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U.S. companies are forcing workers to train their own foreign replacements



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Opponents of job outsourcing are making a holiday-season appeal to President Trump: Stop U.S. companies from forcing American workers to train the very same cheaper foreign laborers who will soon replace them.

Why it matters: Trump promised voters he'd [end abuses](#) of worker visa programs and save U.S. jobs — but as he campaigns for re-election, advocates say he hasn't done enough.

Driving the news: AT&T is poised to send thousands into the new year hunting for new jobs after assigning them to train their own foreign replacements, according to conversations with current and former workers and documents obtained by Axios.

- Many have worked for the company for over a decade. They aren't being offered severance or early retirement, and may not easily find a comparable job elsewhere with similar pay.

What they're saying: Sara Blackwell, a Florida-based lawyer who represents Americans displaced by workers on visas or overseas, told Axios: "American

workers are tired of waiting for President Trump to do something on this issue."

- "They've gone from great hope in President Trump's administration, to great discouragement."

- She also met this month to discuss the problem with White House officials.
- The White House did not respond to a request for comment.

Details: Despite receiving a [\\$3 billion tax cut](#) last year, AT&T announced new and expanded alliances [with big outsourcing companies](#) to replace workers with foreign or cheaper domestic talent.

- Like many major U.S. companies, AT&T has been shifting jobs for years now — but 2019 was especially noteworthy, as workers [claimed](#) that as many as 3,000 finance jobs were being outsourced to Accenture. AT&T denied the 3,000 figure, but declined to provide Axios with its own number.
- AT&T also signed multi-year deals with [IBM](#), [Tech Mahindra](#) and [Amdocs](#) this year. Accenture, IBM and Tech Mahindra were in the [top 10 companies](#) to request H-1B high-skilled worker visas this year.
- "We are continuously working to be more efficient in our operations," AT&T's Jim Kimberly told Axios. When possible, AT&T is "helping employees find other positions within the company," he said.

Current and former Department of Homeland Security officials who spoke to Axios expressed frustration that more isn't being done to keep foreign worker visa programs from undercutting U.S. workers.

- Lawmakers have signaled [bipartisan support](#) for

- For years now, the Trump administration has talked about policy changes such as ending work authorization for the spouses of certain H-1B visa holders. But the proposal prompted [outrage from tech giants](#), and it has yet to be finalized.

By the numbers: There are few comprehensive studies and little agreement on the scope of the phenomenon, experts told Axios, because contracts and outsourcing processes are typically kept quiet.

- Blackwell said past contracts she's seen lead her to believe that as many as nine in 10 of those impacted by AT&T's outsourcing may end up training foreign replacements.
- It's a common business model that's been used by other U.S. companies, including [Disney](#), [Verizon](#), [Bank of America](#), [Toys 'R' Us](#) and [Southern California Edison](#).

What they're saying: Axios spoke with workers who have already transitioned or will switch in January to working for outsourcing companies.

- Three current or recently-fired AT&T employees broke down in tears during telephone interviews.
- Typically, workers are guaranteed 12 months at the outsourcing company, after which they will likely be let go.
- Only a handful are offered severance or early retirement.

you know that you're going to be losing your job, you don't want to spend the money."

How it works: Workers may be assured their job will not change when they are "rebadged" to work for a contractor. "The sad reality is you've just been terminated without your severance," said one worker Axios interviewed. "You're at the mercy of a company that doesn't really want you."

- Workers described shock and confusion when they were told during a scripted phone call that after a decade or longer at AT&T, they'd have to work for a contractor or resign. Some were told they could not apply for other jobs inside AT&T.
- Some were told they were needed for a "knowledge transfer" — then tapped to train people on work visas or overseas who would replace them.
- A presentation obtained by Axios outlining the knowledge transfer process for AT&T and Accenture includes a slide on how to interact with Indian workers.

Go deeper: [Trump administration denied almost a third of new H-1B visas in Q3](#)



Go deeper

Bob Herman
Oct 8, 2020 - Health

Employer health coverage costs still outpace wages

The cost of job-based health insurance averaged more than \$21,000 for families and almost \$7,500 for individuals in 2020 — roughly 4% higher than [2019](#), according to new survey data from the Kaiser Family Foundation.

The big picture: These costs only accounted for coverage offered *heading into 2020*, and therefore didn't factor in the coronavirus pandemic. And although the 4% growth rate was the lowest since 2017, it still exceeded the average growth of workers' wages (3.4%) and general inflation (2.1%) — meaning employer health care continues to [eat away at people's budgets](#).

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Felix Salmon, Sam Ro
30 mins ago - Politics & Policy

Inflation that can't be ignored

Data: Bureau of Labor Statistics via FRED

June's jump in consumer prices was the biggest year-over-year increase for any month since 2008 — a surprising 5.4%, with used cars and trucks responsible for [one-third of the surge](#).

Why it matters: The White House was counting on fleeting inflation. Now, it's starting to look like it could last.

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Hans Nichols, author of [Sneak Peek](#)
1 hour ago - Politics & Policy

Biden to tap ex-Sen. Jeff Flake as

President Biden will nominate former GOP Sen. Jeff Flake as his ambassador to Turkey, bringing in a senior Republican to help emphasize his bipartisan instincts on foreign policy.

Why it matters: In picking Flake, Biden is putting his trust in a former politician to handle one of America’s most challenging relationship in NATO.

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