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December 3, 2018

Dear Members of the Senate Labor Committee:

Please Support S-1780 (Diegnan / Turner) The New Jersey Call Center Jobs Act

The New Jersey State AFL-CIO thanks the sponsors and Chairman Madden for their support of this legislation and for their leadership on the issue of preserving call center jobs in New Jersey. These are middle-class, family sustaining jobs and we should all strive to maintain them to benefit our communities. The legislation before you today seeks to provide transparency and public disclosure when corporations outsource American call center jobs to foreign countries. Make no mistake about it, corporations do this for one reason and one reason only, to increase profits, regardless of how it devastates local communities here in New Jersey.

Furthermore, the legislation seeks to end the egregious practice of rewarding corporations with public tax dollar subsidies when they eliminate American jobs by sending them overseas. Just take a look at the shameful announcement just last week by GM (received \$11.2 billion in taxpayer subsidies and layoffs 14,000 jobs).

If the bill is enacted, corporations can still outsource jobs to a level detailed in the bill. However, they simply will not be rewarded financially with tax dollars for doing so. Corporate outsourcing is the exact opposite of what our current state's business incentive program seeks to promote and achieve. The New Jersey Economic Development Authority which previously awarded BEIP grants, but are now referred to as the selective tax incentive grant program, are provided based upon a business's ability to illustrate that they are committed to creating new jobs. Yet, many of the same corporations that are receiving, literally, tens of millions of our tax dollars in incentive awards, are outsourcing thousands of call center jobs to China, the Philippines, India, Russia and other foreign nations. The articles attached to my testimony provide details and examples of this here in New Jersey.

We operate in a global economy. Policy makers understand that corporations are taking advantage of a global labor pool to increase profits by reducing labor costs. These foreign workers are paid approximately \$1.78 an hour, compared to New Jersey call center workers that start at \$15.52 an hour and top out at \$33.17 an hour after three years.

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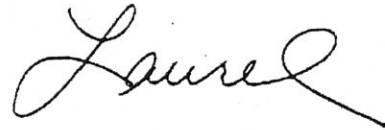
One prominent tele-com company in New Jersey has their CEO making \$28.7 million a year and they banked \$10 billion in profit in the first six months of 2018. This corporation also received a windfall of \$20 billion from the federal tax cuts while at the same time laying off 7,000 workers nationally since the tax cuts were enacted.

New Jersey tax payers should not be supplementing these exorbitant profits to further increase their bottom lines. These companies do not need precious New Jersey tax dollars that should be used to address our state budget shortfalls. Thank you for your attention to this matter and we respectfully ask for your support of S-1780.

Sincerely,



Charles Wowkanech
President



Laurel Brennan
Secretary-Treasurer

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