Ohio House of Representatives

Representative Matthew Kishman
50th House District

Representative Lauren McNally
58th House District

Good Morn Chair Claggett, Vice Chair Workman, Ranking Member Mohamed and members of the Technology and Innovation Committee. We are grateful for the opportunity to offer sponsor testimony in support of House Bill 349 (HB 349), which will create the Consumer Protection Call Center Act.

Call centers are a backbone of Ohio's economy, providing tens of thousands of residents with steady jobs that offer living wages and flexible hours. Yet in recent years, Ohio communities have repeatedly been left reeling from the sudden closure or offshoring of these facilities. At the same time, consumers face growing risks when their personal information is handled overseas under weaker security and privacy standards.

The **Consumer Protection Call Center Act** takes a clear and decisive step toward solving both problems: it protects Ohio jobs, ensures taxpayer funds are used responsibly, and shields Ohioans from data breaches and scams linked to outsourced call center operations.

The State of Call Center Jobs in Ohio
Ohio is home to more than 90,000 workers with the job title "Customer Service Representative". These positions pay an average annual wage of nearly $45,000 and often serve as stable employment in both urban centers and rural towns. Employers like AT&T Mobility, Nationwide Insurance, and Brightspeed operate large call centers across the state.

Yet despite the importance of this industry, Ohio has seen a troubling trend of closures and layoffs. See attached factsheet for statistics.

Outsourcing as a Race to the Bottom
The offshoring of call center jobs is not just a local issue—it is a national and global trend. Companies often move operations to countries like the Philippines, Mexico, or the Dominican Republic, where wages are a fraction of U.S. levels. For example, Filipino call center workers may earn as little as $2 an hour, compared to nearly $45,000 annually in Ohio.

Corporations benefit from slashing wages and benefits, but workers and communities lose. Entire regions, already hit hard by deindustrialization, watch another sector of stable jobs disappear. To make matters worse, taxpayer dollars have often subsidized these same corporations—through tax breaks, grants, and loans—only for them to offshore jobs a few years later.

The Consumer Protection Call Center Act

The Act directly addresses these abuses by:

- **Requiring notification:** Employers intending to relocate call center operations abroad must provide 120 days' notice to the Ohio Department of Job and Family Services.

- **Transparency:** The state will maintain a public list of companies that offshore call centers, ensuring accountability.

- **Ending subsidies for offshoring:** Companies that move call center jobs overseas will be disqualified from state grants, loans, tax breaks, and contracts for five years.

- **Keeping state business in-state:** All state agencies must ensure that customer service work for state programs is performed entirely within Ohio
  .

This legislation protects Ohio's workforce while aligning state economic incentives with Ohio values.

Consumer Data Security Risks

Offshoring doesn't just cost jobs—it also endangers consumer privacy. Workers at foreign call centers often have access to sensitive information such as Social Security numbers and financial records, but operate under weaker privacy and enforcement regimes.

There are alarming examples of data misuse:

- AT&T call center workers in Mexico, Colombia, and the Philippines sold the personal information of 279,000 U.S. customers to third parties

- Fraud schemes linked to call centers in India and Costa Rica defrauded Americans of hundreds of millions of dollars.

- Equifax, heavily reliant on offshore call centers, suffered one of the most damaging data breaches in U.S. history

Keeping call center work within Ohio not only ensures jobs remain in our communities but also protects Ohioans' personal information under U.S. law and oversight.

The Broader Economic Argument

Since 2012, major corporations such as AT&T and Verizon have closed dozens of U.S. call centers, eliminating tens of thousands of jobs while expanding overseas operations. The 2017 federal tax bill further incentivized offshoring by rewarding companies that shift profits—and jobs—abroad. Without state-level protections like the Consumer Protection Call Center Act, Ohio will continue to lose ground in this global race to the bottom.

Conclusion

The Consumer Protection Call Center Act is about more than call centers—it is about fairness, security, and opportunity. It ensures that taxpayer money is used to support Ohio workers, not subsidize corporate flight. It protects communities from the devastating effects of sudden closures. And it safeguards Ohioans' personal information from misuse abroad.

Passing this legislation is a crucial step toward building a stronger, more secure Ohio economy where families can thrive and consumers can trust that their data is protected.

Once again Chair Claggett, Vice Chair Workman, Ranking Member Mohamed and members of the Technology and Innovation Committee, thank you for this opportunity to provide sponsor testimony on HB 349 and this very important opportunity for the State of Ohio. I am happy to answer any of your questions.