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January 3, 2018

The Honorable Rex Tillerson
Secretary
United States Department of State
2201 C St., N.W.
Washington, DC 20520

The Honorable Elaine Chao
Secretary
United States Department of Transportation
1200 New Jersey Ave., S.E.
Washington, DC 20590

Dear Secretary Tillerson and Secretary Chao,

Today I write to 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.

Wisconsin is home to the several key regional airports, including General Mitchell International Airport, Green Bay-Austin Straubel International Airport, Appleton International Airport, and Dane County Regional Airport. National and international carriers service Wisconsin 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 Wisconsin. But international carriers must play by the same rules as U.S. carriers and compete fairly and legally in an open and even marketplace.

While we support the U.S. Open Skies program and welcome international carriers and passengers to Wisconsin, 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,



Scott Walker
Governor

