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As Prepared for Delivery

As ALPA's 10th president, I feel deeply honored to have been democratically elected by our members to lead our union on their behalf. Thank you for inviting me here today. It's a real pleasure.

It is tempting to make assumptions; to leave accepted truths untested. Orville Wright said that "If we worked on the assumption that what is accepted as true really is true, then there would be little hope for advance."

Let me give you an example of what I mean. Some of you may know that I am a former Navy Reserve F/A-18 Strike Fighter Squadron commanding officer. Pilots like to talk with their hands. There's a story about a Navy pilot telling his skipper about a dogfight.

Personal Story

On this day in 1927, Charles Lindbergh took off from Roosevelt Field on Long Island to make the world's first solo nonstop transatlantic flight. On this date in 1932, Amelia Earhart took off from Newfoundland to begin the world's first solo nonstop transatlantic flight by a female pilot.

These intrepid pilots did not make assumptions or rest on accepted truths. They asked questions, assessed the facts, and pushed the boundaries of what was thought possible to take action.

ALPA was founded in this same pioneering era. We are dedicated to the advancement of safety in our industry. In fact, we are the world's largest nongovernmental aviation safety organization. ALPA has played a role in nearly every significant safety improvement in the airline industry. In every aspect of safety, pilot assistance, and security, ALPA's expertise and experience has helped move our industry forward for more than 80 years.

The safety record in the North American airline industry is a direct reflection of the intensive education, exhaustive training, and proven experience that are part and parcel of the airline piloting profession, regardless of whether a pilot flies passengers or freight.

While some assume it is easy, airline pilots show their mettle every day with spirit and resilience. But our success, and that of our industry, hinges on putting safety first.

In the upcoming Federal Aviation Administration reauthorization, the focus needs to fall without distraction on maintaining and enhancing safety.

Some are calling for shorter timelines, reduced oversight, and rolling back safety standards for first officer qualifications and preventing pilot fatigue.

Let me be clear. And this is your captain speaking. If our industry is to safeguard passengers, air cargo shippers, and flight crews, we cannot tolerate anything less than the highest possible safety standards.

To this end, ALPA is calling for a clean, on-time FAA reauthorization bill. It must not contain the kinds of extraneous measures that have delayed the bill's passage in the past.

By passing a clean bill, Congress will provide the FAA with the dedicated, stable funding necessary to both fulfill its mandate and also move ahead with its vital work to enhance safety and system efficiency as well as modernization programs such as NextGen.

ALPA believes that a safe, efficient, and effective air traffic control system is essential to meeting our nation's future air transportation needs.

With that in mind, ALPA's leaders recently updated our policy with regard to the U.S. air traffic control system, making it clear that it should be not-for-profit and funded to ensure that reliable, predictable, and sufficient long-term funding sets the stage for continued modernization. The governance of the air traffic control system should be structured to ensure that key stakeholders—and the ultimate users of the system—such as ALPA and NATCA have a role in setting strategic direction and oversight.

In addition, any change in how the air traffic control system is managed must safeguard the employer-employee relationship that has been instrumental to advancing the highest standards of safety in air transportation.

At ALPA, we work to keep America flying safely, but we also want to keep it flying fairly.

While it is true that ALPA is looking for ways to neutralize competition among airlines in the areas of safety, training, and security, let me put to rest, once and for all, the wrong assumption, that ALPA is anti-competitive.

Because the pilots' seniority system determines so much about our work life and career, we are often linked with our companies for the long haul.

Accordingly, pilots are the ultimate long-term investors in our companies, and we have a vested interest in ensuring that our airlines are strong competitors on the world stage.

We want our companies to compete and succeed because we want to compete and succeed. But the competition must be fair.

In the past, unions have been subject to stereotype. Today, I challenge each of you to look to ALPA's work on behalf of this industry. Our discipline of following the facts and resisting rhetoric is our hallmark as advocates for our industry and our profession as well as for aviation safety and security.

Last year, the JetBlue pilots recognized the value of ALPA membership. We are proud to have them aboard. Virgin America pilots began voting a week ago. The election results will be final on June 4. The Virgin America pilots are driving this effort themselves, and I am hopeful that they will join ALPA next month.

Those of us in this room are among the architects of the future of the U.S. and global airline industry. At ALPA, we take seriously our responsibility to look to the future on behalf of our members. We look for opportunities to inoculate against potential threats, to advance positive change that may not yield results now, but will pay off in the long run, creating a stronger industry.

To this end, we are a member of the Partnership for Open & Fair Skies. Partnership members American Airlines, Delta Air Lines, and United Airlines undertook an extensive search for information about subsidies that Emirates Airline, Qatar Airways, and Etihad Airways receive from their governments.

These U.S. airlines obtained hundreds of pages of financial statements and other records from corporate registries in various countries where the Gulf carriers have local operations. These documents—although not included in their annual reports—were completed by the companies' own auditors and filed with authorities around the world. The facts were conclusive and credible: since 2004 these airlines have received \$42 billion in quantifiable subsidies and other unfair benefits from their respective

governments. These subsidies, as defined by international standards accepted by 160 countries, are ongoing, while these same airlines are expanding service to the United States.

The documents leave no doubt that Qatar and the United Arab Emirates are unfairly subsidizing their state-owned airlines in breach of their air service agreements with the United States. As a result, our U.S. airlines are not competing with these foreign airlines—we are competing with the treasuries of very wealthy nations.

In a competitive global marketplace, these subsidies mean business—literally. An economic study released last week shows that these subsidized airlines are diverting passengers from U.S. airlines, not stimulating new passenger demand. As a result, these subsidies cause immediate and foreseeable harm to U.S. airlines and threaten U.S. pilots' and other airline workers' jobs.

It is time that these three Gulf carriers commit to doing business transparently and explain these numbers.

ALPA isn't anti-Open Skies, but the agreements with UAE and Qatar require that the parties provide their airlines with a fair and equal opportunity to compete. The United States should support this provision. A deal is a deal.

The administration should respond quickly and open consultations with these two governments to get the facts about their airlines' finances. We also request that the U.S. government seek a freeze on current passenger service by these carriers while consultations are under way.

The partnership is just one example of how ALPA members are working with their employers. U.S. airlines and their workers need our government alongside them in the fight for a strong U.S. airline industry—and in the fight to ensure fair competition in the global marketplace.

On a similar subject, we share the growing concern in Europe about what they call "atypical employment models" and the serious consequences they hold for fair competition and for workers who count on doing business in a free market.

The European Commission recently sponsored a study by the University of Ghent on atypical employment models. Its independent findings show that, among recently hired pilots, the standard business model of direct employment with an airline is frequently being replaced.

The report shows the increasing use of new employment models, such as hiring workers through employment agencies or requiring pilots to create their own companies that then rent themselves out to the airline.

These atypical business models dramatically undermine pilots' ability to organize and to negotiate terms and conditions of employment. In addition, they raise serious safety questions when the pilot can no longer go directly to his or her employer with safety concerns. If allowed to cross the Atlantic, they would ultimately erode the labor standards that have contributed to the success of the North American airline industry.

In addition, the study found that European airlines are increasingly participating in so-called "forum shopping," a practice in which companies seek to do business in countries other than their own in the pursuit of advantageous laws and regulations. The practice exposes and raises questions about safety, social security, and taxes, in addition to labor standards.

One reason it is a concern is that we know what can happen—consider how the "flag of convenience" business practice has affected the U.S. maritime industry. The practice allows a company to register merchant ships in a foreign state to avoid its own country's regulations, taxes, and labor costs.

Because of this harmful practice, roughly 80 percent of the world fleet is operating under a flag of convenience, and the number of jobs for seafarers in the United States plummeted from more than 100,000 in 1960 to just 2,500 in 2012.

If flag-of-convenience practices or atypical business models were allowed to spread to the airline industry, the outcome would drastically change the competitive landscape on which U.S. airlines do business. U.S. airlines would be under pressure to do business in the same way, risking our industry and our workers' jobs.

As I mentioned earlier, ALPA has been a vital part of the global airline industry for more than 80 years. That includes our participation through the International Federation of Air Line Pilots' Associations, or IFALPA, in the International Civil Aviation Organization, or ICAO.

Founded in 1947, ICAO's mission covers two major activity areas. The first involves rules and regulations on aviation matters such as training and licensing, airworthiness, weather, and maps—in short, safety and security procedures that require coordination

on a worldwide scale. The second activity centers on the practical application of these rules and regulations.

Recently, ICAO has embarked on an ambitious new sphere of influence: attempting to play a substantial role in economic regulation of the world's airlines. It is developing a multilateral air services agreement and a multilateral investment convention. Clearly, these issues are not within the past scope of ICAO's mission. It is important that ICAO remain focused on the core subjects of safety, security, and the environment—treading very carefully, if at all, in this new arena.

Since the beginning of the airline industry, countries have maintained ownership and control of their airlines and expected other countries to do the same.

In this new territory, ICAO has been proposing that the designation standard would be merely where the airline has its principle place of business. What is a "principle place of business?" Its definition is not clear, and it raises serious concerns because our past experience and seeing what is happening in Europe make us more committed than ever to preventing forum shopping.

Any agreement in the future would need to include a robust and enforceable labor provision. It would also need a strong equal-opportunity-to-compete clause to ensure that U.S. airlines and their workers have a fair opportunity internationally.

On another international air services agreement subject, we believe that the U.S.-China air services arrangement has been beneficial to the U.S. airline industry, to consumers, and to employees. Historically, the two sides have added frequencies and additional opportunities for service based on market development. The new visa rules have helped attract visitors. We encourage the two sides—who are meeting here in Washington this week (and who have joined us here today)—to continue to provide route and frequency opportunities so that airlines can respond to commercial developments.

The Export-Import Bank's reauthorization effort currently under way in Congress creates another opportunity to ensure that U.S. airlines and their employees have a fair opportunity to compete internationally. It is truly outrageous that the U.S. government continues to give lending assistance to state-owned, state-supported, and creditworthy foreign airlines that then use their U.S. taxpayer-financed airplanes to compete against U.S. airlines and their employees on international routes. The bank's mission makes it clear that its purpose is to serve as a lender of last resort. ALPA supports this mission. And Congress must reinforce it in no uncertain terms.

On this date in 1570, the first modern atlas was published. Its cartographer—Abraham Ortelius—was believed to be the first person to have considered that the continents were once joined together. Centuries before Lindbergh and Earhart, he rejected the assumption that what was accepted as true, really was true.

While the atlas was an achievement, history tells us that he also united other cartographers around a common approach to charting the world. He argued that, by working from a common understanding, they would be more effective. That principle is embodied in ALPA's approach to our industry's challenges.

In closing, it is tempting to make assumptions, to leave accepted truths untested. But the commitment to work in collaboration and to delve deeper into the facts defines ALPA's every action when it comes to making our industry safer, more secure, and more competitive.

Thank you.