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June 18, 2015

The Honorable John Kerry Secretary of State United States Department of State 2201 C Street, NW, Room 7226 Washington, DC 20520

The Honorable Penny Pritzker Secretary of Commerce U.S. Department of Commerce 1401 Constitution Avenue, NW Washington, DC 20230

The Honorable Anthony R. Foxx Secretary of Transportation U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590

Re: Information Docket on Claims Raised about State-Owned Airlines in Qatar and the UAE

Dear Secretary Kerry, Secretary Pritzker and Secretary Foxx:

The National Association of Manufacturers (NAM) is pleased to submit these comments to the Departments of State, Commerce and Transportation as part of an ongoing review and evaluation of current Open Skies agreements with the nations of Qatar and United Arab Emirates (UAE).

The NAM is the nation's largest industrial trade association and is the voice of 12 million men and women who make things in America. Supporting open markets and ensuring manufacturers' access overseas are policy priorities for the NAM. With 95 percent of consumers outside the United States and a global demand for manufactured goods that far exceeds domestic demand, manufacturers in the United States need to win more sales overseas to sustain and grow operations and employment. To that end, Open Skies bilateral aviation agreements are one of several important tools that help ensure manufacturers' access to global markets and critical services that support manufacturers in the United States.

For the past two decades, the United States has been a driver of aviation market liberalization and achieved Open Skies agreements with over 100 nations around the world. These agreements enable access to foreign aviation markets that had previously shut out U.S. air carriers and provide the ability to offer new services in overseas markets, increase competition and facilitate global trade. Air cargo plays an important role in facilitating

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international commerce – moving high-value manufactured goods and commodities around the globe. Of note, Open Skies agreements provide critical rights to all-cargo air carriers to operate beyond the bounds of the United States and thereby ensure seamless connectivity for American-originated goods to overseas customers, including but not limited to computers, medical devices, pharmaceuticals and perishable items. By opening markets, Open Skies agreements promote competition and offer more options for manufacturers, particularly small businesses, to access overseas customers.

Proposals to reopen and renegotiate the current agreements with Qatar and the UAE are unwarranted and directly contrary to the U.S. government's long accepted and bipartisan policy in support of aviation liberalization. The 1995 U.S. *International Air Transportation Policy Statement*, that has been relied upon by Democratic and Republican Administrations, has been critical in promoting access to foreign aviation markets by U.S. carriers, and the manufactured goods they carry. Reopening these agreements would signal a rejection of this policy that has and continues to have important benefits for major manufacturing and other sectors of the economy. Seeking to renegotiate and perhaps renege on such agreements undermines the U.S. government's international credibility not just for Open Skies agreements, but for all trade and other international agreements that are currently in negotiations or already in force.

Simply put, the destabilizing effect of unilaterally reopening these two agreements or any other bilateral aviation agreement would create ripple effects throughout the aviation industry and beyond. There is much at stake across the travel, hospitality, manufacturing and transportation industries that will be jeopardized by the loss of American credibility and the potential rejection of this longstanding policy.

The free flow of people, trade and ideas is ingrained in our origins as a nation. Our manufacturing, aviation and aerospace industries are second to none. The United States should not retreat from the global stage, nor should our government engage in reopening agreements contrary to our economic and national interests.

Sincerely.

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