A bold voice for transportation workers

U.S. DOT MUST IGNORE WASHINGTON NOISE AND GROUND NAI'S FLAG OF CONVENIENCE AIRLINE

U.S. air carriers and their employees cannot be forced to compete with foreign airlines that seek to gain an economic advantage by violating the very air transport agreements that allow them to enter the U.S. marketplace in the first place. That is why transportation labor has waged an aggressive effort to stop Norwegian Air International's (NAI) attempt to obtain U.S. government approval to launch a new flag of convenience airline in the transatlantic aviation market.

The Executive Committee previously called on the U.S. Department of Transportation (DOT) to reject NAI's application for a foreign air carrier permit. With the DOT final decision still pending and in light of recent saber rattling by NAI and its handful of corporate allies, TTD member unions reaffirm their call for DOT to deny NAI's application. Last week at a staged event in Washington, travel industry special interests played the role of PR prop for NAI. Their message: any "new" air service offered into the United States, even if it violates our international trade obligations and U.S. laws, and harms American aviation jobs, should be sanctioned. We reject that view and so should the Obama Administration.

The facts in the NAI case couldn't be more straight-forward. Spawned as a subsidiary to Norway-based Norwegian Air Shuttle, NAI was established and incorporated in Ireland in order to evade Norway's strong labor, tax and regulatory laws and gain an upper hand on air carriers in the U.S. and Europe that play by the rules. Specifically, NAI plans to use Bangkok-based flight crews employed through a Singaporean hiring agency in order to undercut the wages and labor standards at existing airlines while still reaping the benefits of the U.S.-European Union Air Transport Agreement. Under the guise of "open competition," NAI is attempting to get the nod from our government to launch rogue airline service into the U.S. that violates our trade agreement with the EU. As the public record has made clear, NAI does not seek open competition. It seeks to tilt the competitive balance of the transatlantic market in its favor by breaking the rules and hoping to get away with it.

Specifically, NAI's operating scheme tramples on the employee protections embodied in Article 17 *bis* of the U.S.-EU accord. This article, hailed as a major breakthrough, prohibits proposed air service that would use opportunities made available under the agreement to "undermine labor standards or the labor-related rights and principles contained in the Parties' respective laws." It does not require much imagination to conclude that when an airline avoids labor and tax laws in its own country, evades its collective bargaining agreement obligations, and shops the globe for the cheapest labor and regulatory standards it can find, that company is lowering labor standards and therefore violating the U.S.-EU agreement.

Transportation unions are troubled by the travel industry's decision to use the NAI application to advance its apparent view that any proposed new air service is good for America, no matter if it tramples on our trade policies and laws, or threatens fair competition, the future viability of U.S. airlines, or middle class jobs. We view their rhetoric with great suspicion and wonder why this important segment of the U.S. economy is embracing a low-road business model for air travel.

This latest noise coming out of the pro-NAI camp is just that – noise. It is time for the DOT to reject NAI's application as an affront on U.S.-EU aviation trade policy and good jobs here and in Europe. This business model that has no place in the transatlantic market or anywhere else in the global aviation industry.

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