



# Memorandum of Support

## SAVE NYS CALL CENTER JOBS ACT

(A.567 Rosenthal / S. 1826 Kennedy)

### BACKGROUND

- There are about 260,000 call center workers in New York.
- Over the past twelve years, New York lost nearly 40,000<sup>1</sup> of these jobs, partially due to outsourcing.
- Just in January, AT&T announced the closing of a call center in Syracuse, eliminating 150 good paying jobs.<sup>2</sup>
- CWA represents about 5,000 call center workers in New York, mostly at Verizon.
- Nationally the US has lost over 200,000 call center jobs over the past 12 years.

### WHAT THE BILL WOULD DO:

- The bill covers employers with fifty or more full-time or full-time equivalent workers.
- A call center employer that intends to relocate at least 30% of call volume in a year out of the state is required to notify the Labor Commissioner. Failure to do so is subject to a fine.
- The Labor Commissioner will make public an annual list of all call center jobs and call center employers that move at least 30% of calls out of the state.
- Companies on this list will not be eligible for any public grants, loans, tax benefits and state contracts for three years.
- The state can “claw back” any financial governmental support for 5 years.
- All state agencies are required to ensure that all state business related call center work is performed by companies located in New York State. State contractors who currently have call centers outside of New York State have 2 years to comply.

Assembly Prime-Sponsor:	Rosenthal (D-Manhattan)
Assembly Co-Sponsors:	Colton, Paulin, Arroyo, Barron, Carroll, Steck, Walker, Ramos, Abinanti, Hyndman, Jean-Pierre, Dickens, Peoples-Stokes, Seawright, Ryan, Ortiz, De La Rosa, Fahy, Benedetto, Glick, Perry, D’Urso, Raia, Garbarino, Dinowitz, Richardson, Otis, Gottfried, Rozic, Cusick, Simon, Woerner, Mosley, Buchwald, Wallace, Aubry, Bichotte, Quart, Galef, Stirpe, Lupardo, Crespo, Santabarbara, Williams, Miller ML, Weprin, Miller B, Taylor, Norris, Davila, Epstein
Multi-Sponsor	Englebright, Hevesi, Lentol, McDonough, Rodriguez, Thiele, Wright
Senate Prime-Sponsor:	Kennedy (D-Buffalo)
Senate Co-Sponsors	Addabbo, Benjamin, Biaggi, Boyle, Breslin, Gaughran, Gounardes, Harckham, Jackson, Kaplan, Liu, Mayer, Metzger, Ramos, Salazar, Savino, Skoufis, Stavisky

<sup>1</sup> This is according to a selection of call center related job titles in the Occupation Employment Survey from the Bureau of Labor Statistics. The most recent survey was conducted in May 2016.

<sup>2</sup> <https://www.syracuse.com/business/2019/01/att-closing-syracuse-billing-office.html>

## **OUTSOURCING KILLS JOBS**

- Outsourcing and offshoring is a threat to the call center industry, as call center jobs are particularly easy to move.
- The 2017 GOP tax bill incentivizes offshoring by setting a lower tax rate for profits offshore. Domestic profits are now taxed at 21%, while offshore profits are taxed at 10.5%.<sup>3</sup>
- AT&T, after receiving a \$20 Billion windfall from the tax bill, has eliminated 10,700 jobs since the tax bill passed – including now 150 good paying call center jobs in Syracuse.
- The Legislature must respond to this new development or tens of thousands of good paying jobs will be at risk.

## **Verizon Has Sent at Least 1,000 Good NYS Call Center Jobs Overseas**

- Verizon operates ten call centers in New York, employing approximately 2,500 CWA members.
- Verizon has already off-shored at least 1,000 high tech customer service jobs from New York State to Mexico, India, Canada and the Philippines.
- In 2016, Verizon closed a call center in Henrietta, eliminating 600 call center jobs.<sup>4</sup>

## **New York Should Not Subsidize Corporations that Destroy Jobs**

New York State taxpayer funds should not act as a backdoor subsidy for companies to outsource customer service jobs overseas. Grants, loans, tax benefits, contracts and other financial assistance should be withheld from companies that shift jobs overseas.

## **New York State Needs High-Quality Jobs**

The average call center jobs pays \$40,500 per year. Our state needs well paying, high-quality jobs.

### **HISTORY OF BILL:**

- Passed in Assembly on 06/21/17 with YEA 126 NAY: 18, died in Senate.
- Passed Assembly again on 05/30/18 with YEA 111 NAY 21, died in Senate. 42 Co-Sponsors in the Senate in 2018.

## **Protect NYS Call Center Jobs A.567/S.1826**

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<sup>3</sup> <https://thinkprogress.org/corporations-incentivized-offshore-jobs-tax-1cd19cc24ff3/>

<sup>4</sup> <http://www.democratandchronicle.com/story/news/2016/10/12/verizon-call-center-henrietta-closing-january-600-jobs/91963150/>

*For More Information Contact CWA District 1 at 212-344-2515*