

**Testimony of D. Taylor
International President, UNITE HERE**

**Hearing Before the Tourism, Trade and Export Promotion Subcommittee of the
Commerce Committee
United States Senate**

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Chairwoman Rosen, Ranking Member Scott, and Members of the Subcommittee, thank you for inviting me to testify today.

UNITE HERE represents over 300,000 workers in hospitality, including hotels, gaming, food service, airports, and more. Our members are overwhelmingly women and people of color, and they were among the hardest hit by the COVID-19 virus itself and by job loss and everything that comes with it – trying to make rent, put food on the table, and get health care for their families. Ninety-eight percent of our members were laid off at the start of the COVID-19 pandemic, and 70 percent remain out of work today.

Current employment levels in hospitality vary widely by sector and region.

Nationally we estimate that 70 percent of UNITE HERE airline catering workers have returned to work or are being paid through CARES Act funding. Employment levels for our members are around 55 percent in traditional cafeterias (including corporate, higher education, manufacturing, and tech cafeterias), 45 percent in airport concessions, 40 percent in stadiums and arenas, and 5 percent or less in convention centers. A key concern in food service is that we do not yet know how corporate cafeteria workers will be affected if major companies such as Facebook allow employees to continue working from home after the pandemic restrictions end. We estimate that this could result in permanent job loss for 3,000 to 5,000 of our members.

In gaming, employment is approaching pre-COVID levels for our members in some regional markets. Seventy-five percent of our members in gaming are back to work in Atlantic City and Ohio, 65 percent are back in Detroit and Mississippi, and just under 60 percent are back in Southern Indiana. Employment is lagging in destination markets that depend on group business and air travel. Only 50 percent of our members in gaming have returned to work in Las Vegas, and just 32 percent are back in New Orleans.

Hotel employment varies widely by region. Hotels in some leisure markets like Florida and Hawaii have returned to pre-COVID occupancy levels, while occupancy remains lower in markets focused on business, group, and international travel.

Some have suggested that Americans who are laid-off and on unemployment just don't want to return to work. In fact, employers in the hospitality industry are trying to *reduce* staffing, and the way to help get Americans back to work is not by slashing the safety net but by holding hospitality companies accountable to bring jobs back.

Americans are smart. They want a steady income, but they need childcare, they want to be safe, and they want a job that's worth it.

Workers with kids – especially women – may not have access to in-person schooling or childcare where they trust that it's safe. Many workers are still waiting to be two weeks past their second dose, so they're not fully vaccinated yet. And finally, a lot of folks felt burned by sudden layoffs and termination of benefits at the beginning of the pandemic, so some have left for industries that they perceive to be more stable.

Frankly, if you're an employer worried that people make too much on unemployment, that probably means that you've been getting away with poverty jobs and now the chicken has come home to roost. You've got to ask, are you paying enough and offering the kind of benefits that make a job worth taking? Our union has won hospitality jobs that are worth it, and where that's the case, people are ready and waiting to get called back.

The real question is – are those good jobs going to be there? Some hospitality employers are using this crisis to try to make jobs worse or to eliminate them altogether. Business is returning, but the hospitality industry is leaving workers out of the comeback in three ways:

First is denying workers what we call "recall rights." In most cases, unless you have a union contract, there's nothing that requires your employer to bring you back when the business returns. Workers who are terminated and replaced rather than "recalled" make on average 11.8% less in wages when they get a new job. Of older workers who are laid off involuntarily, only 1 in 10 will ever earn as much again.

Look at Station Casinos, which fired 7,000 of its employees. Longtime Station Casinos workers have lost their jobs as a result of the COVID-19 pandemic due to no fault of their own, and they should get their jobs back when their businesses reopen or resume operations. But Station Casinos has opposed Senate Bill 386, a proposal in Nevada's state legislature that would assure worker's Right to Return.

Another example is the food service company HMSHost, which furloughed over 9,000 employees in March 2020. In some places HMSHost has refused to provide assurances that it will bring back workers as air traffic returns, and in at least one case it moved to replace longtime workers with new hires. Without "recall rights" a company can throw you out like an old pair of shoes. We can't let that happen.

Second is subcontracting. Companies can save money by switching to contractors with lower wages, few or no benefits, and no union. Look at United. United got \$7.7 billion from the Payroll Support Program, which was designed to keep workers in their jobs so the industry could rebound faster. The PSP has restrictions on job eliminations, but there's a loophole: the restrictions are going to expire in the fall, and United has already solicited bids from contractors to outsource its catering kitchens when the PSP restriction ends. These are industrial kitchens where workers prepare the food and beverage that's served in flight, and that's 2,500 jobs in Cleveland, Denver, Honolulu, Houston, and Newark. United has refused to promise longtime workers that they will be able to get a job with any contractor that starts doing the work, or maintain their pay and benefits. We're asking Treasury to stop United from exploiting that loophole. Subcontracting threatens good jobs.

Third is service cuts. Some hotel owners are pushing operators to make permanent cuts to the services they offer guests, which means that those hotels will need less workers even when they get back to peak occupancy.

In November of 2020, Thomas Baltimore, the CEO of Park Hotels, which is the biggest private-sector owner of Hilton hotels, said that Park Hotels would pursue "permanent reduction of full-time, hotel level staffing." In May of 2020, Host CEO Jim Risoleo said, "We view... this crisis truly as an opportunity to redefine the hotel operating model," explaining in November 2020, "We won't have the incremental cost associated with housekeeping." Host is the largest private sector owner of Marriott hotels.

This is part of a pattern. After each of the two most recent crises in tourism, 9/11 and the Great Recession, hotels slashed jobs. Many workers were never brought back, and from 2001 to 2019 the hotel industry ultimately cut employment levels, measured by the number of employees per hotel room, by 20 percent.

This time around, some hotel owners are pursuing so-called labor "efficiencies" through reduced cleaning services in housekeeping, reduced food and beverage amenities, and other permanent cuts to guest services. We estimate that the end of daily room cleaning alone would result in the elimination of up to 180,000 U.S. jobs. In gaming, some casinos are moving to eliminate jobs in food and beverage, such as by replacing buffets with fast food.

Honestly when you think about a hotel with no daily room cleaning, where the F&B is just grab-and-go, that's almost like a college dorm experience. That's bad for customers, but it's also bad for workers and communities because housekeepers, cooks, servers – that's the backbone of the service economy. Taking away those jobs would mean some people will never recover.

UNITE HERE members just want to provide for their families, but we're seeing employers use the pandemic to eviscerate the jobs of women and people of color. That's the real threat to our economic recovery.

When we talk about getting folks back to work, the way you do that is not by taking unemployment benefits away like some states are doing. That just punishes Americans who've been struggling for 14 months already. Public officials must instead hold hospitality companies accountable and fight against a jobless recovery by making federal assistance conditional on recipients rehiring their long-time workers with good wages and benefits.

UNITE HERE members are fighting to defend our jobs, and that's where workers need your leadership and your support. Thank you.

Appendix A: Supplementary Statements from Hospitality Workers

1. Barbie Tivas: Station Casinos, Las Vegas, NV

My name is Barbie Lee Tivas and I have worked at Green Valley Ranch Resort Spa and Casino as a banquet server for 13 years. I have invested time, blood, sweat, and tears during my 13 years with Station Casinos. My work helped to further their profits in the good and bad times. I don't want to be abandoned when their businesses recover.

Over the past 7 months, I have had to squeeze my finances and just pay for the bare minimum like groceries, gas, and utilities. I was also able to get a forbearance on my mortgage, thank God, which has really helped my family. I am 54 years old and I do not want to lose my job at this age after so many years of working hard. I'm proud of the work I do and I help my company to be successful. Every single one of my coworkers and I should have the opportunity to return back to work when the economy recovers. I have hope that things will be normal again, and when they are, I don't want to be left behind.

2. Fernando Herrera: United Catering, Houston, TX

My name is Fernando Herrera, and I have been a transportation driver at United Airlines catering for 20 years. I was shocked to hear that United is planning on subcontracting out the kitchen—United has not really informed us about anything. Right now, we don't know what to do or how to prepare.

It is an injustice. It's not fair that United even after getting the money from the government, is considering laying people off. That's all me and my coworkers think about. I am the sole provider for my wife and son, so this news affects my whole family. I don't know what my family and I will do or if I'll be able to find work after 20 years at the same job.

I'm scared most about losing my healthcare. I had a heart attack in 2016 and had to be out of work for four months after my surgery. My healthcare is really important to me to be able to stay healthy, and I fear what will happen if in a few months, I lose my job and my health insurance.

3. Judith Ramirez: Marriott, Honolulu, HI

My name is Judith Ramirez, and I've worked at the Sheraton Waikiki in Honolulu, HI for three years. It's scary to think that Marriott might not call me back to work if there is no more daily room cleaning. If there are fewer rooms to clean, there will be fewer jobs for housekeepers.

Losing my job wouldn't hurt only me, it would hurt my whole family. I have two young children to feed. Without my job, I can't afford to put food on the table, pay the mortgage, or help my family in the Philippines. The housekeepers in my hotel are almost all women of color, and

most of the other jobs we have found have lower wages and unaffordable health care.
Housekeepers have fought hard to make our jobs better, and we don't want to lose them.