

## <hed> Why NAI Isn't Good for the U.S. Aviation Industry By Captain Jon Weeks, President, Southwest Airlines Pilots' Association

The pilots of the Southwest Airlines Pilots' Association (SWAPA) aren't afraid of competition. Our airline has spent its existence competing against the entrenched establishment of the industry and, at times, our own government (see the Wright Amendment). But Southwest Airlines won market share by offering a better product at a better price — not by asking the government to skew the rules to benefit us at the expense of our competition.

We won market share by playing by the rules, out-innovating and out-hustling our competitors. By contrast, Norwegian Air International (NAI) wants the U.S. government to tilt the playing field in their favor by allowing them, and no one else, to circumvent their host-country's labor laws. That's not competition — that's crony capitalism. Unfortunately, they were able to find a sympathetic ear with the previous administration, which issued their foreign air carrier permit on a late-Friday evening, weeks after the presidential election.

It is important to note that our union has never before opposed a foreign air carrier permit. We haven't even opposed NAI's parent company, Norwegian Air Shuttle; they play by the rules, so we support their access to our market. And Norwegian Air Shuttle is doing just that — playing by the rules and gaining market share. They don't need to violate our aviation treaty in order to buy new airplanes or to offer services to new cities through their subsidiary.

On the other hand, their sham subsidiary, Norwegian Air International (NAI), is skirting the rules, so we have no choice but to oppose them. NAI has essentially asked our government for permission to violate the terms of our Open Skies Agreement, specifically Article 17 *bis* of that agreement, which explicitly prevents a company from incorporating into a new country in order to circumvent their host-country's labor laws.

NAI is moving from its home in Norway and incorporating in Ireland for the sole purpose of undermining their labor obligations. However you may feel about their business acumen for seeking the move, the conditions of Article 17 *bis* strictly prevent it. That, not any fabricated “fear of competition,” is what motivates our opposition.

We've never opposed any other E.U. carrier from flying to the U.S. Our opposition to NAI is unprecedented because the NAI scheme and violation of our international aviation treaty is unprecedented. Norwegian Air Shuttle is gaining market share without the need for this scheme. Don't let them fool you into thinking that this is about fear of competition.

If this were about competition, we wouldn't even be wasting the ink to write about the issue. But NAI's foreign air carrier permit isn't about competition; it's about the enforcement of our trade agreements, pure and simple. The pilots of Southwest Airlines welcome competition. We don't welcome crony capitalists who wish to bend the rules and pretend they are fighting a fair fight.

SWAPA is a strong supporter of Open Skies agreements. When a single air carrier can benefit from the failure to enforce a trade agreement, that isn't competition. That's crony capitalism.