

**STATEMENT OF R. DANIEL MUSSER III,  
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SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES,  
BORDER SECURITY, AND INTERNATIONAL LAW  
APRIL 16, 2008**

Madam Chair and Members of the Subcommittee, I appreciate your invitation to testify today about the critical need for foreign temporary, seasonal H-2B workers for Grand Hotel and other seasonal businesses throughout the U.S. My name is Dan Musser. I am President of Grand Hotel on Mackinac Island, Michigan. I am the third generation of my family to own and operate this historic, seasonal, 385-room summer resort. This is the 75th year that the hotel has been under our stewardship.

Grand Hotel is known nationally and internationally as the world's largest summer hotel. We are known for the beauty of our location on Mackinac Island, for our dramatic 660-foot front porch and, more importantly, for our friendly and unique hospitality.

Our exceptional service is widely recognized by many national rating guides; I have attached a brief listing of recent awards that reflect our commitment to quality.

To give just a few examples:

- The April 2008 issue of *National Geographic Traveler* selected us as one of 150 properties in the U.S., Canada, Mexico and the Caribbean Region with location-inspired architecture, ambiance, and amenities, eco-stewardship, and an ethic of giving back to the community.
- *Travel & Leisure* magazine annually lists us as one of the 500 best hotels in the world.
- *Condé Nast Traveler* rates us as one of the "World's Best Places to Stay."

Grand Hotel is the largest employer of U.S. workers on Mackinac Island. We employ 250 U.S. workers annually. For many decades, Grand Hotel's entire staff was U.S. workers. Increasing opportunities for year-round hospitality workers and other factors have made it impossible to fill all of our positions with ready, willing, and able American workers. Without the H-2B seasonal temporary workers we employ to supplement our U.S. work force, we eventually would not be in business.

The September 30, 2007 expiration of the returning worker exemption to the annual cap on H-2B visas has been costly to Grand Hotel and the Mackinac Island economy. Resources that would have been available for capital improvements that create U.S. jobs have been diverted to a costly scramble to find qualified H-2B workers at winter resorts who are willing to forego returning to their families and home countries and legally transfer to Grand Hotel for the summer season. This is only a temporary fix for this year.

Since Grand Hotel first opened in 1887, it has been a continuing challenge to find a stable, dependable work force to fill the 600 jobs required to maintain the high level of service for which we are known. The fact we are open only six months, our isolated location 300 miles north of Detroit, and other factors make it difficult to develop a work force needed to provide Grand Hotel level hospitality.

Operating year round is not an option. We are a seasonal summer hotel. As Chairman Conyers can tell you, there is no good way to get to our island in the winter and very little to do there if you were able to get across the frozen lake.

We are and always have been committed to staffing Grand Hotel with U.S. workers. Each year we take a number of steps to recruit U.S. workers for Grand Hotel.

- We run ads in major papers in Michigan and the Great Lakes region.
- We advertise in seasonal resort areas that dovetail with ours such as ski resorts in Colorado and Utah and warm weather resorts such as Florida and Arizona.
- We attend as many job fairs in as many colleges and universities in Michigan and the Great Lakes region as we can.
- We visit culinary institutions around the country.
- We attend Michigan Works job fairs.
- We list jobs on major Internet sites.
- We promote on major media outlets in Michigan (radio, print, electronics)

We are able to hire some college students, but increased opportunities for summer educational and enrichment activities for college students has reduced the pool of available students. Further, most college students' school schedules preclude them from remaining with us for the entire season, which runs from May through October.

We have also tried several innovative programs. We created a service academy through which we worked with the Michigan Employment Security Commission to find unemployed Michigan citizens who expressed an interest in the hospitality field. We provided employment for the summer and rotated them through different departments in the Hotel during the course of the season. They also received college level classroom instruction provided by the Educational Institute of the American Hotel and Lodging Association.

At the end of the season they received accreditation from the Institute, a guaranteed job the next summer with us, and with the State's assistance found winter jobs at various resorts in Colorado, Utah, Arizona and Florida. Unfortunately for us, those resorts offered year-round employment. We found that after we had provided them an education and

experience in the hospitality industry and then found positions for them with other resorts in other parts of the country that offered year-round employment, we had virtually no returning graduates.

We even tried a program where we recruited workers from homeless shelters in metropolitan areas in southern Michigan. That was not successful.

We had a somewhat successful program with the State with individuals with certain limited physical and mental disabilities. We hired a qualified full-time supervisor specially trained to work with and live with these individuals to ensure integration to our working community. In recent years, the State's role has diminished in this regard and, therefore, our program as well. I am pleased to say that our program enabled six of these individuals to become capable of living on their own and several worked with us for over 20 years.

While these programs have not provided us with the work force we need, we continue and will continue to do everything in our power to find, recruit and retain as many U.S. workers as possible. In the meantime, the quality of service we provide requires that we supplement our professional, trained and dependable U.S. work force.

For many years, we recruited workers from Florida. But as Florida turned into a year round vacation destination, those workers no longer were available. The situation was particularly critical in the hotel dining room, which is a key part of hotel operations.

About 35 years ago, Grand Hotel began to look to foreign workers to fill positions for which we could not, despite extensive efforts, find U.S. workers. Our H-2B workers come from several different countries. Many of these workers hold seasonal hospitality jobs in their home countries. For example, the Jamaican tourist season dovetails perfectly with ours and Jamaica is an important source of H-2B workers for us. Some of them return year after year to Grand Hotel because of the pay and working conditions we offer to all staff, both domestic and foreign.

Under federal law our wage rates are approved by both the Michigan Employment Security Commission and the U.S. Department of Labor. Our wage rates are based on Detroit-area wages.

We provide a variety of housing in communities on the island that we subsidize for our all staff. Most are single rooms; some with private baths; some with shared baths with one other room and some dormitory style. We are proud of the condition of our employee housing. We have, this year alone, spent in excess of \$300,000 on improvements. Our goal is to have a single room for all staff members in the next three years. In addition to housing, we also provide three meals a day in our employee cafeteria.

It is important to note that our H-2B workers enjoy workers compensation, just as our American workers. We also assist our U.S. and H-2B workers through our community foundation. Further, all employees that complete the season also receive a \$500 bonus.

**We are one of 70 northern Michigan resorts and hotels that utilize temporary, seasonal foreign workers on H-2B visas for specific jobs. Our workforce during the summer is made up of approximately 600 employees – 250 American citizens and 350 or so H-2B workers. Our American jobs depend on our H-2B workers. It would be extremely difficult, if not impossible, for us to continue to operate successfully without H-2B workers - they are the lifeblood of our seasonal business.**

**The potential closure of Grand Hotel would have a devastating impact on Mackinac Island, Northern Michigan and the tourist industry in general.**

**Some relevant facts to consider are:**

- The Grand Hotel has reinvested in excess of \$50 million in the past 15 years on capital expenditures. All construction was performed by Michigan contractors.**
- During the past 15 years an additional \$25 million was spent on normal and major repairs to the Hotel's properties.**
- On average 600 individuals are employed at the Hotel each year, with an annual payroll in excess of \$12 million.**
- Grand Hotel spends in excess of \$1 million annually for State and Federal unemployment and FICA taxes.**
- The Hotel spends in excess of \$1 million annually in Michigan for professional services such as advertising, accounting and other outside services.**

**The Grand Hotel is not much different from the thousands of small and seasonal businesses throughout the U.S. who have been forced to turn to the H-2B program as a result of a lack of available Americans willing and able to work in temporary seasonal positions. And it is not just the hotel and resort industry that needs these workers.**

**Nearly every corner of the country is affected by the shortage of seasonal temporary workers. The industries include:**

- Seafood processors, shrimpers, crabbers, and fishermen throughout the Gulf, Carolinas, Alaska, Northwest and Mid-Atlantic states;**
- Hotels, restaurants, ski resorts and other important tourist destinations throughout New England, the Mid-West and the Rockies;**
- Quarries from New England to Colorado;**
- National Parks, including Grand Canyon, Sequoia, Yosemite and others;**

- **Forest industry in New England and the Southeast;**
- **Theme parks and swimming pools in virtually every state; and**
- **Landscapers and landscape contractors across America.**

**Each year these employers go through great expense and trouble to follow the law. The H-2B process consists of applications to four separate Government agencies (State Workforce Agency, U.S. Department of Labor, U.S. Department of Homeland Security and US Department of State), legal fees, Government filing fees and many other expenses. Employers pay wages at levels that have been certified by the U.S. Government to be high enough so that they will not adversely affect the wages of similarly-employed Americans. Employers are obligated to pay the return transportation of workers they let go early, and they must comply with the myriad rules and regulations that govern the worksite of U.S. and foreign workers alike.**

**For seasonal employers, the H-2B returning worker exemption has worked well. Employers still willingly search high and low for every American they can find. But when they cannot find Americans, the fact that they can turn to workers who have worked for them in the past ensured that they could stay in business. Most importantly, since returning workers have already undergone extensive background security checks (and have to undergo similar checks each time they apply to enter the U.S.), employers can feel confident that they have helped protect the security of our homeland. Moreover, in deciding to return to work with the same seasonal employer, these H-2B workers have signaled that they have been pleased with their working conditions and the wages they have been paid. The returning worker exemption has been one of those rare “win-win-win-win” situations: a win for workers (American and foreign); a win for employers; a win for the United States of America; and a win for the communities we serve.**

**We need Congress to act immediately to extend the returning worker exemption from the annual cap on H-2B visas.**

## Grand Hotel Recent Awards

### AAA Four Diamond Rating

Rated by a AAA field inspector as an excellent property displaying a high level of service and hospitality.

### The Greatest Hotels in the World

*Travel & Leisure Magazine, January 2008* – The annual guide to the 500 best hotels in the world. The list contains the hotels that received the highest rating in the Travel & Leisure reader survey along with opinions and advice of its editors and reporters.

### Stay List

*National Geographic Traveler, April 2008* – Nominated by travel experts and seasoned travelers and then selected as one of 150 properties in the U.S., Canada, Mexico and the Caribbean Region with location-inspired architecture, ambience, and amenities, eco-stewardship, and an ethic of giving back to the community.

### Gold List

*Condé Nast Traveler* - Rated as one of the “World’s Best Places to Stay” by the more than 20,000 subscribers that completed the Readers’ Choice poll.

### 56 Hotels We Love

*National Geographic Traveler, September 2004* - Named one of the American hotels that deliver a unique experience and a lasting impression.

### Best of MidAmerica

*Meetings MidAmerica, September 2006* - Selected by readers of Meetings MidAmerica magazine as one of the top 45 properties in the Midwestern United States.

### T+L Family 50

*Travel & Leisure Family Magazine, September 2007* - Selected by readers as one of the 50 best family-friendly resorts in the United States, Canada, Caribbean, and Mexico.

### Award of Excellence

*Corporate & Incentive Travel, November 2006* - Recognized by subscribers as a resort that has superior staff service, excellence in accommodations and meeting facilities, trouble-free food and beverage functions, smooth set-ups and arrangements for social functions, exceptional ambience, and convenient and accessible location.

**Inner Circle Award**

*Association Meetings Magazine* - Voted by readers as one of the top hotels in the country for meetings.

**Planners' Choice Award**

*Meeting News Magazine* - Recognized as one of the best in the industry by conference and convention planners based on the quality of facilities and services provided.

**Pinnacle Award**

*Successful Meetings Magazine* - Voted by readers as a property that provides the most professional service in the industry.

**Excellence in the East Award**

*Meetings East Magazine* - Chosen by readers as one of the top 56 properties in the Eastern and Midwestern United States and Canada. The properties were selected based on the quality of meeting space, guest rooms, staff, service, food and beverage, amenities, activities, and value from properties that they have used within the last two years.

**Best of Award of Excellence**

*Wine Spectator* - Recommended as a restaurant where a fascinating wine experience is part of the dining experience. Wine lists are judged by the number of selections, quality of wines chosen, depth of vintages, compatibility with the restaurant menu, inventory, and how easy the lists are to use.

**Playful Travel Award**

*Nick Jr. Magazine* - Chosen by top family travel experts and editors from Nick Jr. Magazine as well as two Nickjr.com online surveys as a hotel that offers the best facilities and products to suit the needs and tastes of Nick Jr. families. It is accessible, affordable, and accommodating and offers unique features that make kids feel special and make parents feel cared for and comfortable.

**Best of the Midwest**

*Midwest Living Magazine* - Featured as one of the top 37 Midwest resorts selected by the editors of Midwest Living in the Best of the Midwest 2006 edition.

**Gold Key Award**

*Meetings & Conventions Magazine, November 2007* - Selected by readers of M&C who based their votes on overall professionalism and quality of property. Experienced meeting planners selected their winning properties based on strict industry criteria including staff attitude, quality of meeting rooms, quality of guest service, food and beverage service, and recreational facilities.

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