

United States Senate

WASHINGTON, DC 20510

July 18, 2017

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

Dear Secretary Chao:

I am writing to express my concerns about the threat that the aviation industry in Ohio is facing as a result of the subsidization of three state-owned airlines based in Qatar and the United Arab Emirates (UAE) – Qatar Airways, Etihad Airways, and Emirates Airline.

Aviation has a long and proud history in the State of Ohio, and the aviation industry is a major source of economic growth and jobs in my state. For example, the three international U.S. airlines – United Airlines, American Airlines, and Delta Air Lines – collectively employ nearly 28,000 Ohioans. Many thousands more work in aviation-related fields. These jobs are vitally important to the economic well-being of my state, and they are currently at risk.

Since 2004, the three Gulf carriers have received over \$50 billion in subsidies from their government owners. The subsidies are distorting the market and violating the bilateral “Open Skies” agreements that Qatar and the UAE signed with the United States. They are enabling the Gulf carriers to dramatically expand their capacity at rates that far exceed growth in demand, and to push U.S. airlines off international routes. They are also enabling the Gulf carriers to operate routes that have no connection to Qatar or the UAE – such as Emirates’ two nonstop routes from New York City to Milan, Italy and Athens, Greece. These so-called “fifth freedom” routes are exceptionally damaging to U.S. airlines and their hardworking Ohio employees.

When foreign subsidies force U.S. airlines to cancel international routes, it can have spillover effects on the domestic flights that feed into international hubs, like Delta’s hub in Cincinnati, reducing connectivity for Ohioans. It also reduces jobs: Experts estimate that every time a U.S. airline cancels a long-haul international route as a result of Gulf subsidies, 1,500 American jobs are lost. These are jobs that the State of Ohio cannot afford to lose.

The Trump Administration has promised to increase the enforcement of U.S. trade agreements. It should do so here. In order to protect Open Skies, and the many Ohio jobs that depend on U.S.

airlines, I urge you to take firm action to ensure the U.S. aviation industry has a level playing field and a fair and equal opportunity to compete.

Thank you for your consideration of this important issue.

Sincerely,

A handwritten signature in blue ink, reading "Rob Portman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rob Portman
U.S. Senator

cc: Secretary Rex Tillerson