



Put a Stop to Plans to Allow Foreign Control of U.S. Airlines

March 16, 2006

Dear Senator:

On behalf of the Transportation Trades Department, AFL-CIO, I urge you to cosponsor S. 2135, legislation introduced by Senator Daniel Inouye that would stop the Department of Transportation (DOT) from unilaterally allowing foreign interests to control U.S. airlines. There is growing bi-partisan recognition that this flawed initiative has inherent security implications and was drafted without any congressional input or oversight. An identical bill (H.R. 4542) in the House already has 160 cosponsors.

Last year, the DOT issued a Notice of Proposed Rulemaking (NPRM) that would allow foreign interests, including foreign airlines, to exercise control over the core commercial aspects of U.S. airlines. This regulatory move is an attempt to circumvent Congress on a critical question of aviation policy and is directly counter to the plain meaning of the statute, reaffirmed by Congress in 2003, that U.S. citizens must exercise "actual control" over U.S. airlines.

The DOT attempts to get around this clear requirement by proposing that foreign interests would somehow have no say over the safety and security decisions of a U.S. airline. Besides the fact that this proposed remedy has no support in the statute, it is simply unworkable and does not address the security questions that arise when a foreign interest is so integrally involved with a U.S. carrier. The fact is that safety and security issues cannot be parceled out and separated from the day-to-day commercial activities of an air carrier. More importantly, it must be remembered that U.S. airlines, under the CRAF program, provide our military with critical transport capabilities for troops and equipment in times of war and conflict. While a U.S. citizen would supposedly be responsible for deciding whether to participate in CRAF, we question what would happen if a foreign superior, who controls the commercial aspects of the carrier, does not want the carrier to aid the U.S. military. We also note that the DOT has offered no details on how it would ensure that U.S. citizens are indeed in control of security decisions.

It is no secret that this proposal was offered in an attempt to secure a new air services agreement with the European Union. While we support efforts to expand international opportunities that truly benefit U.S. aviation interests, making fundamental changes to our foreign control rules would simply do more harm than good. It is disappointing that in the Administration's zeal to placate our trading and economic partners, it has offered a proposal that so clearly runs afoul of existing law and precedent, and jeopardizes our national and economic security.

Transportation Trades Department, AFL-CIO

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The NPRM would also 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. Lucrative pilot positions could be lost to foreign airlines, flight attendants jobs outsourced, and carriers have already demonstrated a keen interest in sending as much maintenance work as possible to foreign contractors. Our members have, quite frankly, suffered enough economic pain in recent years and the prospects of another “race to the bottom” in terms of wages and working conditions is simply not in order.

We are pleased that the Appropriations Committee in the House recently went on record on this matter, voicing its “serious concern” with this proposal and directing the DOT not to move forward for 120 days. While this is clearly a step in the right direction, it is unclear if the Administration will heed this call, therefore, advancing the Inouye bill remains critical. This legislation is exceedingly reasonable – it would simply bar the DOT from moving to a final rule on foreign control for one year and require the DOT to report to Congress on the consequences of allowing greater foreign control of U.S. airlines.

For these reasons, I urge you to cosponsor S. 2135 and work to move this bill through Committee and to the Senate floor.

Sincerely,



Edward Wytkind
President