



STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

August 9, 2017

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

Dear Secretary Tillerson:

I am writing to express my concern that unfair aviation policies currently employed by the governments of Qatar and the United Arab Emirates (UAE) are threatening the viability of U.S. airlines and airports, as well as the economic growth that we have worked so hard to achieve.

One of the primary drivers of economic growth in our state is Minneapolis-St. Paul International Airport (MSP), which serves as a crucial gateway for domestic and international travel for local residents and visitors to the region. As a center for employments in the region, MSP generates nearly \$10 billion in economic output. Operations at MSP generate an estimated 74,000 jobs. Delta Air Lines alone operates more than 400 daily non-stop flights from MSP to some 145 destinations.

Over the last 10 years, Qatar Airways, Etihad Airways and Emirates Airline have received \$42 billion in subsidies and other unfair government benefits, including grants and interest free loans. Backed by that enormous state support, the Gulf carriers have grown exponentially, expanding without constraint and operating without concern for normal market forces. They're now targeting the U.S. market, flooding it with excess capacity. While the Gulf carriers do not presently fly into airports in our state, Minnesota will undoubtedly feel the impact of the unfair competition if it is left unchecked.

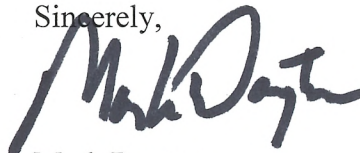
These massive subsidies violate the spirit and the letter of the Open Skies agreements and give the Gulf airlines an artificial upper hand over U.S. and other non-Gulf carriers. If Delta and other airlines are forced to abandon international routes, they will also be compelled to reduce domestic service to dozens of small and mid-sized airports, many of which operate service to MSP. Some of these flights are the only commercial flights to small airports in Minnesota and an important economic lifeline to cities across the country.

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I support the introduction of new carriers to MSP, and new routes through Open Skies policy, but not when doing so violates international agreements and presents a threat to our national and local economies. It is critical that the U.S. government act swiftly to prevent these massive, market-distorting subsidies from hurting our economy any more than they already have. I urge you to immediately open consultations with Qatar and the UAE and request a freeze on the introduction of new routes while those talks are underway. The fair, free-market competition that has made Open Skies policy so successful must be restored.

If you have any questions, please contact Minnesota Department of Transportation Commissioner Charlie Zelle at 651-366-4800 or charlie.zelle@state.mn.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton". The signature is stylized and written in a cursive-like font.

Mark Dayton
Governor

cc: Edward Bastian, CEO, Delta Air Lines
Commissioner Charlie Zelle, Department of Transportation