

# United States Senate

WASHINGTON, DC 20510

July 26, 2017

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

The Honorable Elaine Chao  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Tillerson and Secretary Chao:

We write to express our concerns regarding the subsidies the Governments of Qatar and the United Arab Emirates (UAE) provide to their large state-owned airlines. These subsidies create an unfair advantage over American carriers, threaten American jobs, and violate our bilateral Open Skies agreements.

We have read numerous reports that the Gulf nations of Qatar and UAE have provided more than \$50 billion in subsidies to their three state-owned airlines: Qatar Airways, Emirates Airline and Etihad Airways. These subsidies are stifling competition and driving out American carriers from international markets. The Gulf carriers have also begun using their substantial government support to target trans-Atlantic routes, which is a critical region for American carriers competing in the international aviation market. These routes support thousands of jobs, and losing them to foreign carriers operating independently of the free market would cause reverberations throughout the aviation industry.

If more and more foreign carriers add subsidized routes into the United States it would ultimately shift passengers away from American carriers and reduce service to domestic hubs and to the smaller communities they serve. We are concerned, therefore, that the actions of the Gulf carriers are jeopardizing our states' domestic air services.

When Open Skies agreements are properly enforced, they can enhance competition and service in airline travel. However, the benefits of our current Open Skies agreements are under threat by the outsized impact these large state-owned airlines are having on the market. We therefore urge you to enforce our international Open Skies agreements with Qatar and the UAE and ensure that the US aviation industry can compete on a level playing field.

Thank you for your consideration.

Sincerely,



---

John Hoeven  
United States Senator



---

Al Franken  
United States Senator



---

M. Michael Rounds  
United States Senator



---

Martin Heinrich  
United States Senator



---

Orrin Hatch  
United States Senator



---

Sherrod Brown  
United States Senator