

April 2, 2020

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

Dear Secretary Mnuchin,

As three former presidents of the Air Line Pilots Association, International (ALPA), we write to you to request that the payroll protection funds that are part of the recently passed CARES Act go directly to airline workers – no strings attached.

As you know, the developing reality of COVID-19's spread and lethality has thrown America into a tailspin. Many industries have been devastated by the ongoing crisis, including our nation's aviation industry, where we all made our careers as airline pilots. U.S. airlines have been forced to dramatically cut capacity to a bare minimum and in many cases the passenger planes they are flying are severely devoid of passengers. And as cancellations radically outpace bookings, U.S. airlines have virtually no revenue coming in, but are responsible for more than 700,000 people on their respective payrolls. Obviously, this situation is not sustainable, and the airlines, like many other industries successfully appealed to the federal government for support so that they can keep people employed and not have to surrender to layoffs and furloughs. We ask that you work to ensure that the payroll support funding made available by Congress works as intended – keeping Americans in the airline industry in their jobs when the airlines have extremely curtailed their operations due to government policy to stop the spread of the pandemic virus.

As you are aware, the CARES allocates just over \$50 billion dollars to support the airline industry— this includes \$32 billion in payroll assistance and \$29 billion in credit assistance, along with relief from excise taxation related to commercial air travel. Of the \$32 billion in grants provided, \$25 billion is being offered to airlines to maintain payroll through September of 2020. There are some who are advocating that these funds should be offered with the same strings as the loans offered to airlines—strings including the potential that you will demand warrants in exchange for the loans. While such a provision may be reasonable for the loans being extended to airlines for operational support, attaching such rules to payroll protection funding aimed at maintaining airline worker employment makes it much less likely airlines will accept these funds, which is very, very bad news for airline workers.

If U.S. airlines feel the burdens imposed by the rules attached to the payroll support funding outweigh the benefits of the support they will be receiving, they may very well choose not to accept the financial support offered by the government to maintain payroll. The result of choosing to forgo government payroll funding guarantees that we will immediately see furloughs of hundreds of thousands of airline employees, and many of our nation's air carriers may be

forced to file for bankruptcy. Bankruptcy of our nation's aviation industry is not only an economic threat to the hardworking Americans employed by these airlines. It will also further harm the U.S.'s already struggling economy (aviation accounts for more than 5% of U.S. GDP) and will pose a threat to our national security.

It only makes sense that there are expectations that come along with government financial support in loans such as those being currently offered to airlines to maintain their operations. But as you work to respond in an unprecedented way to support American workers who are at risk of losing their livelihoods as a result of this devastating virus, attaching punitive strings to financial support aimed at keeping Americans employed is counter to the premise of such aid in the first place. We ask that you ensure that the payroll protection money goes to airline workers – with no strings attached.

Sincerely,

Honorable J. Randolph Babbitt
Former FAA Administrator & Former ALPA President

Ambassador Duane Woerth
Former U.S. Ambassador to ICAO & Former ALPA President

Lee Moak
CEO of The Moak Group & Former ALPA President