



July 20, 2006

**Support the Inouye-Dorgan-Specter Amendment – TODAY
Stop Foreign Control of U.S. Airlines**

Dear Senator:

When the Appropriations Committee considers the FY 2007 TTHUD bill later today, Senators Inouye, Dorgan and Specter will offer an amendment to prevent the Department of Transportation (DOT) from finalizing or implementing its proposal to permit foreign interests, including foreign airlines, to control U.S. airlines. On behalf of the Transportation Trades Department, AFL-CIO (TTD), I urge you to vote for this critical amendment that has already passed the full House by a vote of 291 to 137.

The Administration's Notice of Proposed Rulemaking (NPRM) unveiled last fall, violates the plain language of the statute, threatens national defense and security, harms the jobs and rights of U.S. workers, and will lead to even more outsourcing. Despite claims made by the Administration, the NPRM is simply not justified on policy grounds and is only being offered to placate the European Union in ongoing negotiations over a new "open skies" air services agreement.

The Senate Appropriations Committee has already included a provision in the FY 2006 Supplemental bill preventing the rule from being finalized. Despite this move and other Senate and House efforts to stop this radical change in aviation policy, the Administration is ignoring the will of Congress and has announced its intention to finalize the rule next month. Approval of the Inouye-Dorgan-Specter Amendment is urgently needed to ensure that if the Administration wants to make changes to foreign control rules, it will need to send a proposal to Congress and then let the legislative branch work its will.

The Administration has not chosen this path because Congress has rejected its proposal to allow foreign interests to control U.S. airlines. While the DOT claims that it is simply "reinterpreting" the statute, in reality the NPRM is completely counter to the law. U.S. airlines must be under the "actual control" of U.S. citizens. In fact, the term "actual control" was specifically codified by Congress in the 2003 FAA Reauthorization bill (Vision 100).

It is significant that U.S. airlines, under the Civil Reserve Air Fleet (CRAF) program, provide our military with critical transport capabilities for troops and equipment in times of war and conflict. While the DOT claims that U.S. citizens would be responsible for deciding whether to participate in CRAF, we have joined Congress in questioning what would happen if a foreign interest, who controls the commercial aspects of a carrier, does not want to aid the U.S. military. Moreover, the NPRM envisions an unworkable system in which foreign interests would control

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core commercial aspects of a carrier while U.S. citizens would supposedly be in charge of safety and security. This bizarre and impractical bifurcation of an air carrier ignores the reality of how major air carriers operate. The DOT has offered no details on how it would ensure that U.S. citizens are indeed in control of safety and security decisions and it is not listening to congressional criticism on these issues.

The NPRM would also directly threaten the jobs and rights of U.S. aviation workers as multinational companies are given yet another tool to seek out and utilize the lowest cost labor available. Good paying pilot positions could be lost to foreign airlines, flight attendant jobs outsourced, and foreign interests presiding over our airlines will accelerate the alarming trend of massive outsourcing of aircraft maintenance overseas.

The Administration has asserted the flawed argument that relaxing foreign involvement rules will spur foreign investments in U.S. airlines. The problem with DOT's rationale is that it is not supported by any real evidence. U.S. markets are well positioned to offer capital to U.S. airlines and existing rules allow for significant foreign participation and investment. In fact, many of our airlines have secured billions in much needed capital during the economic downturn that followed the September 11 terrorist attacks, soaring fuel prices and other events.

As many in Congress have stated, the DOT has overstepped its authority and done so in a way that will weaken the U.S. aviation industry and its workers, and threaten our national defense and security.

We urge you to vote for the Inouye-Dorgan-Specter Amendment. If you have any questions about this issue, please do not hesitate to contact me directly or Larry Willis at 202/628-9262.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Wytkind', with a stylized flourish at the end.

Edward Wytkind
President