



**Committee on Transportation and Infrastructure**  
**U.S. House of Representatives**

**Bill Shuster**  
**Chairman**

**Washington, DC 20515**

**Peter A. DeFazio**  
**Ranking Member**

Christopher P. Bertram, Staff Director

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July 28, 2016

The Honorable Violeta Bulc  
EU Commissioner for Transport  
European Commission  
B-1049 Brussels, Belgium

Dear Ms. Bulc:

I understand that your office is seeking arbitration under the U.S.-E.U.-Norway-Iceland Air Transport Agreement to resolve the ongoing controversy over the applications by Norwegian Air International and Norwegian Air UK for foreign air carrier permits. These matters are of great concern to me, as Ranking Member of the U.S. House of Representatives Committee on Transportation and Infrastructure, and I write to share my views on these problematic applications.

Norwegian Air International is “Norwegian” in name only, having procured an air operator certificate from a heretofore-uninvolved third country. As you know, Norwegian bases many crewmembers operating transatlantic services in Bangkok. These outsourced crews are hired on contracts governed by Singapore law. In fact, although most if not all of Norwegian’s pilots live in Europe, in order to join Norwegian’s workforce, they must contract with a “crew leasing specialist” in Singapore and abide by terms governed under Singapore law. If Norwegian were a U.S. carrier, these practices would not be acceptable under U.S. airline labor laws, and I am confident they are not acceptable under the laws of Norway. They certainly are not consistent with the fair labor principles of the European Union referenced in article 17 *bis* of the Open Skies agreement.

These practices are an anathema to the strong labor protections that have made Norway and other Scandinavian countries—and, indeed, most of Europe—vanguards of progressive and fair labor standards. Norwegian made clear that it was pursuing an Irish air operator certificate in part to avoid application of section 1-1 of the Norway Immigration Regulation, which does not exempt foreign crews employed by Norway-based airlines from Norway’s residency requirement. No U.S. airline would be permitted to operate as Norwegian intends. So it is no wonder that Norwegian proposes to establish a flag of convenience in Ireland to firmly plant the weed of this unsustainable business model in the fertile soil of our international aviation system.

I have no reason to question the Irish Aviation Authority’s capacity for conducting robust

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surveillance of the safety of Norwegian's flight operations. But to sanction airlines' exploitation of flags of convenience is to push the global airline industry down a slippery slope. As European legacy carriers face increasingly challenging market conditions, what will be the next Norwegian, and what flag of convenience will appear on the sides of its aircraft? I do not believe that anyone, on either side of the Atlantic, can assure the flying public with confidence that this race to the bottom will end well.

In May, I introduced a bipartisan bill to prevent the U.S. Secretary of Transportation from issuing a foreign air carrier permit that is inconsistent with the requirement of the Open Skies agreement that air services must respect the fair labor standards and principles of the United States and European countries. That bill now has 152 Democratic and Republican cosponsors. I also included an amendment that had similar requirements, and garnered solid bipartisan support, in the fiscal year 2014 transportation appropriations law; that provision has been carried over in each subsequent appropriations law. I and a number of my colleagues have expressed our clear objections to Norwegian's application in letters to the Secretary of Transportation and the Secretary of State and in dozens of explicit public pronouncements.

Finally, with respect to Norwegian Air UK, it is far from clear that the company will not utilize crewing arrangements similar to those adopted by Norwegian Air International. I have urged Secretary Foxx not to make a decision on Norwegian Air UK's application until the company fully discloses the terms and conditions of its pilots' and flight attendants' employment.

I provide these views in the spirit of open dialogue and in recognition of our mutual interest in opening the transatlantic market to robust and *fair* competition. I hope you will consider my views on this important subject in the context of our larger, shared goals.

Sincerely,



PETER DeFAZIO  
Ranking Member

cc: The Honorable Anthony Foxx, Secretary of Transportation  
The Honorable John Kerry, Secretary of State