



A bold voice for transportation workers

U.S. TRADE NEGOTIATORS MUST KEEP AVIATION AND MARITIME OUT OF TTIP

On July 31, 2015, the European Union (EU) publicly released its proposal for the Transatlantic Trade and Investment Partnership (TTIP). The proposal on trade in services, investment and e-commerce includes expansive sections on air and maritime transport services that, if adopted, would radically liberalize these industries and threaten entire industries and thousands of middle-class U.S. jobs.

The EU proposal comes as no surprise to transportation labor. When the U.S. announced in 2013 that it would be engaging the EU on free trade negotiations, TTD submitted detailed comments that warned against including aviation or maritime services in TTIP. With the EU proposal now on the table, the Obama Administration needs to make it clear to the EU that aviation and maritime services have no place in the TTIP negotiations.

As the world economy has become increasingly interconnected, aviation and maritime workers have been at the forefront of market expansion – transporting goods and people to every corner of the globe. At the same time, these employees are acutely aware of the effects that globalization can have on their jobs. When done correctly, and in the right forum, trade in aviation and maritime services can open markets and create good jobs for Americans. Bad trade policies that for a generation have defined our nation's trade policies, can easily weaken or ruin U.S. industries and put thousands of people out of work.

Air traffic rights and related services have been largely excluded from broader trade negotiations, and have instead been negotiated through bilateral “Open Skies” agreements overseen by subject-matter experts at the Departments of State and Transportation. Since 1993 the Open Skies regime has dramatically liberalized aviation trade between the U.S. and its trading partners throughout the globe, with Open Skies agreements currently in place with over 110 countries including the EU.

Signed in 2010, the landmark U.S.-EU Air Transport Agreement liberalized air services between the U.S. and the EU's 28 member states plus Iceland and Norway. This agreement eliminated virtually all restrictions on the ability of carriers to select routes, establish frequencies and set prices. It also included, for the first time ever, a labor article and a process through which the parties can seek to address adverse effects of the agreement on aviation employees. Notably, U.S. negotiators rejected efforts by the EU to force changes to U.S. rules and regulations limiting foreign ownership and control of U.S. airlines. These rules have protected U.S. aviation professionals from unfair competition, preserved basic labor rights and maintained America's status as a world leader in air transportation.

Having failed to weaken U.S. ownership and control laws in the U.S. Open Skies Agreement, the EU is now seeking to bypass that agreement and eliminate these laws through TTIP. We believe that including this proposal in any final agreement would threaten U.S. aviation jobs, create unfair competition for U.S. carriers, raise domestic security concerns and undermine the Civil Reserve Air Fleet (CRAF) program. Furthermore, allowing foreign interests to own and control U.S. airlines would create a further economic incentive to outsource aircraft maintenance work. The EU proposal also contains new, broad definitions for “groundhandling services” and “airport operation services” that go well beyond language in previous trade agreements. The Obama Administration must categorically reject these proposals and refer any further discussion of air services to the Joint Committee that oversees implementation of the U.S.-EU Open Skies Agreement.

The EU proposal for trade in maritime services is also misguided and troubling. As with aviation, maritime services, laws and policies have been excluded from multilateral, regional and bilateral free trade agreements because of their unique economic and national security importance. U.S. maritime cabotage laws collectively known as the Jones Act help sustain over 500,000 good-paying American jobs and generate \$100 billion in annual economic output. By requiring that all ships engaged in domestic marine commerce are built in America and crewed by U.S. mariners, the Act ensures a pool of well-trained, loyal U.S.-citizen mariners capable of supporting our armed forces, trade objectives, foreign aid programs, and national security.

Unfortunately, the EU proposal would effectively gut the Jones Act, and includes broad definitions that incorporate all aspects of maritime transportation, including cargo handling and longshore operations. If accepted, this proposal would harm American mariners, accelerate the already alarming decline of U.S.-flag operators and seriously damage our economic recovery and national security. These reforms would also permit foreign entities that do not employ U.S. employees and do not pay taxes to our treasury to operate with impunity on our inland waterways and along our coasts.

U.S. trade policy has expanded rapidly in recent decades, and the decisions that are made during trade negotiations have profound and often negative consequences on working people in our nation. Trade agreements are no longer just about tariff rates. Rather, they address a wide variety of issues including intellectual property rights, foreign direct investment, environmental protections, and regulatory reform. Despite the changing nature of trade agreements, negotiators have, to this point, rightly excluded aviation and maritime services from broader trade talks. These industries are far too important to the U.S. economy and our national security to be lumped in with larger trade talks. That is the trade policy regime of the United States that has been upheld by Presidents from both parties and by Congress, no matter which party has held the majority.

Today, TTD and its aviation and maritime unions sent a [letter](#) to President Obama urging him to keep aviation and maritime out of TTIP. At this stage of negotiations it is important that this Administration state clearly and publicly that the EU proposals will not be considered and that these services will not be part of the broader TTIP agreement.

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