



## **Legacy Carriers Demand Actions That Would Hurt U.S. Jobs**

Delta, United, and American ("legacy carriers") have launched an aggressive and misleading lobbying campaign to restrict access to U.S. routes for airlines of two U.S. Open Skies partners – the UAE (Emirates and Etihad) and Qatar (Qatar Airways).

Although the legacy carriers claim that they want to protect U.S. jobs, the restrictions they seek would in fact threaten millions of U.S. jobs in aviation, tourism, and other sectors that depend on Open Skies. They would invite retaliation by the UAE and Qatar, encourage other Open Skies partners to restrict the rights of U.S. airlines, and deter countries from entering into Open Skies agreements with the United States. Meanwhile, the legacy carriers making these false claims have suffered no harm but rather are experiencing a record surge in employment and profits.

### **The Legacy Carriers Speak Only For Themselves, Not The Affected Industry**

- Most U.S. airlines do not support the legacy carriers: U.S. Airlines for Open Skies (USAOS) member companies, as well as other U.S. passenger and cargo carriers not aligned with the legacy carriers (e.g., UPS and Southwest), collectively employ more than 942,000 workers, almost three-and-a-half times the number of workers employed by the legacy carriers (275,000).

### **The Legacy Carriers' Claims Of Job Loss Are Disingenuous And Misleading**

- The legacy carriers' claims of job loss are not credible: When the legacy carriers abandon a route, allegedly in response to Gulf carrier competition, they claim that U.S. jobs are lost. They initially claimed [800 jobs](#) per flight but later nearly doubled it to [1,500](#). Neither is credible. When they discontinue a flight, the legacy carriers do not retire the plane and fire the crew; rather, they redeploy their resources on more profitable routes.
- In fact, employment in the U.S. airline industry is at a 16-year high: According to Airlines for America, U.S. passenger and cargo airlines ended 2016 with [the highest employment level in 16 years](#). Employment among U.S. passenger airlines has grown year-over-year for 38 consecutive months, with the rate of growth hovering at four percent – twice the rate of job growth for the overall economy.
- Wage growth for U.S. passenger airline employees is also strong: According to Airlines for America, the average wage at U.S. passenger airlines in 2016 [rose 35 percent](#) from 2010, well above the U.S. private-sector average. U.S. passenger and cargo airline expenditures on wages and benefits rose 44 percent over the same timeframe to \$44 billion.

### **The Legacy Carriers' Profits And Passenger Traffic Are Unaffected By The Gulf Carriers**

- U.S. passenger airlines are making record profits: According to Department of Transportation records, the operating profits of U.S. passenger carriers, including the legacy carriers, have skyrocketed [313 percent over the past five years](#).



- U.S. airlines are carrying a record number of passengers: According to Airlines for America, an all-time high of [823 million passengers](#) were enplaned in 2016. A record-high 145 million passengers – nearly 2.4 million per day – were expected to fly globally on U.S. airlines this year between March 1 and April 30, an increase of four percent over last spring's 140 million passengers.

### **The Legacy Carriers Have Been Ceding Flights To And Investing In Foreign Airlines For Years**

- For years, the legacy carriers have been giving up U.S.-staffed flights to their European joint venture partners: Over the past five years (2011-2016), the legacy carriers have decreased their transatlantic service by three percent while their joint venture partners have increased service along the same routes by seven percent. They can do this in a coordinated fashion because their joint ventures have received grants of antitrust immunity.
- Rather than invest in their own workers and operations, the legacy carriers have invested heavily in foreign airlines, including heavily subsidized, state-owned companies: For instance, Delta invested [\\$450 million](#) in China Eastern Airlines in 2015 and American Airlines paid [\\$200 million](#) for a stake in China Southern Airlines.

### **The Legacy Carriers' Demands Threaten Millions Of U.S. Tourism And Manufacturing Jobs**

- The more than 100 U.S. Open Skies agreements have brought millions of new international visitors to the United States, supporting more than 15 million U.S. tourism and hospitality jobs: According to the U.S. Travel Association, 75 million international visitors spent nearly \$250 billion in the United States in 2016 alone, benefiting a wide array of travel-related businesses such as hotels, rental car companies, restaurants, and retailers. In fact, according to research conducted by Hawaiian Airlines, adding a single daily wide-body flight carrying predominantly foreign-originating tourists can result in [\\$65 million in direct spending, \\$117 million in U.S. GDP growth, and more than 1,150 U.S. jobs](#).
- According to the U.S. Travel Association, the Gulf carriers alone brought 1.1 million international visitors to the United States in 2014, supporting nearly 50,000 jobs: These visitors also generated \$1.1 billion in tax revenue, and contributed \$4.1 billion to U.S. GDP. In 2015, the addition of just one new Emirates flight to Orlando created [1,400 new jobs in the region](#).
- Aircraft orders by the Gulf carriers support hundreds of thousands of U.S. jobs: According to the U.S. Department of Commerce's jobs multiplier for U.S. aerospace exports, one recent Emirates order for 150 Boeing 777X aircraft alone creates and supports 436,000 jobs in the United States.

### **The Gulf Carriers Grow U.S. Airline Jobs By Feeding Passengers To Smaller U.S. Airlines**



- Gulf carriers and other foreign airlines not aligned with the legacy carriers bring thousands of passengers to the United States, creating demand for connecting flights for smaller U.S. airlines: These additional passengers allow smaller passenger airlines to expand their domestic services, creating more competition, lowering prices for consumers, and growing jobs. JetBlue Airways, for example, was able to initiate service between Boston and Detroit, a route that was previously served by only one carrier, due to the number of international passengers arriving in Boston.