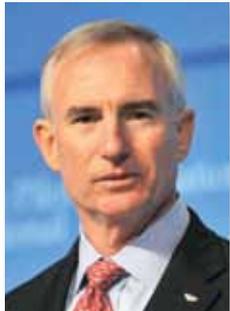


# We Can't Stop Now

The Air Line Pilots Association, Int'l continues work to level the playing field for North American airlines and their employees to better compete against state-supported airlines. Now we have a new challenge in the form of an insidious, sophisticated new business scheme from Norwegian Air Shuttle (NAS).



Exploiting international legal loopholes, this new model creates a dangerous template for those who seek to gain market share at any cost and will have a negative effect on careers for North American pilots.

The NAS business model is elaborate but not complicated when you break it

down. The plan is to

- ▶ purchase Boeing 787s (receiving below-market rates from the U.S. taxpayer-funded Ex-Im Bank, which ALPA is challenging in court),
- ▶ register the airplanes in Ireland,
- ▶ hire the pilots under Singapore contracts,
- ▶ base the pilots in Bangkok, and
- ▶ fly the airplanes from points in Europe (both in and outside of Scandinavia) to multiple destinations in the U.S.

Absent an international regulatory rubric, NAS is able to pick and choose its nations of business based on the marketplace advantages they offer, whether it is Ireland's aircraft registration law or the management-friendly labor laws of a particular Asian country.

This scheme raises a red flag for all North American airline industry employees, particularly when considering what happened to the U.S. maritime industry when it underwent a similar "flag of convenience" paradigm shift. (See "Exploiting Global Loopholes," page 24.)

NAS recently announced plans to serve three U.S. destinations from London Gatwick. The new destinations show the scale of the potential competitive challenges to North American airlines that are already operating on an unlevel playing field.

ALPA continues to be the watchdog for pilots and to fight to effect change regarding the way North American governments support the U.S. and Canadian airline industries and their employees. Let's face it, our progress in negotiations can't happen unless our companies are secure and profitable, which is why our work on Capitol and Parliament Hills is so important.

So let's talk about some progress ALPA has made. Recently ALPA teamed with United pilots and United Airlines to reverse—at least temporarily—a U.S. government decision that would have required U.S. government employees to travel on Emirates.

Here are the details: National Air Cargo (NAC) submitted a

proposal to operate flights between 31 U.S.-Middle East city pairs under the Fly America Act. No big deal, right? Except that NAC only has three cargo airplanes and one passenger airliner. How could it possibly fulfill the contract? Simple—partner with someone else. And guess who NAC proposed to use as its partner. Emirates—one of our heavily state-backed foreign competitors.

The award of the Fly America contract to this combination of airlines would have meant that U.S. taxpayers would pay to transport U.S. government employees and cargo on Emirates.

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In the past, United Airlines had been awarded the Fly America contract for many of these routes. Proving again that ALPA is diligent in its quest to protect the careers of its members, our joint efforts with other industry stakeholders prevailed, and the U.S. government terminated NAC's contract, returning 27 city pairs to United. At least for now.

Emirates' October launch of its Milan-New York route is even more evidence that U.S. government leaders need to take notice that foreign state-backed airlines are pursuing the same international flying that makes a crucial contribution to the U.S. airline industry and U.S. pilot jobs.

ALPA underscored these threats with a sweeping outreach campaign, employing our pilot volunteers on Capitol Hill using traditional and new media strategies to reach the widest possible audience with our union's concerns. Thousands of ALPA members responded by watching ALPA's multimedia message on Emirates' new route, following us on Twitter, and checking out ALPA's Facebook posts. In the strongest testament to our pilots' engagement, ALPA-PAC received the greatest donation support since 2008 during the week of the Emirates route launch. Because of this we were able to raise awareness and lead the dialogue about these issues here inside Washington.

ALPA pilots were engaged. You not only spoke out but took decisive action to stand up for a level playing field for the North American airline industry in the face of foreign competition. We can't stop—or be stopped—now.



Capt. Lee Moak, ALPA President