

United States Senate

WASHINGTON, DC 20510

October 4, 2022

Howard Schultz
Chief Executive Officer
Starbucks Corporation
2401 Utah Avenue South
Seattle, Washington 98134

Melody Hobson
Chair, Board of Directors
Starbucks Corporation
2401 Utah Avenue South
Seattle, Washington 98134

Dear Mr. Schultz and Ms. Hobson,

We write with grave concern about reports that Starbucks is engaging in illegal union-busting tactics in an attempt to intimidate its employees and dissuade them from organizing and joining unions. The law prohibits Starbucks from interfering unduly in workers' organizing efforts, but press reports and accounts from Starbucks employees in Massachusetts indicate that the company is in fact crossing the line into illegal union-busting.¹ We urge you to immediately put an end to these unethical and unlawful anti-union activities and respect your employees' right to organize.

Last year, a wave of unionization efforts began at Starbucks, with workers banding together to negotiate for better wages, benefits, and working conditions. In August 2021, an organizing committee consisting of Starbucks workers throughout Buffalo, New York sent a letter stating their intent to form a union.² Since then, the effort to unionize has spread to over 350 of the company's locations in at least 30 states,³ with 229 bargaining units certified.⁴

Starbucks' response to these efforts has been to engage in a nation-wide anti-union campaign. While claiming to "respect the rights of [its] partners to organize,"⁵ Mr. Schultz has called the union an "outside force" seeking to "disrupt our company" and has urged managers "to insert themselves in the organizing process."⁶ Accordingly, Starbucks has adopted a range of troubling tactics to persuade, discourage, intimidate, and even retaliate against employees who join, or express intent to form or join, a union. According to internal documents, Starbucks management in Buffalo has created a climate of fear among the workers, holding "captive audience meetings," discouraging employees from speaking to reporters and posting on social media, and sending

¹ 29 U.S.C. §§ 151-169.

² Letter from Starbucks Workers United Organizing Committee to then-Starbucks CEO Kevin Johnson, August 23, 2021, https://twitter.com/SBWorkersUnited/status/1429843732715692040?s=20&t=ESJ1o8ROMAIRBe7p_rV0dA.

³ Law360, "Starbucks Unionization Tracker," September 21, 2022, <https://www.law360.com/employment-authority/starbucks-tracker>.

⁴ Law360, "Starbucks Unionization Tracker," September 21, 2022, <https://www.law360.com/employment-authority/starbucks-tracker>.

⁵ Washington Post, "More Starbucks stores want to unionize. These women and nonbinary workers are leading the push," Abigail Higgins, March 4, 2022, <https://www.washingtonpost.com/lifestyle/2022/03/04/starbucks-employees-unionizing/>.

⁶ More Perfect Union, "IN LEAKED VIDEO CALL, HOWARD SCHULTZ BEGS STARBUCKS MANAGERS TO STEP UP UNION-BUSTING," Jordan Zakarin, April 21, 2022, <https://perfectunion.us/in-leaked-video-call-howard-schultz-begs-starbucks-managers-to-step-up-union-busting/>.

upper management into stores to monitor workers.⁷ Starbucks has also mounted its union-busting campaign digitally, with some employees receiving repeated text messages containing anti-union language,⁸ a senior Starbucks executive sending an email to workers explicitly stating, “We want you to vote no,”⁹ and a website “dedicated to dissuading workers from organizing.”¹⁰

Under your leadership, Starbucks has also weaponized wage increases and new benefits in its anti-union campaign, threatening to withhold them from workers who have voted to unionize, and even those who are organizing and have not yet had a union election – and not hesitating to act on that threat.¹¹ Starbucks is reporting record profits,¹² and has ample cash to pay for additional benefits even “without hampering the dividend” for Starbucks shareholders.¹³ But instead of increasing wages and benefits for all workers, you have illegally extended them only to non-unionized workers and used this disparity to threaten workers considering unionization:

- **Wage increases.** Starbucks recently raised its U.S. pay to an average of nearly \$17 an hour, but only for *non-unionized* cafe workers, while refusing to bargain with union shops for the wages they deserve.¹⁴
- **Gender-affirming care.** Starbucks has threatened to take away health insurance coverage for gender-affirming care from unionized stores, threatening workers with the loss of an important benefit for transgender employees that Starbucks has provided since 2012.¹⁵
- **Abortion-related travel expenses.** After the Supreme Court’s decision in *Dobbs v. Jackson Women’s Health Organization* stripped women in many states of their right to an abortion, Starbucks introduced a new benefit that reimburses employees for travel expenses related to abortion-related care or gender-affirming procedures.¹⁶ However,

⁷ Motherboard, “It’s Almost Comical!’ Starbucks Is Blatantly Trying to Crush Its Union,” Lauren Kaori Gurley, September 8, 2021, <https://www.vice.com/en/article/v7ekp8/its-almost-comical-starbucks-is-blatantly-trying-to-crushits-union>; LaborNotes, “How We Turned the Tables On Starbucks Union-Busters,” Sara Mughal, February 17, 2022, <https://labornotes.org/2022/02/how-we-turned-tables-starbucks-union-busters>.

⁸ Automated text message from Starbucks to an employee, January 28, 2022, <https://twitter.com/MorePerfectUS/status/1487207134982979588?s=20&t=X14xR2Eq3-OGe4KhTOhNkQ>.

⁹ Email from Starbucks Northeast Regional Vice President Allyson Peck to employees, November 1, 2021, <https://www.vice.com/en/article/pkpyx8/starbucks-tells-unionizing-workers-we-want-you-to-vote-no>.

¹⁰ Salon, “Starbucks’ union busting campaign is backfiring,” Jon Skolnik, February 24, 2022, <https://www.salon.com/2022/02/24/starbucks-union-busting-campaign-is-backfiring/>; Starbucks, “We Are One Starbucks,” <https://one.starbucks.com>.

¹¹ The Hill, “NLRB: Starbucks illegally withheld wages, benefits from union workers,” Zach Schonfeld, August 25, 2022, <https://thehill.com/business-a-lobbying/business-lobbying/3615623-nlr-starbucks-illegally-withheld-wages-benefits-from-union-workers/>.

¹² New York Times, “Starbucks Reports Record Revenue, Driven Mostly by Gen Z’s Love of Iced Drinks,” Julie Creswell, August 2, 2022, <https://www.nytimes.com/2022/08/02/business/starbucks-quarterly-earnings.html>.

¹³ Reuters, “Starbucks adds benefits for non-union U.S. workers ahead of investor day,” Hilary Russ, September 12, 2022, <https://www.reuters.com/markets/us/starbucks-adds-benefits-non-union-us-workers-ahead-investor-day-2022-09-12/>.

¹⁴ Reuters, “Starbucks adds benefits for non-union U.S. workers ahead of investor day,” Hilary Russ, September 12, 2022, <https://www.reuters.com/markets/us/starbucks-adds-benefits-non-union-us-workers-ahead-investor-day-2022-09-12/>.

¹⁵ CNBC, “Starbucks union: Company threatens that unionizing could jeopardize gender-affirming health care,” Amelia Lucas, June 14, 2022, <https://www.cnbc.com/2022/06/14/starbucks-union-company-threatens-that-unionizing-could-jeopardize-gender-affirming-health-care.html>.

Starbucks has claimed it could not “make promises or guarantees about any benefits” for unionized stores.¹⁷

- **Student loan repayment tools and savings account program.** Last month, Starbucks announced that it would provide new student loan repayment tools and a savings account program for non-union employees, while hanging unionized stores out to dry.¹⁸
- **Accelerated sick leave accrual.** Recently, Starbucks announced that it would “soon roll out a new ‘generous sick time accrual model’”¹⁹ for workers in non-unionized stores, but that it could not “determine or predict”²⁰ if this benefit would be implemented in union shops.

These actions appear to be illegal under the plain text of the *National Labor Relations Act* (NLRA).²¹ The NLRA prohibits employers from engaging in unfair labor practices against employees: Employers cannot “interfere with, restrain, or coerce employees in the exercise of their rights [to unionize],”²² nor can they “discourage membership in any labor organization” “by discrimination in regard to hire or tenure of employment or any term or condition of employment.”²³ This means that employers cannot threaten employees with loss of benefits if they support a union, promise employees benefits if they reject the union, confer new benefits during a union organizing campaign to push employees to vote against the union, or withhold changes in wages or benefits during a union organizing campaign that otherwise would have been made, without making clear that the change will occur regardless of unionization.²⁴ Yet Starbucks has been doing, and continues to do, exactly that.

Starbucks workers in Massachusetts are unfortunately facing the same union-busting campaign that Starbucks is waging against workers around the country. Workers at the Starbucks store at 874 Commonwealth Ave. in Brookline, MA report experiencing a variety of abuses since they had their union certified on June 13, 2022.²⁵ Notably, workers saw their hours cut across the board until many of them were below the 20 hours per week threshold required to qualify for

¹⁶ Daily Dot, “‘Some forced birth with your venti latte?’: Starbucks boasts it will provide reimbursement for workers to get abortions—unless they are a union shop,” Jacob Seitz, June 28, 2022, <https://www.dailydot.com/debug/starbucks-abortion-policy/>; CNBC, “Starbucks to cover employees’ travel expenses for abortions, gender-affirming surgeries,” Amelia Lucas, May 16, 2022, <https://www.cnbc.com/2022/05/16/starbucks-to-cover-employees-travel-expenses-for-abortions-gender-affirming-surgeries.html>.

¹⁷ Daily Dot, “‘Some forced birth with your venti latte?’: Starbucks boasts it will provide reimbursement for workers to get abortions—unless they are a union shop,” Jacob Seitz, June 28, 2022, <https://www.dailydot.com/debug/starbucks-abortion-policy/>.

¹⁸ Reuters, “Starbucks adds benefits for non-union U.S. workers ahead of investor day,” Hilary Russ, September 12, 2022, <https://www.reuters.com/markets/us/starbucks-adds-benefits-non-union-us-workers-ahead-investor-day-2022-09-12/>.

¹⁹ CBS News, “Starbucks is ending COVID-19 sick pay for workers next month,” Aimee Picchi, September 19, 2022, <https://www.cbsnews.com/news/starbucks-ending-covid-pay-for-workers-october/>.

²⁰ More Perfect Union, “EXCLUSIVE: STARBUCKS TO END COVID PAY, DENY UNION WORKERS NEW BENEFITS,” Jordan Zakarin, September 18, 2022, <https://perfectunion.us/exclusive-starbucks-to-end-covid-pay-deny-union-workers-new-benefits/>.

²¹ 29 U.S.C. §§ 151-169.

²² 29 U.S.C. 158(a)(1).

²³ 29 U.S.C. 158(a)(3).

²⁴ NLRB, “Interfering with employee rights (Section 7 & 8(a)(1)),” <https://www.nlr.gov/about-nlr/rights-we-protect/the-law/interfering-with-employee-rights-section-7-8a1>.

²⁵ NLRB, “Case Search Results: Starbucks Corporation,” <https://www.nlr.gov/case/01-RC-292965>.

critical benefits like health insurance.²⁶ Furthermore, management instituted a new minimum availability rule—unilaterally and without bargaining with the union—that required part-time workers to be available to work at least 30 hours per week (nearly full-time) even if they would eventually only be scheduled for 20 or fewer.²⁷ In July, workers decided to stand up and fight back, beginning a strike that lasted uninterrupted for more than 60 days until ending in workers’ victory on September 21.²⁸ During the strike, workers were subjected by Starbucks to what appears to be a misinformation campaign: workers on the picket line received fliers that, though created and distributed by Starbucks, were designed to appear as official government documents.²⁹ Covered in links to Department of Labor and National Labor Relations Board (NLRB) web pages, the fliers contained “facts” and answers to “frequently asked questions” about the union drive that were clearly biased and aimed at convincing workers to oppose the union, for their own sake.³⁰ For example, in answer to a question about bargaining unit size, the flyer advises workers seemingly unrelatedly, “If you don’t want Workers United to represent you, then you need to vote and vote ‘no’ union,” with no equivalent mention of voting “yes.”³¹

Fortunately, Starbucks workers have not stayed quiet in the face of the unrelenting barrage of union-busting tactics. Since the Buffalo stores first organized, the NLRB has received over 350 unfair labor practice (ULP) charges³² against Starbucks, Siren Retail Corporation (a Starbucks subsidiary),³³ or Littler Mendelson, “a law firm notorious for its ‘union avoidance’ services” which Starbucks reportedly pays at least \$500 per hour to wage its union-busting campaign.³⁴ Of these complaints, approximately half allege violations such as “coercive statements,” “threats,” “retaliation,” and “surveillance.”³⁵ The remaining complaints report “changes in the terms and conditions of employment” as a result of organizing activity, “layoff” or “refusal to hire,” “refusal to bargain/bad faith bargaining,” and “repudiation/modification of contract.”³⁶ According to one charge, “Starbucks has responded to union organizing efforts by partners ... by

²⁶ Per conversations between my staff and workers at the 874 Commonwealth Ave. Starbucks store; Starbucks, “Your Special Blend: Rewarding Our Partners,” p. 5, <http://globalassets.starbucks.com/assets/9a06a16271f34d3b97636281f67bdb23.pdf>.

²⁷ Boston Globe, “Starbucks strike on Commonwealth Avenue comes to an end,” Diti Kohli, September 21, 2022, <https://www.bostonglobe.com/2022/09/21/business/starbucks-strike-comm-ave-comes-an-end/?event=event12>.

²⁸ Boston.com, “Starbucks workers end historic 64-day strike on Commonwealth Avenue,” Abby Patkin, September 21, 2022, <https://www.boston.com/news/business/2022/09/21/starbucks-strike-commonwealth-avenue/>.

²⁹ Fliers on file with the Office of U.S. Senator Elizabeth Warren.

³⁰ *Id.*

³¹ *Id.*

³² Publicly available NLRB data; GBH News, “Striking Boston Starbucks workers declared victory — here’s what that means for organizers nationwide,” Tori Bedford, September 22, 2022, <https://www.wgbh.org/news/local-news/2022/09/22/striking-boston-starbucks-workers-declared-victory-heres-what-that-means-for-organizers-nationwide>.

³³ Retail TouchPoints, “Starbucks Creates Siren Retail Group To Manage Specialty Store Growth,” Adam Blair, July 26, 2016, <https://www.retailtouchpoints.com/features/news-briefs/starbucks-creates-siren-retail-group-to-manage-specialty-store-growth>.

³⁴ Salon, “Starbucks’ union busting campaign is backfiring,” Jon Skolnik, February 24, 2022, <https://www.salon.com/2022/02/24/starbucks-union-busting-campaign-is-backfiring/>; Slate, “Starbucks Is Playing With Fire,” Steven Greenhouse, May 12, 2022, <https://slate.com/news-and-politics/2022/05/starbucks-union-busting-tactics.html>.

³⁵ Publicly available NLRB data. Information in quotes can be found in the “Allegations” section of several different ULP charges against Starbucks by searching for Starbucks ULP cases in the NLRB case search. NLRB, “Case Search,” <https://www.nlr.gov/search/case>.

³⁶ *Id.*

engaging in a campaign of threats, intimidation, surveillance, solicitation of grievances, and the closing of facilities, among other conduct.”³⁷ These allegations are consistent with the reports many of us have heard from workers on the ground in Massachusetts and across the country – that Starbucks would rather engage in unlawful and expensive union-busting behavior than bargain in good faith with its so-called “partners.”³⁸

The NLRB has already acted to hold Starbucks accountable for violations of the law, and to prevent further illegal union-busting. To date, the NLRB has filed more than 30 complaints against Starbucks.³⁹ Among the most egregious is a 30-page complaint filed in August 2022 “alleging Starbucks illegally withheld wages and benefits from employees at unionized stores and those in the process of unionizing,” and that you made statements to employees that violated federal labor law, including that it would be “futile for them to unionize” and that non-unionized stores would receive better benefits than union shops.⁴⁰ And that same month, in response to a petition from one of the NLRB’s regional directors, a judge “issued an injunction requiring Starbucks to reinstate seven unlawfully fired workers, rescind and expunge unlawful discipline issued to an employee ... and cease and desist from unlawful activities.”⁴¹ Yet as reports from workers on the ground indicate, Starbucks clearly has not ended its nationwide union-busting activities.

We are deeply troubled by Starbucks’ anti-union campaign, including the ongoing and illegal weaponization of benefits against unionizing workers, and the company’s brazen efforts to flout the NLRA. We urge you to immediately end these tactics and recognize and bargain in good faith with unionized workers. We also ask that you provide answers to the following questions no later than November 4, 2022:

1. What guidance, written or otherwise, has Starbucks corporate given to Store Managers, District Managers, Regional Directors, or any other Starbucks representative with respect to workers organizing or joining a union, voting in a representation election, interacting with unionized workers or union representatives, and participating in lawful, union-authorized job actions? This includes any guidance (talking points, PowerPoint presentations, etc.) provided to managers for conducting group, two-on-one, or individual meetings with employees related to union activity. Please provide copies of all such

³⁷ Unfair labor practice charge filed with the NLRB against Starbucks by Workers United in case 03-CA-285671, November 8, 2021, <https://foiaonline.gov/foiaonline/action/public/submissionDetails?trackingNumber=NLRB-2022-000151&type=request>.

³⁸ Starbucks, “Careers: Expect more than coffee.,” <https://www.starbucks.com/careers/working-at-starbucks/culture-and-values/>.

³⁹ Law360, “Starbucks Says NLRB Officials ‘Secretly’ Helped Union Win,” Beverly Banks, September 14, 2022, <https://www.law360.com/employment-authority/articles/1530216/starbucks-says-nlrb-officials-secretly-helped-union-win>.

⁴⁰ The Hill, “NLRB: Starbucks illegally withheld wages, benefits from union workers,” Zach Schonfeld, August 25, 2022, <https://thehill.com/business-a-lobbying/business-lobbying/3615623-nlr-starbucks-illegally-withheld-wages-benefits-from-union-workers/>.

⁴¹ NLRB, “NLRB Region-15 Wins Injunction Requiring Starbucks to Rehire Seven Unlawfully Fired Workers, Post the Court’s Order, and Cease and Desist from Unlawful Activities,” press release, August 18, 2022, <https://www.nlr.gov/news-outreach/news-story/nlr-region-15-wins-injunction-requiring-starbucks-to-rehire-seven#:~:text=Who%20We%20Are-,NLRB%20Region%2D15%20Wins%20Injunction%20Requiring%20Starbucks%20to%20Rehire%20Seven,and%20Desist%20from%20Unlawful%20Activities&text=On%20August%2018%2C%202022%2C%20U.S.%20District%20Judge%20Sheryl%20H.>

guidance.

2. Please provide a list of all cases since August 23, 2021 in which Starbucks introduced new employee benefits, or increased or otherwise altered an existing benefit, for non-unionized stores, while withholding the new or changed benefit from stores that have unionized or are known to be considering unionizing. Please include in this list any instances in which Starbucks has stopped providing a benefit, either to all stores or exclusively to stores that have unionized, without bargaining with the union.
 - a. Please include information on the store(s) affected, the date of the action, and the type of benefit(s) affected.
 - b. Please provide copies of any internal documentation detailing the benefit(s) in question, including the structure and the process for employees to utilize it/them.

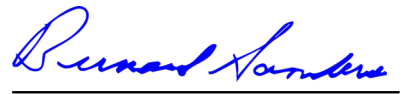
3. Please provide a detailed report of all expenditures related to Starbucks' union-busting campaign, including but not limited to legal fees (retainers, court-ordered payments, etc.), creation and production of materials (printing, human capital costs for design, etc.), and payments to consultants.
 - a. For any expenditures that occurred on or before December 31, 2021, did Starbucks claim these expenditures as business expenses on its 2021 tax filings? If so, please provide the total amount of the deduction Starbucks claimed, as well as a detailed breakdown of what these expenditures were.
 - b. For any expenditures that occurred on or after January 1, 2022, does Starbucks plan to claim these expenditures as business expenses on its 2022 tax filings? If so, please provide the total amount of the deduction Starbucks plans to claim (as of the date of your response), as well as a detailed breakdown of what these expenditures were.

Thank you for your attention to this matter.

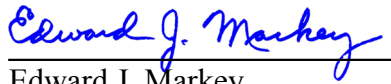
Sincerely,



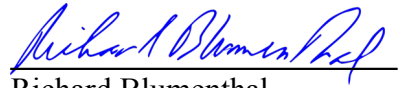
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United States Senator



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United States Senator



Edward J. Markey
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