

Join Letter Urging Leadership to Save Hundreds of Thousands of Airline Jobs

Sending Office: Committee on Transportation and Infrastructure
Sent By: Cheniqua.Johnson@mail.house.gov

Request for Signature(s)

July 13, 2020

JOIN LETTER URGING LEADERSHIP TO EXTEND PAYROLL SUPPORT PROGRAM GRANTS AND SAVE HUNDREDS OF THOUSANDS OF AIRLINE JOBS

Dear Colleague:

We write to urge you to join the letter below to House and Senate Leadership urging an extension of a vital worker relief program that will keep airline workers employed through next year as the airline industry and our larger economy continue to be ravaged by the insidious pandemic of COVID-19.

In March, as U.S. COVID-19 cases began rising exponentially, Congress rose to the occasion by enacting the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, Pub. L. No. 116-136) to provide assistance to tens of millions of Americans who found their financial security, if not their health, directly imperiled by the pandemic. Among other things, the CARES Act created the novel Payroll Support Program (PSP), under which the Treasury Secretary issued \$32 billion in grants to airlines and their contractors *exclusively* to keep their workers on the payroll through September 30, 2020. These grants—essentially payments to workers, passed through their employers—have kept nearly 1 million airline industry workers on the payroll and off unemployment lines.

But while time marches on, so does the pandemic, with hardly any green shoots sprouting for the airlines as they continue to face the worst crisis by far in the industry's history. Last Wednesday, a major airline put 36,000 workers across the country on notice that they could be furloughed on or after October 1. Other carriers have issued and will issue similar notices.

In anticipation of negotiations with the Senate on COVID-19 relief legislation, an extension of the extremely successful PSP, which saved nearly 1 million jobs, must be on the table. Of the many worker-programs included in the CARES Act that will be debated in the weeks ahead, the PSP has arguably been the most effective. **The PSP is a jobs program. Its direct payroll pass-through saved hundreds of thousands of aviation jobs—and not a penny went to enrich the airlines themselves or their shareholders.** Even Treasury Secretary Mnuchin has [commented](#) on the how the PSP has been “critical to supporting American workers and preserving our airline industry.” According to Secretary Mnuchin's own calculations, taxpayers realized a 70 percent return just from payroll and income tax receipts and reduced

unemployment insurance payments. Other sizable government savings, made possible by keeping tens of thousands of airline workers employed, include those to Medicaid and state unemployment programs.

When we passed the CARES Act in March, there was an expectation that we would see a significant recovery in U.S. aviation by the fall. This is no longer the case. With the current resurgence of COVID-19 in several States across the country and a vaccine for the virus yet to be developed, passenger demand for air travel will not recover before the PSP expires on September 30. **And without an extension of the PSP before then, hundreds of thousands of airline workers may be fired or furloughed starting October 1.** We must extend the PSP as soon as possible.

Please join us in sending a letter to House and Senate Leadership urging them to extend the PSP authorities in the CARES Act through March 31, 2021, and save hundreds of thousands of frontline airline workers' jobs. See the text of the sign-on letter below.

If you wish to sign on, please contact Cheniqua Johnson with the Subcommittee on Aviation by July 21, 2020, at Cheniqua.Johnson@mail.house.gov.

Sincerely,

PETER A. DeFAZIO

Chair, Committee on Transportation
and Infrastructure

RICK LARSEN

Chair, Subcommittee on Aviation

SHARICE L. DAVIDS

Vice Chair, Subcommittee on Aviation

RODNEY DAVIS

Member of Congress

KAREN BASS

Member of Congress

JOHN KATKO

Member of Congress

BRIAN FITZPATRICK

Member of Congress

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July __, 2020

The Honorable Nancy Pelosi

Speaker

United States House of Representatives

U.S. Capitol, H-232

Washington, DC 20515

The Honorable Mitch McConnell

Majority Leader

United States Senate

U.S. Capitol, S-230

Washington, DC 20510

The Honorable Kevin McCarthy

Minority Leader

United States House of Representatives

U.S. Capitol, H-204

Washington, DC 20515

The Honorable Charles Schumer

Minority Leader

United States Senate

U.S. Capitol, S-221

Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As you enter into negotiations regarding legislation to further address the public health and economic crises caused by the COVID-19 pandemic, we write to urge you to extend the extremely successful Payroll Support Program (PSP) included in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, Pub. L. No. 116-136), which saved the jobs of 950,000 of frontline airline industry workers such as mechanics, baggage handlers, gate agents, catering workers, flight attendants, and pilots, among others. Roughly 750,000 of these women and men work directly for airlines, and at least 200,000 work for airline contractors and clean cabins, prepare meals, and handle baggage, among other things.

The PSP—a novel program in which the government effectively passes paychecks to airline industry workers through their employers—will keep workers on the payrolls and off unemployment lines through September 30, 2020. But while time marches on, so does the pandemic, with hardly any green shoots sprouting for the airlines as they continue to face the worst crisis by far in the industry’s history. Last Wednesday, a major airline put 36,000 workers across the country on notice that they could be furloughed on or after October 1. Other carriers have issued and will issue similar notices.

According to the most recent airline traffic data, U.S. air carriers reported a 96 percent drop in passenger traffic for April 2020 over April 2019.^[1] And so far in July, total traveler throughput at Transportation Security Administration checkpoints dropped by, on average, more than 70 percent compared to the same period in 2019.^[2] Without further relief from Congress, mass layoffs among airline

industry workers are inevitable—and their magnitude will eclipse those of any furloughs the industry has ever seen.

The PSP’s payroll pass-through saved hundreds of thousands of frontline airline workers’ jobs—and not a penny went to the airlines themselves or their shareholders. According to Secretary Mnuchin’s own calculations, taxpayers realized a 70 percent return just from payroll and income tax receipts and reduced unemployment insurance payments. Other sizable government savings, made possible by keeping tens of thousands of airline workers employed, include those to Medicaid and state unemployment programs.

With the resurgence of COVID-19 in several States across the country and a vaccine for the virus yet to be developed, passenger demand for air travel will not recover before the PSP expires on September 30. **And without an extension of the PSP before then, hundreds of thousands of airline workers will be fired or furloughed on October 1.** To save nearly one million airline industry jobs, we must extend the PSP through March 31, 2021.

Thank you for your attention to this extremely important matter that will save jobs and ensure the U.S. airline system remains viable as a national security asset and engine of economic recovery once the pandemic is finally behind us.

Sincerely,

^[1] Dep’t of Transp., Bureau of Transp. Stats., “Preliminary Air Traffic Data, April 2020: 96% Reduction in U.S. Airline Passengers from 2019,” at <https://www.bts.gov/newsroom/preliminary-air-traffic-data-april-2020-96-reduction-us-airline-passengers-2019>.

^[2] See TSA, TSA Checkpoint Travel Numbers for 2020 and 2019, <https://www.tsa.gov/coronavirus/passenger-throughput>.