

September 20, 2006

Ms. Mary Peters  
Secretary-Designate  
U.S. Department of Transportation  
400 Seventh Street, NW  
Washington, DC 20590

Dear Ms. Peters:

If confirmed as the next Secretary of Transportation, you will inherit enormous responsibilities as the nation's chief steward of America's multi-modal transportation system. Because our members in the aviation industry care deeply about their professions and about the future of our air transport system, they also watch with great care the actions of their government.

As you are aware, the Administration is proposing a radical departure from longstanding aviation policy that would, for the first time in our history, open the major U.S. air carriers to actual foreign control. On behalf of America's aviation workers we are writing to express our opposition to the pending Department of Transportation (DOT) notice of proposed rulemaking (NPRM) that would allow foreign interests to exercise control over U.S. airlines. Because of the negative economic impact this proposal would have on the aviation industry and its employees and important national security concerns being raised by Members of Congress, we ask you to withdraw this proposal should you be confirmed as the next Transportation Secretary.

We are pleased that the DOT has recently announced that it will not immediately implement the NPRM, as it originally intended, citing strong Congressional opposition to its proposal. Nonetheless, the rulemaking docket remains open and we are concerned that a change to foreign control rules could still be implemented without proper Congressional review and without addressing the core problems raised by our unions and other critics of the Administration's plan.

The NPRM would directly threaten the jobs and rights of the hundreds of thousands of workers we represent as companies are given yet another tool to seek out and utilize the lowest cost labor available. Airlines looking to cut costs to the bare minimum could transfer pilot and flight attendant work to foreign partners and air carriers have already pursued aggressive plans to outsource as much aircraft maintenance work as possible to overseas contractors. The DOT's position that the NPRM will not "impact a carrier's incentive to outsource" lacks an understanding of current industry practices and belittles the severe impact of its own proposal.

More generally, the Administration's proposal remains contrary to the statutory requirement that U.S. citizens exercise actual control over U.S. airlines. The national security and defense issues – specifically in relation to U.S. participation in the Civil Reserve Air Fleet (CRAF) program – have been well-documented. Just this week, the U.S. Air Force announced new CRAF contracts to U.S. airlines worth \$2.3 billion. We question whether U.S. citizens, employed in an airline whose commercial interests are controlled by foreign investors, will actually be in a position to make independent decisions on CRAF participation. Members of Congress clearly believe the CRAF program is threatened by the NPRM and we agree with their assessments.

Transportation Trades Department, AFL-CIO

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Edward Wytkind, President • Michael A. Ingrao, Secretary-Treasurer




There is no ambiguity in Congress' position: a rule permitting foreign interests to control U.S. airlines should not move forward. Identical language has been inserted in both House and Senate versions of the pending Transportation appropriations bill prohibiting the use of funds for DOT "to finalize or implement the policy proposed in the [NPRM] or the supplemental notice of proposed rulemaking published in the Federal Register on May 5, 2006 ..." It is significant that this language was specifically approved by the full House on a vote of 291 to 137 and by the Senate Appropriations Committee on a roll call vote of 19 to 6. While Congress will not complete action on its FY 2007 TTHUD bill until later this fall, given that this prohibition is in both bills, we fully expect it will be included in the legislation sent to the President.


It is clear that the NPRM has generated strong opposition on Capitol Hill as numerous policy concerns remain unaddressed. While we understand this proposal was crafted and initiated without your involvement, if approved as the next Transportation Secretary you will be in a position to ensure that this misguided plan does not move forward.

We urge you to take this approach and work with us to promote policies that enhance U.S. aviation opportunities while protecting this vital industry and its workers.

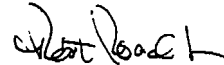
Sincerely,



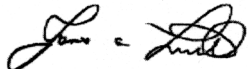
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Professional & Technical  
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cc: The Honorable Ted Stevens  
The Honorable Daniel Inouye