



AIR LINE PILOTS ASSOCIATION INTERNATIONAL

THE WORLD'S LARGEST PILOTS UNION • WWW.ALPA.ORG

1625 Massachusetts Avenue, N.W. • Washington, D.C. 20036 • 703-689-2270 • 888-FLY-ALPA

February 23, 2015

Dear Representative:

On behalf of the more than 51,000 airline pilots represented by the Air Line Pilots Association International (ALPA), I write to you in support of targeted and meaningful reforms to the Export-Import Bank's widebody aircraft lending practices. ALPA supports the reauthorization and mission of the Bank; however, in the case of widebody aircraft, the Bank's financing decisions are harming the U.S. airline industry and its workers' ability to compete in the global marketplace.

The Bank has frequently provided below-market financing for the purchase of widebody aircraft to U.S. airlines' foreign competitors that are both profitable and creditworthy. In fact, the Bank's support can result in a \$20 million per airplane financing cost savings advantage for an airline. While U.S. airlines are not eligible to receive financing, foreign airlines can use Bank-financed aircraft to compete directly with U.S. airlines on international routes. They can flood the market with excess capacity and drastically undercut market-driven pricing. As a result, U.S. airlines are at a competitive disadvantage and our industry's workers have already experienced job loss.

The U.S. government has rightfully taken action in support of other domestic industry sectors such as steel, rubber, and solar panels production that face unfair foreign competition. In each case, the U.S. government recognized that unfair "dumping," was driving prices down to a point that hurt U.S. workers and their employers. The primary difference between these examples and widebody aircraft, in which excess airline seats are being dumped into a market, is that the harmful policy can be corrected without using countervailing duties or sanctions. All that is required is a straightforward policy course correction that Congress can make when it reauthorizes the Bank this June.

In short, Congress must make certain the Bank ends its practice of financing widebody aircraft for state-owned, state-supported, and credit-worthy foreign airlines. This is simply fair and sound policy. The U.S. airline industry and its workers have consistently supported our national priorities. Whether we're providing critical airlift capability for the Department of Defense, flying humanitarian missions to American communities in need, or providing safe and efficient transportation of people and goods around the globe, airline pilots are proud of our industry's contributions to our national economy. We simply ask for the opportunity for our industry to be able to compete on a level playing field internationally.

As you work to reauthorize the Bank before its June 30 expiration, I urge you to consider how the Bank's current financing practices affect the U.S. airline industry and the hundreds of thousands of jobs it supports.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy G. Canoll', written in a cursive style.

Timothy G. Canoll
President, Air Line Pilots Association, International