

Air Travel Cronyism Falls Short in Senate





Written by [Veronique de Rugy](#) on December 14, 2017

by foreign airlines, not adding barriers as American, United and Delta lobby for.”

It’s notable that instead of filing a complaint through the Department of Transportation for independent review, the U.S. airlines lobbied for political intervention. They pushed for executive action under the guise of enforcing Open Skies agreements. Thankfully, the Trump State Department this week announced it won’t reopen the deals or freeze routes, rejecting the special interest pleading in the same fashion as did the Obama administration.

Recently, Sen. Johnny Isakson — a Republican from Delta’s home state of Georgia — attached a provision to the tax reform bill that would impose a corporate tax rate on foreign carriers whose home country doesn’t have a tax treaty with the United States and isn’t served by an American carrier at least twice per week. That would have broken an international agreement that carriers pay no taxes on gross income they earn when flying into the United States in exchange for the U.S. airlines benefiting from the same treatment abroad.

The tax would have hit as many as 14 countries and territories instead of just the two frequently targeted: Qatar and the UAE. More importantly, it could have kick-started a round of retaliatory tax hikes on U.S. airlines, which all similarly benefit from various taxpayer subsidies, with consumers ultimately caught in the crossfire.

Preserving international competition in air travel is to the benefit of both consumers and the numerous other U.S. airlines that have benefited from the opening of international routes. Thankfully, this protectionist tax hike was removed before the Senate passed the bill.

While the cronies are defeated for now, I would stay alert. U.S. airlines won’t give up the fight to thwart foreign competition, even if it means playing dirty and dirtier tricks.

Veronique de Rugy is a senior research fellow at the Mercatus Center at George Mason University. To find out more about Veronique de Rugy and read features by other Creators Syndicate writers and cartoonists, visit the Creators Syndicate webpage at www.creators.com.

COPYRIGHT 2017 CREATORS.COM



Subscribe to the New American

Get exclusive digital access to the most informative,
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.