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Congress of the United States
House of Representatives
Washington, DC 20515-4209

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IN EUROPE (U.S. HELSINKI COMMISSION)

May 12, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
H-107, U.S. Capitol
Washington, DC 20515

The Honorable James E. Clyburn
Majority Whip
U.S. House of Representatives
H-329, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Hoyer and Majority Whip Clyburn,

I am writing to express my concern regarding the Tennessee Valley Authority's (TVA) decision to outsource 108 of its Information Technology (IT) jobs to private contractors. In the middle of a global health pandemic and national emergency, it is incomprehensible that TVA would outsource jobs held by hard-working Americans.

According to the latest unemployment numbers, over 22 million Americans find themselves unemployed as the country continues to deal with the economic consequences caused by COVID-

19.¹ Protecting and creating American jobs should be Congress' top priority. Unfortunately, it does not seem to be of top consideration for TVA.

It has been reported that TVA is outsourcing these jobs to Capgemini, CGI and Accenture Federal Services. While TVA has insisted that these jobs will remain in the United States, I remain skeptical since outsourcing labor is integral to these companies' business models. For instance, in a publication titled "Outsourcing: IT," Capgemini, which is based in France, stated, "Outsourcing has long been used by Fortune 500 corporations to control costs and enhance IT operations. But for many midsize companies, it has been out of reach... Capgemini helps companies recast that formula... Through a variety of tailored outsourcing arrangements, we have enabled companies to shift people and resources from tactical, day-to-day operations – and have focused them on keeping IT aligned with business."² It is no surprise that Capgemini has half of its workforce, or 100,000 workers, in India alone.

Additionally, judging by other utility companies' actions, it is hard to remain optimistic that these jobs will remain in the United States. In 2017, when Pacific Gas and Electric (PG&E) laid off hundreds of workers in California, at least 70 of those jobs were outsourced to India.³ Initially, PG&E did not disclose the outsourcing of these jobs in its layoff announcement.

It is extremely disappointing that TVA is going against its own mission of "making life better for the people of the Tennessee Valley" and is defending its decision to eliminate these jobs to "leverage the market."⁴ Unfortunately, it is clear that Congress must step in to ensure additional jobs are not outsourced as the economy begins to recover from the effects of COVID-19.

Therefore, as you negotiate the next coronavirus relief package with the U.S. Senate, I respectfully request the inclusion of language that prohibits federal government agencies, including the TVA, from privatizing federal jobs during the COVID-19 pandemic and any other national emergency in the future.

I appreciate your consideration of this request, and I am grateful to work alongside you in the House of Representatives. Thank you for your unwavering commitment to the safety, health and prosperity of all Americans.

¹ Long, Heather, "U.S. now has 22 million unemployed, wiping out a decade of job gains," Washington Post, <https://www.washingtonpost.com/business/2020/04/16/unemployment-claims-coronavirus/>

² Yardi, Ashwin, "Outsourcing: IT," Capgemini, https://www.capgemini.com/wp-content/uploads/2017/07/Outsourcing_IT.pdf

³ McDermid, Riley, "Exclusive: Sweeping PG&E layoffs include jobs being off-shored to India," California Center for Jobs & the Economy, <https://centerforjobs.org/ca/news/exclusive-sweeping-pge-layoffs-include-jobs-being-off-shored-to-india>

⁴ Flessner, Dave, "TVA moves to outsource IT jobs, tells Chattanooga center workers to expect layoff notices by June," Chattanooga Times Free Press, <https://www.timesfreepress.com/news/business/aroundregion/story/2020/apr/21/tva-moves-outsource-it-jobs/521203/>

As always, I remain,

Sincerely,



Steve Cohen
Member of Congress

c: Chairman Peter A. DeFazio, House Committee on Transportation and Infrastructure
Chairwoman Grace F. Napolitano, House Subcommittee on Water Resources and
Environment
Mr. Jeffrey J. Lyash, President and Chief Executive Officer, Tennessee Valley Authority