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ALPA Blasts DOT's Norwegian Air International Decision

Fight On to Reverse Flawed U.S. Aviation Policy

WASHINGTON—The U.S. Department of Transportation (DOT) order released near the end of the business day Friday granting Norwegian Air International (NAI) a foreign air carrier permit is an affront to the letter and spirit of U.S. Open Skies agreements and exposes serious flaws in the current Administration's aviation and trade policy and a profound lack of support for U.S. workers by the Administration, according to the Air Line Pilots Association, Int'l (ALPA).

"We are extremely disappointed by the Department of Transportation's decision to run roughshod over the U.S. Open Skies agreement and allow Norwegian Air International to fly to and from the United States," said Capt. Tim Canoll, ALPA's president. "This flawed action is a lasting legacy of the Obama administration and demonstrates an egregious lack of support for working men and women in this country. ALPA would never have supported this Air Transport Agreement if we had known how our government would apply it. Given this decision, why should anyone trust the U.S. government to enforce its own trade agreements?"

"This decision is an affront to fair competition and will ultimately result in the loss of U.S. jobs and, potentially, significant losses for the U.S. international aviation industry," continued Canoll. "ALPA is considering all options to reverse this action."

In spite of the fact that Norwegian Air Shuttle (NAS), NAI's parent company, centers its operations in Norway and currently enjoys the authority to operate to the U.S., NAS established its subsidiary NAI as an Irish carrier expressly to avoid Norway's employment laws. NAI's business plan indicates that it plans to use flight crews hired on Singapore and Thai employment contracts with compensation substantially below that of Norwegian's Norway-based employees.

In June 2016, former U.S. Deputy Secretary of Transportation John Porcari, who oversaw the U.S.-EU negotiations for DOT, affirmed that the ATA labor provision known as Article 17 *bis* applies to NAI's foreign air carrier permit application. This provision directs that the access created by the agreement is not intended to undermine labor standards.

NAI's business plan has also generated an outpouring of concern from Congress. Bipartisan legislation (H.R. 5090) has been cosponsored by 175 members of Congress. The bill would have prevented NAI from operating in the United States under its current business model by ensuring that grants of operating authority to European airlines under the ATA be consistent with the intent of Article 17 *bis* of the ATA.

"We are pleased with U.S. President-Elect Donald J. Trump's stand on trade, and we look forward to working with the next administration to safeguard U.S. jobs," said Capt. Canoll. "ALPA will take appropriate action to overturn this decision and block the NAI business model from spreading. While NAI is the first, it is not likely to be the last attempt to flout U.S. policy and labor standards to gain an unfair competitive advantage."

Founded in 1931, ALPA is the world's largest pilot union, representing more than 54,000 pilots at 31 airlines in the United States and Canada. Visit the ALPA website at <u>www.alpa.org</u> or follow us on Twitter @WeAreALPA.

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