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Palace Hotel Workers on Strike

(November 10, 2009, San Francisco) - Hotel workers at the Palace Hotel walked off the job this morning, announcing the second three-day strike at a San Francisco hotel in as many weeks. Approximately 350 workers are participating in the strike, which began at 4:00 a.m. Tuesday, and will last until the first shift on Friday morning.

“It’s clear management still thinks they can use this year’s economy as an excuse to permanently slash our health care,” said Elena Duran, an 18-year server at the Palace Hotel. “But we’re not going to let these hugely profitable companies get away with that.”

The Palace is managed by Starwood Hotels & Resorts [NYSE:HOT], the same company that manages the Westin St. Francis, W, and St. Regis hotels. Starwood earned \$180 million in profits during the first nine months of this year, and its stock price has risen 85% since January 1. The Palace Hotel’s owner is controlled by Cerberus Capital Management, one of Wall Street’s biggest investment firms. In addition to hotels, Cerberus owns banks, retailers, and gun manufacturers.

“There has never been a question of whether they can afford what’s on the table,” said Mike Casey, President of Local 2. “The question is whether these companies will make a business decision that’s in the best interests of workers, the City, and the hotels themselves.”

The three-day strike at the Palace Hotel follows a similar strike at the Grand Hyatt on Union Square. Workers at the Grand Hyatt are now back on the job, but Local 2 continues to call on customers to boycott the hotel. Workers at 29 other upscale San Francisco hotels have authorized work stoppages if necessary, in support of their campaign to win a new contract.

Despite amassing record profits over the preceding five years, hotel corporations in San Francisco and elsewhere have been using the economic downturn as an excuse to squeeze workers for long-term concessions. During the past two months, Local 2 has indicated an openness to reaching an exceptionally low-cost contract settlement, totaling as little as 1.5% increase in labor costs. Nonetheless, the industry has persisted in trying to win permanent takeaways in the areas of affordable health coverage and retiree coverage.

Unite Here! Local 2 is the union of hotel and food service workers in San Francisco and San Mateo Counties. It represents about 12,000 workers in the hospitality industry. For more information, visit www.unitehere2.org.