

April 28, 2016

Tell the President to Enforce our Aviation Trade Agreements Cosponsor H.R. 5090 and Sign the Garamendi-Collins letter

Dear Representative:

I urge you to cosponsor H.R. 5090, which was introduced by Reps. Frank LoBiondo (R-NJ), Peter DeFazio (D-OR), Lynn Westmoreland (R-GA) and Rick Larsen (D-WA). This bipartisan legislation is necessary to correct a significant misinterpretation of the U.S.-EU Air Transport Agreement (ATA) by the Department of Transportation (DOT) in its April 15th show cause order granting tentative approval for Norwegian Air International's (NAI) application for a foreign air carrier permit. Additionally, I ask that you sign the letter being circulated by Reps. John Garamendi (D-CA) and Chris Collins (R-NY) which urges Secretary Foxx and President Obama to reverse the show cause order and deny NAI's application.

The applicability and enforcement of Article 17 *bis* of the ATA, which was negotiated and adopted by this administration in 2010, has been central to the debate over NAI's application. This article states that "the opportunities created by the Agreement are not intended to undermine labour standards or the labour-related rights and principles contained in the Parties' respective laws." NAI has taken advantage of an opportunity created by the ATA by establishing itself in Ireland, something that, as a Norwegian-owned company, it could not do but for the ATA. The stated purpose of establishing NAI outside of Norway was to avoid the application of strong Norwegian labor and social laws, and to undermine its existing collective bargaining agreements with its Norwegian employees. NAI further plans to use pilots and flight attendants hired under Singaporean or Thai employment contracts and based in Bangkok. Quite simply, this is a flag of convenience scheme to lower labor standards and gain an unfair competitive advantage – a clear violation of Article 17 *bis*.

When the U.S.-EU accord was completed, U.S. officials praised Article 17 *bis* as "groundbreaking". Yet less than 6 years later and the first time that Article 17 *bis* is raised in a proceeding, the DOT has issued a show cause order that renders this important provision useless and unenforceable. The order doesn't rebut the fact that NAI's business model violates Article 17 *bis*, but instead declares that the labor provisions in the agreement cannot be the basis for denying this or any other application. This is a stunning conclusion. Not only would it allow NAI to operate with an unfair competitive advantage in violation of the agreement, but it would allow any carrier, even one that blatantly seeks to undercut labor standards, to provide air service under the ATA.

Transportation Trades Department, AFL-CIO

The show cause order also sends a clear message that this administration either cannot or will not enforce the trade provisions it negotiates. U.S. Open Skies policies have been generally supported by both industry and labor because they have been effective in opening markets, increasing competition, and promoting the growth of good, middle-class jobs. The ATA went a step further by including the first ever labor article that specifically committed the parties to opening markets while upholding high labor standards. But unless the DOT denies NAI's application, the Administration will signal to the global aviation industry that even when protections for employees are negotiated into air service trade agreements those provisions will not be enforced.

I urge you to oppose this misguided decision by cosponsoring H.R. 5090, and separately by cosigning the Garamendi-Collings letter urging DOT and the President to deny the NAI application. To cosponsor H.R. 5090 please contact Alex Burkett (alex.burkett@mail.house.gov/225-9161) with the Transportation and Infrastructure Subcommittee Aviation. To sign the letter, please contact Garrett Durst (Garrett.Durst@mail.house.gov /225-1880) with Rep. Garamendi's staff or Erynn Hook (erynn.hook@mail.house.gov /225-5265) with Rep. Collins's staff.

Thank you for your consideration.

Sincerely,

Edward Wytkind President