worldwide, a Do Not E-Mail registry would, at best, only thwart U.S. originators of spam. Non-U.S. spammers have no legal obligation to honor U.S. laws regarding spam much less a Do Not E-Mail registry. A large number of spam messages today are already generated from countries outside the U.S., and this number will likely increase as spammers seek to avoid prosecution under U.S. anti-spam regulations. In addition, the cost to move spam operations to non-U.S. countries would be negligible. Unlike telemarketing phone calls, the cost to send an e-mail message from outside the U.S. is no different than sending it from within the U.S.. Until spam is regulated worldwide or it becomes cost prohibitive to send e-mail from outside the U.S., we believe the benefit of a Do Not E-Mail registry would be minimal.

In light of the fact that the benefits of a Do Not E-Mail registry would be minimal, the costs to establish and maintain a Do Not E-Mail registry would be difficult to justify. If a Do Not E-Mail registry were established, the FTC and U.S. e-mail marketers would incur costs to maintain a voluminous database of e-mail addresses. Unlike telephone numbers, consumers often have multiple e-mail addresses and change those e-mail addresses frequently. The FTC would also have to establish safeguards to maintain the security and confidentiality of the

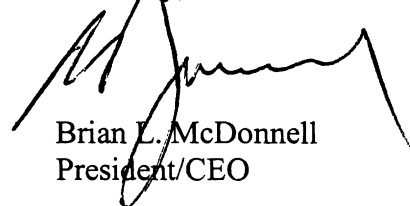
registry. For example, the FTC would have to establish procedures that limit access to the registry to only legitimate and reputable U.S. businesses with the ability and commitment to protect the information on the registry. Otherwise, it is conceivable that an unscrupulous person could establish a U.S. company for the purpose of gaining access to the Do Not E-Mail registry. Then, once the person has information from the registry, he or she could disband the company, re-locate outside the U.S., and originate spam to those very consumers on the registry who sought protection. The costs to establish adequate safeguards to protect the registry would ultimately be borne by consumers through higher taxes and prices for goods and services.

For the same reasons we believe a Do Not E-Mail registry would be ineffective at this time, we also believe using a Do Not E-Mail registry to protect children from inappropriate spam would be ineffective.

If the FTC's objective is to eliminate the receipt of spam, we recommend the FTC allocate resources to further educate consumers on how to protect their e-mail addresses from illicit access and use, and to invest in the development of tools that block the receipt of spam. We believe providing education and useful spam blocking tools to e-mail recipients are more effective approaches to eliminating the receipt of spam at this time.

Navy Federal appreciates the opportunity to respond to the Federal Trade Commission's request for comments on issues related to the establishment of a Do Not E-Mail registry.

Sincerely,



Brian L. McDonnell  
President/CEO

BLM/scs