



A bold voice for transportation workers

NORWEGIAN AIR SHUTTLE OPERATING SCHEME MUST BE REJECTED

As the globalization of aviation accelerates, transportation labor grows weary of the emergence of new operating schemes and alliances around the globe designed to “forum shop” for cheaper labor and evade collective bargaining obligations. Because decades of unfair trade policy have ravaged too many workers in many U.S. industries, we have insisted that any liberalization of aviation trade expands U.S. aviation job creation.

We know from many years of experience that expanded international air transportation opportunities can offer lucrative business opportunities for U.S. airlines and if done the right way, job growth for our members. But as new deals spring up transportation unions are committed to ensuring these expanded opportunities do not harm U.S. airline jobs or establish bad precedents that lead to the demise of this industry and good middle class jobs.

TTD has previously warned about the effects of irresponsible liberalization in international air services. While we support balanced agreements that can expand international opportunities for U.S. air carriers, we will continue to reject efforts that seek liberalization at any cost and without adequate protections and meaningful net benefits for the workers represented by TTD unions.

One does not have to look far to see the negative impacts of misguided liberalization in action, as well as the threats it poses for U.S. aviation employees. Norwegian Air Shuttle (NAS), which is incorporated in Norway and holds an air operators certificate (AOC) in that country has developed a business model that is designed to exploit European aviation and labor laws in order to undermine collective bargaining by the NAS pilots and flight attendants. Rather than register its 787 aircraft in its home country, NAS has registered them in Ireland and is seeking to obtain an Ireland-issued AOC. The airline is using pilots who will be based in Thailand and employed on individual employment contracts that are governed by the laws of Singapore to crew these flights. The pilot crew will not be employed directly by NAS but by a pilot recruitment company that will then contract, or more accurately “rent”, them to NAS. A similar arrangement will apply to the flight attendants who will work on the 787s.

In addition, the airline apparently takes the position that because its aircraft are registered in Ireland it does not need to obtain Norwegian work permits for its Asian-based crew. While the union that represents the non-787 crew is challenging this assertion, the Norway government has indicated that registration of the aircraft in Ireland will postpone the need for Norwegian work permits for the Asian-based pilots and has indicated that obtaining an Irish AOC may take those pilots completely out from under coverage by Norwegian social laws. It is also unclear whether Irish social laws will cover these airline workers, or if they will be required to obtain Irish work permits.



The goal here is clear. NAS is using the unique nature of EU aviation laws to effectively shop around for the labor laws and regulations that best suit its bottom line. It's using a "Flag of Convenience" strategy at the expense of decent labor standards. In addition to subjecting its own workforce to substandard wages and conditions, the NAS model threatens the U.S. aviation workforce. NAS now serves routes from London to New York City and Fort Lauderdale, with plans to serve Los Angeles, Oakland and Orlando in the near future. By using a Flag of Convenience to dramatically lower labor costs, NAS is undercutting U.S. carriers and their employees that serve those same markets by as much as 50 percent.

The U.S.-EU "Open Skies" agreement reached in 2010 was negotiated in good faith and explicitly included, for the first time ever, a labor article and a process through which the parties can seek to address adverse effects of the liberalization agreement on aviation employees. With that backdrop and shared commitment by both sides to protect the interests of aviation workers, TTD and its affiliates will do everything within our power to combat the abusive and evasive tactics being used by NAS. The policy of opening new markets and expanding trade must not result in schemes that undermine good jobs and evade labor law and collective bargaining obligations.

TTD and its member unions have been vocal opponents of an agenda designed to open the floodgates to global airline operating schemes such as the NAS plan. It is exactly why transportation labor has opposed liberalization of U.S. laws governing foreign ownership and control of our airlines. It is why we have led the fight against attempts to open our domestic markets to cabotage (point-to-point) operations by foreign airlines. And it is why we have fought against efforts to provide competitive advantages to state-subsidized or supported airlines that compete with U.S. carriers on international routes. We condemn efforts by airlines (and their governments) to create an operating environment that allows corporate interests to chase cheap labor and lax regulations. The NAS operating scheme must be derailed and the company must be stopped from evading its labor and aviation law obligations and scouring the globe for cheap labor with impunity.

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