COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE ON LABOR AND CIVIL SERVICE

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, October 20, 2004
10:20 a.m.

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BILL 040184 - An Ordinance amending Title 17 of the Philadelphia Code, entitled "Contracts and Procurement," by adding a new Chapter 17-1200, entitled "Foreign Outsourcing," prohibiting City service contracts under which the work is performed outside the United States, under certain terms and conditions.

PRESENT:

COUNCILMAN JUAN RAMOS, Chair
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILMAN W. WILSON GOODE, JR.
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN DAVID COHEN
COUNCILMAN JAMES F. KENNEY
COUNCILMAN JACK KELLY
COUNCILMAN MICHAEL A. NUTTER

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Litigation Support Services
Eleven Penn Center
1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670

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COUNCILMAN RAMOS: The Committee on Labor and Civil Service will now come to order, having met our quorum with the following Members of the Committee: Present to my left, Councilman Kenney; also to my left, President of City Council, Anna Verna; to my right, Michael Nutter; and also to my right, Wilson Goode, Jr.

We commence this public hearing of the Labor and Civil Service Committee.

The Clerk will read the title of the bill.

THE CLERK: Bill 040184, an ordinance amending Title 17 of the Philadelphia Code, entitled "Contracts and Procurement," by adding a new Chapter 17-1200, entitled "Foreign Outsourcing," prohibiting City service contracts under which the work is performed outside the United States, under certain terms and conditions.

COUNCILMAN RAMOS: I just want to make a statement at this point. There's never been a social program invented that does as much good for this community as good jobs. A

working man and woman has dignity and a chance to raise their family up. The government has to protect that dignity and that chance.

We in Philadelphians know the result of large-scale job loss; blight and neighborhood decay. Today is about preserving and protecting jobs for Philadelphians, protecting Philadelphia's dignity and its ability to dream. Today we are fighting outsourcing, a short-sighted labor strategy that is draining jobs all around the country and here in Philadelphia, primarily the service and white collar jobs that were supposed to replace the heavy manufacturing work that we lost in the last century, the kind of jobs that we want for our community and that we have fought to get in our community through training and economic development programs. This is a fight for decency and justice.

The Clerk will call our first witness.

Well, first of all, we'll read into the record letters and statements that have

been sent to the Committee.

Clerk, please read the correspondence.

THE CLERK: "To the City of Philadelphia Labor and Civil Service Committee from State Rep. Michael P. McGeehan, 173rd Legislative District, Philadelphia. Outsourcing of State Services.

"I would like to thank Councilman Ramos for inviting me to submit remarks for the record regarding the issue of outsourcing of state services. My measure, House Bill 2639, amends the Pennsylvania Procurement Code criteria for awarding state contracts.

"The Commonwealth of Pennsylvania awards more than $1 billion worth of services contracts annually, and many of these contracts include call centers or information technology services that are increasingly outsourced overseas. While the realities of global economy competition must be recognized, we need to be proactive in helping the working families of Pennsylvania and the nation.

"I have proposed changes to the

state's Procurement Code (Title 62). House Bill 2639, in essence, would reward bidders for Commonwealth service contracts who use domestic workers when fulfilling certain contracts. I consider this legislation an incentive measure.

"House Bill 2639 would be applicable to the Request for Proposal, (RFP) method, of awarding contracts and multiple awards with the Department of General Services "Best Value" awards criteria. It would be limited to services (not supplies or construction). As a 'social responsibility' incentive, companies that certify work will be performed in the United States would receive additional points for meeting these criteria in the bidding process.

"I am aware of Rep. Steven Nickol's intention to offer an amendment to House Bill 2639, and I support it. The amending would provide consideration for companies that would perform a substantial part of the work within the United States on a 'sliding scale' basis, so to speak, and therefore removes the 'all or

nothing' aspects of the original language.

The intent of House Bill 2639 is to encourage companies to keep jobs in the United States. The bill is structured to reward those companies willing to certify that work will be performed in the United States. However, if they violate the certification, penalties may be imposed, including voiding the contract, disbarment from doing future business with the Commonwealth as well as financial penalties."

COUNCILMAN RAMOS: Representative Michael McGeehan. We appreciate his involvement at the state level on this issue and we appreciate his prepared text to this Committee.

Clerk, please read the next letter.

THE CLERK: "Dear Councilman Ramos, I am in receipt of your letter dated October 6th, 2004. You are requesting information regarding outsourcing.

"Please be advised that Procurement has not been involved with outsourcing any work to foreign counties (sic).

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"If you require additional information, do not hesitate to contact me.

"Sincerely, William F. Gamble, Procurement Commissioner."

COUNCILMAN RAMOS: We appreciate the letter from Commissioner Gamble, head of the Procurement Department of the City of Philadelphia.

Read the next letter, please.

THE CLERK: "Dear Councilman Ramos, I have received your letter dated October 6th, 2004, regarding the foreign outsourcing of work performed under city service contracts. To the best of my knowledge, no work has been performed beyond our nation's borders for the Office of the Controller during my tenure.

"If you would like to discuss this further, please do not hesitate to contact me or my Director of Financial and Policy Analysis, Marisa Waxman.

"Sincerely Jonathan Saidel, City Controller."

COUNCILMAN RAMOS: We appreciate the letter from City Controller, Mr. Saidel.

Read the next letter, please.

THE CLERK: "Dear Councilman Ramos, in response to your letter of October 6th, 2004, regarding the possibility of existence of departmental contracts with foreign entities, the Department of Public Health has no contracts that involve outsourcing work to foreign countries.

"Please let me know if any additional information is needed.

"Sincerely, John Domzalski, Health Commissioner."

COUNCILMAN RAMOS: We appreciate the letter that was sent to us by the Health Commissioner, Mr. John Domzalski.

Please read the next letter.

THE CLERK: "Dear Councilman Ramos, in response to your letter of October 6th, 2004, please be advised that the Department of Human Services currently does no foreign outsourcing. In addition, to the best of my knowledge, the Department has never contracted with a foreign vendor.

"I hope that this information fully

meets your needs in regard to this issue. Please do not hesitate to contact me if I can be of any further service in this matter.

"Thank you for your continued support of the Department and its programs.

"Sincerely, Cheryl Ransom-Garner, Commissioner."

COUNCILMAN RAMOS: We appreciate the letter from the Commissioner of DHS, Ms. Ransom.

Any other letters?

THE CLERK: No.

COUNCILMAN RAMOS: Having completed our correspondence to this Committee, Clerk, will you please call the first witness?

THE CLERK: Pat Eiding, President, Philadelphia Council of AFL-CIO.

COUNCILMAN RAMOS: Good morning, Mr. Eiding. Thank you for taking time out to come and testify before this Committee. Can you please state your name and your title for the record, please?

MR EIDING: My pleasure. Pat Eiding, E-I-D-I-N-G. I'm the President of the

Philadelphia Council of the AFL-CIO.

COUNCILMAN RAMOS: Please proceed.

MR. EIDING: Councilman, I appreciate the opportunity to speak on this amendment to the ordinance because it is something very near and dear to myself and the labor members here in Philadelphia and across this country.

First of all, the ordinance is very simple and straightforward. It doesn't seem complicated like some amendments that I might find in City Council and other places. It's very straightforward. It addresses the problem we have in this country, that all working people have in this country; 2.7 million manufacturing jobs, two million private sector jobs in the last three years. I don't want to sound like I'm running for President, because I'm not, but these are facts of life. And I think over 50,000 manufacturing jobs here in the City of Philadelphia. So when we address this, when we address this ordinance and the City addresses this ordinance, I think it shows

leadership for a City that has always been up front, always been the first in many things And what it says, I think, to the rest of the world and the City of Philadelphia, the City has taken the lead and maybe other people in the City of Philadelphia will do the same thing, primarily in the private sector.

What we can do by having this kind of an ordinance is we can create jobs. We can make available jobs. Companies and contractors in this City will create some jobs and do some training here instead of taking the easy way out. They'll take a hard look at what they have to do to stay here. And even if the contracts go across the country, the same thing applies.

An example would be, there's a small company by the name of Cardone's. It's in North Philadelphia. And they're a small company that has about 200 employees and they've started to outsource some of their work to European countries. They were just about ready to take it all and put it out to the European countries. And through the

efforts of the state government and the private sector, we were able to talk to each other and that company now is going to get some resources for training. They're going to train the people now working, along with other local people, to do those jobs here. There will be jobs with living wages and, hopefully, healthcare and those kinds of things. That's an example of what can happen if the City takes the lead in this ordinance.

I can rehash all of the kinds of horrible things that are happening. When we talk about it might be cheaper to send jobs across the country, in the end we pay. We either pay now or we pay later, as the commercial says, because we wind up paying for people's healthcare when they go to the hospital and they have none. We wind up paying the taxes to take care of all of the other things we have because the jobs that people worked here and paid taxes on now are no longer there.

A simple example is Wal-Mart. Wal-Mart has everything made from China. We

save a dollar buying it, but the people have no healthcare so we pay for them when they go to the hospital. So they're the kinds of residuals you get from this kind of an ordinance. By keeping jobs in this country, and primarily in this City, that's the kind of residual you get.

It's an ordinance that I think is doing the right thing for the right reasons. And for those folks who would say this isn't going on now, they should have no objection to this ordinance. Why not pass the ordinance, set an example, and maybe through that example, work with some private sectors and create some jobs here, but more importantly keep the jobs here that should be.

Thank you.

COUNCILMAN RAMOS: Thank you, Mr. Eiding.

Councilwoman Blackwell, Councilman Kelly and Councilman Cohen have joined us, and I thank them.

COUNCILWOMAN BLACKWELL: I wanted to acknowledge to my good friend over there that

I'm here.

COUNCILMAN COHEN: Mr. Chairman.

COUNCILMAN RAMOS: Do you want to go first, David?

COUNCILMAN COHEN: Is the correspondence from a company that has a plant on Rising Sun Avenue?

MR. EIDING: 5th and Rising Sun, 5th and Hunting Park, somewhere around there, yes.

COUNCILMAN COHEN: I would just suggest you examine that company very carefully. That's a company about which there have been many complaints over many years. They compel their employees to attend religious services during the day. It's a company that has a bad history in the labor field and somehow nobody ever bothers to find out about them. Just check that company. I think it's something labor ought to be interested in.

MR. EIDING: It's something we'll certainly look into. We have the Immigrant Resource Center over by us now and we do an awful lot of work in going out to people who

are being laid off and those kinds of things. We've been working with the United Way and such. I'm just getting aware of the companies.

But the important thing, I think, Councilman, is if we don't have the jobs, we don't have anybody to protect. So that's the first step. We'll see what we can do to protect them.

COUNCILMAN COHEN: Very good. Thank you.

COUNCILMAN RAMOS: Any other question from the Committee for Mr. Eiding?

(No response.)

COUNCILMAN RAMOS: Mr. Eiding, how has this affected the problem of outsourcing -- for those of us who consider it a problem, how has it affected membership in the AFL-CIO affiliated unions?

MR. EIDING: It's affected it both nationally and locally, Councilman. Because what happens when they outsource a job, it's usually a job that's a very good paying job, that has benefits, healthcare and pension.

And when another job is created for those folks who are out of work to go to work, it usually winds up about 25 percent less in wages and doesn't have healthcare. So we lose the jobs that are represented by a union because those places close up.

We have situations like the Councilman mentioned where we have another direction we have to go trying to protect immigrant workers and other workers who are being put upon because of this change in the work demographics here in Philadelphia and in the country. But it affects us directly because when they take away jobs, they take away memberships.

COUNCILMAN RAMOS: Thank you, Mr. Eiding.

Any other questions for our witness?

(No response.)

COUNCILMAN RAMOS: Thank you so much for taking time out of your busy schedule to come and testify. We appreciate all your efforts.

MR. EIDING: Thank you for the

opportunity.

COUNCILMAN RAMOS: Clerk, will you please call our next witness?

THE CLERK: Pat Gillespie, Business Manager of Philadelphia Building Trades Council.

COUNCILMAN RAMOS: Good morning, Mr. Gillespie. Thank you in advance for coming and breaking away from your busy schedule to testify for this Committee. Please state your name and your occupation for the record.

MR. GILLESPIE: Good morning, Councilman Ramos. My name is Patrick Gillespie. I'm the business manager for the Philadelphia Building Trades Council.

COUNCILMAN RAMOS: Please proceed with your testimony.

MR. GILLESPIE: I welcome the opportunity to appear here before your Committee to give our position.

You wouldn't think that the construction industry, whose members and employers build things here, would be impacted with outsourcing from offshore companies, but

that's simply not the case. There are places in China now who can build a building, disassemble, put it on a barge and float it across the Pacific Ocean, through the Panama Canal, I guess, and bring it up the Delaware River and put it here. That's outsourcing of an awful lot of jobs.

Now, there's a caution that you want to signal. Whenever something like these ideas come about, you don't want to sound like a Luddite. You want to try to understand that you don't want to do things that will stifle commerce. And the business people in Philadelphia would always come forward and say, "Well, you know, we need commerce." You don't want to do anything that will have a negative impact on people doing business in Philadelphia. They're singing a different tune now, because that used to be when the jobs went to the suburbs or when the jobs went to South Carolina or when the jobs even went to Mexico. They weren't too concerned about that because they were involved in the deal.

Now, with the advent of, I guess,

the commercialization of China -- I don't want to say the turning of China into a capitalistic country. But with the commercialization of China, they are creating a vast vacuum across all commerce in the world. They are so huge. They have such a diverse marketplace that they're going to cause problems for commerce in every other part of the world.

So it's good that Philadelphia sends a signal. I think that's what this ordinance will do, sending a signal that we're concerned about preserving jobs. Even if it's jobs that the unions and the employers have to fight, as Cardone Industries, and Brother Eiding just expressed, at least we have something to fight over, a cause to fight.

If you look at what's happened in our communities, what used to be one of the most diverse manufacturing cities in the world was Philadelphia, now we don't make much. There's not much being made here. As a matter of fact, what Cardone does, I believe, is remanufacture car engines and car parts. So

we're not making a whole lot of things. And the first tenant of economics is you make something, somebody buys it from you. We're not making anything anymore. And I guess that's the premise, that's the fundamental tenant of this ordinance. Philadelphians have got to go back to making, because the end result is you have all kinds of poverty, you have no job opportunities, and what happens is you have people fighting over the scarce job opportunities.

I'm always coming before this Council or sending -- because a lot of Councilmembers don't like me, I send my minions in to speak on my behalf relative to projects here in Philadelphia. We need tax incentives because we're desperate for jobs. Absolutely desperate. This may be a nice step in the proper direction. For that, I'm happy.

Thank you very much.

COUNCILMAN RAMOS: Thank you, Mr. Gillespie.

Any questions for Mr. Gillespie?

(No response.)

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COUNCILMAN RAMOS: I had an issue with Federal Express, so I called up and I said, "What's going on?"

They said, "We made a mistake. You actually have a credit."

I said, "Fine. How much credit is it that I have?"

They said, "Hold on."

They put me on to someone else. The other person tells me, "No, we made a mistake. You don't have a credit. You still owe us $28."

I said, "Fine. But why did that person say there was a credit, then when I asked her to see what the credit is, I get transferred to you."

So I'm talking and I said, "Can I speak to your supervisor."

He said, "Well, I don't know if I can do that."

I said, "Where am I calling?"

He says, "You're calling Bombay, India."

He could not get a supervisor to

talk to me because whatever they had set up, it stopped right there. That, to me, in a very personal way as a Philadelphian and knowing the unemployment in our City, that that person there -- and that person on the other side of the ocean deserves a job as well. But that person has just taken a job of a Philadelphian or wherever that company is based. I feel very, very uncomfortable with that.

MR. GILLESPIE: The troubling thing, Councilman, is that that person in Bombay, India, should be customer complaint department for people who live in Bombay. That's the point. No one's tending to their needs. Everybody wants to come to where the commerce is, where the money is. But that's going to soon change, because people will all be focussing in China because that's where the big money is now.

Thank you.

COUNCILMAN RAMOS: Thank you, Mr. Gillespie. We appreciate all that you do for working families in this City.

MR. GILLESPIE: Thank you.

COUNCILMAN RAMOS: Clerk, will you please call our next witness?

THE CLERK: Greg Buckwalter, Vice President of Business Solutions Peripherals Plus Technologies, Incorporated; and Michael Milutis, Senior Analyst, Computer Aid, Incorporated.

COUNCILMAN RAMOS: Whoever is going first, please state your name and your occupation for the record.

MR. BUCKWALTER: My name is Greg Buckwalter. I'm the Vice President of Business Solutions for a Lancaster, Pennsylvania based company called Peripherals Plus Technologies. We have extensive background in doing both state and local contracts. I guess our claim to fame of work in Pennsylvania is we are the company who created the portal software for the State of Pennsylvania, which we did develop in Pennsylvania by Pennsylvanians.

COUNCILMAN RAMOS: Do you have a prepared text?

MR. BUCKWALTER: Yes.

First, I want to thank everyone for conducting the hearing and for addressing this pressing need. We support the amendment and have some feedback for the amendment that we'd like to give after we go through here.

Outsourcing has become a serious threat to business and jobs in both Pennsylvania and the overall US economy. Inadequate restrictions and requirements combined with inefficiencies in administration and enforcement of working visa laws have created an environment that actually encourages outsourcing.

The American companies that do not outsource are put at an unfair disadvantage. This is also resulting in a significant number of Americans who are being put unnecessarily and unfairly at significant risk, and worse yet, out of work, increasing our white collar unemployment.

On a personal level, my company has undergone a layoff of 30 percent of our company; and also, for the people that we were

able to keep, implemented pay cuts of 10 to 30 percent across the board. The higher percentage pay cuts were for the upper management, lower paid employees.

I want it to be known that my position is not an attempt to reverse the process of globalization. It's not at odds with our firm belief of free market and free trade. It is an attempt to level the playing field so that US businesses and US workers can remain competitive.

If I may, I'll do a little bit of background on a couple of the faces of outsourcing. Outsourcing can be accomplished by sending all the work to the parent company in another country or by a company sending the work to a subsidiary or partner in another country. This is often accomplished without the client knowing where the work is being done. You often run into a case where, for example, even in India, they're offshoring to Indonesia and Malaysia because they're actually cheaper now. Vietnam is actually another one that is cheaper than India. So

where you might think the work is going to India, it actually might be being done somewhere else.

Outsourcing is also accomplished by what is sometimes called insourcing. This is where a company brings foreign workers into the US via an H1 or an L1 visa to do the work within the US. This is equally as important and detrimental as the work being done in another country, basically because the end results in both cases is the loss of US businesses and jobs, which means lost income and livelihood for hard-working, capable Americans.

These visas hurt American workers in two ways. It brings foreign workers in, who then directly or indirectly displace US workers. Later, those workers may transfer back abroad, permanently taking the US jobs with them. In those cases, adding insult to the displaced American service worker's injury is the lack of federal services.

For example, the Trade Adjustment Assistance Program is not available for any

American who is laid off as a result of international competition in services. It's for products only, where you're manufacturing or making a product. Additional acts such as the Brian Merrigan Act of 1933 does not apply to any of these professional services.

Outsourcing really got its start during the '90s. During the dot.com boom, the shortage of technology workers really started the trend that continues today. But unlike the situation in the '90s, today there's no shortage of knowledgeable workers; instead, there's a shortage of jobs. Today, outsourcing is driven not by supply and demand in the workforce, instead it is competitively driven by an economic advantage which completely favors offshore labor versus US labor and companies.

For example, India's government set up information technology corporate free tax zones. In addition to that, you have an Indian company who does work in the US and doesn't pay taxes in their home country, corporate taxes. From a GAO study done, I

believe it was last year, about 90 percent of foreign companies doing business in the US pay no federal tax. In addition to that, a worker in the US with an H1 visa who returns to their home country two months out of the year pays no federal income tax on the income received in the US.

In the 2003 IRS tax guide, it specifies that people from India, just India, are exempt from federal income tax when working and attending schools in the US. All these items put American workers at a disadvantage, whereas we're paying the taxes that are within our state and the taxes that are actually paying the contracts when it's state and local government contracts.

Other countries do not have the same social fees. What happens is that the US workers and the US businesses are put at a total disadvantage in the business fees and costs of doing business. And so long as the playing field is unbalanced, outsourcing will continue and good-paying jobs will continue to be lost for good.

To give you an idea of who does the outsourcing, some of the top Indian companies are Tata, who's the world leader in outsourcing, WiPro, InfoTech and InfoSystems are some of the leading Indian outsourcing companies. But they're not alone. To remain competitive, pretty much all of the IT services companies are engaged in outsourcing in one small form or another. For example, IBM, Deloitte, Bearing Point, Cyber Canvasses , et cetera, all of them have outsource facilities in India and other countries and regularly use H1 and L1 visas to import cheap labor.

I also will note that the majority of the H1 and L1 visas are technically illegal, but the lack of enforcement allows the abuse to continue. To give you an idea of the magnitude of the issue, from October 2000 to September 2002, according to the Federal Department of Labor and Industry, PA companies had 190,000 H1 visas certified. Of the 190,000, 132 were IT related.

And I will say that outsourcing is

not limited IT, but the majority of it is occurring in the IT fields. About 70 percent of the visas are IT. Given an average of $45,000 a year of an IT position, that represents $5.9 billion in annual lost income for PA citizens.

COUNCILMAN RAMOS: Mr. Buckwalter, just for the record -- your voice might have been low at the time. I just want to make sure that we're clear where you stand. Is your company for or against outsourcing?

MR. BUCKWALTER: I guess you could say we are against outsourcing. We're for a level playing field.

COUNCILMAN RAMOS: Outsourcing, as we have heard it, especially this year in the presidential campaign, has affected your company in a negative way? You talked about that you've had to lay off people, so the business or the practice of sending work abroad that are hurting American workers has affected your company? You've had to lay off people because you can't compete with the companies -- correct me if I'm wrong -- that

are practicing outsourcing abroad?

MR. BUCKWALTER: That is correct. We've had to lay off. And with the remaining employees, we've done pay cuts in order to remain competitive.

Now, it's not only the outsourcing that's sending the work offshore, but it's the importing of cheap labor as well through the L1 and H1 visas.

COUNCILMAN RAMOS: You've introduced a word that I've heard very little about, only knowing that you were going to bring up this word yesterday. This business of insourcing, which is then people from abroad bringing people here through those different visa classifications that you refer to, to do work at a cheaper rate; and in that case, then taking jobs away from American workers. Is that what you want to state as the definition of insourcing?

MR. BUCKWALTER: Yes, that's correct.

COUNCILMAN KENNEY: Just a follow-up.

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COUNCILMAN RAMOS: I recognize Councilman Kenney.

COUNCILMAN KENNEY: Thank you.

Just a follow-up. When it comes to the insourcing, what's your position on legal immigration? You're saying that the L1 and H1 are illegal? Are these people here legally or illegally?

MR. BUCKWALTER: Technically, they're here illegally by the definition of the visas that they came in on.

COUNCILMAN KENNEY: So you're opposed to the issuance of these visas?

MR. BUCKWALTER: The issuance of these visas, correct. I'm not opposed to immigration if it's to the intent of the law.

COUNCILMAN KENNEY: Because, as you know, many of us here are strongly supportive of having Philadelphia take advantage of immigration, legal immigration, to have people come in here and begin to rebuild our neighborhoods and buy houses, as we've seen with the Mexican community and the Haitian and the West African Community here in

Philadelphia. I don't want to be in a position where I'm making it look somehow we're trying to isolate ourselves from legal immigration by passing this bill. I know this bill doesn't do that, but this bill doesn't also address H1 and L1 visas either.

I don't want the record to reflect somehow by approving this bill, we're somehow saying that we don't want people to consider Philadelphia as a destination when they're coming here, technically legally.

You believe that the H1s and L1s are illegal technically, but in the eyes of the law I'm sure they're legal. So I don't want to be in a position where I'm trying to look like Philadelphia is not welcoming to immigration.

MR. BUCKWALTER: It's a very good question. I thank you for asking for the distinction between the two.

The H1 and L1 visas that I'm talking about -- and I will say, no, I'm not opposed to immigration in the least bit. That's what makes us American and the combinations in

cities such as Philadelphia. But the abuse of systems, to take advantage of them, which put American workers or legal immigrants at a disadvantage, we're opposed to.

COUNCILMAN KENNEY: But how are the holders of these visas illegal?

MR. BUCKWALTER: An example of that is that the State Department has actually had to send a letter out to all the counselor offices throughout the world to clarify the L1 visas, that they're for individuals of specific knowledge only, and then that becomes its own discussion. Because the abuse of L1 visas were becoming so rampant. H1 visas have a cap to them; L1s do not.

COUNCILMAN KENNEY: We've often heard people who were anti-immigration, which you are not, complain that people who come here take our jobs. In a lot of cases, the people who come here are doing jobs that native-born Americans wouldn't do anyway, and do them quite well, and then use that as an entry level to move into society to gain a position, to save some money, to buy a

business, to do the things that immigrants have done through Irish immigration, Italian immigration, European immigration of all kinds.

I get a little concerned when I hear that they're taking jobs away from Americans. A lot of the people who are here working in the kitchens throughout our City and in lawn care and other places are doing jobs that a lot of Americans look down their noses at in the first place. I wanted to make sure that we make a distinction about that.

I understand the purpose of the bill, but I'm a little concerned about the kind of isolation message we're sending, both to business and to potential new residents of the City, that somehow we want to protect ourselves in a cocoon. Even though I want to look at this bill seriously and look at its merits, I also don't want to send an overall message that this City is not open to commerce or to immigration.

COUNCILMAN RAMOS: I appreciate the comments of my colleague, Mr. Kenney.

However, I don't want us to get into an immigration discussion at these hearings. These hearings are strictly about outsourcing.

For those of you who just came, this bill essentially would require that the City government of Philadelphia not outsource its work abroad. It has nothing to do with immigration. It is just making sure that our City departments, first -- unless there's no one that can do any of the work that they're seeking, that in that case, the bill says then you do what you have to do. But whenever there are Philadelphians that are willing and capable to do the jobs in those City departments available here, that we should not then send that work abroad. It has nothing to do with immigration.

Councilman Kenney and I are cosponsors of a piece of legislation where we're going to address the issue of immigration.

I thank you for the insourcing input, but I want you to move away from this new word that we've discovered this morning.

And if you have anything further in your statement about outsourcing, can you please complete it at this time?

MR. BUCKWALTER: Give me a second to collect my thoughts. I'm looking at my notes.

I guess I'll jump to my end here. I do have some examples that there is quite of bit of outsourcing occurring within both state and local contracts through multiple agencies, and it is accomplished through both means of outsourcing, in our eyes.

For my closing, so long as the economic imbalance remains intact, companies like ours will continue to lose business based on prices to outsource companies. I truly do not see an upside until our government acts in the interest of its citizens. The playing field needs to be leveled. If it is leveled, US companies can compete and create good-paying jobs for our citizens.

COUNCILMAN RAMOS: Thank you, Mr. Buckwalter.

Any questions for Mr. Buckwalter?

Councilman Kelly.

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COUNCILMAN KELLY: Thank you, Mr. Chairman.

Mr. Buckwalter, where is your business located?

MR. BUCKWALTER: In Lancaster, Pennsylvania.

COUNCILMAN KELLY: How many employees do you have?

MR. BUCKWALTER: We are now down to approximately 30.

COUNCILMAN KELLY: How long have you been in business?

MR. BUCKWALTER: Eighteen years.

COUNCILMAN KELLY: And when you started the business, how many employees did you have?

MR. BUCKWALTER: It was two 18-year-olds in their garage.

COUNCILMAN KELLY: And you presently have how many?

MR. BUCKWALTER: Thirty.

COUNCILMAN KELLY: I'm sure you're for the approval of this bill?

MR. BUCKWALTER: Correct.

COUNCILMAN KELLY: To, in your words, level the playing field?

MR. BUCKWALTER: Yes.

COUNCILMAN KELLY: In other words, it would be an advantage to you. And if we did pass this bill, in all probability that you probably would be increasing your employment for your employees?

MR. BUCKWALTER: We would hope so, yes.

COUNCILMAN KELLY: Thank you.

Thank you, Mr. Chairman.

COUNCILMAN RAMOS: Mr. Buckwalter, what was your highest number of employees and when?

MR. BUCKWALTER: Approximately two years ago of 60 employees.

COUNCILMAN RAMOS: And you're stating that because of the outsourcing practice in the private sector -- and we're not addressing the private sector in this bill. I am glad the private sector has come forward, as you have today, because I think we all need to be very much aware and take a look

at the broader issue of outsourcing outside of just the limited scope that I presented with this bill.

At one time you had more employees. I have only heard of outsourcing in the last year or so. Do you think that your layoff and your dismissal of your workforce has, in fact, been caused because other companies that you compete with have decided to lay off or dismiss their people and send their work abroad? Is that correct?

MR. BUCKWALTER: That's correct.

COUNCILMAN RAMOS: Thank you.

Any other questions for Mr. Buckwalter?

Jim.

COUNCILMAN KENNEY: Councilman Kelly kind of talked about this issue a little bit with you as far as it relates to your business. Do you do business with the City of Philadelphia now?

MR. BUCKWALTER: Currently we have no work.

COUNCILMAN KENNEY: So the passage

of this bill probably won't directly affect you as far as the City is concerned?

MR. BUCKWALTER: Correct. Into the future, yes.

COUNCILMAN KENNEY: It's more of a message than it is directly for you?

MR. BUCKWALTER: Exactly.

COUNCILMAN KENNEY: How much work do you do for the state or federal government?

MR. BUCKWALTER: I'd say the majority of our work was at state, not at federal level.

COUNCILMAN KENNEY: What percentage of your state work represented what percentage of all your work?

MR. BUCKWALTER: I don't want to sound bad about it, but unfortunately, it was 80 percent at one point.

COUNCILMAN KENNEY: That probably is one of the major factors in the size of the hit. If, say, it had been reversed where it was 20 percent government and 80 percent private sector, it probably wouldn't have affected you as desperately as it has.

MR. BUCKWALTER: Correct.

COUNCILMAN KENNEY: Thank you.

COUNCILMAN RAMOS: Thank you, Mr. Buckwalter.

We'll hear testimony from Michael Milutis, Senior Analyst of Computer Aid, Incorporated.

MR. MILUTIS: Thank you. Thanks for having me. My name is Michael Milutis. I'm an analyst and lobbyist for Computer Aid. We are an IT consultant firm based in Allentown. We do $150 million a year in revenue. It was just announced yesterday we won a $50 million contract from the State of Pennsylvania, so we are very much in the government sector in Pennsylvania.

I'm not going to make an introductory statement, but I do want to comment on this bill. I think it's a good bill. I've been working on these issues for a year and a half. I've seen a lot of legislation on the federal and the state level. It's very simple. It's very clear.

What I would recommend is you might

want to consider including language for a discovery mechanism, which was, by the way, included in McGeehan's Bill 2639. They did make space to include language about a discovery mechanism so that you can find out, have some ability to audit to see if there is compliance with these affidavits.

This was also included in 2639. A right of action was given to bring civil penalties against violators of this affidavit, so you might want to give yourself a right of action. I'm just stating this because it was a precedent that was set in this recent bill that was put forward by your State Representative. They actually stipulated penalties, financial penalties, in their bill. Now, some of this may fall under the City's Procurement policy. We don't know. That's a question. You may want to look into that. It may already be covered.

The final point -- and I want to get into this because it was an issue and it got us caught up in the last couple 10 minutes. There is no mention of -- and it's intended

that way, probably -- of visas. While we're not opposed to visas -- we feel that they're perfectly legal -- the problem is that they are abused because of systemic problems at the DOL. So we thought if there was an inclusion of an affidavit along the lines of a company that's not violating federal law or they're using the visas properly and they're not using them improperly, that may be something to consider.

That's all I wanted to state about the bill. We think it's good. We support it. I'm very heartened by it. And I thank your for your attention to it and your efforts.

COUNCILMAN RAMOS: Councilman Kenney.

COUNCILMAN KENNEY: Thank you.

Just one question relative to a potential scenario, whether it's the State or the City. I assume this is parallel track with the McGeehan Bill in the House trying to probably accomplish them together if possible. If the State of Pennsylvania or the City outsourced some piece of business to a company

in southern California which is a US company, which this bill would not prohibit, and that company then subcontracted the business again where it left the border, how would we be able to track that chain that far?

This bill and the state bill would not prohibit companies outside the state or the city from getting business with the state or city, correct.

MR. MILUTIS: I believe it does. I believe your bill does prohibit that. It states here that it may not be performed in any location other than in the United States or its territories or possessions.

COUNCILMAN KENNEY: I guess my point is, is if I have a company in Southern California or a company in Michigan or a company in Massachusetts that beats you on a bid for state or city business, and it's in their company now, how do we know or how could we track whether or not it's ultimately outsourced two or three moves down the chain?

MR. MILUTIS: Well, I think in the McGeehan Bill, they state that the State will

have the authority to -- I'm quoting. This is 2639. "The State will have the authority to audit the books and records of any contractor under a negotiated contract or subcontract to ensure compliance."

Now, I don't know exactly what that means, but apparently they do because they included language along the lines. I don't know how you actually go about the business of auditing the contractors or subcontractors. I actually think it's enough to have people sign an affidavit and simply have a credible threat that they're going to audit and there are going to be significant penalties. I think that's enough of a deterrent. That alone puts us in a better position.

COUNCILMAN KENNEY: The electronic nature of all of this business makes it very easy. There are no borders practically any longer because the work is being done as a result of instantaneous messaging and computers.

The example that Councilman Ramos gives on the FedEx being in Bombay. Probably

that person who answered the phone in Bombay has a degree in chemical engineering and can't get a job as a chemical engineer in Bombay, and that's why he's doing customer service.

It's not impossible, but it's really tough to know even if a contract is outsourced within the United States, ultimately who's clicking on the entries and doing the actual work. I'm not saying it's impossible, but it does seem that once we give a contract to someone and that contract is outside the State or outside the City, it becomes increasingly difficult to continue to track what other relationships they have in the world.

MR. MILUTIS: I agree. It's actually something that we've tried to get our minds around in the quest to put good language in these bills. It actually works and makes sense.

One of the things that occurred to us was it's possible in the auditing process you could perhaps audit payroll records because people on these contracts are getting paid. You might want to have language along

the lines of, we have the ability to audit your payroll records and see where these people actually reside. Presumably they had social security numbers and they have addresses.

COUNCILMAN KENNEY: I know the bulk of your business is government, and that's why you're so acutely interested in making sure the government does this.

MR. MILUTIS: Actually, our firm is not. We're spread across every sector. I wanted to make that point about the $50 million contract to let you know that we have skin in the game and we are actually a player in the government sector.

COUNCILMAN KENNEY: Just as a subjective issue, do you believe that either the State or City passing legislation like this is sending a message -- I know the intent of the bill. The intent of the ordinance is sending a message internationally and nationally that the State is much more difficult to do business with? Avoid State of Pennsylvania and City of Philadelphia because

of the restrictions?

MR. MILUTIS: Naturally, I'm sort of biased. When I saw this, I was very heartened. I thought it sent a very strong message, and I thought it was very positive. But I have a whole different set of objectives. So whether or not its discouraging people from doing business --

COUNCILMAN KENNEY: Or an international company.

MR. MILUTIS: Computer Aid is an international company. We are an international company. I think it might be discouraging to very large multi-nationals. They tend to be the ones who abuse a lot of this stuff, especially in terms of the insourcing component, which is a critical component of the ultra model.

The only way you can transcend the obstacles of distance and language and time barriers is to sort of have people that are bridging that gap culturally also violating immigration laws in this country. So it's primarily large multi-nationals.

Sure, there's going to be a price to pay. The bulk of the businesses in this country are small to mid-size firms. Companies like Computer Aid, you know, with $150 million in revenue, we bring a lot to our communities, and we think it is a strong bill and we would be encouraged by any city or any state that passes legislation like this. It just depends on the scope of the business.

COUNCILMAN KENNEY: It's not going to change the relationship between multi-national companies, foreign companies in the private sector and all. This is going to be solely government work that's attempted to be protected?

MR. MILUTIS: Right. Just solely on an ideal logical point. We have very narrow objectives. We believe in free trade. We don't want to see barriers put up that injure our relationship with our international trading partners. We don't want to see that happen. We don't want to go back in time 50 years. But we do feel that the issue of state taxpayers' money on the state level and city

level, it's an issue of the sovereign right of states and municipalities to use their taxpayers' money towards economic development. It is not a free trade issue. It has nothing to do with international competition or undermining our relationships with our international trading partners. It is perfectly in line with the economic development objectives of municipalities and states. I don't think it would come back to haunt you in any way in that sense.

COUNCILMAN KENNEY: Even though if something like this seems to be, from a philosophical standpoint, more a national trade issue than it is a local or state trade issue as far as the -- for example, the US government in other protection things that they do, when it comes to trade, I guess the ripple is not as wide from the City as it would be from the national government.

MR. MILUTIS: Well, I don't know how to answer that question. I think the best thing to state is that the federal government has set the precedent. They passed the Thomas

Voinovich Amendment in January of this year, which was tacked on to the appropriations bill, and it basically is this. It's exactly the language that is in this bill that you are passing. It says that you may not outsource contract work to somebody in this country who offshores it or sends it to a subcontractor that offshores it. That's banned. It's banned on a federal level. The federal government has set the tone.

COUNCILMAN KENNEY: If it's banned at the federal level, what's the necessity for local legislation?

MR. MILUTIS: Well, it's banned on federal contracts, not on state contracts. And it's also only banned for a year because it was tacked on to the appropriations bill. It will expire in January.

Now, there are other bills out there. Christopher Dodd of Connecticut has a bill that will make it permanent. But that's still up in the air. My point is that when you look to this as a national trade issue, the federal government has set the

philosophical tone for this, that it's okay to ban this on federal contracts, that it is an issue of the sovereign right of taxpayers and it is not in fact a trade issue.

COUNCILMAN KENNEY: Again, understanding the intent of the legislation and knowing my colleague and his intentions towards working people, I think it's important that the record at least explore what possible ramifications it may have for City commerce and for state commerce and private sector business in the City. That's the only reason I raise it. I appreciate the answers.

MR. MILUTIS: I think it's a good question. I just want to emphasize the fact that Computer Aid, we're $150 million a year in revenue. The bulk of the businesses in this country are small to mid-size businesses like Computer Aid. We are very encouraged by this legislation and we think it's very positive.

COUNCILMAN KENNEY: Mr. Chairman, is there anyone from the Chamber here today to give us some of their view?

COUNCILMAN RAMOS: No.

COUNCILMAN KENNEY: Thank you.

COUNCILMAN RAMOS: Mr. Milutis, thank you for your testimony and for your insight on this issue. Maybe the presidential election that's coming up very soon will start to answer the questions of Councilman Kenney, what the result of that -- maybe not the election. But what the result of whoever wins the election, how this business of outsourcing plays out and its impact on national trade will be interesting to follow.

Thank you so much for both of you coming here today and testifying.

MR. MILUTIS: Thank you.

MR. BUCKWALTER: Thank you.

COUNCILMAN RAMOS: Will the Clerk please introduce our next witness, please?

THE CLERK: Dianah Neff, Chief Information Officer, City of Philadelphia.

MS. NEFF: Good morning.

COUNCILMAN RAMOS: Good morning. Thank you for taking time out to testify before this Committee on my bill on

outsourcing. Please state your name and your occupation for the record.

MS. NEFF: My name is Dianah Neff. I'm the Chief Information Officer for the Mayor's Office of Information Services.

COUNCILMAN RAMOS: Thank you, Ms. Neff. Do you have written statement?

MS. NEFF: No.

COUNCILMAN RAMOS: That's fine if you don't. What I want to let you know is that my office identified a number of City departments that we believe would be, or will be inclined to be, in the business of outsourcing.

For the record, at the start of this hearing we read letters that were sent to us from most of the departments that we requested this information. And they all responded, no, that to their knowledge, DHS does not outsource any of its work abroad, nor does the Health Department, nor does Procurement. But in all honesty, I thought that if there was a department that was going to be suspect, it would be yours because of the nature of

outsourcing.

Something that my colleague, Councilman Kenney, brought up, when you start subbing work out how do you really -- what kind of tracking systems are there? It seems like that might be a bit cumbersome to be able to do.

Also, most of this work is done in a business that is referred to as call centers and information technology services. And I think that you're very familiar with those type of services. So please proceed with your testimony.

MS. NEFF: Thank you.

The Mayor's Office of Information Services has not outsourced contracts to foreign countries since the year 2000. We do contract with global international companies, such as HP and IBM. But during the year 2000, we did use offshore companies to help us get through the year 2000 work that had to be done. But since that time, we have not contracted with non-US-based companies.

COUNCILMAN RAMOS: Were you the head

of MOIS at that time?

MS. NEFF: No, I was not. I joined the organization in May of 2001.

COUNCILMAN RAMOS: So you're saying that since the year 2000, the practice of outsourcing has not been conducted by the Mayor's Office of Information Services?

MS. NEFF: With foreign companies, that is correct.

COUNCILMAN RAMOS: In the last couple days, Councilman Kenney mentioned the business of tracking. Is there any way that you can track that in the work -- you do sub work out, right?

MS. NEFF: Yes.

COUNCILMAN RAMOS: Do you know if any of those subcontractors are doing outsourcing?

MS. NEFF: We do business with international companies. As I had mentioned, a couple were HP and IBM. We are 24/7. That means we have computer operations that run seven days a week, 24 hours a day. And to get that support, there are support operations

that we are aware of that do business where their support will come from other countries, whether that is Australia or England or India in the off hours. But the majority of the work, the development work, that we're aware of is done in the US. We do not track that.

COUNCILMAN RAMOS: You do not what?

MS. NEFF: We do not track that at this time.

COUNCILMAN RAMOS: It sounds to me that you are outsourcing. Explain the relationship with the two -- international companies, are they? What is it that they do for you, for the City of Philadelphia.

MS. NEFF: For example, with IBM we run an IBM mainframe system in which we have applications that support everything from our finances to public safety to the court system. These are applications that run on a computer box. We have a contract with that company should there be a component that fails, that we have 24/7 support, that we can call a technician or we can call their help center to get support for that operation to make sure

that our equipment is up and running so that we can do the business of government.

COUNCILMAN RAMOS: Are the technicians within the boundaries of the US?

MS. NEFF: Yes. The different contracts require a four-hour support. Sometimes it's a two-hour support. So it could be two, four or eight hours. But the help center may be offshore.

COUNCILMAN KENNEY: You don't know?

MS. NEFF: That, I don't know.

COUNCILMAN RAMOS: Councilman Goode, you can express that probably better than I can. Go ahead with your question.

COUNCILMAN GOODE: Ms. Neff, since there seems to be some confusion about whether you're actually outsourcing or not outsourcing, since we're here actually discussing a particular bill, would this bill affect the outsourcing that you're doing or not doing?

MS. NEFF: I guess it's the definition of --

COUNCILMAN GOODE: My specific

question is, would this bill affect what you're doing right now? Would it prohibit you from doing any business that you're doing right now?

MS. NEFF: As I read the definition --

COUNCILMAN GOODE: If you're not sure, that is an appropriate answer.

MS. NEFF: My interpretation is it would not unless you take it and extend it and say you can't do business with US companies --

COUNCILMAN GOODE: The bill reads -- my understanding, it says in whole or in part, and in part means that none of the work can be done even in part outside of the United States.

MS. NEFF: Then yes, it would impact us.

COUNCILMAN GOODE: Thank you.

COUNCILMAN RAMOS: Councilman Kenney.

COUNCILMAN KENNEY: On Councilman Goode's line of questioning, let me give you a scenario and tell me if it applies.

12:00 midnight we have a problem with our 911 system and we have a supervisor that calls the help desk for one of our contractors that we've contracted with to provide support services for that system. We don't know whether or not that corporal or sergeant or lieutenant is on the phone in the United States or on the phone with a call center in Bombay or in Indonesia or Australia?

MS. NEFF: That's correct. We contract for a certain level of service that says they must respond within X amount of time and they must be on premise within X amount of time, depending on the situation.

COUNCILMAN RAMOS: I want to point out that in the bill there's a waiver clause. I'll read it to you and see if you think that reverses your response to Councilman Goode.

It says, "Waiver. The Director of Finance, the Managing Director or with respect to competitively bid contracts, the Procurement Commissioner may waive or modify the provisions of this chapter whenever compliance with this chapter would make it

impractical for a City department, board or commission to perform a necessary function or service".

MS. NEFF: We would be required to request waivers.

COUNCILMAN RAMOS: Thank you.

Any other questions for our witness?

COUNCILMAN KENNEY: Councilman, who would make the decision on the waiver approval or disapproval?

COUNCILMAN RAMOS: The waiver says the Director of Finance and the Managing Director.

COUNCILMAN KELLY: Or Managing Director?

COUNCILMAN RAMOS: Yes.

Any other questions?

(No response.)

COUNCILMAN RAMOS: I thank you so much for being here today.

Will the Clerk call the next witness?

THE CLERK: No more witnesses.

COUNCILMAN RAMOS: Are there any

people here present today that would want to testify on this outsourcing bill?

(No response.)

COUNCILMAN KELLY: Mr. Chairman, I would just like to make a comment.

COUNCILMAN RAMOS: Councilman Kelly.

COUNCILMAN KELLY: I would just like to make a comment about the business community.

It's a shame that we don't have anyone from the business community here, whether it be from the Chamber or whatever, because I would like to know if there's a negative impact on the economy or economic side of things for the business community in Philadelphia.

COUNCILMAN RAMOS: Remember, it's not supposed to impact the private sector, the bill, per se. I think that what we've heard here today is that because of the broader nature of the issue, it being --

COUNCILMAN KELLY: Well, there are businesses in Philadelphia. I'm just afraid it would have an impact on if they outsource

themselves to foreign countries or whatever. I'd just like to hear their point a view.

COUNCILMAN GOODE: Point of information.

COUNCILMAN RAMOS: Yes.

COUNCILMAN GOODE: Thank you, Mr. Chairman.

To answer Councilman Kelly's question in part, the Chamber of Commerce has testified at other hearings that they actually would support a city and county first procurement policy, which also limits the opportunities in terms of procurement to city and county first. I think they would also testify again that that's because they're trying to keep business and jobs within the City. So there has been testimony by the Chamber that they would support a city and county first procurement policy.

COUNCILMAN KELLY: Thanks, Councilman.

COUNCILMAN COHEN: Point of information.

COUNCILMAN RAMOS: Councilman Cohen.

COUNCILMAN COHEN: Why was the outsourcing limited to foreign countries in this bill? What was your theory? That if, for example, you call AAA, you may get a response from Texas. That's no problem to us in Philadelphia?

COUNCILMAN RAMOS: I understand very clearly your point here. This piece of legislation has its own legal -- the legal community can raise all kind of questions about this. If I was to have taken it further into limiting it to just Philadelphia or the Commonwealth of Pennsylvania, that would have brought us into other issues that would have complicated this local issue so much so.

COUNCILMAN COHEN: Okay. Very good.

COUNCILMAN RAMOS: Thank you, Mr. Cohen.

Having completed testimony on Bill No. 040184, we will now move from the public hearing to the public meeting.

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10/20/04 - LABOR - BILL 040184

COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC MEETING

COMMITTEE ON LABOR AND CIVIL SERVICE

- - - -

Wednesday, October 20, 2004

- - - -

Public meeting conducted by the Committee on Labor and Civil Service, held in Room 400, City Hall, Philadelphia, Pennsylvania, on the above date, to consider action on the following:

BILL 04184.

PRESENT:

COUNCILMAN JUAN RAMOS, Chair
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILMAN W. WILSON GOODE, JR.
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN DAVID COHEN
COUNCILMAN JAMES F. KENNEY
COUNCILMAN JACK KELLY
COUNCILMAN MICHAEL A. NUTTER

10/20/04 - LABOR - BILL 040184

COUNCILMAN RAMOS: This is now the public meeting.

The Chair recognizes Councilman Goode to make a motion on Bill 040184, with a request for suspension of the Rules.

COUNCILMAN GOODE: Thank you, Mr. Chairman.

I move that Bill 040184 be reported out of Committee with a favorable recommendation and with a further recommendation that the Rules of Council be suspended so as to permit first reading at our next Council Session.

(Duly seconded.)

COUNCILMAN RAMOS: A motion has been made and properly seconded that Bill No. 040184 be reported out of Committee with a favorable recommendation, and that the Rules of Council also be suspended to permit first reading of Bill No. 040184 at our next scheduled Council meeting.

All in favor signify by saying aye.

(Aye.)

COUNCILMAN RAMOS: Those opposed?

10/20/04 - LABOR - BILL 040184

COUNCILMAN KENNEY: Can I just be respectfully recorded as just abstaining for the moment? I really would like to just think about it a little more before I offer my unqualified support for it. Of course, we'll have the opportunity to vote at final passage, but I'm not speaking against the bill. I just would like to be recorded as abstaining for the time being.

COUNCILMAN RAMOS: The Chair recognizes the opinion of my colleague, Councilman Kenney. Let the record reflect that Councilman Kenney has abstained from this vote.

The ayes have it and Bill No. 040184 will be reported out of this Committee with a favorable recommendation placed on our next First Reading Calendar at our next City Council Session.

This concludes our public meeting.

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(Time noted: 11:25 a.m.)

C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing proceedings of the Council of the City of Philadelphia of Wednesday, October 20, 2004, were reported fully and accurately by me, and that this is a correct transcript of the same.

RE: COMMITTEE ON LABOR AND CIVIL SERVICE

_____

Lisa C. Bradley, RPR