

Treasury Announces Payroll Support to Aid Employees of Small Passenger Air Carriers



April 10, 2020

WASHINGTON – Today, U.S. Treasury Secretary Steven T. Mnuchin announced certain details of the Payroll Support Program under the CARES Act.

Title IV of the CARES Act provides payroll support for American workers employed by passenger air carriers, cargo air carriers, and related contractors. Treasury has received over 230 applications for payroll support from a wide range of passenger air carriers. After consultation with the Secretary of Transportation and Treasury’s outside financial and legal advisors, Secretary Mnuchin has determined that as a result of benefits to the public—including but not limited to maintaining needed air service, refraining from involuntary furloughs, and limiting share buyback and executive compensation—Treasury will not require passenger air carriers that will receive \$100 million of payroll assistance or less to provide financial instruments as appropriate compensation. As such, for passenger air carriers with payroll support payments up to \$100 million, funds will be available promptly upon approval of their applications. The majority of these requests seek less than \$10 million.

“The Payroll Assistance Program is critical to providing much-needed relief to Americans who work in the aviation industry,” said Secretary Mnuchin. “Small and medium-sized passenger aviation businesses are particularly vulnerable to the disruption from COVID 19. This determination will provide significant support to workers and businesses across the country, while also appropriately compensating taxpayers.”

“The Department of Transportation is working with the Treasury Department to provide assistance as quickly as possible to help the airline industry and save workers’ jobs,” said U. S. Secretary of Transportation Elaine L. Chao.

Treasury is currently working with twelve passenger air carriers whose allocated payments would be expected to exceed \$100 million to secure appropriate financial instruments to compensate taxpayers. Treasury will very shortly provide further guidance on taxpayer protection requirements and pro rata treatment of larger passenger air carrier requests, should total requests for payroll support exceed the maximum amounts awardable under the CARES

Act. Treasury will also provide further guidance for cargo air carrier and contractor applications in the near future.

For more information and Treasury Department updates on program implementation under the CARES Act, visit www.Treasury.gov/CARES.

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