

Testimony
United States Senate Committee on the Judiciary
FIELD HEARING--Comprehensive Immigration Reform: Examining the Need for a Guest
Worker Program
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Written Testimony of

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Before the

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Chairman Specter and committee members, thank you for the opportunity to appear before you today. My name is Carol Rossi and I am the Corporate Director of Human Resources for Harrisburg Hotel Corporation located in Harrisburg, Pennsylvania. I am testifying on behalf of both the Pennsylvania Tourism & Lodging Association (PTLA) and the Pennsylvania Restaurant Association (PRA). PTLA is the statewide association representing Pennsylvania's lodging industry. The PRA is the statewide association representing the Commonwealth's restaurants.

I am responsible for all aspects of the human resource function for my company's four locations which include a four diamond full service 341 room Hilton franchise in Harrisburg, a 99 room Hilton Garden Inn franchise located in Hershey, a brand new upscale 160 seat restaurant in downtown Harrisburg, and Central Pennsylvania Business School's conference facilities and student restaurant in Summerdale, Pennsylvania.

The majority of my staff's time, effort and our department's budget are spent directly on the recruitment and hiring process to fill the approximately 45 job openings typically posted between our various operations on our weekly job opportunity lists. Our largest operation, the Hilton Harrisburg, employees 320 employees, and on average has 25-40 job openings posted on its weekly job opportunity list. As of Friday, June 30th we have 36 job openings. These openings result in an employee reporting to work knowing that he will be understaffed by 10-12% on any given day. This is incredibly frustrating for both employee and employer. For both it means more work, longer hours, increased workplace injuries, increased guests' complaints and the list goes on. Overtime pay may be the only welcomed benefit, however most would rather have a 40-hour workweek, more time with family, and enjoy a predictable workload.

The lodging industry employed 1,795,000 people in 2004. The restaurant and food service industry employs more than 12.5 million people with annual restaurant sales reaching more than

half a trillion dollars. Our numbers intersect since our hotel restaurant employees are reported under the food service category. These numbers are growing astronomically. The BLS predicts a 16.4% growth rate in hospitality jobs requiring 304,200 additional employees reaching over 2.2 million by 2014. The restaurant and food service workforce is expected to grow 15% or approximately 1.8 million jobs.

The National Restaurant Association and the American Hotel and Lodging Association are both members of the Essential Worker Immigrant Coalition (EWIC), which is a broad-based coalition formed in 1999 of national businesses and trade associations from across the industry spectrum (<http://www.ewic.org>). As part of this coalition, the NRA and AH&LA advocate and support comprehensive immigration reform and policies that facilitate the employment of essential workers by U.S. companies that are unable to find American workers.

To respond to these demands we are constantly in the recruitment mode; attending an average of 25 job fairs annually, including those we host ourselves. We spend over \$8,000 in classified newspaper ads and online recruitment sources to attempt to fill our various openings. Not to mention the numerous recruitment trips to various colleges, universities, trade schools, and agencies we make throughout the course of a year. Unfortunately, the dollars spent do not give us the desired results. As an example, we recently hosted a job fair in January to fill positions at our newest operation, Bricco an upscale downtown restaurant. Attractive and costly ads were placed in the Harrisburg Patriot News to draw in candidates. The disappointing results were a mere 20 candidates to interview, three of which were qualified, to fill over 45 positions.

Immigrants are fundamental to the success of both the hotel and restaurant industries, as entrepreneurs, as customers, and as workers. According to recent data by the Bureau of Labor Statistics, 1.6 million restaurant employees are immigrants and other foreign-born individuals. More than one quarter of foodservice managers were foreign-born in 2003, making the restaurant industry an industry of opportunity that employs one of the most diverse cross-sections of people from different backgrounds and cultures.

Our industry is a leader in both welfare-to-work and school-to-work programs. Harrisburg Hotel Corporation committed \$25,000 to Pennsylvania's launch of the Training for Lodging Careers Program (TLC). Pennsylvania now ranks second in the nation for the number of schools featuring the TLC program in its curriculum. However, even with the strength of this program and the number of students coming into our industry, we still cannot keep up with the growth. We have utilized organizations such as CETUSA and CIEE to assist us in hiring seasonal workers to fill our numerous openings. Although it may only be a short-term fix, it allows us the ability to continue to search for more permanent solutions in the meanwhile. Mainly we have hired work and travel students with J1 Visas. The H2B category has been avoided due to the complications, costs and restrictive numbers allowed. The process for hiring H-2B workers is complex, time-consuming and expensive. A company must engage in extensive recruiting of possible U.S. workers, be unable to identify an adequate number of U.S. citizens to do the work, obtain certification from the Department of Labor and Employment that we have attempted to recruit Americans without success, obtain certification from the U.S. Department of Labor of the need for workers, receive approval from the U.S. Department of Homeland Security, identify qualified foreign workers, obtain approval for H-2B visas from the U.S. State Department. The process is incredibly complex, lengthy, costly and frustrating. What is apparent is that we cannot

fill our positions with the workforce that currently exists. Jobs are growing in hospitality and the workforce is shrinking. Add to that our declining birth rates in the U.S., and it becomes apparent the math just does not work to allow us to move into the future successfully.

Additionally, our work force is an aging one. Many jobs are labor intensive and physically demanding. Many of these jobs are not attractive to American workers.

In order to be effective, comprehensive immigration reform in securing our borders and protecting our economic security must: meet the increasing demand for labor, identify those immigrants already in the country and provide a method for a status adjustment after they are screened and fined, and allow those who qualify to work in jobs for which Americans cannot be found.

We strongly opposed H.R. 4437 because of its focus on enforcement and sanctions with no guest worker program options. Additionally, the worker verification system mandated by the bill is based on a test program, which is neither efficient nor reliable.

The Senate's version, S. 2611, the Comprehensive Immigration Act of 2006, recognizes the need to bolster our national security and to allow for an adequate workforce to maintain our economic growth. In addition to substantial measures and resources to secure our borders, S. 2611 creates a stringent earned adjustment program for undocumented workers. The bill also significantly increases the number of foreign-born workers that would be allowed in the U.S. annually and offers H2B cap relief exemption. We support provisions in the immigration reform bill that will permit foreign nationals to enter the country temporarily to fill jobs that no American workers will take.

As an employer one of the absolute most critical tasks we handle on a regular basis is verification of identification for all new hires to prove eligibility to work legally in the U.S. On numerous occasions we have had to discharge an employee after completing the entire employment process, because of their inability to provide valid identification when they arrived for orientation. While this is incredibly frustrating, as we have just finished spending numerous hours and dollars to get the person to this point in the process, we still follow the law to a fault. The employee is terminated, and the dollars and time we merely write off to costs of doing business. We are hopeful that an improved system will be put into place to effectively assist us with this task. We support and understand severe penalties against those who knowingly hire undocumented workers, and also support a safe harbor for good faith errors particularly if we are relying on an error ridden government provided verification system.

In regards to wages and benefits, our employees regardless of classification or nationality are hired at pay rates linked to a particular position. All employees who start as a Room Attendant are paid the same wage. Similarly, employees become eligible for benefits at the same time regardless of their position, management or line employee, U.S. citizen or foreigner. Our benefits programs are comprehensive, and allow an employee to elect a package that includes medical, prescription, dental, vision, short and long term disability, life, and accidental death & dismemberment coverage at less than \$28 per bi-weekly pay. Our benefits package is competitive not only in the hospitality industry, but rivals many other industries in the Commonwealth, including manufacturing and retail.

Our company's goal is to employ workers that are committed to serving people. The hospitality business is an admirable business, and because our company holds a strong belief in professionalism in our industry we are focused on encouraging our management and supervisory team to achieve certification for their disciplines through the Educational Institute (E.I.) of the American Hotel & Lodging Industry. Over 35 of our team members currently hold professional certifications ranging from Certified Hospitality Supervisor to Certified Hotel Administrator. E.I. is an outstanding organization that allows us to help our employees advance in their careers with specific job related training. While many people come to us without advanced education, E.I. allows us to help them grow during their employment and advance in their specific fields within the hospitality business. Many of our foreign workers have taken advantage of this training giving them the confidence to succeed and continue to grow their careers, while advancing their knowledge base and job skill set.

In conclusion immigration is a positive for the U.S. economy and it does not harm the U.S. worker. In fact it is a benefit for the U.S. worker. These immigrants provide a critical piece to our nation's economic success. They supply a relatively young, willing, and able supply of labor, which enables us to continue our economic growth.

To succeed, our economy desperately needs workers at both ends of the spectrum: young and less skilled as well as more educated and highly skilled. As a nation, we are in the midst of a grave shortage of labor due to all of the factors previously discussed. Immigration is not the only factor, but it is a critical one that we cannot succeed without. Without a continued flow of immigrant labor our workforce will fall short of what we need to meet demand. We are hopeful and optimistic that the United States will adopt a more thoughtful immigration policy that accommodates not only the hospitality industry's growth, but also the growth of our nation's economy.

I would like to thank the Committee Members and would be pleased to answer any questions Committee Members may have at this time.