

Congress of the United States
Washington, DC 20510

April 5, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, Northwest
Washington, DC 20220

Dear Secretary Mnuchin:

As you know, the CARES Act, the third relief bill enacted in response to the COVID-19 pandemic, provides immediate direct payroll assistance to preserve aviation jobs in response to the COVID-19 national emergency. Given questions and concerns that have arisen regarding this assistance, we write to address those issues.

The intent of Congress with respect to this program was very clear: keep America's hardworking aviation professionals in their jobs through direct payroll payments from the Treasury Department. Section 4112 of the Act provides up to \$25 billion in direct payroll assistance to passenger air carriers, up to \$4 billion for cargo air carriers, and up to \$3 billion for certain airline support contractors. Section 4113 sets forth the method for determining the amount that each entity (air carrier or contractor) is eligible to receive, which is based on wage, salary, and benefit costs for the period April 1, 2019, through September 30, 2019. Subsection 4113(a) clarifies the means by which air carriers and contractors can provide proof of these costs. Again, the intent of Congress is clear.

We are concerned that the Treasury Department's recent guidance on the "Airline Industry Payroll Support" Program does not fully reflect the intent of Congress. While we appreciate the Department's desire to seek "warrants" in exchange for payroll assistance, we do not support any effort that would undermine the ability of any aviation worker to receive direct payroll assistance. Similarly, in that spirit, we remind you that the law requires the Department to fully respect collective bargaining agreements between airlines or contractors and their employees, prohibits conditioning financial assistance on a reduction of worker pay, and prohibits involuntary furloughs through September 30, 2020. Congress's clear intent in enacting this legislation was to provide direct assistance to airline and contractor employees, recognizing that bankruptcy is in neither those companies' nor their employees' interest. Nor are bankruptcies among airlines and contractors in the public interest. Assistance must not come with unreasonable conditions that would force an employer to choose bankruptcy instead of providing payroll grants to its workers.

We urge you to quickly and fairly enter into direct payroll assistance agreements with each of the carriers and contractors provided for in the law.

Thank you for your prompt attention to these matters. We look forward to working with you to ensure we maintain the aviation workforce needed to retain air service as our economy rebounds from this global pandemic.

Sincerely,



Nancy Pelosi
Speaker
US House of Representatives



Charles E. Schumer
Democratic Leader
US Senate



Peter A. DeFazio
Chair
House Committee on Transportation
and Infrastructure



Sherrod Brown
Ranking Member
Senate Committee on Banking,
Housing and Urban Affairs