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For Immediate Release

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**USAOS Calls On Secretaries Tillerson And Chao To Reject Demands Of Legacy Carriers;
Protect U.S. Open Skies Agreements**

Washington D.C. – Today, the U.S. Airlines for Open Skies (USAOS) Coalition sent letters to Secretary of State Rex Tillerson and Secretary of Transportation Elaine Chao highlighting the benefits of U.S. Open Skies agreements. Specifically, the Coalition urged Secretaries Tillerson and Chao to reject the demands of Delta, United, and American (legacy carriers) that access to U.S. routes for airlines from two U.S. Open Skies partners – the United Arab Emirates (Emirates and Etihad) and Qatar (Qatar Airways) – be frozen.

The letters note that although the "legacy carriers claim such action is a justified response to alleged subsidies the foreign carriers have received from their home governments," they fail to cite a specific violation and "have not pursued the established dispute settlement procedures under the Open Skies agreements and those administered by the DOT."

The letters reiterate that the framework of Open Skies agreements "supports U.S. jobs, reduces costs for airline passengers, facilitates U.S. exports, strengthens our national security, and promotes competition in the airline industry."

The full text of the letter to Secretary Tillerson is included below and can be viewed online [here](#). The letter to Secretary Chao can be viewed [here](#).

February 7, 2017

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

Dear Secretary of State Tillerson,

As the CEOs of four leading U.S. cargo and passenger airlines, we offer our congratulations on your confirmation as Secretary of State. We look forward to working closely with you on a wide range of issues that affect the aviation sector, as well as the hundreds of thousands of American workers that our companies employ.

Today, we write collectively as members of U.S. Airlines for Open Skies (USAOS) to highlight our strong support for maintaining the global framework of U.S. Open Skies aviation agreements. That framework supports U.S. jobs, reduces costs for airline passengers,



facilitates U.S. exports, strengthens our national security, and promotes competition in the airline industry.

During the last three decades, under the leadership of both Republican and Democratic Administrations, the United States has negotiated Open Skies agreements with more than 100 countries around the world. These agreements eliminate government interference in commercial decisions about the routes, frequency, pricing, and capacity of airline service, both passenger and cargo. They also assure the ability of all U.S. airlines to create comprehensive international networks. Open Skies thus allows airlines to deliver more efficient and cost-effective service to American consumers, businesses and the U.S. government, including the military.

Regrettably, three large legacy U.S. airlines ("legacy carriers") – Delta, United, and American – are making demands that would jeopardize Open Skies and reduce competition in an already overly concentrated U.S. airline market. Specifically, they are asking the U.S. government to freeze access to U.S. routes for airlines from two U.S. Open Skies partners – the United Arab Emirates (Emirates and Etihad) and Qatar (Qatar Airways). The legacy carriers claim such action is a justified response to alleged subsidies the foreign carriers have received from their home governments. They assert these alleged subsidies breach our Open Skies agreements, but when asked directly by the U.S. government to cite a specific violation, the legacy carriers failed to do so. It is also telling that they have not pursued the established dispute settlement procedures under the Open Skies agreements and those administered by the DOT.¹

By contrast, freezing U.S. routes *would* indisputably breach Open Skies, harm U.S. airline passengers, and endanger U.S. jobs. It would reduce competition not only on international routes where the legacy carriers and their joint venture partners already predominate but also in the domestic market by stemming the flow of passengers into the United States that has enabled smaller U.S. airlines to expand service and compete with the legacy carriers. It would also endanger the global networks of U.S. cargo airlines that deliver high-value U.S. exports and vital supplies for the U.S. military around the world.

In addition, claims by the legacy carriers that they have been injured by the Gulf carriers are unsupported by the facts. Contrary to their claims of job loss, the legacy carriers have hired more than 12,000 new employees during the last four years. Meanwhile, their operating profits have reached record levels, nearly tripling on average since 2007.

We formed USAOS, comprised of Atlas Air Worldwide, FedEx, Hawaiian Airlines, and JetBlue Airways, to make it clear that the legacy carriers do not speak for all, or even most, U.S. airlines. Our companies, as well as other U.S. airlines not aligned with the legacy carriers, collectively employ more than 942,000 workers, almost three-and-a-half times the number of workers employed by the legacy carriers (275,000). Our coalition opposes the demands of the legacy carriers, and we are pleased to be joined by organizations representing the U.S. travel, tourism, and hospitality industries, as well as local communities across the United States, including economic development agencies and airport authorities.

¹ 49 U.S.C. 41310, the International Air Transportation Fair Competitive Practices Act (IATF CPA) of 1974, as amended



Mr. Secretary, we urge you to reject the demands of the legacy carriers and protect the invaluable Open Skies network for the reasons described in the attached annex. We look forward to working with you to uphold and expand the vast benefits of the Open Skies regime that has served our economy so well.

Sincerely,

William J. Flynn
President and CEO
Atlas Air Worldwide

David Bronczek
President and CEO
FedEx Express

Robin Hayes
President and CEO
JetBlue Airways

Mark B. Dunkerley
President and CEO
Hawaiian Airlines Inc.

U.S. Airlines for Open Skies (USAOS) is a coalition of four U.S. passenger and cargo carriers – Atlas Air Worldwide, FedEx, Hawaiian Airlines, and JetBlue Airways – that collectively transports approximately 42 million passengers annually, ships nearly 8 million tons of cargo, and employs nearly 430,000 people.