



**STATEMENT FOR THE RECORD AND ACCOMPANYING TESTIMONIALS
SUBMITTED BY**

THE AMERICAN HOTEL & LODGING ASSOCIATION

TO

**THE COMMITTEE ON WAYS & MEANS
UNITED STATES HOUSE OF REPRESENTATIVES**

**Hearing on "The Impact of the Employer Mandate's Definition of Full-time
Employee on Jobs and Opportunities"**

**1100 Longworth House Office Building
JANUARY 28, 2014
10:00AM**

The American Hotel & Lodging Association (AH&LA), the sole national association representing all segments of the U.S. lodging industry, thanks Chairman Camp for the opportunity to submit testimony for the record in relation to the House Ways and Means Committee's January 28, 2014 hearing examining the impact of the Affordable Care Act (ACA) employer mandate's definition of full-time employee. We appreciate the Committee's attention to this important issue.

As an integral part of the travel and tourism industry in this country, lodging is one of the nation's largest employers. With 1.8 million employees in cities and towns across the country, the hotel industry generates \$155.5 billion in annual sales from 4.9 million guestrooms at 52,529 properties.

Our industry's 14 straight quarters of growth, industry sales, and employment base are key reasons that lodging has been a key player in the nation's economic recovery. The lodging industry is a valuable contributor to the local and national economy, creating well-paying jobs and career opportunities for millions of people. Hoteliers strive each day to make sure those opportunities continue to grow.

We appreciate the Committee's interest in reviewing the effects of the ACA's definition of full-time employment as 30 hours per week. AH&LA has been deeply involved in this issue since enactment of the healthcare law. In the past, we have supported Senator Susan Collins' bill, The 40 Hours is Full-Time Act (S. 1188) and Representative Daniel Lipinski's companion bill in the House of Representatives, (H.R. 2988) as well as Representative Todd Young's bill, The Save American Workers Act of 2013 (H.R. 2575).

The lodging industry advocates for changes in the current law to allow for a definition of full-time status that is more in keeping with current employment practices. The current ACA definition has led and will continue to lead to disruptions in the workforce, and it prevents employees from maintaining flexible work schedules.

The current definition has a serious impact on local economies, particularly small business owners and employees. It's important to note that the lodging industry is comprised largely of small businesses, with more than 55% of hotels made up of 75 rooms or less. AH&LA hopes that Congress will take every opportunity to strengthen the ability of our nation's small businesses to provide good jobs and good benefits for all employees by reviewing the definition of full-time status. Now is the time for us to focus on policies that drive economic growth and job creation; redefining full-time status is an important step in that effort.

In the interest of showcasing the importance of this issue we have compiled a collection of testimonials from our members on the impact of this definition on their operations, employees, and livelihoods. Please find these comments below.

We urge the Committee to seriously consider changes to the full-time definition of employment in the ACA.

January 23, 2014

Dear Chairman Camp:

I am writing to support the full time definition change from 30 hours to 40 hours. Last summer I had to sit down with 32 of my employees to inform them that their hours were going to be cut from 40 hours to 29 hours. For the majority of my hourly staff, most of whom are at or just above minimum wage, this represented a loss of 22 hours of pay per check. During the ensuing months many of them sought out second part time jobs to supplement the loss.

In the very competitive service industry, we have now seen a great decline in loyalty and work quality as employees no longer feel that they can find an employer that is willing to employ them for 40 hours per week. This portion of the mandate has created a burden on low wage families as the employee and/or spouses are faced with the difficult decisions of seeking secondary employment, and more often than not, the schedules have a great impact on child care and the ability to find proper supervision for their children. I believe that a vast majority of my colleagues share my thoughts and concerns regarding the current definition of full time status and how it has impacted many low income tax paying citizens who can barely support their families on a minimum wage job that was providing 40 hours a week.

Please help us to redefine the definition thereby allowing us to once again gainfully employ our staffs.

Thank You,

Dereck Rivas

General Manager
Okemos, MI 48864

January 23, 2014

Dear Chairman Camp:

The Affordable Care Act's employer mandate, including the law's definition of a full-time employee as one who works 30 hours per week will negatively impact us. This will cause our costs to go up and therefore will push us to reduce hours. Our staff classification of full time is more than 30 hours so this also negatively impacts how we administer our benefits program. I support the initiative to change this to 40 hours versus 30 hours.

Regards,

Peter Mason

Peter H. Mason, CHA
Executive Vice President
Konover Hotel Corporation
West Hartford, CT 06117

The name and company of this individual have been removed at his/her request.

Date: January 23, 2013
To: Chairman Camp
Re: **Affordable Care Act – 30 Hour Definition**

Overview

We have been asked about the impact of the 30 hour definition on our workplace. The 30 hour definition has not fully impacted us yet, as it is deferred to 2015, but it will greatly impact us in the future and, to some extent, it has already has.

Our real concern is not specifically the 30 hour definition but the requirement for everyone to have healthcare and for the employer to offer health to all “full time” staff while keeping it affordable so as to avoid penalties. The 30 hour definition impacts this because if an employee averaged 40 vs. 30 hours a week, their income would be that much greater, and so their ability to pass the affordability tests would much more likely. More importantly, the number of staff the employer would be required to offer affordable healthcare to (or face penalties) would be much less.

As we in one of the most effected industries – hospitality – we have many workers who work for a modest hourly rate of pay which, while above minimum wage, is not high. Many of them do not take healthcare with us for various reasons, including the fact they are willing to go uninsured vs. pay the employee share. We probably have about 30% of our staff not taking our plan and not having alternative coverage per the waivers we have collected.

For us the 30 hour definition specifically impacts us as it relates to the affordability safe harbor. We have measured all three safe harbor options and based on the high cost of healthcare for a company mostly situated in Connecticut, the safe harbor we have chosen is 9.5% of W-2 Box 1 income as it is least expensive option for the employer, although it is still not a good option. We looked at the rate of pay safe harbor but as an industry with many tipped staff, this does not work as the hourly rate of pay per federal guidelines is \$2.13 per hour and the government gave no consideration given for the tips earned by these employees who often earn close to \$20 per hour. Then we looked at the federal poverty line safe harbor; the newly published 2013 number for an individual is \$11,670 so 9.5% of this number on a weekly basis is \$21.32 which is well below our single health care contribution for our current benefit plans (more on this point below).

So we settled on the W-2 Box 1 as our best choice, but again it is not a good choice and indeed is a real issue. It means we are looking at compensation for an employee only after they make their 401k contribution and pre-tax healthcare contributions, which for a person insuring an entire family can be a very high number.

At the end of 2013 we spreadsheeted our team, looking only at those full-time employees who worked all 52-weeks in 2013 at hotels which operated for the full 2013 year and who took our medical plans. The additional cost above 9.5% which the employer would have to absorb was about \$26,000. BUT we have more hotels (and thus more full-time employees) in 2014 and of course like any hotel we had turnover in 2013, so quite a few employees only worked part of a year and thus are not in the above number. My estimate is that this cost will be about 1/3 higher in 2014 or closer to \$40,000. Again, this is the cost only for those employees taking medical insurance in 2013 via the employer’s plans.

Now that does not sound like a lot and it is not, relatively speaking. Here is the bigger issue: only a handful of our full-time staff not taking our plan in 2013 joined it in 2014 despite the healthcare mandate. Again, we believe many of these – probably about 50% of those not on our plan - are without any kind of coverage from another source but they willing to pay the \$95 penalty in 2014 vs. pay their share of employer healthcare.

As the penalty rises year to year, will this stay the case? In our analysis, if every full-time employee who worked 52 weeks in our 2013 operating hotels (the same group measured above, but this time adding in single premiums for those not currently taking healthcare) the additional premium to the employer would have been \$870,000 while the 9.5% additional cost would have been closer to \$110,000 than \$26,000. This is about \$880,000 in additional employer cost for the 2013 year. Now consider that I indicated that 2013's numbers showed only about 2/3 of our 2014 staffing level. That means the outside impact of the ACA is close to \$1.5 million should every 2014 full-time employee take employer medical. Now of course not every employee needs to take employer healthcare as some have healthcare coverage elsewhere and some will wish to pay the penalty vs. the cost of health, so the real cost is an unknown. But, again, assuming that 50% of these folks are uncovered and will need to get health in the future to avoid penalties we are looking at potential costs of between \$500,000-\$1 million. And that does not even consider 2018 and the Cadillac tax which is coming in the future!

Obviously this is untenable.

What We Have Done to Date

Based on the above, to date we have done several things.

First, at considerable cost, we have hired a company to track the ACA for us so we can closely monitor hours as well as the W-2 Box 1 safe harbor. This will allow us to see on a very regular basis if we are maximizing full time hours and ensuring that part-time staff are truly working on a part time (i.e. less than 30 hour) basis, while driving hours toward those lower paid employees who are missing the safe harbor cut off.

Second, we have instructed our hotels that our preference is that they maximize their full-time workforce, meaning that few staff should work less than 35-40 hours a week, and that some overtime is preferable to a part-time employee working more than 28 hours a week on average. We want to stay away from a workforce working 30-32 hours a week on average. We want to have a strong full time workforce supplemented by a truly part-time workforce.

Future Plans (We are in the "Strategic Meeting" Phase)

Based on the above, here are the things we are planning to do in 2014 to get ready for 2015:

First, we need to put into place a bronze health plan. This plan will need to be significantly less attractive than the gold standard we have now, so that our "least expensive option" is one that more readily passes the 9.5% W-2 Box 1 safe harbor described above. If we can get a lower premium in place in 2015 that will help the employer with the large additional costs it is going to incur putting the ACA into place, although of course it hurts the employee as their healthcare out of pocket is going to go up as we reduce the benefits so as to lower the premium. We have looked at HRA and HCA plans, but with the ACA impact we anticipate do not see how we can help employees fund these.

Second, we may discontinue offering healthcare to spouses that have healthcare offered through their own employer. We currently charge a spousal surcharge, but may discontinue in full.

Third, right now the employer contributes approximately 50% to the cost of dental insurance and pays 100% of the life insurance for all employees taking medical. These contributions may all need to be re-directed toward the medical plan, making dental and life optional benefits which would be 100% employee funded. In addition, we may need to make these benefits available only on an after tax basis to keep the W-2 Box 1 as high as possible vs. the pre-tax dental option we have in place right now.

Fourth, we are considering limiting the contributions employees can put into their 401k plans which again reduce the W-2 Box 1. We have a couple of employees putting in large percentages of their pay, but every dollar that goes to their 401k plan is that much more a hotel may need to contribute to make the safe harbor work as that 401k contribution reduces the W-2 box 1. So those people currently saving 10-15%+ might need to be limited to 5%, but then this 5% limit may very well negatively impact our ability to pass 401k discrimination testing. A real quandary. A Roth 401k is an option, but not typically an offering that makes sense for our industry.

Fifth, when you talk about a 30 hour full-time definition, you need to consider how this in real life affects the workplace and what your payroll providers' ability is. Right now our definition of full-time for benefits is 32 hours a week at all but one hotel. But healthcare is going to 30 hours. This will be very difficult to track if we keep these hours/definitions for health benefits separate than for other benefits, so we most likely will roll back all benefit requirements to a 30 hour definition. That would mean all employees who work more than 30 hours a week on average will get holiday pay, vacation, PTO, sick, bereavement, jury duty, etc. which is an additional burden on the employer. We do not want to do this, but really have little choice as having two separate definitions of full-time makes things very difficult from a payroll perspective and of course has its impact on staff morale. If we meet our goal detailed above of trying to keep full-timers working 35-40 hours a week on average, this will not be a problem, but at this point we are not sure that this goal is achievable.

Note: We have not strongly considered a strictly part-time staff or eliminating healthcare altogether, but obviously this might change in the future.

Conclusion

So is a 30 hour definition really an issue? Yes. It is huge. The need to cover all 30+ hour staff that do not have coverage elsewhere will most likely turn very expensive in the future and a 40 hour vs. 30 hour definition will be of major assistance in cutting the \$500-\$1 million cost estimated above to a much more manageable number for my company and companies like mine. It will also help cut the impact of the Cadillac taxes in 2018 and beyond to something more affordable. Finally, it will also make the 9.5% of W-2 Box 1 safe harbor much easier to reach. So, I would strongly support a forty-hour workweek and thank you for your efforts on our industries behalf to make this happen.

From a Connecticut-based hotel. The analysis detailed in the memo above is of 14 U.S. hotel properties with 424 full-time employees among them.

January 23, 2014

Dear Chairman Camp:

I am writing to support the full time definition change from 30 hours to 40 hours. Last summer I had to sit down with 18 of my employees to inform them that their hours were going to be cut from 40 hours to 29 hours. For the majority of my hourly staff, most of whom are at or just above minimum wage, this cut represented a loss of 22 hours of pay per check. During the ensuing months many of them sought out second part time jobs to supplement the loss.

In the very competitive service industry, we have now seen a great decline in loyalty and work quality as employees no longer feel that they can find an employer that is willing to employ them for 40 hours per week. This portion of the mandate has created a burden on low wage families as the employee and/or spouses are faced with the difficult decisions of seeking secondary employment, and more often than not, the schedules have a great impact on child care and the ability to find proper supervision for their children while attempting to "make ends meet" for the family.

Please help us to redefine the definition thereby allowing us to once again gainfully employ our staffs.

Respectfully,

Robert Chalmers
General Manager

January 23, 2014

Dear Chairman Camp:

We have three hotels and the Affordable Care Act highly impacts our bottom line. As health insurance costs continue to rise it will negatively affect our business. We are considering selling properties to keep the number of employee less than fifty. We struggle to keep quality employees as it is. But if we are forced to provide health insurance to employees who work 30 hours/week it will not benefit anyone.

We will have to cut out employees' hours which will make it even harder to keep our quality people.

Please let me know if you need further information.

Sincerely,

Angie Harmon

Owner
An Oklahoma-based hotel management company

The name and company of this individual have been removed at his/her request.

January 24, 2014

Dear Chairman Camp,

Thank you for the opportunity to share how the Affordable Care Act is affecting our business. Our number one top concern for 2014 is how we are going to implement and afford the ACA. The Frankenmuth Bavarian Inn is a family owned and operated business and includes:

- Bavarian Inn Restaurant, a 1200-seat restaurant serving over 600,000 guests annually, with the Castles Shops in the lower level
- Bavarian Inn Lodge, 354 overnight rooms, conference center, family fun center, 5 indoor pools
- Frankenmuth River Place, European-style shopping complex, over 30 shops & attractions
- Frankenmuth Motel – 71 room motel
- Frankenmuth Gift Shops, operating 10 retail shops

Here is a picture of what we are facing in 2014 and beyond with the ACA:

- In 2013, we had 918 employees, 119 of which are considered full time with benefits, working an average of 38 hours per week. If we were to continue to operate in the same manner as 2013, we are projecting an increase of \$1,700,000 in healthcare costs in 2015 with implementation of the ACA Employer Mandate. Because the law states that anyone working 30 hours or more is considered full time, we would need to add 257 people to our health care plan or pay a penalty. This is a 151% increase in healthcare costs for one year. Most of these 257 employees work over 30 hours per week, but less than 35 hours per week.
- Because we simply cannot afford such an increase in healthcare costs, we will be forced to change the way we operate and schedule our employees. We will need to limit the hours of our non-full time employees to less than 30 hours. This will significantly affect our operations and payroll costs because we will need to hire more part time employees, adding to high training costs. Additionally, we will incur costs related to the collection of data and reporting necessary to manage these hours on a weekly basis. Instead of spending time creating enjoyable experiences for our guests, our managers will spend more administrative time trying to manage hours.
- In anticipation of the significant cost increases we will be facing in 2015, we had to make difficult decisions for our health plan this year. In the past, we have provided spousal and family coverage to our full time employees. In 2014, we were forced to drop coverage for the spouses and employees will have to pay the difference for their children if they would like to include them in their coverage. As a family business, this was devastating to us. We have always tried our best to take care of our employees; we felt we had no choice.

If the law's definition of full-time would be 40 hours, this would certainly give us more hope that we can make the ACA workable for our business. While we would still have high increased costs to our healthcare, it would be more manageable and we would not have to limit the hours to our part-time employees that wanted to work their normal average of 30-35 hours.

We appreciate the opportunity to share how the ACA with its current mandate is negatively affecting our employees, our bottom line and our ability to grow. I would be happy to discuss

our situation with you further and you can reach me at azgrossi@bavarianinn.com or 989-652-9941.

Sincerely,

Owner/General Manager
Michigan based hotel

January 23, 2014

Rick Rautanen
Four Points by Sheraton
Saginaw, Michigan 48604

Dear Chairman Camp:

I am writing to support the full time definition change from 30 hours to 40 hours. Last summer I had to sit down with 22 of my employees to inform them that their hours were going to be cut from 40 hours to 29 hours. For the majority of my hourly staff, most of whom are at or just above minimum wage, this represented a loss of 22 hours of pay per check. During the ensuing months many of them sought out second part time jobs to supplement the loss.

In the very competitive service industry, we have now seen a great decline in loyalty and work quality as employees no longer feel that they can find an employer that is willing to employ them for 40 hours per week. This portion of the mandate has created a burden on low wage families as the employee and/or spouses are faced with the difficult decisions of seeking secondary employment, and more often than not, the schedules have a great impact on child care and the ability to find proper supervision for their children.

Please help us to redefine the definition thereby allowing us to once again gainfully employ our staffs.

Respectfully,

Rick Rautanen

General Manager
Four Points by Sheraton
Saginaw, MI
Saginaw, Michigan 48604

The name and company of this individual have been removed at his/her request.

January 24, 2014

Dear Chairman Camp,

This shift in workforce strategies reflects a specific problem within the ACA — the definition of a full-time employee. Instead of a traditional 40-hour work week, the ACA defined a full-time worker as anyone who works 30 or more hours per week. Previous part-time workers are now considered full-time and companies are required to provide insurance.

To avoid the significant financial burden of providing insurance to all full-time associates, companies have implemented strategies to significantly decrease their exposure. Thus, associates who previously were able to work for only one company because they could work up to 40 hours, now must find multiple part-time jobs to take home the same or similar wages. This is the unintentional consequence of a workforce made up of part-time workers.

As a hotel operator, employing a workforce of part-time employees has far reaching effects. First, attracting part-time employees is challenging. Applicants are typically looking for full-time work where they can earn a week's worth of wages at one location. Applicants may look elsewhere if we can't offer full-time work. Part-time employees, as a whole, have no real loyalty to us as their employer. Their loyalty may lie with another employer or with no company at all. As a result, retaining part-time workers has been challenging. Lastly, and without a doubt the most negative impact we've seen with this workforce shift, is the impact on guest service. Part-time associates, who would prefer to work full-time, are simply waiting for another position to become available. They have no reason to be an outstanding employee who provides exceptional service simply because they are waiting for a full-time position somewhere else.

In essence, a workforce of part-time employees is unfortunately bad for business. Redefining the full-time worker to employees who work 40 hours per week, rather than 30 hours per week, will prevent operators from making drastic workforce changes. The benefits to the employee and the employer are indisputable. Employees who were previously able to work one job could be retained and employers could maintain a stable workforce.

Changing the definition of the full-time associates from 30 hours per week to 40 hours per week would reverse the trend of businesses scaling back hours and eliminating full-time jobs in favor of part-time positions. Companies would be in a much better position to return the recently reduced hours and wages back to Americans who need and want their previously earned paychecks.

Sincerely,

From a Colorado-based hotel management company

The name and company of this individual have been removed at his/her request.

January 24, 2014

Dear Chairman Camp:

I write to you today regarding the negative impact the ACA is having on my business, my employees, and my guests. I operate 8 small hotels and 1 restaurant in Central NY with approximately 275 employees.

The financial impact of the ACA has forced me to drastically reduce my full time staff, as defined by the ACA.

Because of the ACA my health places will be changed and re-priced upon renewal this March will I expect will cause me to eliminate them all together. Additionally, I have put all plans for future expansion on hold until there is more certainty with the ADA, its final regulations, and its impact can be determined.

One of the biggest problems with the ACA is the full time definition of 30 hours per week. I urge you to increase this threshold to 40 hours a week, this will allow us to maintain our employment level and better serve our guest. Another modification that would be very helpful to small businesses would be to eliminate the "Controlled Group Status" when calculating if a business exceeds the "50 full time equivalent threshold". Elimination of this mandate would exempt many small business and level the playing field with regard to the cost of employment.

Thank you for your consideration.

Yours truly,

President
A New York based Hospitality Management Company

The name and company of this individual have been removed at his/her request.

January 24, 2014

Dear Chairman Camp:

For 40 years we have considered 40 hours a week to be a full time employee that is how we pay vacation time and holiday pay. When we are in our peak season we employ approximately 215 employees: we are located in a very remote location and do not have a large workforce so a 30 hour definition of a full time employee is very difficult for us. We are already looking to reduce as many employees as we can to less than 30 hours per week which causes a hardship to those employees because they need to work as much as they can to support their families, so some may look for other jobs and it is difficult as it is already hard to find quality employees to fill our job requirements. 30 hours only damages the employer and employee.

Please consider 40 hours as the definition of a full time employee.

Thank You,

General Manager
Utah-based hotel

January 24, 2014

Dear Chairman Camp:

The Crowne Plaza Resort & Golf Club in Lake Placid is owned and operated by my family. I also serve on the "Responsible Business" Committee of the IHG Owners Association.

Past Health insurance coverage offered at our resort:

Employees who work more than 1800 hours per year (average 34.63 hours/week) for 2 years, have been entitled to free (single) healthcare insurance. In the past year, we asked employees to contribute 10% of the cost.

We bore the cost of providing good healthcare coverage for our full time employees because we felt it was the right thing to do. Of course, employees who didn't meet the 1800 hour/2 year of employment criteria were welcome to purchase insurance on their own.

We also felt that if we didn't provide free healthcare, many employees (especially the service sector) would not seek coverage on their own. We found that our healthcare coverage system works for all loyal employees, but there are always a number of employees who will only work the bare minimum in order to receive almost free healthcare from us.

By mandating an employer to pay for a "full time" 30 hour work week is counter productive.

- We like to think we are fair and generous private sector employers - providing some of the highest wages and most generous employment packages in our area. We want to continue to be fair and generous to our employees. But I foresee all sorts of problems with a "30 hour work week".
- Absenteeism of employees will go up. I envision that many of our employees will just work the bare minimum in order for us to pay for their care so they don't have to deal with the hassle of setting it up on their own.
- Employee productivity will go down since they really can't do their job in 30 hours/week.
- Employer costs go up since I will have to hire more people to do the 40 hour job, and there will most certainly be an overlap in hours, which will ultimately cost more for the employer.
- Employer is now faced with a "part time" work force which make scheduling extremely difficult.
- A 30 hour work week minimum may actually set up America's companies to hire employees for 29 hours a week in order to avoid paying for health insurance.
- A 29 hour or less work week will promote inconsistency of product and/or service.
- America's workforce will have to get multiple jobs in order to make ends meet since potential employers will not want to hire someone for more than 29 hours a week. This law truly hurts the employee.

Sincerely,

Cristina Lussi
 Vice President
 Crowne Plaza Resort & Golf Club Lake Placid

The name and company of this individual have been removed at his/her request.

January 24, 2014

Dear Chairman Camp:

Thank you for allowing us to provide feedback on the impact of this definition on our business. As a hotel operator with locations throughout the United States we feel this will adversely impact not only our profitability but have a negative impact on our employees.

In the hotel industry, our business fluctuates due to the seasons and our staffing module is constantly changing with the times. We have a huge base of employees that is currently working part-time and if full-time changes to 30 hours, it will require for our company to provide insurance to an additional 6% of our current staff. As a result, this will increase our cost of insurance and additional benefits that would be provided to full-time employees. As a business, if this proposal is approved, we will be forced to reevaluate how we operate and we will reduce the number of full-time positions and reduce our employees' hours.

At Your Service.

From a Kentucky-based hospitality group

January 24, 2014

Dear Chairman Camp,

On behalf of the Texas Hotel & Lodging Association, we are writing to express our support for reform to the Affordable Care Act's definition of a "full-time" employee for the large employer mandate. Under the Act's current provisions, a full-time employee is defined as one who works at least 30 hours per week. However, the most common practice in the U.S. is to consider working 40 hours per week as "full-time." As a result of the 30-hour threshold, some small business owners, including hotels, are reducing employees' hours to minimize the financial burden they face under the Affordable Care Act.

Currently in the U.S., there are millions of people who work between 30 and 36 hours per week. Many small business owners are reducing these employees' hours to stay below the current "full-time" threshold. This means hiring more part-time employees, but also substantially reducing their current employees' hours. This causes productivity issues for the employer, adds cost by increasing the total number of part-time employees, and hurts employees who may have to take on multiple part-time jobs to make ends meet. Furthermore, most labor laws already recognize a 40-hour week. Having two separate full-time standards is arduous for small businesses owners.

The Texas lodging industry needs smart and effective reform to the Affordable Care Act. We are asking Congress to change the calculation of "full-time" employee to the traditional 40-hour definition. As always, please know how much we appreciate your leadership. If there is anything we can do to assist you, please do not hesitate to ask.

Thank you for your thoughtful consideration of our position on this important issue.

Sincerely,



Scott K. Joslove
President & CEO
Texas Hotel & Lodging Association

The name and company of this individual have been removed at his/her request.

January 24, 2014

To Whom It May Concern:

When we learned that the Affordable Care Act included a provision for mandated health coverage for employees working 30 hours per week, it triggered immediate concern and alarm. In the hospitality industry we employ literally hundreds of part-time employees. Because we can never predict business levels, our part-time employees are often asked and sometimes required to work additional hours. In order to keep our business thriving, we must provide exceptional customer service. Ignoring it would be devastating, risking the loss of customers to our competition, and we simply cannot take that chance. So we utilize our part-time employees when they are needed to ensure our service continues to be the best.

There are any number of reasons that an employee's hours exceed 30, most unplanned. For example, employees become ill and are unable to come to work. Others, thankfully, volunteer to take their places. While the company may have the best of intentions – keeping part-time employees under 30 hours – it is often not possible. Most employees are happy to work the extra hours, as they appreciate the chance to make more money, so they rarely refuse.

We have nearly 500 part-time workers. If just half of those workers exceed the 30-hour-average limit, the additional expense to provide health care would exceed \$2 million annually. We simply cannot afford that expense, and it may cause us to reduce operations considerably, possibly putting hundreds of employees out of work.

Frankly, we don't believe 30 is the right number. For scores of years, a full-time employee was required to work 40 hours. We do not believe that those who work only part-time hours deserve the same level of benefits than those who make a deeper commitment to our company.

Sincerely,

From a Delaware-based hotel



January 24, 2014
Congressman Dave Camp
Chairman on the Committee of Ways and Means

RE: Affordable Care Act's Employer mandate

Dear Congressman Camp and respected members of Congress,

On behalf of the World Waterpark Association and its members, we would like to express our deep concern over the current definition of the law's mandate of categorizing full-time employees as working 30-hours a week. Based on what we have heard from hundreds of owners and operators in the water leisure industry, we believe that this mandate is bad for everyone – for the employers and for the thousands of employees who will see a reduction in their hours and pay based on the 30-hour work week.

We ask the committee to change the employer mandate to 40 hours per week.

WWA members include indoor waterpark resorts, outdoor waterparks, public sector pools and recreation centers, as well as parks and recreation professionals. Our owners and operators employ hundreds of thousands of people on a year-round and seasonal basis. Many of these employees are students and young adults who rely on their pay to cover their college costs as well as general living expenses. We have heard from a number of people that their part-time employers are now working 2-3 jobs just to achieve the same level of income they received in prior years at one job.

If the mandate remains as it is now, many of our operators will be forced to hire more people and offer them greatly reduced hours. Many operators will incur additional expenses in training (in some cases twice the expense). In addition, because full-time staff will need to devote more hours to training twice the amount of staff, there will be fewer hours to devote to important community programs and other areas of their business.

The leisure industry is already experiencing significant increases in health care expense as insurance companies are increasing rates in anticipation for next year's mandate. We believe the 30-hour-work week mandate is especially burdensome at a time when employers are already working hard to be in compliance with the ACA.

We urge the Committee to take the challenges faced by waterpark operators into consideration as they work to revise the Affordable Care Act and specifically the Employer Mandate.

Respectfully,

A handwritten signature in black ink, appearing to read "Dale McFarland".

Dale McFarland
World Waterpark Association
Government Relations Chairman