

To: Guðmundur Ingi Guðbrandsson Minister of Social Affairs and the Labour Market gudmundur.ingi.gudbrandsson@althingi.is

> Huginn Freyr Þorsteinsson Chairman of the Directorate of Labour Board postur@vmst.is

> Unnur Sverrisdottir Director General of the Directorate of Labour <u>unnur.sverrisdottir@vmst.is</u>

> > Reykjavik, 27 September 2023

Re: Request for action regarding bogus self-employment of pilots in Iceland

Dear Minister, Dear Chairman of the Board, Dear Director General,

The Legal Group of the European Cockpit Association (ECA), met in Reykjavik on the 26 and 27 September 2023 to assess the developments of bogus self-employment of pilots in Iceland.

During this meeting the Icelandic Airline Pilots' Association (FIA) has updated the ECA Legal Group about the legal actions regarding unfair dismissal of employed pilots in the airline BlueBird Nordic and their replacement by (bogus) self-employed pilots. FIA presented other actions aimed at tackling undeclared work, notably with the hiring methods of BlueBird Nordic. Icelandic external legal experts briefed the ECA Legal Group about their conclusions regarding contracts used by the airline BlueBird Nordic and the about FIA legal actions.

The ECA legal Group is concerned about the inadequate response of the Icelandic Labour Authorities to the claims of the Icelandic Airline Pilots' Association (FIA). Following the presentation from FIA and the external legal advice, the ECA legal group is concerned that the Labour Authorities might be delaying action beyond reasonable delays and lacking their duty to enforce the law and to protect the workers.

The ECA working group highlights the pernicious effects of the Icelandic Labour Authorities' inaction on the broader European pilot community. BlueBird Nordic not only flies from Iceland but operates from other European countries through contracts or from operational bases outside Iceland. Bogus self-employment provokes unfair competition and social dumping.

The ECA Legal Group urges the Icelandic Labour Authorities to swiftly address the evidence provided by FIA and decide, without further delays whether the contractual relationship of self-employed pilots in Bluebird must be reclassified into direct employer. According to ECA's assessment these contractor agreements of the self-employed Bluebird Pilots through agencies such as Confair Consultancy constitute in fact employment relationship. The Labour Authorities must therefore require the agencies that provide the workforce to seek proper authorization and registration in Iceland and assess whether they illegally hire out workers in Iceland.

With best regards,

Roger Poulussen Chair of Legal WG

Ignacio Plaza Deputy Secretary General of ECA

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