



NEW YORK STATE SENATOR

Timothy M. Kennedy

Senator Kennedy, Local Workers Fighting to Stop Offshoring, Save NY Jobs

TIMOTHY M. KENNEDY July 7, 2012

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Kennedy pushing for reforms that protect jobs created in New York State from being outsourced overseas

BUFFALO, N.Y. – A rampant trend toward offshoring jobs has left too many families without work and kept unemployment high despite surging corporate profits. With about 22-29 percent of all jobs still at risk of being shipped overseas, action is needed to protect Western New Yorkers' jobs. Senator Tim Kennedy, D-Buffalo, is standing up to prevent good-paying

jobs from leaving New York State.

At least 500,000 call-center jobs have been taken from American workers and sent overseas in recent years. Without action to protect jobs, it may only get worse. By 2015, 3.3 service-sector jobs will be shipped to foreign countries, predicts global analysis firm Forrester Research.

Kennedy and local workers stood near the runway at the Buffalo Airport Saturday with a clear message: New Yorkers will no longer remain silent when corporations pack up taxpayers' dollars and send their jobs to foreign countries. Kennedy is urging Albany to pass the "Save New York Call Center Jobs Act" – which he introduced earlier this year.

Kennedy's proposal enacts common-sense reforms to ensure New York State taxpayers are not left footing the bill when corporations move jobs overseas. As a jobs-protection measure, it cuts off tax breaks, state contracts, public subsidies and other government support for companies that send New Yorkers' jobs to foreign countries.

"We're taking action to protect jobs for hardworking Western New Yorkers," said Senator Kennedy. "Creating and retaining jobs remains my top priority, and we need Albany to get behind our 'Save New York Call Center Jobs Act'. This taxpayer-protection, jobs-retention initiative will address three longstanding challenges facing our state – high unemployment, frequent job offshoring and constrained state budgets. It rewards the good companies growing in our state's economy by preventing corporations that outsource overseas from exploiting our tax dollars, and it aims to bring jobs back to New York by directing our scarce economic development resources to companies investing locally."

There is significant need for this jobs-protection action across New York State. A recent study indicated that contact-center industries employ nearly 440,000 New Yorkers, or nearly

5 percent of our workforce – which is higher than the national average. Further offshoring could spike unemployment.

“Our legislation holds corporations accountable for attempting to ship New Yorkers’ jobs overseas,” Kennedy said. “State investments in economic development are designed to create long-term, good-paying jobs. If a corporation tries to send those jobs to another country, our state must put its foot down and revoke taxpayer-funded incentives. It is fiscally irresponsible to allow a company to take taxpayer dollars and our jobs overseas to the detriment of hardworking Western New Yorkers.”

Under the Save NY Call Center Jobs Act:

- The Department of Labor will compile a database of call-center employers that outsource jobs overseas, and it will publicly disclose this information.
- Any call-center employer that appears in this database will be denied access to all state contracts, guaranteed loans, tax breaks, public subsidies and other government support.
- In certain circumstances, call-center employers that appear in the database may be required to pay back the unamortized value of any tax break, subsidy or government support it has previously received.
- Any company awarded a state contract for customer service must perform all associated work within the state of New York. If the contractor is currently doing the work out of state, they will have two years – from the date of enactment – to move the work back to New York State.
- A corporation that intends to offshore its call-center jobs – or at least 30 percent of its call-center operations – will be required to notify the Department of Labor at least 100 days prior to the relocation. Any corporation that violates this requirement will be subject to a civil penalty of \$10,000 for each day it is in violation. The labor department can reduce this

penalty, if a just cause is shown.

Back-office and contact-center operations are often cited as an industry with high-growth potential within our local economy. Many corporations have demonstrated a true commitment to hiring Western New Yorkers in their call centers. Throughout our region, there are over 50 companies with more than 16,000 employees in call centers and back-office operations. To build on this regional success, Kennedy is working to build public pressure behind this jobs proposal.

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Senator Timothy M. Kennedy represents the New York State Senate's 58th District, which is comprised of the towns of Cheektowaga, Eden, Hamburg and West Seneca, the city of Lackawanna and parts of the city of Buffalo. More information is available at kennedy.nysenate.gov.