



The United States Call Center Worker and Consumer Protection Act (S. 515/HR 1300)

Call centers are a major economic force in the United States – about 4 million people are employed by the industry, or 3 percent of the U.S. workforce. But the technology that is the infrastructure of the call center industry has made it possible for center operators to move tens of thousands of jobs overseas, where the workforce required for these jobs is available at much lower costs.

U.S. companies have been exporting call center jobs by the thousands in a global race to the bottom. Call center jobs have been moved to the Philippines, India, Mexico, Dominican Republic, Costa Rica, Honduras and other developing nations. Call centers in the U.S. and abroad are a part of the enormous business process outsourcing (BPO) industry in which companies hive off their internal customer support and “back office” functions and subcontract the work to a third party which is located either domestically or abroad. **Over the past decade, the U.S. has seen tens of thousands of U.S. call center jobs offshored and sent to all corners of the globe.**

U.S. companies transfer business functions to developing countries because they can take advantage of well-educated and skilled foreign workers, while paying them a fraction of U.S. worker wages. They also can take advantage of weak labor laws which put the safety, health, and living standards of workers in those developing countries at risk. The low wages, precarious job security, and sub-standard working conditions create perverse incentives to a worker’s ability to provide good customer service. Meanwhile, lax regulatory oversight in developing countries is a draw for companies seeking more flexibility in providing their services, but also means that consumer privacy and data security is put at increased risk.

As U.S. companies off-shore and outsource call center jobs, communities lose. In many communities, the loss of a call center means the loss of a pillar of the local economy. In many cases, because of the intense pressure from cheaper, less regulated foreign operators, when companies export U.S. jobs, they also exert downward pressure on wages and working conditions at home.

The off-shoring of U.S. call center jobs has a range of negative impacts and is a trend that is bad for American workers and communities and harmful to the security of U.S. consumers’ sensitive information. Numerous major investigations have unearthed a range of fraudulent and criminal activity emanating from overseas call centers, including multiple scams operating out of Indian call centers and targeting U.S. households. Most notably, in October 2016, details emerged of a massive fraud scheme targeting Americans and operating out of Indian call centers that has resulted in hundreds of millions of dollars in victim losses from more than 15,000 victims in the United States.

HR 1300 and S. 515, bipartisan legislation introduced by Representatives David McKinley (R-WV) and Gene Green (D-CA) in the House and and Senator Bob Casey in the Senate would provide steps to ensure that taxpayer dollars are not rewarding companies that offshore their customer service work as well as giving consumers the power to decide where to have their calls handled. These steps would be important in helping protect U.S. consumers’ private and sensitive data.

If passed, this bill would accomplish the following things:

- **Disclose Call Center Location to U.S. Consumers:** It would require the relocated overseas call center agent to disclose their name and physical location of their operation. For example, a customer may hear, “Hello, my name is Jane from Manila.”
- **Right to Transfer:** U.S. consumers would reserve the right to request the call be transferred to a customer service agent who is physically located in the U.S
- **Create a ‘bad actor’ list of U.S. Companies that make a practice of sending U.S. jobs overseas:** It would require a publically available list, kept by the Department of Labor, of all employers that relocated entirely or a significant portion of their call center or customer service work overseas. These companies would be ineligible for Federal grants or guaranteed loans. Preference will be given to U.S. employers that do not appear on the list for awarding civilian or defense-related contracts. Employers that relocate a call center will remain on the list for up to 5 years after each instance of relocating a call center.
- **List removal:** If a ‘bad actor’ relocates a call center into the U.S. (brings jobs back) they will be removed from the list.

To cosponsor HR 1300, contact Sydney Pettit in Representative McKinley’s office sydney.pettit@mail.house.gov or to cosponsor S. 515, contact Larry Smar in Senator Casey’s office larry_smar@help.senate.gov.

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