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Overseas Fees for Operators?

By John Eggerton

If a powerful senator gets his way, cable operators could be hit with an extra few hundred million dollars in phone charges courtesy of the U.S. government. Talk about “bill shock.”

Sen. Chuck Schumer (D-N.Y.) has introduced a bill that would impose a 25-cent-per-call fee on any company that outsources customer service calls overseas. Given that many U.S. industries tap into the offshore call-center market, expect lots of dialed-in lobbying muscle against such a bill.

Then there’s Chad Lyne, director of corporate strategy for Denverbased Alpine Access, who is using Schumer’s proposed bill to help sell the cable industry on Alpine’s onshore alternative. Alpine is in discussions with two of the top 10 cable operators, according to Lyne.

Alpine Access has a cadre of at-home operators in the U.S. to answer calls, and while Lyne concedes that it is cheaper in the short term to outsource to India, the Philippines or Latin America, the cost could be going up by as much as \$400 million industrywide if Schumer has his way, he says. Lyne also argues that it is pricier in the long term to outsource because offshoring can damage the brand and be more expensive in new-customer acquisition costs.

Lyne says larger cable operators tend to be “pretty heavy users” of offshore work. He says his company has run the numbers for cable and telcos, which he estimates send close to 1.25 billion calls overseas each year.