



KIM REYNOLDS  
GOVERNOR

**OFFICE OF THE GOVERNOR**

ADAM GREGG  
LT GOVERNOR

February 1, 2018

The Honorable Rex Tillerson  
Secretary of State  
2201 C Street NW  
Washington, DC 20520

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

Dear Secretary Tillerson and Secretary Chao,

I join a number of my fellow governors in voicing my concern that the massive and illegal subsidies Qatar and the United Arab Emirates (UAE) are providing to their state-owned airlines pose a serious threat to the U.S. aviation industry and American jobs.

These subsidies allow the three state-owned Gulf carriers -- Qatar Airways, 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.

Iowa is home to the Des Moines International Airport and the Cedar Rapids – Eastern Iowa Airport, through which national carriers create jobs and support local businesses that are critical to our state's economy. International carriers must play by the same rules as U.S. carriers and compete fairly and legally in an open and even marketplace.

While I support the U.S. Open Skies program and welcome international passengers to Iowa, 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,

A handwritten signature in black ink, appearing to read "Kim Reynolds".

Kim Reynolds  
Governor of Iowa