



# 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

January 13, 2015

Dear Representative:

As the new president of the Air Line Pilots Association, International (ALPA), the largest union of professional airline pilots in the world, I wish you a happy New Year and welcome to the 114th Congress. As you begin the important task of organizing the House of Representatives for the first session of this new Congress, I want to make you aware of some unfinished business of great importance to professional pilots, the U.S. airline industry, our nation's economy, and our national security.

An application for a foreign air carrier permit for Norwegian Air International (NAI) is pending at the U.S. Department of Transportation (DOT). The business model proposed by NAI is at odds with our Air Transport Agreement with the European Union (EU) and is not in the public interest as defined in our aviation statutes. We agree with the initial decision reached by DOT on September 2, 2014 to dismiss NAI's application to waive the permit requirement. The underlying application for authority to fly to the United States must similarly be rejected. It is incumbent upon the 114th Congress to provide oversight to ensure that DOT follows U.S. law and the terms of the U.S.-EU Air Transport Agreement and promptly deny NAI's application.

NAI's business model is a typical tax- and labor law-avoidance flag-of-convenience scheme that could have a devastating effect on U.S. aviation jobs. NAI has obtained an Irish Air Operator's Certificate, yet does not operate to or from Ireland. Its aircraft are registered in Ireland instead of Norway, and it plans to hire most of its workforce under independent contracts through a recruitment firm based in Singapore and plans to base its pilots in Thailand – which is not a party to the U.S.-EU Open Skies Agreement. This convoluted new business venture is clearly designed to lower its operating costs, and is prohibited by the U.S.-EU Air Transport Agreement.

Furthermore, this business scheme has international safety implications. While the Irish Aviation Authority has a robust safety reputation, how can they be expected to provide adequate safety oversight on an airline that does not have any operations to or from Ireland?

This is a scenario not envisioned nor accounted for by the International Civil Aviation Organization (ICAO). International aviation has already experienced one airline accident involving a similar business scheme which, in fact, occurred in Ireland. We cannot allow action that may enable the possibility of another failure of oversight.

The U.S. maritime industry has seen the effects of flag-of-convenience business practices where companies register their vessels in a foreign state to avoid their own country's regulation, taxes, and labor costs. Today, roughly 80 percent of the world's maritime fleet is operating under a flag of convenience, and the number of jobs for seafarers in the U.S. maritime industry has plummeted from more than 100,000 in 1960 to 2,500 in 2012.

Over 245 bipartisan members of the 113th Congress contacted DOT to express concerns about NAI's business plan. On behalf of the more than 51,000 airline pilots represented by ALPA, we appreciate this commitment to U.S. airline workers and the future of our industry. Our partners—the major U.S. and European airlines and employee groups—are unified in opposition to NAI's application.

The precedent proposed by NAI threatens the U.S. airline industry and U.S. jobs. We urge you to stand up for our industry and our careers. Aviation contributes over \$1.5 trillion toward the U.S. gross domestic product. Furthermore, the critical role U.S. aviation plays in ensuring our national security cannot be forgotten. While a decision could come at any time, DOT and the State Department will meet with their European counterparts later this month and discuss this very issue. With these facts in mind, I urge you to contact Secretary Foxx and Secretary Kerry as soon as possible and prior to their meeting with the EU on January 28, 2015, and urge them to deny NAI's application for a foreign air carrier permit.

Thank you for your consideration and I look forward to working with you.

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