

United States Senate

WASHINGTON, DC 20510

The Honorable Rex Tillerson
Secretary
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

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

Dear Secretary Tillerson and Secretary Chao:

We are writing to share our concerns about unfair competition in the international air transport market that is harming U.S. airlines and American workers and violating U.S. trade agreements. We are particularly concerned about the impact this unfair competition will have on aviation jobs in the State of Michigan.

Since 2004, the Gulf nations of Qatar and the United Arab Emirates (UAE) have provided billions of dollars in subsidies to their state-owned airlines, Qatar Airways, Emirates Airline, and Etihad Airways. The subsidies are inconsistent with the countries' bilateral Open Skies agreements with the United States and are denying American workers and U.S. airlines a fair and equal opportunity to compete. They are also inconsistent with U.S. Open Skies policy, which is designed to eliminate government market distortions, including subsidies.

The three Gulf carriers are using their subsidies to introduce excess capacity on international routes and take significant market share from U.S. airlines, at the expense of the U.S. airlines' international networks and American jobs. For example, as a result of the subsidies, U.S. airlines have been forced to cancel all of their routes to Qatar and the UAE. By contrast, the Gulf carriers operate 35 flights per day to the United States.

In addition, the Gulf carriers are increasingly targeting routes between the United States and cities outside of their home countries. For example, Emirates currently offers a roundtrip flight between New York City and Milan, Italy that has caused major overcapacity between those two cities, at the expense of U.S. and European airlines. If additional subsidized routes continue to be added it will begin to negatively impact air service and employment at the Detroit Metropolitan and other airports in our state.

Open Skies agreements are an important part of U.S. aviation policy that provide consumers, airlines, and airports with more choice and access to international destinations. However, the agreements must be enforced so that the American workers and U.S. airlines who play by the rules have a level playing field to compete. We urge you to take firm action to enforce the Open Skies agreements with Qatar and the UAE and ensure that there is a fair and equal opportunity for U.S. airlines and aviation workers to compete.

Thank you for your consideration. We look forward to working with you on this important matter.

Sincerely,



Debbie Stabenow
United States Senator



Gary C. Peters
United States Senator