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MEDIA CONTACTS:
ALPA: 703-481-4440, media@alpa.org
APA: Captain Dennis Tajer, 847-902-8481, dtajer@alliedpilots.org/
Gregg Overman 817-302-2250, goverman@alliedpilots.org
APFA: Anthony DeMaio, 202-292-3355, ADeMaio@oneillandassoc.com
AFA/CWA: Molly Sheerer, 202-550-5520, press@afanet.org
Teamsters: Galen Munroe, 202-624-6904, gmunroe@teamster.org
TWU: Samantha Saly, 202-719.3900, ssaly@twu.org

7 Union Leaders Urge Congress to Support Opening Consultations with Qatar and the UAE to Address Unfair Subsidies

Washington, D.C. (April 16, 2015) – Today the presidents of the Air Line Pilots Association International, the Allied Pilots Association, the Association of Flight Attendants, the Association of Professional Flight Attendants, Communications Workers of America, the International Brotherhood of Teamsters and the Transport Workers Union of America, AFL-CIO sent a letter to Congress urging members to call on the U.S. government to open consultations with Qatar and the United Arab Emirates.

Over the past decade, Qatar and the UAE have provided more than $42 billion in subsidies to their state-owned airlines, Qatar Airways, Etihad Airways and Emirates, a clear violation of the Open Skies agreements. Without the pressure of financial profitability, these airlines are competing with an unfair advantage over U.S. airlines. In the letter, the union presidents argue:

"These subsidies make it possible for these airlines to flood the market with excess capacity on international routes, displacing U.S. airline market share and shifting U.S. jobs overseas. By one estimate, each international roundtrip route ceded or foregone by U.S. carriers results in a loss of more than 800 American jobs."

The full text of the letter is below.

April 16, 2015

Dear Members of Congress,

We are writing today to bring your attention to a situation that is threatening the future of the U.S. airline industry. The governments of Qatar and the United Arab Emirates are aiming to dominate global aviation, to the detriment of U.S. airlines and workers, by providing enormous subsidies to their state-owned airlines: Qatar Airways, Etihad Airways and Emirates Airline.

Over the past decade, Qatar, Etihad and Emirates have received more than $42 billion in subsidies and other unfair benefits from their governments, which is a violation of the Open Skies agreements the U.S. has with Qatar and the UAE. These subsidies make it possible for these airlines to flood the market with excess capacity on international routes, displacing U.S. airline market share and shifting U.S. jobs overseas. **By one estimate, each international roundtrip route ceded or foregone by U.S. carriers results in a loss of more than 800 American jobs.**

Unlike U.S. airlines, these enterprises need not turn a profit. Evidence gathered during a global, two-year investigation reveals that since 2004, Qatar, Etihad and Emirates have received:

- $15 billion government “loans” and “shareholder advances” with no repayment obligation
- $6.3 billion in pure capital injections
- $3.8 billion in free land, subsidized airport infrastructure, and airport fee exemptions and rebates

These subsidies are incompatible with the premise of fair and equal competition that is embodied in all U.S. Open Skies agreements, including those that Qatar and the UAE have signed. Together, they tilt the playing field and make fair competition impossible.

Moreover, Qatar, Etihad and Emirates do not operate under independent regulatory scrutiny. In fact, the government officials running these airlines are often those in charge of their regulation. In addition, because Qatar and the UAE have banned unions or have severely restricted any right of association, Gulf carrier workers do not have legal rights or say in work conditions or safety standards. These factors are allowing the Gulf carriers to expand precipitously, harming American companies in the process.

Gulf carrier competition, enabled by these unfair subsidies, has caused France and Germany to call for the EU to address the Gulf carriers’ unfair competitive advantages. Additionally, last month the EU Transport Commissioner announced plans to pursue a mandate from EU member states to open talks with the governments of the UAE and Qatar to address the subsidies issue.

We ask that you join us in calling for the U.S. government to seek consultations with the UAE and Qatar to attempt to resolve the subsidies issue and to seek a freeze on further expansion by the Gulf carriers in the U.S. while the consultations proceed.

Our members, and the U.S. airline industry for whom they work, can compete with anyone on a level playing field. Please help us restore fair competition to the global airline marketplace.

Sincerely,
Captain Tim Canoll, President, Air Line Pilots Association International
Captain Keith Wilson, President, Allied Pilots Association
Sara Nelson, International President, Association of Flight Attendants
Laura Glading, President, Association of Professional Flight Attendants
Larry Cohen, President, Communications Workers of America

James P. Hoffa, General President, International Brotherhood of Teamsters
Harry Lombardo, President, Transport Workers Union of America, AFL-CIO

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