

United States Senate

WASHINGTON, DC 20510

May 16, 2016

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear Mr. President:

We write to urge your administration to reconsider the findings of the order to show cause issued by the Department of Transportation (DOT) on April 15, which recommends that Norwegian Air International Limited (NAI) be granted a foreign air carrier permit.

The landmark United States-European Union Open Skies Agreement has resulted in substantial benefits to the parties involved. Market liberalization has improved service options for consumers, spurred fare competition, increased travel to the United States, and opened opportunities for U.S. carriers in new markets. The benefits come as a result, in part, of provisions designed to ensure our aviation labor forces continue to enjoy strong employment protections. Specifically, the Agreement states, “The opportunities created by the Agreement are not intended to undermine labour standards or the labour-related rights and principles contained in the Parties’ respective laws.”

NAI is a Norwegian-owned company, but it has applied to operate in the United States as an Ireland-based foreign air carrier. We understand that NAI does not plan to locate significant operations in Ireland and may hire some employees under Singaporean or Thai employment contracts. This structure could allow NAI to avoid the labor and employment protections in Norwegian and EU law. This type of arrangement appears to be exactly what the labor provisions of the Agreement are intended to prevent.

The Transportation, Housing and Urban Development Appropriations and Related Agencies Acts of 2015 and 2016 stated that no funds shall be used to grant a foreign air carrier application that violates the worker protection elements of the Agreement. It is troubling that DOT does not appear to have done its own analysis of whether the application does in fact violate these elements of the agreement. Instead, DOT only concluded that certain labor provisions alone cannot be used as the basis for denying an application.

We support fair competition. The U.S. aviation industry is a critical sector of our economy and an important middle-class job creator. Bilateral air transport agreements have enjoyed wide support in the United States because they have successfully fostered increased competition while providing greater opportunities for U.S. airlines and their workers. Approving NAI’s foreign air carrier permit application would upset this careful balance and seriously harm the U.S. aviation industry.

We ask that your administration take the appropriate steps to fully enforce the worker protection provisions by rejecting the order to show cause and denying NAI's application for an air carrier permit. Thank you for your consideration.

Sincerely,

Amy Klobuchar - Samuel Brown

Al Franken

Jeff A. Merkley

Jeanne Shaheen

Margi K. Fierro

Chris Coons

Debbie Stabenow

Richard Durbin

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Tommy Baldwin

Carol Cudill

Jon Tester

Mark Warner

Paul Peters

Paul D. Ryan

Mike

Elizabeth Warren

Scott O. Ceryn
Chuck Sch

J. B.
Heidi Heitkamp

Richard Blumenthal
Shirley

Ben Cardin

W. H.

Bob Sanders

Edward J. Markey
Chris

Tom Udall

Kirsten Gillibrand

Ron Wyden