

Congress of the United States

News Release

FOR IMMEDIATE RELEASE, Tuesday, June 13, 2006

Contact: Jim Berard (202-225-6260) - Oberstar

Jason Galanes (202-225-6572) - LoBiondo

DeeAnn Thugpin (202-812-1645) - Poe

Oberstar-LoBiondo-Poe Amendment Would Block DOT Effort to Reinterpret Airline Ownership Rules For One Year

*Proposed New Rule would Allow Foreign Control over Daily
Operations of U.S. Airlines*

WASHINGTON— At a Capitol Hill news conference today, Representatives James L. Oberstar (D-MN-08), Frank A. LoBiondo (R-NJ-02) and Ted Poe (R-TX-02) announced a bipartisan amendment to H.R. 5576, the House's "Fiscal Year 2007 Transportation-Treasury-HUD-Judiciary-DC Appropriations bill," which would ensure Congressional oversight of any attempt to allow more foreign control of US airlines. The action comes in response to a proposed rule change by the Department of Transportation (DOT) to open up US air carriers to a greater share of control by foreign interests.

"In negotiations with the European community on an aviation trade agreement, they negotiated away that actual control. That is wrong," Congressman Oberstar said. "It will jeopardize one of the few sectors that the United States has a positive balance of payments in international trade: aviation."

"The DOT's insistence to circumvent Congress and relinquish control of U.S. airlines to foreign companies reinforces my belief that the Administration has not thoroughly examined the impact this rule will have on our nation's homeland security, future access to air service, and American jobs," said Congressman LoBiondo, a member of the House Subcommittee on Aviation. "This bipartisan amendment is a responsible way to ensure Congress has the opportunity to determine whether reversing more than 65 years of precedent is in the best interests and security of our country."

"American airlines should be just that, owned by Americans. Our military relies on commercial airlines to provide transportation for our troops when we deploy them overseas. We cannot allow companies with allegiances to foreign governments to influence our ability to send troops where and when we choose. It is dangerous to outsource our national security," said Congressman Poe.

Under the current law, only an airline that is owned and under the actual control of U.S. citizens may provide service between cities in the United States, or on international routes obtained by the United States through international agreements. In 2005, DOT issued a Notice of Proposed Rulemaking (NPRM), announcing its intention to change the interpretation of “actual control,” and allow foreign investors to control all commercial decisions of an airline, including fares charged, cities served, routes scheduled etc.

The Oberstar-LoBiondo-Poe amendment would prohibit DOT from finalizing or implementing the policy proposed in the NPRM during the next fiscal year. In a “Dear Colleague letter” circulated late last week, the members argued that the delay would, in effect, give DOT an opportunity to propose, and Congress to consider, whether there should be changes in the law governing foreign control.

H.R. 5576, the House’s “Fiscal Year 2007 Transportation-Treasury-HUD-Judiciary-DC Appropriations bill,” will be considered by the full House this week.

###