



April 1, 2020

The Honorable Steven T. Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, D.C. 20220

Dear Secretary Mnuchin,

Last week, America's aviation workers won a huge victory in the *Coronavirus Aid, Relief, and Economic Security Act of 2020* (CARES Act) that should be the model for how we deal with the entire economic crisis caused by COVID-19. Under the provisions we fought to include, the federal government will pay the wages, salaries, and benefits of more than two million airline and airport workers, most of whom were facing layoffs or furloughs due to the total collapse of air travel.

The CARES Act ensures that pilots, flight attendants, gate agents, ramp workers, and mechanics, as well as airline caterers, cleaners, and wheelchair attendants, will continue to receive a paycheck and benefits. It keeps our entire industry out of the unemployment line, on the tax rolls, on our health care, and on the job so that we're ready to fly and get the American economy moving again as soon as the "all clear" sounds.

While the payroll grants program proudly puts workers first, an eleventh-hour provision snuck into the bill threatens whether workers will ever see the promised relief. It gives the Secretary the authority to take ownership stakes in the airlines in exchange for any funds that keep workers on payroll (Sec. 4117). If the airlines were required to pay back the grants in full with an equity position of \$25 billion, that would give the government the equivalent of a 40% stake in airlines in exchange for keeping workers on the payroll for six months. This effectively renders the payroll grants a poison pill that will cost us our jobs and push us onto taxpayer-funded unemployment insurance - the opposite of what this bipartisan agreement intended.

Aviation workers are taxpayers. We believe that when the public steps in to keep companies afloat, the public deserves a share of corporate profits. That's why we support the inclusion of warrants on the loans carriers can receive. But these payroll grants are different. They're not loans to help replenish corporate coffers, and they can't be spent on general business purposes. They're a direct pass-through to workers. Like the forgivable loans Congress created in the CARES Act for small business owners, the purpose of the

payroll grants is to give employers an incentive to keep their workers on payroll. For example, the small business program will allow restaurant owners to keep cooks and waitstaff on payroll, even though restaurants are closed. If the Treasury requires a restaurant owner to hand over a share of the business to the government for payroll help, the conditions to take the help become too onerous and workers would then lose their jobs.

Keeping people on the job is the only reason why these grants were created. While we believe that the Treasury Department should get a good return for taxpayers on its loans to the airlines to address non-payroll expenses, we ask you to act in good faith to protect our jobs and integrity of the payroll grants program.

Our workforce has been on the front lines of fighting this pandemic from the very beginning. In the midst of a global public health crisis, we've helped millions of Americans return to their homes to shelter. We've assisted the federal government in delivering critical medical supplies to healthcare workers on the front lines caring for coronavirus patients. Under the terms of the payroll grants program, we will ensure that small and rural communities have access to needed air travel. We will keep healthcare supply chains functioning across the country. Even now, we're in discussions about how to mobilize our workforce to address shortages in frontline healthcare workers in communities nationwide.

Together, we represent over 100,000 of aviation's first responders. We are committed to working with the Administration in this moment of shared national responsibility and are standing by with our entire industry in the country's economic recovery. We thank you for your commitment to protecting our jobs by ensuring the payroll grants are not leveraged against the working people who are now counting on this assistance to stay out of the unemployment lines.

Sincerely,



Sara Nelson
AFA International President



Julie Hedrick
APFA National President



Lyn Montgomery
TWU 556 President