



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

August 18, 2017

The Honorable Elaine Chao
Secretary of Transportation
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

The Honorable Rex Tillerson
Secretary of State
US Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Secretary Chao and Secretary Tillerson:

I am writing to urge you to request consultations with the governments of Qatar and the United Arab Emirates to investigate subsidies provided to their state-owned airlines in accordance with the Open Skies agreements held between the United States and the respective countries. It is of the utmost importance that existing agreements between the countries are upheld and enforced.

It has been brought to my attention that state-owned carriers from the UAE and Qatar have been provided with more than \$50 billion of subsidies and other unfair benefits that are putting U.S. carriers at a significant competitive disadvantage. These subsidies and unfair benefits have enabled their state-owned carriers to expand international routes to the U.S. beyond the scope of passenger demand, causing U.S. carriers to cut back on existing international routes due to their inability to compete fairly in a distorted market. These subsidies and benefits have been documented by the U.S. airline industry and warrant federal attention. This situation has an impact on the entire U.S. economy and can be acutely felt in the State of Michigan.

The airline industry is critical to the nation's economy: it drives more than \$1 trillion in U.S. economic activity, it directly employs hundreds of thousands of Americans, and it supports millions more jobs nationwide. Delta Air Lines alone employs more than 7,500 people at Detroit Metropolitan Airport. Delta Air Lines and its regional carrier Delta Connection employ 10,000 people statewide in Michigan. The commercial airline industry as a whole provides a substantial economic impact for Michigan.

Reducing international routes has a domino effect that will cause a reduction in domestic routes and a loss of economic activity throughout the U.S. Fewer routes to cities and towns with small and mid-sized airports affect not just airline employees, but also the service network that exists to support our country's robust air travel network.

The Open Skies agreements between the United States, Qatar, and UAE, respectively, provide a mechanism to call for consultations in order to ensure the agreements are upheld and

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that state subsidies are addressed. I ask that you exercise your right to address these subsidies and ensure fair competition pursuant to the agreements.

Sincerely,

A handwritten signature in black ink that reads "Rick Snyder". The signature is written in a cursive, flowing style.

Rick Snyder
Governor