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## Nasscom rejects 112 U.S. anti-outsourcing bills

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NEW DELHI: The National Association of Software and Services Companies (Nasscom) today said it is not "overly concerned" on the issue of introduction of more than 112 anti-outsourcing bills across 40 States in the U.S. during the first three months of 2005, as State Government contracts currently account for less than two percent of the total IT work that U.S. outsourced to Indian companies.

"We are not overly concerned about the issue as the U.S. State Government contracts account for a very small proportion of the work for the Indian IT industry. In absolute terms it is valued at about \$150 million," the Vice-President of Nasscom, Sunil Mehta, said.

Reiterating Nasscom's earlier stance on the issue, he said, "Protectionist measures make industry uncompetitive and do not serve the interest of end consumers." Mehta further pointed out that in the last two weeks India had awarded one of the largest orders of aircraft to a U.S. company.

Nasscom's comments comes in the wake of a recent report by National Foundation for American Policy (NFAP) that more than 112 Bills to restrict "outsourcing" have been introduced in at least 40 States, within the first three months of 2005. In 2004, only five anti-outsourcing Bills became law and none of them were far-reaching.

Republican Governors in California, Massachusetts, and Maryland vetoed anti-outsourcing bills, though the outgoing New Jersey Governor, Jim McGreevey, issued a highly restrictive executive order to prevent state work from being performed offshore.

"The reasons for the impulse to impose restrictions on offshore outsourcing are understandable, though misguided. Economic factors that created anxiety about 'jobs moving offshore' global competition, increased productivity, and new job creation distributed unevenly across sectors - have not changed in the past six months. In addition, Bill sponsors may possess political motivations, such as putting members of the other party in a difficult position," the NFAP report noted.

Most State Bills to restrict outsourcing fall into two categories - restrictions on State contract work being performed offshore; and measure to limit the use of offshore call centers. Several state legislators also are attempting to prevent personal data from being sent outside the U.S., even though existing Federal law already permits sharing of data among affiliate entities without regard to geography and provides for recourse against U.S. companies that fail to take appropriate safeguards.

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