



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

February 05, 2021

Dear Secretary Yellen:

On behalf of the tens thousands of workers in the aviation industry and their businesses represented by Helicopter Association International (HAI), National Air Carrier Association (NACA), National Air Transportation Association (NATA), National Business Aviation Association (NBAA), and the Regional Airline Association (RAA), we offer our congratulations on your recent confirmation as the 78th Secretary of Treasury and on being the first woman to lead the Department. We appreciate the Department's efforts throughout the pandemic to support our aviation workforce and businesses.

However, we are deeply concerned that many of our members who are eligible for assistance from the Payroll Support Program (PSP) have not yet received the financial assistance required to keep their employees on payroll with benefits. We respectfully request that the Department provide an update on when scheduled, passenger air carriers and general aviation commercial operators can expect to receive the financial support as passed by Congress and signed into law in December 2020. We also request that the remaining (PSP) applications be processed with the same urgency as the large carriers, who have already begun receiving their financial support for employees. As you know, the PSP expired on October 1, 2020 before being extended in late December. With every day that passes without certainty on the status of the financial assistance, businesses are seeing their situations worsen to the detriment of their workforce.

Under the Consolidated Appropriations Act, 2021 (P.L. 116-260), the Department had 10 days following the December 27th enactment to make initial payments to air carriers. The deadline for applications to be considered as quickly as possible was January 14th. Prior to the deadline, the Department was in contact with twelve large carriers to ensure that their applications were processed as quickly as possible. On January 15th, the Department approved \$12 billion in assistance to employees of these twelve large passenger carriers and dispersed \$6.1 billion in initial payments. While we are appreciative and grateful for the Department's quick processing of these applications to support the workforces of these carriers, we are frustrated that the approximately 300 carriers and operators who have also applied to the program have not received their PSP support. In fact, many of our members have not had direct communication from the Department about their applications.

We represent a segment of the industry that has been the hardest hit by the pandemic. For instance, four regional airlines have ceased operating in whole or in part due to the COVID-19 pandemic, resulting in

thousands of job losses and loss of air service for communities across the country. Our members serve small and mid-sized communities with many of them too small to support profitable air service by larger airlines. General aviation aircraft also serve our nation's more than 5,000 public-use airports, conduct air medical flights, transport doctors and PPE, and are a critical part of the network to deliver organs for transplant. Unlike the large carriers, most of our members are not publicly traded and operate as small businesses. They do not have access to expansive outside lending while they wait for additional aid. Furthermore, small carriers who do not file reports with the Department of Transportation pursuant to Part 241 received underfunded payroll support awards under the CARES Act relative to larger air carriers due to inequitable criteria applied to their award calculation. The PSP extension provided some remedy for this unfair treatment through gross plus-up payments in addition to helping them maintain their workforce through March 31st.

Thank you for your urgent attention to this matter. We hope to have a follow up conversation with members of your staff on this topic in the coming days. We offer our members and our professional staff to serve as resources to you and your team at the Department as you work to address these and other fiscal and monetary challenges facing our nation.

Sincerely,

National Air Carrier Association
National Air Transportation Association
National Business Aviation Association
Helicopter Association International
Regional Airline Association