

January 19, 2005

Mr. John Byerly
Deputy Assistant Secretary for Transportation Affairs
U.S. Department of State
EB/TRA Room 5830
2201 C Street, NW
Washington, DC 20520-5820

Mr. Paul Gretch Director Office of International Aviation Room 6402 U.S. Department of Transportation 400 Seventh Street, SW Washington, DC 20590

Dear Mssrs. Byerly and Gretch:

As the U.S. prepares to resume negotiations with the European Community (EC) over a new air transport service agreement, I wanted to take this opportunity to reiterate our position on changing U.S. foreign ownership standards and limits.

In short, our position remains that we are opposed to any foreign ownership change that would harm the interests of U.S. aviation workers. In particular, we object to the U.S. proposal made last year that would require each party to the agreement to permit nationals of the other party to own up to 49 percent of the voting stock of its airlines. We view this proposal as unnecessary and overly aggressive. There would be no standards or guidelines that would govern this increase in ownership, including investments by foreign carriers that are owned in whole or in part by their governments.

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I should note that there are a number of other areas of the U.S.-EU negotiations that raise additional concerns, and we will continue to raise those issues at the appropriate time. Given the recent attention on foreign ownership, we thought it was important to reiterate our longstanding position on this critically important matter.

Sincerely,

Edward Wytkind

President

cc: Duane Woerth, ALPA

Patricia Friend, AFA James P. Hoffa, IBT Michael O'Brien, TWU

Robert Roach, IAM