



May 10, 2013

The Honorable Demetrios Marantis  
Acting United States Trade Representative  
Office of the United States Trade Representative  
600 17th Street, NW  
Washington, DC 20508

Dear Ambassador Marantis:

Airlines for America (A4A) appreciates the opportunity to provide our input with respect to the upcoming negotiations for a Transatlantic Trade and Investment Partnership (TTIP) agreement with the European Union (EU). A4A is the principal trade association of the US airline industry. Our members and their affiliates transport more than 90 percent of all US airline passenger and cargo traffic.<sup>1</sup>

The US airline industry is indispensable to our nation's economy. Commercial aviation creates more than 10 million well-paying US jobs and drives more than \$1 trillion in annual economic activity. A significant percentage of this economic activity is attributable to our robust aviation relationship with the EU. With an average of 339 daily passenger flights between the US and EU and \$291 billion worth of merchandise moving between the two regions annually, it should be a priority in these negotiations to facilitate, enhance and secure these important economic benefits.

It is important to recognize at the outset that the Departments of State and Transportation have already secured 110 Open Skies Agreements, including with the EU, that provide a framework for liberal market access worldwide. However, it is also important to note that the ability of the airline industry and the US economy to fully realize the economic benefits of these agreements necessitate that governments go beyond market access provisions and actively work to reduce barriers to trade.

From this perspective, we would request the following issues be addressed within the TTIP:

- (1) Customs and Trade Facilitation,
- (2) State Owned/State Sponsored Enterprises (SOE's and SSE's), and
- (3) Express Delivery Services

### **Customs and Trade Facilitation**

The US and EU bilateral trade in goods is the largest in the world. We estimate that approximately 45% of the total value of the US-EU merchandise traded last year moved by air. However, supply chain slowdowns and chokepoints at borders continue to dampen the more efficient movement of goods across our borders. Improvements to current customs practices and trade facilitation, such as increasing the EU de minimis level to that of the US, establishing a single customs window across the EU, and allowing for electronic pre-clearance of goods in both directions, would greatly enhance the efficiency with which airlines can transport goods between the US and EU.

---

<sup>1</sup> A4A's members are Alaska Airlines, Inc.; American Airlines, Inc.; Atlas Air, Inc.; Delta Air Lines, Inc.; Federal Express Corporation; Hawaiian Airlines; JetBlue Airways Corp.; Southwest Airlines Co.; United Continental Holdings, Inc.; UPS Airlines; and US Airways, Inc.

The Honorable Demetrios Marantis  
May 10, 2013  
Page Two

**State Owned Enterprises and State Sponsored Enterprises**

US and EU companies alike face unique and unprecedented challenges in competing directly with SOE's and SSE's. For the airline industry, this issue is of major importance. Many of our shared third-country trading partners have determined it is more advantageous to establish and support SOE's and SSE's in pursuit of their macroeconomic interest, than it is to encourage fair competition in a marketplace free of the competitive distortions that SOE's and SSE's introduce. The increasing roles of SOE's and SSE's, if left unchecked, will distort the commercial global marketplace to the disadvantage of both the US and EU economies.

As with the Trans Pacific Partnership (TPP) negotiations, the TTIP represents another unparalleled opportunity for the US and EU to jointly address the SOE/SSE issue and set a world standard and expectation for fair competition.

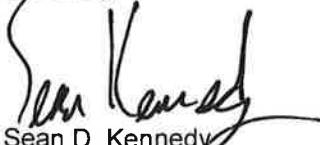
**Express Delivery Services**

Express Delivery Services (EDS) are integral to the US and EU economies. This industry is an enormous direct and indirect contributor to the US, EU and global economy in terms of total GDP and supports millions of jobs across many sectors. Of course, these vital services can be stifled by policies and restrictions that hamper that ability of EDS companies to optimally operate.

We urge that the TTIP commitments on EDS ensure open market access and fair competition for EDS providers.

Thank you for the opportunity to provide our input. Please let us know if we can provide you any additional information.

Sincerely,



Sean D. Kennedy  
Senior Vice President  
Global Government Affairs

cc: Secretary of State John Kerry  
Deputy Secretary of Transportation John Porcari