

United States Senate

WASHINGTON, DC 20510

March 23, 2017

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

The Honorable Elaine Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Tillerson and Secretary Chao:

We write to express our concerns regarding the billions of dollars in subsidies that the Governments of Qatar and the United Arab Emirates (UAE) have given their state-owned airlines. Government subsidies give these airlines an unfair advantage over U.S. carriers, distorting the international air transport market and violating our bilateral Open Skies agreements.

When appropriately enforced, Open Skies agreements protect and enhance fair and open competition in airline travel. They provide U.S. consumers with greater choices and access to additional international destinations and allow U.S. airlines to compete in new markets. However, the benefits of our current Open Skies agreements are being threatened by the effect that highly subsidized Gulf carriers are having on the market. Government subsidies by the Gulf States have disrupted the level playing field and harmed U.S. workers by forcing U.S. carriers to compete with foreign governments rather than foreign airlines.

Since we first raised concerns about Gulf subsidies in 2015, the situation has only grown worse. The size of the subsidies has increased and U.S. airlines have lost routes. It is no longer possible to fly a U.S. airline to Qatar or the UAE. The overcapacity on these routes facilitated by the subsidies has made the flights commercially non-viable for unsubsidized carriers. In addition, the Gulf carriers have begun targeting routes between the United States and Europe that would not be viable without their substantial government subsidies. For example, Emirates recently launched a new nonstop route between New York City and Athens, Greece. These new transatlantic flights could put additional American jobs at risk at domestic airports and airlines.

President Trump has repeatedly stated that strong enforcement of international agreements will be central to the Administration's policy. We were also pleased to hear both of you stress the importance of ensuring U.S. industries have a level playing field in global commerce at your confirmation hearings. We appreciate your commitment to enforcing trade policies that support American workers, and we urge you to take firm action to address the impact of Gulf subsidies and restore a level playing field for U.S. airlines and aviation workers.

We look forward to working with you on this important issue. Thank you for your consideration of our views.

Sincerely,



Amy Klobuchar
United States Senator



Johnny Isakson
United States Senator



Richard J. Durbin
United States Senator



James M. Inhofe
United States Senator



Tammy Baldwin
United States Senator



Thom Tillis
United States Senator