



February 1, 2017

The Honorable Rex Tillerson
Secretary of State
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Mr. Secretary,

Congratulations on your confirmation as U.S. Secretary of State. As the CEOs of the leading global airlines in the U.S., we look forward to working with you on issues concerning the aviation industry and its hundreds of thousands of American workers. We are writing to bring to your attention an issue of utmost importance to the future of our industry: the massive subsidization of three state-owned Gulf carriers – Qatar Airways, Etihad Airways and Emirates – and the significant harm this subsidized competition is causing to U.S. airlines and U.S. jobs.

The U.S. has 120 Open Skies agreements with countries around the world. These trade agreements seek to promote economic growth and benefits for airlines, workers and consumers by allowing each country's airlines free and open access to the other country's market. The State Department has the important responsibility of leading the effort to enforce these Open Skies agreements against efforts by foreign governments to harm U.S. industries and the jobs they support. Fully 118 of these agreements are working as U.S. Open Skies policy intends, creating significant benefits for U.S. travelers, workers and the economy. We stand with our employees in raising concerns with respect to just two of the agreements because the countries in question – the United Arab Emirates and Qatar – are abusing the agreements, and our government has done nothing to stop them.

The Gulf carriers have received over \$50 billion in documented subsidies from their government owners since 2004. This massive level of subsidization is unprecedented. In fact, the total amount of the Gulf carrier subsidies is over twice that received by Airbus, which the U.S. successfully challenged in the largest WTO subsidy case to date. The subsidies violate our Open Skies agreements and undermine the basic principles of fair and open competition that are the foundation of U.S. Open Skies policy.

The subsidies allow the Gulf carriers to operate without concern for turning a profit, unlike U.S. airlines, and therefore focus entirely on stripping market share and driving out competition. The subsidy-enabled capacity dumping by the Gulf carriers has nearly eliminated U.S. carrier service to the Middle East and India. If left unchecked we will continue to see the Gulf carriers expand in the U.S. market, causing further harm to hard working Americans. In fact, for every long-haul route lost or foregone as a result of subsidized Gulf carrier competition, more than 1,500 American jobs are lost.

Mr. Secretary, we are confident that the Trump Administration shares our view on the importance of enforcing our Open Skies agreements, ensuring that U.S. airlines have a fair and equal opportunity to compete in the international market, and protecting American jobs. We appreciate your close review of this issue and we respectfully request the opportunity to meet with you to discuss our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Parker".

Doug Parker
Chairman and CEO
American Airlines

A handwritten signature in black ink, appearing to read "Ed Bastian".

Edward Bastian
CEO
Delta Air Lines

A handwritten signature in black ink, appearing to read "Oscar Munoz".

Oscar Munoz
CEO
United Airlines