



Oppose Business “Blocklist” and New Call Center Regulations HBs 5164-65

Summary:

House Bill 5164 (O’Neal) would create the “Call Center Jobs Retention Act.” The proposed bill would require an employer with 50 or more employees that intends to relocate a call center or substantial operations from Michigan offshore to notify the Michigan Department of Labor and Economic Opportunity (LEO) at least 30 days prior to the relocation. The bill also directs LEO to create and publish a “**blocklist**” of all employers who relocate a call center and **post the list on their website**. Under the legislation, an employer who does not notify the LEO is subject to a civil penalty of \$10,000.

House Bill 5165 would prohibit any employer appearing on the “blocklist” from being eligible for “funds, including a loan, grant, or funding or other assistance for a project under” the Michigan Strategic Fund—arguably indefinitely.

We oppose this bill for the following reasons:

- “Blocklisting” companies for **legitimate business decisions** is a dangerous precedent.
 - Businesses may choose to offshore call centers for any number of reasons. It may be because they can’t find enough specialists, especially those with specialized technical skills, in the U.S. to meet their needs. It may be because they need around-the-clock support (across multiple time zones). And it may be because they need multi-lingual support and are unable to find enough U.S.-based callers who are proficient.
- The bills **restrict Michigan’s business competitiveness** and the ability to attract corporate relocations and call center jobs. The bills also fail to recognize a company’s overall investment in the state, and commitment to maintaining Michigan jobs.
- This bill places **unnecessary restrictions** on businesses by failing to take into consideration decreased call volume and advancements in technology resulting in a more efficient and user-friendly customer experience. In addition, a metric based on call volume does not take into account declining call volume or unforeseen spikes in monthly calls and is not a verifiable standard for jobs.
- The definition of “**call center**” is **broadly defined** as “a centralized office used primarily for receiving or transmitting customer requests or inquiries by telephone.” This definition could cover a wide variety of facilities or operations that do not meet the usual understanding of the term “call center.”
- The bill puts Michigan businesses at risk of **retaliatory measures from other states and/or nations**.
- The bill undermines the benefit of having diverse call center operations in the event of a **natural disaster**.

We respectfully urge a **NO** vote.