TOM REED
23RD DISTRICT, NEW YORK

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEES: HUMAN RESOURCES OVERSIGHT TAX POLICY Congress of the United States

House of Representatives

Washington, DC 20515

February 10, 2017

The Honorable Donald J. Trump President of the United States of America The White House 1600 Pennsylvania Avenue Washington, DC 20500

Dear President Trump,

In December 2016, the Department of Transportation (DOT) approved a foreign air carrier permit for Norwegian Air International (NAI). NAI operates a "flag of convenience" business model which circumvents Norwegian labor laws by using a subsidiary company to operate flights to the U.S., a direct violation of the U.S.– E.U. Open Skies Agreement. Given your commitment to protecting American jobs I strongly urge you to revoke or suspend the Norwegian Air International foreign air carrier permit for U.S.–Europe air services.

Article 17 bis of the Agreement clearly states that "the opportunities created by the Agreement are not intended to undermine labour standards ... contained in the Parties' respective laws." This clause was specifically negotiated to protect American jobs and American workers, and it was the linchpin to the agreement's approval. By approving NAI's permit, President Obama stripped U.S. aviation workers of vital job protections and put the entire U.S. aviation industry at risk of outsourcing to foreign airlines. A similar situation has occurred in the U.S. shipping industry over the last 50 years, resulting in the loss of thousands of American jobs. Today, less than 2% of U.S. foreign shipping is moved on U.S.-flag vessels due to the increased growth of the flag of convenience model.

Open Skies agreements are meant to promote fair and robust competition, which is good for consumers, workers, local and international economies. The NAI model will hurt small, local economies which depend on air service as a critical part of their infrastructure to attract employers, employees, business travelers and tourists. Overturning the Obama administration's misguided decision granting NAI a foreign air carrier permit will help save aviation jobs. By denying NAI you are sending a strong message to the international aviation community that American jobs must be protected.

Thank you of your considering to overturn the foreign air carrier permit for NAI and your commitment to growing the American economy. Should you have any questions please do not hesitate to reach out to Drew Wayne on my staff at 202-225-3161 or <a href="mailto:drew.wayne@mail.house.gov">drew.wayne@mail.house.gov</a>.

Sincerely,

Tom Reed Member of Congress

CC: The Honorable Elaine Chao, Secretary of US Department of Transportation

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