

MARITIME TRADES DEPARTMENT

AMERICAN FEDERATION OF LABOR and CONGRESS OF INDUSTRIAL ORGANIZATIONS

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MICHAEL SACCO
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May 16, 2016

AFFILIATES:

Bakery, Confectionery, Tobacco Workers
and Grain Millers International Union
International Brotherhood of Boilermakers,
Iron Ship Builders, Blacksmiths,
Forgers and Helpers
Communications Workers of America
International Brotherhood of Electrical
Workers
International Union of Elevator Constructors
International Union of Operating Engineers
International Association of Fire Fighters
Glass, Molders, Pottery, Plastics and Allied Workers
International Union, AFL-CIO/CLC
International Association of Bridge, Structural,
Ornamental and Reinforcing Iron Workers
International Association of Machinists
and Aerospace Workers
United Mine Workers of America
International Union of Allied, Novelty and
Production Workers, AFL-CIO
Office and Professional Employees
International Union
International Union of Painters and Allied Trades
of the United States and Canada
Operative Plasterers' and Cement Masons'
International Association of the United States
and Canada
United Association of Journeymen and
Apprentices of the Plumbing and
Pipe Fitting Industry of the
United States and Canada
Seafarers International Union of
North America
International Association of Sheet Metal,
Air, Rail and Transportation Workers
American Federation of State, County
and Municipal Employees
United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial &
Service Workers International Union
Transportation • Communications Union, IAM

The Honorable Anthony R. Foxx
Secretary of Transportation
West Building, 9th Floor
1200 New Jersey Avenue, SE
Washington, DC 20590-9898

Dear Secretary Foxx:

On behalf of the 22 international unions affiliated with the Maritime Trades Department, AFL-CIO, we urge the Department of Transportation to reverse its April 15 "Show Cause" order and reject Norwegian Air International's (NAI) application for a foreign air carrier permit.

We take this stand because this department's history is based on a similar circumstance that took place right after World War II. The MTD received its charter from the American Federation of Labor in 1946 as a direct result of the sell-off of American merchant vessels at extremely discounted prices to foreign operators to rebuild their war-torn fleets. To gain the business that was being carried by American-flag vessels with American crews, these foreign operators reduced costs drastically – including cutting wages, benefits and working standards – creating the "flag-of-convenience" (FOC) system that continues to this day to bedevil legitimate maritime nations and companies.

The American government was complaisant 70 years ago. It should not repeat today this same mistake regarding American-flag air carriers.

While the International Association of Machinists and Communications Workers of America are directly involved in this fight, several other MTD affiliates also are affected. We stand by our affiliates who state the NAI application violates the U.S.-E.U. Air Transport Agreement, particularly with regard to labor standards.

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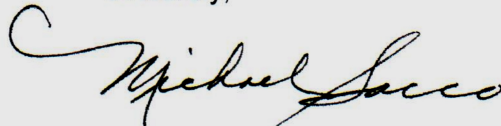
Allowing NAI to offer service to the United States through a company that would benefit from offering its crew the lowest common denominator for pay, benefits and working standards is a prescription for disaster. It would open the door to allowing other like companies to suck business away from American-flag airlines – and the jobs of hard-working Americans with it.

For 70 years, U.S.-flag shipping companies have dealt with the race-to-the-bottom mentality orchestrated by FOC shippers. We have seen the low standards forced upon uninformed foreign crewmembers. We have worked with the International Transport Workers' Federation around the world to force unscrupulous shipowners and charterers to pay the meager salaries earned by these mariners. And we have witnessed trade between the U.S. and other nations steadily increase, while the U.S.-flag share of this cargo has precipitously decreased.

For these reasons alone, we again respectfully request that the Department of Transportation rescind its "Show Cause" decision of April 15 and reject the NAI application for a foreign air carrier permit. The FOC model remains bad for maritime and should not be an example for aviation.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Sacco", with a large, stylized initial "C" or "M" at the start.

Michael Sacco
President