

Departures

Opinions On Current Issues In Aviation

U.S. Customs Should Preclear U.S. Airlines To Compete Globally

By Capt. Lee Moak, President, Air Line Pilots Association

In a move that should baffle everyone in the U.S. airline industry, the U.S. government is now considering funding and operating a Customs and Border Protection preclearance facility at Abu Dhabi International Airport. Since no U.S. airlines serve Abu Dhabi with their own planes, installing this facility would use U.S. taxpayers' money to enhance the flying experience for passengers of a foreign airline, giving state-owned Etihad Airways an unfair marketplace advantage over U.S. carriers.

In 2011, the U.S. government signed a letter of intent with the United Arab Emirates to operate a customs preclearance program at Abu Dhabi. Were it to go forward, the facility would be the first expansion of the program since 1986 and the first such facility in the Persian Gulf. The stated purpose for establishing the facility was to increase security and cooperation between the U.S. and the UAE. While we wholeheartedly support enhancing aviation security, other means exist to achieve this goal. The Air Line Pilots Association firmly believes that, as a matter of policy, the goal of the U.S. government's customs preclearance programs should be to benefit U.S. passengers traveling to their homeland on U.S. airlines. U.S. taxpayers' money should not be used to give an unfair advantage to foreign airlines.

Currently, the U.S. operates 15 preclearance locations at airports in Canada, Ireland and the Caribbean. Each of these airports is served by at least one U.S. airline. U.S. airlines transport a majority of the passengers who are cleared through these locations into the U.S. The program's benefit is clear for both U.S. airline passengers and the U.S. airline industry, which helps drive the nation's economic engine and provides hundreds of thousands of jobs.

In stark contrast, a customs preclearance facility located in Abu Dhabi would set an alarming precedent: it would be the first airport in the world to receive a U.S.-funded and -operated customs preclearance facility that solely benefits a foreign airline. The idea of our government using U.S. taxpayers' money in a way

that helps foreign airlines to better compete against U.S. companies is an affront in its own right, but consider that the foreign airline that would benefit already operates with a significant advantage in the global marketplace.

While state-owned Etihad Airways, the Persian Gulf airline that makes Abu Dhabi its home, makes limited financial reports, it clearly does business with several significant competitive advantages. It operates free of corporate taxes in its home country. Further, the carrier also flies large, new, fuel-efficient, widebody airliners and is eligible to purchase them with below-market financing rates courtesy of the U.S. taxpayer-funded Export-Import Bank of the United States.

It is in this context that Etihad Airways stands to gain from the U.S. government's plans to use taxpayers' money to build a customs preclearance facility in Abu Dhabi. Moreover, if Abu Dhabi International Airport successfully obtains the facility, Dubai and Qatar are likely to follow with requests for similar facilities that would primarily benefit their state airlines—Emirates and Qatar Airways.

Make no mistake—the competitive threat to the U.S. airlines from Persian Gulf carriers is very real. Armed with state ownership and their home countries' pro-airline policies in areas from taxation to infrastructure investment, as well as a unique geographic location, Etihad, Emirates and the others are

well-positioned to become first-tier international carriers. As for the airlines' intentions to become major powers in the air transportation business, Etihad's company slogan says it all—"From Abu Dhabi to the World."

It is the strong belief of the Air Line Pilots Association that U.S. Customs and Border Protection efforts to establish customs preclearance facilities should first and foremost benefit U.S. airlines, as well as U.S. taxpayers and the U.S. economy.

U.S. airlines and U.S. airline industry employees need the U.S. Department of Homeland Security to stop this poorly thought-out project before it starts.

'A customs preclearance facility located in Abu Dhabi would set an alarming precedent.'

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