

FCC Chairman Genachowski Announces 100,000 New Broadband-Enabled Call Center Jobs with Business Leaders

First Stop in National "American Innovation Tour"

FCC Chairman Julius Genachowski today joined business leaders from Jobs4America – a coalition of call center companies -- in Jefferson, Indiana, to announce the creation of 100,000 new broadband-enabled, call center jobs over the next two years in the U.S., helping to revive some communities hardest hit by the economic downturn.

- ◆ Many of these call center jobs will be **on-shored from foreign countries**;
- ◆ Average of **4,000 call center jobs are being created each month** in the U.S.;
- ◆ In the second quarter of 2011, **over 18,000 new call center jobs were created** in the U.S.;
- ◆ Thanks to broadband adoption and deployment, particularly over the last few years, these **jobs can be performed at new call centers or through connectivity at home**;
- ◆ **Broadband deployment and adoption has been a central focus of the Genachowski FCC**. Working with the private and public sectors, millions of Americans are experiencing the benefits of broadband – more jobs, better education, enhanced public safety, and quality health care.

Broadband delivers jobs and is a leading driver of U.S. economic recovery:

- **More broadband equals more jobs.** According to a recent McKinsey & Co. study, the internet creates 2.6 new jobs for every job lost.
- **Broadband enables existing businesses to boost productivity and efficiency,** reach customers in new markets and develop new products and services -- expanding the business markets to reach customers in the next town, city and across the U.S.
- Broadband expansion **lowers costs for businesses**, thanks to new services like cloud computing, which in turn increases revenue and creates new jobs.
- **Broadband invites investment, which leads to jobs.** So far this year, businesses like LinkedIn and Pandora have had Initial Public Offerings that have attracted billions in new investment, and more than 50 tech IPOs are expected in 2011 – the most in over a decade. And, companies like Groupon and Living Social have created nearly 10,000 jobs over the last few years and spurred millions of dollars in new investment.

Call center business are a national model for how to create jobs by embracing the enormous potential of broadband:

- **Average of 4,000 call center jobs being created each month in the U.S.:** In the second quarter of 2011, 18,400 new call center jobs were created in the U.S. (LaborView Review, July 2011)
- **More Than 5 Million Americans Work In Contact Centers in More Than 50,000 Locations Across The Country,** Representing Nearly 4% Of The U.S. Working Population, according to one study.
- **Bringing a call center back to the U.S. from overseas can save companies about 15%** when you look at the full picture (Recent study by Novo 1).
- **Currently 17 percent of all call center positions (in-house and outsourced) are home-based.** Furthermore, 80 percent of U.S. companies plan to use at home agents in the next few years. (Frost & Sullivan, 2009)
- **America is the Global Leader in Harnessing Broadband for Call Center Jobs** both for physical call centers and for at-home based agents. Datamonitor projections show the number of U.S. home-based call agents growing at an annual clip of 20% between 2009 and 2012, from about 50,000 to more than 80,000. That's much faster than the growth rate for calling centers in India (4%) and the Philippines (9%).

- **Trend Alert: More Call Center Jobs Moving to the U.S. thanks to broadband:** BDO USA recently reported sharp cuts in the use of offshore contact centers by U.S. tech companies. A BDO survey of 100 CFOs found that just 12% of firms currently maintain offshore contact centers or help desks. That's a dramatic drop from 35% in 2009 and 19% last year. This trend would be impossible without broadband deployment and adoption.
- **Virtual Call Centers are Growing:** A growing number of Americans do contact center work from home. More than 200,000 Americans work “virtually” from their home offices and an estimated 60,000 Americans work as contact center reps from their homes.
- **Home Based Call Centers are Leading the Way In the Digital Age:** More and more U.S. home based contact centers are using new technology like video conferencing to improve the customer experience.
- **Broadband is also enabling these same call center companies to become online education institutions themselves.** For example, Alpine Access helped to pioneer the use of broadband to create at home call center jobs (and the training involved). Now, Alpine Access is using some of the same technology to pioneer a new at-home, broadband-enabled, virtual training environment. They have created a virtual college campus and “Alpine Access University.”

The following broadband-enabled call center jobs from across the country were recently announced:

- **175 new jobs in Jeffersonville, Indiana – and 2,000 over the next year company-wide–** including new jobs at the call center in addition to virtual call center jobs performed at home. They handle customer service calls for companies like BJ’s Wholesale Club and Charbroil.
- **300 new jobs in West Michigan.** Coalition member Novo1 just created its 300th job in West Michigan – one of the hardest hit communities in America. For example, Holland, Michigan has a long history of auto and furniture manufacturing. By utilizing a new high speed IP network connection, and a brand new state of the art facility, Novo1 was able to create 300 new jobs in this economically hard hit community.
- **100 new jobs in Newark, NJ.** With New Jersey’s unemployment rate outpacing the nation, LiveOps, recently announced a partnership with the city of Newark, New Jersey to harness broadband to connect residents to new employment opportunities. Newark is looking for more than 100 residents to work for LiveOps by the end of 2011 using home-based internet connections.
- **New Jobs for Florida Community with High 12.5% Unemployment.** While St. Lucie, Florida was especially hard hit by the real estate market, Aegis – which has set a goal of 4,000 U.S. jobs over the next 2 years as a part of this effort, is now hiring in this Florida community. According to the Florida Agency for Workforce Innovation, St. Lucie County lost 8,167 jobs between 2006 and 2009. In May the county had a high 12.5 percent unemployment rate.

Examples of job creation goals over the next two years include:

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| • Aegis Global | 4000 jobs |
| • Alpine Access | 4000 jobs |
| • Accent | 2000 jobs |
| • Novo1 | 1000 jobs |
| • Back Office Support Systems | 1000 jobs |
| • Sprint | 600 jobs |
| • Etech | 250 jobs |
| • CallAssistant | 250 jobs |
| • AnswerNet | 200 jobs |
| • QCSS, Inc. | 200 jobs |

Broadband helps revive communities hardest hit by the economic downturn: Broadband-enabled job creation holds the potential to revive – and lead – job creation across the country.

- **Broadband can create jobs for people from all walks of life. For example, it can give veterans, single parents, and home-bound people with disabilities the opportunity to have meaningful work.** And for those who need flexible work schedules, broadband-enabled jobs allow for greater telecommuting opportunities.
- Nearly 100 million Americans haven't adopted broadband yet. In addition, more than 20 million people can't get access to broadband even if they wanted it. **The FCC is working vigorously to ensure that all Americans can access and adopt broadband.**
- Call center businesses are harnessing broadband-enabled technologies to deliver greater value for customers, increase customer retention and improve community relations.
- Broadband allows individuals and communities to compete globally, attracting new investment and talent with next-generation communications infrastructure.

The FCC is committed to job creation and economic growth through its Broadband Agenda: Under Chairman Genachowski's leadership, the FCC is working vigorously to accelerate broadband access, promote broadband adoption and encourage innovation and growth through broadband-enabled communications technologies.

- **Broadband Acceleration Initiative:** The FCC's Broadband Acceleration Initiative sets an aggressive agenda to reduce regulatory barriers to broadband deployment and create jobs related to broadband in health care, smart grid, and education, along with growth of small business in areas no longer isolated because of broadband.
- **Voluntary Incentive Auctions:** Voluntary incentive auctions will promote U.S. businesses and job growth, freeing up additional wireless broadband spectrum that will unleash innovation and create jobs in the health care, smart grid, and education industries. Voluntary incentive auctions will also promote the growth of small businesses by enhancing the availability of broadband across the nation.
- **Reforming the "Universal Service Fund":** By modernizing this critical program that helped ensure every American had access to affordable phone services in the 20th century, the FCC will help ensure the same is true for high-speed internet services in the 21st century. Expanding broadband to underserved communities will create jobs.
- **Broadband Adoption:** Chairman Genachowski recently announced the formation of an internal FCC Broadband Adoption Task Force, which will consult with the private and public sectors to help close the broadband adoption gap. The FCC is working to address the primary barriers to broadband adoption: affordability, digital literacy, relevance, and trust.

For more information about the FCC's efforts to expand broadband, please visit:

www.fcc.gov/broadband

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