

United States Senate

WASHINGTON, DC 20510

December 3, 2018

The Honorable Elaine L. Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Mike Pompeo
Secretary
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretaries Chao, Pompeo and Ross:

Open Skies agreements not only promote free market principles but they give the U.S. aviation industry the opportunity to compete around the world. Last year, concerns were raised that the governments of Qatar and the United Arab Emirates were providing subsidies to certain state-owned airlines in violation of our Open Skies agreements. I commend the Administration for looking into these concerns and negotiating agreements with both countries to ensure greater financial transparency and receiving a commitment that Gulf carriers will not conduct additional “Fifth Freedom” flights to the United States.

We are concerned that these hard-fought agreements are already being ignored. Last year Qatar Airways acquired 49 percent of AQA Holding, the parent company of Meridiana fly, which has since been rebranded as Air Italy. Prior to Qatar Airways’ 49 percent acquisition, Meridiana was primarily serving domestic Italian routes and seasonal international service between Naples and Palermo, Italy and New York.

Two days after Qatar Airways closed the acquisition of its stake in Meridiana, Qatar Airways CEO Akbar Al Baker announced at a press conference that Meridiana would be relaunched as Air Italy with new aircraft, new branding, and an expansion of its international network. During the press conference Mr. Al Baker stated: “We want to become the number-one airline brand in Italy, and we have the resources to accomplish this goal.”

The aircraft that were used to transform Meridiana and fuel Air Italy’s growth have come from Qatar Airways. Mr. Al Baker told *Air Transport World*: “[w]e gave them 20 brand new [Boeing] 737 MAX and 30 787s initially. Then we can deploy bigger aircraft like 777s and A350s.”

Since its relaunch, Air Italy has refocused its network and has begun offering new daily non-stop services between Milan and New York and four weekly services between Milan and Miami. Air Italy’s new daily non-stop service between Milan and New York is commercially questionable given that the route is already served with daily non-stop service by five other carriers (United, Delta, American, Alitalia and Emirates.) Air Italy’s entry into this crowded market appears

consistent with Qatar Airways pattern of adding subsidized capacity in markets where demand is already well-served.

Without funding from Qatar Airways, Air Italy would be unable to launch its new service, just as Qatar Airways would not be viable without direct support from the Qatari government. Therefore, we would respectfully appreciate further examination and a response regarding how these recent developments comport with the Qatari Government's January 2018 commitments to the United States, and the Trump Administration's commitment to ensuring a level playing field for airline workers in the United States.

Sincerely,



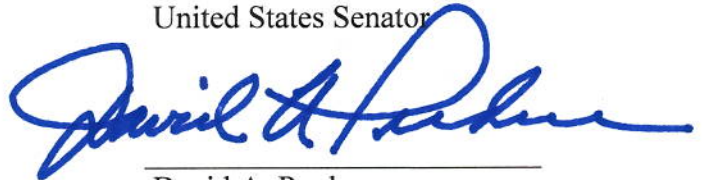
Ted Cruz
United States Senator



John Hoeven
United States Senator



James M. Inhofe
United States Senator



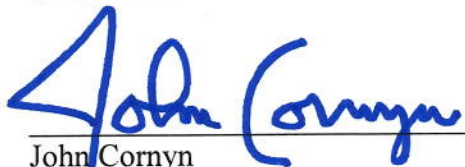
David A. Perdue
United States Senator



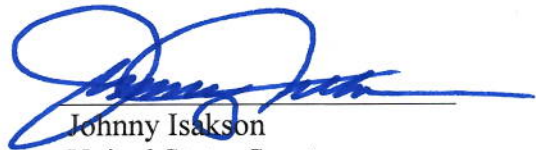
Pat Roberts
United States Senator



M. Michael Rounds
United States Senator



John Cornyn
United States Senator




Johnny Isakson
United States Senator



Thom Tillis
United States Senator



James Risch
United States Senator



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