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STATE OF ALABAMA

February 7, 2018

The Honorable Rex W. Tillerson
United States Department of State
2201 C Street, N.W.
Washington, D.C. 20520

The Honorable Elaine L. Chao
United States Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Dear Secretary Tillerson and Secretary Chao:

Thank you for your commitment to American security as well as American jobs as demonstrated in your recent negotiations with Qatar regarding Open Skies. We appreciate you enforcing this important Open Skies Agreement, and we urge your continued support to ensure that the illegal subsidies, which the United Arab Emirates (UAE) are providing to their state-owned airlines, do not continue to pose a serious threat to the U.S. aviation industry and American jobs. These subsidies allow Etihad Airways and Emirates Airlines to dramatically increase their carrying capacity while artificially lowering prices. These changes are forcing honest and fair-market U.S. carriers to abandon international routes and put U.S. aviation jobs and our national security at risk.

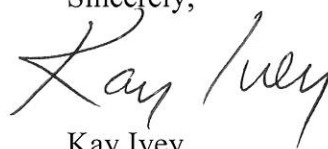
Since 2004, Qatar Airways, Etihad Airways, and Emirates Airlines have received over \$50 billion in illegal government subsidies and other benefits from Qatar and the UAE, in direct violation of the rules negotiated by the United States with these nations in the Open Skies agreements. These unfair government subsidies make it impossible for U.S. carriers to compete for international routes because of the massive market distortions that they create. Experts estimate that for every international roundtrip flight dropped by a U.S. airline, over 1,500 American jobs are lost.

Alabama is home to both international and regional airports including Birmingham-Shuttlesworth International Airport. National and international carriers service Alabama through these airports, creating jobs and supporting local businesses that are critical to our state's economy. Since the birth of aviation, we have and continue to welcome international carriers and the travelers they bring to Alabama. But international carriers must play by the same rules as U.S. carriers and compete fairly and legally in an open and even marketplace.

Honorable Rex W. Tillerson
Honorable Elaine L.Chao
Page 2
February 7, 2018

While I support the U.S. Open Skies Agreement and welcome international carriers and passengers to Alabama, I believe all airlines must be able to compete for business and passengers on a level playing field. The United States entered into the Open Skies agreements to ensure that U.S. airlines would receive fair and equal treatment. I urge you to take meaningful action to enforce these agreements and restore a level playing field for our U.S. international carriers.

Thank you for your time and consideration.

Sincerely,

Kay Ivey
Governor

KI/fm

c: Vice President Michael R. Pence