



**UNITE
HERE!**

April 3, 2020

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

Dear Secretary Mnuchin:

On behalf of nearly 400,000 airline and airport workers representing every frontline job classification in the industry, we are writing today to provide our views on the most effective use of your authority under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (PL 116-136). This historic, pro-worker legislation will protect millions of jobs in our sector and across our entire economy. As you distribute grants, loans, loan guarantees, and other federal credit instruments, we believe your department should take the following steps to ensure that these funds are reaching working families as quickly as possible and preparing our economy for recovery after this pandemic ends.

Ensuring Workers Receive All Funds – Section 4112 is unambiguous about Congress’s intent for all grant money given to airlines and contractors. These funds are meant “to *preserve aviation jobs* and compensate air carrier industry *workers*” (emphasis added). Section 4003(c)(2)(G) applies a similar principle to loans and loan guarantees by requiring recipients to maintain at least 90% of their existing workforce as a condition of eligibility. To accomplish this, we urge the department to move swiftly to get the necessary funds to our employers for immediate payroll needs.

We also note that these funds “shall exclusively be used for the continuation of employee wages, salaries, and benefits”. We appreciate that the Treasury has clarified this language as part of its guidelines for relief under this section. In addition to requirements that airlines refrain from involuntary furloughs or wage or benefit reductions, this language will protect airline workers through the end of September. However, there is currently no clarity on what would happen to

any funds that may be leftover on October 1. Some airlines or contractors may have additional funds remaining because of voluntary furloughs, negotiated concessions, organic changes to personnel costs, or other reasons. We ask that the Department use its discretionary powers to require that any unused funds after September 30 be required to be used to preserve jobs and compensate workers for an extended period of time.

Finally, we note that, while section 4117 provides you with the authority to receive equity and other financial instruments in return for grants to air carriers and contractors, the intent of the CARES Act is clearly to keep air carriers out of bankruptcy and workers employed. Any condition that would make a company prefer the bankruptcy process to government support or unduly discourage participation would undermine the goals of this economic stimulus. We urge the Department to keep this in mind as it negotiates with air carriers and contractors.

Protecting Collective Bargaining – Sections 4025 and 4115 of the CARES Act prohibit conditioning government assistance in any form from being used to undermine the collective bargaining process. Even through the current crisis, we have continued negotiations with our employers and ratified new contracts. It is essential for the health of our economy that the proven collective bargaining process continue uninterrupted, as envisioned by the CARES Act. We note that the Department’s guidance regarding loans and loan guarantees is currently missing any reference to section 4025 and this important tenet. We strongly recommend that the Department clarify the application of this section as part of its application process for these financial instruments.

Providing Transparency – We applaud the Treasury for conducting an open, transparent process so far and for encouraging our input in the evaluation process. We believe that a high level of transparency is necessary to ensure that all taxpayer funds distributed under the CARES Act authority are used appropriately by their recipients. While the funds distributed by your department will be deposited into air carriers’ and contractors’ bank accounts, the intended recipients of these funds are our members – the frontline workforce. In order to ensure that we can help the Department follow these funds through the process, we strongly encourage the Treasury to create a publicly available, searchable, and easily collatable database of all funds distributed under the CARES Act.

We thank you for your commitment to our economy and the frontline workers who make it run. We appreciate your consideration and look forward to working with you as you implement this monumental legislation.

Sincerely,

Air Line Pilots Association, International
International Association of Machinists and Aerospace Workers
International Brotherhood of Teamsters – Airline Division
Service Employees International Union
Transport Workers Union of America
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