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Assembly bill sets offshoring limits

LEGISLATORS OK RESTRICTION ON STATE CONTRACTS

By Karl Schoenberger
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Reacting to the politically charged issue of job flight overseas, the California Assembly approved legislation Thursday that would ban the offshoring of state government service jobs when state agencies sign new agreements with private contractors.

The bill, sponsored by Assemblywoman Carol Liu, D-South Pasadena, is aimed at addressing controversial situations such as the use of customer assistance call centers in India and Mexico by a contractor to the state's food stamp program.

``We're talking about food stamps for people who we really want to put back in the job market, so it's very ironic that we're sending jobs they might be able to do overseas," Liu said.

Liu's bill was approved 44-26. It now goes before the state Senate, where Liu doesn't anticipate trouble with passage. Gov. Arnold Schwarzenegger hasn't indicated where he stands on the issue, Liu said.

Anti-offshoring legislation has been introduced in 35 states since the beginning of the year, but only one bill has been passed and signed into law, according to Justin Marks, an analyst with the National Conference of State Legislatures. On May 5, Tennessee enacted legislation that started out as a ban on the offshoring of state service jobs, but in its final version gives preferences to government contractors who agree to keep information technology service jobs within the state.

In addition to Liu's bill, California legislators have introduced three other bills in the Assembly and three in the Senate that address issues such as the protection of privacy in medical and financial information processed overseas and the disclosure of call center locations.

Liu's bill would not affect existing contracts with the state for services, including the half-dozen or so overseas jobs involved in the food stamp program's electronic debit card system. The legislation also is unlikely to affect a contractor for the state Department of Justice that uses foreign labor to administer the agency's automatic fingerprint identification system.

But service providers would be required to promise not to use foreign labor when they sign new contracts with the state, on penalty of perjury. The bill provides a waiver when unique services or skills are involved that cannot be found immediately within the state, or in cases of emergency. But the waiver would have to be renewed every six months under the legislation.

Opponents said the bill was shortsighted because outsourcing jobs keeps those contracts cheaper and saves taxpayers money.

``What you call outsourcing is capital going to its most efficient place," Assemblyman John Campbell, R-Irvine, told the Associated Press. ``And when capital goes to its most efficient place, we all benefit."

Liu said the issue has taken on a non-partisan tone in other states and said she hoped California would follow suit.

``I hope this doesn't get too politicized, because this issue is important to everyone, especially in California where job creation is critical to our economy," she said.

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