

## "Flags of Convenience"

The 117th United States Congress introduced H.R.3095, which was a jobs bill that was unfortunately never enacted. This bill was designed to preserve high quality jobs from being eliminated by a "Flag of Convenience" airline business model emerging from Europe. This business model has been made possible through a loophole in the US/EU Open Skies agreement allowing for certain European airlines to "shop" for an Air Operator Certificate from European Union nations with the **most** business-friendly regulators who embrace the **least** labor-friendly policies.

Airlines such as Norwegian Air International, the architect of the "Flag of Convenience" business model, had created an "unemployment" scheme (referred to as atypical employment) where workers are not directly employed by the airline, but rather by a third-party organization which is majority-controlled by Norwegian. The jobs being offered are sub-standard by nearly any measure when compared with the jobs being offered by U.S.-owned or European airlines **not** embracing atypical employment. In addition, atypical employment schemes reduce safety standards by creating a workforce culture that subjugates safety standards and places economic interests first in daily operations.

The "Flag of Convenience" business model threatens to do to the U.S. airline industry what it did to the U.S. maritime industry – eliminate hundreds of thousands of high-quality middle-class jobs. The American economy relies on a strong airline industry to support international business and trade, travel, tourism and interstate commerce. "Flag of Convenience" business practices weaken our airline industry.

Not only does America's economy rely on passenger and cargo airlines, but our national security does too. America's strategic security interests are highly dependent on a healthy domestic and international airline sector in support of the Civil Reserve Air Fleet (CRAF). CRAF assets are heavily utilized when it is necessary to mobilize our troops.

Congress needs to take active measures to support U.S. air carriers and their workers. We implore Congress to support measures like H.R. 3095 to end "Flag of Convenience" business practices and put **America's** airlines and their workers first. As a nation, let us prioritize investment and training in America's workers first and support measures currently taken by American businesses to attract workers to high quality airline jobs.

**For questions or additional information please email [GAC-Chairman@alliedpilots.org](mailto:GAC-Chairman@alliedpilots.org)**

