

U.S. airlines take great pride in the 750,000 men and women they directly employ — from pilots, flight attendants, to reservation agents and mechanics. Each U.S. carrier is having direct and continuous conversations with their employees, and everyone understands the severity of the situation. The current economic environment is simply not sustainable, and it is compounded by the fact that the crisis does not appear to have an end in sight. In order to combat this unprecedented economic downfall, Airlines for America recommends the following combination of programs to provide immediate and medium to long-term assistance to the U.S. airline industry and their employees: 1) grants; 2) loans; and 3) tax relief.

GRANTS: IMMEDIATE ASSISTANCE

- Passenger Carriers: Grants to U.S. Part 121 passenger air carriers in the aggregate amount of \$[25]B to compensate for reduced liquidity (net of financing) – from Dec. 31, 2019 through Dec. 31, 2020 – attributable to the novel Coronavirus (or COVID-19).
- Cargo Carriers: Grants to U.S. Part 121 cargo air carriers in the aggregate amount of \$4B to compensate for reduced liquidity (net of financing) – from Dec. 31, 2019 through Dec. 31, 2020 – attributable to COVID-19.

LOANS: MEDIUM TO LONG-TERM LIQUIDITY MEASURES

- Unsecured Loans/Loan Guarantees: A voluntary liquidity facility program in an aggregate amount up to \$[25]B pursuant to which the Federal Reserve would purchase financial instruments from or provide zero interest unsecured loans or zero interest unsecured loan guarantees to U.S. Part 121 passenger air carriers and up to an aggregate amount of up to \$4B to U.S. Part 121 cargo air carriers.
 - The process should be simple, straightforward, and streamlined.
 - Eligible financial instruments will include but not be limited to commercial paper and term loans.
 - Given the credit profile of the industry prior to the onset of COVID-19, participation should be open to all carriers, no carrier shall be required to collateralize any instrument, and the particular instruments purchased or guaranteed should be structured so as to expedite the participant's ability to re-access the private capital markets as promptly as practical and to stabilize their existing credit ratings.
- Urgency: The grant program will be designed and implemented by the Department of Treasury, and the liquidity facility program will be designed and implemented by the Federal Reserve. Treasury will implement a process for payment of the grants immediately following enactment of the legislation and the Federal Reserve will implement a process for the purchase of financial instruments within [15] days.

TAXES: RELIEF

- 2020 Excise Taxes: Rebate to U.S. Part 121 air carriers the amount of federal excise taxes paid into the Airport and Airway Trust Fund (AATF) that have been remitted to the U.S. Government beginning January 1, 2020 through March 31, 2020.
- Temporary Aviation Excise Tax Repeal: Temporary repeal of all the federal excise taxes on Part 121 air carriers, including those taxes on tickets, cargo and fuel through December 31, 2021 (i.e., Internal Revenue Code (IRC) sections 4261(a), 4261(c), 4261(b), 4261(e)(3), 4271 and 4081(a)(2)(c)(i)), subject to a trigger for a further extension beyond 2021 dependent upon economic circumstances.