

No Trade-offs on Air Cargo Competitiveness

Transporting goods to advance economic prosperity has occurred since the dawn of time. One of the oldest seafaring ships found revealed that mariners sailing off the coast of Turkey around 1300 BC carried nearly 17 tonnes of



cargo from 11 countries. Even from the earliest days, cargo trade promoted the exchange of goods, fostered the flow of ideas, and advanced the enterprise of human civilization.

When flight became available, it was a natural next step to look to the skies for cargo trade lanes, and the airline industry continued to further economic growth, on a continental—and eventually a global—scale. In founding the Air Line Pilots Association, Dave Behncke was keenly aware of the vital importance of air cargo transportation. He often turned to some of North America's first cargo pilots—the airmail service pilots who in 1919 had struck over hazardous working conditions—for truth and testament to the importance of a union.

Today, the air cargo industry faces new threats never seen before in airline history. In a recent analysis, ALPA experts in the Economic & Financial Analysis Department illustrate how rising oil prices, overheated economies in emerging nations, and the persistent European economic recession weigh heavily on the North American air freight industry.

At the same time, U.S. and Canadian cargo operations also face an intensifying competitive threat from heavily state-backed foreign cargo airlines, which is exacerbated on the U.S. side of the border by government policy that too often not only fails to support but *actually undermines* our air cargo industry. While our foreign competitors receive enormous state funding and policy support from their governments, our airlines pay excessive taxes and fees, and our governments actually help our foreign competitors through misguided policies such as the U.S. Export-Import Bank lending practices.

In this issue, Capt. Scott Stratton (FedEx Express), the Master Executive Council chairman of his pilot group, underlines the billions in investment that Middle Eastern governments have poured into their airline industry as part of their countries' long-term strategy for economic diversification and the explosive growth in cargo infrastructure and flight operations that has resulted.

In these pages, you will also read how, through the President's Committee for Cargo and all of our union's committees, ALPA is taking on the safety and security issues that affect cargo operations, such as the need to properly regulate the carriage of hazardous materials, appropriately fund the Federal Flight Deck Officer program, wrap cargo ops into the SIDA, and

address the carveout that denies pilots who fly cargo equal protection from fatigue under regulations.

When ALPA pilots get involved and work as one, we know for certain that positive change is possible. In a recent example, the U.S. government awarded National Air Cargo (NAC) a contract to operate service on 31 U.S. – Middle East city pairs under the Fly America Act, which is designed to ensure that U.S. government passengers fly on U.S. airlines. While code-sharing with foreign partners on Fly America routes is permitted, NAC planned to fulfill this contract almost exclusively by

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placing its designator code on Emirates flights to and from the United States, putting U.S. taxpayer dollars to work supporting the Gulf carrier. In essence, it was a rent-a-code deal.

United immediately mounted challenges, and ALPA strongly backed its position. Our joint efforts prevailed—the U.S. government terminated NAC's contract, returning 27 city pairs to United. Long-term success is still uncertain, however, because the government's proceedings are still under way. While the General Services Administration decision could be reversed again, this decision is an encouraging shift in the right direction.

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Given the challenging trade lanes that lie ahead for the North American airline industry, our strength comes from the certainty that every ALPA member is fully on board with our union's commitment to no trade-offs on cargo.

Capt. Lee Moak, ALPA President