

**Testimony of Marlene Patrick-Cooper
President, Local 23, UNITE HERE**

**Hearing Before the Aviation Subcommittee of the
Transportation and Infrastructure Committee
United State House of Representatives**

January 15, 2020

Mr. Chairman and Ranking Member, members of the subcommittee my name is Marlene Patrick-Cooper. I am a proud member of UNITE HERE, one of the fastest growing private sector unions in America, with over 300,000 members in the hospitality industry – including 20,000 people working in the airline catering industry. I am also privileged to be the President of UNITE HERE Local 23 – we are 20,000 hard working women and men who work in airline catering, universities, museums, airport concessions, and hotel and parking attendants in Washington, DC, Atlanta, Biloxi, Charlotte, Columbus, Indianapolis, Denver, New Orleans, Texas, Tunica, Oklahoma, Utah and New Mexico.

I want to thank you for inviting us to this hearing to give you a glimpse into a dark corner of the airline industry and to share with you the plight of our nation’s airline catering workers.

Many airlines decided decades ago to outsource much of their catering operations to third parties. Two companies, LSG Sky Chefs and Gate Gourmet, have come to dominate the airline catering industry in the United States. Just as airlines decided long ago to outsource these jobs, they decided long ago to wash their hands of any responsibility toward the men and women who work so hard to prepare and deliver meals to planes *on time* so that those flights can take off *on time*.

At a time when the airline industry is making billions in profits, it is unacceptable that airlines continue to deny responsibility for the more than 20,000 people who make meals for their most important passengers. As a result of their market power, the airlines influence greatly the terms of the economic relationship. In this case, that means forcing catering workers to live in poverty. We believe that one job should be enough for a person to live on and pursue the American Dream. The airlines, apparently, do not share in our belief.

I want to concur with the testimony that will be delivered by the other labor witnesses who are joining me in telling a story about the troubling labor practices in this industry. Members of this subcommittee, we hope that after learning more about the struggles of these dedicated airline industry employees today, you will offer your support to these workers and join us in demanding living wages and decent health care in this industry and for a stop to business practices that have doomed a generation of airline catering workers to some of the worst jobs found in our economy.

Airline Catering Workers in Crisis

UNITE HERE represents more than 20,000 people who prepare food for airline passengers at American, Delta, and United among other airlines. The majority of these workers are employed by the

subcontractors LSG Sky Chefs and Gate Gourmet. About 3,000 are employed directly by United Airlines. All of them face a two-fold crisis of low wages and little access to affordable healthcare. I am attaching many of their stories in their own words in Appendix A. These workers have become a poster child for what is wrong with our economy – an economy that rewards airlines for forcing the workers who prepare food for their customers to live in poverty. When workers earn less than \$10 an hour in airline food kitchens while the airlines rake in billions in annual profits, something is seriously wrong. We are here today is because American, Delta, and United need to take responsibility for the conditions facing airline catering workers. We believe their contract terms with airline caterers leave little room to pay workers a living wage. In turn many of these workers are forced to seek public benefits such as Medicaid. The public should not have to pick up the tab for people working in a time of historic profitability in the industry.

Low Wages Persist Despite Record Profits

We appear before this subcommittee knowing that the airlines are imposing poverty wages on catering employees at a time of historic market power and profits. American's CEO, Doug Parker, had this to say about the future of the industry:

"I don't think we're ever going to lose money again. We have an industry that's going to be profitable in good and bad times."

The economics of this industry have never been stronger.

In 2018 American reported net profits (excluding net special items) of \$2.1 billion. It also returned \$986 million to shareholders through dividends and share buybacks. Delta returned \$2.5 billion to shareholders – \$1.6 billion in share repurchases and \$909 million in dividends. United Airlines reported \$2.5 billion net income in 2018.

Strong profits continued in 2019. Yet the women and men who form the backbone of their flight food operations have not shared in the industry's success.

For instance, Dallas-Fort Worth, American's largest and most profitable hub, returned \$1.3 billion in profits in 2017 representing 30% of its total operating income. Catering workers serving American there make as little as \$9.85 an hour and the median wage is just \$11.35.

Nationwide, a majority of all airline catering employees at the two largest contractors earn less than \$15 per hour, including hundreds of workers who have been in their job for decades. The situation is worst for workers in the South. Eighty-seven percent (87%) of LSG Sky Chefs employees in Florida, Georgia, Texas and North Carolina earn less than \$15 per hour; 43% earn less than \$11 per hour.

Health Care Coverage Evades Thousands

The poverty conditions facing catering workers are exacerbated by the lack of access to quality affordable healthcare. In 2019 UNITE HERE surveyed 2,240 of the approximately 14,000 airline catering workers – from 21 airports in 15 states – employed by LSG Sky Chefs and Gate Gourmet. These workers primarily serve American, Delta and United, among other airlines.

Attached to my testimony in Appendix B is a full fact sheet summarizing the survey's topline conclusions, but I will provide some of the conclusions here:

- 21% rely on government-funded programs for their own medical care. Of parents with children under age 26, 42% reported kids on government-funded programs for medical care.
- 25% are uninsured.
- Of parents with children under age 26, nearly one in six reported uninsured kids.
- One in three has medical debt.
- 26% of respondents reported skipping or delaying care, prescriptions, or medical treatment for themselves or their families in the past 12 months because of the cost their families would have to pay.

American, Delta, and United airlines must step in and step up. This is a healthcare crisis with dangerous consequences. It exposes one of the most vulnerable workforces in our economy to suffering, untreated illness and the inevitability of higher mortality rates.

Bargaining: Timeline and What's At Stake

As many members of the Committee know, bargaining in the airline industry is regulated by the Railway Labor Act, and that is the case with both Sky Chefs and Gate Gourmet. UNITE HERE is currently in bargaining with both Sky Chefs and Gate Gourmet, the latter jointly with the International Brotherhood of Teamsters. We have been in bargaining with LSG Sky Chefs since October of 2018, and in mediation since May of 2019 when the National Mediation Board assigned a mediator. Mediation commenced with Gate Gourmet in September of 2018. At the table, workers are demanding a \$15/hour minimum wage and access to quality affordable healthcare

Contract bargaining under the Railway Labor Act is often a lengthy process, with successful negotiations taking several years. The poverty conditions facing airline catering workers make any delay in bargaining improvements particularly difficult. That is why, last June, more than 15,000 workers voted to authorize a strike if and when released to self-help by the NMB. Since that vote, we have requested release in both sets of bargaining, but the NMB has determined that further mediation is necessary.

We sincerely appreciate the efforts of the NMB in working to address this growing labor concern, and in conducting mediation with LSG Sky Chefs and Gate Gourmet simultaneously. But we fear that the caterers might use further mediation to stall. We believe these workers' goal is to escape poverty, not to disrupt travel, and that a prompt release from the RLA mediation process is the only path towards settlement.

We've Reached a Breaking Point

The nation's airline catering employees have reached a breaking point.

- They live in poverty.

- Most lack any health care and struggle to provide treatment for themselves and their families.
- They are forced to rely on public assistance for basic necessities.
- Many have worked for 10, 20 plus years and still earn barely above the minimum wage applicable to the jurisdictions where they work
- Some, like those who work at American hubs in Charlotte and Dallas-Fort Worth, make \$9-\$10 an hour.
- The airlines and caterers continue to take advantage of a labor law that prevents these workers from exercising rights enjoyed by other private sector work forces.
- And the airlines still refuse to take responsibility for conditions in this industry.

We urge Congress to help us end these intolerable conditions – they are a stain on the airline industry and if left unchecked, reflect poorly on the people we elect who stand by and let so many workers suffer.

Appendix A: Supplementary Statements from Airline Catering Workers

1. DCA—Tena Stover

My name is Tena Stover. I am a native Washingtonian, and I have been working at Reagan National Airport for an airline catering subcontractor servicing flights for airlines such as American at its hub. I am a leader with my union UNITE HERE in our national fight for respect and dignity and for one job to be enough to live for airline catering workers across the United States. The airline industry is a 365-day business. Every day, including over the holidays, my coworkers and I prepare meals and beverages for thousands of passengers traveling through National. Many members of Congress, including members of the House subcommittee on Aviation, have enjoyed a snack or beverage on a flight thanks to our labor. We all work on our feet for eight or more hours a day. Our health insurance is awful. My individual insurance costs me about \$60 per week—some \$250 per month—and others pay hundreds more for family plans. Even though some of my coworkers are older, many cannot afford the company's insurance at all. We only make around \$13 per hour at my kitchen. Most airline catering workers across the country make less than \$15. One coworker of mine at National who has been working there for 30 years makes the same hourly rate as I do after working there for 3 years. Two years ago, I was evicted from my home because I could not afford my rent, transportation, food, clothing, and health insurance. To this day, I've yet to afford my own place. My coworkers and I know the stakes are high. We are fighting against corporate greed, and multibillion-dollar companies like the "Big 3" U.S. airlines—American, Delta and United. We are simply tired of being overworked and underpaid. We are fighting for \$15 and for access to quality healthcare. To the American, Delta and United: it is time to take immediate action and fix this labor issue now.

2. DFW—Christina Hernandez

My name is Christina Hernandez. I am an airline food worker at Dallas-Fort Worth International Airport. Recently, I achieved a milestone at work: 30 years' service in the airline catering industry. Since 1989, I have catered flights for airlines such as American out of its hometown hub. At 57, I wish I could be dreaming about retiring soon. But despite my three decades' work to help keep airlines like American in flight, I cannot even begin to think about retirement. In November 2017, I started experiencing chest pains. The pains grew so intense over the course of a couple of days, and I had no other choice but to call my son and ask him to take me to the ER. Turns out, I had a heart attack. I spent two days in the hospital but had to immediately return to work after I was released because I was worried about paying my bills—the house wasn't paid off; the car wasn't paid off. I ended up in the hospital again shortly after returning to work, this time with pneumonia. Even though I had insurance at the time, I am still responsible for paying a significant amount of the costs. Two years later I still live with the weight of the medical debt from this incident. The bills come in the mail, and sometimes I do not even bother to open them, because I know that I cannot afford to pay them. I got sick, and it destroyed my credit, and I have not been able to see a doctor in two years. How can I be paying \$131.18 for the company's health insurance to cover myself, my husband, and our son, and still be drowning in medical debt after 30 years on the job? My dream of retiring depends on this fight.

3. JFK—Juan Blanco

My name is Juan Blanco. I live in New York and I'm a member of UNITE HERE Local 100. I've been a driver for LSG Sky Chefs at JFK Airport since 2005, and I drive catering trucks that serve American and other airlines. My job can be dangerous. Over my 15 years on the job, I have had more than one work-related issue that I have needed medical care for. One of the worst was in 2017, when a plane door hit me on the head, giving me a concussion and a shoulder injury that required surgery. I was out of work for weeks and relied on workers' compensation to cover the hospital bills. On top of that, I am a survivor of lymphoma. I need to visit the doctor every six months to make sure that I am still healthy. Going to these regular checkups is a matter of life or death for me. I am paying \$52 each week for the company's individual health insurance plan, which is not only excessive and unaffordable, but the quality of the plan is also inadequate. In addition to the \$52 per week I pay to keep my coverage, I am currently spending another \$100 per month to pay off a \$3,500 bill for a recent colonoscopy. So not only is my health insurance expensive, it doesn't even cover basic care that is important for me at my age. I serve planes for some of the most profitable airlines, including American at one of its most important hubs. It's time that LSG SkyChefs takes care of us workers in this physically demanding job by offering a more accessible plan that tends to our medical needs.

4. MIA—Sonia Toledo

My name is Sonia Toledo. I've worked at for LSG Sky Chefs at the Miami Airport—one of American Airlines' most important hubs—since 1991. After nearly 30 years, I make just \$12.45 an hour. This is less than the minimum wage the County requires that other airport workers receive. Recently, my husband became unable to work because of a medical condition. We own a house and have a mortgage to pay on top of our other bills, and it's been a struggle for us to adjust to being a one-income household. As a result, I had to make the toughest decision of my life, which was to drop my health insurance coverage entirely. I'm 55 years old. This is an age when access to healthcare is more important than ever. The work I do benefits American Airlines—a huge, profitable airline—but I'm scared every day that I won't be able to afford to pay for a doctor if either my husband or I need medical treatment. It's disgraceful, that after nearly 30 years of service, I'm faced with such an impossible choice. My co-workers and I have been fighting for years, and we will not quit until we win what we deserve from the airline industry. American Airlines can stand up today and solve this problem. American and other airlines must act so that my co-workers and I don't have to make a choice between having a roof over our heads and having health care.

5. MSP—Jemal Dube

My name is Jemal Dube. For about 13 years, I have worked for LSG Sky Chefs, an airline catering subcontractor, out of the kitchens at the airport in Minneapolis. In my kitchen and catering kitchens across the country, most of my coworkers make under \$15 an hour, even some people who have been there for decades. We work for a big corporation that makes a lot of money. Even though I make more than \$15 an hour as a transportation coordinator at MSP, the \$400 I pay each month for the company's health insurance plan puts a strain on my finances.

I have a family with four kids. They need food. They need medical care. They need school supplies. I must make sacrifices for my own health care by avoiding going to the doctor so I can afford to take care of my four kids. Truthfully, I like my job. I enjoy providing a good service to Delta Air Lines at one of its biggest hubs. Delta can use its power to end this labor dispute so can earn what we deserve for our demanding work. This fight has been going for too long and has grown very tough on my family. It is time that one job is enough for airline catering workers like me.

6. DIA—Marie Jacob

My name is Marie Jacob. I have work in food production at the United Airlines catering kitchen in Denver for over 5 years now. 95% of workers in United's five kitchens are immigrants or people of color. We come from 60 different countries. I am from the Pacific Islands. In my kitchen in Denver many, many of us are islanders. There are entire families working together in the kitchen. Last year, my coworkers and I in Denver fought hard to win \$15 for DIA to set us on track for a minimum wage of \$15 per hour. But even with our raises already taking effect to our weekly paycheck, one job is not enough to afford Denver's soaring cost of living. I am continuing to fight for my son so that we win more of what we deserve for catering United Airlines flights at its hub. I had to take my son to the hospital for a toothache, which turned into a \$300 bill to fix his teeth—which I could not afford. I ask myself all the time, how is it that we work for a multibillion-dollar airline and we can't even afford to take care of our kids' health, much less the rising cost of housing in Denver?

Appendix B: Healthcare Survey Toplines Summary

Only 34% of U.S. workers at LSG Sky Chefs and Gate Gourmet had employer-provided health insurance in 2018, and only 7% covered any dependents. The premiums on the employer plans are often unattainable for the low wage workers, and those who do enroll face high deductibles of between X and Y and co-pays of between X and Y that also limit the care they are able to access. In order to better understand the impacts the current employer healthcare on our members' lives, in ___ 2019 UNITE HERE conducted a survey of 2,240 out of approximately 14,000 airline catering workers employed by LSG Sky Chefs and Gate Gourmet. Respondents are from 21 airports in 15 states and primarily serve American, Delta and United, among other airlines.

Some key findings:

- 21% rely on government-funded programs for their own medical care. Of parents with children under age 26, 42% reported kids on government-funded programs for medical care.
- 25% are uninsured. Of parents with children under age 26, nearly one in six reported uninsured kids.
- 26% of respondents reported skipping or delaying care, prescriptions, or medical treatment for themselves or their families in the past 12 months because of the cost their family would have to pay.
- 12% of respondents reported that they or a family member have traveled to other countries to receive medical care there instead of in the United States.
- 33% of respondents reported medical debt, nearly half of whom owe over \$1,000.
- 56% of respondents reported having gone to work sick, 66% of whom because they could not afford to miss time.
- 10% of respondents reported their household has received food stamps (SNAP) in the past year.
- 64% identified as immigrants to the United States.

The table on the following page summarizes the percentage of respondents who rely on government-funded programs or are uninsured in each city surveyed.

	Number Surveyed / Total Workers	% rely on government-funded programs for their own medical care	% depend on government care for either themselves or their children	% of parents with kids under 26 reporting kids on government-funded programs for medical care	% uninsured	% of parents with kids under 26 reporting uninsured child
Anchorage, AK	16 / 103	13%	13%	0%	6%	20%
Boston, MA	37 / 348	27%	32%	47%	8%	6%
Charlotte, NC	38 / 168	24%	39%	56%	26%	6%
Chicago, IL	503 / 1450	11%	24%	37%	25%	18%
Dallas, TX	172 / 921	10%	23%	33%	37%	31%
Denver, CO	35 / 221	11%	34%	53%	31%	32%
Detroit, MI	92 / 486	27%	40%	50%	27%	14%
Houston, TX	16 / 202	13%	25%	33%	50%	44%
Los Angeles, CA	124 / 902	21%	34%	43%	21%	10%
Miami, FL	128 / 840	38%	48%	54%	35%	24%
Minneapolis, MN	81 / 488	22%	37%	55%	47%	7%
New York, NY	123 / 1200	33%	42%	49%	20%	9%
Orlando, FL	115 / 352	27%	39%	43%	23%	17%
Philadelphia, PA	35 / 416	14%	31%	32%	31%	5%
Phoenix, AZ	47 / 403	21%	28%	40%	34%	4%
Sacramento, CA	21 / 95	38%	52%	60%	5%	0%
San Diego, CA	10 / 53	50%	60%	20%	20%	20%
San Francisco, CA	443 / 1732	26%	34%	39%	11%	14%
San Jose, CA	20 / 155	20%	20%	0%	10%	0%
Seattle, WA	146 / 946	12%	32%	52%	42%	8%
Washington, DC	38 / 156	24%	32%	45%	11%	10%
NATIONAL TOTAL	2240	21%	33%	42%	25%	16%