

May 16, 2013

Oppose the Inclusion of Aviation Services in TTIP

Dear Representative,

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I ask that you sign on to a letter urging the United States Trade Representative (USTR) to keep air transport services out of the Transatlantic Trade and Investment Partnership (TTIP). The bipartisan letter being led by Reps. Michael Michaud (D-ME), Walter Jones (R-NC), Bill Foster (D-IL) and Michael Grimm (R-NY) simply states that air transport services should continue to be negotiated in the existing framework of bilateral "open skies" agreements rather than in a broader free trade agreement.

Air transport services have historically been excluded from bilateral and multilateral free trade agreements and for good reasons. Given the unique nature of this industry, air transport services have been subject to a separate administrative regime under which the U.S. has negotiated specific agreements with other nations. These negotiations have been led by the Departments of State and Transportation, two agencies with dedicated aviation personnel with the knowledge and expertise to best negotiate on behalf of the U.S. aviation industry and its workforce. Since 1993 the U.S. has entered into open skies agreements with 107 countries. These agreements have opened and expanded markets, and eliminated virtually all restrictions on the ability of carriers to select routes, establish frequencies and set prices, while also taking steps to protect the interests of U.S. aviation workers.

Despite this historical precedence, the European Union (EU) is currently pushing to include air transport services in TTIP, and doing so with the goal of opening up our aviation industry and its workers to an unfair trade agenda. Specifically, we know that the EU would like to eliminate U.S. rules that limit foreign ownership and control of U.S. airlines and allow EU carriers to provide "cabotage" or point-to-point service within the U.S. The EU aggressively sought these changes in open skies negotiations with the U.S. just a few years ago, but these efforts were rightfully rejected by the Administration. The EU now wants to bypass this existing agreement, and the long-standing process of negotiating air transport agreements, and essentially renegotiate these issues in the context of TTIP.

It is also important to note that these proposed changes to our rules have no support on Capitol Hill. In 2005, the Bush Administration proposed a rule change to allow foreign entities to exercise actual control over U.S. airlines. This proposal was roundly rejected by Congress and eventually withdrawn by the Administration.

Transportation Trades Department, AFL-CIO

815 16th Street NW / 4th Floor / Washington DC 20006 Tel:202.628.9262 / Fax:202.628.0391 / www.ttd.org Edward Wytkind, President / Larry I. Willis, Secretary-Treasurer This Congressional letter will reinforce the support for negotiating air transport services through bilateral open skies agreements that promote market opening opportunities for U.S. aviation while protecting the interests of U.S. workers. Please contact Nora Todd in the office of Rep. Michaud or Josh Bowlen in the office of Rep. Jones to sign onto this bipartisan letter.

Sincerely,

Edward Wytkind President

Dear Ambassador:

We understand that the United States Trade Representative (USTR) will attempt to negotiate a Transatlantic Trade and Investment Partnership (TTIP) with our allies in the European Union (EU). We wish to express our strong opposition to the inclusion of commercial aviation traffic rights traditionally covered by bilateral air services agreements from any agreement that may come out of these negotiations and respectfully request that the USTR inform the EU that issues covered by air services agreements will not be a part of the negotiations.

Historically, "air transport services" have been negotiated by the Department of State and Department of Transportation. These two agencies are well equipped to do this and possess the necessary expertise to negotiate on behalf of the commercial aviation industry and its employees. Agreements negotiated under this regime have reduced the number of trade barriers to international air transport services in a fair and equitable manner. Any request to add air traffic rights to the TTIP negotiations is an attempt by the EU to circumvent the established process for negotiating an air services agreement because they are not satisfied with the current U.S.-EU air transport agreement. There is no reason to change an effective and efficient process that over the last 20 years has produced 107 "Open Skies" air transport agreements.

In negotiating a free trade agreement with the EU, USTR will be negotiating what would be the largest free trade agreement in the history of our country. However, the USTR must dedicate its resources and expertise to negotiating in the sectors of our economy with which it has the most experience. This is a daunting task for USTR. For this reason, and the reasons mentioned above, we encourage USTR to insist that agreements over matters pertaining to international air traffic rights will continue to be negotiated by the Department of State and Department of Transportation.