

OVERSIGHT OF WORKING CONDITIONS FOR AIRLINE GROUND WORKERS

(116-49)

HEARING
BEFORE THE
SUBCOMMITTEE ON
AVIATION
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

JANUARY 15, 2020

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CONTENTS

	Page
Summary of Subject Matter	vii
STATEMENTS OF MEMBERS OF THE COMMITTEE	
Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Chairman, Subcommittee on Aviation:	
Opening statement	1
Prepared statement	3
Hon. Garret Graves, a Representative in Congress from the State of Louisiana, and Ranking Member, Subcommittee on Aviation:	
Opening statement	4
Prepared statement	5
Hon. Peter A. DeFazio, a Representative in Congress from the State of Oregon, and Chairman, Committee on Transportation and Infrastructure:	
Opening statement	5
Prepared statement	6
Hon. Frederica S. Wilson, a Representative in Congress from the State of Florida, opening statement	8
Hon. Debbie Mucarsel-Powell, a Representative in Congress from the State of Florida, opening statement	9
WITNESSES	
Hon. Eileen Higgins, Commissioner, Miami-Dade County:	
Oral statement	10
Prepared statement	11
Donielle Prophete, Vice President, Communications Workers of America Local 3645:	
Oral statement	13
Prepared statement	15
Esteban Barrios, Ramp Worker, Miami International Airport, testifying on behalf of Service Employees International Union Local 32BJ:	
Oral statement	20
Prepared statement	21
Marlene Patrick-Cooper, President, UNITE HERE Local 23:	
Oral statement	26
Prepared statement	28
Brian Callaci, Ph.D., Postdoctoral Scholar and Labor Economist:	
Oral statement	33
Prepared statement	35
Chris Harrison, on behalf of Airlines for America:	
Oral statement	36
Prepared statement	38
Russell Brown, Chief Executive Officer, RWP Labor:	
Oral statement	40
Prepared statement	42
SUBMISSIONS FOR THE RECORD	
Article, "Twelve Arrested at Reagan Airport in Worker Protest, Union Official Says," by Martin Weil, Washington Post, November 27, 2019, Submitted for the Record by Hon. Eleanor Holmes Norton	66
Letter of January 24, 2020, from Hearing Witness Brian Callaci, Ph.D., Postdoctoral Scholar and Labor Economist, Submitted for the Record by Hon. Rick Larsen	73

APPENDIX

Question from Hon. Salud O. Carbajal to Esteban Barrios, Ramp Worker, Miami International Airport, testifying on behalf of Service Employees International Union Local 32BJ	77
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JANUARY 13, 2020

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Aviation
FROM: Subcommittee staff
RE: Subcommittee hearing on *Oversight of Working Conditions for Airline Ground Workers*

PURPOSE

The Subcommittee on Aviation will meet on Wednesday, January 15, 2020, at 10:00 a.m. in 2167 Rayburn House Office Building to hold a hearing titled, *Oversight of Working Conditions for Airline Ground Workers*. The hearing will explore compensation and occupational safety and health issues for workers who load baggage, prepare meals, clean cabins, and perform other ground-based functions important to the operations of U.S. airlines.

BACKGROUND

On the night of August 11, 2019, 24-year-old Kendrick Hudson was driving a tug on the tarmac at the Charlotte-Douglas International Airport in Charlotte, N.C., when he swerved to avoid a stray suitcase in his path.¹ The tug overturned, and Mr. Hudson, an employee of American Airlines' regional subsidiary Piedmont Airlines, was pinned underneath.² He died of his injuries.³

Mr. Hudson's union, the Communications Workers of America (CWA), says his death was preventable and part of a pattern of workplace injuries, some of them fatal, among airline ground workers. CWA Local 3645 vice president Donielle Prophete, who will testify at the Subcommittee's hearing, told a reporter that Piedmont employees call a zone of the tarmac between gates E30 and E38 at Charlotte "Death Valley" because of poor lighting and visibility at night.⁴ And Mr. Hudson's death came at a time when employees of contractors for mainline carriers like American, Delta, and United had begun to raise concerns over their safety and health in the workplace as well as low wages and poor working conditions. This hearing will explore those issues.

¹Hannah Smoot, *Charlotte airport worker killed in baggage vehicle accident identified*, CHARLOTTE OBSERVER (Aug. 12, 2019), <https://www.charlotteobserver.com/news/local/article233780512.html>.

²*Id.*

³*Id.*

⁴Lauren Lindstrom and Hannah Smoot, *'Accident waiting to happen': After death, airport workers want safety improvements*, CHARLOTTE OBSERVER (Sept. 24, 2019), <https://www.charlotteobserver.com/news/local/article235417587.html>.

I. OUTSOURCING GENERALLY

Mainline air carriers such as American, Delta, and United outsource a substantial amount of their operations to regional carriers like Mr. Hudson’s employer, Piedmont. Regional airlines operated 41 percent of all scheduled passenger flights in 2017, according to the regional airlines’ trade association.⁵ Some regional airlines are wholly owned subsidiaries of mainline carriers while others are independent airlines that operate flights on behalf of several different mainline carriers. Regional airlines serve not just small communities but also trunk routes: regional carriers ExpressJet, Republic, Envoy, and SkyWest operate outsourced flights on behalf of American and United between Washington National Airport and Chicago O’Hare, for example.⁶

Unions representing or seeking to represent airport ground workers allege that the mainline carriers’ pattern of outsourcing flight operations extends to the outsourcing of ground services, such as baggage handling and cabin cleaning, that are intrinsic to airline operations. The mainline carriers often contract for these services with a combination of other firms. For example, Delta and United have formed subsidiaries—Delta Global Services and United Ground Express—to provide ground-handling functions for those two carriers as well as others at many airports.⁷ Airlines also contract with numerous firms such as Eulen America for ground-handling and LSG SkyChefs and Gate Gourmet for catering. And in some cases, the mainline carriers contract with their regional airline partners, such as SkyWest, to provide ground-handling services (for example, regional carrier SkyWest reported revenue of \$44 million from ground-handling services provided to other airlines in 2017).⁸

Airlines do not individually break out the amounts spent on outsourced ground services by category, but mandatory filings with the Bureau of Transportation Statistics (BTS), part of the U.S. Department of Transportation, contain total amounts that airlines spend on “services.” According to their BTS filings, the three largest mainline carriers—American, Delta, and United—spent a combined \$16.6 billion in 2018 on “services,” which include ground support functions.⁹

II. LOW PAY

There is no dedicated repository for information on ground workers’ pay. However, Dr. Brian Callaci, a labor economist commissioned by Communication Workers of America (CWA) who will testify at the hearing, has analyzed Bureau of Labor Statistics data to conclude that the proportion of airlines’ outsourced services has increased by 57 percent since 2001.¹⁰ At the same time, while direct airline employees’ wages have increased on a net basis since 2001, contract workers’ wages have decreased by 12 percent over the same period, according to Dr. Callaci’s research.¹¹

Preston Strickland, who works in an LSG SkyChefs kitchen preparing cold entrees for loading aboard airliners, told the New York Times last year that he spends his shift in an area where the temperature is 40 degrees or below yet makes approximately \$11 per hour after more than four years with the company.¹² He told the Times reporter that “[h]e recently spent several months homeless because he didn’t have money for rent.”¹³

A recent survey of 900 agents of Envoy Air, one of American Airlines’ regional subsidiaries that operates nationwide as American Eagle, revealed that 27 percent of the respondents said they rely on public assistance and are forced to take measures such as selling blood plasma and borrowing against retirement accounts to make ends meet.¹⁴ Similarly, an investigation by the Miami CBS affiliate in April 2019 found that Envoy pays ground workers at Miami a starting wage of \$9.48 an

⁵ Regional Airline Association: Who We Are, <https://www.raa.org/who-we-are/>.

⁶ See, e.g., FlightAware, *IFR Route Analyzer*, at <https://flightaware.com/analysis/route.rvt?origin=KDCA&destination=KORD>.

⁷ See, e.g., *Delta Global Services: About Us*, <https://www.dalgs.com/about/>; *United Ground Express*, at <http://unitedgroundexpress.com/>.

⁸ See, e.g., SkyWest, Inc., Annual Report (Form 10-K) (Feb. 21, 2019), at 53.

⁹ Dep’t of Transp. Bureau of Transp. Stats., Form 41, Schedule P-6 (2018).

¹⁰ Brian Callaci, *Fissuring in Flight: Consolidation and Outsourcing in the US Domestic Airline Industry, 1997–2018*, at 7 (Jan. 7, 2020), available at <https://cwa-union.org/sites/default/files/20200108-fissuring-in-flight.pdf>.

¹¹ *Id.*

¹² Noam Scheiber, *11,000 People Who Prepare Your Airline Food Are Considering a Strike*, N.Y. TIMES (June 4, 2019), <https://www.nytimes.com/2019/06/04/business/economy/airport-workers-union.html>.

¹³ *Id.*

¹⁴ Hugo Martin, *American Airlines subsidiary workers say they must take food stamps, sell blood to get by*, L.A. TIMES (Feb. 23, 2018), <https://www.latimes.com/business/la-fi-travel-brief-case-airline-wages-20180223-story.html>.

hour and that often their workweek is limited to 30 hours or less, providing an annual salary of \$15,000 to \$18,000.¹⁵ An Envoy worker was quoted in the story as saying that his coworkers “are on public assistance,” that some “sleep in their cars in the employee parking lot,” and that employees have organized “an underground food pantry bank.”¹⁶ Similarly, the Miami Herald reported in 2018 on the situation of an employee of catering contractor LSG SkyChefs, who said she made \$11.10 per hour: “not enough to cover the cost of the company’s insurance plan” and not enough for her “to care for herself and her six-year-old grandson.”¹⁷

Furthermore, while the Miami-Dade County Municipal Code mandates a \$12.63-per-hour living wage with a corresponding health care benefit or a \$15.52 hourly minimum wage with no health benefits (with indexation to inflation), airlines and certain other businesses are exempt from the ordinance.¹⁸ In the fall of 2018, American “moved hundreds of [wheelchair] attendants to its own subsidiary, Envoy, which is exempt from the living-wage law.”¹⁹ A worker who said she previously worked for Eulen on behalf of American Airlines and was transferred from Eulen to American subsidiary Envoy told the Miami Herald that “she went from making \$16.15 per hour to making \$9.50 per hour” pursuant to the transfer because she lost her coverage under the living-wage ordinance.²⁰

The chart below describes typical wage ranges for many ground workers, reported by their unions.

Union	Represented employees	Employees’ employers	Typical wage ranges
CWA	11,845 ramp and passenger service workers.	American Airlines subsidiaries Piedmont and Envoy.	\$10.75 to \$16.25 per hour.
Service Employees International Union (SEIU)	32,535 contract airport workers, including baggage handlers, cabin cleaners, cargo workers, customer service representatives, lavatory and water agents, ramp agents, ticket agents, and wheelchair attendants, among others.	Numerous airline contractors, including ABM, Delta Global Services, Swissport, Menzies Aviation, Prospect Airport Services, G2 Secure Staff, Eulen, Worldwide Flight Services, Primeflight Aviation Services, and Dnata.	Nearly half earn less than \$15 per hour; cabin cleaners earn \$10.73 per hour on average.
Unite Here	15,000 airline catering workers.	United Airlines, Gate Gourmet, and LSG SkyChefs.	More than half earn less than \$15 per hour.

Data provided by CWA, SEIU, and Unite Here.²¹

There are some examples of localities attempting to ensure that their airport workers are paid a living wage. For example, workers stationed at San Francisco International Airport (SFO) are paid a minimum of \$17.66 an hour, above the State’s \$12 hourly minimum as well as the \$15.59 minimum in the city of San Francisco. Additionally, under SFO’s Quality Standards Program, some SFO workers, including baggage handlers, cabin cleaners, and other workers with access to secure areas, are paid \$18.16 an hour.²²

III. WORKER SAFETY AND HEALTH

Cesar Valenzuela, a 51-year-old father of four, died on February 12, 2014, at the Los Angeles International Airport when he was thrown from the tractor he was

¹⁵ Jim DeFede, *MIA’s Forgotten Workers: Low Wages, Poor Treatment for Many at Miami International Airport*, CBS MIAMI (Apr. 19, 2019), <https://miami.cbslocal.com/2019/04/21/mia-forgotten-workers-low-wages-poor-treatment-miami-international-airport/>.

¹⁶ *Id.*

¹⁷ Taylor Dolven, *Miami approved MIA workers’ living wage. So why are many still making below minimum?*, MIAMI HERALD (Dec. 5, 2018), <https://www.miamiherald.com/news/business/tourism-cruises/article222612650.html>.

¹⁸ Miami-Dade County, Fla., Municipal Code § 2–8–9; see Douglas Hanks, *This Miami airport worker puts in 17-hour days at two jobs. He might get a raise.*, MIAMI HERALD (July 24, 2018), <https://www.miamiherald.com/news/local/community/miami-dade/article215448780.html>.

¹⁹ Taylor Dolven, *Miami approved MIA workers’ living wage. So why are many still making below minimum?*, MIAMI HERALD (Dec. 5, 2018), <https://www.miamiherald.com/news/business/tourism-cruises/article222612650.html>.

²⁰ *Id.*

²¹ Data provided to Democratic Committee staff via e-mail.

²² Mallory Moench, *SFO is booming. But workers there are struggling*, SAN FRANCISCO CHRONICLE (Nov. 25, 2019), <https://www.sfchronicle.com/business/article/SFO-is-booming-But-workers-there-are-struggling-14859523.php>.

driving across the tarmac. He was found pinned beneath one of the tractor's tires.²³ Accidents happen, and fatal injuries occur in many lines of work, but a subsequent investigation found that Mr. Valenzuela died because the tractor he was driving was not even equipped with a seatbelt.²⁴ His employer, Menzies Aviation, was reportedly fined \$77,250 by the California Occupational Safety and Health Administration.²⁵

Ground workers at other locations around the country relate similar stories of faulty equipment and harsh working conditions that jeopardize not only their safety and health but also the safety and health of airline passengers. The Miami CBS affiliate's investigators spoke with an employee of Eulen America, which provides ground services for American and Delta in Miami, who said that when cleaning cabins between flights, "[y]ou can find blankets with blood, people puke in the blankets, you can find Pampers on the floor." Yet the worker said his supervisor "told him not to waste time cleaning too thoroughly."²⁶ Another cabin cleaner said cockroaches infested Eulen vans that transport cabin cleaning crews and supplies to the aircraft—supplies such as blankets that are placed in passenger seats.²⁷

Esteban Barrios, a Eulen employee who will testify at the hearing on behalf of SEIU, told the Miami CBS affiliate that "[s]ometimes I feel that they [Eulen] think we are machines and not human."²⁸ Mr. Barrios performs services on behalf of Delta Air Lines at Miami. Ms. Higgins, the Miami-Dade County commissioner who will also testify at the hearing, told reporters she was "subjected to intimidating behavior during an airport tour" of Eulen's operation.²⁹ More recently, an Occupational Safety and Health Administration (OSHA) investigation in 2019 confirmed many findings of the CBS investigation of conditions faced by Eulen employees.³⁰ OSHA cited Eulen with nearly \$80,000 in fines (later reduced to about \$47,000), related to violations including:

- Exposure of employees to blood-borne pathogens when handling hypodermic needles and cleaning up blood on planes. Citations indicate that the company failed to provide training on how to safely handle cleanups or offer hepatitis B vaccinations to at-risk workers.³¹
- Exposure to excessive heat that was "causing or likely to cause death or serious physical harm to employees."³²
- Exposure to dangerous noise levels. Citations indicated that Eulen did nothing to safeguard ramp workers from hearing loss, including extended exposure for more than six hours in one day.³³

These issues are by no means unique to Miami. To be sure, airport tarmacs everywhere can be dangerous places: The Government Accountability Office (GAO) reported in 2019 that an estimated 27,000 ramp accidents and incidents occur worldwide.³⁴ OSHA has certain authority over airline ramp workers' occupational safety and health,³⁵ but OSHA generally investigates ramp accidents only when they involve fatalities or the hospitalization of three or more workers.³⁶

Below are select cases in which workers died or faced significant injuries that are at least partially attributable to the failure of their employers—whether it be contractor or airline—to maintain a safe workplace.

²³ Bart Jansen, *Congested airport ramps risky before and after flights*, USA TODAY (Dec. 17, 2014), <https://www.usatoday.com/story/news/nation/2014/12/17/airport-ramp-safety-airlines-iata-faa-osha-ntsb/18597565/>.

²⁴ *Id.*

²⁵ *Id.*

²⁶ Jim DeFede, *MIA's Forgotten Workers: Low Wages, Poor Treatment For Many At Miami International Airport*, CBS Local (Apr. 21, 2019), <https://miami.cbslocal.com/2019/04/21/mia-forgotten-workers-low-wages-poor-treatment-miami-international-airport/>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ See OSHA, Citation and Notification of Penalty, Inspection #1403303, available at <https://miami.cbslocal.com/wp-content/uploads/sites/15909786/2019/11/OSHA-Miami-Citations-copy.pdf>.

³¹ Alexi C. Cardona, *OSHA Says Miami International Airport Contractor Jeopardized Worker Safety*, MIAMI NEW TIMES (Nov. 26, 2019), <https://www.miaminewtimes.com/news/miami-international-airport-contractor-eulen-cited-by-osha-for-safety-violations-11321975>.

³² *Id.*

³³ *Id.*

³⁴ Gov't Accountability Office, *Aviation Safety: Opportunities Exist for FAA to Improve Airport Terminal Area Safety Efforts*, at 13, GAO-19-639 (Aug. 2019), <https://www.gao.gov/assets/710/701116.pdf>.

³⁵ See 29 U.S.C. §§ 651, *et seq.*

³⁶ Gov't Accountability Office, *Aviation Safety: Enhanced Oversight and Improved Availability of Risk-Based Data Could Further Improve Safety*, at 7 n.13, GAO-12-24 (Oct. 2011), at <https://www.gao.gov/assets/590/585613.pdf>.

Airport	Employer	Description
Los Angeles International Airport (LAX)	Menzies Aviation (SEIU)	In 2014, a bag handler was thrown from a tow tractor and pinned beneath its tires after rushing to pick up airline baggage. His employer, Menzies Aviation, was fined \$77,000 by the California OSHA for safety lapses, including not having a seatbelt on vehicle, and for inaccurately reporting the death as a heart attack. ³⁷
San Francisco International Airport (SFO)	US Airways	In 2012, a worker suffered a broken leg after falling 10 feet from a jet bridge onto the tarmac. After the incident, SFO made numerous safety changes, including establishing a team that holds monthly safety meetings, leads trainings in ramp driving, and issues citations and fines for violations. ³⁸
LaGuardia Airport (LGA)	Air Serv	In 2012, a cabin cleaner was struck and killed by a water truck. Despite multiple requests to his supervisor to be reassigned due to safety concerns, his requests were ignored. OSHA fined his employer, Air Serv, \$7,000 for a “serious violation” that the company failed to keep the work site “free from recognized hazards.” To date, his family has not received any compensation. ³⁹
Charlotte Douglas International Airport (CLT)	Piedmont Airlines	In 2019, a baggage worker was killed after his tug vehicle rolled over after hitting luggage. Workers cite poor lighting as contributing to the accident. In response, airport officials have expanded the scope of an existing airport lighting analysis at the request of American Airlines. ⁴⁰
Seattle-Tacoma International Airport (SEA)	Evergreen Aviation Ground Logistics Enterprises.	In 2015, a bag handler was awarded \$10 million (which was upheld in 2018) after the brakes failed in the vehicle he was driving and the vehicle crashed into a broken cargo loader, causing injuries that left him paralyzed. The airport was found liable for injuries arising from worksite safety breaches. ⁴¹
Seattle-Tacoma International Airport (SEA)	Alaska Airlines/Menzies Aviation.	In 2016, the Washington Department of Labor & Industries fined Alaska Airlines and Menzies Aviation for health and safety violations, including failing to ensure powered industrial trucks were in safe working condition. According to the investigation, Alaska Airlines failed to “provide safety devices, safeguards, work practices, processes, and the means to make the workplace safe from hazards that were causing, or likely to cause, serious physical harm to Menzies ramp agent employees who handle cargo and passenger baggage for Alaska Airlines at Sea-Tac Airport,” and was fined \$62,000 for 16 violations of state worker and health and safety laws. ⁴²

³⁷ Dan Weikel, *Cal/OSHA Fines Aviation Company in Death of LAX Baggage Worker*, L.A. TIMES (Aug. 20, 2014), <https://www.latimes.com/local/lanow/la-me-ln-baggage-handler-death-20140820-story.html>.

³⁸ Bart Jansen, *Congested airport ramps risky before and after flights*, USA TODAY (Dec. 17, 2014) <https://www.usatoday.com/story/news/nation/2014/12/17/airport-ramp-safety-airlines-iata-faa-osha-ntsb/18597565/>.

³⁹ Ginger Adams Otis and Rich Schapiro, *Airport Worker Killed on the Job, Three Children Left with Nothing: Family*, N.Y. DAILY NEWS (Jan. 25, 2014), <https://www.nydailynews.com/new-york/airport-worker-killed-job-children-left-family-article-1.1591586>.

⁴⁰ Lauren Lindstrom and Hannah Smoot, *Charlotte Airport Workers Want Safety Improvements after August Death*, CHARLOTTE OBSERVER (Sept. 24, 2019), https://www.journalnow.com/business/charlotte-airport-workers-want-safety-improvements-after-august-death/article_5ab62dc2-2bb4-5f98-968e-e6c15757c33a.html.

⁴¹ Chandra Lye, *Port of Seattle Not Required to Pay Entire \$40M Verdict to Worker Injured During Wreck of Luggage Vehicle*, LEGAL NEWSLINE (July 24, 2018).

⁴² Steve Wilhelm, *Alaska Airlines, Baggage-Handler Menzies Fined by Labor Regulators*, PUGET SOUND BUS. J. (Mar. 8, 2016).

Airport	Employer	Description
Seattle-Tacoma International Airport (SEA)	Alaska Airlines	In 2005, a baggage cart bumped into an Alaska Airlines MD-83 prior to take-off. At 26,000 feet with 142 people aboard, the cabin depressurized due to a 12-inch-by-six-inch hole in the fuselage later found by investigators. Fortunately, the pilots were able to land the aircraft without any injuries. ⁴³
Atlanta-Hartsfield Airport (ATL)	Delta Airlines	In 2010, a baggage tug vehicle driver died after being ejected from his vehicle and was not wearing a seatbelt. Delta said in a memo to employees that many of its vehicles currently do not have seat belts, and that it averages 14 ejections per year, with half resulting in “serious employee injury.” In 2010, two Delta employees died in different incidents after being ejected from baggage tugs. In the subsequent OSHA settlement, OSHA cited Delta for violating Federal regulations that requires employers to provide employees with personal protective equipment, which in this case means seatbelts. In the settlement, Delta agreed to pay an \$8,500 penalty and install seat belts in vehicles that do not have them, train employees to use the seat belts, enforce the requirement, and report results of a monitoring program back to OSHA. ⁴⁴

In a recent CWA survey of 800 employees of Envoy Air, respondents reported troubling rates of “chronic understaffing and time pressure, inadequate support for high flight volumes, and safety concerns on the runway and at the gate.”⁴⁵ Specifically, nearly 8 in 10 participants reported feeling rushed to complete their job during all or most shifts, and nearly half of agents working on the ramp reported being unable to complete required aircraft inspections.⁴⁶ Finally, 58 percent of agents who conduct cabin searches for contraband and other risks before flights report not having enough time to complete the search.⁴⁷ The CWA survey also found that, from January 2017 to September 2018, there were 1,459 recordable injuries and illnesses among Envoy employees at U.S. airports, with more than 800 of those injuries being strains and sprains typically caused by lifting, pushing, or pulling.⁴⁸ Additionally, according to the SEIU, 99 people were killed in airport ramp accidents from 2001 to 2014.⁴⁹

And while most of the health issues these workers face are physical, many health issues can also stem from mental exhaustion. For instance, in 2018, an American Airlines bus driver (employed through Envoy) suffered a fatal heart attack while on the job; in the week leading up to his death, he had worked 66 hours in six days.⁵⁰ Colleagues and family cite chronic stress, extended work hours, and dangerous and stressful conditions for Envoy workers as contributing factors for the driver’s death.⁵¹ Numerous Envoy workers at the Miami airport surveyed by CWA stated feeling rushed to meet deadlines, citing understaffing as a main reason.⁵²

A December 2015 GAO report on air travel and communicable diseases following the 2014 Ebola outbreaks described how aviation service providers may not have ensured that workers have the necessary training and protective equipment to safely

⁴³ See Jansen, *supra* note 38.

⁴⁴ Kelly Yamanouchi, *Delta reaches OSHA settlement in bag handler’s death*, ATLANTA JOURNAL-CONST. (Apr. 17, 2012), <https://www.ajc.com/business/delta-reaches-osha-settlement-bag-handler-death/Otm1uuCKAcYI71ZX1iYFGM/>.

⁴⁵ CWA, *Survey of Gate and Ramp Agents at American Airlines Subsidiary Report Hazardous Conditions* at 8 (Jan. 14, 2019), available at <https://cwa-union.org/news/releases/gate-and-ramp-agents-american-airlines-subsidiary-report-hazardous-conditions>.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.* at 5.

⁴⁹ Bart Jansen, USA TODAY, *Congested Airport Ramps Risky Before and After Flights* (Dec. 17, 2017), <https://www.usatoday.com/story/news/nation/2014/12/17/airport-ramp-safety-airlines-iata-faa-osha-ntsb/18597565/>.

⁵⁰ Taylor Dolven, *American Airlines Worker at MIA Died of a Heart Attack. His Coworkers Blame the Job*, MIAMI HERALD (Jan. 14, 2019), <https://www.miamiherald.com/news/business/tourism-cruises/article224524845.html>.

⁵¹ *Id.*

⁵² *Id.*

and properly respond to communicable diseases.⁵³ Contracted aviation-service employees expressed concern that they did not receive adequate communicable disease training and reported challenges accessing appropriate personal protective equipment, cleaning equipment, and cleaning supplies.⁵⁴ Inadequate training, equipment, and supplies could lead to employee exposures to pathogens that could in turn result in the transmission of infectious diseases.⁵⁵

A December 2018 union survey of Gate Gourmet drivers reported safety and health concerns with the catering vehicles used to service planes, with 97 percent of drivers reporting that the company is continuing to use vehicles which are labeled “no go” due to issues such as broken safety rails, missing emergency equipment, broken brakes, and rodent and insect infestations.⁵⁶ The Food and Drug Administration (FDA) cited Gate Gourmet after discovering a string of health and safety infractions at one of the company’s main production kitchens in Kentucky.⁵⁷ The FDA’s citation letter stated inspectors found “dead apparent nymph and adult cockroaches too numerous to count” within food-preparation areas and “a heavy buildup of more than a day’s accumulation of grease, food deposits, and general filth.”⁵⁸ This followed a November 2017 FDA inspection of Gate Gourmet’s Los Angeles production facility, in which listeria bacteria was discovered. This led to American Airlines, Delta Airlines, and Virgin America immediately stopping their utilization of the Gate Gourmet services until these issues were addressed.⁵⁹ Gate Gourmet ultimately addressed the issues and the FDA closed out the issue on May 14, 2018.⁶⁰

WITNESSES

- Ms. Eileen Higgins, Commissioner, Miami-Dade County, Florida
- Ms. Donielle Prophete, Vice President, Communications Workers of America Local 3645
- Mr. Esteban Barrios, Service Employees International Union
- Ms. Marlene Patrick-Cooper, President, Unite Here Local 23
- Dr. Brian Callaci, Labor Economist
- Mr. Chris Harrison, Airlines for America
- Mr. Russell Brown, RWP Labor

⁵³ See Gov’t Accountability Office, *Air Travel and Communicable Diseases: Comprehensive Federal Plan Needed for U.S. Aviation System’s Preparedness*, at 38, GAO-16-127 (Dec. 16, 2015), <https://www.gao.gov/products/GAO-16-127>.

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ Int’l Bhd. of Teamsters, *Gate Gourmet’s Unsafe Vehicle Fleet Could Force Delays at World’s Busiest Airport*, (Dec. 21, 2018), <https://teamster.org/news/2018/12/gate-gourmets-unsafe-vehicle-fleet-could-force-delays-worlds-busiest-airport>.

⁵⁷ Noam Scheiber, *11,000 People Who Prepare Your Airline Food Are Considering a Strike*, N.Y. TIMES (June 4, 2019), <https://www.nytimes.com/2019/06/04/business/economy/airport-workers-union.html>.

⁵⁸ *Id.*

⁵⁹ Kelsey M. Mackin, *FDA Downgrades Gate Gourmet Airline Catering Operation*, FOOD SAFETY NEWS (Apr. 16, 2018) <https://www.foodsafetynews.com/2018/04/fda-downgrades-gate-gourmet-airline-catering-operation/>.

⁶⁰ See FDA, *Closeout Letter* (May 14, 2018), available at <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/warning-letters/gate-gourmet-inc-05142018>.

OVERSIGHT OF WORKING CONDITIONS FOR AIRLINE GROUND WORKERS

WEDNESDAY, JANUARY 15, 2020

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AVIATION,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:02 a.m. in room 2167, Rayburn House Office Building, Hon. Rick Larsen (Chairman of the subcommittee) presiding.

Mr. LARSEN. The subcommittee will come to order.

I want to start by asking unanimous consent the chair be authorized to declare recesses during today's hearing.

Without objection, so ordered.

I also ask unanimous consent Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

I will proceed with an opening statement before recognizing Mr. Garret Graves, the ranking member, for an opening statement.

So good morning and thank you to the witnesses for joining today's hearing on working conditions for airline ground workers.

I have been on the Committee on Transportation and Infrastructure for now nearly 20 years, and I believe today—when we go back into the record—is the first hearing dedicated to issues specifically facing ground workers, the women and men who load baggage, clean cabins, and assist passengers in wheelchairs, and prepare meals, among other jobs.

Without ground workers, commercial air travel would come to a halt. That is why the House passed major pro-worker legislation last year to support the hard-working women and men who, literally, keep the airline industry and many other parts of the economy moving.

We passed the Butch Lewis Act, which passed the House in July, and it protected hard-earned workers' pensions and long-term financial security, which eventually was signed into law.

We passed the Raise the Wage Act, which also passed the House in July, and supports American workers by raising the Federal minimum wage to \$15 an hour by 2025.

It is also my hope the House will soon vote on the Protect the Right to Organize, or PRO Act, to strengthen workers' rights to organize and bargain collectively, and hold employers who violate workers' rights accountable.

A strong, economic foundation for workers requires fair and secure workplaces. So while progress has been made, Congress wants to do more to provide oversight for and improve the pay and working conditions of ground workers, the two main issues that we will focus on at today's hearing.

Even as the airline industry continues to grow, and more people than ever are choosing to fly, not all ground workers are sharing in the benefits. Today the committee will hear from labor representatives about the tens of thousands of ground workers who make less than \$15 an hour, some making under \$10 an hour, working long days and nights in catering kitchens or on airport tarmacs. The committee will also hear stories highlighting the unsafe and unhealthy conditions many ground workers face.

For instance, a recent Communications Workers of America survey of 900 passenger service agents at Envoy Air, a regional subsidiary of a large mainline carrier, revealed that 27 percent of respondents rely on some form of public assistance. Often that is food stamps.

An April 2019 investigation by the Miami CBS affiliate revealed troubling safety and health issues in the Miami operation of a major ground-support provider. Workers have reported cockroach infestations in vans transporting blankets and other supplies to aircraft, and were instructed "not to waste time cleaning [cabins] too thoroughly," even when the workers encountered biohazards in airplane cabins.

A Federal investigation found the company was also exposing its employees to heat that "was causing or likely to cause harm." The committee will hear from Mr. Esteban Barrios about his personal experience as an employee for that company.

We will also hear from Miami-Dade County Commissioner Eileen Higgins, who is on the front line in Miami in the effort to secure better working conditions for ground workers at the airport. I look forward to all their testimony.

Unfortunately, these are not isolated incidents. These reports speak to the social responsibility and unwavering commitment to safety expected of all firms engaged in aviation.

A representative of Airlines for America is with us today, and I look forward to hearing his perspective on how airlines will work to ensure ground workers are compensated fairly, and protected from unsafe working conditions.

The 21st-century U.S. aviation system is deeply interconnected. Safety lapses on the ground threaten the safety in the air. That is why it is important for Congress to further explore these issues. In a time of record airline profits and a record number of passengers traveling by air, there is an obvious, now, disconnect when a growing number of ground workers cannot enjoy the benefits of a system that thrives on the backs of their labor.

That is why I hope today's hearing will shed light on this committee's opportunity to improve the safety culture of the entire aviation industry. A safer, fairer working environment for ground workers will create a safer, stronger aviation system for workers, passengers, and airlines alike.

I want to thank, again, today's witnesses. I look forward to our discussion.

[Mr. Larsen's prepared statement follows:]

Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Chairman, Subcommittee on Aviation

Good morning and thank you to the witnesses for joining today's hearing on working conditions for airline ground workers.

In my time on the Transportation and Infrastructure Committee, I believe today is the first hearing dedicated to issues facing ground workers: the women and men who load baggage, clean cabins, assist passengers in wheelchairs and prepare meals, among other jobs.

Without ground workers, commercial air travel would come to a halt. That is why the House passed major pro-worker legislation last year to support the hardworking women and men who literally keep the airline industry and the economy moving.

- The Butch Lewis Act, which passed the House in July, protects hard-earned workers' pensions and long-term financial security.
- The Raise the Wage Act, which also passed the House in July, supports American workers by raising the federal minimum wage to \$15 an hour by the year 2025.
- It is my hope the House will soon vote on the Protect the Right to Organize, or PRO Act to strengthen workers' right to organize, bargain collectively and hold employers who violate workers' rights accountable.

A strong economic foundation for workers requires fair and secure workplaces.

While progress has been made, Congress must do more to provide oversight for and improve the pay and working conditions of ground workers—the two main issues I want to focus on at today's hearing.

Even as the airline industry continues to grow and more people than ever are choosing to fly, not all ground workers are sharing in the benefits.

Today, the Committee will hear from labor representatives about the tens of thousands of ground workers who make less than \$15 an hour—some making under \$10 an hour—working long days and nights in catering kitchens or on airport tarmacs.

The Committee will also hear stories highlighting the unsafe and unhealthy conditions many ground workers face.

For instance, a recent Communications Workers of America (CWA) survey of 900 passenger service agents at Envoy Air, a regional subsidiary of a large mainline carrier, revealed that 27 percent of respondents rely on some form of public assistance, often food stamps.

An April 2019 investigation by the Miami CBS affiliate revealed troubling safety and health issues in the Miami operation of a major ground-support provider.

Workers reported cockroach infestations in vans transporting blankets and other supplies to aircraft and were instructed “not to waste time cleaning [cabins] too thoroughly,” even when the workers encountered biohazards in airplane cabins.

A federal investigation found the company was also exposing its employees to heat that “was causing or likely to cause harm.”

The Committee will hear from Mr. Esteban Barrios about his personal experience as an employee for that company.

We will also hear from Miami-Dade County Commissioner Eileen Higgins, who is on the front line in Miami in the effort to secure better working conditions for ground workers at the Miami airport. I look forward to their testimony.

Unfortunately, these are not isolated incidents. These reports speak to the social responsibility—and unwavering commitment to safety—expected of all firms engaged in aviation.

A representative of Airlines for America is with us today, and I look forward to hearing his perspective on how airlines will work to ensure ground workers are compensated fairly and protected from unsafe working conditions.

The 21st century U.S. aviation system is deeply interconnected.

Safety lapses on the ground threaten safety in the air.

That is why it is imperative for Congress to further explore these issues.

In a time of record airline profits and a record number of passengers traveling by air, there is an obvious disconnect when a growing number of ground workers cannot enjoy the benefits of a system that thrives on their backs of their labor.

It is my hope today's hearing will shed light on this committee's opportunity to improve the safety culture of the entire aviation industry.

A safer, fairer work environment for ground workers will create a safer, stronger aviation system for workers, passengers and airlines alike.

Thank you again to today's witnesses. I look forward to our discussion.

Mr. LARSEN. And with that I will turn to the ranking member for an opening statement.

Mr. GRAVES OF LOUISIANA. Thank you, Mr. Chairman. Mr. Chairman, I hope you agree. I see Congresswoman Shalala here. I think if she puts in about another 20 years of service, we can maybe qualify her to be on this committee.

Mr. LARSEN. Perhaps.

Mr. GRAVES OF LOUISIANA. But I appreciate you being here. No, I know you are here for your constituent. Thank you for joining us today.

Thank you, Mr. Chairman, for calling today's hearing. This hearing touches on a topic that the subcommittee and, quite honestly, most airline passengers don't often think about. It is sort of the below-the-wing workers, the aircraft cleaners, caterers, wheelchair pushers. They don't have quite as high of a profile of jobs as the flight attendants, the mechanics, pilots, and others, but the services they provide are necessary and integral to the overall system of safety that is necessary to ensure that passengers do have safe, efficient, and comfortable flying experiences.

Across all modes of transportation, safety is this subcommittee's top priority. And we must continue to focus on that issue. Commercial aircraft accidents, fatalities, are at the lowest level in history. But in the last decade some ground workers have been injured or killed as a result of on-the-job accidents. It is important that this subcommittee hear what can be done by the FAA, by industry, and others to ensure that we are improving safety for airline ground workers, as well.

Contract services is an essential part of all industries, and aviation is no exception. There are many airline-related services that have always been contracted out by nearly all airlines. Others are contracted at airports where, due to the low frequency of flights, it would simply be economically infeasible to provide air service without the use of contracted workers. To the small and rural communities served, airlines provide jobs, connections, and economic opportunities. If airlines were unable to contract airside services, they would not be able to continue serving these communities.

It is also crucial the subcommittee understand the role and importance of the Railway Labor Act to United States air transportation. In Europe, near-constant strikes keep railroads and airlines in a state of uncertainty and disarray.

Both airlines and aviation workers in this country have thrived under the oversight of the National Mediation Board, because of the efforts to promote resolution, compromise, and accommodation, while discouraging strikes. Unions wishing to organize new categories of aviation employees must recognize how vital systemwide representation is to the continued success of aviation and the nearly 750,000 workers directly employed by airlines.

I am looking forward to hearing from the witnesses about the role of this critical transportation labor law.

[Mr. Graves of Louisiana's prepared statement follows:]

Prepared Statement of Hon. Garret Graves, a Representative in Congress from the State of Louisiana, and Ranking Member, Subcommittee on Aviation

This hearing touches on a topic that this subcommittee and quite honestly most airline passengers seldom consider. Below-the-wing workers, aircraft cleaners, caterers, and wheelchair pushers may not have as high-profile jobs as flight attendants, mechanics, and pilots, but the services they provide are necessary to ensuring a safe, efficient, and comfortable flying experience for the traveling public.

Across all modes of transportation, safety is this committee's and subcommittee's highest priority. Commercial aircraft accident fatalities are at the lowest level in history, but in the last decade, some ground workers have been injured or killed due to on-the-job accidents. It is important for this subcommittee to hear what can be done by the FAA, industry, and labor to improve safety for airline ground workers.

Contracting for services is an essential part of all industries, and aviation is no exception. There are many airline-related services that have always been contracted out by nearly all airlines. Others are contracted at airports where, due to the low frequency of flights, it would simply be economically infeasible to provide air service without the use of contract workers.

To the small or rural communities served, airlines provide jobs, connections, and economic opportunities. If airlines were unable to contract airside services, they would not be able to continue serving these communities.

It is also crucial that this subcommittee understand the role and importance of the Railway Labor Act to United States air transportation. In Europe, near constant strikes keep railroads and airlines in a state of uncertainty and disarray. Both airlines and aviation workers in this country have thrived under the oversight of the National Mediation Board because of its efforts to promote compromise and accommodation while discouraging strikes. Unions wishing to organize new categories of aviation employees must recognize how vital systemwide representation is to the continued success of aviation and the nearly 750,000 workers directly employed by airlines.

I look forward to hearing from the witnesses about the role of this critical transportation labor law.

Mr. GRAVES OF LOUISIANA. And thank you again, Mr. Chairman, for holding today's hearing. I look forward to hearing the discussion, and yield back the balance my time.

Mr. LARSEN. Thank you, Mr. Graves. I appreciate that.

I want to now welcome the panel of witnesses. I will just read the names. And I guess Mr. DeFazio would like to be recognized for 5 minutes, but not to read the names. Thank you very much.

Mr. DEFAZIO. Thank you, Mr. Chairman. I have been on the committee even longer than you, I hesitate to say, but 32 years.

Mr. LARSEN. I did not make that point to have a contest with you, Mr. Chairman.

Mr. DEFAZIO. To the best of my recollection, as foggy as my memory may be, we have never, ever held a hearing on this subject before. And it is long overdue.

This is becoming a pattern before this committee: profits over people. Look at what happened with Boeing and the MAX: 346 dead passengers and crew, 1 rescuer, 347 people dead. At the same time, Boeing was buying back stock, paying dividends, and rewarding its CEO generously, who is leaving with a \$63 million package. And here we are seeing the same thing for the essential people who make this industry work to get the planes and cleaned and secure, and get the baggage on board.

The airlines made a collective \$11.8 billion in profits in 2018. The big three have bought back \$31.3 billion—billion—in stock in the last 7 years, 6 years. The CEOs of the three U.S. legacy carriers—American, Delta, and United—made \$37.5 million combined in 2018. And, according to a Skift analysis, the American CEO

earned 195 times the median pay of his employees, let alone the ground workers—it would be much, much more than that. The Delta CEO earned 184 times median, and United 144.

But as we are going to hear today in the testimony, many of these essential workers earn as little as \$9 an hour, sleep in their cars. Some have to resort to public assistance, food stamps. They are at risk with a high rate of injury, sometimes fatal. They can't afford health insurance. And some even sell blood plasma to support their work habit of being underpaid.

And we are seeing more and more outsourcing, and more and more profitability. We will hear from a labor economist today that will say outsourcing of ground work has increased by 60 percent since 2001. It is a race to the bottom.

And we are going to hear from folks in Miami, where perhaps we have hit the bottom. An obscure firm called Eulen America—I wish they weren't using the word "America"—provides ground-support services like baggage handling and cabin cleaning for American and Delta. Eulen has been cited for exposing employees to cockroach infestations—and, of course, obviously, that affects the food service on the planes—excessive heat, not even adequate protection in terms of hearing, often dangerous and unhealthy working conditions.

We will hear from Esteban Barrios, who will testify on today's panel. He is a Eulen employee, loads and unloads bags on Delta planes in Miami. He said in his written testimony, "Sometimes I'm lifting almost 300 bags a day by myself. My whole body hurts. My hand is constantly in pain. But, what can we do? We don't have sick days so we can't take a day off to get better. So we just take painkillers and try to get through the day."

We will hear from Miami-Dade County Commissioner Eileen Higgins, and she is going to talk about how, when she went to investigate these conditions, she was actually intimidated by employees of the Eulen Corporation.

We have seen other issues of routine exposure to harmful chemicals, violations of OSHA, communicable diseases, blood-borne pathogens, dangerous levels, as I mentioned already, a lack of hearing protection, noise, tractors that are unstable and lack seatbelts, and people have been crushed.

We are going to shine a light on this, and it is time for this abuse to stop. In an immensely profitable industry, they can do better, and they should do better, and we will do all we can in this committee to encourage that.

[Mr. DeFazio's prepared statement follows:]

Prepared Statement of Hon. Peter A. DeFazio, a Representative in Congress from the State of Oregon, and Chairman, Committee on Transportation and Infrastructure

Thank you, Chair Larsen, for calling today's hearing on working conditions for the tens of thousands of employees who are intrinsic to the operations of an airline—the workers who load bags, clean cabins, prepare food, and assist passengers in wheelchairs, among other roles.

But this hearing is about more than just the unreasonable treatment of these hardworking employees. It's about putting profits over people: yet another vignette in a larger story of economic inequality and injustice in America, and of American

companies subservient to Wall Street at the expense of their employees and, ultimately, their customers.

Let's start with some numbers:

- U.S. airlines made a collective \$11.8 billion in profits in 2018.
- One airline alone has rewarded Wall Street with \$12 billion in share buybacks since 2014. Others have done similarly.
- The CEOs of the three U.S. legacy carriers—American, Delta, and United—made a combined \$37.5 million in 2018. According to a Skift analysis, the American CEO earned 195 times the median pay of his employees; the Delta CEO earned 184 times workers' median pay; and the United CEO, 144 times.

Yet, today we will hear that many employees who work on behalf of these and other airlines, either in catering kitchens or in the elements on the tarmac:

- make as little as \$9 an hour;
- sleep in their cars in employee parking lots;
- occasionally suffer grievous injuries, sometimes even fatal injuries, on the job;
- can't afford health insurance; and
- even sell blood plasma to make ends meet.

Large mainline carriers have been outsourcing more and more of their operations to save a dollar here, a dollar there. They outsource flights—even flights on trunk routes like Washington to Chicago—to regional airlines. They outsource baggage handling, catering, and cabin cleaning to contractors.

In fact, a labor economist on today's panel will offer that this outsourcing of ground work has increased by nearly 60 percent since 2001. And as anyone knows, in a system where the lowest bidder wins, it's a race to the bottom.

We may well have reached that bottom in Miami, where an obscure firm called Eulen America provides ground-support services like baggage-handling and cabin-cleaning for American and Delta. Eulen has been cited for exposing employees to cockroach infestations, excessive heat, and other dangerous and unhealthy working conditions. Mr. Esteban Barrios, who will testify on today's panel, is a Eulen employee who loads and unloads bags on Delta planes in Miami. In his written testimony, Mr. Barrios says, "Sometimes I'm lifting almost 300 bags a day by myself. My whole body hurts. My hand is constantly in pain. But, what can we do? We don't have sick days so we can't take a day off to get better. So we just take pain killers and try to get through the day."

Miami-Dade County Commissioner Eileen Higgins has also joined us today and will describe how a Eulen corporate minion intimidated her on a visit to the Eulen operation and others at the Miami airport.

On top of often absurdly low wages, airline ground workers can face some of the poorest working conditions in America. Workers report, and contractors have been cited for, routine exposure to harmful chemicals, communicable diseases or blood-borne pathogens, excessive heat on tarmacs, and dangerous noise levels from surrounding aircraft. Workers have been thrown from tractors due to missing or defective seatbelts, have been pinned beneath or struck by vehicles on the tarmac, and have fallen from jet bridges.

These workers have been injured, paralyzed, or even killed in their inherently dangerous jobs. In fact, a baggage worker was killed just last year after his tug vehicle rolled over on the tarmac at the Charlotte-Douglas International Airport. One of today's witnesses, Ms. Donielle Prophete, knew this gentleman and can speak to the troubling working conditions she and her colleagues face at Charlotte and at airports around the country.

While we sit comfortably waiting to board our flights, airline ground workers are out of sight, out of mind. That ends today.

There's no question airline ground workers perform work of great importance that is vital to keeping our aviation system thriving and moving forward. However, it's unconscionable that while thousands and thousands of these workers are facing such deplorable working conditions each day, they're still living below the poverty level.

We must do more to ensure airline ground workers enjoy livable wages, and healthy and safe working conditions. I have spent my career fighting on behalf of American workers. As Chairman of this Committee, I will ensure we continue to bring light to the often-bleak issues facing American workers today, in each mode of transportation. We will keep today's panel and their stories in mind as we carry out our Committee's work in the years to come and ensure that transportation enterprises stop putting profits over people.

Thank you again, Chair Larsen, for calling this important hearing. I look forward to the witness testimony.

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. LARSEN. Thank you, Chairman DeFazio.

Before I recognize the panel witnesses, I would note that some Members, including Ranking Member Graves, have a markup in another committee, and he may be leaving because he has some amendments, and markups usually mean votes in committee. So I know he may have to pop in and out, and there may be other Members in the same circumstance. I just want to let the panel know that.

I want to thank our panel of witnesses, as well, do just quick names and titles here, and then turn to Representative Wilson for a more complete introduction of one of the panel witnesses.

So we have Ms. Eileen Higgins, commissioner of Miami-Dade County; Ms. Donielle Prophete, the vice president of Communications Workers of America Local 3645; Mr. Esteban Barrios, Service Employees International Union Local 32BJ; Ms. Marlene Patrick-Cooper, president of UNITE HERE Local 23; Dr. Brian Callaci, labor economist; Mr. Chris Harrison with Airlines for America; and Mr. Russell Brown of RWP Labor.

I want to thank you all for being here today. We look forward to your testimony.

Without objection, the witnesses' full statements will be included in the record. And since that is the case, they have been made part of the record, the subcommittee does request that you limit your oral testimony to 5 minutes.

So, before we turn to our panel of witnesses, I do want to turn to Representative Wilson for an introduction of Mr. Esteban Barrios.

Representative Wilson, you are recognized.

Ms. WILSON. Oh, thank you. Thank you so much, Chairman Larsen. And I want to welcome all of the members of SEIU in the audience, and all of the supporters of Mr. Barrios here today. Thank you so much for traveling for this very, very important hearing.

I am honored to introduce Mr. Esteban Barrios. His testimony before this committee comes at a time when airline ground workers are being marginalized, while their employers generate record profits. Mr. Barrios has been on the frontline of the fight for better working conditions and union representation for ground workers at Miami International Airport for a long time. For more than 4 years he has worked as a ramp worker for Eulen America, an American and Delta Airlines contractor at Miami International Airport.

Despite unbearable working conditions, which Mr. Barrios will highlight in his testimony, he has worked extremely hard to serve Delta customers and pursue a degree at Miami Dade College.

Deteriorating working conditions, coupled with increasingly severe injuries and Eulen's culture of intimidation and indifference to workers' concerns have compelled Mr. Barrios to say, "Enough, I just can't take it anymore." Last year he joined forces with Commissioner Higgins, SEIU, and the Miami-Dade congressional delegation to fight for the workplace and benefits that he and his coworkers deserve.

In April 2019, Mr. Barrios and his coworkers chronicled their struggles in a CBS 4 Miami report, which brought their fight to my attention. I immediately alerted the Subcommittee on Aviation

and, shortly thereafter, Congresswoman Shalala, who was with us this morning, and I hosted a roundtable discussion in Miami during which Mr. Barrios and his colleagues shared their experience in riveting detail. It was amazing.

The months-long effort led by Mr. Barrios and coworkers compelled OSHA to investigate working conditions at Miami International Airport. OSHA ultimately found eight serious violations that created unsafe working conditions. OSHA's efforts to hold Eulen accountable is a testament to Mr. Barrios' hard work and determination.

Mr. Barrios, we are tremendously proud of you for your unflinching courage and commitment to fight for better working conditions in MIA. Welcome to the Transportation and Infrastructure Committee.

And thank you, Mr. Chairman. I yield back.

Mr. LARSEN. Thank you, Representative Wilson. I also now want to recognize Representative Mucarsel-Powell for an introduction of Commissioner Eileen Higgins.

Ms. MUCARSEL-POWELL. Thank you so much—

Mr. LARSEN. You are recognized.

Ms. MUCARSEL-POWELL [continuing]. Chairman Larsen. And it is such a pleasure and an honor to introduce a great friend. But more than that, one of the strongest leaders for workers' rights in Miami-Dade County, Commissioner Eileen Higgins.

Commissioner Higgins represents district 5 in Miami-Dade County, which represents over 200,000 residents there in Miami, and parts of Miami Beach.

Commissioner Higgins is an engineer, by trade. She started her career in manufacturing, worked her way up to manage large departments in Fortune 500 companies before transitioning to public service.

She has served as director of the Peace Corps, and as a diplomat in the State Department, where she worked on economic development opportunities in Latin America and in Africa.

Since she was elected to the Miami-Dade County Commission, she has been working to provide her constituents with a fair shot at achieving their American dream. It was Commissioner Higgins who, right after her special election, which surprised everyone—but it didn't surprise me, we knew she was going to get in there, because she was so committed to improving the lives of so many in Miami-Dade County—but it was Commissioner Higgins who immediately wanted to go and visit the airport after hearing about the unsafe work conditions. And she did just that.

We thank her for speaking up and exposing the appalling conditions that are inhumane and terribly unsafe for so many workers at Miami International Airport. The low wages of hard-working airport employees are just completely unacceptable. Today she is going to be shining a light on what I think all of us should consider as unacceptable practices that occur behind the scenes at some of our country's biggest airports.

I want to thank Commissioner Higgins for coming here, for bringing this issue to light to the Transportation and Infrastructure Committee.

And we are looking forward to hearing from you today.

Thank you, Chairman. I yield back.

Mr. LARSEN. Thank you, Representative. I appreciate that. And good timing, because I now want to turn to our witnesses. And we will start with Commissioner Eileen Higgins of Miami-Dade County.

You are recognized for 5 minutes.

TESTIMONY OF HON. EILEEN HIGGINS, COMMISSIONER, MIAMI-DADE COUNTY; DONIELLE PROPHETE, VICE PRESIDENT, COMMUNICATIONS WORKERS OF AMERICA LOCAL 3645; ESTEBAN BARRIOS, RAMP WORKER, MIAMI INTERNATIONAL AIRPORT, ON BEHALF OF SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 32BJ; MARLENE PATRICK-COOPER, PRESIDENT, UNITE HERE LOCAL 23; BRIAN CALLACI, PH.D., POSTDOCTORAL SCHOLAR AND LABOR ECONOMIST; CHRIS HARRISON, ON BEHALF OF AIRLINES FOR AMERICA; AND RUSSELL BROWN, CHIEF EXECUTIVE OFFICER, RWP LABOR

Ms. HIGGINS. Thank you very much, Chairman DeFazio and subcommittee Chairman Larsen, and Ranking Member, distinguished members of the subcommittee. Thank you so much for inviting me here today.

As Members, you know better than most that our country's airports are completely vital to our country's economic strength. And nowhere is that more evident than in my home county, Miami-Dade, where our airport hosted over 44 million passengers in 2018.

What the passengers don't know is that, behind the scenes, there is an army of workers making sure their flights get off on time. They are unloading the bags, push elderly travelers in wheelchairs, prepare the meals, clean the cabins, the jobs, they are not fancy, but our airports can't function without them. And these are the unnoticed and underappreciated workers who make our airports tick.

Now, just because this work occurs behind the scenes should not give employers a reason to treat them poorly. But not all companies behave properly, do they? I would like to tell you about how my personal experiences with one such company led me to become such a vocal advocate for better treatment and better pay for airport workers.

I met with a group of Eulen America workers who described appalling conditions. So I decided I had to see for myself, and joined several workers at their airport worksite, where they shared even more stories. Some were worrisome, others downright inhumane, like poorly maintained vehicles that also lacked seatbelts, cockroaches running free in those vehicles, having to clean up human feces and blood without gloves, like no water provided to workers on the tarmac. Guys, this is Florida. It is hot. The tarmac is hot. The airport engines are hot. What kind of company does not provide drinking water to their workers?

These workers were afraid to report these issues to management, because they feared losing their jobs. And I now know why they were afraid, because I was just minutes away from experiencing this top-down culture of fear firsthand when I entered the break room. A Eulen supervisor immediately ran over to us saying, "There is going to be trouble here." And then an airline manager

rushed over, towering above me, shouting that I needed to leave because this was private property. No, the airport is the property of the residents of Miami-Dade County.

But I didn't want to escalate things, so I left and continued on my official airport tour. This same Eulen supervisor followed us everywhere we went. When we stopped, he stopped, making sure that the workers and I knew he was watching us. It was meant to be intimidating, and it was.

I was shocked. If this company is willing to intimidate an elected official, I could only imagine what it was willing to do with employees, with its employees who needed these jobs to put food on the table and pay the rent.

I sent a strong letter to the company's CEO, requesting that he open a dialogue with the workers to improve conditions. I sent that letter on January 8th of last year. He did not respond. So that is when I called my congressional representatives for help, and they hosted the public roundtable with the employees that brought widespread media attention, and finally prompted the company's CEO to request a meeting, where he assured me the company would audit the worker conditions, and that he would keep me informed as changes were made. He did not keep me informed.

In October, OSHA issued the company a series of formal citations with penalties. Sure enough, the workers' reports were true: cockroaches, true; no protection against exposure to blood and needles, true; no drinking water to prevent against heat exposure, true; missing seatbelts on vehicles, true; falling hazards, tripping hazards, and more.

The workers, two congresswomen, SEIU, and I pointed out these health and safety problems to Eulen's CEO long before OSHA did. The company ignored all of us, unfortunately demonstrating that our workers can only be kept safe from this company's management practices through consistent Federal safety inspections.

To prevent these sorts of bad actors from working at Miami International Airport in the future, I am proposing legislation next week to our county commission to create an entirely new procurement process that will force Eulen to become a responsible corporate citizen, or replace them with a company that is.

We ask you and Congress to do its part, too, and encourage airlines and their subcontractors to comply with basic standards of working conditions, local living wages, and, in the case of this company, basic human decency. Thank you.

[Ms. Higgins' prepared statement follows:]

Prepared Statement of Hon. Eileen Higgins, Commissioner, Miami-Dade County

My name is Eileen Higgins and I am the Miami-Dade County Commissioner for District 5 which encompasses large portions of the cities of Miami and Miami Beach. By a standard measure of economic inequality (Gini coefficient), Miami-Dade County has the second-largest gap in the nation between the have and the have-nots, which is on par with Panama and Colombia. This is uniquely evident in the District I serve. In its annual look at America's richest ZIP codes, Bloomberg, Inc. found that Fisher Island is home to the country's wealthiest residents with an average annual income of \$2.2 million. Juxtapose that with Little Havana in the City of Miami, which has a high concentration of poverty with families struggling to make ends

meet as they work in Miami-Dade's typical jobs, making low wages in the service sector.

Tourism serves as a top driver of Miami-Dade County's economy. According to the United Way's 2018 ALICE Report, nearly half of Miami-Dade's workers labor in service jobs in tourism, retail and food service, taking home an average of just \$26,532 per year, which is approximately 15% below the living wage determined by the County. Many airline subcontractors make far less. For example, airline catering workers at Miami International Airport (MIA) often have a starting wage of far less at a mere \$10.00 per hour and UNITE HERE reports that less than 20% of these catering workers have health insurance. It's tough to make ends meet in Miami and even tougher if you work for an airline subcontractor.

Airport ground workers provide critical services to passengers and airlines throughout the country. At MIA, several thousand ground workers unload our baggage, push the wheelchairs that move disabled or elderly travelers, clean the aircraft cabins, and perform important security checks between flights. More than 1,000 workers prepare and load the food passengers eat in flight. Although these employees work behind the scenes, our airports simply can't function without their services. They are the unnoticed and underappreciated who make our airports tick.

As the County Commissioner for Little Havana, I met workers who expressed concerns over their working conditions at airline subcontractors. The stories I heard about one particular company, Eulen America, were particularly worrisome.

DECEMBER 2018 AIRPORT VISIT WITH EULEN EMPLOYEES

On December 12, 2018, I joined several Eulen workers and 32BJ SEIU for a tour of their worksites at the airport. During the visit, I heard from three workers about poor and unsafe work conditions. Some were very worrisome—like poorly maintained vehicles that also lacked seat belts and roaches running free in the vehicles the cleaning crews use to clean the cabins and in the breakroom. They told me they didn't have enough time to complete important security checks on the planes. Other conditions were downright inhumane given the heat conditions on the tarmac—like water not being provided to workers. They expressed fear in reporting these issues to management because they said they had seen colleagues lose their jobs by doing so.

I experienced this culture of fear first-hand while touring the break room facilities. A Eulen supervisor ran over to us aggressively shouting "there is gonna be trouble!". Another airline supervisor also approached and demanded that we leave because "This is private property!".

MIA is the property of the residents of Miami-Dade County and I am one of the officials these residents have elected to represent their interests at the airport.

Not wanting to escalate things, I left to continue our airport sanctioned tour. A Eulen supervisor followed us on a Eulen vehicle as we visited other gates and sites on the ramp throughout the airport. When we stopped, he stopped, making sure that the workers and I knew he was watching us. It was meant to be intimidating—and it was.

I was shocked that as a County Commissioner, I would witness and be subject to intimidating behavior. If this company is willing to intimidate an elected official, I can only imagine what they are willing to do to employees who need these jobs to pay the rent and put food on the table for their families. And all of this was happening at an airport owned by the people of Miami-Dade.

This shocking experience prompted me to send a letter to the CEO of Eulen America, Mr. Xavier Rabell, requesting that he open a dialogue with the workers so that all parties may work together to improve conditions. I sent that letter on January 8, 2019. He did not respond.

APRIL 2019 CONGRESSIONAL ROUNDTABLE AT MIAMI INTERNATIONAL AIRPORT

On April 24, 2019, I joined U.S. Representatives Donna Shalala and Frederica Wilson at a roundtable with Eulen employees where several workers shared their experiences and reiterated their stories of unsafe vehicles, unavailability of drinking water, lack of gloves when cleaning biological fluids and needles, roach infestations in vehicles and in the breakroom, and more. Their stories reinforced that workers felt they could not express these health and safety issues to Eulen management because they feared their hours will be cut or that they would lose their jobs altogether.

This roundtable brought widespread media attention to the issue and finally prompted the CEO of Eulen America, Mr. Xavier Rabell, to request a meeting. I met with Mr. Rabell in May 2019, where he assured me that Eulen would coordinate a third party audit of its operations and "make substantive and lasting enhance-

ments.” He confirmed that commitment in an email where he also stated that he would keep me informed about all progress made. He did not.

ALLEGATIONS OF RETALIATION

I was told that workers who joined me on the tour and others who had advocated for improved conditions felt they were being retaliated against by having their pay or hours reduced. When one of the workers, Esteban Barrios, who believed his pay had been cut, wanted to deliver a letter to Eulen’s human resource department, I and several of his colleagues accompanied him. I was worried he would be fired for vocally raising his concerns about the unsafe working conditions he had described to me. Incredibly, rather than simply accepting the letter and moving on with their day, Eulen employees called the police. Fortunately, our professional Miami-Dade County police officers quickly determined that I was not, nor were the workers, a threat. However, it was another example that the policy of this company is intimidation rather than interaction and dialogue.

OSHA VERIFIES HEALTH & SAFETY VIOLATIONS

The stories that workers told me personally and at the Congressional Roundtable have now been verified by the federal government when the Occupational and Safety Administration (OSHA) issued formal citations and fined Eulen (attached). Sure enough, the workers’ reports were true. Cockroaches: true. No protection against exposure to blood and needles: true. No drinking water to protect against heat exposure: true. Missing seatbelts on vehicles: true. Falling hazards, tripping hazards, and more.

The workers, two Congresswomen, 32BJ SEIU, and I pointed out these health and safety problems to Eulen’s CEO long before OSHA did. The company had ignored the input of workers and my input as a County elected official, unfortunately demonstrating that our workers can only be kept safe from this company’s management practices through consistent federal safety inspections.

More than one year after my visit, there is still little evidence that Eulen is capable of or has any intention of creating a work environment that is safe, productive, and worthy of the residents of Miami Dade County.

CONCLUDING THOUGHTS

Based on my personal experience in the airport and in conversations with workers, it is apparent to me that there is a deep-seated culture of intimidation and ill attention to safety issues at Eulen. Coupled with the typical low wages paid to airline subcontractors for GASP and catering services, airlines continue to use subcontractors who are not required to pay our County’s living wage rate to drive their profits up.

Next week, I am presenting legislation to the Miami-Dade County Commission to implement a new procurement process locally that will force Eulen to become a responsible corporate citizen or replace them with a responsible provider. We will be ranking companies who need a permit to work at MIA based on technical merit, but will allow companies to present their employment conditions as part of a competitive bid, including wage rates, insurance benefits, health and safety protections, and, crucially, existing or prior notices of violation from regulatory agencies. We are trying to do our part locally. We ask Congress to do its part too and help ensure that profitable airlines and their subcontractors comply with basic standards of worker conditions and comply with local wage standards.

Mr. LARSEN. Thank you. I now turn to Donielle Prophete, vice president, Communications Workers of America Local 3645.

You are recognized for 5 minutes.

Ms. PROPHETE. Is it working? Chairman Larsen, Ranking Member Graves, and members of the subcommittee, thank you for the opportunity to testify today to discuss the health and safety hazards facing airline—

Mr. LARSEN. Ms. Prophete, could you—you can pull the box towards you. The whole box will move. So you don’t have to lean over. Or whatever you have—there, great, yes. If it is more comfortable for you—

Ms. PROPHETE. Can you hear me?

Mr. LARSEN. Yes, that is great.

Ms. PROPHETE. OK.

Mr. LARSEN. Thanks.

Ms. PROPHETE. Thank you for the opportunity to testify today to discuss the health and safety hazards facing airline ground service workers.

My name is Donielle Prophete, I am vice president for Communications Workers of America, CWA, Local 3645.

I have worked for the American Airlines subsidiary, Piedmont Airlines, for 15 years. I am a passenger service agent, trained as both a gate agent and a ramp agent. So I am very familiar with both jobs. I work at the Charlotte Douglas International Airport, one of American's largest hubs.

American is a highly profitable company and pays out billions to wealthy shareholders and executives. Yet American is cutting costs, and outsourcing passenger service work to low-wage contractors and regional airlines like Piedmont.

The impact on safety is of particular concern to me. Ground workers who support aircraft on the tarmac face many dangers that are not adequately addressed.

On the night of August 11, 2019, the worst possible tragedy occurred when my coworker, Kendrick Hudson, died on the job at Charlotte Airport. He was only 24 years old. That night Kendrick was driving a tug and hit a piece of baggage that had fallen on the tarmac, causing the tug to flip over. Kendrick did not see the piece of baggage until it was too late, likely because the bag was dark, and there was insufficient lighting. His death was a shock to all of us.

Our local union has repeatedly raised concerns about inadequate lighting with Piedmont management. In a recent survey by CWA, 83 percent of ramp agents surveyed at Charlotte reported insufficient lighting on the tarmac, and 96 percent said that painted lines on the tarmac are hard to distinguish.

The second factor that contributed was the fallen baggage. It is not unusual for baggage to fall from a cart due to closures that are missing, broken.

We also have concerns about the stability of tugs. Had the tug been more stable, like the newer models seem to be, it may not have flipped over.

The results of the fatality investigation conducted by the North Carolina Department of Labor have not yet been released. I have participated in the investigation, as have other members of CWA Local 3645. Our wish is that the investigation will result in much-needed improvements to make work on the ramps safer, and to prevent anyone else from dying on the job.

The safety hazards we face are made worse by Piedmont's poverty wages. Many agents must work long, exhausting shifts, face inconsistent schedules, take additional jobs, and rely on Government assistance. All of these factors combined lead to a very high injury rate. Last month CWA conducted a survey on safety issues with 500 Piedmont agents: 94 percent of agents view safety as a serious problem at their station.

One central factor is the time pressure we face. We have 69 percent of agents fearing discipline for missing deadlines.

Understaffing is a key concern. Seventy-four percent of agents reported they feel rushed to do their jobs because of understaffing. Understaffing also leads to missed breaks and long periods of standing for a majority of agents. On the ramp more than half of agents said they work with defective equipment in all or most of their shifts.

Our managers should address concerns when we raise them. At my station, two-thirds of the surveyed agents said they had reported a safety concern in the past 6 months. Of those agents, 83 percent said management failed to resolve their safety concern at all, or did nothing to resolve it quickly.

One area where we need Federal action is passenger rage and assaults, a constant stressor and a danger for all of our agents. In February 2014 I was the victim of a passenger rage incident. I was cut on the hand, and I contracted MRSA from the passenger's bag. I was out of work for 22 days. The FAA is not doing enough to ensure airlines are implementing the protocols on passenger rage required by the FAA Reauthorization Act.

Ground service workers are not alone in facing unsafe conditions. Our partners at the Association of Flight Attendants-CWA have many of the same issues at the eight regional carriers they represent. On some regional jets a lone flight attendant handles up to 50 passengers.

We work together to try to bridge the gap and make this industry better and safer. There is much that needs to be done.

American Airlines must address the poor lighting at all stations where this is a problem.

The FAA should establish a ratio of ramp agents per aircraft, so there is an adequate number of agents working a flight.

Mr. LARSEN. You just—if you want to wrap up in the next 20 seconds—

Ms. PROPHETE. Oh, I am.

More broadly, American and Piedmont must commit to a comprehensive approach to improving working conditions at all stations by investing more in their employees and supporting robust labor-management safety committees.

I hope that the subcommittee will continue to investigate the practices of legacy carriers, the impact those practices have on the operation of regional carriers, and, ultimately, on workers like me. Thank you.

[Ms. Prophete's prepared statement follows:]

Prepared Statement of Donielle Prophete, Vice President, Communications Workers of America Local 3645

Chairman Larsen, Ranking Member Graves and distinguished members of the Aviation Subcommittee, thank you for the opportunity to appear before you today to discuss the health and safety hazards, concerns, and challenges facing airline ground service workers. As a front line worker, this is extremely important to me and my co-workers.

My name is Donielle Prophete. I am the Vice President for the Communications Workers of America (CWA) Local 3645. I work for Piedmont Airlines, a wholly owned subsidiary of American Airlines (AA) and I have been with the Company for 15 years. I am a passenger service agent cross trained to work as both a gate agent and a ramp agent, so I am very familiar with all aspects of both jobs. I work at the Charlotte Douglas International Airport in Charlotte, North Carolina. The Char-

lotte station is one of AA's largest, and a very busy hub with more than 13 million enplaned passengers in the most recent 12 month period.¹

American Airlines is a highly profitable company. Our CEO said in 2017 that he didn't think the airline would ever lose money again.² Where are these profits going? A large percentage are going to the pockets of wealthy shareholders and executives. Meanwhile, American is outsourcing passenger service work to third-party contractors, and relying on regional airlines they've acquired or contracted for an increasing share of routes to do the same work as direct employees but for lower wages. This fragmentation of our relationship with the parent company means we have less bargaining power and less ability to fight for safe and secure jobs.

Safety is a particular concern for me and the focus of my testimony today. I have participated on the Piedmont System-wide Safety Committee which is made up of agents like myself from across the Piedmont network of stations. This Committee serves as a forum for agents to raise health and safety concerns with the Piedmont Health and Safety Manager who also attends the meetings.

To provide context for safety challenges we face, I will first describe the work ramp agents do. Ramp agents perform many different tasks in the course of our duties and we face many dangers in our work and work environment. If you have ever looked out of the window while you were sitting in an airplane waiting to depart or to deplane after landing, you have seen ramp agents at work. A ramp agent is responsible for handling baggage, loading and unloading airplanes and/or conveyors. Ramp agents guide/marshal aircraft to and from the gate. They are responsible for operating equipment such as belt loaders, tugs, baggage carts, and airplane push back vehicles. Ramp agents fill the aircraft with potable water. They operate lavatory vehicles to evacuate airplane waste and to add a chemical cleaner/deodorant to the toilets on the plane. Some of the ramp duties may vary depending on which airport you work at. Some airports would require operations like de-icing with de-icing chemicals.

Unfortunately, we know from firsthand experience that there can be dire consequences when safety hazards are not addressed and workers are not adequately protected. Less than six months ago, on the night of August 11, 2019, the worst possible tragedy occurred when one of our co-workers and union brother, Kendrick Hudson, died on the job at the Charlotte airport. Kendrick was a ramp worker. He was only 24 years old. He had been working for Piedmont for close to two years.

That night, Kendrick Hudson was driving a tug, which is a vehicle used to pull a baggage cart. The tarmac was not well lit. A piece of baggage was on the tarmac, having fallen from another baggage cart sometime prior. Kendrick did not see the piece of baggage on the ground until it was too late, likely because the bag was dark, it blended into the lines on the tarmac where it had fallen, and there was insufficient lighting. When the tire of the tug he was driving hit the baggage, the tug flipped over with him inside. Co-workers rushed over to his aid while waiting for Emergency Medical Services. He died of his injuries.

His death was a shock to all of us and collectively we have mourned his loss. In trying to make sense of his loss, our union members have increased our own focus on safety. We do not want anyone else to die.

CWA believes that there were existing safety hazards that played a role in his death and that his death was likely preventable had the hazards not existed. We believe the low lighting on the ramp was a primary, contributing factor in the fatal accident. Low or insufficient lighting limits visibility, particularly at a distance. That is just common sense. We feel that if the lighting had been brighter, it is possible that Kendrick might have seen and been able to avoid the dark blue bag that fell on the black line on the dark tarmac.

Our local union and agents had repeatedly raised concerns about the lighting with Piedmont management in the past, before Kendrick's fatality. The insufficient lighting hazard had been raised at various, "Roundtable" meetings over the past two years that Piedmont set up to hear about agents' concerns. The insufficient lighting hazard had also been raised by me and other members of my local union's Executive Board at our monthly, departmental meetings with Piedmont management. We have urged management to address the poor lighting in our work areas and to advocate with the City of Charlotte for increased lighting in dark areas under the City's jurisdiction where workers must carry out their work operations. The site of Kendrick Hudson's fatal accident is not the only area with insufficient lighting that impacts our safety. Ramp agents can cover a lot of ground working at the gate, around the planes, and driving to other gates and locations. As an example, there

¹ Bureau of Transportation Statistics. See: <https://www.transtats.bts.gov/carriers.asp?pn=1>

² See <https://www.usatoday.com/story/travel/flights/todayinthesky/2017/09/28/american-airlines-ceo-well-never-lose-money-again/715467001/>

is a large area from gates E31 to E38, so dark and dangerous to drive around at night without any roadway lines that it has earned the infamous nickname of "Death Valley" by workers. This should not be. We recognize that there are certain restrictions in airports about lighting so as not to interfere with air traffic control. However, we believe more can be done to illuminate work areas to make them safe.

The second factor we believe contributed to Kendrick Hudson's death was the piece of baggage that had fallen out of another baggage cart and left on the tarmac. It is not unusual for baggage to fall from a baggage cart. This can occur if the closures on the cart's curtain meant to contain the baggage are missing, broken, or not secured. When baggage does fall onto the ground, sometimes the pressure to quickly transport baggage from one point to another can result in delays in retrieving fallen baggage, presenting a hazard. We do not know the reason why the baggage had fallen in this case, but if the baggage had not been on the ground, Kendrick's accident would not have occurred.

The union also has concerns about the stability of the tugs, like the one Kendrick Hudson was driving. Had the tug he was driving been more stable, like the newer models seem to be, it may not have flipped over once it hit the baggage. I'd like to note that Kendrick Hudson's accident was not the first time a tug had flipped over in the recent past. On June 6, 2017 a tug flipped over with two ramp agents inside, injuring both. One of the agents was out of work for 136 days as a result of her injuries. The cause was found to be missing lug nuts on the vehicle. A ramp agent would have no way of knowing about this kind of mechanical defect even when conducting a basic walkaround and safety check of a vehicle.

The North Carolina Department of Labor (NCDOL) has conducted a fatality investigation. I have participated in the investigation, as have other members of CWA Local 3645. Management has participated, too, of course. Our wish is that the investigation will result in much needed improvements to make the ramp itself and work on the ramp safer and to prevent anyone else from dying on the job.

There are many other safety and health hazards we face at work besides those that I have already mentioned. Some of these safety and health hazards affect ramp agents and gate agents. The range of safety and health hazards include, but are not limited to: passenger rage/assaults by passengers; defective or broken equipment and vehicles; ergonomic risk factors, such as excessive force required to lift/push/pull baggage and equipment, repetitive motion, and awkward/strained postures and/or maintaining static postures for long periods; chemical exposures; biological hazards and infectious diseases; falls from heights; heat stress during the warmer months and cold stress during the winter; and various physical hazards.

Further compounding these safety and health concerns are the pressures we operate under because of inadequate investment by our parent company, American Airlines. These include: Insufficient or ineffective safety training; widespread understaffing; a very high stress environment; constant time pressure demands; mandatory overtime; high turnover; and fear of retaliation by management for raising safety concerns. Workers at Piedmont are paid low wages that are substantially less than agents employed directly by American mainline, forcing many to work long hours, take additional jobs and rely on government assistance to get by. Further, a majority of Piedmont employees are part-time, which equates to fewer benefits and less consistent schedules.

A review of the 2018 OSHA Form 300 Logs of Work-related Injuries and Illnesses and OSHA 300A Annual Summaries of Work-related Injuries and Illnesses for Piedmont stations with CWA represented workers across the country revealed a total of 612 injuries and illnesses. The most frequent injuries by type, according to the descriptions listed on the OSHA 300 Logs were: sprains and strains (358 cases), bruising (108 cases), lacerations (31 cases) and fractures (24 cases). The most frequent causes of injuries were ergonomic, including lifting, overexertion, pushing/pulling, twisting, and strains (252 cases), falls (95 cases), struck by object being handled (145), caught in object (32), and collision with vehicle (13). The calculated incidence rates of injuries and illnesses varied greatly by station. The overall incidence rate for all of the stations for 2018 was 11.06 incidents for every 100 full-time-equivalent workers. The incidence rate for Charlotte (CLT) was 13.58 compared to the second largest Piedmont hub in Philadelphia, PA (PHL) with an incidence rate of 7.02. Several stations with over 50 employees had extremely high incidence rates. These included Greenville/Spartanburg in SC (GSP) with an incidence rate of 33.46, Wilmington, NC (ILM) with an incidence rate of 38.34, Norfolk, VA (ORF) with an incidence rate of 30.63, Portland, ME (PWM) with an incidence rate of 26.33, Richmond, VA (RIC) with an incidence rate of 28.14, and McGhee Tyson airport (TYS) in Tennessee with an incidence rate of 34.48.

Last month our union, CWA, conducted a survey focused on safety and health issues with nearly 500 Piedmont agents across the country. Some of the key findings of our survey are as follows:

The survey revealed that 94% of agents reported that safety is a very serious or a somewhat serious problem at their station. One central factor is the excessive time pressure we face. The pressure to turn planes on time creates a stressful environment where 69% of agents fear disciplinary action for missing deadlines.

Inadequate staffing is also a key concern—74% of agents nationally reported they feel rushed to do their jobs because of understaffing. Often we have to operate with fewer agents than are truly needed to get the job done. Why does this matter? Turning planes on time with inadequate staff may force agents to cut corners or skip important safety steps. Regional flights will often have only one gate agent to board a flight. You have to board the flight, watch the door, push wheelchairs, fix tickets, handle angry passengers—all in 30 minutes. Among the agents surveyed at Charlotte, nearly 60% of agents who work inside the airport said that one of their top safety concerns is gaps in security at the gate, including having to leave secure areas unattended when understaffed.

There are no clear and concise rules for regional operations regarding how many agents it takes to work particular aircrafts on the ramp. So, we are subjected to struggling with 2 or 3 agents working planes that would normally require 4 to 5 agents. Another problem with staffing is that Piedmont counts management in the numbers of the workforce on duty, but the managers in many cases don't come out to help with the operation. That inevitably leaves us short. Further, Piedmont has a very high turnover rate. The pay doesn't support having senior agents around. What that means is there is a lack of the seniority and knowledge of the more seasoned agents.

Understaffing leads to missed breaks and long periods of standing. According to the survey, more than 50% of agents nationally say that understaffing causes them to miss mandated breaks. At Charlotte in particular, 91% of gate and ticket agents reported they are forced to stand for long periods of time, increasing the likelihood of musculoskeletal disorders.

Returning to the ramp, 83% of ramp agents surveyed at Charlotte reported insufficient lighting on the tarmac and 96% said that painted lines on the tarmac are poorly defined and hard to distinguish. This was reported in December, more than three months after Kendrick Hudson's death.

We also have major concerns about defective equipment and vehicles. Regionals like Piedmont seem to receive American Airlines' cast off, hand-me-down equipment. A lot of vehicles and equipment we work with are very, very old, perhaps decades old. More than half of agents nationally said they work with defective equipment in all or most of their shifts.

Our managers should be addressing these concerns when we raise them, and we do raise them. At my station, 67% of the surveyed agents said they had told management about a safety concern in the past six months. Of those agents who reported safety concerns, 83% said management failed to resolve their safety concern at all or did not resolve it quickly. There's something very wrong with this picture.

While this survey was illuminating, we need management to partner with us to document and address the ongoing safety issues facing me and my coworkers.

One area where we need more partnership is passenger rage and assaults, which are a constant stressor and danger for passenger service agents. Many agents have been assaulted and some have suffered serious injuries as a result. Addressing passenger rage is a priority for our union. Angry customers regularly take out their anger on the agents with verbal and physical assaults. The most common causes of passenger rage incidents against passenger service agents are flight delays and flight cancellations. Other contributing factors include overbooking of flights by the carriers, boarding procedures that favor certain customers and leave those boarding in the last groups without adequate overhead storage space for carry-ons. These are things that passenger service agents have no control over, but, as the face of the airline, agents receive the brunt of passenger frustration and rage.

I cannot say how many total assaults by passengers have occurred at Charlotte or across the Piedmont footprint because that information has not been shared by the airline. It seems to be a well-guarded secret. Even the Piedmont OSHA 300 Logs of Injuries and Illnesses do not include "passenger assault" in the description of recordable injuries that were the result of an assault. In February 2014, I was the victim of a passenger rage incident. The passenger had deplaned outside, walked on the tarmac and entered the terminal through the security door before she remembered she had mistakenly left her valetted, checked bag outside the plane where it had been unloaded. For security reasons, passengers are not permitted to walk back out onto the tarmac through the secured door once they come inside the ter-

minal. The passenger was very upset at the agent who was guarding the security door who would not permit the passenger to go back outside. To diffuse the situation, I went outside to retrieve the passenger's bag for her. I still had my hand on the bag when the passenger aggressively grabbed the bag from me, cursing at me, and cut my hand in the process. I contracted MRSA (Methicillin-resistant Staphylococcus aureus) which was transmitted from the passenger's bag to the cut she had inflicted on my hand and I was out of work for 22 days. My injury was listed on the OSHA 300 Log as a "pax grabbed carry on bag out of ee's hand, causing left hand to swell" injury.

The Federal Aviation Administration (FAA) Reauthorization Act of 2018 required airlines to create an Employee Assault Prevention and Response Plan (EAPRP) related to the customer service agents in consultation with the labor union representing such agents. We do not believe that the FAA is doing enough to ensure airlines are implementing the required protocols. Enforcement is lacking.

Agents also experience challenges in bringing in law enforcement quickly enough to get witness statements and ensure that these cases are taken seriously and moved through the appropriate prosecutorial channels, including the use of federal law to bring felony charges when appropriate.

Ground service workers at regional airlines are not alone in facing unequal treatment and unsafe conditions. Our partners at the Association of Flight Attendants-CWA have many of the same issues we do at the eight regional carriers they represent—lower wages, understaffing and other inequities. On some regional jets, a lone flight attendant handles up to 50 passengers. We work together to try to bridge the gap and make this industry better for every aviation worker.

I will conclude my testimony with some thoughts about improving the health and safety and overall working conditions of passenger service agents.

AA and Piedmont must address the poor lighting in the largest hub station (CLT) so we don't have another agent lose their life at work. Improvements in lighting on the ground should be made at all stations where insufficient lighting is a problem.

The ratio of ramp agents per aircraft should be increased so there is an adequate number of agents working a flight to be safe and enable us to do our jobs completely and thoroughly without the need to rush or cut corners. Adequate staffing ratios should take the type of aircraft into account. Agents at regional airports who service mainline planes, like an Airbus, should have the support of more agents than the number needed for a much smaller 50 or 90-seater plane.

On the issue of passenger rage, I would reiterate that our passenger service agents would like to see greater engagement by the FAA to follow through on its obligation to enforce the provisions in the FAA Reauthorization of 2018. We would ask the Aviation Subcommittee members to stay engaged on this issue and follow up with the agency to ensure this process is moving forward more expeditiously than it has been.

Passenger service agents see a need for greater public awareness about the legal protections that do exist. We would like to see all carriers prominently display visible signage with strong language informing passengers that it is illegal to assault passenger service agents and that the passenger can be arrested, charged, and prosecuted for assaults.

More broadly, AA/Piedmont must commit to a comprehensive approach to improve working conditions at all stations to prevent other fatalities, injuries, and illnesses. To accomplish this, American must invest more in the health and safety of its employees by:

- Providing a safe physical work environment;
- Ensuring that employees have quality training to work safely;
- Reducing workplace stressors to improve job quality;
- Addressing work organization issues such as understaffing, excessive workloads, and unpredictable work schedules that increase the risk of injury and impact health;
- Encouraging employees to report safety concerns without fear of retaliation; and
- Ensuring employees have a voice on the job through labor-management health and safety committees that are empowered to address hazards on an on-going basis.

I hope that my testimony has provided you with a deeper understanding of the nature of our work, the health and safety hazards we face on a daily basis, and the challenges we face working for a regional airline. I hope that the Aviation Subcommittee will continue to investigate the practices of the legacy air carriers, the impact those practices have on the operations of the regional carriers and ultimately, on workers like me. I hope that these efforts will lead to improved working conditions for all ground service and other passenger service agents.

Thank you.

Mr. LARSEN. Thank you. I will note, since we haven't had a hearing like this in at least 32 years—

[Laughter.]

Mr. LARSEN. I mean, I—you know.

Ms. PROPHETE. Thank you.

Mr. LARSEN. I will give you a gavel at 5 minutes, but maybe 5 minutes and 20 you ought to—

Ms. PROPHETE. OK.

Mr. LARSEN [continuing]. Wrap it. For all of you. For all of you, all right?

So next up, I want to recognize Mr. Esteban Barrios from Service Employees International Union Local 32BJ.

And go ahead and pull that. That box moves towards you if you want to—the whole box. That is—close to the mic, as well.

You are recognized for 5 minutes. Go right—point that microphone right at your mouth.

Mr. BARRIOS. My name is Esteban Barrios.

Mr. LARSEN. There you go.

Mr. BARRIOS. I work at the Miami International Airport. I am here to talk about how Eulen America, an airline subcontractor for Delta, is putting workers' health, safety, and life at risk.

Eulen America is a multimillion-dollar company owned by one of the richest families in Spain. Over there the majority of their workers are unionized. Over here, Eulen has a bad record of mistreating their workers, including treating and retaliating against those who are trying to improve their job.

I am a ramp agent for Eulen. I load and unload the bags onto Delta planes. It is a very dangerous job. We are all out in the sun, in the hot sun all day, working with heavy equipment right beside the planes. Eulen does not give us enough personnel. Sometimes I am lifting almost 300 bags a day by myself. My whole body hurts. We don't have paid sick days, so we can't take a day off to get better. So we just take painkillers and try to get through the day.

I recently fractured my fingers at work. Many of my coworkers have also had injuries. I know someone whose foot was run over by a luggage tow. Someone else got a herniated disc after falling on the job, and the next day lifting hundreds of bags. Imagine running from plane to plane, lifting hundreds of bags in the Miami heat. We don't have easy access to drinking water, and sometimes we feel physically sick from lack of water.

Eulen doesn't treat us as human beings. They think we are machines. When passengers get frustrated that they don't get their luggage on time, I want people to understand that this is why. We are doing our best, but these are the horrible conditions we are working under.

I am asked myself, "Why do airlines like Delta, who make billions in profit, allow this to happen?"

Recently OSHA fined Eulen over serious violations that could cause death and serious injuries. That included ramp workers like me being exposed to extreme heat that could cause heat stroke, or even death. OSHA found roach infestation. Workers report that roaches are inside trucks that transport the cabin cleaners and carry supplies for planes. OSHA also found that Eulen had not of-

ferred cabin cleaners hepatitis B vaccines or proper training, even though they are supposed to.

But these problems do not just stop at Miami. My colleague from Orlando Airport, Yolanda Rodriguez, is here today because she was knocked unconscious when she and several coworkers were involved in an accident in a Eulen vehicle that had no seatbelt. Yolanda still suffers from dizziness, and has trouble walking. She relies on her sister to bathe and feed her.

OSHA is investigating Eulen over safety concerns, including allegation that Eulen failed to provide gloves and make hepatitis B vaccines available, even though workers can come in contact with possible blood-borne pathogens on the job. In New York, OSHA is investigating Eulen at JFK after a woman who was 8 months pregnant fell onto a conveyor belt, and was seriously injured.

And just recently Eulen fired three union activists, as well. I am speaking out not just for myself, but for all my coworkers who are too scared to speak out because they can't afford to lose their job.

We deserve better conditions at work, but we also want our airports to be a safe place for passengers. I am speaking out. OK.

The bottom line is how is Eulen's behavior acceptable? Something must be done. On behalf of the thousands of men and women working for Eulen, please take action to help end the suffering and ensuring that Delta Airlines only work with responsible contractors.

Thank you.

[Mr. Barrios' prepared statement follows:]

Prepared Statement of Esteban Barrios, Ramp Worker, Miami International Airport, testifying on behalf of Service Employees International Union Local 32BJ

My name is Esteban Barrios and I work at the Miami International Airport. I'm here to talk about how Eulen America, an airline subcontractor for Delta, is putting workers health, safety and lives at risk.

Eulen America is a multi-million dollar multinational company, owned by one of the richest families in Spain. Over there, the vast majority of their workers are unionized. Over here, Eulen has a bad record of mistreating their workers, including threatening and retaliating against those who are trying to improve their jobs and protect themselves through a union—a right that is guaranteed in this country.

I am a ramp worker for Eulen. I load and unload the bags onto Delta planes. It's a very dangerous job. We're out in the hot sun all day, working with heavy equipment, right beside the planes.

We're supposed to unload the luggage and get it to baggage claim in only 20 minutes. When I first started working at the airport, we used to have 5 people per shift. But Eulen keeps cutting down the number of workers and now we're down to 3 or 4. Sometimes I'm lifting almost 300 bags a day by myself. My whole body hurts. My hand is constantly in pain. But, what can we do? We don't have sick days so we can't take a day off to get better. So we just take pain killers and try to get through the day.

I recently fractured my fingers at work. Many of my co-workers have also had injuries. I know someone whose foot was run over by a luggage tow. I know someone else who got a herniated disk after falling on the job, and the next day lifting more than 500 bags in a day.

We have to do flights one right after the other. Imagine running from plane to plane, lifting hundreds of bags in the Miami heat. We don't have easy access to drinking water and sometimes we feel physically sick from being dehydrated. The noise from the planes is deafening.

I was at a roundtable discussion with Congresswomen Frederica Wilson last year where I talked about how sometimes the equipment doesn't work, and how sometimes the vehicles break down or don't have seatbelts—which makes our job even

more dangerous. One time I was driving a luggage tow and the emergency brakes failed in the rain. I slid and did a 360 on the ramp. I could have hit a plane.

Eulen doesn't treat us like human beings. They think we're machines.

When passengers get frustrated that they don't get their luggage on time, I want people to understand that this is why. We are doing our best, but these are the horrible conditions we're working under at Eulen.

I ask myself, why do airlines like Delta, who make billions in profit allow this to happen?

Recently OSHA gave Eulen one of the biggest fines at the airport in recent history for air transportation support services over serious violations that could cause death or serious injuries. These include ramp workers like me being exposed to extreme heat that could cause heat stroke or even death. OSHA found roach infestations. Workers report that roaches are inside trucks that transport the cabin cleaners and carry supplies for planes. OSHA also found that Eulen had not offered cabin cleaners hepatitis B vaccines or proper training, even though they are exposed to bloodborne pathogens. Eulen also failed to provide effective information and training for employees who were required to work with certain hazardous chemicals.

But these problems don't just stop at Miami. My colleague from the Orlando Airport, Yolanda Rodriguez is here today because she was knocked unconscious, terrifying her coworkers, when she and several coworkers were involved in an accident in a Eulen vehicle that had no seatbelts. Yolanda still suffers from dizziness and has trouble walking. She has to rely on her sister to bathe and feed her.

In Fort Lauderdale, OSHA is investigating Eulen over safety concerns, including allegations that Eulen failed to provide gloves and make the Hepatitis B vaccine available, even though workers can come into contact with possible blood borne pathogens on the job. Workers have also filed complaints over unpaid wages with Broward County, some of which were settled and some are still pending. Eulen was also accused in two separate cases by the National Labor Relations Board of firing two employees in retaliation over their union organizing activity. Eulen agreed to settle one by paying the fired worker \$21,000 in back wages, while the other case is pending appeal. And finally, Eulen workers at Fort Lauderdale went on strike for the 6th time last September, after the company fired three union activists for dubious reasons.

In New York, OSHA is investigating Eulen at JFK after a woman who was 8 months pregnant, fell onto a conveyer belt and was seriously injured. The New York City Department of Consumer and Worker Protection is also investigating Eulen for complaints of paid sick leave theft and for not paying workers their uniform allowance as required by law. And just recently, Eulen fired three union activists as well.

You should also know that Eulen workers live in neighborhoods where many people have to rely on public assistance just to get by. We work long and hard—yet we can't survive without help from government for basic human needs.

It's in everyone's best interest for workers to have family sustaining jobs, where we can provide for our families in a safe working environment.

I'm speaking out, not just for myself, but for all my coworkers who are too scared to speak out because they can't afford to lose their jobs through retribution. We desperately need and deserve better conditions at work, but we also want our airports to be a safe place for passengers. It's not good for us to be bullied into staying quiet when there are problems. We shouldn't be punished for trying to improve the airport.

Throughout the country, subcontracted airline workers have risen up and won wage increases, better job protections, and union representation. As a result many airline contractors have responded by working with us to raise standards at our nation's airports.

Eulen remains the outlier and the airlines that hire them are the enablers.

The bottom line is—how is Eulen's behavior acceptable? Something must be done. On behalf of the thousands of men and women working for Eulen, please take action to help end this suffering by ensuring that Delta Airlines only work with responsible contractors who don't abuse workers or exacerbate our poverty rate while leaving the government and taxpayers with the bill.

ADDITIONAL INFORMATION ON WORKING CONDITIONS FOR CONTRACTED AIRPORT SERVICE WORKERS

Low Wages and Benefits

Over the last few years, SEIU has been able to win enhanced wages and benefits at several airports for contracted airport services workers across the country. For example, in New York City's airports (JFK, LGA, and EWR), wages for airport

workers will rise to \$19/hour by 2023.¹ However, contracted airport services jobs are mostly low-wage jobs. In a 2017 Economic Roundtable report, nearly half of all U.S. airport workers working in the classifications that SEIU organizes and represents are paid less than \$15 per hour.² Thirty seven percent of the airport labor force, have wages under \$15. At \$10.73, cabin cleaners had one of the lowest median wages in 2017.³

Further, the report states that low wages and sometimes limited work hours put some U.S. airport workers into economic distress. Over 46,000 U.S. airport workers and their families live below the poverty threshold; they make up seven percent of the airport labor force.⁴ Over 194,000 U.S. airport workers received public assistance benefits; the largest program being Medicaid, followed by food stamps and cash assistance. A total of \$1.2 billion in public assistance are provided each year for low-income airport workers. In addition thirty-seven percent are rent-burdened.⁵

In addition, airport workers generally do not have meaningful and/or affordable benefits. For example, according to an informal survey of 32BJ members at LaGuardia and JFK, 18% of workers employed at those airports workers are uninsured.⁶ The remaining workers were covered by Medicaid (28%), Medicare (17%), NY Essential Plan (15%), “Obamacare” (4%)⁷, their spouse/domestic partner’s employer benefits (4%), or other health insurance options (5%). Only 7% of these workers received health insurance through their employer.⁸

Airport Workers Health and Safety Problems

Airport services workers at airports across the country face a number of health and safety hazards. Across the country, the Occupational Health and Safety Administration (OSHA) has repeatedly found multiple contractors in this industry guilty of violations against workers. From October 2018 to September 2019, Federal OSHA cited companies that provided airport service work a total of 88 violations and penalized these companies for \$221,563.⁹ To put this figure in context, statutory and budgetary constraints have resulted in OSHA routinely agreeing to reduce penalties as part of informal settlement agreements in exchange for an employer’s promise to fix hazardous conditions immediately.¹⁰ During this period, 164,992 cases closed; approximately 40% of these cases closed with no penalties assessed. On average, the current penalties assessed for cases during this period amounted to only \$1,968.¹¹

The standards that were violated in this industry include but are not exclusive to those related to respiratory protection, hazard communication, bloodborne pathogens, powered industrial trucks, fall protection and falling object protection, occupa-

¹Information from the Port Authority of New York and New Jersey’s website, available at https://old.panynj.gov/press-room/press-item.cfm?headline_id=2997.

²June 2017 report released by the Economic Roundtable, “Flying Right: Giving U.S. Airport Workers a Lift,” at p. 3, available at https://economicrt.org/wp-content/uploads/2017/06/Flying_Right_2017.pdf.

³June 2017 report released by the Economic Roundtable, “Flying Right: Giving U.S. Airport Workers a Lift,” at p. 3, available at https://economicrt.org/wp-content/uploads/2017/06/Flying_Right_2017.pdf.

⁴June 2017 report released by the Economic Roundtable, “Flying Right: Giving U.S. Airport Workers a Lift,” at p. 3, available at https://economicrt.org/wp-content/uploads/2017/06/Flying_Right_2017.pdf.

⁵June 2017 report released by the Economic Roundtable, “Flying Right: Giving U.S. Airport Workers a Lift,” at p. 3, available at https://economicrt.org/wp-content/uploads/2017/06/Flying_Right_2017.pdf.

⁶SEIU conducted an in-person and online survey of its members employed at JFK and LGA from December 2018 until May 2019. 801 32BJ members chose to respond to the survey. Respondents were asked, “How do you currently receive health insurance?” The survey method was not scientifically rigorous.

⁷“Obamacare” refers to a Qualified Health Plan that a person purchases through the New York State of Health Marketplace.

⁸Informal Survey referenced in Footnote 29. In addition, SEIU 32BJ has requested participation rates from airport service contractors. As of December 17, 2019, only one had complied fully with this request.

⁹Data for NAICS Code: 4881 Support Activities for Air Transportation Workers available at U.S. Occupational Safety and Health Administration at https://www.osha.gov/pls/imis/citedstandard.naics?p_esize=&p_state=FEFederal&p_naics=4881.

¹⁰Center for Progressive Reform, “OSHA’s Discount on Danger: OSHA Should Revise Its Informal Settlement Policies to Maximize the Deterrent Value of Citations,” June 2016 Report, at p. 1, available at http://progressivereform.org/articles/OSHA_Discount_on_Danger_Report.pdf.

¹¹Data from an analysis of OSHA penalties filed between October 2018 and September 2019.

tional noise exposure, storage and handling of liquefied petroleum gases, and air contaminants.¹²

Higher Incident Rates of Injuries and Illness for Airport Support Workers than for Workers in Other Industries

According to the Bureau of Labor Statistics, the 2018 incident rates of recorded cases of occupational injuries and illnesses for airport support workers is 29% higher than explosives manufacturing, 63% higher than apparel manufacturing, 121% higher than in mining, quarrying, and oil and gas extraction, and 181% higher than electric power generation.¹³

U.S. GAO Finds that Airport Workers are At Risk of Exposure to Communicable Diseases

In December 2015, the U.S. General Accountability Office (GAO) released a report in response to a Congressional request for a review of how prepared the US aviation system is to respond to potential communicable disease threats from abroad such as the Ebola epidemic.¹⁴ The GAO interviewed aviation-service employees—including airport cleaning, aircraft cleaning, and passenger service employees—who expressed concern that they did not receive adequate communicable disease training and report challenges accessing appropriate personal protective equipment, cleaning equipment, and cleaning supplies.¹⁵ The GAO found that inadequate training, equipment, and supplies could lead to employee exposures to pathogens that could in turn result in infections.¹⁶

U.S. GAO Finds that Ramp Work is Dangerous Work

In November 2007, the U.S. General Accountability Office issued a report on ramp safety that showed in the five previous years, fatal airport ramp accidents were happening in the US at a rate of about six per year. The majority of these fatalities were ramp workers. Airlines and airports typically control the ramp areas using their own policies and procedures. As a result, the GAO reported that efforts to improve safety in ramp areas was hindered by a lack of complete accident data and standards for ground handling.¹⁷

Highlights of Contractors With Health and Safety Issues

Below are just a handful of examples of contractors that OSHA had cited recently for serious violations. Despite these serious violations, these companies are still operating at our nation's major airports.

EULEN AMERICA

Since 2012, the Occupational Safety and Health Administration has cited Eulen America, a major contractor for American Airlines and Delta Airlines, for multiple violations of federal workplace health and safety standards at Florida Airports.

In April 2019, U.S. Congresswomen Donna Shalala and Frederica Wilson held a Congressional Roundtable at the Miami airport to hear directly from workers after an alarming expose ran in a local TV station. At the roundtable workers testified regarding injuries sustained at work, vehicles in hazardous conditions, and trucks that transport workers and carry supplies for planes being roach infested. Subsequently, as part of a referral, and formal complaint filed by workers, OSHA investigated Eulen at Miami International Airport and issued eight citations as part of

¹²Data for NAICS Code: 4881 Support Activities for Air Transportation Workers available at U.S. Occupational Safety and Health Administration at https://www.osha.gov/pls/imis/citedstandard.naics?p_esize=&p_state=FEFederal&p_naics=4881.

¹³U.S. Department of Labor, Bureau of Labor Statistics, Industry Illness and Injury Data, "Incidence rates—detailed industry level—2018" https://www.bls.gov/iif/oshwc/osh/os/summ1_00_2018.htm. NAICS codes 4881—support activities for air transportation, 32592—explosives manufacturing, 315—apparel manufacturing, 21—mining, quarrying, and oil and gas extraction, and 22111—electric power generation.

¹⁴GAO-16-127, released by the U.S. General Accountability Office in December 2015, "Air Travel and Communicable Diseases: Comprehensive Federal Plan Needed for U.S. Aviation System's Preparedness," <https://www.gao.gov/assets/680/674224.pdf>.

¹⁵GAO-16-127, released by the U.S. General Accountability Office in December 2015, "Air Travel and Communicable Diseases: Comprehensive Federal Plan Needed for U.S. Aviation System's Preparedness," at p. 38, available at <https://www.gao.gov/assets/680/674224.pdf>.

¹⁶GAO-16-127, released by the U.S. General Accountability Office in December 2015, "Air Travel and Communicable Diseases: Comprehensive Federal Plan Needed for U.S. Aviation System's Preparedness," at p. 38, available at <https://www.gao.gov/assets/680/674224.pdf>.

¹⁷*Aviation Runway and Ramp Safety, Sustained Efforts to Address Leadership, Technology and Other Challenges Needed to Reduce Accidents and Incidents*, US General Accountability Office, 2007, available at <https://www.gao.gov/assets/270/269675.pdf>.

two inspections at MIA with an initial total fine amount of \$77,898 (\$55,166 and \$22,732), Eulen entered an informal settlement agreement with OSHA, and penalties were lowered to a total of \$46,739 (\$33,100 and \$13,639).¹⁸ The initial citations included:¹⁹

- A driver was exposed to getting his fingers caught on the wire mesh that was on the back of the driver's seat as the driver raised the platform in the back of the truck.
- Workers were exposed to fall hazards after lowering a guardrail on the side of the platform to gain access to the interior of a plane.
- Eulen was found to have violated OSHA's General Duty Clause which requires employers to provide a place of employment free from recognized hazards that were causing or likely to cause death or serious physical harm to employees. OSHA found that ramp and baggage handlers which engaged in heavy material handling were exposed to temperature levels that may lead to development of serious heat-related illnesses such as, but not limited to, heat cramps, heat exhaustion, heat stroke and death.
- Eulen did not administer a continuing, effective hearing conservation program.
- Eulen did not have an effective extermination control program and workers were exposed to sanitation health hazards from insects including, but not limited to an infestation of cockroaches.
- Eulen did not develop and implement a written exposure control plan for employees who are exposed to occupational bloodborne pathogens and other potentially infectious materials, when handling sharps and cleaning up blood. Eulen did not provide training or make Hepatitis B vaccines available within 10 working days of initial assignment to all employees with occupational exposure.
- Eulen did not provide information for workers voluntarily wearing N95 filtering facepiece respirators. Per OSHA if a respirator is used improperly or not kept clean, the respirator itself can become a hazard to the worker.²⁰
- Eulen did not maintain copies of required safety data sheets for certain hazardous materials, and did not provide effective information and training for employees who were required to work with certain hazardous chemicals.

Furthermore, OSHA found hazards inside high lift trucks which included tripping hazards due to the rear cab being full of blankets, trucks not having functional seatbelts and inspection sheets not being accurate, OSHA did not cite Eulen for these hazards.²¹ As of December 17, 2019, the case statuses on the OSHA inspection detail website is noted as "pending abatement of violations, penalty payment plan in place"²² for one of the inspections and closed for the other inspection.²³

In response to the results of the MIA investigations, Eulen stated that it could not be more pleased with the results.²⁴ However, according to the Department of Labor Enforcement Database data extracted on November 23, 2019, when comparing Eulen's MIA inspection that totaled \$33,100 in settled penalties with inspections of all other companies coded under the Support Activities for Air Transportation since 2014 to November 2019, Eulen's current penalty amount ranked as the highest in Florida and the 9th nationwide.²⁵

Eulen currently has two open OSHA investigations at Fort Lauderdale-Hollywood International Airport and John F. Kennedy International Airport.

The attached maps show maps of major cities where Eulen operates clearly shows that Eulen employees live in neighborhoods with high levels of poverty where high numbers of people use public assistance programs.

¹⁸ https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1396157.015 and https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1403303.015, accessed 11/18/19

¹⁹ OSHA Inspection 1396157.015 and 1403303.015

²⁰ OSHA Standard 1910.134 Appendix D, <https://www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.134AppD>

²¹ OSHA Letter to Eulen Re: Inspection 1403303, 10/25/19

²² https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1396157.015, accessed 12/17/19

²³ https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1403303.015, accessed 12/17/19

²⁴ Eulen America Letter to Lester Sola Miami International Airport CEO and Director, Dated November 22, 2019

²⁵ Analysis of Department of Labor Enforcement Database data extracted November 23, 2019, for OSHA inspection with penalty amounts over \$30,000 for 2014—November 2019, NAICS Code 4881—Support Activities for Air Transportation Industry.

MCGEE AIR SERVICES

In March 2018, McGee Air Services a wholly-owned subsidiary of Alaska Airlines,²⁶ In March, 2018, McGee Air Services was fined \$24,000 in connection with four serious violations of Washington State health and safety laws for their operations at Seattle Tacoma International Airport.²⁷ The Washington State Department of Labor & Industries noted that McGee “ramp agents were not provided safety devices, safeguards, work practices, processes, and the means to make the workplace safe from hazards.”²⁸ The state also documented several cases in which baggage carts used by McGee Air Services “were not kept in safe and operable condition.”²⁹

Because McGee failed to provide information requested by State investigators, the State’s Attorney General Office was forced to intervene and threaten to subpoena the records before they were produced.³⁰

MENZIES

In July 2019, Maryland Occupational Safety and Health (MOSH) issued a Citation and Notification of Penalty to Menzies, a cargo, fueling, and ground-handling contractor that services all airlines at BWI, including American Airlines and Delta Airlines, for citations concerning five OSHA standards. Three of these initial citations were of a “serious” nature and the proposed penalty was \$5,400.³¹ MOSH initially issued citations alleging that Menzies did not train its employees in procedures that would minimize fall hazards in the work area;³² protective equipment was not provided where there were hazards capable of causing injury and impairment;³³ employees guardrail systems, safety net systems, or personal fall arrest systems were not ensured for workers who worked on a walking-working surface with an unprotected side or edge;³⁴ portable fire extinguishers were not provided for workers;³⁵ and nameplates or markings for powered industrial trucks were not in place.³⁶

Menzies later entered into an informal settlement agreement with MOSH and the initial citations for lack of protective equipment where there were hazards capable of causing injury and impairment, personal fall arrest systems, and nameplates and markings for powered industrial trucks were dropped as part of the settlement. The remaining three citations in the settlement consisted of two serious and one non-serious. Penalties for one serious violation were lowered to \$1,701 and penalties for the additional serious violation and a non-serious violation remained at \$0.³⁷

Mr. LARSEN. Thank you, Mr. Barrios. I am going to turn to Ms. Marlene Patrick-Cooper, the president of UNITE HERE Local 23.

You are recognized for 5 minutes.

Ms. PATRICK-COOPER. Thank you. Good morning. Mr. Chairman and Ranking Member and members of the subcommittee, my name is Marlene Patrick-Cooper. I am a proud member of UNITE HERE. We are 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.

²⁶ <https://www.mcgeairservices.com/about-us.html>

²⁷ Summary of Assessed Penalties Due, Inspection: 317946438, Page 2 of PDF received

²⁸ Violation 1 Item 1a, WAC 296-800-11010, Citation and Notice of Assessment, Inspection 317946438, page 4 of PDF received from L&I.

²⁹ Violation 1 Item 3 WAC 296-800-14025, Citation and Notice of Assessment, Inspection 317946438, page 11 of PDF received from L&I.

³⁰ From inspector’s notes, Enforcement Case File, Page 24 of PDF

³¹ MOSH Inspection of Menzies, Inspection Number 1396019. Case No. G4961-028,19. Citation Issuance Date 07/11/2019. Available at https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1396019.015.

³² Maryland Occupational Safety and Health, Citation and Notification of Penalty. Inspection Number 1396019. Case No. G4961-028,19 No., pg. 6

³³ *Ibid.*, pg. 7

³⁴ *Ibid.*, pg. 5

³⁵ *Ibid.*, pg. 7

³⁶ *Ibid.*, pg. 8

³⁷ MOSH Inspection of Menzies, Inspection Number 1396019. Case No. G4961-028,19. Case closed in September 16, 2019. Available at https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1396019.015.

I am also privileged to be elected as the president of the 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 the Washington, DC, area. We are also in Atlanta, Biloxi, Charlotte, Columbus, Indianapolis, Denver, New Orleans, Texas, Tunica, Oklahoma, Utah, and New Mexico. Our members provide food for all major U.S. airlines, American, Delta, and United.

I want to thank you for inviting us to this hearing to give you a glimpse into the dark corner of the airline industry, and to share with you the plight of our national airline catering workers. This industry has come to be dominated by two subcontractors: LSG Sky Chefs and Gate Gourmet. Airline catering workers today are facing a twofold crisis of low wages and little access to quality healthcare.

We are here to ask you to join us in demanding living wages and decent healthcare in this industry in which job standards have doomed a generation of airline catering workers to some of the worst jobs found in our economy in this day.

Airline catering workers prepare first-class meals, they load beverage carts, and they perform final security checks to keep passengers safe. Your flight cannot take off without their labor. And yet, despite performing vital work during a time of unprecedented profit for U.S. commercial aviation industry, catering workers too often struggle just to survive. Many live in poverty. Many lack access to adequate healthcare. There are workers in their fifth and sixth decades of working in these kitchens who do not make \$15 an hour. Indeed, nationwide, a majority of all airline catering employees at the two largest contractors earn less than \$15, including hundreds of workers who have been in their jobs for decades.

The situation is worse for workers in the South: 87 percent of LSG Sky Chefs' employees in Florida, Georgia, Texas, and North Carolina earn less than \$15 per hour; 43 percent earn less than \$11 per hour. And, as an example, at Dallas-Fort Worth, American Airlines' largest and most profitable hub, the airline made \$1.3 billion in profits in 2017, representing 30 percent of its total operating income. Yet the catering workers serving American, they are making less than \$9.85 an hour. And the median wage income is \$11.35.

And this is not just American Airlines' problem. Catering workers at Delta and United are also struggling to make ends meet. Whether they work in the cold food preparation and spend their shifts in 40-degree refrigerated rooms, or whether they drive trucks without air conditioning, even in triple-digit temperatures, this invisible workforce requires a healthcare plan to take care of their bodies under these harsh working conditions.

Only 34 percent of U.S. workers at LSG Sky Chefs and Gate Gourmet were able to afford their employer-provided health insurance in 2018, and only 7 percent covered any of their dependents. According to a survey of 224 of our airline catering workers, 25 percent are uninsured, and 1 in 5 of them rely on Government-funded programs for their and their family's medical care.

It is unacceptable that working men and women are forced to resort to public benefits while serving an airline industry in the midst of a years-long run of record profits. This treatment is espe-

cially outrageous, given the billions that American, Delta, and United are giving back to their shareholders through dividends and through stock buybacks. Surely three of the four largest, most profitable airlines on the planet can afford to do better.

Our members are fed up, and they have shown that they are willing to act together. Over the summer, 15,000 airline catering workers at 33 airports voted overwhelmingly to strike as soon as it becomes lawful.

You will see in my submitted testimony the stories of many workers, in their own words, about the struggle just for them to survive day to day, their battles to care for themselves and their families in the absence of attainable health insurance. I hope you will look at these stories. In them you will see the shameful treatment of these catering workers.

It is time for American, Delta, and United Airlines to take responsibility for improving conditions for this large and important workforce. We urge Congress to help to end these intolerable conditions. They are a stain on the airline industry, and, if left unchecked, it could reflect poorly on the people we elect who stand by and let so many workers suffer.

This year, American, Delta and United Airlines can and must do right by airline catering workers. They should require the contractors to pay the workers living wages. They should demand that they provide decent and attainable health insurance, and that they ensure that one job is enough for these workers to live in dignity.

Thank you.

[Ms. Patrick-Cooper's prepared statement follows:]

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

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—Tenaë Stover

My name is Tenaë 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 co-workers 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%

Mr. LARSEN. Thank you, Ms. Patrick-Cooper. I turn now to Dr. Brian Callaci.

Is that the pronunciation? Great. Dr. Callaci, you are recognized for 5 minutes.

Mr. CALLACI. Hi, my name is Brian Callaci. I am an economist and a postdoctoral scholar at the Data and Society Research Institute. I want to emphasize that the views I express in this testimony are my own, and should not be construed as representing any official position of my employer.

I want to thank Chairman Larsen, Ranking Member Graves, and the other members of the subcommittee for the opportunity to discuss the report, “Fissuring in Flight,” that I authored for the Communications Workers of America. I have included a copy of the full report in the official record.

So the domestic airline industry provides an excellent laboratory to study several of the trends affecting American workers that have become of intense interest to economists and social scientists in recent years. These trends include, first, outsourcing or fissuring, the use of subcontractors to replace work previously done by direct employees; second, growing industrial concentration and its two faces, monopoly power over consumer prices and monopsony power over wages and other input prices; and finally, financialization, which is a term describing the prioritization of shareholder interests over the other stakeholders within the firm.

And I will begin with an anecdote—I think that is a good way to illustrate things—before I get to the data. Several years ago American Airlines outsourced 500 wheelchair attendants at Miami International Airport to a contractor called Eulen America. Now, it is possible that Eulen, through specialization, was more efficient at that activity than American Airlines was. But another advantage

of outsourcing that work to Eulen was that Eulen paid lower wages than American Airlines.

And what is interesting is that, when the airport enacted a living wage ordinance that raised the wages of employees of service contractors, American reversed itself and then insourced the work. So it is unlikely, just in terms of a laboratory experiment, that the contractor became more and then less efficient within a few years. Avoidance of a living wage law seems to be the variable that describes the decision to outsource and then insource.

Now, workers in the airline industry have been affected, actually, by two distinct types of outsourcing. On one hand, airlines have increasingly outsourced ground and passenger service work to third-party contractors. On the other hand, legacy carriers have been turning to outsourced regional airlines to fly an increasing share of routes.

Now, if you have ever flown one of these connecting flights, legacy carriers might control the operations of regional airlines to an extent virtually equivalent, especially from the consumer's perspective, of full integration. Yet customers and workers of regional airlines are treated as customers and workers of separate firms under many of the important applicable laws.

The report documents some trends in employment and wages in the airline and outsourced airline service industries. So I am just going to describe just a few of the highlights.

First, we can see clearly from the data that airlines are increasingly turning to third-party contractors. As the outsourced share of employment, conservatively estimated, has grown from 19 percent in 2001 to 30 percent in 2018, direct employee wages—that is, wages of employees who work directly for airlines—are above the national average for all workers, and have been rising since 2009, while outsourced employee wages are below the national average, and have been stagnant in that time. They have not risen.

Meanwhile, heavily outsourced occupations in the airline industry have lower wages. Comparing the two years 2008 and 2018, just looking at some of the occupations, we can see an increase in outsourcing of 10 percent from 2008 to 2018, just across those 10 years, across a select group of occupations, such as baggage porters, customer service reps, cargo agents. It is correlated with a decline in wages of 5 percentage points.

Meanwhile, employment of regional airline workers has been growing as a share of total airline industry employment, and regional pay scales are far below legacy wage scales. American Airlines does lead the pack in terms of regional outsource, and they operate 54 percent of their domestic flights through regional carriers.

And it is just one example of the wage gap between regional and mainline operations, according to Department of Transportation data. While mainline flight attendants average around \$50,000 per year in salary, regional flight attendants average less than \$30,000. So there is quite a big gap there. And a similar gap exists for ground service workers.

And the increasing substitutability of regional for mainline jets due to improvements in jet technology threatens to increase the

pace of this type of outsourcing. You could see more and more workers in the lower wage scales.

Pressure from shareholders in the financial markets across the American economy, across industries, has been a major driver of outsourcing. Institutional shareholders have pushed managements to outsource more activity, while demanding a greater share of corporate profits, leaving less money on hand to invest in, say, innovations, research, and development, the skills and wages of their employees, and all those other things that firms can spend their cashflow on. United paid almost \$8 billion in buybacks since 2013; Delta almost \$11 billion; and American, \$12.5 billion.

The decline of the U.S. collective bargaining regime has removed the major force that could counter these trends.

First, the falling share of workers in unions across the economy has removed the primary source of countervailing power against large corporations.

And second, the rising use of contracting arrangements excludes these workers who are outsourced, like the wheelchair attendants at American, from being able to bargain. And it reduces the effectiveness of a traditional collective bargaining.

Policies to restore worker voice within this fissured industry would seem to be an appropriate response to these realities. Thank you.

[Mr. Callaci's prepared statement follows:]

**Prepared Statement of Brian Callaci, Ph.D., Postdoctoral Scholar and
Labor Economist**

My name is Brian Callaci. I am an economist and a Postdoctoral Scholar at the Data & Society Research Institute. The views I express in this testimony are my own, and should not be construed as representing any official position of my employer.

I want to thank Chairman Larsen, Ranking Member Graves, and other members of the subcommittee for the opportunity to discuss the report, "Fissuring in Flight" that I authored for the Communications Workers of America. Please include a copy of the full report in the official record.

The domestic airline industry provides an excellent laboratory to study several of the trends affecting American workers that have become of intense interest to economists and social scientists in recent years. These trends include: first, outsourcing or "fissuring," the use of subcontractors to replace work previously done by direct employees; second, growing industrial concentration and its two faces, monopoly power over consumer prices and monopsony power over wages and other input prices; and third, financialization, the prioritization of shareholder interests over other stakeholders within the firm.

I'll begin with an anecdote. Several years ago American Airlines outsourced 500 wheelchair attendants at Miami International Airport to a contractor, Eulen America. Perhaps Eulen, through specialization, was more efficient at that activity than American Airlines. Another advantage, however, was that Eulen paid lower wages than American Airlines. When the airport enacted a living wage ordinance that raised the wages of employees of service contractors, American reversed itself and insourced the work. It's unlikely that the contractor became less efficient in that time. Avoidance of the living wage law and reducing labor costs looks to be a more likely explanation.

Workers in the airline industry have been affected by two distinct types of outsourcing. On one hand, airlines have been increasingly outsourcing ground and passenger service work to third-party contractors. On the other hand, legacy carriers have been turning to outsourced regional airlines to fly an increasing share of routes. Legacy carriers minutely control the operations of regional airlines to an extent virtually equivalent to full integration, yet customers and workers of regional

airlines are treated as customers and workers of separate firms under many important applicable laws.

My report documents trends in employment and wages in the airline and outsourced airline service industries. Findings include:

- Airlines are increasingly turning to third party contractors, as the outsourced share of employment, conservatively estimated, has grown from 19 percent in 2001 to 30 percent in 2018. While, direct employee wages are above the national average for all workers and have been rising since 2009, outsourced employee wages are below the average and have been stagnant.
- Heavily outsourced occupations in the airline industry have lower wages. An increase in outsourcing of ten percent from 2008 to 2018 across a selected group of ground service occupations, such as baggage porters, customer service reps, and cargo agents, is correlated with a decline in wages of five percent.
- Employment of regional airline workers has been growing as a share of total airline industry employment, and regional pay scales are far below legacy wage scales. American Airlines has 3 wholly-owned and 4 contracted regionals, Delta has one wholly-owned and 4 contracted, and United has 8 contracted carriers. American leads the pack in regional outsourcing, operating 54% of its domestic flights through regional carriers.
- As one example of the large wage gap between regional and mainline operations according to DOT data, while mainline flight attendants average around \$50,000 per year, regional flight attendants average less than \$30,000. A similar gap exists for ground service workers. The increasing substitutability of regional for mainline jets threatens to increase the pace of this type of outsourcing.

Pressure from shareholders and financial markets has been a major driver of outsourcing. Major institutional shareholders have pushed managements to outsource more activity while demanding a greater share of corporate profits, leaving less money on hand to invest in innovations or employees. United paid \$7.75B in buybacks since 2013, Delta \$10.99B, and American \$12.52B.

The decline of the US collective bargaining regime has removed the major force that could counter these trends. First, the falling share of workers in unions has removed the primary source of countervailing power against large corporations. Second, the rising use of contracting arrangements excludes outsourced workers—like the wheelchair attendants at Eulen America—reduces the effectiveness of traditional firm-level collective bargaining.

Policies to restore worker voice within this fissured industry would seem to be an appropriate response to these problems.

ATTACHMENT

“Fissuring in Flight: Consolidation and Outsourcing in the U.S. Domestic Airline Industry, 1997–2018” is retained in committee files and is available at: <https://cwa-union.org/sites/default/files/20200108-fissuring-in-flight.pdf>

Mr. LARSEN. Thank you, Dr. Callaci. I now turn to and recognize for 5 minutes Mr. Chris Harrison of Airlines for America.

Mr. Harrison, you are recognized for 5 minutes.

Mr. HARRISON. Chairman Larsen, Chairman DeFazio, Ranking Member Graves, members of the committee, thank you for the opportunity today to testify on behalf of Airlines for America, which is the trade association for the leading passenger and cargo carriers in the United States.

My name is Chris Harrison, and I am a partner with Ogletree Deakins. I have practiced in the area of aviation law for almost 15 years now.

A little background on U.S. airlines, they employ approximately 750,000 full and part-time workers, globally. They support more than 10 million U.S. jobs. Thousands of these are ground service workers. There are approximately 28,000 total flights a day that are flown by U.S. carriers, and these are flown in the United States to over 500 different airports, and some of these are rural airports that you have heard about, such as Tupelo, Mississippi, and places

like that, and then some of them all the way up to large airports, like JFK and LAX.

Each airport has unique requirements that the airlines have to meet when they fly to those airports. Sometimes they are different. And while the diversity of the operating environment may differ, the airline approach to how they handle their business does not. Airlines take great effort to comply with all Federal, State, and local laws. They also routinely monitor the practices of their contractors to make sure that they are following those laws.

Now, safety is, has been, and will be the airline's number-one priority. And that includes passengers, that includes its employees, and that includes its contractors. They take that very seriously, both on the ground and in the air. That commitment includes ground employees that we are talking about, or ground workers that we are talking about today. Their commitment to safety includes them, as well.

Airlines have adopted a policy of continuous safety improvement, and there are a number of ways in which the airlines do that. For example, there are programs called ground safety awareness programs that implement a nonpunitive way for employees to come forward with safety concerns. And there is a panel of people at the company—that includes labor, that includes management. And when employees have an issue, they can, in a safe place, come, bring that issue forward, and have it addressed. And the airlines look at that.

And again, labor is part of that panel, and they look at opportunities to improve things that happen. They look for trends. They look for, you know, either specific instances or trends, and try to figure out what is a way we can improve a process to make things safer.

A4A also participated on behalf of the airlines with OSHA on an airline ground safety panel, and this took place during the entire Obama administration. It was over approximately a 10-year period, total. And included in that panel with OSHA was A4A, the Regional Airline Association, airline ground companies and contractors. The unions also participated in that panel, so you had the IAM, the TWU, and the AFL-CIO all participated for 10 years in that panel. And over that 10-year span, the panel met regularly to review and endorse best practices in both airport and ground safety.

Information that came out of that panel was distributed to over 1.6 million workers, and that included a number of different things that I can address later. But that panel, I think, did some very good work.

OSHA came out after the panel was over, and during that process, and said that it was absolutely a collaborative success. The AFL-CIO made a statement as part of OSHA's release that said the panel furthered the shared goal to ensure that all workers return home to their families each day as healthy as when they went to work.

Now, like many other industries, airlines do use contractors. Sometimes the contractors are other airlines, sometimes it is regional, sometimes it is third-party contractors for a variety of serv-

ices. And these contractual relationships benefit airline customers by enabling air carriers to provide more comprehensive services.

I think Chairman Graves mentioned this, but sometimes airlines, for example, fly to a small airport. There may be a flight that comes in at 6 a.m. and leaves. There may be a flight at 6 p.m. It wouldn't make any sense, really, for an airline to employ someone and require an employee to commute from wherever they are coming from, come in, work 2 hours, leave, and then, at the end of the day, at 6 p.m., come back in and work another couple of hours and then leave.

And so, in those situations, airlines very often contract for that kind of work. That way there is a third party that either can combine that with other carriers, and that way the employees get a full shift, and it is much more efficient.

Airlines are committed to their employees and to their contractors. They will continue to hold their contractors to follow the law, Federal law, State law, and local law. And they are committed to doing that, absolutely.

Thank you to this subcommittee for allowing A4A to testify, and we appreciate the opportunity to answer any questions you may have.

[Mr. Harrison's prepared statement follows:]

Prepared Statement of Chris Harrison, on behalf of Airlines for America

Thank you for the opportunity to testify today on behalf of Airlines for America (A4A) regarding working conditions for airline ground workers. My name is Chris Harrison, and I am a labor and employment attorney with the law firm of Ogletree Deakins. Prior to joining Ogletree Deakins, I also served as in-house counsel at Pinnacle Airlines Corporation. I have spent almost fifteen years of my professional life representing airlines and airline service contractors and appreciate the chance to bring perspective to this important set of issues.

BACKGROUND

U.S. passenger and cargo airlines directly employ some 750,000 (full-time and part-time) workers across the globe. U.S. airlines operate approximately 28,000 flights per day, with passenger service to over 80 countries and cargo service to more than 220. Each day, those U.S. airlines carry 2.4 million passengers and deliver 58,000 tons of cargo to that global network of countries and municipalities. As a whole, U.S. commercial aviation drives 5% of U.S. Gross Domestic Product (GDP) and helps support more than 10 million U.S. jobs, including thousands of ground service workers.

The U.S. commercial aviation footprint is a complex and robust framework consisting of a multitude of airports broadly spanning from rural communities to large metropolitan areas and everywhere in between. According to Federal Aviation Administration (FAA) data, more than 500 U.S. airports have commercial service, each of these airports being unique with varying economic arrangements that can differ significantly. For example, almost every domestic airport that airlines serve is government-owned, and generally every contract entered into by an airline must comply with each airports unique airport lease requirements, the laws of the state/county/municipality in which that airport is located and all other federal requirements. While the diversity of each operating environment may differ greatly, the airline approach does not. Airlines take great effort to comply, and do comply, with all applicable federal, state and local laws. Airlines also routinely monitor the practices of their airport ground service contractors, which can be other airlines or independent ground services vendors. As purchasers of those services, airlines hold vendors to the highest standards and requires them to follow all applicable laws and regulations.

GROUND WORKER SAFETY

Safety of employees and passengers is and always will be the U.S. airline industry's top priority. Airlines take safety very seriously, and that commitment certainly includes the safety of airport ground workers regardless of employment status as an in-house employee, prime contractor or subcontractor. Airlines have adopted a commitment to a continuously improving safety culture and have implemented non-punitive Ground Safety Awareness Programs (GSAPs) which have become standard throughout the industry and engage both workers and applicable union representatives.

The industry also participated in the U.S. Department of Labor (DOL) Occupational Safety and Health Administration's (OSHA) Airline Ground Safety Panel (AGSP) from 2008 to 2018. The industry partners in the OSHA AGSP included A4A, the Regional Airline Association (RAA), airport ground service companies, the International Association of Machinists (IAM) and the Transport Workers Union (TWU). Over that ten-year span, the AGSP met regularly to review and endorse best practices in airport and airline ground safety. When OSHA closed out the AGSP in May 2018 it noted a number of successes that resulted from the endeavor, including but not limited to:

- Development of 15 toolbox talks and fact sheets discussing best practices for using Baggage Tugs and Carts, Beltloaders, Pushback Vehicles, and High-Lift Trucks in their workplace. The resources addressed topics including slips, trips and falls; falling objects; amputations; vehicular accidents; and ergonomic hazards in the airline industry. AGSP also created a toolbox talk for their employees on OSHA's revised Hazard Communication standard;
- Development of five guidance documents, including one on cold and heat illness identification; one on distracted driving by airline employees on the ramp and airport roadways; and the other three on the fundamental functions of airline vehicles;
- Case study on hazards associated with the operation of High-Lift Box Trucks; and
- Disseminated information and resources to over 1.6 million individuals in the airline industry.

The OSHA AGSP was a tremendous success for all involved and showed the collaborative commitment both labor and management have toward safety. Excerpts from the OSHA press release¹ include:

"Our continued Alliance with the Airline Ground Safety Panel will focus on preventing worker injuries caused by slips, trips and falls and being struck by objects," said Assistant Secretary of Labor for Occupational Safety and Health David Michaels (Obama Administration). "We look forward to working with the panel to educate and train employers and workers on preventing workplace injuries."

"The three labor organizations on the panel—the International Association of Machinists and Aerospace Workers; Transportation Trades Department, AFL-CIO; and the Transport Workers Union of America, AFL-CIO—praised the Alliance for furthering the shared goal to ensure that all workers return home to their families each day as healthy as when they went to work. Airlines for America, a panel participant that represents the airline industry, also expressed its support for the Alliance, stating that its member airlines are pleased to be a part of this voluntary, collaborative program with OSHA and labor union partners to further enhance the safety of airline employees."

The industry remains committed to maintaining and continuously improving safety for all workers.

GROUND WORKER CONTRACTUAL ARRANGEMENTS

Like many industries, airlines sometimes contract with companies, such as local vendors and other airlines, for a variety of services including airport groundwork. These contractual relationships benefit airline customers by enabling air carriers to provide more comprehensive services. For example, it is a common industry practice for airline "A" to ground handle for an airline "B" at certain airports. This is especially common where a U.S. airline handles the ground services at a rural airport or for a foreign code-share carrier at a domestic airport. Likewise, major and regional airlines routinely handle ground servicing for each other.

¹ OSHA Press Release—October 2012—AGSP Renewal

Baggage handling is another example of a service where the demand can vary greatly at any one airport with periods of concentrated demand followed by slack periods. For this reason, in some instances, baggage handling in the “common baggage” areas beneath most airport terminals is sometimes performed by third party contractors. A shared contractor enables efficiencies. At certain other airports, the logistics of the complex and extensive baggage systems that must move baggage to and from multiple terminals and gates, along with “common baggage screening” areas mandated by the Transportation Security Administration (TSA), also has fostered the use of third party “consortiums” that can nimbly serve all airlines.

AIRLINE WORKER IN-SOURCING

While ground handling and baggage handling are just a couple examples of services that may be considered for a service contract, it is important to note that airlines also regularly in-source work. Over the past four decades, the number of passengers flown by U.S. airlines has tripled from approximately 300 million to 900 million. This growth has been fueled by air carriers growing their networks and expanding service to new markets. When an airline starts operations at a new airport, the general practice is to contract with other airlines and service providers already present at that airport. If the new service proves to be successful and the airline continues to expand at that airport, the airline may hire its own employees to handle the operations. In fact, many existing airline labor contracts with ground service unions require that once operations at a new station reach a certain level (example: 20 or more daily arrivals and departures) the work must be transferred to airline employees. These provisions have been invoked on countless occasions over past decades. This contractual flexibility allows airlines to enter new markets and enhance competition. In many instances, without this market balance, service to some communities would no longer be economically or operationally feasible.

AIRLINE EMPLOYMENT AND COMPENSATION

U.S. airlines are proud of their strong record of job creation. Since the passenger carriers began their current economic turnaround in 2010, employment has increased 18% from 378,000 to 447,000 full-time equivalents. For the past four years, job creation in the airline industry (both passenger and cargo) has consistently outpaced overall U.S. job growth. Airlines are committed to their employees.

As noted, contract employees also play a pivotal role in the daily operation of an airline. Regardless of whether a prime contractor is retained by an airline directly or through a consortium or is another airline, they are integral to system operation. As purchasers of those services, airlines will continue to hold any contractor to the highest standards and require them to follow all applicable federal, state and local laws and regulations. Airlines are committed to working with any and all vendors in good faith based on the local circumstances, laws and regulations.

However, applied to a broader debate as to whether there should be a “living wage” (or an increase in the minimum wage), airlines believe that any application of a new wage standard should be applied to all industries and all segments of the economy within the jurisdiction contemplating such a new standard. Airline employees and associated contractors should not be exclusively singled-out or treated differently than employees at a hotel, restaurant or any other entity. It is simply not good public policy to arbitrarily apply a wage standard to one component of the economy versus another.

Thank you to the Subcommittee for asking A4A to testify. We appreciate the opportunity, and I look forward to your questions.

Mr. LARSEN. Thank you, Mr. Harrison. I now turn—and I appreciate your patience—to Mr. Russell Brown, RWP Labor.

You are recognized for 5 minutes.

Mr. BROWN. Chairman Larsen, Ranking Member—

Mr. LARSEN. Sir, turn your microphone on.

Mr. BROWN. Chairman Larsen, Ranking Member Graves, and distinguished subcommittee members, thank you for having me here.

My name is Russ Brown. I am a retired airline employee with 25 years of service. I have worked below the wing in lavatory services, water service, baggage handling, and air freight; above the wing as a ticket counter agent, a gate agent, and a passenger serv-

ice agent. I am now a labor relations expert with hundreds of cases to my credit. My experience includes Railway Labor Act.

I am proud of the fact that I started my professional life driving the lavatory services truck, or what we affectionately called the honey wagon. Experience gained in that job and other positions I previously mentioned gave me character and appreciation of teamwork I value today. Although I did not make a lot of money in this entry-level position, I appreciated the job and grew and prospered.

I am here solely representing myself, and not on behalf of any airline or airline vendor. My testimony will focus on what I perceive this hearing to be about, as it covers several different topics listed below: number one, tarmac safety as it relates to staffing and the environment; number two, economics of airline vendors and regional airlines as small, medium, and large markets; and number three, Railway Labor Act and unions who are frustrated about how negotiations work through the National Mediation Board.

The tarmac, which we commonly refer to as the ramp, every piece of equipment is staged and moves in preset fashion. Airplanes always have the right of way. The ramp is monitored and kept clean, as even a small bolt can be sucked into a jet engine, causing damage.

These challenges are known, and the airlines account for them and train for them with safety as the primary focus.

The number of personnel it takes to work a plane from taxi-in push-out is based on the equipment size. In an industry where on-time performance is measured and subject to public criticism or potential fine, staffing properly is essential.

Most airlines operate what is known as a hub-and-spoke route system. Different airlines have picked high-volume cities as their hubs. The hub city can be a thriving, robust operation, whereas a small market may not have enough business to staff a full complement of ground employees. Therefore, airlines rely on subcontractors and/or regional airlines to fulfill the operation.

We are currently in a time where we enjoy the best unemployment rate in our Nation's history, around 3½ percent. Therefore, the demand for employees is very competitive. The market will generally find its own value.

Earlier, Dr. Callaci spoke on the negative impact of outsourcing. Dr. Callaci uses a report he authored, "Fissuring in Flight," as evidence. After reviewing the report and back-checking some of the data presented, I found his body of work to be unpersuasive, over-generalized, and at times misleading. For time purposes, the committee will need to refer to my written statements for the examples.

There are many inaccuracies in the report. I take no pleasure in disparaging anyone's hard work, but I do believe inaccuracies should not be shared with this committee. Additionally, I would caution reliance on this report by the committee for the purposes of taking any kind of legislative action without a more comprehensive assessment of its validity.

Labor relations in America's railroads and airline industry are regulated under the Railway Labor Act. The act was passed by Congress in 1926 and expanded in 1936 to include airlines. In order to avoid disruption of America's transport network through

strikes and other kinds of work stoppages, the act imposed mandatory mediation and gave the President the ability to order workers back to work. Like the National Labor Relations Act, the Railway Labor Act allows unions to organize workers for the purpose of negotiating a collective bargaining agreement, as the workers' exclusive representative.

Right to work does not exist under the Railway Labor Act. And, until recently, there was no mechanism for airlines and railroad employees to decertify a union. The previous administration changed the voting rules in how votes were counted to allow easier unionization.

In conclusion, I urge you to concentrate on the following.

Ramps are dangerous, and airlines should never cut corners with safety, and should always be looking for a better way. Airlines may have a solid grasp on what it takes to continue safe operations.

Number two, outsourcing and regional airlines are highly important pieces of America's transportation network. They are not replacing mainline jobs, but rather filling jobs that would not exist otherwise, but for outsourcing.

Number three, the Railway Labor Act is the law of the land to protect employees' rights and ensure America's commerce continues without disruption.

Number four, finally—and although I did not discuss this earlier—corporate campaigns have become the model and practice of labor unions like the Service Employees International Union and UNITE HERE. Such corporate campaigns typically involve generating negative media or public attention against a company. In the case where a company is a subcontractor, the negative attention is usually directed against better known contracting companies like airlines to increase union leverage at the bargaining table. The system only works if both sides live up to their legal obligations to negotiate in good faith in the National Mediation Board.

Let's continue to do this job, and mediate to a resolution. In my experience—

Mr. LARSEN. Thank you, Mr. Brown.

Mr. BROWN [continuing]. If self-help, which is the terminology that the Railway Labor Act uses for a strike, does occur, there are no winners. Thank you.

[Mr. Brown's prepared statement follows:]

Prepared Statement of Russell Brown, Chief Executive Officer, RWP Labor

Chairman Larsen, Ranking Member Graves, and distinguished subcommittee members thank you for having me here.

My name is Russ Brown I am a retired airline employee with 25 years of service. I have worked in airline operations in both above wing and below wing capacities. I have done most of the jobs we are talking about here today; I've worked below the wing in lavatory service, water service, baggage handling, and air freight and above the wing as a ticket counter agent, gate agent, and passenger service agent. I am now a labor relations expert with hundreds of cases to my credit. My experience spans working in the jurisdictions of the National Labor Relations Act and the Railway Labor Act. I am proud of the fact that I started my professional life driving the lavatory services truck, or what we affectionally called the honey wagon. The experiences gained in that job, and the other positions I previously mentioned, gave me character and an appreciation of teamwork I value today. Although I did not make a lot of money in the entry level position, I appreciated the job, grew and pros-

pered. I am here solely representing myself and not on behalf of any airline or airline vendor.

My testimony will focus on what I perceive this hearing to be about, as it covers several different topics listed below:

1. Tarmac safety as it relates to staffing and environment.
2. Economics of Airline Vendors and Regional Airlines in small, medium and large markets.
3. Railway Labor Act and unions who are frustrated about how negotiations work through the National Mediation Board.

The tarmac, which we commonly refer to as the ramp, while it can be a hazardous environment and has a specific flow to its operation. Imagine yourself working where you are deprived of one of your five senses. You are wearing earmuffs that are required Personal Protection Equipment (PPE) to protect you from hearing loss. Some of you from time to time may want to wear hearing PPE's in this very room. Every piece of equipment is staged and moves in a preset fashion. Airplanes always have the right of way. The ramp is monitored and kept clean, as even a small bolt can be sucked into a jet engine causing damage.

These challenges are known and airlines account for and train for them with safety as the primary focus. The number of personnel it takes to work on a plane from taxi-in to push out is based on time and equipment size. For example, an Airbus A320 carries approximately 240 passengers while an Embraer 145 carries approximately 50 passengers; each will have different staffing requirements. In an industry where on-time performance is measured and subject to public criticism or potentially fines, staffing properly is essential.

Most airlines operate what is known as a hub and spoke route system. Different airlines have picked high volume cities to be their hubs. The major air carriers may have several hub cities within their route system. For example, an airline may have a market to transport passengers from Columbus, OH to Seattle, WA. However, there may not be enough passengers originating in Columbus to justify a non-stop flight to Seattle. But an airline can fill a plane in Columbus with passengers going to Seattle and several other locations they serve around that same time period. The airline will then fly the Columbus originating passengers to a hub city where the airline has lots of other planes coming from many small, medium, and large market originations and connect to planes that will fly them to their final destination, including Seattle in this example. The hub cities can be a thriving robust operation, whereas the small markets may not have enough business to staff a full complement of ground employees. Therefore, the airlines rely on subcontractors and/or regional airlines to fulfill the operation. You should note there are some markets so small that they would not have air service but for Federal subsidy under the Essential Air Service program.

We are currently in a time where we are enjoying the best unemployment rates in our nation's history, with a topline figure around 3.5%. Therefore, the demand for employees is very competitive. The market for employees will generally find its own value. Earlier, Dr. Callaci spoke on the negative impact of outsourcing. Dr. Callaci uses a report he authored, "Fissuring in Flight" as evidence. After reviewing the report and backchecking some of the data presented, I found his body of work to be unpersuasive, overgeneralized, and, at times, misleading.

For example, the report states that there are only 25,000 "legacy" pilots at American, Delta, and United. In reality, that only counts pilots operating domestic routes, ignoring the 13,000 other pilots who operate international flights. It also ignores the more than 20,000 pilots who work for the other five largest airlines in the country. And it ignores the ever-growing demand for pilots in all industry segments, including regional, cargo, and mainline. For example, Delta Air Lines announced it is planning on hiring and training 1,300 pilots this year and 8,000 over the next decade.

Additionally, the report discusses the contracting of American Airlines wheelchair pushers in Miami. Unfortunately, simple chronology does not fit with the underlying narrative. The report suggests the wheelchair pushers were contracted out to save money and then brought back in house when a living wage ordinance was implemented to take advantage of the airline exemption in the ordinance. Here are the facts: in the 1990's, American Airlines made a decision to outsource wheelchair pushing services in their Miami operation. The contract was awarded to a vendor Eulen, which later became subject to "Miami-Dade Living Wage Ordinance implemented in 1999. This ordinance was for airport vendors and exempted the airlines. American operated under this construct for 20 years until contract performance issues prompted it to put the contract out for bid in 2019. The contract was awarded to American's subsidiary, Envoy Airways, which has been unionized by CWA. In

other words the contract went from a non-union company (Eulen) to a unionized company (Envoy).

The report's discussion about total air transportation employment is also misleading as it purports to be discussing the outsourcing of the jobs we are talking about today. In reality the category used in the report, "Support Activities for Transportation," excludes baggage handlers, caterers and janitors. That category is defined as employees "... engaged in providing services to the air transportation industry", which include services relating to airport operations, servicing, repairing, maintaining and storing aircraft and ferrying aircraft. The more appropriate category to use would have been NAICS code 488119, which counts employees of "establishments primarily engaged in (1) operating international, national or civil airports or public flying fields or (2) supporting airport operations, such as rental of hanger space and provide baggage handling and/or cargo handling services." Additionally, food services at airports are classified under NAICS code 722310 while aircraft janitorial services are classified under 561720.

There are many more such inaccuracies in the report. I take no pleasure in disparaging anyone's hard work, but I do not believe inaccuracies should be shared with this Committee. Additionally, I would caution reliance on this report by this Committee for the purpose of taking any kind of legislative action without a more comprehensive assessment of its validity.

Labor relations in America's railroad and airline industries are regulated under the Railway Labor Act (RLA). The Act was passed by Congress in 1926 and expanded in 1936 to include airlines. In order to avoid disruptions to America's transport network through strikes and other kinds of work stoppages, the Act imposed mandatory mediation and gave the president the ability to order workers back to work. Like the National Labor Relations Act (NLRA), the RLA allows for unions to organize workers for the purpose of negotiating a collective bargaining agreement as the workers' exclusive representative.

However, while the NLRA allows unions to organize on a location-by-location basis, under the RLA, a bargaining unit must include all the workers of the same classification throughout an entire company. Railways and airlines are network industries, with capital investments stretching across several states or even the entire nation. By requiring unions to organize on a companywide basis, the RLA helps to avoid the creation of a patchwork of work rules that piecemeal unionization at specific facilities would bring. Balkanized work rules detract from the standardization and economies of scale upon which network industries rely. "Right to Work" does not exist under the RLA and until recently there was no mechanism for airline and railroad employees to decertify a union. The previous Administration changed the voting rules in how votes were counted to allow easier unionization. While Congress did not ultimately reverse that rule, it did restore some balance to the unionization process in 2012, leaving the RLA as a solid foundation on which our national transportation systems can depend.

In conclusion, I urge you to concentrate on the following facts:

1. Ramps are dangerous and airlines should never cut corners with safety and should always be looking for a better way. Airlines may have a solid grasp on what it takes to continue safe operations, but when tragedies happen like what happened to young Mr. Hudson, the question "is there a better way" should be closely examined.
2. Outsourcing and regional airlines are highly important pieces in America's air transportation network. They are not replacing mainline jobs but rather filling jobs that would likely not exist otherwise but for outsourcing.
3. The RLA is the law of the land to protect employee rights and ensure America's commerce continues without disruption.
4. Finally, although I did not discuss this earlier, corporate campaigns have become the model and practice of labor unions like the Service Employees International Union and Unite Here. Such corporate campaigns typically involve generating negative media or public attention against a company, often using accusations with government agencies or officials, especially during ongoing labor negotiations or disputes. In cases where a company is a sub-contractor, the negative attention is usually directed against the better-known contracting company, like an airline, to increase union leverage at the bargaining table. The system only works if both sides live up to their legal obligation to negotiate in good faith, and the NMB must continue to do its job and mediate to a resolution. In my experience, if "self-help," which is the terminology that the RLA uses for a strike, does occur, there are no winners.

Thank you and I'm happy to answer any questions you may have.

Mr. LARSEN. Thank you, Mr. Brown. Thanks. I am going to open up questions now from Members. We will go in order, and I will start and recognize myself for 5 minutes.

First off for you, Commissioner Higgins, we have heard a lot today. But what can Congress do to help local jurisdictions like Miami-Dade County tackle some of the problems that you have outlined from your own investigation?

Ms. HIGGINS. Well, certainly we appreciate all the work of OSHA, because often, as we know, we hear stories from workers, and we can't verify them on our own. You can't verify them, I can't verify them. But the Federal Government coming in and making sure that, when we are hearing tales of this, we are actually believing them, we are then verifying that they are true. That was extremely helpful to us at Miami International Airport. So we went from storytelling to fact verification because we had the official citations.

The other thing that I think is really important, as you can see, is we are sometimes shuffling workers back between subcontractors and airline subsidiaries, all trying to figure out how can we get the lowest wage going.

At the municipal and local level, sometimes it is very hard for us to require airline subsidiaries—and certainly for airlines subcontractors—to comply with living wage standards, particularly when airports are on public property, right?

So Miami-Dade County, for example, if you are contracting with us, we have a living wage because we think that is what it takes to keep people out of our public hospitals, out of the lines for affordable housing, you know, off the rolls for SNAP benefits. And we struggle very, very much to have airline subcontractors, as well as airline subsidiaries, comply with those.

And we all know this is an extremely diverse country. In the State of Florida, of course, we have got very inexpensive places to live and very expensive places to live. And Miami, unfortunately, is one of those spots where it is pretty pricey.

So the idea of getting to what we have, and our living wage, is a package of around \$15 an hour, whereas if you don't provide health insurance, it is at least \$15 an hour. And if you do, you can pay a little less than that. That is what we, as elected officials, believe people can start to pay their rent at. And right now we are not always able to make that happen. Thank you.

Mr. LARSEN. Thank you. Ms. Patrick-Cooper, I was concerned to learn that UNITE HERE in 2018, with your survey that you cited, found that the rate of uninsured airline catering workers in Seattle was the third highest among 21 major cities. Can you comment on why some cities lead others in the survey?

Ms. PATRICK-COOPER. Sure. So the survey was taken of several of our members in various cities. And one of the things that we reiterate and say over and over again, these—it is a vicious circle, because they are low-wage jobs, and unaffordable healthcare.

So, as a result of that, many of our members, they tend to rely on Government-funded programs for their healthcare. Many of them are uninsured. Many of them—as I say with the vicious circle, is a low-wage job, you have to get to work, you have to provide for your family. And, as a result of it, some of them still go to work

sick, some skip medical care for themselves, others work multiple jobs. One of our members in Detroit, Shondalyn, works with one of the subcontractors and another employer in the airport to be able to pay for healthcare for her and her child.

Many of them travel out of the country to get healthcare because it is unaffordable here in the United States, which—you know, someone working here in our country and having to go to another country to get affordable healthcare. And other Government-funded programs that they rely on are food stamps. So it tends to be a vicious circle, and it is like a bleeding that we just cannot plug up.

It has to be fixed, and we feel very confident that the airlines really—they do have a horse in this race. They can do something about this. They just have to have the will and the want to do it, because these are—as I said earlier, some members have worked for decades.

You know, 9/11 came and, as a result of it, the airlines have bounced back. We have heard in the report earlier on the profits that they are making. But our members are still left behind, and they are suffering like today is still 9/11. Thank you.

Mr. LARSEN. Thank you very much. Thank you. We will turn now to Ranking Member Balderson.

You are recognized for 5 minutes.

Mr. BALDERSON. Thank you, Mr. Chairman. Thank you all for being here this morning. My question is directed to Mr. Harrison.

Mr. Harrison, thank you for your testimony this morning. You claim that the contractual flexibility airlines have allows them to enter new markets and enhance competition. You argue that, without this market balance, service to some communities would no longer be economically or operationally feasible.

In your opinion, what communities would lose service and would be hit the hardest if airlines were not able to contract with other airlines or service providers?

Mr. HARRISON. Thank you, Congressman, for your question. Obviously, I don't have a specific list at hand. The impact will be felt, I think, at most by the smaller, regional airports: Tupelo, Mississippi; Fort Wayne, Indiana. All those smaller airports, you know, typically it is a lack of frequency. If they were not allowed to subcontract, and they were not allowed to use contractors, airlines couldn't do it efficiently. And essentially, you are not going to fly somewhere you are going to lose money at.

There are Government programs like the Essential Air Service and those sorts of things. But typically, smaller cities don't allow as much frequency, and you can't really effectively do that. I can certainly get you additional information, if you would like, on that. But the smaller communities and maybe even some mid-sized markets might lose service altogether, or there might be a loss of frequency, or the change in the amount of the number of flights that come in and out of there each day.

Mr. BALDERSON. I appreciate that. If you could get some stuff to our office on that, please.

Mr. HARRISON. Thank you.

Mr. BALDERSON. My followup question to you is, in your testimony you say that airlines take great effort to comply with Federal, State, and local laws. You also mentioned that airlines rou-

tinely monitor the practices of their airport ground service contractors.

Can you expand on the processes airlines have in place to actively monitor the practices, working conditions, and services that are provided by the contractors, please?

Mr. HARRISON. Certainly. Thank you.

First of all, that language is typically written into the contracts that the airlines have with the service providers. First of all, they have to comply with all Federal, State, local laws. That includes wage and hour laws, that includes safety laws, that includes OSHA, all the applicable laws that apply, that is written into the contracts.

What airlines typically do, as a broad issue, is they will go out and monitor. They will audit. So airlines usually have fairly substantial quality assurance programs that monitor themselves, as well, and these quality assurance individuals and auditors will go observe conditions, and look to see if they find anything.

If they do find an issue, those are typically addressed. Again, in the airline industry, it is a human endeavor, and there are going to be issues that you may find. Not everything is perfect. But when you do find things, that is part of the continuous improvement. You see something, you see an issue specifically, or you see a trend, and you immediately address it.

There are also ways for employees to come forward and bring those issues, and that includes both internally and also even with the agencies, you know, the employees. We have talked a lot about OSHA and their coming onto properties and doing certain things. I think that is a good example of OSHA doing their job. Employees can go to OSHA, can raise issues. OSHA can come out, and they have the power to fine employers, and deal with those issues and try to get those resolved.

Mr. BALDERSON. Do you feel there is anything more that the airlines themselves—that they can do, and kind of take that initiative before OSHA has to come out?

Mr. HARRISON. They do. And I think the airlines—and I didn't mean to imply that the airlines are just relying on OSHA to do that job. They go out, and they monitor, and they go audit, and do that regularly.

Mr. BALDERSON. OK. Thank you very much.

Mr. Chairman, I yield back my remaining time.

Mr. LARSEN. Thank you. I recognize Chair DeFazio for 5 minutes.

Mr. DEFAZIO. Thank you, Mr. Chairman.

To Mr. Brown, you talked about unions engaging in this distorted kind of corporate campaigns that corporations often use to bust or prevent unions. Do you think that what we heard from the commissioner, and from the workers, and the OSHA fines that Eulen was just doing a great job, and they were just smeared by a corporate campaign?

Mr. BROWN. Sorry, I can't speak to any individual situations like that. I am unfamiliar with the—

Mr. DEFAZIO. Right, but you were broadly brushing the unions as engaging in these distorted corporate campaigns, and what we

have here are OSHA fines, documentation. That was a pretty broad brush.

And you also, of course, wanted to pick some points with the economist on the panel. And I would note that the Airbus is not certified to carry 240 people. If they are putting 240 people on one of those things, I want to know about it, because they would be outside their certificate. So thanks for that.

Dr. Callaci, \$31.3 billion of share buybacks. Now, who benefits the most from share buybacks?

Mr. CALLACI. Who benefits from share buybacks are people who own shares, which are disproportionately—even including the beneficiaries of pension funds—are disproportionately wealthy. So it is a redistribution of wealth to people that already have a bit of it. And it also leaves less money. There are reams of social science research on this, particularly from Bill Lazonick at UMass Lowell on how it leaves less money for investing in things like employees, and skills training, and new technologies.

Mr. DEFAZIO. Right.

Mr. CALLACI. Yes.

Mr. DEFAZIO. So do—like these airline corporate CEOs, do they generally vest it with shares?

Mr. CALLACI. Right—

Mr. DEFAZIO. So would they be beneficiaries of their own buybacks?

Mr. CALLACI. Right, so that is the other part. Because executive compensation has become so skewed towards compensation in shares and share options, it is a way of compensating executives.

I mean I think I also want to draw just—

Mr. DEFAZIO. Is that a way of avoiding taxes? I mean, what—

Mr. CALLACI. Well—

Mr. DEFAZIO. As opposed to paying them a higher salary?

Mr. CALLACI. Well, so yes. So there is different—exactly. There are different tax treatments of different types of compensation. Incentive pay, being paid in shares, is one of the ways that that is incentivized.

I should also point out that, unlike even dividends, which are another way to reward shareholders, buybacks don't reward long-term investors. They reward people getting out. Right? They are buying the shares back. They are not giving it as a reward to long-term investors.

Mr. DEFAZIO. OK. And then to Ms. Patrick-Cooper from UNITE HERE.

You talked about the mediation with LSG Sky Chefs. When did this negotiation start?

Ms. PATRICK-COOPER. So one of the things we appreciated of the mediation process that we are going through right now are the mediator's efforts to bring both sides to an agreement. But in reality, this takes years. And this is a hardship, specifically, for low-wage workers. It comes across as a heavy burden.

So our goal is to escape poverty, not to disrupt travel. So, you know, by getting released from the RLA mediation process, we believe that that is the only path to settlement for us.

Mr. DEFAZIO. So you would have more flexibility to take more decisive action if you weren't—

Ms. PATRICK-COOPER. Absolutely. By being able to enforce our First Amendment right.

Mr. DEFAZIO. Yes? OK.

Ms. PATRICK-COOPER. Yes.

Mr. DEFAZIO. Thank you. Thank you, Mr. Chairman. I have another meeting, but thank you.

Mr. LARSEN. OK, thank you, Mr. Chair. The Chair recognizes Representative Smucker from Pennsylvania for 5 minutes.

Mr. SMUCKER. Thank you, Mr. Chairman.

Thank you, Mr. Barrios, for being here to share your story.

I was in the construction industry for years, and it can be a dangerous job as well if proper precautions are not put in place, and as an employer in the industry, we were focused on ensuring the safety of our employees.

We had individuals coming, leaving their families, working at our job site every day, and we wanted to ensure they went back in the same shape or better shape home to their loved ones every single day, and so we took it personally when there was an injury that affected the lives of one of our employees.

I do not know Eulen. I have no idea. In fact, I do not know if the chairman would want to address this. Was Eulen asked to be part of this hearing here today?

Mr. LARSEN. You can address your comments to the witnesses. Thank you.

Mr. SMUCKER. I know. In case you wanted to answer that question.

Mr. LARSEN. I appreciate the opportunity. You can ask witnesses questions.

Mr. SMUCKER. OK. Thank you.

I suspect that that may have been the case. I do not know Eulen, but I can tell you this. There is a reason that this hearing was not held here for 32 years, because every day there are hearings along this line in a different venue and in a venue that would take input from all sides, including the employer.

And we have laws in place specifically to ensure that your rights are protected. When there is a bad actor, my experience has been that employers for the most part really do care about their employees, about the safety of their employees.

I do not know whether Eulen does or not, but certainly there is a judicial process in place. There are laws in place that ensure that bad actors are held accountable.

For instance, you mentioned fresh water. I know in my experience with OSHA, that that is a requirement. Perhaps this is a question for Ms. Higgins.

When you saw those kinds of conditions that you described today, did you complain to OSHA about that?

Ms. HIGGINS. When I went after my airport tour and I, indeed, was able to verify that there is no access to water on the tarmac for anyone working on the ramp no matter how long they are out there, I wrote a letter to the CEO of Eulen, who lives in Miami. So he is located there, expressing my concerns, just asking him to get together with the workers to try to see if some of these things could be worked out.

I mean, some of them are simple, right? If you were CEO of Eulen or I were CEO of Eulen, we could figure out how to strap an Igloo cooler to the back of a truck with a bungee cord like every construction vehicle.

Mr. SMUCKER. Were you aware there are laws in place to address that specifically?

Ms. HIGGINS. Yes, and it took a little while, but OSHA finally did come in.

Mr. SMUCKER. So did you make a call?

Ms. HIGGINS. I did not make a call.

Mr. SMUCKER. OK. All right. Clearly, there are laws in place. There should be laws in place.

Ms. HIGGINS. Absolutely.

Mr. SMUCKER. And there is a procedure for employees. And I understand in some cases employees may feel their job is threatened, but there are procedures in place to hold employers accountable when there are bad actors.

And, again, I do not know whether this is the case or not, but what I do know is this is not a fair procedure to any company to hold this kind of event without having the opportunity for them to participate in it as well.

So I am disturbed that this is being presented in this way without hearing all sides of the situation so that we can make proper judgments. And it is not being done in the place where it should be.

Mr. Callaci, is it?

You talked about the idea of contracting with other entities. So I come from construction. That happens all the time.

Are you suggesting that is an arrangement that we at the Federal level should discourage or actually set laws to prevent?

Mr. CALLACI. I absolutely would not suggest that. It is OK to contract, and there are industries, you know, the entertainment industry, certainly construction, that work on that model.

The issue that I point out is, first of all, in this particular industry contracting out is increasing. So it is not something that we see at the same level throughout the economic history of the industry. It has been increasing, and the wages are lower in the outsourced occupation. So the same job pays differently depending on whether it is contracted out.

Mr. SMUCKER. What are your—

Mr. LARSEN. I am sorry. The gentleman's time is up.

Mr. SMUCKER. Thank you very much, Mr. Chairman.

Mr. LARSEN. Just to remind folks, it is Dr. Callaci, for everybody. It has been mispronounced a couple of times. Callaci is the name. Apparently labor economy is his game.

I recognize Representative Lynch for 5 minutes.

Mr. LYNCH. Thank you very much, Mr. Chairman.

And I really do appreciate you holding this hearing. I think we need to put a spotlight on this issue, and I think today is one of those days.

Full disclosure for the witnesses: I am former president of the Ironworkers Union back in Boston. I actually worked 20 years strapping on the work boots. So I am a former union steward. So

I sort of relate to some of the stories I am hearing out there and the struggle that is out there.

I joined Congressman Brown. He and I were on the picket line with "One Job Should Be Enough" at Reagan National Airport several months ago and saw a lot of familiar faces out there during that day of action.

I worked very closely with Brian Lang, who is president of Hotel Employees and Restaurant Employees Local 26 and UNITE HERE as well in the Boston area.

I think that in this industry, we have taken away the right to strike from many workers in a realistic way. So it really is a question of the relative power of employees to negotiate with their employer, and it is greatly imbalanced, I think, for most ground workers at airports.

Again, full disclosure: my brother-in-law works at Logan Airport in Boston. He is a member of the Teamsters Union. He drives a truck, and I am familiar with the struggles that they have on a regular basis just to maintain decent standards, working standards, good conditions of employment.

Along those lines and also with the food workers and others, and I firmly believe that one job should be enough, and the way we are treating our workers there right now at Reagan National with the food workers, we have not really given people an opportunity to bargain in good faith with the appropriate level of power on the part of our employees.

Our Government has a responsibility as well. In many of these critical industries where public safety is involved and the operation of a major airport, an international airport is involved, the industry tells us and the regulator tells us that this is so important we cannot have workers walking off the job because they are unhappy with their working conditions.

So we force workers to continue to work even though they have the right to grieve and bring their complaints. We do not give them enough power to resolve them.

Mr. Callaci, I know you are a labor economist. You see this dynamic in this industry. I think you are keenly aware of the issues here.

How might we rebalance this so that the industry actually listens, that the regulators actually listen, the employer actually listens to the concerns of the worker?

Because I think that is at the heart of this. People are not listening, and I know there are laws on the books, and the gentleman on the other side of the aisle is right. There are laws on the books, but getting those laws to work on behalf of the people they were meant to protect is quite another issue.

So if you could just illuminate some of the problems that you see in this struggle.

Mr. CALLACI. Sure. And right before I answer that I just want to just point out that Mr. Brown made some comments about inaccuracy, I just remember, in my report. At some point if we could get to it, I would love to speak to those and learn more about what they are.

I do not think there are any inaccuracies in the report. I was pretty careful.

But anyway, to answer your question, I am going to speak in broad terms, not super detailed policy proposals because I am an economist here, not a policy specialist.

But clearly, what has happened here and it has happened in other industries in the economy is that the traditional, firm-level collective bargaining, establishment-level collective bargaining regime has broken down. When a job is outsourced, the walls, basically the boundaries of the firm access sort of a wall around where the profits are.

So who is the most profitable entity in the airline industry? It is the legacy carriers. The more work that is outsourced, that means that workers at those outsourced companies cannot collectively bargain over or access those enormous profits that are sitting at American. They are going to the shareholders or they are going to the executives.

And some of them may be even shared with direct employees, but the problem is or to diagnose the problem as I see it, when we have a firm-level collective bargaining regime that does not allow workers to bargain with the entity or to have some countering power against the entity that really controls their working conditions, it is not working anymore. And there needs to be some way to restore worker voice and some countervailing power in the industry.

Mr. LARSEN. Thank you.

Mr. LYNCH. Thank you, Mr. Chairman. I yield back.

Mr. LARSEN. I recognize Ranking Member Mast for 5 minutes.

Mr. MAST. Thank you, Mr. Chairman. I appreciate it.

Ms. Patrick-Cooper, I would like to have a conversation with you. I choose you really for no other reason than I thought you spoke most passionately, and I enjoy speaking to people that speak passionately, even if we do not agree on everything. We know that we both care, and so it is for that reason that I want to have a conversation with you on this issue.

One of the things that stuck out in your remarks and I want to give you an opportunity to clarify is that you said that one job should be enough. Somebody should only have to work one job.

Now, I just want to know. So you clarify for yourself. You only want somebody to have one job or it is just your belief that any one job, any job, that exists out there has to be enough to pay every bit of a person's life needs?

Ms. PATRICK-COOPER. Yes. Thank you very much for that question.

I mean, to reiterate the core of it is that everyone who goes into a workplace, they are going there to keep roof overhead, to put food on the table for someone, to put clothing on their back.

And if you have a family and you are working multiple jobs, it bears down on your family breakdown because you are not there with them, and you cannot afford it.

I think as I said earlier, this is a vicious circle, not being able to take care of themselves, their medical needs, not being able to take care of their children's medical needs, and one good job with decent wages and affordable healthcare, I mean, for folks who are living here in America, that should be our American dream.

Mr. MAST. Any one job that exists in this country should pay the total needs for any person, any family.

Ms. PATRICK-COOPER. Absolutely. Workers should not have to be working multiple jobs, skipping family care, skipping medical care, having to go to another country for medical care because they cannot even afford it in our country.

And that is our premise in all of the bargaining that we do for our members. Our goal is to raise the standards for wages and benefits so our members can really work in dignity and be able to take care of their family needs.

Mr. MAST. Do you believe personally that level of skill should correlate to somebody's wage?

As an example, one of my first jobs was working in a carwash. It was cold. It was in Michigan. I was really doing nothing other than operating a pressure washer gun to spray debris off of vehicles, a totally different skill level than what I needed when I was in the military.

So just a simple question: should wage be correlated to skill level?

Ms. PATRICK-COOPER. So I, too, started out as a rank and file worker, and one of the things we do know is that when we start into entry-level jobs, as the question you are asking right now, the wage would correlate to that, but have someone having an opportunity to continuously make a living because at the end of the day, the workers are the ones that are at the lower end of the profits that the company is making. They are the ones that are really doing it.

So your question is the wage level. It should correlate to it, but it should be a decent living wage.

Mr. MAST. But it should correlate to skill level.

Ms. PATRICK-COOPER. Correct. And in all of our collective bargaining agreements, we have different classifications that are on different wages, as the question that you are asking.

Mr. MAST. Did it correlate to applicable education?

Ms. PATRICK-COOPER. You said education?

Mr. MAST. Yes. Should your wage correlate to applicable education based upon the work that you are doing?

Ms. PATRICK-COOPER. So in our job skills, it is about the experience and knowing how to do your job. You can have someone who does not have a high school diploma who can do the work just as well as someone with a college degree. So it is about—

Mr. MAST. With some jobs.

Ms. PATRICK-COOPER. Yes. It is about the skills, ability to do the job, because everyone is able to be trained. If a company has put training programs in place, almost anyone can do the job if a company has a training program in place to give them quality training.

Mr. MAST. So you do not think it should apply to applicable education, given the job?

Ms. PATRICK-COOPER. It depends, but at the end of the day, we need to be sitting down with employers to make sure that we are part of making sure what that wage rate should be. We do not want someone to have to work three or four part-time jobs because of the employer saying they do not have X amount of education.

So the company in its bargaining process should be with us to figure this out because we are not going to bargain a job for someone to not be able to at least have a living wage.

Mr. MAST. What about work ethic or attitude?

Ms. PATRICK-COOPER. As a?

Mr. MAST. Work ethic or attitude, should wage be correlated to work ethic or attitude?

Different people work at different levels of output, depending upon their attitude, how they feel in life. Not everybody works the same.

Ms. PATRICK-COOPER. No, and at the end of the day, one thing I can say. What we really truly believe in, if you have the skills to do the job, your pay should be based on that.

Mr. MAST. Thank you for the time, Mr. Chairman.

Mr. LARSEN. Thank you.

The Chair recognizes Representative Brown for 5 minutes.

Mr. BROWN. Thank you, Mr. Chairman.

I want to thank the panelists today for sharing your views and perspectives with the subcommittee.

Last July, along with my colleagues and I think the chairman mentioned this in his opening remarks, we passed the Raise the Wage Act, which would gradually raise the Federal minimum wage to \$15 an hour. This important legislation will provide more than 33 million Americans with a wage increase, boosting the economy, narrowing the wage gap, and lifting 1.3 million Americans out of poverty.

I firmly believe that good wages are just one component to ensuring long-term prosperity for our communities. I think things like job certainty and security, good job training which goes to upskilling, and providing even greater wages are important.

Affordable healthcare benefits, sound retirement plans, all ensure that Americans have the tools to succeed and provide for their families.

And I understand that some of the panelists have ongoing contract negotiations, and as Members of Congress, I think that we need to be mindful that those negotiations are private, but also that we need to address these issues in a fair and balanced manner.

I just come at it from a different perspective, but I think these priorities that I just mentioned that have been discussed by others should be considered both in private negotiations as well as the work of Congress.

And it would be my expectation that these priorities, these values would be incorporated in the conversations, the negotiations, the outcomes of those negotiations, and the work of Congress.

Ms. Patrick-Cooper, I would like you to talk a little bit, and I apologize if you did when I was out of the room. As you know, many Members of Congress are bouncing back and forth between multiple hearings, but I would like for you to talk a little bit about facility modernization and the workforce experience for your members.

We are moving into the 21st century, and we should ensure that facilities and working conditions reflect that. Can you provide in-

sight in the typical working conditions that catering workers might face and some of the challenges they encounter on a daily basis?

What improvements would caterers like to see in the workplace to enhance their productivity, but also worker morale? And we know that good wages and benefits ensure long-term prosperity.

What else would the caterers like to see in regard to modernization in infrastructure?

Ms. PATRICK-COOPER. So I think I want to make sure I understand the question you are asking correctly, but so—

Mr. BROWN. In short, what investments need to be made in the facilities to increase productivity and morale and improved working conditions?

Ms. PATRICK-COOPER. Yes. So we do know that our members, since 9/11 and the profits that have gone up on the one side versus the workers, that in itself plays a big key piece in the morale. When the workers are knowing that they are doing more work and are not reaping the benefits, the profits that the company is making.

So as far as the morale goes, that is in the temperature of the workers.

But one thing we do know we could speak on is that the workers in the airline industry, they are the worst treated. The airline catering, I am sorry. Excuse me. They are the worst treated, and they are earning the least amount of wages within this industry.

And the training that our members are getting, when they go into these jobs, there are two different ways that our folks are. They are producing, assembling food to go on the planes, and then we have our other members who are driving these trucks to deliver the food from this facility onto the plane.

And our members are proud. I mean, they have still been there even since 9/11. I made a reference to Shondalyn behind me earlier. She has been working in Detroit at that airport for 9 years, and she has had to get a second job in that airport with another employer.

Her morale, her personality, she comes in every single day, has a 13-year-old daughter who she is providing for and taking care of. Even in spite of these working conditions, she is showing up every single day and doing exactly what her employer is asking her to do, and she is taking on the second job to make sure that she is able to take care of her daughter.

I hope I answered your question.

Mr. BROWN. Yes, you did.

Ms. PATRICK-COOPER. Thank you.

Mr. BROWN. I yield back.

Mr. LARSEN. Thank you, Representative Brown.

I recognize Representative Fitzpatrick for 5 minutes.

Mr. FITZPATRICK. Thank you, Mr. Chairman.

Thank you to all of the panelists for being here for lending your expertise. We really do appreciate it.

I wanted to loop back to the subject of healthcare. Ms. Patrick-Cooper you are getting a lot of the questions today, but you did reference this in your statement. So I want to address it.

If you could, just expand upon that for the committee, where the gaps are specifically with the bargaining process, and if companies

will not bargain a fair agreement with you and your workers, would not the next step be for the National Mediation Board to release you and the employers for mediation?

Ms. PATRICK-COOPER. Thank you for that question.

And you are right. We are in mediation with both Gate Gourmet and Sky Chefs, and we are very appreciative of the mediators' efforts to bring the sides to an agreement.

But you know, because it is the Railway Labor Act, there are certain work actions that we are prohibited to do because of the law, and this process can take many years. And for low-wage workers, this is a heavy burden going through this process and hoping that we can get to an agreement on both sides.

Our goal out of this is for our members to escape poverty. We do not want to disrupt travel. What we are asking for is a release from the RLA mediation process so we can exercise our first constitutional right. We feel that that will be the only path for us to get to a settlement, instead of this process that we know can take many years.

Mr. FITZPATRICK. Thank you for that, Ms. Patrick-Cooper.

Mr. Harrison, in your opening statement, you had mentioned commercial aviation's participation in the OSHA ground safety study that occurred, I believe, from 2008 to 2018. If you could, share with the committee some of the positive results of that panel.

And how did the industry work with the relevant partners in labor, specifically, TWU?

Mr. HARRISON. Certainly. Congressman Fitzpatrick, thank you for your question.

I think that was important to note, that it was a collaborative effort. It was not just the airlines showing up and saying, "This is the way things needs to be done." They were working with the unions, with the RAA, with the ground service contractors some of which, you know, are kind of being talked about generally today, and I think it was a very good collaborative effort.

What came out of it was a number of things, and again, it was over a 10-year period. They developed approximately 15 what are called toolbox talks and fact sheets that discuss best practices for using things like belt loaders and tugs, carts, pushback vehicles, high-lift trucks, and these are things that can be used in day-to-day operations.

So when you go onto a shift, you can talk about and remind employees here are the things you need to be careful of and watch out for.

There is also the development of five guidance documents, including those on cold and heat illness identification, distracted driving on the ramp and on airport roadways, and on the functions of airline vehicles.

There was also a case study done on the hazards associated with the operation of high-lift box trucks, and again, this information was distributed and some of the materials that came out were distributed to over 1.6 million individual employees over the course of that work.

So A4A is very proud of it, as I think is OSHA and the other members that participated, including the unions.

Mr. FITZPATRICK. Thank you, sir.

Mr. Chairman, I yield back.

Mr. LARSEN. Thank you, Representative Fitzpatrick.

I recognize Representative Stanton for 5 minutes.

Mr. STANTON. Thank you very much, Mr. Chairman. I do want to say thank you for holding this important hearing.

With the level of Federal investment that we have in our Nation's airports, including the airport that I used to lead as the mayor of Phoenix, Sky Harbor Airport in Phoenix, with the level of investment that we have and the level of investment that we will be making, we hope, in the near future, we do have a great interest in learning about the working conditions of people that work at our Nation's airports, both public and private.

So I think that this hearing is very appropriate, and as a Member of Congress, getting educated about those working conditions is very important to me.

First, Mr. Callaci, you indicated earlier that maybe you wanted a chance to respond to Mr. Brown and you did not have a chance to fully respond. I wanted to give you the opportunity now if you wanted to take it.

Mr. CALLACI. Well, we have not spoken to what the inaccuracies were. Could I yield to Mr. Brown?

Mr. STANTON. Oh, yes. I am sorry. I will save that for another time. I thought you had a specific question regarding—

Mr. CALLACI. I can respond to the written testimony if that would be appropriate.

Mr. STANTON. That is all right. I just wanted to make sure you get a full opportunity to provide testimony if you wanted to respond to anything in particular.

One of the unique issues we are facing in Phoenix unfortunately is extreme heat as it relates to climate change and climate change-related issues. Unfortunately, temperatures are rising, and it makes working conditions very, very difficult.

So, President Patrick-Cooper, I wanted to have a chance maybe to talk about that. The folks in the catering industry at Sky Harbor Airport who are working in that extreme heat, maybe talk about how that affects their health or whoever would be appropriate on that question please.

Do you feel comfortable answering that question about the impact of extreme heat on the working conditions at Sky Harbor or airports where there is extreme heat? Please.

Just push it once.

Ms. PROPHETE. Is it working now?

I represent ground handling workers, and we work outside in Charlotte Douglas International Airport, and we work in 100-degree temperatures and extreme heat.

I did want to make a reference to what Congressman Smucker said earlier, that we have OSHA standards and that they can report to OSHA, but I do want the board to know that OSHA does not have a heat standard. OSHA does not have a lighting standard.

In our case, with Kendrick Hudson, when he died in the low-level lighting at the Charlotte Douglas International Airport, that is what we are requesting because there are gaps in the OSHA standards that could protect workers in our group.

Mr. STANTON. OK. I appreciate that. I know it is a unique consideration, and as we make continuing investments in our Nation's airports, taking into consideration how we can improve working standards for those who have to work in situations like in Phoenix where there is extreme heat is something I will be looking towards.

Thank you very much. I yield back.

Mr. LARSEN. All right. Seeing none on the Republican side, we will move to Representative Payne from New Jersey.

Mr. PAYNE. Thank you, Mr. Chairman.

And I just want to also raise what the gentleman from Pennsylvania, Mr. Smucker, asked about OSHA requirements and rules on water. We make sure dogs have water, period. We make sure animals have water. So to think that there needs to be an OSHA requirement if there is not one is just absurd.

I am probably never going to get to my questions responding to my colleagues, but also, Mr. Harrison, in your testimony you paint a very cooperative picture between labor and the industry. You know, everything seems fairly rosy based on your outlook.

But I am trying to figure out why all of these people in red T-shirts are here if things are so rosy. They did not come from Florida or wherever they have come from just to sit here because things are rosy.

So that would be my observation. There obviously is some issue and some problem with what is transpiring between the workforce and the incredible margins of profits that the airlines are making. I believe the number was mentioned in the billions as the profits of the airlines.

So to have people that, yes, the question of skill level, fine, all of that, blah, blah, blah, but in this country people should be able to make a living and raise their families. That is the American way.

And the profits now are getting in the way of that. Outsourcing is getting in the way of that. That is an issue for me.

So, Ms. Patrick-Cooper, I am proud to represent New Jersey's 10th Congressional District, which contains Newark Liberty International Airport. I am also proud to represent the nearly 1,500 airport catering workers who are part of your organization.

And it deeply troubles me to hear from your testimony that people are working for low wages and cannot afford their healthcare. I strongly believe that every person in this country should have a fair opportunity to succeed, and that a living wage and affordable healthcare are an integral part of that goal.

What do you believe Congress should do to help these workers? And what are the risks if Congress does nothing?

Ms. PATRICK-COOPER. Thank you very much for that, what we feel is a very obvious observation of our members.

What we are asking is for Congress to tell the airlines to take responsibility for this workforce of airline catering workers.

We are asking Congress to urge the National Mediation Board to move us toward release.

And thirdly, we are asking Congress to make sure that the airlines know that they can solve this problem. They can be part of lifting these workers out of poverty so they can actually truly live

and feel like they are Americans and live an American dream, and they just need to have the will to do it.

So we are asking Congress on all those three levels to help us in this situation and help our members, which is why you see these red T-shirt here, because they are here on behalf of many of our airline catering workers who are much below those wages, as you just cited.

Thank you.

Mr. PAYNE. Thank you.

Well, I was part of an action back in Newark Liberty International Airport in 2012 when there were issues around baggage workers and catering, and I will continue to strive to make sure that every American that works hard has the opportunity to live in this country and benefit from its greatness.

And with that I yield back.

Ms. PATRICK-COOPER. Can I just add that—

Mr. LARSEN. I am sorry. We will have to move on to the next question. Thank you. I am sure you will have opportunities. We will have a second round perhaps.

I will go with Representative Napolitano, and barring another person on the Republican side, Representative Titus will follow Representative Napolitano.

You are recognized for 5 minutes.

Mrs. NAPOLITANO. Thank you, Mr. Chair.

Mr. Barrios, in your testimony, you talk about dangerous working conditions that the employer, the Spanish company Eulen, has created. It seems like Eulen has a bad reputation and a bad record.

Can you discuss further specific safety problems that you and your colleagues endure or face on the job?

And why has the employer not addressed these issues, or have they?

Mr. BARRIOS. Gracias. Thank you for your question.

[Speaking foreign language.] [The following language was delivered through an interpreter.] In reality—

Mrs. NAPOLITANO. I cannot understand Spanish.

Mr. BARRIOS. Yes. [The following language was delivered through an interpreter.] The employer has resolved some of the issues, but not all of them. They have waited until there have been accidents or great issues with safety for them to start to address issues.

The law should not allow for there to be great injuries or fatalities for action to be taken.

Other problems can continue to exist. Other issues that can continue to exist are contact with materials that are dangerous, not enough safety materials like gloves, and the vaccines like the hepatitis B vaccine.

Mrs. NAPOLITANO. Are those required of the company?

Mr. BARRIOS. [The following language was delivered through an interpreter.] I presume that OSHA has asked for them to do that.

Mrs. NAPOLITANO. When?

Mr. BARRIOS. [Speaking foreign language.]

Mr. LARSEN. Mr. Barrios, even though you are speaking Spanish, please still speak into the microphone, for the record.

Mr. BARRIOS. OK.

Mr. LARSEN. Thank you.

Mr. BARRIOS. [Speaking foreign language.]

Mrs. NAPOLITANO. [Speaking foreign language.]

Mr. BARRIOS. [Speaking foreign language.]

Mrs. NAPOLITANO. [Speaking foreign language.]

Mr. BARRIOS. [Speaking foreign language.]

Mrs. NAPOLITANO. [Speaking foreign language.] They have not done anything to bring it up to date or to address those?

Mr. BARRIOS. [The following language was delivered through an interpreter.] In 2019, he supposes that OSHA addressed or brought up these issues in the fall.

Mrs. NAPOLITANO. Do you know if the same conditions occur in other airports?

Mr. BARRIOS. [The following language was delivered through an interpreter.] For example, here in this room today are people who have suffered accidents. He says that the trucks that Eulen operates do not have——

Mrs. NAPOLITANO. Well, if OSHA has required these things to happen, when are they giving the company to comply with taking care of the conditions?

Mr. BARRIOS. [The following language was delivered through an interpreter.] I don't know the answer. [Speaking English.] I do not know this answer.

Mrs. NAPOLITANO. Gracias.

Ms. COOPER, would you be able to provide insight with working conditions currently confronting the caterers on the job?

Just beyond the low wages, I assume that they are prevailing in the area, but are they complying?

Ms. PATRICK-COOPER. Yes. And specifically at the Dallas hub as far as working conditions, we have experienced because it is very hot in Dallas in the summertime, and the trucks that are driven from where the food is prepared to bring it to the plane, air conditioning was being ripped out of the trucks, and our members were driving back and forth in the heat.

About three——

Mrs. NAPOLITANO. Did they take care of those conditions?

Ms. PATRICK-COOPER. I am sorry?

Mrs. NAPOLITANO. Did they take care of those conditions or remedy them?

Ms. PATRICK-COOPER. Well, they took care because our members demanded. Our members went into the boss and demanded that these trucks be provided with air conditioning.

Mrs. NAPOLITANO. How do you feel this affected the traveling public?

Ms. PATRICK-COOPER. I am sorry. How do I feel it affects?

Mrs. NAPOLITANO. The traveling public, us who fly on the planes.

Ms. PATRICK-COOPER. Yeah. No, we feel that it affects it very greatly because we feel that safe working conditions should be something that is very key for our members to be able to come in and do what is expected and asked of them.

Mrs. NAPOLITANO. Thank you, Mr. Chair.

Mr. LARSEN. Thank you.

The Chair recognizes Representative Titus for 5 minutes.

Ms. TITUS. Thank you, Mr. Chairman.

And thank all of you for being here. I know you face great challenges in this industry, and I represent Las Vegas. So that is a tourist destination that depends on what you all do and that you are safe on the job, and that translates into a good experience for our visitors.

We want them to have a good trip from the minute they leave home until the minute they land. So even if you are not customer-facing, what you do has a great impact.

One of the areas that I have been concerned about lately is the safety of travelers with disabilities. We have heard and we know that there are certain reporting requirements in legislation that we passed, and this is a growing issue with the disability community who wants to travel just like everybody else.

The latest statistics show that airlines lose or damage 29 wheelchairs a day. That is a day, and some of these mobility assistive devices are very expensive or they are built just to fit a certain person, and if the person lands and they are not available, that is going to greatly affect their trip or their business or why they are going.

We gave the Department of Transportation the authority to fine airlines, but there has not been a single enforcement since 2016. The airlines are aware of this because we know they have been paying off some people, \$2.6 million in 2016, and that number is increasing.

But we do not really have much evidence that there are plans in place or that there is training in place. I wonder if you all or maybe Mr. Barrios or the airlines could comment on how you are dealing with this, how you intend to improve it.

Are members on the ground getting enough training or is that just kind of a management handout best practices?

Would you all address that for me?

Ms. PROPHETE. OK. I would like to address that. From the regional standpoint, we do not have the manpower to do the work that is required as the mainline counterparts. For instance, if you are working a Boeing aircraft, I am sure the mainline carriers might have six or seven people working. We might have to do that same aircraft with two in the smaller stations like a Wilmington or a Greenville-Spartanburg.

So in some of those situations two people might not be able to handle the wheelchair, which is why it could be.

The training, there is really not a lot of wheelchair training. I can honestly say as a rep, I do not think we get a training on wheelchairs.

I think the real issue comes from the airlines not having like a Big Brother to monitor. Everything is being self-monitored. So they are getting away with it, which nobody is over top of them saying, "Hey, you have to do this, this, and this, and if you are not doing this, you will be fined." And I think that is part of the problem.

Ms. TITUS. Thank you.

Mr. Barrios? [Speaking foreign language.]

Mr. BARRIOS. [The following language was delivered through an interpreter.] In the case of the ramp, after OSHA dictated citations on Eulen, we have a rain of trainings, trainings in front of the com-

puter, but right before and not very long before, people would go directly onto the ramp with no training.

And the ramp is a place that is very insecure, very dangerous. And including today, there are people who are working on the ramp, like my coworkers, who have not received one single training.

So the question as I see it is: why do we continue to wait until an accident happens until we act?

And the people here who have been in accidents, who have been injured and our lives have been impacted, why is what we are saying being questioned?

Ms. TITUS. Thank you, Mr. Chairman.

Mr. LARSEN. The Chair recognizes Representative Brownley for 5 minutes.

Ms. BROWNLEY. Thank you, Mr. Chairman.

I thank all of the panelists for being here. This has been a very informative meeting, and I appreciate all of your efforts to travel and to be here.

Mr. Harrison, you talked about in your testimony the fact that the airlines really operate under a model of continuous safety improvement, that safety is always number one in terms of priorities.

So when the airline's contractors have serious OSHA complaints, allegations, I am sure that is a concern for the airlines. I am more interested in what actions are taken by the airlines to ensure that these allegations are corrected and addressed?

Mr. HARRISON. Representative Brownley, thank you for your question.

So first of all, I think the contracts that the carriers have with these ground service providers provide they have to comply with the law. They provide certain monitoring and those sorts of things.

I do not really have a specific anecdotal situation to give you to say this is one and this what they did in response. I think they are dealt with on an individual basis.

So if you have something that comes up or a breach that the airlines see, I believe they address it appropriately with that contractor, and you certainly see you have instances that happen. I mean, accidents happen, and that is part of the learning process, but I think the airlines deal with those on a case-by-case basis and try to address it. They are not ignored.

Ms. BROWNLEY. OK. And do you know of any instances where the airlines have disengaged from a contractor once the contract was up to say, "You are not complying enough. We are not satisfied with your performance. Therefore, we are going to go out to bid to look for others"?

I understand in some places across the country there is not a lot of competition, but I am from the L.A. area, and I know there is plenty of competition there.

So do you know of any instances of that?

Mr. HARRISON. Not specifically.

Ms. BROWNLEY. OK. And then in smaller areas—

Mr. LARSEN. Microphone. Microphone, Mr. Harrison.

Mr. HARRISON. I do not know of any specific instances, but I am sure it has happened.

Ms. BROWNLEY. So you know, in other parts of the country where regional carriers are the contractors to fulfill some of these responsibilities, in some cases they are wholly owned subsidiaries, and so I am wondering in terms of contract negotiations, et cetera, what role does the airline actually have over and above these regional carriers in those negotiations, if any.

Mr. HARRISON. So, for example, is a particular mainline carrier over a wholly owned regional?

So typically there are legal restrictions on the ability of the mainline carrier to get involved in negotiations like that. They are separate entities, and each entity would engage in its own negotiation.

Ms. BROWNLEY. OK. Thank you.

And, Mr. Harrison, do you support the Federal minimum wage or does the airline support the Federal minimum wage to \$15 that Congress passed?

Mr. HARRISON. So Airlines for America does not take a position on any wage particular issue. I think that is for this body to address and for the Government to address. What they require is compliance.

So what we ask, I think, is that our industry not be targeted specifically where they say the airline industry ought to have this particular thing. I think that is part of a broader economic discussion that this body and other bodies here on the Hill can have and is appropriate.

But the A4A does not take a position.

Ms. BROWNLEY. Thank you.

Mr. Callaci, talking about the minimum wage, the House passed legislation to raise it to \$15 an hour. So from your vantage point, besides increasing the minimum wage, what other sort of policy—and I know you said you are not a policy expert; you are an economist—but what other recommendations do you have that counter the sort of outsourcing trends that you outline in your testimony?

Mr. CALLACI. Yes. So I mean, I can speak a little bit to that. So, yes, the minimum wage should be increased. We have now a great natural experiment of all the minimum wage increases happening in municipalities and unemployment did not go up.

But things like, for example, a living wage law, what that does is it sort of puts a break on the outsourcing. If you are a more efficient contractor, you can still outsource, but you cannot do it just because the wages are lower.

So those sorts of mechanisms, yes, to make that bridge between the contractor and the—

Mr. LARSEN. I will ask Dr. Callaci to give a more complete answer for the record.

Ms. BROWNLEY. Thank you. I yield back.

Mr. LARSEN. Before we move on, I have been notified by the clerk I need to ask for a unanimous consent request. I hope we get some support on this. It has to do with there is a translator involved with Esteban Barrios, and so I just ask unanimous consent to allow the translator, Ms. Margarita Alonzo, to provide answers in English for Mr. Esteban Barrios when necessary.

Also, I want to apologize that we did not get this sorted out ahead of time. That is on us, and we will do better in the future.

And one final thing. I would indulge Members. If you are bilingual still allow the witness to answer fully. Even if you do understand the answer because you are bilingual, please allow the witness to answer fully before you move on, for the rest of us who are not bilingual.

And then we will figure out how to deal with this in the future. Without objection, so ordered on the unanimous consent.

Representative García from Illinois.

Mr. GARCÍA. Thank you, Mr. Chairman.

I would like to thank all of the panelists who are here and all of the workers, of course, as well.

I have been an activist and an advocate for collective bargaining rights for workers, for workers who are seeking to improve their life because I represent a working-class district in Chicago. As a matter of fact, my district is very close to both O'Hare Airport, the busiest in the country, and I live right near Midway Airport.

As a matter of fact, thousands of constituents that I represent work or have families and friends who work in various ground worker jobs at both airports. So I get it, and I understand sometimes the life threatening and physically demanding conditions that workers are exposed to and tragically still many only make a minimum wage.

Fortunately, over the past several years, airport workers have leveraged their bargaining rights. We have stood with them in Chicago. They have gone on strike, and they have eventually earned a \$15 an hour minimum wage.

That cannot be said, however, across the country, as you all are testifying here today, and not all workers make those wages at both of the airports in Chicago.

My first question has to do with the outsourcing workers from the major airline companies. This is an issue that I have been very engaged in as it relates to the offshoring of repair and maintenance jobs, but I understand it has significant importance to our domestic airline ground workforce here as well.

So, Ms. Prophete, the Communications Workers of America represent hundreds of thousands of airport workers. Can you first share with the public the benefits of union representation when seeking better pay and working conditions for airport workers?

And please keep it brief because I have some other questions which I will ask.

Ms. PROPHETE. I am sorry. You wanted to know what was the benefit of having a union?

Mr. GARCÍA. Yes.

Ms. PROPHETE. Oh, I mean, it has been great for us because we have been able to speak up for our members, to bargain better wages. When I first started at Piedmont Airlines, I made \$8.60. Now their starting rate is at least \$12.50. We are not quite at \$15 yet, but we would not have been able to accomplish that without a bargaining unit.

Mr. GARCÍA. Very well. And with respect to incidents like the rage incident that you testified to earlier, what it says about the causes of rage in those incidents and what protections for agents need to be in place, in your opinion.

Ms. PROPHETE. We need enforcement. We have the passenger rage bill, the FAA reauthorization bill, but the airlines are not being enforced. We still have passengers that are getting very angry, striking us, hitting us, and we do not see the enforcement that airlines are being held accountable to.

Mr. GARCÍA. Thank you.

And this is a question for either Señor Barrios, Ms. Patrick-Cooper, or Ms. Prophete.

I remain very concerned about the potential efforts of major industry players to continue to rely on a contracted workforce. How does outsourcing these jobs benefit major aviation industry giants?

And what do you think should be done from a public sector angle to address these workforce challenges?

[Speaking foreign language.]

Mr. BARRIOS. [The following language was delivered through an interpreter.] So I think there should be regulations with respect to the ramp. There are many things that are not regulated, and this causes situations where the workers are not protected.

Ms. PROPHETE. I want to piggyback on him.

I agree with what he is saying. Like with the mainline carrier, the amount of employees that they allow to work one aircraft, we need regulations that if we work their aircraft, we should have the same amount of employees that have to work that same aircraft.

Right now they are doing it with contracting us. We might work a Boeing with two people whereas the mainline carrier will have six.

Mr. GARCÍA. Anyone else? Ms. Cooper?

Ms. PATRICK-COOPER. Well, as far as the airline catering workers and with the regulations, I think one of the things you said earlier about the two airports in Chicago, as far as living wages. I mean, our main concern is that we know that Gate Gourmet and Sky Chefs are contractors of the three airlines, and we feel that these airlines have tremendous market power to be able to right this wrong, which we feel which is where our members are unable to live the American dream, earn the living wages, and be able to have affordable healthcare.

Mr. GARCÍA. Thank you so much.

Mr. Chairman, thank you for your indulgence. I yield back.

Mr. LARSEN. Thank you, Representative García.

One clarification. In your questioning, you did ask a portion of that in Spanish. It may have been a clarification, but we have to have a record.

So just for the clerk and the record, could you just repeat your question that you asked in English, the Spanish part in English?

Mr. GARCÍA. The Spanish part was only a request that they make their responses brief.

[Laughter.]

Mr. LARSEN. Thank you.

Mr. GARCÍA. And they indulged.

Mr. LARSEN. Thank you very much.

We have to keep a record of the hearing. So I appreciate that.

We will now move for 5 minutes to Delegate Norton from Washington, DC.

Ms. NORTON. Thank you very much, Mr. Chairman, and I want to thank you for this hearing.

We have had hearings on major issues in the airline industry, and here we are focusing on perhaps the not so glamorous parts.

Mr. LARSEN. Ms. Norton, could you like get right in the microphone please?

Ms. NORTON. Here we are focusing on perhaps the not so glamorous but utterly necessary part of this industry.

I ask that this article from the Washington Post, November 26, be included in the record. "Twelve arrested at Reagan Airport in worker protest, union official says."

Mr. Chairman, I ask unanimous consent that this Washington Post article be put in the record.

Mr. LARSEN. Without objection, so ordered.

[The information follows:]

Article, "Twelve Arrested at Reagan Airport in Worker Protest, Union Official Says," by Martin Weil, Washington Post, November 27, 2019, Submitted for the Record by Hon. Eleanor Holmes Norton

TWELVE ARRESTED AT REAGAN AIRPORT IN WORKER PROTEST, UNION OFFICIAL SAYS

https://www.washingtonpost.com/local/public-safety/twelve-arrested-at-reagan-airport-in-worker-protest-union-official-says/2019/11/27/5cf1941e-10d0-11ea-bf62-eadd5d11f559_story.html

By Martin Weil

November 27, 2019

A dozen people were arrested at Reagan National Airport on Tuesday after blocking traffic in a sit-in protest to call for better pay for workers who provide in-flight food and beverages for airlines, according to a union that said it represents the catering workers.

The union, local 23 of Unite Here, said it led the protests at Reagan to call for higher pay and better health benefits. The group said demonstrations took place at 17 cities throughout the United States.

The Tuesday demonstrations came amid heavier traffic at airports for the Thanksgiving holiday.

The union said the catering workers prepare, pack and deliver food and beverages served on American Airlines as well as other major United States carriers.

However, American issued a statement saying that the workers are employed by catering companies and not the airline.

In its statement, American expressed confidence that with the continuing aid of federal mediators the catering firms and the union will reach new nationwide agreements increasing pay and benefits.

Ms. NORTON. I appreciate that Ms. Patrick-Cooper of the DC chapter of UNITE HERE is here. I have a question that is related to subcontracting work.

I would like to know whether United Airlines, the employees who work directly for United Airlines, receive the same compensation as those who work for subcontractors. Subcontractors, among the samples I have been given, is Gate Gourmet.

How do the wages and the benefits of the subcontractors and those who work directly for the airline compare, United Airlines in particular?

Ms. PATRICK-COOPER. I do not have the actual numbers, but one thing we do know is that our members are at the lower end in the spectrum as far as wages.

Ms. NORTON. I am not asking for the numbers.

Ms. PATRICK-COOPER. OK.

Ms. NORTON. I am asking whether or not the subcontractors, subcontract employees and those who work directly for the airline are in competition with one another in terms of wages or essentially regarded as being treated in the same way even though they do not work directly for the airline.

Ms. PATRICK-COOPER. They have different packages as far as wages and benefits. Our members are at the lower end.

Ms. NORTON. They are not unionized, are they?

Ms. PATRICK-COOPER. I am sorry?

Ms. NORTON. The subcontract employees, are they unionized?

Ms. PATRICK-COOPER. So the two contractors or workers that are our members are with Sky Chefs and with Gate Gourmet.

Ms. NORTON. Yes.

Ms. PATRICK-COOPER. And they are contractors of the airlines. They provide the food for the airline. So there are, you know, many different employees within the airlines, with the flight attendants, the grounds ones, and ours are into the food and hospitality portion.

One thing we do know is that our members' benefit packages and wages are nowhere near in line with the other employees.

Ms. NORTON. With the subcontract employees?

Ms. PATRICK-COOPER. They are not subcontracted. They are within a collective bargaining. We represent them.

Ms. NORTON. I see.

Ms. PATRICK-COOPER. Yes.

Ms. NORTON. In your testimony, in particular, Ms. Patrick-Cooper, and here I am going to quote. You said, "We believe [the airline's] contract terms with airline caterers leave little room to pay workers a living wage."

You mentioned the contract terms with the caterers. Could you expand on that? What does that mean?

Ms. PATRICK-COOPER. A living wage and what we feel is someone able to work one job, as our theme says, "one job should be enough."

Ms. NORTON. But you say the airline's contract terms with the caterers. What is there about the contract terms that leaves little room to pay workers a living wage?

Ms. PATRICK-COOPER. I am sorry. I am not understanding.

Ms. NORTON. I am just quoting. You say, "We believe the airline's contract terms—"

Ms. PATRICK-COOPER. OK. Thank you.

Ms. NORTON [continuing]. "With the airline caterers—"

Ms. PATRICK-COOPER. Yes.

Ms. NORTON [continuing]. "Leave little room to pay workers a living wage."

Ms. PATRICK-COOPER. Yes. So American Airlines, the three big airlines, they themselves have contracts with Gate Gourmet and with Sky Chefs, which are members. So they are providing a service to the airline, which we feel is very correlated and key to our members being able to get a living wage.

Because at the end of the day, you know, American has publicly said that they understand that the new labor contracts between UNITE HERE, Sky Chefs, and Gate Gourmet, that it will result in

increased cost for the airline customers, including American Airlines.

So we feel that they really truly are piece and part, can be very instrumental in us being able to settle this.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. LARSEN. Thank you.

I now recognize for 5 minutes Representative Plaskett.

Ms. PLASKETT. Thank you, Mr. Chairman.

Mr. Brown, in your written statement, in your written testimony, you state that airport ramps are dangerous. Would you please describe some of the conditions that exist today that are dangerous for the ramp workers?

Mr. BROWN. Thank you for asking me the question, Ms. Plaskett.

I mean, inherently ramps are dangerous because there are giant jet planes moving around. You have got jet blast coming out one end, and you have got sucking into at the other end, other side.

There are precautions that have been put into place to account for these things. You have got numerous people that have jobs like caterers who have to put food on the plane in a short period of time. Cabin service has to get on the plane and clean it. Laboratory services have to work the outside. New potable water has to be put on. The bags have to come off, and some go to the bag room. Some of them are sent to on-line. By "on-line" I mean to connecting flights going somewhere else.

Ms. PLASKETT. Right.

Mr. BROWN. There are a lot of moving pieces, but the airlines do know about all of these pieces, and they account for it.

As I stated in that written testimony, every piece of equipment is in a specific location. It moves in a certain fashion, and guidelines were put in place to account for that.

Ms. PLASKETT. Thank you.

In anyone's, any of the witnesses' opinions, have the employers and contractors adequately addressed the dangerous conditions? Does anyone have a thought on that?

Ms. PROPHETE. I would like to address that.

Ms. PLASKETT. Sure.

Ms. PROPHETE. No. In the situation with Kendrick, we have been constantly and constantly talking about lighting, and they have not addressed the lighting issue yet, and Kendrick died on August 11th.

Ms. PLASKETT. And who would be responsible for that lighting?

Ms. PROPHETE. Piedmont Airlines.

Ms. PLASKETT. The airline or the contractor?

Ms. PROPHETE. We are the contractor.

Ms. PLASKETT. Or the authority that manages the airport?

Ms. PROPHETE. The city of Charlotte manages the airport, and they say Piedmont is responsible for the lighting.

Ms. PLASKETT. Does anyone have a thought on who is responsible for that? No?

And I think that is interesting because, you know, the responsibility could shift, right? We are saying it is the airline's responsibility, but ultimately the city that runs the airport I think has the ultimate responsibility to ensure that those individuals who are

working there who are, in fact, residents of their district should be the ones that are taking care of that.

I think we like to put a lot of things on the airlines that sometimes are the contractors, sometimes are the authorities themselves that are responsible for it.

With that, I know we had some discussion about outsourcing, and I was hoping, Mr. Harrison, you could explain the need for outsourcing. I know that the airlines say that it is not part of their core competence.

Why do they want to stick with the core competence as opposed to outsourcing, as opposed to keeping all of the functions managed within themselves?

Mr. HARRISON. Certainly. And thank you for your question.

So I think core competence is one of the reasons that they subcontract out. For example, catering is a good example of that.

I think another reason is efficiency when, for example, I testified earlier that if you are going into a small airport, there may be a frequency issue where you only have two flights a day there, one in the morning and one in the evening. The airline, if that is the only flights they have, it does not make any sense to staff it because that creates a very difficult work schedule for the employees who are trying to commute in and out.

So sometimes they use either another carrier there or another contractor.

Ms. PLASKETT. In the Virgin Islands, on the island that I live on, St. Croix, American Airlines outsources their gate agents and the individuals that are there.

But in the end their competence or their customer service really impacts you, the company. It really impacts American Airlines.

How do you ensure that the services that you outsource are functioning properly?

And what responsibility can Congress have to those individuals that you contract to make sure that they are done properly and that it is not just the airlines that we are putting the onus on?

Mr. HARRISON. Well, I think the airlines contractually have a right to make sure that the contractor is performing the job well. That is audited.

Ms. PLASKETT. Certain service agreements or service mandates?

Mr. HARRISON. Correct. And those contractors are monitored to make sure that they are complying.

There is also an entire web of laws from the FAA to TSA, to OSHA that are in place, and the airlines require compliance with those laws as well.

Ms. PLASKETT. OK. Thank you. Thank you very much.

Mr. HARRISON. Thank you.

Mr. LARSEN. Thank you.

Rewarding with her patience, I want to recognize Representative Wilson of Florida for 5 minutes.

Ms. WILSON. Thank you, Mr. Chairman, and also for having this hearing.

My question is for Mr. Barrios.

You mentioned in your testimony, and we all know this, that OSHA levied substantial fines against Eulen. Have the working conditions improved since OSHA citations?

Mr. BARRIOS. [The following language was delivered through an interpreter.] Many things have been improved. Thanks to you for the support from you and the other congresswoman and the pressure from OSHA, we have succeeded in having some things fixed at our workplace, but not all of the things have been addressed.

Ms. WILSON. Commissioner Higgins, thank you so much for coming to the hearing. I was pleased to learn about your legislation to amend Miami-Dade's procurement process to include vendors' reported working conditions and wages and notices of violations from regulatory agencies as factors in awarding a contract.

What impact do you think this would have on working conditions at Miami International Airport?

And how can Congress support your effort to improve working conditions?

Ms. HIGGINS. Well, in the case of this new legislation, because we believe we are no longer able to require subcontractors like Eulen. We have another four that are performing similar types of services at the airport to comply with living wage.

They compete for permit at our airport. So what we are going to do, and hopefully my fellow commissioners will pass this, is embark upon a new procurement process where not only are we going to be asking these companies to compete based on their technical ability to do the job, but we are going to be asking them to compete in the American style on how they treat their employees.

So, for example, they do not have to pay living wage, but will they pay a living wage?

Will they give access to full-time jobs rather than part-time jobs? Let's be very clear. When they only let somebody work 20 hours a week, it is because they do not want to pay for their health insurance.

Is there access to health insurance?

Is there a labor piece agreement in place, whether or not they are represented?

So those are the kinds of things that we actually are going to let the free market compete on. We happen to know because we have four out of our five permittees at the airport, one of which is unionized, three of which are not, that we do not receive these kinds of worrisome complaints on that require an actual OSHA investigation and our congresswomen to get involved with to make this happen.

So certainly you can call any of my fellow commissioners and ask them for their support on this legislation because this way at least we can do our part and work around the fact that Congress has not yet asked the airlines and their subcontractors and subsidiaries to comply with local wage ordinances.

Ms. WILSON. Thank you.

Mr. Harrison, why do you think the industry has failed at implementing simple measures, like adding seatbelts on vehicles or ensuring that the tarmac is adequately lit at night or paying a livable wage?

The job is inherently dangerous. So why has the industry not stepped up?

Mr. HARRISON. So I am speaking on behalf of the airlines. I am not here on behalf of the contractors or them. So I cannot really speak to any specific issues.

What I can tell you is that airlines take safety as their number one priority. There is a process in place for continuous safety improvement, and they look for ways to try to deal with those situations.

Sometimes it is complicated because, for example, there may be an airport, I think, as the Representative said a minute ago, there may be an airport that is owned by a city that is responsible for the lighting.

If there is an issue and something gets brought to the airline's attention and there is a problem, they will try to deal with that maybe with the local authority.

But I think it is a continuous process to try to make things better, and the airlines have certainly engaged in that. There are instances, I think, that have been brought up here where bad things have happened, certainly, and I think those are things that everyone can learn from and figure out how to do better going forward.

Ms. WILSON. Mr. Brown, Eulen employees have reported that they have been fired, transferred to hotter jobs, and forced to eat lunch in the bathroom for engaging in union activities. Do you consider the health and safety problems raised by Ms. Prophete and Mr. Barrios and his coworkers to be legitimate?

Do you think that these complaints are true or are the workers lying to generate negative media or public attention, which you said?

Mr. BROWN. I cannot speak to anything specifically. I think the witnesses that are here, you have to take them at their face value, but you know, for me to tell you what is happening with Eulen in Miami, I am not there.

Ms. WILSON. I will yield back.

Mr. LARSEN. Thank you.

So are there any further questions from members of the subcommittee?

[No response.]

Mr. LARSEN. I had further questions, but they have been asked by Members since I had my time a couple of hours ago.

So seeing no other questions, I do want to thank the witnesses, all of the witnesses, for your testimony today. The contribution to today's discussion was very useful, and you have given us some food for thought as well as some followup.

So I think you should expect to hear from committee staff.

I do ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

So ordered.

And unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

If no other Members have anything to add, the subcommittee now stands adjourned. Thank you.

[Whereupon, at 12:31 p.m., the subcommittee was adjourned.]

SUBMISSIONS FOR THE RECORD

**Letter of January 24, 2020, from Hearing Witness Brian Callaci, Ph.D.,
Postdoctoral Scholar and Labor Economist, Submitted for the Record by
Hon. Rick Larsen**

JANUARY 24, 2020.

Chairman RICK LARSEN
House Subcommittee on Aviation
Rayburn House Office Building, Room 2165

Re: Oversight of Working Conditions for Airline Ground Workers

DEAR CHAIRMAN LARSEN, RANKING MEMBERS, AND OTHER MEMBERS OF THE SUBCOMMITTEE:

I would like to submit for the record my response to Mr. Russell Brown's testimony to the subcommittee's January 15th hearing, Oversight of Working Conditions for Airline Ground Workers. In his testimony, Mr. Brown alleges that my report, "Fissuring in Flight," is "unpersuasive, overgeneralized, and, at times, misleading." This is an extraordinary claim to make regarding a witness's academic work, as is evidenced by *Politico* reporter Sam Mintz's reaction: "Not sure I've ever seen this before."¹

I will address Mr. Brown's criticisms one at a time. I think it will be clear after I have addressed them that where Mr. Brown's allegations make any sense at all, taking them into account would *strengthen rather than weaken* the findings of the report. This is because, at every opportunity, I used conservative assumptions in my analysis.

- 1) Mr. Brown claims that the North American Classification System (NAICS) industry that I use in the report to capture outsourced airline workers, "Support Activities for Transportation," is inappropriate and excludes workers in the "Other Airport Operations" category. He argues that the latter is the more appropriate NAICS industry pertaining to outsourced airline workers.

Mr. Brown's criticism misapprehends the NAICS industries in question. Mr. Brown's preferred industrial classification, Other Airport Operations, *is in fact a subset of the broader Support Activities for Air Transportation used in my report*—no worker in the former is excluded from the latter at all. What is more, Other Airport Operations is characterized by even lower wages than the broader Support Activities for Air Transportation. This would seem to strengthen rather than weaken my finding that outsourcing is associated with reduced wages.

As I plainly outline in Appendix A on page 50 of the report, NAICS industrial classifications move from the general to the specific depending on the number of digits. Support Activities for Air Transportation, the industry I used, is what is known as a four-digit NAICS industry. Other Airport Operations, Mr. Brown's preference, is a more detailed, six-digit NAICS industry, fully contained within the broader four-digit NAICS industry.

I reproduce the relevant portion of Appendix A below, to show the hierarchy of broad to detailed NAICS industries in the aviation sector:

- 48: Transportation & Warehousing
- 481: Air Transportation
- 488: Support Activities for Transportation
- 4881: **Support Activities for Air Transport**
- 48811: Airport Operations
- 488111: Air Traffic Control
- 488119: **Other Airport Operations**
- 48819: Other Support Activities for Air Transport

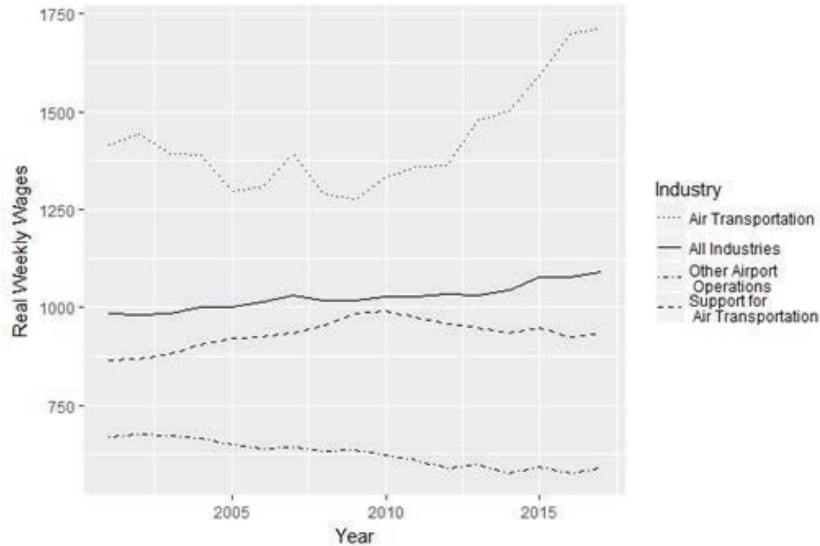
¹ <https://twitter.com/samjmintz/status/1217476894997782530>

As I state page 12 of the report,

“Air Transportation encompasses what we would consider the airline industry, including cargo and charter airlines. Support Activities for Air Transportation includes companies that provide specialized services to the air transportation industry, such as airport operations and servicing and maintaining aircraft. Companies in the support for air transportation industry, such as Air Serv and Menzies, are contractors performing services outsourced by airlines and airport authorities, so employment in this industry is a rough measure of the extent of outsourcing.”

Other Airport Operations, which Mr. Brown claims is the more appropriate industry, consists of a narrower range of activities, such as transporting disabled passengers within airports and handling baggage.

Moreover, Mr. Brown’s call for me to use Other Airport Operations instead of Support Activities for Air Transportation falls flat because I do show the relationship between wages in Other Airport Operations, Support for Air Transportation, and Air Transportation, on Page 15. As can be seen from Figure 2 on that page, reproduced below, wages in Other Airport Operations are considerably lower than either the broader Support for Air Transportation industry or the Air Transportation industry.



2) Mr. Brown claims that I unjustifiably exclude workers in food service and janitorial services at airports in my estimates. These industries are classified under NAICS codes 722310 and 561720, respectively.

Mr. Brown is absolutely correct that I exclude workers in these industries from my analysis, but seems to misunderstand the implication of that omission. First of all, Mr. Brown seems to confuse the treatment of industries vs. occupations in government statistics. It is not possible, using Quarterly Census of Employment and Wages data, to break out those janitorial and food service workers who happen to service airports and aircraft from the rest of the much larger food service and janitorial services industries. For example, someone with the occupation of janitor employed by Air Serv is employed in the Support Activities for Air Transportation NAICS industry, while a janitor for a cleaning firm like ABM, even if employed at an airport, is employed in the janitorial services NAICS industry.

More importantly, by using only the Support Activities for Air Transportation NAICS industry to count outsourced workers, I *conservatively bias my estimates towards a lower number of outsourced workers*. As my report states on page 12:

“However, ‘support activities’ is likely to undercount outsourced aviation workers, because some of the companies providing services to airlines are not classified in the ‘support activities’ industry. For example, outsourced janitors employed by a janitorial services company like ABM or security

guards employed by a security company like G2 will show up in the janitorial or security industries, respectively, not the support activities for air transportation industry.”

Finally, food service, janitorial services, and security services are some of the lowest-wage industries in the US. By leaving those industries out of the analysis, my report is extremely unlikely to bias my outsourced worker wage estimates in an upward direction. Thus, wage inequality between insourced and outsourced workers is likely even greater than suggested by my results.

In short, with regard to industry classification codes, Mr. Brown confuses occupations with industries, and detailed industry NAICS codes with broad industry NAICS codes. Were it possible to take Mr. Brown’s criticisms into account using publicly available government data, it would likely result in estimates showing that the actual extent of outsourcing is higher, and the wages even lower, than my estimates imply.

3) Mr. Brown accuses my report of ignoring international flights in calculating my employment and wage figures.

Mr. Brown is absolutely correct that I leave out international flights in the section of the report pertaining to regional vs. domestic airline employment and wages. My report pertains specifically to the US Domestic Airline Industry—it says so in the title. The report argues that legacy carriers have been substituting regional for mainline flights on *domestic* routes. It is silent on the matter of international routes, which are outside the scope of the study.

Moreover, the wage disparities documented in the report between regional and legacy airline employees would be *even greater* were I to include international flights, because international pilots and flight attendants earn higher salaries than their domestic counterparts. Once again, I used conservative assumptions in the report to understate rather than overstate the findings. The conservative assumptions are also more analytically appropriate, as my analysis is intended to provide an accurate apples-to-apples comparison of domestic regional to domestic legacy workers.

4) Mr. Brown argues that labor markets are perfectly competitive and therefore wages “find their level,” obviating the need for labor unions or labor market policies to protect workers.

The perfect competition assumption is completely untenable in light of recent empirical evidence in economics.² The present consensus in the economics profession is that employers across a wide range of labor markets have wage-setting power: they do not take wages as given by the market. That is, labor markets are monopsonistic rather than perfectly competitive. The hub-and-spoke nature of airline industrial organization, with its attendant high concentrations of dominant airlines at hub airports, would seem to make airline and airline services labor markets more rather than less monopsonistic than average. For pilots, flight attendants, or contractors selling labor and non-labor inputs to airlines in say, Salt Lake City (a Delta hub), how many employers are effectively competing for their inputs?

To conclude, Mr. Brown’s criticisms are quite wide of the mark. Were I to take them seriously, however, they would bias my results in favor of, rather than against, my conclusions.

Sincerely,

BRIAN CALLACI,
Postdoctoral Scholar, Data & Society Research Institute.

² See, for example:

Azar, Jose, Iona Marinescu, and Marshall Steinbaum. 2019. Labor Market Concentration. NBER Working Paper 24147.

Cengiz, Doruk, et al. 2019. The Effect of Minimum Wages on Low-Wage Jobs. *Quarterly Journal of Economics*, 134(3): 1405–1454.

Dube, Arindrajit, Alan Manning, and Suresh Naidu. 2018. Monopsony and Employer Mis-optimization Explain Why Wages Bunch at Round Numbers. NBER Working Paper 24991

Dube, Arindrajit, et al. Forthcoming. Monopsony in Online Labor Markets. *American Economic Review: Insights*.

Manning, Alan. 2003. *Monopsony in Motion: Imperfect Competition in Labor Markets*. Princeton: Princeton University Press.

APPENDIX

QUESTION FROM HON. SALUD O. CARBAJAL TO ESTEBAN BARRIOS, RAMP WORKER, MIAMI INTERNATIONAL AIRPORT, TESTIFYING ON BEHALF OF SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 32BJ

Question 1. I found your testimony to be very compelling—specifically as you discuss the health hazards and exposure to communicable diseases that not only workers but also passengers are exposed to. You discuss roach-infested transport trucks that carry supplies—like pillows and blankets for passengers—as well as exposure to blood-borne pathogens that carry communicable diseases such as Hepatitis B. What are your ideas on how Congress can provide better oversight to ensure the health and safety of workers and passengers?

ANSWER. Congress can provide better oversight to ensure the health and safety of workers and passengers by doing two things:

1. Urging airlines to only hire responsible subcontractors. As we heard at the hearing, both Delta Airlines and American Airlines employ Eulen America, a contractor with a poor record. Members of Congress can call the CEOs of these two companies and ask that they only work with responsible contractors, who don't have a track record of jeopardizing their workers' safety.

Delta Air Lines
Ed Bastian, CEO

American Airlines
Doug Parker, CEO

2. Calling on OSHA to continue their inspections at airports and with contractors with documented history of complaints, specifically, calling for follow-up inspections of Eulen America and Menzies Aviation at Miami International Airport and Menzies Aviation at Baltimore Washington International Thurgood Marshall Airport.

In the future, Congress may consider exploring that funding for airport infrastructure be contingent on employment of responsible contractors and meaningful standards to ensure there is investment in the workforce.

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