Bill No.: SB-990  
Title: AN ACT CONCERNING CALL CENTERS AND NOTICE OF CLOSURE.  
Vote Date: 3/21/2019  
Vote Action: Joint Favorable Substitute  
PH Date: 3/7/2019  
File No.:  

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SPONSORS OF BILL:  
Labor and Public Employees Committee.  

REASONS FOR BILL:  
Call centers are closing or moving out of the state/country in order to hire low-wage employees. This bill would create accountability standards when a call center closes. It would make those call centers ineligible to receive state financial assistance for five year, establishes requirements for state contractors who preform state business related to call center and customer service work. LCO 6434 limits the state contractor to new requirements to new contracts after October 1, 2019 and contracts that are renewed after October 1, 2021.  

RESPONSE FROM ADMINISTRATION/AGENCY:  
None submitted.  

NATURE AND SOURCES OF SUPPORT:  
Lindsay Farrell, State Director, CT Working Families Party: This bill ensures taxpayer dollars and grants won’t go into the pockets of companies that offshore American jobs. Several of the largest and most recognizable corporations are the most egregious offenders. AT&T is closing three call centers, laying off about 90 workers. They have increased their presence overseas and have contracts with offshore call centers in low-wage countries with weak labor protections and inadequate legal enforcement. Call centers provide an important source of economic growth in American communities and many are reeling from the loss of manufacturing jobs. It is time to add new accountability.  

Juan Hernandez, District Director/ Vice President, 32BJ SEIU: AT&T is closing three call centers and laying off about 90 workers. These jobs provided an important source of economic growth. When these services are outsourced to low-wage contractors overseas,
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Communities lose another large poll of family-supporting jobs. This bill creates accountability, provides protection for workers and ensures taxpayer dollars/grants don't go into the pockets of companies that offshore jobs from the state. Companies must start putting American workers first.

**Sal Luciano, President-CT AFL-CIO:** Relocating call centers not only devastate the local economy but also employees and their families. Since 2013, Verizon Wireless closed 19 call centers affecting 11,000 workers. Wells Fargo recently laid off thousands of workers across the country while growing from just 100 in 2011 to more than 4,000. They also have plans to expand to an additional 7,000 employees in the Philippines. AT&T eliminated more than 12,000 in-house call center jobs and announced its plan to move about 100 jobs from Meriden, CT to Tennessee and Georgia. Taxpayer funds should not act as a backdoor subsidy for companies to export customer service jobs.

**David Weidlich, President, CWA Local 1298:** Call centers are an important economic lifeline for many communities, yet thousands of workers all across the country have recently lost their jobs as major corporations have offshored customer service operations. The trend is accelerated by passage of the 2017 tax reform where offshore profits are taxed at half the rate of domestic profits. These are good paying, solid middle class jobs. This is a great opportunity for legislators to show they are willing to support working people.

**NATURE AND SOURCES OF OPPOSITION:**

**Eric Gjede, Vice President of Government Affairs, CBIA:** CT ranks as one of the costliest places to run a business. To remain competitive, businesses must ensure their quality/productivity outpaces national and international competitors. Some had to shift or consolidate operations to other states or countries to remain viable. Subsection (h) requires all state business-related call centers and customer service work to be performed entirely by workers within the state. This is akin to an in-state contracting preference and may trigger surrounding states to reciprocate with the result of fewer choices for contractors and more expensive contracts for taxpayers. Businesses need flexibility to address changing market/economic conditions. This bill presents some other questions: Do we now have to impose civil penalties on businesses rather than continue to improve the economic and business climate so businesses can afford to stay and grow in CT? Should penalties be imposed on companies for finding efficiencies through technology? How does CT attract new business if we enact policies that prevent companies from leaving without paying civil penalties?

**Ticketnetwork, South Windsor Business:** An online resale marketplace with a call station of over 100 associates, they will be directly affected should this bill pass. Although the intentions are honorable, the reality is detrimental to businesses and employees. It is the general perception that CT is hostile to businesses, and increasing the cost of having a call center may encourage outsourcing because of potential penalties. Few new businesses would be tempted to move to states which seem so anti-business. They must respond to demands and staff properly to fit those demands.

**Reported by:** Marie Knudsen  
**Date:** March 27, 2019