



Memorandum in Support of the “New York State Call Center Jobs Act”

February 7, 2019

The Labor-Religion Coalition of New York State submits this memo in strong support of the “New York State Call Center Jobs Act A567A (Linda Rosenthal) / S1826A (Tim Kennedy).

The Labor-Religion Coalition works with faith-based, labor and community groups across New York committed to economic, social and racial justice. We believe that the New York State Call Center Jobs Act is critical to protecting tens of thousands of jobs (if not more), especially in upstate communities hardest hit by the flight of manufacturing industries.

It is urgent that New York pass legislation to protect call center jobs this year. Call centers have provided an important source of economic growth in dozens of communities, and when these jobs are sent out of state or overseas, it is devastating to local communities. Recently, both Verizon and AT&T cut call center jobs in upstate New York. AT&T has netted at least \$20 billion from the federal tax bill in tax savings.

In Syracuse, AT&T announced in January that it is [shipping](#) 150 jobs to Florida and gave workers a few weeks to decide whether to uproot their lives or lose their livelihood. And in 2016, Verizon announced it was closing call centers in Henrietta and Orangeburg, [slashing](#) 850 jobs.

This is part of a nationwide trend, as the United States has lost 200,000 call center jobs in the past decade.

- Since 2012, **Verizon Wireless** has closed 19 call centers affecting 11,000 workers. In addition, Verizon Wireless has a long history of union busting, including closing down call centers when workers try to organize.
- CWA’s largest call center employer, **AT&T**, has eliminated more than 12,000 in-house call center jobs since 2011 and has used a network of at least 38 call centers in eight countries.



- **Wells Fargo** recently laid off thousands of call center workers across the country, while its presence grew from just 100 in 2011 to more than 4,000 today, with plans to expand to an additional 7,000 employees, in the Philippines.

With new tax provisions in the Trump tax bill, companies are even more likely to move their customer service work overseas. According to Joint Committee on Taxation, the new territorial tax system exempts offshore income from US taxation costing \$215 billion over the next decade. And it will create a tax incentive for corporations to move jobs offshore to countries with lower tax rates.

New York can stop this trend by passing A. 567A/S.1826A

- This bill ends grants, loans, tax benefits and state contracts for companies that shift customer service jobs out of the state or to a foreign country. In addition, the state can claw back the outstanding value of any taxpayer money or benefits the company received. It would apply proactively as soon as the bill goes into effect as a law.
- 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 State. Failure to do so is subject to a fine.
- The State will compile a semi-annual “bad actors” list of all call center employers that move at least 30% of calls overseas. This list will be distributed to all state agencies.

We strongly encourage all members of the Legislature to pass the “New York State Call Center Jobs Act” to protect good paying call center jobs our communities rely on.