

HOUSE BILL REPORT

HB 3186

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to consumer knowledge of contact center operations.

Brief Description: Regulating contact centers.

Sponsors: Representatives Hudgins, Conway and Romero.

Brief History:

Committee Activity:

Commerce & Labor: 2/5/04 [DPS].

Brief Summary of Substitute Bill

- Requires contact center employees, upon request, to identify their employer's identity and location.
- Prohibits contact center employees from soliciting personal information from other parties without informing them that disclosure is optional and obtaining their consent.
- Requires entities offering goods for sale that contract with contact centers to require compliance with these provisions, and to notify buyers of contact center locations.
- Makes violations of these provisions unfair acts for purposes of applying the state Consumer Protection Act.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Hudgins, Kenney and McCoy.

Minority Report: Do not pass. Signed by 4 members: Representatives McMorris, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse and Holmquist.

Staff: Jill Reinmuth (786-7134).

Background:

Neither federal law nor Washington law requires disclosure of call center locations or establishes other requirements pertaining to call center operations. Laws in other states are similarly silent.

Summary of Substitute Bill:

The Legislature finds that consumer rights when dealing with contact centers need greater protection. These rights include rights to know who they have contacted and where they are located, to receive truthful information, and to engage in secure financial transactions.

Upon request, employees of contact centers must identify the name and location of their employer, and if applicable, entities contracting with the contact center.

Employees of contact centers may not solicit personal information unless they inform the other parties that disclosure of such information is optional and the other parties consent to such disclosure.

If entities offering goods for sale contract with contact centers, the terms of such contracts must require contact centers to comply with the provisions requiring contact center employees to identify their employers and to obtain consent before soliciting personal information. In addition, such entities must disclose the locations of the contact centers in a notice to buyers.

The terms "contact center," "location," and "personal information" are defined. A "contact center" is a physical or electronic operation that uses telephonic or electronic communications for specified activities such as soliciting sales, or taking orders or reservations. "Location" means city, state, and country, but not street address. "Personal information" includes information such as a person's name, Social Security number, and credit or other financial information.

Violations of these provisions are unfair acts for purposes of applying the state Consumer Protection Act.

Substitute Bill Compared to Original Bill:

A definition of the term "location" is added.

Appropriation: None.

Fiscal Note: Requested on February 5, 2004.

Effective Date of Substitute Bill: The bill takes effect on July 1, 2009.

Testimony For: (Presented for HB 2351) Right now, jobs are going overseas. Other states have contracted with foreign call centers for purposes ranging from food stamps to unemployment insurance. The Department of Social and Health Services currently has a contract with Citicorp, and about 6,000 calls go to call centers in India and Mexico. Tax

dollars should be kept in the state, and not used to create jobs somewhere else. Access to personal information is also critical. This bill does not require call centers to disclose their location unless a customer asks. It does not prohibit foreign call centers. The key is giving consumers a right to know.

Corporations are exporting customer care overseas to slash labor costs. They contract with firms that handle all of their customer support. This is happening not just to private jobs, but also to state jobs. Forty eight of 50 states use foreign call centers. This means that sensitive information is going overseas. We cannot underestimate the size or the scope of information flowing overseas to these call centers.

This bill is simple. It gives consumers important information, and mandates that employees be honest with customers. Foreign call centers may require their employees to give different names, to identify themselves as client employees rather than call center employees, and to participate in "Americanization" training.

This bill would require call centers to reroute calls back to the United States if requested. It would prohibit them from obtaining personal information without also obtaining consent. It is a significant step forward that gives consumers the rights they need in the global economy.

Customers assume that they are making local calls because they do not need to dial an area code, but the calls may be rerouted. Call center employees in the local area can provide more satisfactory information. It is often frustrating to customers that call center employees in other countries do not know the local situation. Call center employees in the local area may be more empathetic to local needs and can work with the customers better. They also contribute to their communities socially and economically. American companies need to reinvest in the United States.

Web hosting, software support, and hardware manufacturing have all gone overseas. This is putting people out of work and businesses out of business. People who have lost call center and information technology jobs are flooding the job market.

In a lot of states, this is an issue that crosses party lines. It is not a partisan issue.

Testimony Against: (Presented for HB 2351) This bill would have a profound effect on call center employees in Washington. Employee safety is critical. Requiring them to provide their names and locations to customers is a concern. Some customers are unhappy. They become irate when speaking to call center employees, and take it out on the employees.

Some companies have worldwide operations, and each of their call centers have unique functions. Rerouting may not be possible because there is no other call center that handles those types of calls, either at any time or at the time of the call. Rerouting also may not be possible if the company uses call centers overseas and not in the United States.

Persons Testifying: (In support of HB 2351) Representative Hudgins, prime sponsor; Marcus Courtney, Washington Alliance of Technology Workers; Chris Dube, Communication Workers of America; and Keith Fields, Black Sheep Technology.

(Opposed of HB 2351) Kim Clausen, Washington Bankers Association; Rhonda Weaver, Comcast; Gary Gardner, Boeing Employees Credit Union; and Cathy Brightwell, AT&T.

Persons Signed In To Testify But Not Testifying: None.