

June 18, 2014

Support Airline Workers and Fair Competition: Vote YES on Klobuchar-Coats-Schatz-Blunt Amendment

Dear Senator:

As the Senate considers the FY 2015 Transportation, Housing and Urban Development Appropriations Act, I urge you to vote YES on the Klobuchar-Coats-Schatz-Blunt Amendment. This amendment will ensure that the U.S.-EU Open Skies Agreement is implemented in full accordance with U.S. law and the agreed-upon provisions in the agreement and is identical to a provision that passed the U.S. House of Representatives last week.

The U.S.-EU Air Transport, or "Open Skies" Agreement was intended to create additional opportunities in the transatlantic aviation marketplace while also promoting strong safety, labor and working condition standards, and ensuring a level playing field for U.S. airlines and their workers. This agreement contained, for the first time ever, a labor article (Article 17 bis) designed to prevent airlines from exploiting this agreement to undermine workers and labor rights, stating 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."

Despite the inclusion of this article and the clear intent of the negotiators, Norwegian Air International (NAI) is attempting to gain access to the U.S. aviation market using a flag of convenience model that directly undermines workers and airlines on both sides of the Atlantic. The airline is registered in Ireland, even though it will not service Irish airports, and has chosen this path to avoid Norway's labor and tax laws. It will contract – or more accurately "rent" – much of its flight crew from Thailand using a recruitment firm based in Singapore. In doing so, NAI will be able to undercut U.S. airlines and their employees by as much as 50 percent. This is the exact scenario that Article 17 bis was intended to prevent.

The Klobuchar-Coats-Schatz-Blunt amendment would simply require the Department of Transportation (DOT) to follow U.S. law and the terms of the Open Skies agreement when considering applications for a foreign air carrier permit, and is consistent with letters that 40 Senators, on both sides of the aisle, have already sent to DOT. NAI's application clearly fails on both accounts. This amendment will send the message that the U.S. will not tolerate those who wish to take advantage of our international agreements to undermine labor standards and distort the competitive balance of the transatlantic marketplace.

Transportation Trades Department, AFL-CIO

NAI and its team of corporate lobbyists are claiming that the airline is being unfairly targeted and frozen out of the lucrative U.S. market by those who wish to stymie competition. This argument rings hollow. We support open competition. We will not, however, stand idly by as one rogue airline seeks to undermine fair competition by scouring the globe for the cheapest labor and weakest regulations. Those who comply with those laws and follow the rules have nothing to fear from this amendment. That NAI so vehemently opposes an amendment that simply reinforces existing law and the terms of the open skies agreement speaks volumes about their true motives and the nature of their operating scheme.

I urge you to stand up for fair competition and workers' rights. I urge you vote YES on the Klobuchar-Coats-Schatz-Blunt amendment.

Sincerely,

Edward Wytkind President