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SELECT COMMITTEE ON ETHICS

# United States Senate

WASHINGTON, DC 20510 - 3505

June 25, 2014

Jeff Smisek  
CEO  
United Airlines, Inc.  
PO Box 66100  
Chicago, IL 60666

Dear Mr. Smisek:

I am writing today to express concern about the impact of your decision to rebid a number of line stations at airports across the country, which will affect baggage handlers and customer service agents at Port Columbus International Airport. Further outsourcing airport occupations will exacerbate the race to the bottom for wages in the airline industry – an action that has significant implications for the American middle class. I urge your company to reconsider this policy.

It is my understanding that United is requiring line station workers to compete against outside contractors for their jobs in certain cities. The justification for this move is the difference in wages between the union employees and the outside contract workers. While the change may reduce United's payroll costs, it will have a devastating effect on current employees and their families.

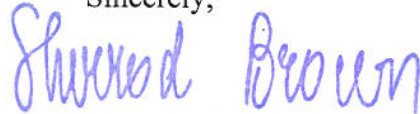
According to a University of California Berkeley study, 84 percent of bellhops and baggage porter jobs were outsourced to contractors between 2002 and 2012. Wages for these workers fell 45 percent over the same period, and by 2012 more than 75 percent of these workers earned less than 200 percent of the federal poverty level. This trend is also true for several other airport service jobs that have been contracted out over the last decade.

Outsourcing these jobs pushes individuals and families into poverty and forces them to rely on federal benefits to support themselves. The National Employment Law Project surveyed contract airport service workers at the Philadelphia International Airport to understand the impact of these wage reductions. The study found that 37 percent of workers received food stamps and more than 12 percent relied on public housing. The University of California Berkley report found similar trends on a national level. Contracting out these jobs will therefore shift costs to U.S. taxpayers.

United earned \$1.1 billion in net income in 2013, an 84 percent increase over 2012. In that financial context, the company's policy to rebid line stations across the country makes even less sense. Pushing workers into low-wage jobs does not make United, or any other carrier, more competitive. Instead, it merely increases workers' reliance on federal subsidies undermining the American middle class your company depends upon to buy the airfare that generates your profits.

I urge you to reconsider this policy and support the workforce so critical to your company's success.

Sincerely,

A handwritten signature in blue ink that reads "Sherrod Brown". The signature is written in a cursive, flowing style.

Sherrod Brown  
United States Senator