

**THE STATE OF THE AVIATION INDUSTRY:  
EXAMINING THE IMPACT OF THE  
COVID-19 PANDEMIC**

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**HEARING**

BEFORE THE

**COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION  
UNITED STATES SENATE**

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

\_\_\_\_\_  
MAY 6, 2020  
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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

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**THE STATE OF THE AVIATION INDUSTRY:  
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**WEDNESDAY, MAY 6, 2020**

U.S. SENATE,  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,  
*Washington, DC.*

The Committee met, pursuant to notice, at 2:30 p.m. in room SD-106, Dirksen Senate Office Building, Hon. Roger Wicker, Chairman of the Committee, presiding.

Present: Senators Wicker [presiding], Cruz, Fischer, Moran, Lee, Cantwell, Klobuchar, Blumenthal, Markey, Udall, Tester, Duckworth, Sinema, and Rosen.

**OPENING STATEMENT OF HON. ROGER WICKER,  
U.S. SENATOR FROM MISSISSIPPI**

The CHAIRMAN. We appreciate people working with us on this partially remote and partially in-person hearing on a very important topic.

The COVID-19 pandemic has affected the normal operation of every public institution in our country, including, as you can see, the legislative branch.

I thank my colleagues and the witnesses for participating in today's hearing, which is the first of many COVID-19-related oversight hearings that this committee will conduct.

We will accomplish the Committee's business in accordance with the guidelines established by the Rules Committee and in consultation with the Office of the Attending Physician and I want to thank my colleague, Ranking Member Senator Cantwell, for her cooperation in this regard, too, and for all of our staff.

The Committee today convenes to discuss the state of the aviation industry. Our witnesses, which are limited in number by the guidance we received from the Senate, include Nick Calio, President and Chief Executive Officer of Airlines for America; Todd Hauptli, President and Chief Executive Officer of the American Association of Airport Executives; Eric Fanning, President and Chief Executive Officer of the Aerospace Industries Association; and remotely Dr. Hilary Godwin, Dean, School of Public Health, University of Washington.

No part of the American economy has escaped the impact of the COVID-19 pandemic. The air transportation sector has suffered a particularly painful blow, one intensified by global travel restrictions and stay-at-home orders. Domestic travel has declined over

95 percent compared to last year. Planes are flying with 12 passengers on average. Half of the U.S. passenger aircraft fleet is sitting idle.

The air cargo sector is marginally better but still struggling. Just last month, demand for air cargo plunged 15 percent and transport capacity declined by one-fifth compared to last year's figures.

Even as the global economy recovers, the future remains troubling for aviation. Demand for future U.S. air travel measured by new booking is down 97 percent year over year.

A recent International Air Travel Association, IATA, survey shows that 40 percent of passengers plan to wait at least 6 months before booking a ticket. I certainly hope they will rethink that.

The situation is dire not only for airlines and for their workers but also for the air transportation sector, which relies upon a vast ecosystem in order to function. This sector includes airports and their concessionaires, maintenance and repair stations, ticket agents, fixed base operators and other ground support contractors and the entire aerospace industrial base. A lot of these businesses are mom and pop operations. Many of their workers are hourly, living paycheck to paycheck.

I would welcome our witnesses' comments on the current state of aviation and thoughts on the future.

Congress has recognized the importance of preserving the air transportation sector, which is critical for so many other industries in our society generally. The CARES Act included \$32 billion in payroll support assistance for air carriers and contractors. Administered by the Treasury, the Payroll Support Program has prevented mass layoffs across the industry. All 13 major airlines and hundreds of regional and small carriers have signed up to participate. Billions of dollars in assistance has already been provided.

Recognizing the great need for liquidity, the CARES Act also included \$29 billion in loans within the Treasury's Economic Stabilization Fund, ESF, for air carriers, aviation repair stations, and ticket agents.

Let me stress that in doing so, Congress provided much needed liquidity, not a bail-out. There are strong taxpayer protection measures in the Payroll Support Program, and ESF loans must be paid back with interest.

Beyond direct payroll support and loans, the CARES Act provided further relief with a tax holiday for commercial flights and passengers through the end of the calendar year.

The CARES Act also required the Secretary of Transportation to impose reasonable continuation of service obligations on airlines receiving assistance.

Americans living in rural areas and small communities deserve continued access to air travel and cargo delivery.

Finally, the CARES Act injected \$10 billion into the Nation's airports to help them maintain operations and to service debts.

The Committee is interested in hearing the witnesses' views on the CARES Act. We would also welcome perspectives on priorities for future potential legislation. No act of Congress can help the industry if it is unsafe for passengers and crew members to fly and for other aviation workers to do their jobs.

To that end, the Committee is interested in the steps being taken to protect workers and the flying public.

The air transportation sector bears a special responsibility to prepare for and to actively mitigate communicable disease outbreaks. COVID-19 is the latest pandemic but it will not be the last. Air travel is the crucial element that can turn a local outbreak affecting a few into a global pandemic affecting billions of human beings.

The Committee would welcome the witnesses' views on the need for new regulations or standards at both the national and international levels to harden the air transportation sector against the possibility of future pandemics.

I want to thank our distinguished panel for participating today and express our sincere gratitude for everything the industry is doing to help our Nation weather this crisis.

I now turn to my friend, Ranking Member Cantwell, for her comments.

**STATEMENT OF HON. MARIA CANTWELL,  
U.S. SENATOR FROM WASHINGTON**

Senator CANTWELL. Thank you, Mr. Chairman, and thank you for holding this important hearing.

I want to note that while my colleague, Senator Blumenthal, is here along with me, that we have six or seven of our colleagues who are joining us remotely and we thank them for being part of this hearing today.

The impact of the COVID-19 pandemic is fundamentally a public health crisis but its impact on the economy is global without parallel. The coronavirus has heightened the importance and also the vulnerability of our aviation ecosystem. We need to connect America, its communities, and we need to keep employing people around the globe.

We have learned, just as with the Spanish flu, that this virus, travels through people and transportation routes and sectors. So we know we're here today to talk about what are the impacts of the virus on aviation and what do we need to do for the future to better prepare.

On March 27, the CARES Act was signed into law and a historic part of the \$2 trillion rescue package was specifically dedicating \$32 billion in payroll assistance for workers and \$46 billion in loans to stabilize America's aviation sector.

We're going to hear today from some of the witnesses to talk about that, but particularly I want to emphasize the fact that we want to hear from the Treasury Office about the Payroll Support Program in ensuring that the CARES Act was used specifically to support payroll protection.

I also want to hear from the aviation manufacturing sector and what this legislation has done to help us keep essential aviation workers that are so critical for America's competitiveness in a manufacturing economy.

In particular, we want to see how the aviation sector is responding post this COVID CARES Act legislation, but we are very concerned that when hours are being reduced of aviation airline workers, this is counter to what the legislation entailed.

I will be sending a letter along with Senators Brown and Schumer to the Treasury Secretary to clarify that mandatory or forced reductions in payroll hours is not what the CARES Act intended.

We recognize the challenges facing the industry and we recognize the challenges in facing this disease. We know the demand has plummeted and that airplanes are grounded and that airports have been empty. So we're going to hear today about those challenges and how we can keep moving forward to protect the flying public as they return.

We're going to hear from a witness, Eric Fanning, who's going to talk about how this business was critical to national security of the aviation sector and what we can do to continue to move forward with getting manufacturing in a safe environment.

We're also going to hear from Mr. Hauptli about the implementation to our airports and airport systems. Clearly, they have been hard hit and impacted by the loss of revenue and the CARES Act helped deliver some resources to sustain them through this crisis.

But I especially want to welcome and hear from Dr. Hilary Godwin, the Dean of the University of Washington School of Public Health and Professor in the Department of Environmental and Occupational Health Sciences.

While we're focusing on the impacts of industry, we need to think about this disease and what we need to do to prepare and make our workers safe in the aviation environment.

We need to listen to our scientists, like Dr. Godwin. They will tell us how best to protect workers. They will tell us how to best protect the public and particularly in the case of resurgence.

Dr. Godwin's expertise has played a strong and active role in Washington's response to the coronavirus and right now, I believe we need multiple Federal agencies, like CDC, NIH, DHS, and DOT, to better coordinate information to the traveling public about the phases of reopening.

We have states and public health authorities across the country looking for leadership to tell our aviation traveling public what are the most necessary procedures and how to follow them.

I do not want to see a vulcanization of safety issues where everybody has somewhat of an opinion or, I should say, even of the industry. I want to see a uniform standard that this is what safety in aviation requires on the manufacturing side, in our airports, and on our airplanes.

So I look forward to hearing from our witnesses today. We need to show the traveling public that we can make aviation safe for the future. We need to discuss what those solutions look like today and make sure that we're enforcing public health standards in reaching those goals.

So thank you, Mr. Chairman, for having the hearing. I would, if I could, also enter into the record a letter from the Association of Flight Attendants on their testimony as it relates to the COVID package and the Payroll Support Program, making sure that workers are not forcefully reduced in hours.

Thank you very much, Mr. Chairman.

The CHAIRMAN. And without objection, that letter will be admitted into the record at this point.

[The information referred to follows:]

ASSOCIATION OF FLIGHT ATTENDANTS—CWA, AFL—CIO  
*Washington, DC, May 6, 2020*

Hon. ROGER WICKER,  
 Chairman,  
 Senate Commerce, Science, and  
 Transportation,  
 Washington, DC.

Hon. MARIA CANTWELL,  
 Ranking Member,  
 Senate Commerce, Science, and  
 Transportation,  
 Washington, DC.

Dear Chairman Wicker, Ranking Member Cantwell and Members of the Committee:

The Association of Flight Attendants-CWA, AFL-CIO (AFA), representing 50,000 Flight Attendants at 20 airlines, submits these comments on the ongoing impact of the COVID-19 pandemic on our sector and more than two million aviation workers.

Seven Flight Attendants have already lost their lives as a result of COVID-19 and many more have had to battle severe symptoms of the virus. Hundreds have tested positive for the virus, but Flight Attendants still are not recognized as essential workers with respect to prioritizing testing for our profession. As a result of the pandemic, nearly 1,000 U.S. Flight Attendants have lost jobs permanently or in the near term without current plans to reinstate operations. Trans States Airlines and Compass Airlines have both shuttered since the onset of COVID-19, while Norwegian closed U.S. Flight Attendant bases at the end of March (Flight Attendants have contractual recall rights for 2 years if operations resume) and Cathay Pacific announced it will end U.S. based operations as of June 20, 2020. Longtime charter carrier Miami Air, serving the U.S. military and professional sports teams among other clients, filed for bankruptcy on March 24, 2020, solely as a result of the pandemic. The carrier is still waiting for Treasury to respond to its application for payroll grants to support 350 jobs in the Miami area.

**Payroll Support Program**

The dedicated, highly-trained and credentialed workforce that run our airports and our airlines are central to our country's efforts to contain the coronavirus and facilitate economic recovery. To that end, this Committee played a central role in providing carriers and aviation contractors with billions of dollars exclusively to maintain payroll and benefits of aviation workers, and ensure that our sector is ready to fly. Your review of and attention to implementation of aviation support programs in the Coronavirus Aid, Relief, and Economic Security (CARES) Act is important to ensure that this money is used as Congress intended.

The aviation industry is in free-fall. The most recent reports suggest that air travel is down by 95 percent year over year. It is a disruption without precedent or comparison in the history of the industry. It is why in early March, when the pandemic had just started to take hold in the United States, AFA worked closely with members of this committee to put together a proposal for an historic workers' first relief package to save our jobs. This workers' first package ensures aviation workers continue collecting a paycheck, stay connected to our health care, and remain ready to take off again as soon as the threat of the pandemic is contained.

The final bill includes \$25 billion in payroll grants to be used exclusively for the wages, salaries, and benefits of 750,000 airline workers, and the requirement that any airline receiving the payroll grants must refrain from involuntary furloughs or reduction of pay rates or benefits through September 30, 2020. Congress also required any carrier that receives payroll grants refrain from share repurchases and dividend payments through September of 2021 and placed limits on executive compensation. Finally, to ensure that the aviation industry continues to provide essential service to all communities, carriers who receive payroll grants must maintain scheduled levels of air transportation deemed necessary by the Secretary of Transportation. AFA and other aviation unions strongly supported these critical provisions to ensure accountability and protect American taxpayers.

Two issues undercut the value of the payroll support program for workers. First, the act defined the carrier eligibility for payroll grant apportionment by pay and benefit data from April 2019 through September 2019. This data equals a total of \$31 Billion to cover these costs. Treasury determined the fair approach was to prorate each airline's payroll grant allocation to 76 percent of the requested amount. Treasury also exercised the option to under the Act to attach financial instruments to the grants and require 30 percent of the payroll grant over \$100 million be treated instead as a loan. Together these actions by Treasury resulted in a \$12 billion shortfall of for worker pay and benefits. Approximately 40,000 Flight Attendants across the industry, nearly 35 percent of the entire U.S. Flight Attendant workforce, have taken voluntary leaves to help ensure that payroll grants are able to support those who remain on active status. We encourage Congress to address this shortfall

in order to ensure workers do not shoulder the debt created by Treasury with lost jobs in October 2020.

### **Involuntary Reduction in Hours Side-Steps Congressional Intent for CARES**

We appreciate the overwhelmingly positive partnership with carriers of all sizes that have worked to closely follow the statutory obligations of the Act and meet their ongoing obligations to workers. Despite the clear statutory language in the CARES Act requiring carriers who receive payroll grants to maintain pay levels and benefits, a small number of carriers are attempting to flout the Act and cheat workers. These outliers have accepted Federal payroll grant dollars while slashing hours and pay, in clear violation of Congressional intent and the express language of the CARES Act. Delta Air Lines was the first out of the gate with cuts to hours and worker take home pay. The carrier made the decision to cut ground crew hours by as much as 40 percent<sup>1</sup> without consulting with workers and set in motion a vicious and escalating pattern of cuts considered by other airlines. Delta Air Lines Flight Attendants have asked their management to commit to a minimum number of monthly hours equivalent to the amount delineated in the Flight Attendant contract of Delta's closest industry comparator, but to date Delta management has refused to do so, making clear its plans to slash Flight Attendant hours and benefits below established industry minimum standards as well.

The goal of these illegal payroll cuts is clearly to hoard grant dollars until after September 30, when the prohibition against involuntary furloughs and layoffs of workers ends. Slash hours now, fire workers in September, and stockpile billions of dollars that was intended for workers in order to subsidize ongoing airline operations and gain a competitive advantage over any carrier that used the funds as intended to maintain jobs, paychecks and benefits. If left unchecked by Congress, the Treasury Department, and other oversight bodies, the result will be a race to the bottom, penalizing companies that do right by their workers in disbursing payroll grants to workers as Congress intended.

Forcing workers to take unpaid time off or involuntary reductions in hours is a violation of the Act, which forbids any involuntary furloughs or reduction in worker pay and benefits. If carriers want workers to consider taking time off, they must create voluntary programs that are not in violation of the CARES Act.

### **Treasury's Response**

Despite Congress's clear intent to use the payroll grant program to maintain jobs, pay levels and benefits for airline workers through September 30th, Treasury has not responded to requests for guidance to carriers to advise that slashing hours is a violation of the grant program. Their silence on this issue, which guts the core of the program, is deafening. Absent pressure and vigorous oversight from Congress, and from members of this committee in particular, Treasury will continue to stand by while workers receive 25 percent pay cuts or greater, and a few carriers set off this dangerous race to the bottom.

The members of this committee should press officials at Treasury to enforce provisions of the CARES Act as Congress intended. Ten days ago, AFA-CWA sent Treasury sample guidance to aid in its enforcement of this provision and to help Treasury clarify the terms of program participation for all carriers:

***May a carrier or contractor reduce hours prior to September 30, 2020? The Treasury interprets the requirement not to reduce pay rates prior to September 30, 2020 to mean that a full-time employee must be paid for the number of hours routinely assigned to full-time employees prior to March 1, 2020, excluding hours for overtime. A part-time employee must be paid the average number of hours routinely assigned to that employee prior to March 1, 2020.***

***What benefits are carriers and contractors required to provide? Carriers and contractors must maintain all benefits paid prior to March 1, 2020, including health care, contributions to retirement accounts, and any other benefits.***

Treasury's failure to post guidance on this issue, and their failure to question carriers' recent public decisions to cut hours and force workers to take unpaid time off is jeopardizing the work Congress did to save jobs, maintain pay and benefits, and sustain the ability of these workers to pay their bills and contribute to the economy. Congress should bring any airline CEOs who cut hours before the committee to ask why they have slashed hours, despite taking taxpayer dollars intended to keep workers fully paid through the end of September.

We also urge Congress to continue to exercise its oversight authority to ensure that Treasury makes timely payments to participating carriers to get workers paid.

<sup>1</sup> <https://www.businessinsider.com/airline-workers-hours-pay-cut-coronavirus-2020-3>.

In recent weeks, several airlines have struggled to connect with Treasury and faced confusion and delay as they work to participate in the program. With financial pressures mounting, it is vital that Treasury maintain clear lines of communication and commit to timely distribution of payroll grants.

#### **Safety**

In addition to the payroll grants, the AFA has also worked to ensure that our workforce and our passengers are safe on the job and in the air. Although flights are significantly reduced, new procedures are necessary to minimize risk of spreading the virus in aviation. We are happy to report that many carriers, including Frontier, jetblue, Delta, American, United, and Alaska have announced that all passengers and crew will be required to wear masks in-flight.

However, the safety of passengers and crew should not depend solely on the judgment of individual airlines. The Administration should put in place an emergency rule to mandate masks for crew, employees and passengers; require personal protective equipment provisions for crew; ensure safe cleaning and disinfecting between all flights; require social distancing policies in airports and airplane cabins; and communicate guidance from healthcare authorities from ticket purchase to check-in, security check points, and throughout airplane boarding. Aviation workers, who have already been hit hard by the virus, should not have to choose between their health and their paychecks. Members of the public must also feel safe for air travel to resume.

We encourage this committee to work with the Secretaries of the Department of Transportation and the Health and Human Services to quickly promulgate an emergency pandemic safety standard for air travel, similar to the process used to put in place new security procedures after September 11, 2001.

#### **After September 30th**

When the AFA worked to include payroll support grants in the CARES Act in early March, our goal was to stop the immediate financial harm to airline workers as a result of the cliff drop in air travel demand. It is now clear that the impact of the pandemic on air travel will stretch far longer than September 30th, the expiration date of the payroll support program. Between now and then, our union looks forward to working with members of this committee and the other industry stakeholders to put in place the second phase of a workers' first relief package. All options should be on the table for this phase two package, including fully restoring phase one of \$25 billion in payroll grants and extending the program if air travel demand remains weak.

#### **Conclusion**

We thank the Chairman, the Ranking Member and the Members of this Subcommittee for your efforts to maintain our jobs and secure our industry in the face of this crisis. We are proud to serve as aviation's first responders, doing the essential work that keeps our country connected during this emergency and ready to lift our economy again with the confidence of the traveling public. We appreciate your efforts to ensure our jobs remain in place as we work together to keep U.S. aviation safe and secure.

Respectfully submitted,

SARA NELSON,  
*International President,*

Association of Flight Attendants-CWA, AFL-CIO.

cc: Members of the Senate Commerce, Science and Transportation Committee

The CHAIRMAN. I wish the viewing public could see how scrupulously we are honoring the distancing requirements. I can barely see our witnesses down at the other end, but we have monitors.

Also, we appreciate you being here. I know it has come at some inconvenience. So thank you all, and we will begin with the Honorable Eric Fanning.

Mr. Fanning, you are recognized for five minutes to summarize your testimony. Your entire statement will be included in the record, of course.

**STATEMENT OF HON. ERIC FANNING, PRESIDENT AND CHIEF  
EXECUTIVE OFFICER, AEROSPACE INDUSTRIES ASSOCIATION**

Mr. FANNING. Chairman Wicker, Ranking Member Cantwell, and Members of the Committee, thank you for inviting me today to discuss this important topic.

The COVID-19 pandemic touches every person, family, business, industry, and economy. It's a global threat that we must all do our part to overcome.

With that goal in mind, the aerospace and defense industry has been focused on three critical lines of effort.

First, protecting the health and economic wellness of our workforce, which is vital to our industry and nation; second, supporting our industry partners and shared aerospace defense supply chain; and, third, helping our communities and country with the COVID-19 response.

The aerospace industry has been hit hard by this pandemic, especially with the decline in air travel worldwide. Air travel in 2020 is estimated to drop at least 50 percent from 2019.

As a result, a substantial number of orders have been canceled over the past few weeks on top of cancellations experienced over the past year, and due to this decrease in demand, our members have already announced layoffs and furloughs, including one company that had to lay off 50 percent of its engine manufacturing staff. Unfortunately, we may see more in the future.

Unlike others, our companies must also weigh the impact on our Nation's security as many cross over the civil and defense sectors. Even a company with only 10 percent of its business on national security can affect critical defense projects if their work is placed on hold or they have to close, and while some industries see business return quickly, the nature of our industry and customers involves the long term, not weeks but years.

There are many reasons for that. Even once orders for new aircraft are made again, it takes longer to build and deliver a plane than it does a pizza. Our workers are also some of the most skilled in the world. If we don't keep them employed, we could see workforce shortages when orders for products and maintenance start again.

The industry's recovery will also be affected by the success of other nations battling the epidemic and how quickly passengers around the world return to the skies. This is a shared responsibility of the companies represented before you today.

On the manufacturers' side, for example, we are confident that the air exchange and filtration systems used in our airplanes can help mitigate the risk of the spread of the virus and we are working to share this safety information with our customers and the public.

Our airline partners already have strong disinfection standards in place, and we are coming together to enhance them through partnerships at this table and in our international organization, the International Coordinating Council of Aerospace Industries Associations.

We are also working with the International Civil Aviation Organization to ensure use of the best disinfection methods and products consistently in air travel around the world.

Ultimately how people feel about flying is what will give lift to our interconnected industries.

Thankfully, Congress and the Administration have taken action. The Federal effort to designate several manufacturing efforts as essential is helping many of our members both protect jobs and stabilize the defense industrial base and the DoD's assistance with progress payment adjustments also helps our companies advance millions of dollars in vital liquidity to small businesses in our shared supply chain.

The CARES Act also provided important tools to navigate this crisis, like the Paycheck Protection Plan, which our companies describe as a lifeline.

In a recent survey of our members, over 60 percent of those who responded applied for PPP. When you remove companies that did not qualify, the number jumps to 80 percent, but we do believe there can be improvements. Two of the most critical tools businesses need in the crisis are cash-flow and flexibility.

Unfortunately, some of the aid programs have conditions that prevent companies from accessing the aid with the speed and the flexibility required.

Moving forward, the safety of our employees remains our top priority. That's why we are developing safety recommendations for companies returning to facilities. These will be based on lessons learned from our essential businesses who are still safely operating.

We also look to Congress to both build on the aid already provided and help shape policies to jumpstart the recovery.

One potential step is analyzing aid criteria and conditions and determining the best way to make it easier for companies to access help.

We also respectfully request temporary and targeted assistance for the ailing aviation manufacturing sector. There is strong support in our industry for a public/private partnership to protect jobs and keep at-risk employees on the payroll through the pandemic.

This would help with what's most important to us, keeping our workers employed while also helping to unburden state unemployment programs.

Finally, we must continue to prioritize research and development because investing in the future is vital to maintaining our global leadership.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Fanning follows:]

PREPARED STATEMENT OF HON. ERIC FANNING, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AEROSPACE INDUSTRIES ASSOCIATION

### **Introduction**

Chairman Wicker, Ranking Member Cantwell, and members of the committee, thank you for inviting me to appear before the committee today. My name is Eric Fanning, and I serve as the President and CEO of the Aerospace Industries Association (AIA). For over 100 years, AIA has advocated for America's aerospace and defense (A&D) industry and served as a bipartisan convener, where people can come together to get things done on important topics, like our response to this unprecedented crisis.

The COVID-19 pandemic touches every person, family, business, industry, and economy. One just needs to look up at the skies above Washington, DC, for evidence of this fact. Like many people in the metro area, I live and work along the flight

path for Reagan National Airport. My office windows provide a birds-eye view for the hundreds of daily take offs and landings at DCA. I never tire of watching the aircraft—most of which are made by members of AIA—serve as the workhorse for America's airlines. Sadly, this daily activity is no longer visible. The flights that link people, products, and businesses to our economy and the world have virtually stopped.

This pandemic is a global threat that we not only must all endure, but also in which we must all do our part to overcome. With that goal in mind, over the past weeks, the aerospace and defense industry has been focused on three critical lines of effort.

The first is protecting the health and economic wellness of *our workforce*, who are vital to our industry and nation. Our companies are supporting employees and their families in several inspiring ways, from taking steps to protect jobs to enhancing employee benefits and support programs. Our companies are also taking extraordinary steps to ensure the health and safety of every employee at open facilities by ramping up the frequency of cleaning, sanitizing, and decontamination efforts, as well as implementing physical distancing procedures, providing personal protective equipment (PPE), and conducting temperature testing at facilities.

Another major focus for AIA is the continued health of *our industry partners* and the shared aerospace and defense supply chain. Our companies are advancing millions of dollars to supply chain partners on their own. Others are using adjustments to progress payments and aid Congress has passed to help provide smaller companies with the liquidity they need during this pandemic. This has been an essential part of our work, as 71 percent of our members who responded to a recent survey said accelerated payments from customers—be it the Department of Defense or another aerospace company—is one of the most helpful tools in mitigating the negative impacts of this crisis.

Finally, we are focusing on helping *our communities and country*. Using our unique skills and expertise, companies are producing face shields, designing and building portable ventilators, and taking other actions to help our Nation overcome its challenges.

Through this work, we have been reminded of some critical lessons about A&D and our government partnerships:

- The importance of clear and consistent contract guidance, which allows us to continue to work closely with our government customers to continue to meet the mission;
- How critical regular legislative order and predictable budgets are—imagine what this pandemic would be like if Congress was also debating a CR or budget deal;
- The vital role that cash flow and liquidity play for businesses—especially vulnerable small businesses—and their ability to add new mitigations and procedures during a crisis;
- And how essential a healthy, interconnected A&D supply chain and industrial base are for America's safety and security.

### **Impact on the Industry**

While we have learned from and are proud of our work during this crisis, we cannot avoid the fact that the aerospace industry, which was already facing challenges on the commercial side, has also been hit hard by this pandemic.

Commercial aviation is a uniquely global enterprise, and U.S. manufacturing leads the world. In a global pandemic like this one, our workers are affected not only by the virus' impact in the U.S., but also the decline in air travel worldwide. Those declines have been staggering: The International Air Transportation Association estimates that global, full-year passenger demand in 2020 will end 48 percent below the 2019 level. On April 8th of this year, the Transportation Security Administration screened a record low 97,000 air travelers at our Nation's airports. That's 95 percent below the number on the same day in 2019—an average of only 220 passengers per airport across the country.

We appreciate this committee recognizing that aircraft manufacturers and their suppliers are as affected by these massive declines as our airport and airline partners. Substantial orders for aircraft, engines, and supporting systems have been canceled over the past few weeks, and this has come on top of cancellations experienced over the past year. This not only hits the direct company involved with the sale, but also every other company—small, medium, and large—that plays a vital part in the manufacturing and maintenance effort.

As a result, companies of all sizes are making the difficult choice to furlough or lay off employees. One company had to lay off 50 percent of its engine manufac-

turing staff. Another furloughed most of their 7,000 employees. And because this crisis has continued, a third was pushed to let 1,500 employees go. These are just a few examples of the thousands of jobs lost or put in jeopardy because of this crisis. Unfortunately, we may see more of this trend in the future.

The continued health and resiliency of our global supply chain, which is the lifeblood of our industry, is also a concern. Right now, disruptions to our supply chain are a growing challenge. Illness, business closures, and reduced operations are leading to transportation and logistics issues, parts shortages, and other significant problems.

And our companies must also weigh the impact their work—or halting of that work—will have on our Nation’s safety and security. The A&D industry is unique in that many of our companies cross over the civil and defense sectors at various degrees. Even a company that only does 10 percent of its business focused on national security can affect critical defense projects if their civil work is placed on hold or they have to close.

In addition, there is a large difference between the A&D industry—especially commercial aviation—and other industries hit by this pandemic, as we learned after 9/11. While some may see business return quickly, the nature of our industry and customers involves the long-term—not days, but months or even years.

There are many reasons for that. Even once orders for new aircrafts are made again, it takes longer to build and deliver a plane than a pizza. That’s just the nature of the world-class systems we build.

In addition, our workforce is one of the most skilled in the world. If we don’t keep them employed, we could see shortages of specialized workers when orders for products and maintenance start again.

The industry’s recovery will also be affected by the success of other nations in battling the epidemic—from how severe they have been hit by COVID-19 to how severe their restrictions are as a result.

How quickly our industry can recover is also dependent on how quickly passengers return to the skies. AIA is ready, willing, and able to play a role in rebuilding confidence in air travel by demonstrating that industry is collectively putting safety first. Already, we are working with the International Civil Aviation Organization to establish standards that will help improve safety. I know our partners at the airlines and airports agree that, until we can show that air travel is safe and regain the trust of the flying public, this crisis will continue to hit aviation particularly hard.

Under the best of circumstances, it is likely we will feel the impact of this disruption for several years.

#### **Efforts by Government Leaders**

Thankfully, Congress and the Administration have taken swift action over the last two months to help provide our citizens and country with the help we need.

The Federal effort to designate several manufacturing efforts as essential has been a source of much relief. The DOD and agencies like the FAA and NASA have been critical and responsive partners in this area. Not only has their work helped many of our members protect their employees’ jobs, but it has also helped ensured that the skilled workers continue to meet the national security needs of our country and stabilize the defense industrial base. This is also critical for our industry as a whole—including commercial aviation—because of the shared supply chain.

The CARES Act also provided our members with important tools and resources to help them navigate the crisis. For small businesses, the Paycheck Protection Program has been vital for our members, who have described it as a “lifeline.” In a recent survey of our members, over 60 percent of those who responded applied for PPP. When you remove companies that did not qualify, the number jumps to over 80 percent. The creation and expansion of the program has been an important tool to help our companies protect employees and their jobs.

The proposed Mainstreet Lending Program also has a lot of potential for some of our mid-sized companies that didn’t meet the criteria for small business support.

But we do believe there can be improvements. Two of the most critical tools businesses need in a crisis are cash flow and flexibility, and they need both quickly. While the CARES Act includes a number of tools to assist with cash flow, some of the programs have conditions that prevent companies from accessing this aid with the speed and flexibility required.

The Paycheck Protection Program, for example, does not allow some companies to be eligible for assistance due to the Treasury’s definition of “affiliated” companies.

There are also discussions within the government related to the \$17 billion fund for “national security businesses” and whether the criteria for that assistance is too

narrow. A number of our members would agree that Treasury's criteria are preventing them from accessing this aid.

For example, the requirement that recipients have a current "DX-rated" contract and a top-secret facility clearance renders ineligible any companies that perform national security work on an unclassified basis. In addition, the one-week deadline to apply could have limited the pool of applicants.

We've also heard concerns that the structure of the Main Street Lending Program might restrict company access—not because businesses do not want the aid, but because banks are potentially hesitant to engage with this program.

#### **Recommendations for Recovery**

Moving forward, we look to Congress to not only build on the foundation of aid already provided—aid that has been essential to our industry and others—but also help shape policies that will jumpstart the recovery.

A&D is already thinking through the new norm and what it means for our businesses, employees, and customers. We're working to identify impacts on the supply chain and learn what investments will help support our industrial base and the overall economy as the country rebounds and recovers.

Overall, when we think of a roadmap for recovery, the safety of our employees remains our top priority. AIA is leading an effort to develop recommendations for our companies based on lessons learned from safe operations as essential businesses. These will account for PPE, testing, monitoring, enhanced sanitization, and other safety measures. As one of our members said, these companies are not returning to work—they have been working. But their best practices will help others return to work as well.

Congressional action is another key element in our Nation's recovery. One potential step is analyzing aid criteria and conditions and determining the best way to make it easier for companies to access help.

Temporary and targeted assistance for the ailing aviation manufacturing sector is also something we respectfully request Congress to consider. There is strong support in our industry for a private-public partnership to protect jobs and keep at-risk employees on the payroll through the pandemic. This proposal will require eligible companies to provide significant investment to sustain payroll—with government supplementing a portion of the cost as well. This would help with what's most important to us, keeping our workers employed, while also helping to unburden state unemployment programs. This crisis is unprecedented, so we need to think outside the box.

Finally, we must continue to prioritize research and development. America leads the world in this industry, and we must continue to invest in the future to maintain that global leadership. One example of action we can take today to bolster the industry's long-term global competitiveness is expanding FAA's Continuous Lower Energy, Emissions and Noise (CLEEN) program.

As always, we look forward to working with Congress on the details of any plan, but the broad effort should focus on filling the gaps of the CARES ACT and other aid programs, while also maximizing the ability for companies to access any further aid.

#### **Conclusion**

We recognize that there are no simple solutions and additional relief is no small ask. But our country—and our industry—is known for overcoming large challenges.

On a level playing field, the A&D industry is one of the biggest drivers of American innovation and economic growth, so we know we are in a unique position to help lead our country's recovery.

Our industry has always defined the art-of-the-possible. And with the support of government partners, we know we can continue to live up to that standard and help our country through this crisis.

Thank you.

The CHAIRMAN. Thank you very much.  
Mr. Calio, you are recognized.

#### **STATEMENT OF NICHOLAS CALIO, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AIRLINES FOR AMERICA**

Mr. CALIO. Thank you, Chairman Wicker and Ranking Member Cantwell, for holding this hearing.

The CHAIRMAN. Mr. Calio, I see you sent your grandfather to—

Mr. CALIO. Yes, sir, I did. Either that or Papa Smurf's multiple personalities.

The CHAIRMAN. Reset, Mr. Calio's timer.

Mr. CALIO. Thank you, sir.

Sincerely, on behalf of the 750,000 U.S. airline employees and our Nation's airlines, we want to thank this committee and the Administration for passing the CARES Act.

In particular, Chairman Wicker, thank you and your staff for your unwavering leadership during the legislative debate.

Ranking Member Cantwell, to you and your staff, as well, thank you.

U.S. airlines were among the first industries to feel the economic impacts of the pandemic and without the passage of the CARES Act, the near-term impacts of COVID-19 would have been even more devastating than they have been.

We are thankful to many, but this Committee in particular, sent the industry a lifeline during its most humbling moment and it's something that we really did need.

In preparing these remarks, I thought back just a few short weeks ago, and it was just a few short weeks ago. It's a very different world now. At that time, U.S. airlines were experiencing what was called by some "The Golden Age of Aviation."

Americans were flying and shipping in record numbers. That was driven by two main factors: affordability and accessibility. Fares were at an all-time low and air travel was more accessible than ever.

Just weeks ago, U.S. airlines were flying an average of two and a half million passengers each day, shipping 58,000 tons of cargo every day all over the world. Amid record travel and shipping, U.S. airlines reinvested in their workforce. Collectively, they spent \$424 billion on their employees in the last decade. They boosted wages and benefits per worker by 56 percent and hired 186,000 new employees.

All indications suggested that 2020 was going to be a record year, as well. Then the bottom fell out. In the most recent week alone, passenger volumes declined to levels that we have not seen since the 1950s, before the dawn of the Jet Age.

It's remarkable. It's almost surreal, and it is painful for everyone involved, the airports, our employees, the manufacturers, and everyone who travels and ships.

For quick context, passenger volumes have fallen over 95 percent. More than 3,000 airplanes have been put in storage. That's 50 percent of the United States active fleet. Despite the sharp reductions in the number of flights, I think as Chairman Wicker pointed out, we're averaging 17 passengers per domestic flight and 29 per international flight. If you've been on a plane, it's eerie. U.S. carriers at this point are losing \$350 to \$400 million every single day of the week.

The crisis hit what was a robust airline industry at lightning speed. Unfortunately, the recovery will not be as quick. It's going to be a very long and difficult road ahead and everyone involved has to join hands and work on it together.

Passenger volumes took 3 years to recover after 9/11 and 7 years after the financial crisis. The duration and breadth of the impacts

directly on our industry compounded by the larger impacts on the economy leave no doubt that the U.S. airline industry will emerge a shadow of what it was on March 1 of this year.

That said, we have a history of being resilient and reacting to this new normal as quickly as possible to address the near-, mid-, and long-term challenges of the pandemic.

While addressing consumers' confidence is going to take many actions, both by the public and private sector, we're aggressively dealing with the variables that we can control.

Last week, A4A's member airlines agreed that customers must wear face masks along with our employees on every flight. We hope that is going to extend throughout the entire flight journey from arriving at the airport to leaving.

We've also implemented a range of other policies. Wherever possible, modifying boarding procedures to put passengers further apart from each other. As Mr. Fanning pointed out, we've increased our cleaning. We're all at or exceeding CDC recommendations. There are a number of highly enhanced cleaning procedures being used, including fogging and electrostatic cleaning.

We are using temperature checks for some of our employees and discussing with some of the government agencies involved about whether that should be expanded.

Anyway, we're taking substantial steps. There are many more to speak about to try to protect our employees and our passengers who every day are our highest priority. Their safety is our highest priority.

We're also going to continue to work with government and health officials across the country to ensure that travel continues, and that essential shipments, personnel, and relief supplies are delivered to the communities that need them.

We want to thank the Committee again and the Congress and the Administration because the CARES Act has provided a bridge. It's given us some breathing room to move on to the next step to try to survive where we are.

The bottom line on all this is this is a matter of sheer gut survival. These companies have been crippled in a matter of about 7 weeks. We're looking forward to trying to come back, find our footing, find our way to the next step, and lead the economy to recovery.

Thank you very much.

[The prepared statement of Mr. Calio follows:]

PREPARED STATEMENT OF NICHOLAS CALIO, PRESIDENT AND CHIEF EXECUTIVE  
OFFICER, AIRLINES FOR AMERICA

Airlines for America (A4A) appreciates the opportunity to testify today to share with you the impact of the COVID-19 pandemic on the commercial aviation industry. On behalf of our more than 750,000 employees and our Nation's airlines, I would like to acknowledge and sincerely thank Congress and the Administration for reaching agreement on the bipartisan Coronavirus Aid, Relief, and Economic Security (CARES) Act, which included provisions intended to assist the U.S. airline industry to continue making payroll and protect the jobs of pilots, flight attendants, gate agents, mechanics and others. Our employees are the backbone of the industry and our greatest resource. U.S. airlines were among the first industries to feel the economic impacts of the pandemic and without passage of the CARES Act, the near-term impacts of the COVID-19 pandemic would have been even more devastating to our industry and our workforce.

Particularly, Chairman Wicker, I thank you and your staff for your unwavering leadership on behalf of our industry during the CARES Act debate. While we are thankful to so many in Congress and the Administration for their role in that process, this Committee played a central, material and critical role in providing our industry a lifeline at the most humbling moment in our history. The ripple effects of your work provided much-needed solace to many of the 11 million U.S. workers our industry either directly represents or supports economy-wide. We are beyond thankful.

### **Impact of the COVID-19 Pandemic**

Before the COVID-19 pandemic, U.S. airlines were experiencing what some have called the “Golden Age.” Just a few months ago, I gave a speech in which I quoted a J.D. Power survey question, “Is this the golden age of air travel?” The question was the first line in a press release announcing the findings of the 2019 North America Airline Satisfaction Study which found that a combination of newer planes, better ticket value and improved customer touchpoints had driven overall satisfaction with airlines to its highest point in history.

In many ways, 2019 seems like a distant memory now. U.S. airlines were seeing an average 2.5 million passengers each day. Air travel between the U.S. and foreign countries reached an all-time high with nearly 80 million foreign visitors coming to the U.S. last year. The Transportation Security Administration (TSA) reported its busiest day ever on May 24, 2019—the Friday before Memorial Day—screening 2,792,525 passengers and crew members. That day, the TSA issued a press release touting the numbers and also announcing that the agency anticipated more than 4 percent traveler growth over the summer months, with the expectation that it would see more record travel in the coming weeks. In fact, on July 7—the Sunday after the Fourth of July holiday—the TSA screened 2,795,369 people. And on Sunday, December 1—the Sunday after Thanksgiving—the TSA once again set a new record, screening 2,870,764 travelers in a single day.

This record travel was in large part because of two main factors: affordability and accessibility. Airfares were at historic lows. Accounting for inflation, average fares were down about 22 percent since 2000 and 44 percent since deregulation in 1978. It was truly remarkable how accessible air travel had become. At the time, 23 percent of Americans who flew had family incomes below \$50,000. 42 percent of people who flew had family incomes below \$75,000. Plus, airlines were offering more flights, more routes and going to more destinations than any time in the history of commercial aviation.

Think about your own travel. We took it for granted that we could make it anywhere in the country or around the world to attend an important business meeting, participate in a family reunion, attend a grandchild’s graduation or dance at their wedding.

All indications were for air travel to rise again and set more records in 2020. In January and February, U.S. airlines saw year-over-year increases of 5.5 percent and 6.7 percent, respectively. Then the bottom fell out. In the late April, passenger volumes were down an unfathomable 96 percent to a level not seen since the 1950s, before the dawn of the jet age. Many of you and your Senate colleagues saw the effects of this firsthand as you traveled to Washington this week. Your hometown airport may have been eerily empty—with restaurants closed and shops shuttered. And you probably noticed that there were significantly fewer flights taking off.

The impact of government- and business-imposed travel restrictions compounded by public concern has decimated demand for air travel, which has all but evaporated. Since the beginning of March, U.S. air carriers—both passenger and cargo—have seen their previous positions of strong financial health deteriorate at an unprecedented and unsustainable pace. The human, financial and operational impacts are difficult to comprehend, and the future remains uncertain. Attached is a PowerPoint slide deck of industry data that can better paint the dismal picture; below is a non-exhaustive list of some of the facts that encapsulate the unprecedented changes we have seen over the course of a few short months:

- After growing steadily in January and February, 2020, A4A member airline passenger volumes have fallen over 95 percent;
- Despite sharp reductions in the number of flights operated, A4A passenger carriers are averaging just 17 passengers per domestic flight and 29 passengers per international flight;
- Net booked passengers have fallen by nearly 100 percent YOY and net booked revenues have fallen over 100 percent;
- U.S. passenger airlines have grounded over 3,000 aircraft, nearly 50 percent of the active fleet. Planes are sitting parked nose to tail and wing to wing on air-

strips in the desert and any place else that can accommodate them. While the numbers are staggering, pictures show the magnitude of this harsh reality. I encourage you to see the pictures included in the accompanying PowerPoint slide deck.

- At present, U.S. airlines are collectively burning more than \$10 billion of cash per month; and
- Standard & Poor's has lowered the ratings of every U.S. passenger carrier and placed some cargo carriers on negative watch.

### **Challenges Resulting From the COVID-19 Pandemic**

The COVID-19 crisis hit a previously robust airline industry at lightning speed. Unfortunately, recovery from the crisis will not be nearly as swift. We anticipate a long and difficult road ahead. For context, passenger volumes took 3 years to recover from 9/11 and over 7 years to recover from the global financial crisis in 2008. Once demand does recover, it will take years to retire the newly accumulated debt and to address the sizable interest accrued, thereby limiting carriers' ability to reinvest in their people and products. History has shown that air transport demand has never experienced a V-shaped recovery from a downturn.

Our industry is adapting on an almost daily basis to the unique near, mid-, and long-term challenges of the pandemic. However, to set a realistic and practical expectation, while the industry will do everything it can to mitigate and address the multitude of challenges, no factual doubt exists that the U.S. airline industry will emerge from this crisis a mere shadow of what it was just three short months ago. There is simply no way around the detrimental and lasting economic impact this pandemic will have on our industry.

Beyond the health concerns raised by the spread of the virus, businesses and consumers are also facing a sharp global economic downturn of unknown duration. Unlike after 9/11, when air-travel demand reductions were largely confined to domestic and transatlantic markets, the effects of COVID-19 are clearly global. With unemployment soaring to historic levels, family incomes plummeting and household net worth evaporating, we expect to see businesses, governments and households alike curtail travel. The airline industry is bracing for what will be an extremely difficult operating environment for the coming years.

Our industry has a history of being resilient, and airlines are reacting nimbly to this new normal. While addressing consumer confidence will take many actions by both the public and private sector, airlines are aggressively dealing with the variables they can control. A good example of these efforts is aircraft cleaning procedures.

U.S. airlines have been taking substantial steps to protect passengers and employees since the onset of this crisis. A4A's member carriers all comply with or exceed the Centers for Disease Control and Prevention (CDC) recommended cleaning protocols, in some cases to include electrostatic cleaning and fogging procedures. Carriers are working around the clock to sanitize cockpits, cabins and key touchpoints—including tray tables, arm rests, seatbelts, buttons, vents, handles and lavatories—throughout the day with disinfectants approved by both the Environmental Protection Administration (EPA) and the CDC. And airlines have increased the frequency of deep cleaning procedures for both domestic and international flights. Additionally, carriers have implemented a range of policies—including back-to-front boarding and adjusting food and beverage services—to help ensure the wellbeing of passengers and crew. The industry will continue to adapt.

A prime example of this occurred last week when A4A passenger carriers voluntarily came together to require customer-facing employees and passengers to wear a cloth face covering over their nose and mouth throughout check-in, boarding, in-flight and deplaning. These are not easy decisions, but our industry will continue to work closely with public and private sector partners to address tough policy issues, including government-administered temperature checks and contact tracing because it is the right thing to do.

On contact tracing, I would like to thank the Committee for its work and attention in this area, specifically the leadership shown by Aviation Subcommittee Chairman Cruz and Ranking Member Sinema. They have been vigilant and innovative in their efforts to create a thoughtful, practical and workable approach to contact tracing specific to aviation and more broadly. We appreciate their continued work.

Those efforts specifically listed, and many other measures such as vaccine development, will play a critical role in establishing a comprehensive set of broad components needed to bring global travelers out of their homes safely, securely and confidently. We are committed to playing a positive role in that process.

### Implementation of the CARES Act

As noted, the industry is extremely thankful to Congress for the relief opportunities provided in the CARES Act. We are equally thankful for the implementation work done by the Administration, particularly the efforts undertaken by Treasury Secretary Mnuchin and Department of Transportation (DOT) Secretary Chao. Both continue to play a pivotal role in the evolving implementation process. For their part, air carriers continue to work through their respective agreements with Treasury and with the DOT on service issues. We expect the situation to remain fluid and it is important on-going communication channels remain open as the economic environment evolves. I would note for the Committee, while carriers are certainly complying with the CARES Act requirement and DOT Show Cause Order requiring minimum service levels to U.S. communities, the cost associated with operating nearly empty flights to communities with little to no demand significantly exacerbates air carrier liquidity. We would ask both this Committee and the Administration to seek solutions to address the challenges posed by this unsustainable requirement. Make no mistake, as the duration of this pandemic lingers, the reasonability and practicality of this requirement significantly diminishes. Carriers and communities alike are going to have to come together and acknowledge the footprint and frequency of service in 2019 cannot convey to the 2020 COVID-19 pandemic reality.

While the U.S. Government has played a vital role in the near-term stability of the industry, airlines have and will continue to do their part. Over the past decade airlines had reinvested \$143 billion into the fleet, facilities, technology and other equipment and spent \$424 billion on the workforce—hiring at a brisk pace and boosting average wages and benefits per worker by 56 percent. In both hiring and wages, U.S. airlines sharply outpaced the rest of the U.S. private sector. As of February 2020, U.S. passenger and cargo airline industry headcount had risen to 754,359, the highest since June, 2001. By managing their businesses well—including the retirement of \$91 billion in long-term debt—and taking care of their employees, airlines acted as an outsized multiplier for overall U.S. economic activity, helping drive 5 percent of U.S. GDP.

As a result of COVID-19 and accompanying government actions to contain it, those strong balance sheets have been challenged and much of the years of gains attributable to their business improvements have been erased within a few short months. In turn, carriers have engaged in significant self-help measures to bolster their liquidity which will be critical to surviving this unprecedented economic event. These self-help measures include, but are not limited to:

- Accessing outside sources of cash such as, but not limited to, unsecured or secured loans amounting to nearly \$40 billion since late February;
- Rescinding all planned issuance of dividends or stock repurchases;
- Deferring aircraft deliveries to the extent negotiable with manufacturers;
- Prematurely retiring more than 1,000 planes from the current fleet;
- Halting almost all discretionary (not operationally critical) capital projects;
- Trimming unprofitable flying;
- Redeploying passenger aircraft to provide essential cargo-only service to transport medical supplies;
- Negotiating with vendors and airport partners to secure relief on payment terms and timing; and
- Securing voluntary unpaid leaves of absence or salary reductions.

To the last point, we are grateful for the strong collaboration between labor and management to address the realities of this crisis. In fact, to date, more than 100,000 employees have opted for some form of reduced hours, reduced pay, or early retirement which has brought much needed flexibility to an almost unmanageable situation. We appreciate all employees who have dedicated their lives to the U.S. airline industry and are helping the industry to survive this public health crisis.

It is also important to note, the funds provided in the CARES Act are truly an investment in our economy. According to a Compass Lexecon study conducted at A4A's request, the CARES Act payroll support program funds are estimated to have saved 736,000 U.S. jobs (386,000 airline jobs and 350,000 non-airline jobs) through September 30, 2020. Specifically, the air carrier investments are expected to:

- Enable airlines to preserve jobs and support \$162 million per day in salaries and benefits through September 30, 2020;
- Maintain between \$3.4 and \$5.8 billion in federal/state/local income tax revenues and Social Security and Medicare tax contributions;

- Avoid between \$5.8 and \$9.9 billion in both state and Federal unemployment insurance claims; and
- Support between \$4.7 and \$8.0 billion of economic spending in the U.S. economy—as every dollar spent of airline wages generates additional spending as the recipients spend that income in their local economy.

The CARES Act investments will be an important component of air carrier sustainability throughout a challenging summer, going into a very uncertain fall season.

Finally, I would like to directly address the issue on which our industry has been most fervently criticized, and that is the issue of cash refunds. First, I want the Committee and the American public to know, we are all human and we understand and appreciate the myriad of challenges this pandemic has brought to individuals and families. We are committed to working with each and every customer to address their circumstances and situation. We strictly follow and comply with all Federal laws and regulations on this matter and when a refund is due under those regulations, carriers promptly provide them. It is also true, while policies vary from carrier to carrier based on their respective business models, many carriers are encouraging customers to accept vouchers for future travel. This practice is not done with ill intent, but instead underscores the economic reality that if air carriers refund all tickets, including those purchased under the condition of being non-refundable or those cancelled by a passenger instead of the carrier, this will result in negative cash balances that will lead to bankruptcy. Vouchers, future credit opportunities and other incentives are being offered as a means to stem untenable cash drain in order to protect our employee's livelihood. Airlines understand the frustration and always strive to make the travel experience positive. That's why we are working collaboratively with policy makers and the flying public to find the right balance as we also work to protect and sustain the jobs of our workers while navigating this crisis.

#### **Moving Forward**

U.S. carriers continue to work with government and health officials across the country to ensure that essential travel continues, and that essential shipments and relief supplies are delivered to the communities that need them as safely and efficiently as possible. This includes moving critical cargo—including medical supplies, pharmaceuticals, perishable food and mail—as well as the transportation of medical, government and military personnel. Throughout the pandemic, U.S. carriers have continued to transport medical patients who need regular care, such as cancer treatment not available in their hometown or metropolitan area and assist in the repatriation of thousands of Americans on regularly scheduled commercial flights. Additionally, there are operational and logistical justifications for some flights to ensure planes and crew are at the right place to execute these essential flights.

The safety and wellbeing of our customers and our employees is the top priority of U.S. airlines. This continues to be a rapidly evolving situation and U.S. carriers will remain in close contact with Congress, the Administration, Federal agencies and public health experts. And, as travel restrictions and stay-at-home orders are lifted, we look forward to once again connecting friends, families and colleagues across the country and around the globe. The U.S. commercial aviation industry wants to lead the way to economic recovery.



**Airlines for America®**

*We Connect the World*



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## PRE-PANDEMIC

### **J.D. POWER**

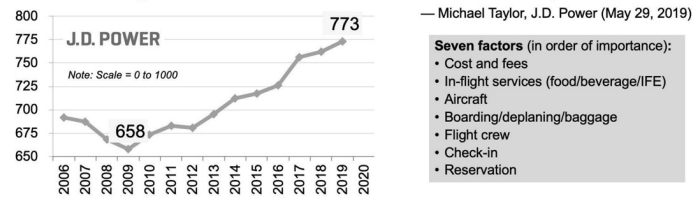
#### **As Airline Satisfaction Climbs to Record Highs, Line Blurs Between Low-Cost and Traditional Carriers, J.D. Power Finds**

COSTA MESA, Calif.: 29 May 2019 — Is this the golden age of air travel? According to the J.D. Power 2019 North America Airline Satisfaction Study,SM a combination of newer planes, better ticket value and improved customer touchpoints have driven overall satisfaction with airlines to its highest point in history, up 11 points (on a 1,000-point scale) from last year's record-setting performance. The surge is driven by significant improvements among traditional carriers, while satisfaction slowed with low-cost carriers.

## J.D. POWER: NORTH AMERICA AIRLINE SATISFACTION CLIMBS TO RECORD HIGH

LATEST RESULTS RELEASED MAY 29, 2019

"Airlines continue to deliver on the operational side of air travel. New technology investments have dramatically improved the reservation and check-in process. Fleets are newer and travelers generally feel that they are getting great value for their money. These improvements have been most profound in the traditional carrier segment, where customer satisfaction has climbed considerably."



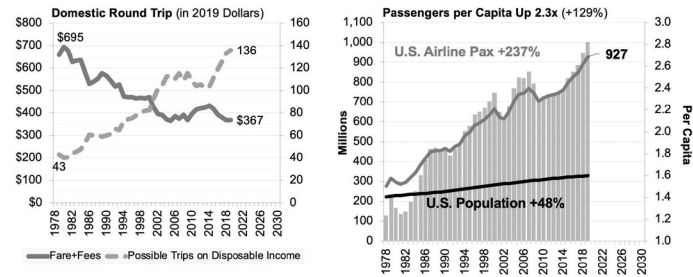
Notes: The study is based on responses from 5,966 passengers who flew on a major North American airline between March 2018 and March 2019.  
Source: : J.D. Power North America Airport Satisfaction Study<sup>SM</sup>

## TSA'S TOP 10 LIST OF BUSIEST DAYS OF TRAVELERS SCREENED

RANK	Date	Passengers & Crew Screened	Circumstances
1	Sunday, Dec. 1, 2019	2,870,764	Sunday after Thanksgiving
2	Sunday, July 7, 2019	2,795,369	Sunday after July 4th
3	Friday, May 24, 2019	2,792,670	Friday before Memorial Day
4	Friday, July 19, 2019	2,776,960	Summer travel
5	Friday, June 21, 2019	2,772,903	Summer travel
6	Monday, July 8, 2019	2,748,718	Monday after July 4th
7	Thursday, August 1, 2019	2,742,882	Summer travel
8	Friday, July 26, 2019	2,732,770	Summer travel
9	Friday, August 2, 2019	2,730,936	Summer travel
10	Friday, June 28, 2019	2,730,515	Friday before July 4th

## AS REAL AIRFARES PLUNGED, GROWTH IN FLYERS = 5X GROWTH IN U.S. POPULATION

ANCILLARY SERVICES INCLUDED, 2019 DOMESTIC AIR TRAVEL WAS ~44% CHEAPER THAN IN 1980



Source: Bureau of Economic Analysis, Bureau of Labor Statistics and Bureau of Transportation Statistics (DB1B via Airline Data Inc. and T1 scheduled service for U.S. airlines)

## POST-PANDEMIC

**2020** CBS Los Angeles

**This Is The Worst Disaster For Airlines Since  
The History Of Aviation**

**abc NEWS**

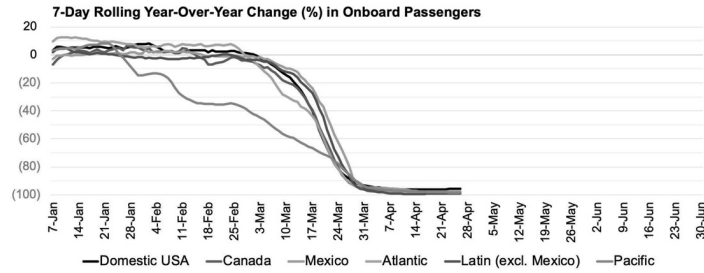
**Airlines working to ensure thousands of  
parked planes are ready to fly again**

**CNBC**

**US airlines are losing money for the first time  
in years as coronavirus ends travel boom**

## IN EVERY REGION, U.S. AIRLINES HAVE SEEN PASSENGER VOLUMES\* DECIMATED

AFTER GROWING ~2 PERCENT IN LATE FEBRUARY, AIR TRAVEL FELL 96 PERCENT IN THE MOST RECENT WEEK



Sources: AAA member passenger airlines as reported to AAA on a consolidated company basis (including branded code share partners)

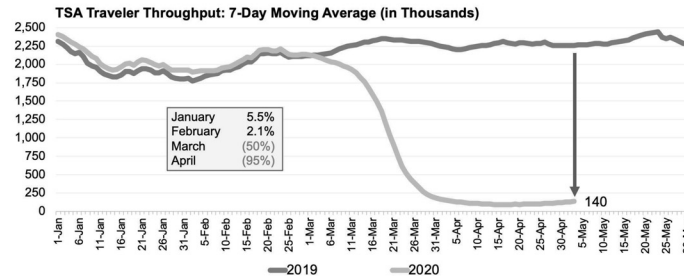
\* Onboard ("segment") passengers

## AIRPORTS DESERTED DURING COVID-19 PANDEMIC



## TSA CHECKPOINT TRAVELER THROUGHPUT\* DOWN 94 PERCENT YEAR OVER YEAR

MARCH CAME IN LIKE A LION, OUT LIKE A LAMB; APRIL SHOWERS ENSUED

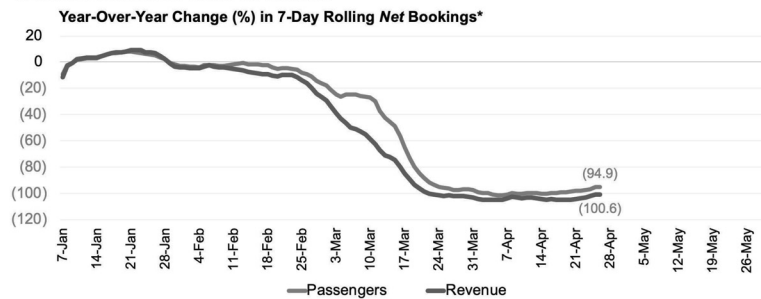


Sources: Transportation Security Administration

\* U.S. and foreign carrier customers traversing TSA checkpoints; 2019 is year-ago same weekday

## DEMAND\* FOR FUTURE U.S.-RELATED AIR TRAVEL DOWN 95 PERCENT IN WEEK ENDING APRIL 26

NET BOOKED REVENUE\* DOWN 101 PERCENT

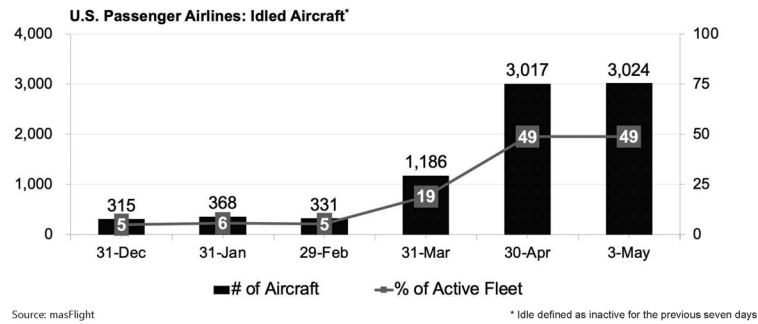


Sources: Airlines Reporting Corporation (ARC) for most U.S. and foreign carriers for any flight to/from/within the United States

\* Sales transactions minus refunds, for all future travel up to 330 days out

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## COVID-19 HAS FORCED U.S. PASSENGER AIRLINES TO IDLE NEARLY HALF THE FLEET



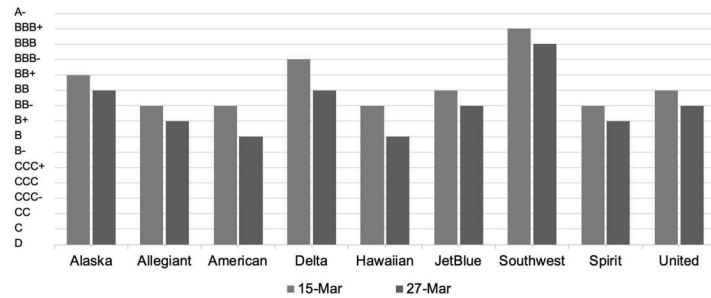
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## U.S. AIRLINES HAVE GROUNDED OVER 3,000 AIRCRAFT



## IN LESS THAN TWO WEEKS, S&P LOWERED ITS CREDIT RATINGS ON EVERY U.S. PASSENGER AIRLINE\*

RATINGS ACTIONS TAKEN TO REFLECT WEAKENED FINANCIAL CONDITION AND HEIGHTENED RISK



Source: Standard & Poor's

\* Publicly traded U.S. carriers in S&P Global coverage universe

## U.S. AIRLINES ARE WORKING AROUND THE CLOCK TO SANITIZE COCKPITS, CABINS AND KEY TOUCHPOINTS




**Airlines  
for America®**  
*We Connect the World*

**PRESS RELEASE**

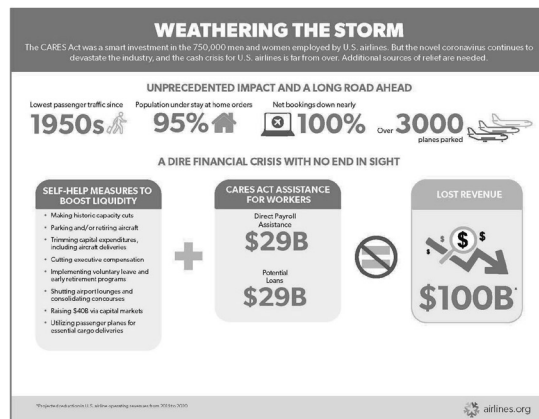
**Leading U.S. Airlines Begin Requiring Face Coverings for  
Customer-Facing Employees and Passengers**

**WASHINGTON, April 30, 2020** – Today, Airlines for America (A4A), the industry trade organization for the leading U.S. airlines, announced that its member passenger carriers will be voluntarily requiring that customer-facing employees and passengers wear a cloth face covering over their nose and mouth throughout the journey — during check-in, boarding, in-flight and deplaning. Carriers are working to implement this policy as quickly as possible.

The safety and wellbeing of all passengers is the top priority of U.S. airlines. The requirement to wear a cloth face covering during air travel is just one of the ways carriers are working to protect passengers and employees throughout this crisis. A4A's member airlines all meet or exceed CDC guidance and have implemented intensive cleaning protocols, in some cases to include electrostatic cleaning and fogging procedures. Carriers are working around the clock to sanitize cockpits, cabins and key touchpoints — like tray tables, arm rests, seatbelts, buttons, vents, handles and lavatories — with CDC-approved disinfectants. More details are available [here](#).

In addition to enhancing sanitation procedures, carriers have implemented a range of policies — such as back-to-front boarding and adjusting food and beverage services — to help ensure the wellbeing of passengers and crew. Additionally, all travelers are encouraged to follow [CDC guidance](#), including frequent hand-washing and staying home when ill.

For more on how U.S. airlines are responding to COVID-19, please visit [www.AirlinesTakeAction.com](http://www.AirlinesTakeAction.com).



## AIRLINES ARE TAKING A WIDE VARIETY OF SELF-HELP ACTIONS TO REDUCE CASH BURN

SELECTED EXAMPLES OF ACTIONS TO IMPROVE CASH FLOW FROM OPERATIONS, INVESTING AND FINANCING

- » Making historic capacity cuts, parking and/or retiring older aircraft (and, in some cases, entire fleet types)
- » Utilizing passenger planes on cargo-only missions, either belly-only or belly and main cabin
- » Freezing hiring and non-essential spending (e.g., employee travel, consultants, events, marketing, training)
- » Consolidating footprint at airport facilities (e.g., concourses); shuttering lounges; halting real estate projects
- » Simplifying onboard product (e.g., food and beverage)
- » Negotiating with vendors: cobranded credit cards, airports (i.e., zero-interest rent deferrals), regional airline partners (i.e., reduced block hours), fuelers, caterers, etc. to achieve relief on payment terms/timing
- » Deferring aircraft deliveries and reducing non-aircraft (e.g., ground equipment, IT) capital expenditures
- » Raising funds via capital markets: borrowing funds via unsecured or secured loans and/or selling stock
- » Selling/mortgaging aircraft/engines/other assets
- » Suspending capital return programs, including share repurchases and the payment of future dividends

Source: A4A and member companies

## U.S. AIRLINES ARE MOVING ESSENTIAL SHIPMENTS AND RELIEF SUPPLIES



The CHAIRMAN. Thank you very much, Mr. Calio.  
Mr. Hauptli, welcome.

**STATEMENT OF TODD HAUPTLI,  
PRESIDENT AND CHIEF EXECUTIVE OFFICER,  
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES**

Mr. HAUPTLI. Thank you, Mr. Chairman.

As a passenger, when you approach a boarding gate at an airport, you are literally in walking distance to almost anywhere on the planet, but you don't walk alone. It takes aircraft manufacturers and safety inspectors, mechanics, airport employees, and TSA screeners. It takes pilots and flight attendants, air traffic controllers and gate agents. It takes ramp workers and fuelers and baggage and cargo handlers and the magic of flight. It takes all of them and more.

The aviation industry is an intricate interconnected just-in-time enterprise. It requires each of us to do our job as safely and as efficiently as possible time after time after time.

And while aviation allows for the movement of people and goods across the country and around the globe, it is also the oxygen that fuels our economy, and we need a healthy industry in order to return to a healthy economy.

Mr. Chairman, I have three additional points I'd like to make.

One, thank you and thank you to the Committee for the leadership in the passage of the CARES Act. The funds headed to airports are a lifeline that will protect jobs, enhance cleaning and sanitization efforts, ensure that debt payments will be made, and help keep construction projects moving forward, at least in the near term.

Point Number 2, the challenges facing airports and our industry partners are unprecedented and will require further Federal support to meet ongoing needs and to prepare for what will become the "new normal."

Billions of dollars in revenue that airports expected to be generated by passengers and PFC collections have evaporated. Given the significant decline in aviation activity and revenue and the precipitous drop in passenger facility charge collections that help support bond payments, airport will need additional Federal assistance at least as large as the initial amount provided in the CARES Act. And Congress must provide billions of dollars in financial support for other parts of the aviation ecosystem—general aviation airports, business aviation, concessionaires, and other airport partners that have been significantly dislocated and impacted by the crisis.

I recognize it's not popular to come up here and ask for more help, but the scale and the scope of this crisis requires it, and we're going to have to get past the "sticker shock" and get to "yes."

Third point, in addition to the Federal resources, the aviation industry needs clear and consistent Federal guidelines and standards to protect passengers and workers now and as travel returns to the system.

Airports are already working diligently to clean and sanitize their facilities. They're taking steps to promote physical distancing, upgrading air filtration systems, and promoting a touchless travel experience.

Face coverings are becoming more prevalent as airports, airlines, and our Federal partners all requiring their use throughout the travel journey. The matter of health screenings is another area that requires a consistent approach. We need clear and consistent processes and procedures throughout the system so that passengers know what to expect regardless of the airline or airport they happen to choose for their travel.

We have great Federal partners with TSA Administrator Pekoske and FAA Administrator Dixon and I want to publicly thank them and their teams for the proactive approach they've taken to help create a safe and healthy environment for their employees and all who travel throughout the aviation system.

The road ahead won't be easy, Mr. Chairman. I'm reminded of the Churchill line. "When you're going through hell, keep going." Resiliency is the hallmark of the aviation industry. We survived 9/11, we survived the Great Recession and countless other hurdles, and we will survive the challenges before us now.

Thank you.

[The prepared statement of Mr. Hauptli follows:]

PREPARED STATEMENT OF TODD HAUPTLI, PRESIDENT AND CHIEF EXECUTIVE  
OFFICER, AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

Chairman Wicker, Ranking Member Cantwell and members of the Senate Committee on Commerce, Science and Transportation, thank you for inviting me to participate in today's hearing on the State of the Aviation Industry: Examining the Impact of COVID-19 Pandemic. It is always an honor to appear before the Commerce Committee.

On behalf of the American Association of Airport Executives (AAAE), the world's largest professional organization representing the men and women who manage and operate commercial service, reliever, and general aviation (GA) airports, I want to thank you for your continued leadership in responding to the unprecedented challenges caused by the coronavirus and on other issues of importance to airports and the aviation industry.

These are challenging times, and we appreciate all that Congress and the Administration are doing to help our country manage this crisis. You acted quickly to address urgent needs with passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which included much-needed assistance to help airports, passenger and cargo carriers, and airline contractors impacted by the coronavirus. This critical funding will assist airports in your respective states and allow them to stay open, undertake enhanced cleaning and sanitization protocols, keep workers employed, address existing debt obligations, and help keep necessary capital projects on track.

While there is much we don't know at this point about COVID-19 and the path forward for the aviation industry, it is clear that recovery will be slow and painful. Just as Congress rose to the occasion to provide immediate relief, we are now seeking your assistance as we work to mitigate the impacts of the coronavirus on the aviation industry and turn our attention to recovery and ensuring the health and safety of passengers and our employees.

Resiliency is a hallmark of the aviation industry, and I am confident that we will find a way to survive this crisis and thrive in due time. One needs to look no further than the commitment of front-line employees that has been on display over the past few months to gain a sense of optimism about the future. Pilots, flight attendants, and other airline workers; transportation security officers; air traffic controllers; airport concessionaires; air cargo operators; airport executives and other dedicated professionals across the aviation ecosystem have risen to the occasion. We are grateful for their service.

**Coronavirus: How the Pandemic is Impacting Airports**

Before the spread of the coronavirus, airports and airlines were on sound footing. Passenger levels were on the rise, and airport terminals were bursting at the seams with activity. The Federal Aviation Administration (FAA) was predicting that enplanements would increase to 964 million in 2020—up more than 120 million from 2017. With rising demand and aging facilities, airports were focused on finding

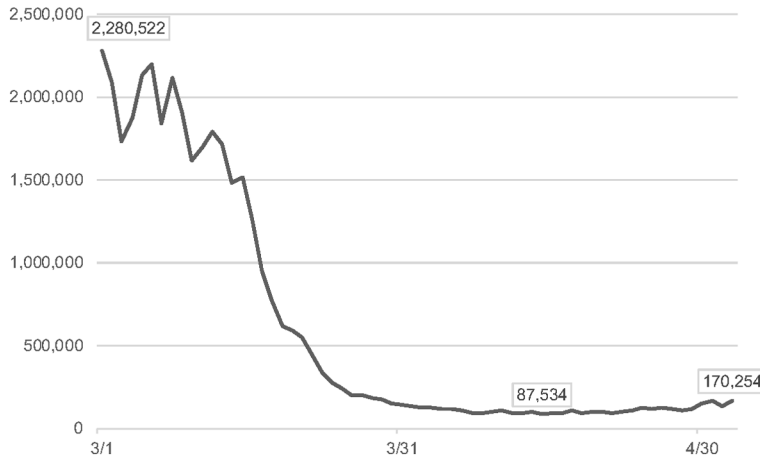
ways to pay for growing infrastructure needs with limited Federal and local resources.

That all changed when the coronavirus turned the aviation industry upside down. The number of people flying has dropped precipitously, and U.S. carriers have idled roughly half of their fleet. According to the Transportation Security Administration (TSA), the agency screened fewer than 100,000 passengers on several days last month.

On April 14, fewer than 88,000 passengers traveled through security checkpoints—a low during the pandemic. In the past week, we have seen an uptick in the number of passengers screened by TSA. The agency screened slightly more than 134,000 passengers on Saturday, May 2 and 170,000 on Sunday. But the May 3 numbers represent a reduction of 93 percent from the 2.5 million passengers who traveled on that same date last year.

## Throughput at TSA Security Checkpoints During Coronavirus Crisis

(Source: Transportation Security Administration)



Of the flights that do remain, load factors are at historic lows. According to Airlines for America (A4A) carriers are averaging 16.9 passengers per domestic flight and 28.6 passengers per international flight.

With the unprecedented reductions in travel, airport revenues have experienced a similar nosedive. The drop in passenger levels continues to have a huge financial impact on large and small airports alike. Fewer passengers mean significantly lower revenues from all the activities that keep an airport operational, including parking, car rental operations, airport concessions, and other revenue streams.

In Atlanta, for example, the airport has closed two concourses, most of a third concourse, and half of a fourth. Three hundred of the airport's 340 concessions are closed. On a recent day, 10,000 passengers passed through the airport, down from the 310,000 who would have done so in normal times. U.S. Customs and Border Protection (CBP) processing of international passengers has dwindled to a few hundred from 20,000. Of the airport's 32,000 available parking spaces, some 3,000 are now filled, mostly by contractors on a temporary basis. These numbers translate into hundreds of millions of dollars in lost revenue to the airport.

The numbers are similarly stark in Boston, where a recent half-full flight was cause for celebration. The airport's 18,000 parking spaces sit mostly empty save for a couple hundred cars.

Passenger Facility Charge (PFC) collections have also declined significantly for airports. Commercial service airports rely on PFC revenue to build critical safety and security projects, meet debt service obligations, and pay the local match on Airport Improvement Program (AIP) projects. Billions of dollars in PFC collections air-

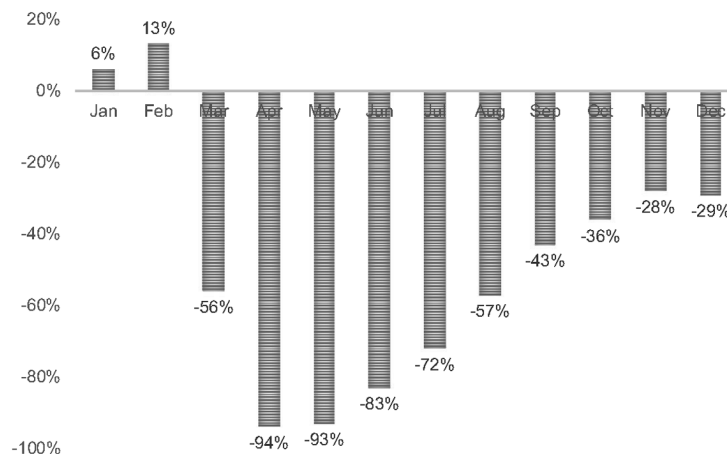
ports anticipated collecting in 2020 have evaporated leaving the future of some projects in doubt.

For airports like Gulfport-Biloxi International in Mississippi, PFCs are the primary source of revenue for existing bonds with operating revenue serving as a backstop. The loss of both PFC revenue and airport revenues has left Gulfport-Biloxi and many other airports with few options to meet ongoing needs, including debt service.

Collective losses in revenue across the Nation's airports already total billions of dollars, and the prospect for quick recovery is dim. For instance, the Seattle-Tacoma (SEA-TAC) International Airport indicates that it is "serving only about 2,500 departing passengers per day compared to over 50,000 normally this time of year. Overall daily flights are down by two-thirds. Airlines suspended international flights and reduced service, totaling almost 700 cancelled international flights in April." Consider SEA-TAC's current projections:

## SEA-TAC: Percent Change In Passengers By Month in 2020

(Source: Seattle-Tacoma International Airport)



For SEA-TAC, this translates into a projected loss of \$251 million in revenue in 2020. The airport also has \$321.7 million in debt payments this year. Other large hub airports are reporting similar losses with upcoming debt payments.

Medium, small, and nonhub airports are also being hit hard by the crisis. The Lincoln Airport in Nebraska has experienced a severe reduction in passengers and revenue. Passenger levels at the nonhub airport dropped 53 percent in March compared to the same month in 2019. April was even worse with passenger levels declining by 95 percent. Airport officials expect that revenue will be down \$250,000 a month during the pandemic, in part, because of lost parking revenue.

Nonprimary commercial service, reliever and GA airports have also been struggling financially during the coronavirus crisis. One director at a large GA airport in the northeast pointed out that revenue from landing fees, operations and fuel sales all declined between 80 percent and 89 percent in April. Last month, the airport went 11 days without selling any jet fuel—a record low. GA airports around the country have experienced similar losses.

Traffic is down 71 percent at Centennial Airport near Denver. On April 12, the busy GA airport recorded only 22 flights. That is far less than the 1,400–2,000 operations that the airport would have had on a typical weekend. Meanwhile, jet and turbo-prop volume, based on fuel sales, is down by as much as 90 percent. The airport is also paying for two CBP officers, even though airport officials point out that international travel "has practically come to a standstill."

With so little revenue coming in during the coronavirus crisis, airports face tough questions about how to cover personnel costs, ongoing operating expenses, and a col-

lective \$7 billion in debt payments due in 2020. Meanwhile, concessionaires, rental car companies, fixed-base operators and other important airport partners and critical components of the airport and aviation ecosystem face similar revenue declines.

#### **CARES Act: A Critical Lifeline for Airports in the Near-Term**

The challenges facing airports of all sizes are daunting. The \$10 billion in assistance provided to airports as part of the CARES Act is serving as a critical lifeline that will help facilities in your states and across the country weather the immediate storm. We appreciate the leadership of this committee in securing both airport and airline assistance as part of the CARES Act. For airports, the funding and flexibility provided will help cover immediate operating costs, including payroll and enhanced cleaning and sanitization throughout the airport environment; help service debt, and assist with keeping construction projects moving forward.

As you know, \$7.4 billion of the \$10 billion in CARES Act funding is dedicated to commercial service airports based on enplanements, debt service, and cash reserves. Another \$2 billion is designated for primary commercial service airports based on a modified AIP apportionment formula. In addition to the overall funding, airports greatly appreciate that the bill provides them with flexibility to use those funds for any lawful purpose including operations and debt service.

For instance, the CARES Act funding will allow the Gulfport-Biloxi airport referenced earlier to meet its existing debt obligations. The Rapid City Regional Airport in South Dakota is slated to receive approximately \$9.3 million from the CARES Act. Airport officials indicate they plan to use half of that revenue for operating expenses and the other half for debt service payments. The airport also plans to invest more than \$250,000 on coronavirus mitigation efforts.

The Golden Triangle Regional Airport in Columbus, Mississippi is slated to receive \$1.2 million in CARES Act funding. The nonhub airport's largest sources of revenue come from parking and rental car operations. With so few passengers flying, the airport's revenue dropped 77 percent last month. The CARES Act grant will allow the airport to supplement its operating budget, avoid laying off valuable employees and move forward with necessary equipment purchases.

The bill also included another \$500 million to eliminate the local match requirement for AIP grants that airports receive in Fiscal Year (FY) 2020. Removing the local match requirement will free local revenue for airports to use on operating expenses and personnel-related costs. It is also allowing some airports to move forward with critical projects that would not be possible without a 100 percent Federal share.

Finally, the bill included \$100 million to help GA airports. Those airports—like commercial service airports—have seen steep declines in revenue. The funding in the CARES Act is a step in the right direction and will allow GA airports to receive anywhere from \$1,000 to \$157,000 for the busiest GA airports that traditionally have large numbers of annual operations. And while the \$100 million in the CARES Act helps, it is nowhere near what is needed going forward.

Airports appreciate that Congress and the Administration worked together to pass the coronavirus relief package so quickly. I would also like to thank Secretary Elaine Chao, Federal Aviation Administrator Steve Dickson and all the dedicated employees at the Department of Transportation (DOT) and FAA who worked around the clock during consideration of the CARES Act and after the President signed the bill to get money out the door to airports as quickly as possible.

Airports frequently give the FAA and the Office of Airports high marks for efficiency in distributing annual AIP funding. We realize that distributing \$10 billion with new requirements, new formulas, and a new application process in a very short period is not an easy task. Airports deeply appreciate DOT's and FAA's commitment and dedication to helping airports during this crisis.

The CARES Act also included other provisions to help airports and small communities. For instance, it contained \$56 million in additional funding for the Essential Air Service (EAS) program. The measure also included \$100 million for the TSA to spend, in part, on cleaning and sanitization at security checkpoints.

Finally, the CARES Act included a package of grants, loans and loan guarantees for passenger and cargo carriers, along with funding for airline contractors. We strongly supported provisions in the CARES Act to help stabilize the airline industry. Airports and airlines may disagree on policy matters from time to time, but we have a symbiotic relationship that requires us to work together now and in the future as we confront the challenges that will remain long after COVID-19 is dominating the headlines.

### **Outlook: Significant Challenges Ahead**

Mr. Chairman, it's unclear how long the coronavirus crisis will last, when passenger levels will start to return to pre-COVID levels, or the time it will take for airports and airlines to operate in the "new normal." But we expect the post-pandemic road to recovery will take a significant amount of time and additional resources.

One international transportation consulting firm estimates that domestic passenger levels in the United States could decline between 63 and 69 percent this year compared to 2019. International traffic could suffer even more with an expected drop of anywhere between 71 and 83 percent this year. Overall, the firm expects passenger levels to be down between 64 and 71 percent this year compared to 2019.

Airports, airlines, other stakeholders and our Federal partners will need to work closely together to protect the health and safety of passengers and our employees. We have done this before, after 9/11, to improve aviation security. Of course, that tragic event led to the creation of an entirely new Federal agency, new security measures for airports and airlines, new capital investments, and changes in the way we travel.

We expect the coronavirus pandemic will also fundamentally change the aviation industry. Airports and airlines are already taking steps to respond to the crisis such as implementing enhanced cleaning and sanitization. Face coverings are becoming more prevalent with airports, airlines, and our Federal partners moving to require their use for passengers and employees throughout the travel journey.

Enhanced cleaning and sanitization and facemasks are just some of the many changes that passengers will see the next time they travel. Airports are also taking steps to promote physical distancing, upgrade air filtration systems, and considering ways to expand touchless travel. But we will need clear and consistent Federal guidelines and standards—especially on the matter of health screenings—to ensure that passengers know what to expect when they arrive at the airport regardless of which airport it is or what airline they may be flying.

The road ahead will require continued coordination and collaboration between industry and government and additional Federal investments. Help to this point from the CARES Act has been critical, but we respectfully call on Congress to continue its support to help ensure the health and safety of our passengers and employees and to help restore confidence in our aviation system.

### **The Need for Additional Assistance: Recommendations to Continue Helping Airports Impacted by Coronavirus**

The funding in the CARES Act will help airports weather the current storm and respond to the immediate crisis. But it is becoming increasingly clear that large and small airports will continue to struggle financially as this crisis drags on and as airports take new steps to protect the health and safety of their passengers and employees.

*Provide Additional Funding to Help Airports Respond to COVID-19:* The CARES Act provided much-needed funding to help airports survive the immediate crisis. However, airports expect to face tremendous financial losses in the months and years ahead. In some cases, the CARES Act will only provide enough funding to cover losses over the next few months. Our partners at Airports Council International-North America estimate that U.S. airports collectively will lose \$23.3 billion as a result of the COVID-19 pandemic.

Airports point out that they will need to continue making bond payments with significantly less incoming revenue and with increasing coronavirus-related operational and infrastructure requirements. Airports rely heavily on PFC revenue for debt service. The anticipated decline in PFC revenue will cost airports billions and decrease a critical source of funding for bond payments.

According to the FAA, airports collectively held \$100 billion in debt at the end of 2018. Airports have had no choice but to rely on bonds to help pay for critical infrastructure since Federal AIP funding has been relatively flat in recent years and the Federal cap on local PFCs has been stagnant for the past 20 years.

Meanwhile, airports of all sizes are facing pressure from airlines, concessionaires, rental car companies, fixed-base operators and other tenants to defer or abate their rental payments or renegotiate their minimum annual guarantees. Airports understand that their partners are struggling and are trying to be as helpful and accommodating as possible. But with dramatically less revenue coming in and more pressure from their partners, airports find themselves being squeezed on both ends.

*In light of the dramatic decline in aviation activity and the associated reduction in non-aeronautical revenues at airports—along with the precipitous drop in PFC revenues that help support bond payments—airports will need additional Federal assistance at least as large as the initial amount provided in the*

**CARES Act.** Additionally, Congress must provide greater financial support for general aviation airports, business aviation, concessionaires, and other airport partners that have been significantly impacted by the crisis. The entire aviation ecosystem has been dramatically dislocated and needs help to survive.

*Continue to Provide Airports with Flexibility:* The CARES Act provided much-needed flexibility by allowing airports to use Federal funding in the bill for “any purpose for which airport revenues may lawfully be used.” We urge you to maintain that flexibility if Congress should provide additional funding for airports in another coronavirus relief package. During this crisis airports should continue to be allowed to use Federal funds for operations, debt service, maintenance, terminal projects, and other necessary lawful expenses.

*Extend Elimination of Local Match Requirement:* As noted, the CARES Act included \$500 million to cover the local match requirement for grants that airports received in the FY 2020 appropriations process. That funding will help free up local revenue that airports can use for operational purpose, debt service and other needs.

We expect that it will be difficult for many airport and communities to come up with a local match during these times of steeply declining revenues. We urge you to provide a 100 percent Federal share as part of any subsequent relief package and for AIP grants provided to airports as part of the FY 2021 appropriations process.

*Help Airports that Participate in Contract Tower Program:* Mr. Chairman, Ranking Member Cantwell, I would like to thank you and members of this committee for being strong supporters of the FAA Contract Tower Program. As you know, 256 airports from 46 states currently participate in this well-respected and cost-effective program as validated once again by the DOT Inspector General audit released last week. As you consider the next coronavirus relief package, I ask you to take additional steps to help those airports during this crisis.

First, AAAE and U.S. Contract Tower Association urge Congress to provide \$8.15 million to help approximately 93 nonprimary commercial service and GA airports that participate in the program. These airports traditionally use local funds to pay for tower maintenance, repairs and upgrades, controllers to operate extra hours, and janitorial services. Eleven of those airports also participate in the cost share program. Using Federal funds to cover local expenses would help those airports that have little incoming revenue during the current pandemic.

Second, we urge Congress to temporarily suspend the benefit/cost (b/c) analysis for contract tower airports except those that have or plan to submit applications in FY 2020 and FY 2021. The FAA reauthorization bill, which Congress passed in 2018, included a welcome provision that eliminated b/c’s for contract towers unless they have more than a 25 percent decrease in air traffic in a single year. Temporarily suspending the b/c analysis when passenger levels have declined so substantially will eliminate an unforeseen penalty.

Third, we urge you to include S. 2898, the Continuity for Operators with Necessary Training Required for ATC Towers Act, in a subsequent coronavirus relief package. This legislation would provide an incentive for retired Federal air traffic controllers to continue working as controllers at contract tower airports and help reduce staffing challenges those airports are facing.

The CONTRACT Act, which was introduced by Senators Inhofe, Moran and Murray, enjoys strong bipartisan support in both chambers and is endorsed by the National Air Traffic Controllers Association. To date, 41 members—including many members of this committee—have cosponsored S. 2898. We’re grateful for your support and thank the committee for approving the CONTRACT Act late last year.

*Expand Programs that Help Small Airports Retain Commercial Air Service:* Again, the CARES Act included an additional \$56 million for the EAS program. I urge you to increase funding for EAS and the Small Community Air Service Development program in the next coronavirus relief package.

Both programs help ensure that small communities in rural America and less populated areas have access to the national airspace system. Small communities have used Small Community Air Service Development Program funds for a variety of projects including financial incentives for airlines and marketing initiatives. Those incentives will be even more important in the months and years ahead.

We expect that it be challenging for many small-and some medium-sized airports to retain commercial air service in the aftermath of the current crisis. Increasing funding for EAS and the Small Community Air Service Development programs would provide smaller communities with a much-needed boost. I would also encourage you to expand eligibility for the Small Community Air Service Development Program and take other steps to ensure more small-and medium-sized communities are not left behind should U.S. airlines contract in size as many are predicting.

*Help Nonprimary, Reliever and General Aviation Airports Impacted by COVID-19:* There are approximately 3,000 nonprimary commercial service, reliever and GA airports throughout the country, and they play a key role in our aviation system.

While its operating revenue is down dramatically due the coronavirus pandemic, Centennial Airport is spending approximately \$40,000 on Personal Protective Equipment (PPE) due to the high number of air ambulance operations at the airport. Centennial has seven air ambulance companies that operate at the facility and assist with patient transfers.

After receiving limited funding in the CARES Act, Centennial is facing about a \$2.4 million funding gap. Other GA airports are likely to need additional assistance beyond the limited amounts provided in the CARES Act. We urge Congress to help close the GA funding gap by providing at least \$1 billion to \$2 billion to GA airports in any future coronavirus relief package.

### **Road to Recovery: Recommendations to Make Aviation System Safer for Passengers and Employees**

Mr. Chairman, as we continue to deal with the impacts of COVID-19, airports, airlines, other stakeholders and Federal agencies are developing proposals to ensure that the aviation system is safe for passengers and employees alike. We were pleased to be part of an effort by the U.S. Travel Association to establish “Industry Guidelines to Ensure the Health and Safety of Travelers” that were released publicly earlier this week.

AAAE and its airport leaders have developed a set of recommendations for a post-pandemic recovery. You will notice that many of the recommendations below will require Federal leadership, assistance and investment. Our goal is simple: we need to take steps now to assure the traveling public that: 1) industry and government are committed to providing the highest levels of health and safety for air travelers and aviation workers; and 2) there are consistent processes and procedures throughout the aviation system so passengers know what to expect regardless of the airline or airport they happen to choose for their travel.

*Implement a Consistent Passenger and Aviation Worker Health Framework:* The aviation industry urgently needs a clear and consistent framework from the Federal government including the Centers for Disease Control and Prevention (CDC) to help protect the health and safety of passengers and aviation workers during the COVID-19 pandemic. A Federal framework would help airports, airlines, FAA, TSA, CBP and other partners to ensure passengers receive consistent treatment and protection throughout their travel experience.

In particular, we believe the Federal government should determine the effectiveness and necessity of certain protective safeguards for passengers and workers, including the use of face coverings, questionnaires, and temperature checks. A Federal framework should also include any protocols that may be necessary for screenings to be consistently applied throughout the aviation system. As this framework is being developed, AAAE recommends that all passengers and employees in the airport environment wear appropriate face coverings.

*Determine Appropriate Roles and Responsibilities:* Airport operators are proactively working with airlines, tenants, and our Federal partners to create a clean, safe, and secure airport environment for passengers and employees. This is a community effort that needs appropriate roles and responsibilities for each stakeholder in accordance with the following key principles:

- Health screening of passengers is the responsibility of public health agencies. However, airports should play a critical role in determining key factors such as location, timeline and operational procedures for health screenings if the Federal government and CDC determine that health screenings are necessary. Airports and other employers at an airport should also receive Federal guidance for ensuring proper health screening of their employees.
- Airports, concessionaires, airlines, and their Federal partners all have a role in implementing important, consistent measures, such as physical distancing markers and announcements; heating, ventilation, and air conditioning (HVAC) system upgrades; enhanced cleaning and sanitization efforts; installing plexiglass barriers; employee education on health monitoring and protection; and deploying personal protective equipment and face coverings for employees.
- The Federal Government, led by CDC and the Environmental Protection Agency, should continue to provide robust research support to determine the effectiveness of technological solutions for meeting large-scale disinfecting needs, such as ultraviolet light, ozone, and steam.

*Provide Airports and Our Federal Partners with Critical Recovery Tools:* Airport operators will face increased costs to implement new measures to protect the health

of the traveling public. Airports will need dependable financial and operational tools to ensure a smooth recovery and rebuilding of the aviation industry. To help with these efforts, we urge Congress to:

- Ensure access to an adequate, available supply of face coverings and other necessary protective equipment for all employees in the airport environment;
- Provide Federal funding for increased operational and infrastructure development costs associated with responding to COVID-19 and future public health emergencies such as helping airports implement physical distancing and touchless travel; enhance cleaning and sanitization; upgrade HVAC systems and make other necessary investments to protect passengers and employees;
- Continue reimbursing airports for the enhanced cleaning and sanitization efforts at TSA security checkpoints;
- Protect staffing and funding levels for TSA and CBP. While passenger demand remains low as recovery begins, TSA personnel can resume or enhance responsibilities beyond the checkpoint, including initiatives related to insider threat mitigation and exit lane staffing;
- Stop the diversion of funds collected from the TSA passenger security fee to ensure TSA has the resources it needs to address both evolving security threats and safety considerations;
- Extend the REAL ID enforcement deadline beyond October 1, 2021 if state-level metrics indicate that a significant majority of the traveling public still does not have a REAL ID or another acceptable form of identification; and
- Provide general fund revenue to ensure the continued solvency of the Airport and Airway Trust Fund to protect the AIP program, which provides much-needed grants for airport construction projects, and other FAA functions.

*Prepare for the Resumption of Increased Operations:* AAAE appreciates the efforts by the FAA and TSA to accommodate the needs of aviation stakeholders and their willingness to remain flexible throughout the pandemic. We encourage both agencies to continue working closely with airports to be prepared to manage an increase in aircraft operations and a rise in passenger levels as passenger confidence improves and the recovery begins to take effect. In the past week, we have already seen an uptick in the number of passengers screened by TSA.

For instance, the FAA should remain flexible in granting needed extensions and waivers for airports to comply with various Part 139 certification requirements that may conflict with physical distancing and other CDC guidelines. AAAE continues to work with its airport members on developing recovery plans to ensure airports are ready and prepared to scale up when necessary.

*Plan for Long-Term Enhancements to the Travel Experience:* We expect airports, airlines, and their Federal partners will need to plan for long-term enhancements to the passenger travel experience. This includes moving toward a touchless travel experience; using biometric identity verification at check-in, bag drop locations and at security checkpoints; and using digital identification and payment methods.

With help from the Federal government, airports can also explore the use of automation and robotics to meet the increased demand for enhanced cleaning and sanitization. We urge Congress and Administration to provide Federal resources to supporting these new initiatives.

Chairman Wicker, Ranking Member Cantwell and members of the committee, thank you for inviting me to participate in today's hearing. I look forward to continuing to work with you as Congress, the Administration and stakeholders continue focusing on mitigating the impacts of the coronavirus and as we turn our attention to recovery and making our aviation system safer for passengers and employees.

The CHAIRMAN. Thank you very, very much.

And now Dr. Godwin is joining us from Seattle and I think, Dr. Godwin, we've already done a mic test, is that correct?

Dr. GODWIN. That is correct.

The CHAIRMAN. Well, you are welcome, and thank you for joining us. You're now recognized for five minutes.

**STATEMENT OF DR. HILARY GODWIN, DEAN, UW SCHOOL OF PUBLIC HEALTH; AND PROFESSOR, DEPARTMENT OF ENVIRONMENTAL AND OCCUPATIONAL HEALTH SCIENCES, UNIVERSITY OF WASHINGTON**

Dr. GODWIN. Thank you.

Good afternoon, Chairman Wicker, my own Senator, Ranking Member Cantwell, and Distinguished Members of the Committee.

Thank you for the opportunity to testify during this unusual time and via this novel medium about health, safety, and air travel during the ongoing COVID-19 pandemic.

My name is Hilary Godwin. I'm Dean of the University of Washington School of Public Health and I'm also Professor of Environmental and Occupational Health Sciences.

As we enter the next phase of the pandemic, resumption of regular commercial flights will be pivotal to economic recovery. However, this will pose significant public health challenges.

As the volume of passengers and the frequency of air travel begins to increase, the aviation industry and public health officials must work together to prioritize keeping airports, airplanes, and the public safe.

On a typical day in the not-too-distant past, millions of individuals would flow through airports, including people coming from and traveling to many different locations around the globe. These numbers have dropped dramatically in recent weeks but will undoubtedly start to increase as we restart the economy.

The likelihood that healthy individuals will interact with one of more people who are infected with COVID-19 increases exponentially as the number of people passing through airports increases.

Key strategies to reduce these risks in airports includes frequently disinfecting high-touch surfaces and providing ready access to hand sanitizer, maintaining social distancing, and requiring employees and travelers to wear face coverings.

As the number of individuals who are flying increases, it will also be critical to keep airplanes safe for both employees and travelers. The measures I just described need to be applied on planes in addition to in terminals.

Additional strategies to promote safe flights include requiring HEPA filtration systems be used on all planes and thoroughly disinfecting planes between flights.

A final but equally important priority is keeping the public safe. Key strategies that can help to reduce the risk of introducing new outbreaks of COVID-19 in our communities that are beginning to heal include the following.

First, requiring that all flight manifests be maintained, including current contact information for all passengers. Public and private entities must work together to develop a system that allows public health departments to access this information quickly so that they can later reach individuals who are potentially exposed while traveling.

We also need to develop national guidance for limiting COVID-19 transmission in U.S. airports and on flights that originate from or terminate in the United States. While most public health measures are left to the discretion of states, it would be extremely difficult to communicate and enforce a patchwork set of regulations

and guidance for travelers going from one state to another or entering into the United States passing through different states.

Finally, we will need to develop and deploy effective communication campaigns for both employees and travelers about the importance of adhering to all of these measures both in airports and on planes.

In recent years, we've seen an increase in the density of people in both airports and on planes. COVID-19 requires us to rethink this. Public health considerations must play a far greater role than before.

Developing and implementing guidance that promotes safety can also help business by making individuals feel more comfortable returning to air travel.

I realize that these changes will not be easy. Each of the strategies I mentioned previously comes with limitations and logistical challenges. However, combining them together creates a net that will help to reduce overall risk to millions of individuals who work in, travel using, and benefit from the aviation industry each day.

Mr. Chairman, Ranking Member Cantwell, and Distinguished Committee Members, air travel is a critical part of our Nation's economy. As we resume air travel, we must prioritize keeping airports, airplanes, and the public safe.

We can improve safety by implementing a variety of measures to limit virus transmission throughout the travel journey. The aviation industry and lawmakers must also work closely with public health agencies to rapidly integrate new information as it comes to light and to ensure that communities have the plans, tools, and resources to identify potentially exposed individuals during and after air travel.

We will all benefit if public health professionals are involved in these conversations throughout the planning process.

I thank you again for this opportunity and welcome any questions.

[The prepared statement of Dr. Godwin follows:]

PREPARED STATEMENT OF DR. HILARY GODWIN, DEAN, UW SCHOOL OF PUBLIC HEALTH; AND PROFESSOR, DEPARTMENT OF ENVIRONMENTAL AND OCCUPATIONAL HEALTH SCIENCES, UNIVERSITY OF WASHINGTON

Good morning, Chairman Wicker and Ranking Member Cantwell, my Senator, and distinguished Members of the Committee. Thank you for the opportunity to testify during this unusual time and via this novel medium about health, safety and travel during the ongoing COVID-19 pandemic. My name is Hilary Godwin and I am the dean of the University of Washington's School of Public Health and a professor at in the Department of Environmental and Occupational Health Sciences. I am trained as a chemist, with over 20 years of experience in environmental chemistry and environmental health, and specialize in how environmental factors impact the health of individuals and populations.

As we enter the next phase of the pandemic, resumption of regular commercial flights will be pivotal to economic recovery. However, this will pose significant public health challenges. As the volume of passengers and frequency of air travel begins to increase, the aviation industry and public health officials must work together to prioritize:

1. Keeping airports safe;
2. Keeping airplanes safe; and
3. Keeping the public safe.

### Why this virus is different

To understand the challenges that the aviation industry will face as regular commercial flights resume, it is helpful to provide context about why this virus is different from other respiratory pathogens (such as seasonal influenza or the common cold). These include:

- The majority of Americans have not yet been infected with COVID-19 and hence are vulnerable to infection.<sup>1</sup>
- We do not know whether those individuals who have already been infected with COVID-19 but have recovered are immune to future infection.<sup>2</sup>
- We do not have a vaccine or validated treatments for COVID-19, and it likely will take more than a year for these to become widely available.<sup>3</sup>
- Not everyone who is infected with COVID-19 and who is capable of transmitting it to others shows symptoms.<sup>4</sup>

As a result of these factors and limited testing and contact-tracing capacity in early phases of the pandemic, the United States has had to rely upon non-pharmaceutical interventions such as community-level social distancing. While we race to expand our testing and contact-tracing capacities, these other factors will continue to complicate our response and re-opening.

Other factors that will complicate our ability to recover from COVID-19 include:

- Different countries, states and communities have experienced the pandemic at different times and with different severities.
- We expect there to continue to be regional differences in COVID-19 prevalence, which means that travel between these communities creates opportunities for re-seeding the pandemic in communities that have low levels of transmission, as occurred during the 1918 flu pandemic.<sup>5</sup>
- Within the US, different states have different capacities and are responding to the pandemic in different ways.

### Keeping Airports Safe

Our first priority as our Nation transitions from critical travel only and regular commercial flights resume will be to keep airports safe both for employees and for travelers. Maintaining safety will be challenging because of the inherent nature of airports and travel. Typically, millions of individuals flow through airports, including travelers coming from and traveling to different locations around the globe. The probability that healthy individuals will interact with one or more individuals who are infected but may not know increases exponentially as the number of people passing through the airport increases. Thus, it is critical to reduce the number of close contacts that each person has, to require individuals to wear masks and/or gloves, and to lower the chances of virus transfer via surfaces. Key strategies include:

- Developing and deploying effective communications for employees and travelers that reinforce the importance of good hand hygiene practices and adherence to other measures designed to lower the risks of transmission while in the airport;
- Maintaining social distancing in all airport areas, including curbside, check-in, security screening, intra-airport shuttles and light rail systems, concessions, lounges, restrooms, boarding queues, baggage claim areas, rental car shuttles and parking lots;
- Limiting access to the airport to travelers and employees only;
- Minimizing physical contact between employees and passengers (*e.g.*, during screening processes), particularly where higher risk passengers such as the elderly require employee assistance;
- Requiring employees and travelers to wear masks in the terminal;
- Requiring employees to wear gloves (and to change them regularly);

<sup>1</sup> <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html>

<sup>2</sup> <https://www.scientificamerican.com/article/what-immunity-to-covid-19-really-means/>

<sup>3</sup> [https://www.gatesnotes.com/Health/What-you-need-to-know-about-the-COVID-19-vaccine?WT.mc\\_id=20200430100000\\_COVID-19-vaccine\\_BG-EM\\_&WT.isrc=BGEM](https://www.gatesnotes.com/Health/What-you-need-to-know-about-the-COVID-19-vaccine?WT.mc_id=20200430100000_COVID-19-vaccine_BG-EM_&WT.isrc=BGEM)

<sup>4</sup> Arons MM, Hatfield KM, Reddy SC, *et al.*, Presymptomatic SARS-CoV-2 infections and transmission in a skilled nursing facility. *N Engl J Med*. DOI: 10.1056/NEJMoa2008457.

<sup>5</sup> Saunders-Hastings PR, Krewski D. Reviewing the History of Pandemic Influenza: Understanding Patterns of Emergence and Transmission. *Pathogens*. 2016 Dec 6;5(4):66. doi: 10.3390/pathogens5040066.

- Frequently disinfecting high-touch surfaces (including those in restrooms and concession stands);
- Making hand sanitizer readily available throughout airports and allowing passengers to bring their own hand sanitizer through security.

Additional strategies that could be considered include:

- Requiring employees and/or travelers to attest to being asymptomatic prior to travel (*e.g.*, prior to reporting to work each day for employees and during the check-in process and prior to boarding for passengers).
- Using point of care tests for current COVID-19 infection at entry points to airports when these tests become widely available.

### **Keeping Airplanes Safe**

Second, as the number of individuals who are flying increases, it will be critical to keep airplanes safe for both employees and travelers. This will be inherently challenging because airplanes are enclosed spaces where potentially large numbers of individuals are in close contact with each other for extended periods of time, which are the conditions under which human-to-human transfer is most likely to occur. Key strategies include:

- Developing and deploying effective communications for employees and travelers that reinforce the importance of good hand hygiene practices and adherence to other measures designed to lower the risks of transmission while on airplanes;
- Requiring crew and passengers to wear masks or cloth face coverings;
- Regularly disinfecting high-touch surfaces (including those in the lavatories) during flights;
- Requiring HEPA filtration systems be used on all planes/during all flights;
- Thoroughly disinfecting planes between flights;
- Creating social distancing during the flight (*e.g.*, through selective assignment of seats).

Additional strategies that could be considered include:

- Limiting food and beverage services and consumption on flights, particularly short ones. Food and beverage service requires attendants to interact with large numbers of passengers in succession and also requires passengers to remove masks (to consume food and beverages).

### **Keeping the Public Safe**

A final, but equally important, priority is to keep the public safe. Air travel inherently involves transporting individuals from one region to another and hence increases the chance of re-introducing the virus in areas where it has been eliminated or transmission has been substantially reduced. Key strategies that can help to reduce the risk of re-seeding the pandemic are:

- Requiring that all flight manifests be maintained, including current contact information for all passengers on both domestic and international flights and ideally where they have traveled in the past two weeks. Federal, state and local health departments, the Department of Homeland Security, and the aviation industry must work together to develop a system that allows state, territorial and local health departments to access this information quickly in the event that a recent traveler to their jurisdiction is subsequently found to be infected with COVID-19, so that they can contact individuals who came into close contact with the infected individuals while traveling.
- Developing national regulations or guidance for U.S. airports and flights that originate from or terminate in the United States. While most public health measures are left to the discretion of states, it would be extremely difficult to communicate and enforce a patchwork set of regulations and guidance for travelers going from one state to another or entering the U.S. and passing through different states.

### **Final Notes**

To summarize, careful consideration needs to be given when making decisions that impact density of individuals in airports and on airplanes. Normally, economic considerations drive increasing the density of people in both the airport and on planes. COVID-19 changes this equation: public health considerations must play a far greater role than before this pandemic. Developing and implementing regulations and/or guidance that promote safety in the aviation industry can also help business by making individuals feel more comfortable returning to air travel and

smooth the transition back to more regular travel levels. While each of the strategies discussed here comes with inherent limitations and poses its own logistical challenges, combining them together creates a “net” that will help to reduce overall risk to the millions of individuals who work in, travel using, and benefit from the aviation industry each day.

Notably, new information about the pandemic, as well as new tools to control its spread and manage its impacts, are available almost daily. As such, public health officials need to be equal partners in all phases of planning for air travel resumption, and the industry must position itself to rapidly respond to new guidance and integrate evidence-informed control practices.

Mr. Chairman, Ranking Member Cantwell and distinguished Committee members, I recognize that air travel is a critical part of our Nation’s economy. But, as we resume air travel, we must prioritize keeping airports, airplanes, and the public safe. As I’ve laid out, we can improve safety by implementing a variety of measures to limit virus transmission throughout the travel continuum. The aviation industry and lawmakers must also work closely with federal, state, territorial and local health agencies to rapidly integrate new information, ensure that communities have the plans, tools and resources to identify potentially exposed individuals during and after air travel, as well as ensure sufficient healthcare capacity in high volume destinations. Public health professionals must be involved in these conversations and throughout the planning process. I thank you again for this opportunity and I welcome your questions.

The CHAIRMAN. Thank you very, very much, Dr. Godwin, and thanks to all four of our panelists for their thoughtful remarks.

Let me begin my questions with Mr. Calio. Thus far, has the assistance provided by the CARES Act achieved its objective in preventing the mass layoffs of hundreds of thousands of workers? Are you able to quantify how many airline workers have had their jobs preserved by the CARES Act?

Mr. CALIO. Mr. Chairman, the CARES Act is working. The jobs have been preserved. They’re preserved through September 30 of this year. As I said, I think, in my oral comments, the CARES Act provided a bridge, gave us breathing room, provided much-needed liquidity.

It also had a very good effect, a side effect in that it opened up the private markets to some carriers to further plump up their liquidity, all of it intended to try to keep their employees.

I referenced how many new employees we hired in the last 10 years. We had 10 profitable years in a row and we invested that money. We have a good relationship with our employees. You know, every day isn’t perfect but we value our employees because they’re the back bone of our industry, and the last thing we want to do is lose those employees.

We’re in a difficult situation, however. We’re fighting for our survival. We need our employees and as you all know, in the airline industry, there are various certifications, training requirements, et cetera, involved. So, keeping the employees on will speed any ramp-up that we have later on.

The CHAIRMAN. OK. The Payroll Support Program, let’s talk about that. It was oversubscribed and this forced the Treasury to impose a 24 percent haircut.

Were you surprised by this, Mr. Calio? We’ve heard concerns that the PSP funding might not be sufficient to forestall mass layoffs after September and until the industry genuinely recovers.

Of course, Congress included \$29 billion in Economic Stabilization Fund loan authority for the airlines’ critical partners. You mentioned that private sources of liquidity had come available and I’m glad that whatever we did might have helped in that regard.

Do your members believe that accommodation of PSP direct assistance, together with loans and private sources, will be enough to sustain employment after the end of this fiscal year?

Mr. CALIO. Our members are doing everything they can to ensure the greatest level of employment possible. We were dismayed by the haircut.

I think one thing that needs to be pointed out, most people don't realize this, we took the position that we would keep everyone until September 30. That for our members, it will cover what they got in the loan grant portion of the CARES Act. The PSP will cover anywhere from 50 percent to 80 percent of their actual expenses.

The CHAIRMAN. You know, actually I think we were surprised that it was oversubscribed and I didn't hear anyone predicting that, but, boy, it's hard to know when you're putting together such a massive program in a few days.

Mr. Hauptli, let me ask you about the \$10 billion in grants distributed over 3,000 eligible airports.

The CARES Act airport grants are used for many purposes, including financing day-to-day operations and servicing debt payments.

There have been some concerns. First, the formula used to allocate commercial service airport grants created some surprise outcomes. Some airports were entitled to receive surprisingly large amounts, others not so much.

Second, the \$100 million dedicated for general aviation airports is said not to be enough.

So would you comment on those in the 49 seconds we have?

Mr. HAUPTLI. Certainly, Mr. Chairman. Yes, the formula did create out of 3,200 and some odd airports eligible to receive funding, there were a couple of dozen where there were some surprises. Ninety-nine percent out of a hundred is not bad for the FAA on that, but there were some anomalies in there for sure.

I agree with you, Senator, that \$100 million for the general aviation community is not going to be enough. As I indicated in my testimony, we believe billions of dollars will be necessary in additional funding beyond the money for airports, also for general aviation airports, business aviation, and concessionaires.

The CHAIRMAN. Thank you very much.

Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman.

I have many, many questions. So hopefully we'll get a second round here and maybe I'll predicate with some things to think about.

Obviously, Mr. Fanning, I want to follow up on your comments about the workforce and who we're losing right now because these are skilled workers that once they disappear and they go find a job wherever they can find a job that has health care, I want to know what we're going to do about health care because they only have 1 month of health care benefit. Then after you're going to be in a pandemic still. You're going to go find a job with health care. You're not going to wait.

So then when we restart in a more aggressive way, where are those workers going to be and we've lost our competitiveness. So if you could think about that.

But I'd like to go to Dr. Godwin, if I could. Thank you so much for your articulate assessment of what we have to do to return safety, public health safety to aviation, and thanks so much for the University of Washington's leadership in our state as we've dealt with this.

We just couldn't have dealt with the crisis in our state without the University of Washington. So thank you for everything that they've been doing on testing and with the Institute of Health Metrics Evaluation and with this innovative program on COVID Safe. So can't thank you enough.

What level of travel do you think that aviation, if we were following the guidelines and implementing a national guideline policy, as you discuss, what level of air travel do you think that we could achieve safely?

Dr. GODWIN. That's a great question, Senator. I guess I'm less worried about what level we can achieve at this point because we have working in our favor that right now we're starting from very low levels and we don't expect a switch to flip and all of a sudden to go up to super high levels of travel.

We expect people to re-enter and to travel gradually and that gives us a period of time to implement these measures in a way that is very protective of travelers and airport personnel and workers.

As we see the level start to increase, hopefully we'll also start to see the pandemic continue to wane globally and so my hope would be that by the time we get up to higher levels of travelers that some of the risks associated with COVID-19 may be diminishing.

I think the most important thing to convey in terms of how we manage this interim time is this question of density, though. Normally, we would try to fly as few planes as possible with as many people on each plane as possible and what we know from public health is that it's that close proximity of individuals for extended period of time that creates the greatest risk of transmission.

So we want to balance that driver to lower the costs with those public health safety considerations.

Senator CANTWELL. Thank you. I think that's so important, what you said, because you're saying, from what my father used to say all the time because he was a Navy man, steady as she goes, right?

So you're not trying to like—you're trying to implement the health care policy. That's our best bet. Implement the health care policies and then we can move forward.

Mr. Calio, what about that? What about getting a national guidance policy that is across the United States? Hopefully—no, not more hopefully than hopefully. Let's not say to the flying public we're going to charge you to keep the middle seat open. Let's just get the airlines to do the right distancing, if that's what it takes.

So what about getting a national guideline policy implemented?

Mr. CALIO. There are two questions there. On the distancing, we are doing that now to the greatest degree possible. I'm going to be straightforward. As you know, I always am. In the long term, that's a business model that cannot be sustained because if we can't—if it costs more to fly people from point A to point B, it's a total money-losing proposition which then means it's a job lost proposition.

So hopefully by the time we reach the point later on where travel is picking up, other measures will be in place, vaccines, testing, et cetera, that will give the public the assurance they need and be able to protect both our employees and that the customers.

In terms of national guidelines, there's an awful lot going on voluntarily. Our preference would be to go down that route mostly. I think it's great that Dr. Godwin is on the panel today because it provides the opportunity to talk about these things, and we have been talking about these with many other experts in the area and would be happy to talk to you about it, as well.

Senator CANTWELL. Thank you. And I know my time has expired, but, Mr. Chairman, I want to say to Mr. Calio, if your partner associations—look. I think it's United backing off of what they were trying to do on forced hour reduction was the right move and I hope that Jet Blue and Delta are going to do the same things.

We're definitely going to get out of the Treasury the right guidance on this and clearly we wanted to help protect the payroll of those individuals. So thank you.

Mr. CALIO. You're welcome.

The CHAIRMAN. Thank you, Senator Cantwell.

Senator Moran joins us remotely.

#### **STATEMENT OF HON. JERRY MORAN, U.S. SENATOR FROM KANSAS**

Senator MORAN. Chairman Wicker, thank you very much, you and Ranking Member, for doing this hearing. Thanks to our witnesses for joining us.

I'm going to try to get a couple questions in, one for Secretary Fanning.

Mr. Secretary, you indicated during your testimony about the importance, the priority of the retention of workforce is.

As you know, there's a legislative effort afoot to try to accomplish a public/private partnership in that regard.

Could you speak specifically to the importance of having established a manufacturing workforce that's intact once the COVID-19 virus consequences are behind us, what national security interest does that involve, and what repercussions could be expected to be seen on the industry without establishing that kind of effort, that public/private partnership?

Mr. FANNING. Thank you, Senator. We have two primary concerns that in many ways are one and the same. That's protecting the industrial base, that's shared commercial and defense in many cases, and preserving our workforce, which is critical. It's hard for our companies to recruit the right workforce. They spend a lot of time and money training them and they're working on retaining them and we want to make sure that that workforce is there when we come out of this.

We also recognize that this is a long-term situation for us and so we're looking for solutions that allow us to do that over a longer period of time and we think a private/public model will allow us to share those costs, industry with government, and then extend the period of time that we do this beyond just getting to the fall because we need to have that workforce there when orders start

coming in again, which again is a long-term prospect, in order to deliver on those and help get the economy going again.

Senator MORAN. Mr. Secretary, thank you. Let me see if I can get a question in or two for Mr. Hauptli.

Mr. Hauptli, tell me what you think the condition of airports will be in the future at the point in time in which COVID's consequences are generally behind us? How will airports be different then than they are prior to COVID, and give you a chance to highlight, if there's a dramatic gap, what's required, what is needed once again to get rid of that detriment that's occurred in the interim?

Mr. HAUPTLI. Thank you, Senator Moran, for the question. They'll be cleaner, airports will be cleaner. There's a lot of deep sanitization and cleaning that's gone on. It's never been a cleaner facility than it is now. We'll see that in the future.

There will be thermal cameras in place. There will be plexiglass in place. There will be physical distancing in place. There will be a lot of changes. You members of the

U.S. Senate travel back and forth every week. It will be a different travel experience for all of you in the future. That's going to cost billions of dollars and the money made available in the CARES Act is a great initial first step, but as I indicated earlier, it will require additional resources for airports to institute those measures that I talked about, the touchless travel experience.

People aren't going to want to put their fingerprints down on things. They're not going to want to touch. They're going to want to be able to check in in a different fashion. They're going to need standoff detection equipment. There's an array of things that will look and feel different that you will see as a passenger and that you won't see behind the screen, if you will.

Senator MORAN. Mr. Hauptli, I wouldn't want to miss the opportunity in case you could help me and demonstrate or indicate the importance of the Contract Tower Program.

Is it playing any particular role in COVID-19 days and again highlight for the Committee, if you would, the importance of that program?

Mr. HAUPTLI. Again, Senator, thank you for the question. The Contract Tower Program is very important. The Contract Tower controllers and those towers, like the Federal towers and the Federal controllers, are right in the middle of all of this in the response to COVID-19.

Medevac flights, air ambulances, cargo that is bringing in medical supplies, military training and readiness, these are all occurring within the Contract Tower Program, and at those facilities.

In my testimony, Senator, I talked about the importance of not only the program but the need to provide the contract tower airports with \$8 million. There are 93 non-primary commercial service and general aviation airports that will require about \$8 million, about \$88,000 apiece, to help with increased janitorial services, improvements at their facilities, etcetera.

The final point, briefly, Senator, is I just want to thank you and a majority of the Committee for your support of the Contract Act which provides incentives for retired Federal air traffic controllers

to move over and become contract controllers. That's very, very important.

Senator MORAN. Thank you for reminding us and highlighting that and let me say that how you are too right. I should thank all air traffic controllers for the tremendous effort that they are undertaking.

I've had conversations with controllers in Kansas City and Wichita and there seems to be significant cooperation between them and their employers and the system seems to be working as a result of that.

I thank the air traffic controllers for their tremendous work.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Moran.

And next is Senator Klobuchar.

**STATEMENT OF HON. AMY KLOBUCHAR,  
U.S. SENATOR FROM MINNESOTA**

Senator KLOBUCHAR. Thank you very much, Mr. Chairman and Ranking Member Cantwell. Thank you for giving us this remote option.

As you know, Senator Blunt and I with the Rules Committee have worked hard on this and we're glad it's working successfully.

So, first, I want to thank our witnesses and we know how tough this is right now to be working in airlines, whether it is as an employee, whether it's a passenger. We also know that it's hard for other people in travel and tourism, as well.

But I did want to follow up on something that Senator Cantwell was asking about at the end and that was making sure that passengers right now can stay at a safe distance and how important it is, as the doctor pointed out, to protecting their health but recent news reports, as she's pointed out, indicate that at least one airline, and that's Frontier, is requiring customers to pay an additional \$39 fee for a more room seat option which would come with a blocked-off middle seat to provide passengers with additional distance from other travelers.

This is already a budget airline and I'm just concerned. I don't think it's appropriate for some passengers who can't afford to pay an additional charge for a seat to be less safe than other travelers, and I wondered if you could comment on that.

Do you think that we need to have guidelines from the CDC? What do we have to do to fix this?

I would also then ask Dr. Godwin for her thoughts about it.

Mr. Calio.

Mr. CALIO. Thank you, Senator. None of A4A's members are charging for separating their passengers. I can't speak for Frontier. They are not a member. I don't anticipate anything like that and, as I said earlier, our members are making every effort to keep passengers as separated as possible to make them comfortable.

We are following CDC guidelines. We're not boarding from the back to the front, so people don't have to pass each other going to and fro.

In many cases, we are passing out masks. As you know, we're requiring masks, as well.

Senator KLOBUCHAR. Just to be very clear, so if there was some kind of a—it's mandatory right now or a guideline put in place, it wouldn't be a problem for the rest of these airlines, the ones that are your members, I shall say?

Mr. CALIO. I'm sorry, Senator, I did not hear your question.

Senator KLOBUCHAR. I said that it would not be a problem for your airlines if there was some rule in place because they're following it?

Mr. CALIO. I think a rule put in place is not necessary at this time. Hopefully the marketplace will take care of that.

Senator KLOBUCHAR. Well, it didn't with Frontier.

Dr. Godwin.

Dr. GODWIN. Thank you, Senator. I think the example that you raised is exactly the reason that some national level guidance, even if it's not a regulation, at least guidance, should be made available.

I really commend the airlines that are stepping up and airports that are stepping up to the plate and doing a great job. Just having some uniformity across the entire industry and across the entire nation——

Senator KLOBUCHAR. Exactly.

Dr. GODWIN [continuing]. I think would be very helpful for travelers to have a better sense of what they can expect.

Senator KLOBUCHAR. Right. OK. Thank you. That's very helpful.

Also, could I ask you, Dr. Godwin, we have the contact tracing issue, and do you think airlines are doing enough to collect passenger information and making it available for public health officials, and should we be doing this voluntarily? Do we need guidelines on this, as well?

Dr. GODWIN. So this is another area where I feel quite strongly that some national guidance would be very helpful.

As you're probably aware and people who are testifying probably can provide more details, the last report that I saw out suggested that the airlines right now are getting maybe 56 percent of passenger e-mails as part of their P&Rs and 75 percent with phone numbers.

That information needs to be more complete and it needs to be consistently gathered and also put into a system that is readily accessible to our local health jurisdictions across the country.

One thing that's very challenging in the United States is that contact tracing is something that's left to local jurisdictions and so we need to have a system where each one of those little local jurisdictions can have access to this really critical information so that if someone who shows up in their jurisdiction who's traveled recently ends up positive for COVID-19, that they can use that information to contact other people who came in contact with that person when they're thought to have been infectious.

Senator KLOBUCHAR. OK. That's very helpful, and I am out of time. So I will leave my other questions for the record about the pilots and the flight attendants.

Thank you very much.

The CHAIRMAN. Thank you, Senator Klobuchar.  
Senator Blumenthal.

**STATEMENT OF HON. RICHARD BLUMENTHAL,  
U.S. SENATOR FROM CONNECTICUT**

Senator BLUMENTHAL. Thank you very much, Mr. Chairman, and to you and the Ranking Member, thanks for having this very, very important hearing.

Secretary Fanning, I just want to begin by saying that I am very grateful and keenly aware of the points that you raise about the aerospace supply chain. Many of them are in Connecticut. They are struggling and we sought to aid them through the PPP.

I would like to work with you on other ideas and initiatives that you may have in mind. A number of us in the Senate, Senator Warner, myself, Doug Jones of Alabama, and Bernie Sanders of Vermont, spanning the ideological spectrum of the Democratic Party but also some on the Republican side, have a thought for a paycheck security act that would replace many of these programs and guarantee all the payroll of these companies, keep them intact, and prevent the freefall that we see coming to workforces and that is a very, very important point. So I look forward to working with you.

Mr. Calio, I was prepared in coming here to be conciliatory but I must say, listening to your testimony and reading the paragraph that says in effect, and I'm quoting, "To stem untenable cash drain," basically the airlines are going to continue their present practices, and regarding refunds to consumers, I want to quote to you an article from last week, April 29, from the *Wall Street Journal*, that begins with the following: "The United States airline bailout ended up with no relief for travelers stuck with vouchers from airlines refusing refunds. Now airlines are getting more creative, even duplicitous, in pushing vouchers on customers to whom they owe money." That's the news article. It's not an opinion piece.

The reports that I've seen—and I ask that this article and also one from *NPR* in the last week or so as well as *Politico* all be entered into the record.

The CHAIRMAN. Without objection.

[The information referred to can be found on the following links:]

Wall Street Journal: <https://www.wsj.com/articles/after-the-coronavirus-bailout-all-i-got-was-this-lousy-airline-voucher-11588170599>

NPR: <https://www.npr.org/2020/04/21/839678851/airlines-offer-vouchers-credits-for-canceled-flights-customers-want-cash>

Politico: <https://subscriber.politicopro.com/article/2020/04/frustrated-with-airline-refusals-to-issue-coronavirus-refunds-consumers-take-to-the-courts-1915225>

Senator BLUMENTHAL. And ask also that a letter from the Airline Pilots Association International be entered into the record.

The CHAIRMAN. And without objection, that will be done.

[The information referred to follows:]

AIR LINE PILOTS ASSOCIATION, INTERNATIONAL  
*Washington, DC, May 5, 2020*

Hon. ROGER WICKER,  
 Chairman,  
 Senate Committee on Commerce,  
 Science, and Transportation,  
 Washington, DC.

Hon. MARIA CANTWELL,  
 Ranking Member,  
 Senate Committee on Commerce,  
 Science, and Transportation,  
 Washington, DC.

Dear Chairman Wicker and Ranking Member Cantwell:

As you take up very critical questions about our Nation's air transportation system, I respectfully submit the views of the Air Line Pilots Association, International (ALPA) for consideration during your Committee's hearing on "The State of the Aviation Industry: Examining the Impact of the COVID-19 Pandemic."

On behalf of our membership, we express our sincere gratitude for the immediate action of the U.S. government to secure the economic viability of the airline industry and protect its workforce. We appreciate Congress' swift measures to provide relief for our airlines through the Coronavirus Aid, Relief, and Economic Security (CARES) Act—and its directive to ensure that payroll continues to flow exclusively to frontline workers while protecting our collective bargaining rights. The Act is a lifeline for our industry to ensure that, when we emerge on the other side of this pandemic, we are well positioned for recovery. And it is our goal to facilitate a safe return to "business as usual" for air travel as soon as possible.

Our country's airline pilots proudly serve on the frontlines fighting the COVID-19 pandemic—we're flying doctors, nurses, supplies, and equipment to the communities where Americans need them most. Indeed, we are the backbone of FEMA's Project Air Bridge that the Administration created to expedite the movement of medical supplies. We're equally prepared to increase our contribution to the recovery by transporting passengers, goods, and services as America gradually reopens and our economy strengthens.

However, nearly 300 ALPA pilots have tested positive for COVID-19, and at least 3 have tragically lost their lives due to the virus. Despite pilots contracting the virus at a higher rate than the general public, some airlines are still ignoring the need for uniform and proper cleaning and disinfecting of our flight decks and the aircraft, as well as preventive measures to stop the spread of the virus. And unfortunately, the Federal Aviation Administration (FAA), which regulates the safe and healthy operation of air carriers, has been unwilling to require U.S. airlines to follow CDC guidelines, despite its clear statutory authority to do so. Without this requirement, rates of sickness will continue to rise.

The 63,000 members of ALPA reiterate our commitment to work collaboratively with you to address the challenges we face as a nation during this unprecedented time. As additional governmental response is considered to ensure workplace health and safety and economic recovery, we urge you to protect our Nation's pilots and flight crews and keep the air transportation system safe and secure for the citizens and businesses that rely on it.

Like other essential employees, airline pilots are putting themselves in harm's way each time we go to work. We accept our responsibility willingly and proudly, knowing we are not only preparing our industry and economy to safely rebound as soon as possible, but also because we are committed to move urgently needed health-care workers, equipment, and medicine, as well as repatriating Americans from overseas and ensuring the air transportation system operates safely and efficiently.

However, as for the state of our industry ALPA has dire concerns. Because of the economic impact of the COVID-19 crisis, business and leisure travel have disappeared. Our average daily passenger count is less than 10 percent of what it was a year ago. We need to consider what we as an industry need to do, steps we need to take to again attract passengers to our industry, and what steps we need to take to regain their confidence so they can travel safely, and equally important, remain healthy. We are concerned that our members—and the flying public—are being exposed to excessive and unnecessary health risks that could be avoided by clear government action.

We believe that part of the reason is the failure of the airlines in following health and safety guidelines set forth by the FAA and the Centers for Disease Control and Prevention (CDC). Combined with the FAA's unwillingness to mandate compliance with the government's own guidance, this leaves our pilots exposed to unnecessary danger and poses systemic risks to the air transportation system. The FAA's failure to act as a safety regulator when Congress has granted it clear statutory authority

to do so endangers employees, the public, and the effectiveness of the government's response to COVID-19.

We have communicated our concerns to the FAA many times in recent weeks and while we were successful in getting FAA to issue guidance to the airlines using the CDC guidelines as a basis, FAA continues to refuse to mandate compliance by the airlines. As a result, compliance by the airlines continues to be voluntary and implementation is haphazard, inconsistent and confusing.

Airline pilots are essential workers, yet we do not have uniform, reliable access to personal protective equipment. We have no assurance that our workplace has been cleaned and disinfected according to CDC guidance and with approved cleaning agents, and we are frequently told that disinfection supplies are unavailable. In addition, airline pilots are not consistently and properly notified when we may have been exposed to another employee who has tested positive for COVID-19 and are pushed to operate aircraft that may be contaminated.

For example, we have many reports of pilots using their own supply of hand wipes to disinfect cockpit instruments because cleaning supplies are unavailable, multiple reports of visibly dirty cockpits which have been reported as "cleaned", and numerous instances of employees forced to stand shoulder to shoulder in company transport vans with no regard to social distancing protocols. There has also been a report of pilots flying with a flight attendant who did not call in sick because of fear of retaliation by the company and tested positive for COVID-19 several days later. Here is one example of a report submitted to ALPA:

I contacted the company scheduling department by telephone that I was ill & headed to the ER and would not be available for work the next day. The ER diagnoses me as having COVID-19 (later proven correct when a POSITIVE result occurred on my test kit from the ER). I called scheduling again in the early morning and advised them that the hospital as well as the local Health Department had advised me the entire crew should be considered infected. Scheduling did not remove the rest of my crew from their flights and they continued the rest of the 4-day trip. The company did not advise anyone I had flown with of my diagnosis and their probable infection. I was forced to try and reach out through friends of friends and other non-standard sources to contact the multiple pilots and Flightcrew members I had flown with to advise them of my confirmed positive infection. The company refused to remove these pilots from work, and most of them continued to be scheduled for work by the company.

As you consider necessary legislation to further address the health crisis and stimulate the economy, we urge you to prioritize the health, safety, and livelihoods of frontline airline workers, including pilots. Specifically, we ask Congress to direct the FAA to mandate that airlines comply with CDC and FAA guidelines related to aircraft and flight deck cleaning and disinfection, personal protective equipment for flight crews, and employee notification of test-positive cases in the workplace.

We are mindful of the need to ensure the safety of all those who utilize and rely on our air transportation network which is why we support a requirement that all workers and passengers wear face masks in the aviation environment. We believe a holistic approach that ensures clean crews, clean aircraft and clean airports will help instill public confidence and a safe return to flying.

As you undertake the difficult but necessary task of additional legislative measures to deal with the continuing impact of the pandemic, we also see an opportunity to execute needed technical corrections to the CARES Act to promote economic stability and to ensure that U.S. airline workers can contribute to our recovery in a meaningful way. We appreciate that under your leadership, the CARES Act, for the first time in U.S. history, provides financial assistance to airlines conditioned on promoting, rather than subordinating, the livelihoods of employees. In contrast, the financial assistance that was provided to air carriers after the attacks of September 11, 2001, did not flow through to employees, was heavily conditioned on eroding workers' collectively bargained wages and benefits, and protected airlines' shareholders at the expense of workers and the taxpayers. Airlines were free to reject, through a one-sided bankruptcy process, collective bargaining agreements and impose inequitable long-term conditions on their employees that endured far longer than the crisis. In the process, aviation workers conceded \$83.5 billion in wage and retirement concessions, including the dissolution of almost every defined benefit pension plan. The CARES Act was crafted to avoid a repeat of these practices, but more must be done to safeguard hard-working Americans in the airline industry.

We anticipate the recovery from COVID-19 will be a lengthy process. Many airlines are expecting two to three years to sustainably return to pre-crisis levels, with a number of Wall Street analysts anticipating that it could take up to five years

before we will see robust travel. We are concerned that airline workers who are protected under the CARES Act from involuntary furloughs and certain worker protections through September 30, 2020, may be faced with significant hardship and deficient safeguards if demand for air travel does not return both in the short and long term. As such, we urge you to extend worker protections and make necessary and appropriate reforms to the airline bankruptcy process to ensure that taxpayer relief to the airlines is not used to again facilitate disproportionate and long-term harm to employees during any airline restructuring. In addition, we believe that furloughed workers should be able to remain on employer health-care plans at active employee rates.

As you work toward additional COVID-19-related relief and economic stimulus legislation, we respectfully ask that you consider the perspective of frontline aviation employees and allow us the opportunity to collaborate with you to develop meaningful solutions to protect public health, U.S. jobs, and the global economy. Airline pilots are committed to working as equal partners with you and our airlines to navigate through these turbulent times. We know that working in partnership gives each of us the strongest opportunity for success on behalf of our passengers, shippers, and all who benefit from the U.S. air transportation system.

Sincerely,

CAPT. JOSEPH G. DEPETE,  
*President.*

Senator BLUMENTHAL. These articles document what we are hearing from our constituents, namely, they are receiving no cash refunds from canceled flights because they are given misleading and sometimes deceptive responses when they go to claim those cash refunds. Instead, they are given vouchers of questionable value. They need that cash in their pockets to put food on the table and pay their rent and utilities and they feel betrayed.

So when you come to us and ask for more assistance, my mind goes back to the bailout we've just given you, more than \$25 billion in taxpayer money, and now in effect you are continuing to mislead and deceive those taxpayers who have given you that bailout.

In effect, you are, forgive me, screwing the very taxpayers whose money is going into your pockets and you're giving basically no relief if those passengers on their own have to cancel flights out of a concern for public health.

So I think that you come to this committee, and I'm speaking not about you personally, please don't take it personally, but the industry comes to this committee with a history. It's a history of bumping passengers, multiplying fees, shrinking seats, taking tax breaks and using them for stock buybacks and executive compensation, and I think getting those passengers back into your seats is going to depend on trust and credibility which you are failing to earn back.

You won't get passengers back in your seats. Your companies won't be back on their feet. You won't get those planes back in the skies unless you regain trust and credibility and the policies that you have on refunds, which is basically to mislead consumers into taking vouchers or denying them any refunds if they themselves have to cancel those flights, I think, is leading you down a very, very dangerous path.

I would be eager to hear your response.

Mr. CALIO. Thank you, Senator. First of all, Senator, I appreciate and understand your concerns, and if a passenger under current law and regulation is entitled to a cash refund, they are getting it, and if they are offered a voucher that has been clarified by DOT,

instead it shouldn't happen. It ought to be clear to them that they're entitled to a refund under current law.

They're basically two bad choices here, however. It's been said that we should ignore or change the current law and regulation so that any passenger that cancels is entitled to a refund.

I'll just lay it out there for you. Right now, negative revenue exceeds bookings. So that's where we're bleeding that cash every day. So you have one choice. You could insist that everybody get a refund who canceled the flight themselves instead of a voucher or you can drive the companies toward bankruptcy which would happen very quickly at the rate things are going in terms of the revenue coming in and the refunds.

For all of our members right now, refunds are exceeding revenues and so if we want to protect the airline employees and keep us in business, it's really, I guess, a Hobson's choice. Is that the term? I truly regret that, but I don't think we're misleading anybody.

I do know there were reports maybe four or 5 weeks ago where passengers were encouraged to take vouchers instead of refunds when we canceled the flight. I do not believe that is happening anymore.

Senator BLUMENTHAL. Well, I can just tell you these reports are very recent. The *Wall Street Journal's* report is from last week. The calls I'm getting from my constituents are literally within 24–48 hours, and as you point out, there is a Federal law that requires you not only to make the refunds but, in my view, to tell passengers about those cash refunds.

That's part of what you're failing to do and it may be painful, it may be inconvenient, but you are being sued, United and a number of other companies, now in court because they're violating that legal obligation. You have a Notice of Enforcement from DOT April 3.

Mr. CALIO. Correct.

Senator BLUMENTHAL. Of course, they have delayed any enforcement action and you have a moral and a political obligation to do the right thing here because you're coming back for more money. That's taxpayer money and those taxpayers are the ones who ultimately are suffering from these practices.

So you are killing the goose that lays the golden egg for you.

Mr. CALIO. Senator, if I could clarify—

The CHAIRMAN. Mr. Calio, if you could answer briefly, we've allowed considerable leeway in this series.

Mr. CALIO. All I was going to say is in no way did I mention that we were coming back for more money. It's the hope of our members that this money we got previously and the loan program already in place would be the bridge to the future that we need and not have to come back and ask for more money.

The CHAIRMAN. Thank you very much, Senator Blumenthal.

Senator Lee, you are next.

**STATEMENT OF HON. MIKE LEE,  
U.S. SENATOR FROM UTAH**

Senator LEE. Thank you very much, Mr. Chairman. Thanks to all of you for being here.

This has been a really difficult time for our country and we want to find solutions to make it better.

Mr. Calio, I'd like to start with you. The CARES Act provided a rather considerable amount of funding for airlines in the form of loans, loan guarantees, and cash assistance, but the CARES Act also authorizes the U.S. Department of Transportation to require that air carriers maintain scheduled flights that were in place prior to March 1, 2020.

Given the drop in passengers that we've experienced due to travel restrictions and other government-imposed mandates, does the requirement that you have to maintain air service at pre-COVID-19 levels and based on pre-COVID-19 flights, does that make sense, and does it allow the airline industry to restructure and do what else it needs to do in order to respond?

Mr. CALIO. Thank you, Senator. That's a very good question.

First of all, we would like to commend Secretary Chao and her staff. They have been wonderful partners, both in the passage of the Act and trying to work with us on the essential air service. It is part of the CARES Act. It is causing an awful lot of planes to be flown with no passengers, one passenger, five passengers. That does not help any kind of liquidity problems and our employees in the long run.

The law also says it should be reasonable and practicable in terms of the continuation of service. We hope for a closer look, and a rationalization, at the reasonable and practicable language, both on behalf of our crews and the industry.

It doesn't make sense when you've got multiple carriers flying multiple flights into places where there is no demand.

Senator LEE. Right. So, in other words, if you've got flights that are continuing to take off, especially if those are redundant of other flights, be they from the same carrier or another one, and these multiple flights are each operating with no passengers or very, very few passengers, in the end, tell me how that harms the consumer of airline services, of airline tickets.

Mr. CALIO. It harms the consumer because the recovery will be longer, the chance of keeping the most employees onboard will be undermined, and if you want to look at it from an environmental point of view, we shouldn't be flying airplanes that are empty.

Senator LEE. Sure. When we look at it from the taxpayer standpoint, we've set aside a certain amount of money to help with this crisis.

Wouldn't those same dollars go a lot farther if we allowed additional flexibility for airlines to take into account flights as to which there's no demand?

Mr. CALIO. Yes, sir, they would.

Senator LEE. I think there is something of a false argument that the aviation industry cares nothing about health and safety of its customers or of its employees. That, of course, ignores a fundamental truth that unhealthy customers and employees means that you go out of business.

I mean, it stands to reason that if you mistreat those who are your customers or your employees, either one of them, especially both of them, it's not going to be good for business. Am I out on a limb here or does this reflect what you see within the industry?

Mr. CALIO. No, Senator, we do not see you as out on a limb. We make the case all the time. Passengers and shippers have been voting with their feet, so to speak. Two and a half million passengers a day. So, I always tell the story, I was born in the 1950s in Cleveland, Ohio. Where I grew up, nobody was able to get on an airplane ever.

The first time I flew was when I was being recruited for a sport in college and I flew two times after that until I graduated law school because we couldn't afford it.

It's been more accessible and more affordable and the Deregulation Act has helped. We care deeply about our customers. The level of satisfaction last year was the highest ever by the J.D. Power study, not something that we produced.

So there's, you know, two sides of this equation and somewhere the facts bear out about our customers and our employees.

Senator LEE. Last I checked, the airline industry is still heavily regulated, not in the same way that it was prior to deregulation when, as you pointed out, air travel was unaffordable for nearly all Americans, but it's still heavily regulated, right?

Mr. CALIO. I think, if I recall correctly, 13 agencies, 20,000 regulations.

Senator LEE. Yes. And so if we were to add to those regulations right now, we were to compound the regulatory compliance costs, what does that do to the affordability of air travel?

Mr. CALIO. It decreases the affordability and increases the price.

Senator LEE. And in the end, what impact would that have on the health of the American people if they can't travel?

Mr. CALIO. I think the American people would be disappointed. Many people get angry if a flight's late or something like that happens. But you take big machines, or weather, things happen. There are mechanical delays and we won't put a flight in the air if it's not safe for our passengers or our crew, and personally, I believe that people have taken flying for granted for some time. It still thrills me every time I get on an airplane because maybe, you know, growing up I couldn't do it, but I think it's going to be a real change in the American people's lives and our customers' lives with the restrictions that are in place now on air travel just out of necessity because of this pandemic and because of what's going to happen in terms of demand and potentially cost later.

Senator LEE. One day I look forward to having other conversations that are more favorable circumstances on ways that we can diminish unnecessary talking on the public address system by flight attendants, the use of unnecessary terms like at this time, and the famed repetition of the same warnings over and over again, but for now, we're going to have to leave it at that, given the amount of time.

Thank you very much.

Mr. CALIO. Thank you, Senator.

The CHAIRMAN. Senator Lee, how would we get around the anti-trust problems in doing what you suggested? I think all of us would be happy to find a way not to have empty planes.

Senator LEE. Oh, yes. I was hoping you were talking about the unnecessary talking about flight attendants on the public address system.

Yes. There is a complicated relationship between regulated industries and competition. In the railroad industry, you've got an excessive, elaborate system of regulations that inhibits competition. You've got corresponding exemptions from a number of otherwise applicable antitrust laws. The same thing could be a model for this industry.

Now I'm not suggesting that anyone ought to simply shut down their flights, but what I am saying is that there ought not be artificial constraints by which we require an airline to continue operating air service for which there is no demand. There needs to be some flexibility on the part of the airlines because if there is not, we're going to burn through that money that much more quickly and we're going to make air travel that much less affordable.

The CHAIRMAN. Surely we can think that through. Thank you very much.

Senator Udall, you are joining us remotely and you are recognized, sir.

**STATEMENT OF HON. TOM UDALL,  
U.S. SENATOR FROM NEW MEXICO**

Senator UDALL. Thank you. Is my video on?

The CHAIRMAN. We know what you look like.

Senator UDALL. Chairman Wicker, thank you so much.

I think this is directed at Mr. Fanning and then maybe Mr. Calio, but we're hearing some calls from some industries that they want to be protected from paying damages to their employees and customers who get sick due to the lack of COVID protections.

After receiving tens of billions of taxpayer support, are the airlines asking to expand liability protection and, if so, what specific and binding safety and consumer protection standards would the industry agree to in exchange for expanding protection from liability?

Mr. Calio and Mr. Fanning, would you both give that a shot quickly because I want to come back on one more question here?

Mr. CALIO. Senator, I'm going to come back by saying that I will come back to you on that. I didn't realize until yesterday that this issue had arisen and I don't like to talk about things that I don't know about. So if I can get back to you in writing?

Senator UDALL. This is a big issue. I would prefer you tell me what you think today. We have you here before us. Tell us what you think.

Mr. CALIO. Senator, I'm not capable of answering the question appropriately. I'm sorry.

Senator UDALL. How about Mr. Fanning and the other airline witnesses?

Mr. FANNING. Senator, I would just say that I don't think—the conversation's at an early stage. Anybody that I know is not thinking about this type of protection or exemption for people that aren't following very strict safety rules, regulations, at a minimum what we hear from CDC and OSHA, but I know it's a concern for members of my association, particularly small businesses that don't necessarily have the resources to confront something like this.

We have a member of our executive committee who has a business with 110 people and she says this keeps her up at night and

scares her to death and so I would welcome having a conversation about this, but I think at a minimum this is for people that are adhering to the highest safety standards.

Senator UDALL. Yes. Would you—would all of the airline witnesses, would you agree to everything that Dr. Godwin has outlined in her testimony? She's given very specific and strong HEPA filters, disinfect between flights, flight manifests so that public health people can get into contact tracing. Everybody wears masks, physical distancing and overall reducing density on planes and in airports. Would you all agree to that? Those sound like good public health measures.

Mr. CALIO. Senator, those are good issues to discuss. We have already implemented or are implementing many of them. We're continuing to discuss them with our regulators. We're happy to discuss them with the Congress, as well. They're all things that need to be looked at and we will look at them. But to sign off on it, after a single hearing, just having heard them 30 minutes ago, I don't think is something I'm going to do today.

Senator UDALL. Mr. Fanning, how about you?

Mr. FANNING. Senator, I would say airplanes already have HEPA filters on them. Just in a larger sense, if we don't get the safety issue right, the whole thing falls apart. If you think about the sequence here of the manufacturers building the plane, the airports being where you get on the planes, and the airlines flying the planes, if any one element of that doesn't get the safety aspect right, then people aren't going to fly, and so it has to be a priority and I think it is a priority for everyone certainly in the manufacturing sector.

Senator UDALL. Thank you very much. I would yield back.

The CHAIRMAN. What percentage of the planes have HEPA filters?

Mr. FANNING. I think it's virtually all of them, but I can get you the exact number and by breakdown.

The CHAIRMAN. OK. Well, please do that.

Next, we have Senator Tester joining us remotely.

#### **STATEMENT OF HON. JON TESTER, U.S. SENATOR FROM MONTANA**

Senator TESTER. Well, I just have to say, first of all, thanks for everybody testifying and thank you for having this hearing, Mr. Chairman, Ranking Member.

Mr. Calio, I guess the first thing I would say, and this kind of goes off of Senator Lee's questions, is you guys can reduce flights. You just don't have to have this same level of service. You can reduce it.

For example, from Great Falls, Montana, to Minneapolis, if you so choose, you don't have to have that be a direct flight. You can go through Salt Lake and up to Minneapolis, isn't that correct?

Mr. CALIO. Senator, that's partially correct. To my knowledge, it depends on filing for the exemption and how the DOT rules on that exemption.

Senator TESTER. OK. Because I'm here to tell you from personal experience that we don't have near the service in Montana now that we had 2 months ago. I mean, it's significantly less. For exam-

ple, I had to fly—I mean, I had to drive 250 miles to get on a flight to get here. Otherwise, I would have had to get on a plane on Sunday and stay overnight to get here. But I'm from Montana and it's a rural state and I'll get to those in a second.

The first question I have for you, though, Mr. Calio, is Congress has invested significant taxpayer dollars into the airlines. It's made significant investment, and it's important that the airlines that are relying on this cash are held accountable under the rules that Congress has put into place.

Can I get a commitment from you that your association will work with Congress to ensure that all the airlines that you represent comply with congressional oversight of the CARES Act?

Mr. CALIO. Absolutely.

Senator TESTER. Good. I told you a minute ago I was from Montana. We're a rural state—

Mr. CALIO. I know that, Senator.

Senator TESTER.—and my concern is we're going to be disproportionately affected when air service comes back on and I would tell you that could have an enormous impact on our economy, on our business community, on our recreation economy, just go down the line.

There have been a number of flights that have canceled, a bunch of flights that have been canceled, and I happen to live in Central Montana, which has kind of felt the brunt of it because I think my nearest airport is the fourth or fifth busiest in the state.

But the question is, when we weather this storm, I am concerned that financial decisions will be made and we will still not have the service that we had before the COVID crisis.

What are your recommendations to make sure that Rural America is not cutoff after this crisis is over?

Mr. CALIO. Senator, I guess what I would say is the reason you had the flights you had prior to this pandemic was because there was demand for those flights. If that demand comes back, I guarantee you you'll have the flights.

Senator TESTER. Yes. Well, the question becomes—and this applies to the economy as a whole. I believe until we get testing and ultimately a vaccine, that demand is going to be diminished and if in fact people think that flights are not—if they think they can contract coronavirus on a flight that will also push it back.

So what is the plan to be able to make sure that that consumer confidence is there in flying to make sure that those numbers do bounce back?

Mr. CALIO. The plan is currently being executed and it's some of the things that I mentioned before, Senator Tester.

The increased cleaning, which is substantial, the spacing people out where there's room to do it and before there's a vaccine or testing.

Senator TESTER. If you could stop just there for a second? This is tough doing it by videoconference. But if in fact we're going to have spacing within the airplane and if in fact we've got to have the demand back to where it was before because most every flight I flew out of Great Falls to Minneapolis or Salt Lake were packed to the gills, but if we're going to have spacing, they can't be packed to the gills and so how can I assume that we're still going to have

that level of service and you're still going to have spacing and you're not going to have the numbers in that 70-passenger airplane? You might only have 35 or 40 people that have proper spacing.

Mr. CALIO. Senator, I was addressing your question about instilling confidence and right now, while we're in the midst of the pandemic without any vaccine, without sufficient testing and a variety of other items, we have the—I guess I would call it the luxury of spacing. So we're doing that to help people feel like they can get back on the plane.

I said earlier that we would not be for keeping all the seats open, that we can't space forever. That would be the same thing in terms of a movie theater, Broadway.

Senator TESTER. I hear you. I understand what you're saying. The question I have from a rural perspective, the fact that we've had service—and I'm not arguing that it shouldn't have been reduced. I mean, if the demand isn't there, it should be reduced.

But the bottom line is, if you're going to have people that have faith in the airlines and you expect the numbers to be back up where they were pre-COVID before you bring those flights back, those two are counter to one another.

Mr. CALIO. Senator, I'm sorry. I missed the last part of what you said.

Senator TESTER. What I said was is that they seem to be opposites, going against one another. If in fact we have to have the numbers back to get the flights schedule back we had before COVID and if in fact you have to have spacing to have the kind of luxury you had and the fact that we're a year or year and a half out at a minimum for a vaccine for this, how can we expect places like Montana and it may apply to other places, too, by the way, ever have the ability to have the flights we had before, say, the first of March?

Mr. CALIO. Again, I think it'll be a product of demand and it's going to be a product of a private sector/public sector combination, everyone working to instill confidence in the public, and the way you instill confidence in the public is look across in this particular case the health system to make sure that people are comfortable and that we can do everything we can to make them comfortable and confident in flying.

Senator TESTER. OK. Well, I would just tell you I hope that there's some liberty given to the rural states on re-establishing these flights. Otherwise, it's going to be an economic killer.

Mr. CALIO. Yes, sir.

Senator TESTER. Not that we haven't been through enough already, but airlines, as you well know, Mr. Calio, are very important to our economy. That's why the money was put forth in the CARES Act.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Tester, I like the haircut. I understand it took you 7 weeks to grow that head of hair.

Senator TESTER. When I grow up, I want to look like you, Mr. Chairman.

The CHAIRMAN. I think you look 20 years younger.

We have Senator Duckworth next.

**STATEMENT OF HON. TAMMY DUCKWORTH,  
U.S. SENATOR FROM ILLINOIS**

Senator DUCKWORTH. Thank you, Mr. Chairman.

Two months ago, the Aviation Subcommittee held a hearing about the role of aviation in containing the spread of infectious disease. At that time, Illinois had identified four individuals who testified positive for COVID-19. A mere 63 days later, 65,962 Illinoisans have contracted COVID-19 and my state has confirmed that 2,838 are known to have tragically died from this terrible pandemic and my heart breaks for every family and every individual touched by this pandemic, both medically and economically.

So it's now clear that many of the systems we take for granted, including our aviation network, were not adequately prepared for this pandemic, despite having dealt with H1N1, MERS, and Ebola in recent years.

Congress provided the aviation industry with a \$60 billion bailout at the same time that President Trump stubbornly refused to support a single dollar to protect the 500,000 United States Postal Service employees whose mission is enshrined in the Constitution.

Leader McConnell suggests that states and cities that employ millions of Americans should use the bankruptcy route, whatever that means.

I voted for the CARES Act to protect workers. I will vote on future relief efforts based on how it helps workers.

Our aviation workforce was especially at risk in March and continues to be, but this uncertainty extends to every corner of our economy and every community in our Nation.

I hope that Senators on both sides of the aisle can continue to work together on reasonable solutions that protect and reinforce the livelihoods of all of our neighbors, not just a few.

The aviation industry is not alone in its struggles to endure this deadly pandemic but it has received significant support ahead of many other deserving Americans.

With that said, I want to associate myself with the comments of Senator Cantwell and others who highlighted a potential mismatch between Senate Democrats' intent to protect workers through the CARES Act and how that dynamic is playing out in agreements between airlines and the Treasury Department.

Mr. Calio, this is a complicated topic, but I want your commitment that you will continue to work with me and other Senators to make sure all the facts are available and that the issue is resolved. Thank you.

Mr. Fanning, it has been 6 weeks since Congress passed the bipartisan CARES Act, yet many of your members are still waiting on the Treasury Department to finalize their loan applications.

I worked closely with Senators Inhofe, Durbin, Moran, and Young to ensure that MRO companies that maintain and repair commercial aircraft were specifically eligible for loans in the relief package.

Yet the furloughs that CARES Act was designed to prevent are still happening because Treasury is not approving applications in a timely manner. Airline contractors and catering companies are in the same boat.

Mr. Fanning, I assume you're as frustrated as I am. What are your members telling you about Treasury's process and the consequences of current bureaucratic delays?

Mr. FANNING. Well, it's a herculean task, I'm sure, what the Department of Treasury is facing, but in some instances, the rules took longer than in other instances to be established and to get out to businesses for them to decide whether they were eligible for this.

This is an area where it's been a little bit slower than other areas and I'm glad you're highlighting it. It's an enormous workforce that often gets forgotten in the aviation industry.

Congress moved very quickly for which we're very appreciative, but, of course, when we move at that speed, we see where there are gaps and some things were missed that we're addressing in this next wave.

For example, a lot of maintenance work is not done at the airport or even on the plane and they weren't covered in the legislation, in the rules, and we're trying to get that fixed in the next wave, but thank you for keeping attention on this.

Senator DUCKWORTH. Thank you.

Mr. Chairman, before I yield back, I'd ask Mr. Calio and Mr. Fanning to briefly share their thoughts about the FCC's recent decision to approve Legato Network's application to use L Band Spectrum for a 5G network.

While the FCC's decision was unanimous, no less than a dozen Federal agencies, including DoD, DHS, and DOT, opposed the effort, saying it could harm our global positioning system.

Mr. FANNING. Senator, we are strongly supportive of the development, deployment of 5G technology. We're all going to use it in our businesses, but we strongly oppose this decision. We think a decision impacting spectrum, especially an important one like this, should be based on data, and there are numerous tests showing clearly that there's interference on GPS that has national security implications.

It has implications for air transportation. It has implications for everyone's life every single day, and we know, we have proven that there's interference there, and so we would like to have this decision changed and have a discussion about how to find room on the spectrum for 5G again that we'll all be relying on.

Senator DUCKWORTH. Thank you. Mr. Calio, did you want to say something?

Mr. CALIO. Senator, Airlines for America would associate itself with Mr. Fanning's comments.

We're opposed to the FCC's decision. It needs to be reconsidered or it needs to be corrected. There are some significant concerns and implications here that apparently the FCC, unlike many other agencies involved and departments involved, did not consider.

Senator DUCKWORTH. Thank you. I yield back, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Duckworth.

Senator Cruz.

**STATEMENT OF HON. TED CRUZ,  
U.S. SENATOR FROM TEXAS**

Senator CRUZ. Thank you, Mr. Chairman, and thank you for holding this hearing on this critically important topic.

Welcome to each of the witnesses. Thank you for being here.

Mr. Calio, let me say I like the beard. It is a very strong look in a time of crisis to have a literal and figurative gray beard here advising us. It gives gravitas and wisdom to this gathering.

Mr. CALIO. Thank you, Senator. I knew somehow that you would approve it.

Senator CRUZ. So let's talk, first of all, about contact tracing. As you're well aware since the beginning of this crisis, Federal agencies have been attempting to mandate that your members collect data on passengers for contact tracing and that's obviously important for stopping the spread of a pandemic but there are serious logistical hurdles to executing upon that.

As you know, on March 4, which seems like a lifetime ago, I chaired a subcommittee hearing on the coronavirus and its impact on aviation and during that hearing, I asked Administration officials if it would make sense for the government to run and maintain an online portal to compile passenger data, and the airlines, as I understand it, had offered to cover the startup costs for that but have it developed by a third party vendor and stood up online.

I sent a letter subsequently with Senator Sinema to the Administration asking for the development of a secure app and web platform and the response we received from HHS and Homeland Security and DOT was less than encouraging and that's why Senator Sinema and I are together working on bipartisan legislation that would have the government implement a secure portal for contact tracing instead of trying to force the carriers to carry out that function.

In your judgment, what's the right way to do this and how can we keep people safe and be effective at it?

Mr. CALIO. Thank you, Senator. We want to thank you and Senator Sinema for getting involved in this. It's been a source of great frustration to us. We've been trying to work with the CDC on this for some time, as you know. We have not been able to get our questions answered.

We believe this is a government function and the best way to get the information and transmit the information is for the government to collect it. Currently, we are unable under our current systems to collect all the information they say that they want.

Born out of that frustration, we did go to a third party vendor and we did get a mobile app and a website set up that so far it looks like it works and can get the information.

We have offered to gift that to the government because we don't think it's appropriate for us to have all of that information. You know, we only sell 50 percent of our own tickets. So if somebody comes back to us and says that my e-mail address is mickeymouse@disneyworld.com, we don't have a real way to check that. We don't know, we can't find out if they have a second phone number or not.

So if you want the information quickly and want to transmit it quickly so it can be effective, this should be run by the government who can require that the information be provided.

What they have asked us to do would take 12 months, 14 months if we could do it, we will do it, but it's not going to do anything for this pandemic. Meanwhile, there are solutions right at hand.

Along the way, we learned that the CDC actually has a website set up, but as far as we know, it's not being used.

So there are some questions to be answered here, but we ought to be seeking solutions and doing them in the quickest and best way possible.

Senator CRUZ. Well, thank you for that, and we'll continue to work together to try to implement a system that is safe and effective.

As everyone on this committee is well aware, the economic consequences of this pandemic have been devastating across the country and across the world, but aviation in particular has been hammered at an extraordinary level.

In fact, I saw recent statistic that, to name just one of the major carriers, United Airlines is on pace to fly fewer people in the entire month of May 2020 than they flew in just any single day in May 2019. That is extraordinary. It is putting an enormous threat to millions of jobs across our country and all of us are united in wanting to be sure when we come out of this crisis and we will come out of this crisis that we have a strong and robust commercial aviation sector.

Critical to that is people being safe when they fly and feeling safe when they fly.

My question, Mr. Calio, is, is what should we be doing as we transition into reopening the economy, as we hopefully move out of this crisis, what should we be doing to enhance consumer confidence, to help people feel comfortable and safe, and are there steps government should be doing to bring the flying public back and be willing to get on airplanes and travel?

Mr. CALIO. For all of us, I think it's making a visible display and an understandable display of the steps that we are taking, both the government and the airlines, the airports, and the manufacturers, to protect the health of our customers and the flying public, and it goes broader than that actually.

I think that is the first and the biggest step and there are many things that can be done. It's working in concert with each other to look at what, based on science and data, will help.

Candidly, we are doing some polling and focus group work on a consistent basis to find out what people really think and what it's going to take to get them back on the airplane, you know, the combination of factors. We'd be happy to offer that briefing to anyone on this committee who would like it.

But there has got to be a series of steps taken that ensure the health of the flying public down the line. We're all in uncharted territory. We all want to keep all our employees working, but this hasn't happened before, and if we had all the answers, it'd be a little easier, but we're going day by day but trying to make rational decisions based upon what we believe will happen, what we hope will happen, and how we can help it to happen.

Senator CRUZ. Thank you.

The CHAIRMAN. Thank you, Senator Cruz.

Senator Markey, joining us remotely.

**STATEMENT OF HON. EDWARD MARKEY,  
U.S. SENATOR FROM MASSACHUSETTS**

Senator MARKEY. Thank you, Mr. Chairman, very much, and thank everyone who is making this entire day possible. Thank you.

Mr. Calio, the airlines right now are refusing to give a refund to passengers who have canceled their own flights during this coronavirus pandemic. Understandably, families have great health concerns. They don't want to put their families in jeopardy. They've canceled.

But the airlines are saying they don't want to give that money back to those families, that they want to give them a voucher for some future flight, but for families right now, that money in their pocket for food, for housing, for other necessities is absolutely invaluable.

So, Mr. Calio, can you explain why the airlines are unwilling to just give that cash back to passengers and let them decide when they would want to ever fly again and give them that extra cash which they need for their families right now?

Mr. CALIO. Yes, Senator, I will try. First of all, we understand your concern. We understand our passengers' concern. We work with our passengers to try to meet their needs and their circumstances on this.

There's no good answer here. There are two bad choices. We could refund. As you know, under the current law and regulation, if you cancel your own flight, you are entitled to a voucher and it depends on what kind of ticket you buy and a variety of other things.

If we cancel the flight, you are entitled to a cash refund. We are currently sticking to the regulations as we have to for a very simple reason. We want to preserve the jobs in our industry. We want to be part of the economic recovery.

As I explained earlier, right now refunds going out the door, and cash refunds exceed the revenue we are taking in by a significant amount. We're losing between \$350 and \$400 million a day.

Senator MARKEY. No, I appreciate that, but Spirit and Allegiant have given refunds back to their passengers in this same situation, and my feeling is that using these passengers as the way in which the airlines are able to get a cash-flow is a situation where you're putting these families in a belt-tightening situation. They have to make tough choices for their families.

So again, Mr. Calio, I recommend very strongly to you that, given the Federal Government's help to the airlines, that the airlines should in turn try to help these passengers. Give them their money back. I think that would be the right thing to do. They need it just as much as the airlines do right now. It's just a very difficult situation all around, I appreciate that, but they're not flying because of the public health catastrophe which has hit our country. They deserve to have that. I would just say that to you, Mr. Calio, and that's something that I think is a very important thing to do.

In the days to come, we have to address an unprecedented series of immediate and long-term challenges to securing the health and safety of the flying public. Just a small sample includes requiring all air travelers to wear face masks and securing personal protective equipment for crew members performing boarding and security

lines in the age of social distancing, enhancing cleaning procedures for airlines and airports, for flying passenger health screenings while protecting privacy and preparing for the potential seasonal reoccurrence of the coronavirus.

It will take a lot more than one hearing to address these challenges and to prepare for a new normal in air travel after the pandemic subsides. That's why Senator Blumenthal and I have introduced the Restoring Safety in the Skies Act. The legislation instructs the Departments of Health and Human Services, Homeland Security, and Transportation to establish a joint task force, including airports, airlines, aviation workers, public health experts, security officials, and more, who will provide the emergency and long-term plans we need for the future of air travel.

So, Mr. Hauptli, do you agree that we urgently need an expert task force to help secure the health and safety of the flying public?

Mr. HAUPTLI. Senator Markey, thank you for the question, and thank you for summarizing the challenges facing the industry going forward.

Mr. Calio and I speak regularly along with the FAA Administrator, the TSA Administrator, airports, airlines, collectively. We are already doing that, but we do believe that consistent Federal guidance is necessary and so your legislation putting together a task force would, in my mind, sort of codify what we're already doing at this point and so we would be supportive of that effort.

We need CDC, HHS, DHS, TSA, DOT, FAA, airports, airlines, the whole ecosystem working together. As Mr. Calio said earlier, unprecedented challenges for the industry and we're all going to need to work together to solve the problem.

The CHAIRMAN. Thank you. Thank you, Senator Markey.

Senator MARKEY. Thank you. I think we should do it as quickly as possible to make sure that it's formalized and reporting back to the Congress.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Markey.

Senator Fischer.

**STATEMENT OF HON. DEB FISCHER,  
U.S. SENATOR FROM NEBRASKA**

Senator FISCHER. Thank you, Mr. Chairman.

Mr. Calio, I would like to know what airlines are doing to maintain their current contractual obligations. I've heard from airline contractors, such as those that provide ground handling services, that airlines are demanding reduced or delayed payments on current contracts.

However, on April 30, the Treasury reported that it began disbursing funding from the CARES Act to airlines. Treasury has yet to provide similar CARES Act relief to contractors and that's another issue.

So on the one hand, we have airlines and they're beginning to receive their CARES Act funding and, on the other, they're requesting concessions from contractors and while I certainly understand that airlines are in a difficult place financially through no fault of their own, so are those they have contracts with.

Now that airlines are receiving CARES Act support, will airlines maintain their contractual obligations, such as those with ground handling service providers?

Mr. CALIO. Senator, I'm going to have to get back to you on that because that's a problem I have not heard of. To my knowledge, our carriers maintain their contractual obligations. Certainly, I've heard nothing about this.

Senator FISCHER. OK. We will definitely give you information on that probably before you get out the door today. Thank you very much.

Mr. Hauptli, FAA programs, such as entitlement funding in the Airport Improvement Program, is based on previous levels of enplanements at airports.

However, as you noted for the Lincoln Airport in Nebraska, enplanements at airports are down as much as 95 percent.

What do you expect the impact on FAA grant programs, like AIP entitlement funding, will be if this year's enplanements are used to calculate AIP funding the next couple of years?

Mr. HAUPTLI. Senator, thank you for the question. It goes right to the heart of what we were talking about earlier in terms of the need for flexibility going forward because you're exactly correct.

If we use this year as a baseline, everything blows up. We can't do that. So we're going to need flexibility. The FAA has been great so far in administratively being flexible. If necessary, we may need legislative assistance in that regard.

Senator FISCHER. Thank you. And as you probably know, I'm also a strong supporter of the Essential Air Service Program. It provides a vital connection to seven of our communities in the state of Nebraska.

What kind of challenges do you think that these small airports, such as those in the Essential Air Service Program, are going to face in retaining their commercial air service during and also after the pandemic?

We've seen some really optimistic improvements in the Essential Air Service that we have in the state of Nebraska. We have good partners in those programs and I would hate to see us go backward in these really worthwhile programs that are so important in a state that has the vastness like mine.

Mr. HAUPTLI. Senator, we agree completely with you. You've been a very strong supporter of the Essential Air Service Program. It's a vital link to making sure that all Americans have access to the aviation system and so that's something we're watching very closely. Very important issue and we'll need to be very careful and cognizant as we move forward and travel returns that everyone has access to the system.

Senator FISCHER. You know, we want to make sure that we can continue to keep that commercial air service that we have. We have good partners and we really would hate to lose them. So I appreciate your help in addressing that.

Mr. Calio, to what extent are the Airlines for America's members going to continue service to smaller communities after the CARES Act minimum requirements are gone, particularly for communities that were seeing an increasing number of those enplanements prior to the pandemic?

Mr. CALIO. Senator, that is a question that I can't answer. That's for my members to answer. They make those decisions on their own and it's something that A4A does not get involved on I mean ever.

Senator FISCHER. OK. Thank you very much.

And, Mr. Fanning, it's nice to see you again. We had some interaction when you were Secretary of the Army and you would come before Armed Services Committee. So nice to see you, sir.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Fischer.

I am told that Dr. Godwin has had some problems with connectivity. Are you back on? Are you back in touch with us, Dr. Godwin?

Dr. GODWIN. Yes.

The CHAIRMAN. OK. And also for those in the audience, there are two members of this committee who are having problems getting connected remotely and we continue to work with them but for now, let me just ask; Dr. Godwin, does it surprise you that Secretary Fanning says almost all of the airline aircraft already have HEPA filters?

Dr. GODWIN. That does surprise me, based on what I had read, although I would hope that he would be even better informed than I would be, given his position.

The CHAIRMAN. That would be good news.

Dr. GODWIN. I'm sorry. What?

The CHAIRMAN. I think we could agree that would be good news and we'd be a step farther along with your proposal.

Dr. GODWIN. Oh, absolutely. I think you're just closing the loop and making sure that those remaining planes are covered would be great.

The CHAIRMAN. Let me ask you; if I am on a plane sitting three abreast and we all have a face mask, a proper face mask, to what extent am I at a greater risk? Are you able to quantify that, Doctor?

Dr. GODWIN. It really depends upon the type of face mask that you are wearing. So as you're probably aware, we have three different kinds of face coverings that we routinely see. The most protective is the N95 mask, which is currently we're really reserving for individuals who are at high risk of exposure, for instance, our medical professionals.

The next category would be the surgical masks that you see, those disposable masks.

The CHAIRMAN. Well, I have a mask on that most Senators are wearing. So how much protection is that going to give the folks next to me?

Dr. GODWIN. Yes. It's giving them more protection than they would have if you were not wearing anything. It's giving you a little bit of protection but it's not providing either you or them a huge amount of protection the way that we would see with N95 masks really protecting the user to a very large extent.

So it's better than nothing and we want you to continue wearing them, particularly in circumstances where you can't have social distancing, but if you're talking about a situation where people are sitting for long periods of time in close proximity to each other,

that mask, while good and we want you to wear it, it does not give you absolute protection from the people that are surrounding you.

The CHAIRMAN. And if I'm wearing gloves that helps a lot, also?

Dr. GODWIN. So gloves are helpful if you are someone who's working, for instance, in the screening areas where they would be touching a lot of objects that a large number of people had touched and so we're trying to protect them but also give them the ability to quickly remove those gloves and get rid of the contamination.

They are less helpful in general for respiratory pathogens because the main mechanism of transmission in this particular case is through droplets and then next aerosols. So they're not quite as helpful as having a mask would be and definitely not as helpful as sitting farther apart from each other, keeping that social distancing.

The CHAIRMAN. And, Doctor, Senators and House members are working today for the most part in a hot zone, Washington, D.C., and then we fly out on Thursday afternoons and Friday mornings and go back to our constituencies in our various states. That being the case, from a public health standpoint, not from a personal safety standpoint, would you recommend that Senators and Representatives be tested here in Washington so that we can know which of us ought to be isolated here and not return home and spread this around to 50 states?

Dr. GODWIN. So unfortunately, the testing doesn't tell us whether or not you've been exposed and are incubating the virus but have not yet built up high enough levels in order to test positive on the test or exhibit symptoms.

So you could test negative today, if we tested you, but still end up developing COVID-19 a couple of days from now due to an exposure that happened today or yesterday. So just doing a single test is not enough. This is why we have had to resort to this process of identifying people who have been in close proximity, in contact with individuals who are known to be infected and then asking them to self-quarantine, to self-isolate, and to monitor their symptoms. That is part of the contact tracing approach.

It would be fabulous if we could have a test that would tell you you've been exposed but that actually is not the way most of our infectious disease tests work. Most of them require that you have not only been exposed but also have built up enough of the pathogen in your system to be able to detect it.

The CHAIRMAN. Thank you. That's very helpful.

Senator Rosen now joins us remotely. You're good, yes. You look great.

**STATEMENT OF HON. JACKY ROSEN,  
U.S. SENATOR FROM NEVADA**

Senator ROSEN. Oh, perfect. OK. First time on this one in the office.

Thank you, Chairman Wicker and Ranking Member Cantwell, for holding this hearing and thank you for the witnesses for being here. It certainly is trying times for all of us in so many ways.

But today, I want to talk a little bit about the economic impact of the pandemic on our airports and tourism, of course, in Nevada. Our economy depends on travel and tourism from restaurants to

those casinos on the Las Vegas Strip, our outdoor recreation business near Lake Tahoe and everywhere in between. That's why the economic shutdown caused by the coronavirus, of course, has been so devastating to us and in few places no more evident than this as the Gateway to Nevada, our airports.

In 2019, Las Vegas McCarron International Airport saw over 50 million passengers, generated nearly \$35 billion in economic output, supported approximately a quarter of a million jobs, and was responsible for 18 percent of our area's gross domestic product. But in the wake of the pandemic, passenger totals have dropped precipitously.

At the Reno Tahoe Airport, travel has been down 96 percent in the last several weeks. This travel slowdown means job losses not only at our hotels and our convention halls but at the airports themselves, including places we might not immediately think of, such as the numerous small business retailers and the restaurants that operate inside our airports.

So, Mr. Hauptli, what other additional hidden costs this pandemic to airports might we be unaware of and what can we do as Members of Congress to address these challenges and then more broadly to everyone on the panel, when it is fully safe to travel again, how can we work to instill confidence in the American people that they can come back to places, like Las Vegas or Reno, for a convention, vacation, or business and how can Congress help you and help everyone do this?

Mr. HAUPTLI. Senator Rosen, thank you very much for the question. You're right. Your state relies on tourism and everybody coming in to your state. In fact, we'll be having our annual conference in 2021 in Las Vegas. So we're very anxious to make sure we get this fixed and ready to go by next spring when we will be out and joining you in Las Vegas.

The Las Vegas airport director sent me a note the other day saying that they're going to be down 50 percent at minimum in terms of their lost revenue. You point out that Reno Tahoe is down 96 percent in traffic. It's a major, major issue for not only the airports in your state but clearly the airports all around the country.

AAAE and ACI, the two airport organizations; Mr. Calio's organization, A4A; and an array of travel and hotel groups have all gotten together under the umbrella of U.S. travel and put out some guidance that I think will be very useful for people, passengers, people visiting hotels as we reopen the economy to provide comfort for folks that it is safe to travel and safe to stay in hotels and safe to go back to conventions and conferences going forward.

So you've identified a very, very serious issue and problem, and a big part of the economic engine that the country needs and certainly your state needs is aviation.

Senator ROSEN. And more broadly to everyone, if you could really answer what can we do to help you particularly meet some of these challenges, especially for the small businesses, businesses that are at our airports?

Mr. HAUPTLI. Senator, I would say in a sense you've already started that process by passing the CARES Act. I think it's monitoring and providing oversight like this committee is doing here today, to continue to do that and monitor real-time problems and

make sure that the solutions are going to work and not be ineffective because they have not been backed by data and science.

I think a better way to say it is, you know, everybody working together to try to get to a solution on this and I'm particularly aggrieved, I have to tell you, Senator, because one of the first victims of this pandemic was my yearly trip to Las Vegas with all of my high school friends that we've been doing for probably 25 years.

Senator ROSEN. We want to welcome you back as soon as we can.

Mr. HAUPTLI. We're looking forward to it. Senator, if I could just tack on to my earlier comment, we've asked in our testimony for not only an additional \$10 billion or more for airports in the next round of assistance but also billions of dollars for general aviation, business aviation, and, very importantly, to your question, to concessionaires that are operating at airports. That whole aviation ecosystem is intertwined and there are concessionaires that are hurt very badly and dislocated by this crisis, as well.

The CHAIRMAN. Thank you, Senator Rosen.

Senator Sinema—Senator Rosen. Senator Sinema is now joining us by voice only. We've had some trouble with that connection, but are you able to hear us, Senator Sinema?

**STATEMENT OF HON. KYRSTEN SINEMA,  
U.S. SENATOR FROM ARIZONA**

Senator SINEMA. I think I'm here, Chairman Wicker. Can you hear me?

The CHAIRMAN. Yes. We can hear you fine. You are recognized.

Senator SINEMA. Wonderful. Thank you, Mr. Chairman, for holding this hearing on the State of the Aviation Industry.

You know, this is an important opportunity to discuss what Congress can do in the coming weeks and months to protect highly skilled aviation industry jobs while also protecting the health of passengers, employees, and the American public.

We've seen a substantial decline in air travel as people across the world listening to health care professionals have stayed at home. It's essential to help lessen the spread of the virus, but it also creates significant economic challenges for the aviation and aerospace industries.

Back in March, as the Ranking Member of the Subcommittee on Aviation and Space, Senator Cruz and I held a hearing, Examining the Role of Global Aviation in Containing Infectious Diseases.

Now is an appropriate time for us to further examine this issue as we now manage the dual challenge of keeping our aviation system intact while protecting the jobs and health of employees and passengers.

In order to bend the curve of the virus and prevent a second wave, we need contact tracing systems in place, cleaning and hygiene standards, and a workforce that's both protected from the virus and ready to support the industry.

I'm grateful for today's witnesses and look forward to us working together to keep Americans employed and our travelers safe.

My first question is for Mr. Calio. Contact tracing, when properly established, can mitigate the spread of coronavirus and similarly communicable diseases. Local governments and states are setting up their programs now, and I'm working with Senator Cruz, stake-

holders, and other Members of Congress on a solution for international travel to the U.S.

This government-implemented system would allow information to be directly collected from travelers and provide for more complete, accurate, and timely collection of data.

Our legislation will also ensure that all persons entering the U.S. are held to the same standard during a health emergency.

Are there any issues air carriers encounter when they attempt to conduct contact tracing given our current systems and the way data is shared with the government, and can you provide a few examples?

Mr. CALIO. Yes, Senator, I can. First of all, I'd like to thank you and Senator Cruz for everything that you have been doing on contact tracing. It's a significant issue and it's something that we need to handle going forward not just in aviation but across the board to try to control the disease.

Currently, as you know, we have a passenger name record and advance passenger information system where much of the data requested that the government would like to have cannot be verified by us. In some cases, it can. In many cases, it can't because we don't sell all of our own tickets. There are global distribution systems. There are travel agents and then there are other airlines where we have connecting passengers.

We can't validate the e-mail address and we oftentimes don't usually get anything near the address, phone numbers or the physical address.

We think this is a government function. It's one that can be easily handled. It needs to be required and it would work more quickly and better if the government were to do it.

As you know, because I think you've seen the demonstration, the mobile app and website we created. I mentioned earlier and again we are happy to gift this to the government. I don't think that's all that complicated but something like this, you know, with our technology could be stood up pretty quickly, even accounting for privacy concerns, and it would be much better if we had all of that information, if the government agencies had it themselves rather than through an intermediary.

Senator SINEMA. Well, I appreciate that and we agree. Thank you.

So my next question is for Mr. Fanning. Mr. Fanning, in recent years, Arizona has been a leader in attracting aerospace manufacturing. We just created thousands of high-paying jobs. This includes large and small manufacturers. We developed fixed wing aircraft, helicopters, defense systems, spacecraft, and, of course, do the maintenance, repair, and overhaul capabilities to supplement it.

What impact is the virus having on the aerospace industry jobs in Arizona, and what can Congress do to help keep these jobs afloat during this difficult time?

Mr. FANNING. Well, I think you've already done an enormous amount to help. The initial focus, as the Chairman said, it was on liquidity, on trying to keep money flowing through the supply chain and keep it working.

Now as we see how serious this is, even more so than we realized 7 weeks ago, our focus is really turning and trying to maintain the workforce and what programs we can come up with together to get us over what is really a longer period of time than we initially imagined.

So in the way forward, we are exploring that private/public partnership concept where both sides are putting money in in order to retain the at-risk workforce so that it's there when business picks up again.

Senator SINEMA. I appreciate that. Thank you.

Mr. Chairman, my time's expired. Thank you.

The CHAIRMAN. Thank you, Senator Sinema.

Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman, and other than not being able to get the video from Senator Sinema, I want to thank our colleagues, Senators Klobuchar and Blunt, for their hard work on getting the system set up so our committee and other committees in the Senate could participate this way. This has been a great experience and great work by the people who are working the audio and video. So thank them for all of that.

I wanted to go back to Mr. Fanning. I started at my opening round of questioning with this issue about the supply chain and losing a workforce that is hard to replace.

One of the things that has come up in the implementation of the CARES Act is that the definition of national security has limited the applications. I think for all of us who have been thinking about these issues for some time, we think of lots of things as part of national security. We didn't specifically mean you actually are producing X number of product as a defense contract.

I mean, in general, we think that airlines and having an airline sector is part of national security. So what do we need to do to fix that element of the language or what do we have to do to clarify because we were clear and so we're definitely going to communicate to Treasury about this.

Mr. FANNING. Well, I think—thank you for that question. There were a number of issues that probably precluded companies from accessing that money.

The rules came out rather late on that one, later than most, and companies were only given a week to apply. That caused some problems, but I think the main problem is what you highlighted. It was a very narrow definition of national security. It was what they call a rather wonky DX designation, which really limited it very severely and left out a lot of companies that anybody would argue are doing national security work.

But DoD and the Treasury are working on that right now and refining that definition. So I think we'll make some progress on that and make those funds available to a larger pool of companies that are very clearly doing national security work.

Senator CANTWELL. So if you're part of the supply chain for commercial aviation, should that be part of the national defense?

Mr. FANNING. I think so, absolutely. The supply chain is shared and a lot of companies want a foot in both sides as a risk mitigator and that's important. It's great, but we are worried about the impact on the commercial side, what the commercial side might have

on the national security side, and so I don't think that you should require a company to be doing a hundred percent national security to have them be critical as a part of the defense industrial base.

Senator CANTWELL. Thank you. And what do we do about the health care? Do you support us doing something to help further the health care of laid-off aerospace manufacturing workers in this time period?

Mr. FANNING. I do. A number of our companies—we're first and foremost focused on not losing the workforce for all the reasons you mentioned in your question, but when it comes to that, many of the companies are extending benefits, giving extended periods for the benefits, but we would look for some help to help those people who no longer have their jobs as a result of this pandemic. The market is contracting and we're looking for ways to ride through that, but it's going to be a difficult journey.

Senator CANTWELL. And can you just explain that a little bit more because I think people think, well, of course people would want to go back to aerospace, but the point is if you lose your job in aerospace manufacturing now and you have 1 year—I'm sorry—you have 1 month of health care from your employer under their COBRA system, and then you could yourself purchase another year or I think it's 12 months of that, but do you have the \$2,000 or whatever the benefit is to purchase that? If you don't, you're going to not hang around and wait for the aerospace job to come back. Maybe I'm explaining it for you but anyway, I want to emphasize how critical it is that if we want to retain these workers and retain them being able to help us again in aerospace, which is a very competitive environment, that we need to do something about health care.

Mr. FANNING. Absolutely. I think you got most of it. These are highly sought-after workers and if we can't keep them employed in aerospace industry, others will want to come after them obviously. They're highly skilled. They're highly trained. Other industries that might be able to ramp up faster than we would would be attractive and have jobs available perhaps.

On the defense side of our industry, for example, some of the companies are hiring through this. So there are places out there that are hiring and we want to make sure we retain that workforce because this is an industry that is an important economic driver for the country in many ways. It's leveraged in terms of the economic activity that it engenders but it also is an important part of our global competitiveness.

Senator CANTWELL. Thank you. If I could, Mr. Chairman, just quickly?

Dr. Godwin, would you give us your response about the temperature issue? I went to China I think maybe 10 years ago after H1N1 and was tested before I could be let into the country. Where do you think temperature checks play into the equation of aviation, even if it's on the international arrivals side?

Dr. GODWIN. I think that, you know, temperature checks, again coming back to this concept of a net, we want to have a bunch of different reinforcements. It's not like one thing is going to be key to protecting people and the temperature checks are a way to iden-

tify those people who are really active cases of either COVID-19 or some other infectious disease.

So it's a great way to identify probably some really high-risk people. What we've seen with this disease, though, is that not everyone runs a temperature and there are people who are asymptomatic who are still transmitting. So it's one piece of the puzzle but perhaps not—you know, it should only be one part of what we're doing, if it's not a quick fix.

I would also like to say really basic like hand washing, so we want to make sure that we're providing people with opportunities to keep themselves safe, as well.

Senator CANTWELL. Thank you, and thank you, Mr. Chairman, and to this last point about what is it going to take to get the public going again, somebody mentioned that, one of our witnesses, I would say it's listening to Dr. Godwin and the health care officials. That's what's going to convince the public. When they say if these standards are here and this is what will make us safe, that's where we need to start.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Cantwell.

Senator Blumenthal.

Senator BLUMENTHAL. Thanks, Mr. Chairman. I apologize that I have been out of the room at an Armed Services Committee hearing, but I want to thank all of the witnesses who are here today for this very valuable session and apologize if I'm covering ground that may have been asked by other members of the Committee.

Senator Markey and I sent a letter to the United States Department of Transportation and the Department of Health and Human Services urging those agencies to immediately issue a rule requiring face masks for all individuals, whether in airports or on airplanes, a mandate that would in effect adopt the CDC guidelines.

I'd like to ask—maybe this is a question for you, Mr. Hauptli and Mr. Calio—what your view on that kind of mandate would be? I know that some airlines are doing it voluntarily but it certainly is not a uniform mandate in all airports or on all airlines.

Mr. HAUPTLI. Senator, thanks for the question, and it appears that there is this consensus growing around face masks at airports, airlines. TSA is using them for their screeners, and I read just today that TSA is contemplating requiring passengers, when they present themselves at screening, to be wearing a face mask.

It would be my belief that airport workers and people passing through airports would be wearing face masks for the foreseeable future.

Senator BLUMENTHAL. Well, the last category is the most numerous, right, people passing through? You can control TSA. You can control airport employees, but without some mandate, it's going to be voluntary. So would you be in favor—I recognize there's a growing consensus. Shouldn't there be some Federal mandate?

Mr. HAUPTLI. What we've said, Senator, is there needs to be the very groups that you identified—CDC and others, HHS—working together to come up with Federal guidelines to make sure we have a consistent approach throughout the travel experience, no matter which airline or which airport you travel.

Senator BLUMENTHAL. Mr. Calio?

Mr. CALIO. Thank you, Senator. It's something that needs to be seriously considered. You know, we are requiring it now. We have, from our gate agents to our customer-facing employees, you have to wear a face mask. We're requiring it of our customers. There are a lot of questions that arise from that, and when you have a situation where someone gets to the airport, goes through security without a mask and then gets to the gate and has to put a mask on, it begs the question.

Senator BLUMENTHAL. Yes. I would think that your position on requiring them would be greatly strengthened if the flight attendants or whoever's at the gate could say it's the law. It's not just our policy, it's the law, correct?

Mr. CALIO. Yes, sir.

Senator BLUMENTHAL. The letter that I put into the record earlier from the Airline Pilots Association International referred to the lack of uniform and proper cleaning and disinfected practices on flight decks and aircraft.

Mr. Calio, I know you probably haven't had a chance to look at the letter, but I assume you're familiar with the substance of it. Could you respond to it?

Mr. CALIO. Yes, sir. We received a letter ourselves previously some while back. We asked the Airline Pilots Association for examples so we could follow up because whenever we get complaints like that, they're usually handled locally but we always look for trends, if there's a problem. We have been unable to find a trend. We're doing everything we can in our cockpits to keep it clean in terms of the pilots and our flight attendants. We've enhanced the cleaning procedures.

So I guess we don't agree with the claims, and we've asked a second time probably now three or four weeks ago, for examples that we could trace down. We're also doing contact tracing now with our crews and so I guess bottom line we just don't agree with the claims.

Senator BLUMENTHAL. Well, I would like whatever follow up there may be insofar as you may make further findings be made available.

I'm going to have some more questions for the record, if that's OK, Mr. Chairman?

I just want to make one last comment. Mr. Calio, when I referred earlier to possibly additional funds that are necessary for the airline industry, I was reacting to some extent to Mr. Hauptli's point about more resources being necessary to restore this industry.

It may not be direct bailout money of the kind that the CARES Act or COVID 3 provided, but I assume you would not disagree that additional Federal commitments may be necessary.

Mr. Hauptli, you seemed to indicate that they would be necessary.

Mr. HAUPTLI. Senator, absolutely. The money that was provided to the airport community is greatly appreciated and is an important first step, but is nowhere near what airports need, business aviation, general aviation, the concessionaires need going forward. There are hundreds of millions and billions of dollars in gaps.

Senator BLUMENTHAL. And I'm not raising that point to say I question your judgment but Mr. Calio seemed pretty unequivocal

about not needing any more money for the airlines and I would just make the point that it is an industry. Airlines are no good without airports and without the rest of the industry that's necessary to make them fly successfully and so I think there is an overall consumer trust issue here that needs to be addressed.

Mr. CALIO. Senator, may I?

Senator BLUMENTHAL. Sure.

Mr. CALIO. Yes. Perhaps I made my point imprecisely. Basically, we think it's early. We're doing everything we can self-help-wise to make it work.

I said earlier at some point this is uncharted territory. Everybody's trying to work our way through it, you, us, everybody. So it would never be never, but I know with some of my members, their hope is that they don't need further government assistance. That's the point I was trying to make.

Senator BLUMENTHAL. And I just want to indicate that I voted for this package. I have urged stronger oversight measures and other potential improvements going forward, but I think we're all hoping for a successful airline industry, and I just want to again thank you for being here and thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Blumenthal. I count 14 Senators that were able to participate today either, in-person or remotely. I think we've had a good hearing and I'm getting a little feedback here.

The hearing record will remain open for two weeks. During this time, Senators are asked to submit any questions for the record. Upon receipt, the witnesses are requested to submit their written answers to the Committee as soon as possible.

I thank the witnesses for appearing today and I thank each member, and this hearing is now adjourned.

[Whereupon, at 4:30 p.m., the hearing was adjourned.]



## A P P E N D I X

PREPARED STATEMENT OF TIMOTHY R. OBITTS, PRESIDENT AND CHIEF EXECUTIVE  
OFFICER, NATIONAL AIR TRANSPORTATION ASSOCIATION

Chairman Wicker, Ranking Member Cantwell, Chairman Cruz, and Ranking  
Member Sinema:

The National Air Transportation Association has been the voice of aviation businesses for 80 years. In 1940, general aviation in the U.S. was at risk. With the looming threat of war, the U.S. Army sought to ban all flights by privately owned aircraft in the national airspace. That year, 83 charter members representing all types of general aviation businesses unified as a singular voice to successfully tell Congress and the Administration to keep the airspace open to this important industry.

Today, NATA represents the interests of nearly 3,700 aviation businesses across a broad cross section of the industry, including FBOs, Part 135 air carriers and fractional ownership companies, flight training, maintenance, airport sponsors at general aviation airports, air medical operators, and others. The Association serves to elevate the safety and professionalism of its members by convening industry thought leaders on its policy committees, examining contemporary issues, and pursuing solutions that prioritize safety and economic viability. To that end, the Association's ongoing major policy initiatives include a campaign to educate and end the practice of illegal air charter, efforts to reform outdated hangar fire protection standards, elevating the professionalism of the air charter broker industry, and promoting a consistent regulatory framework.

### **Fixed Base Operators**

Fixed base operators (FBOs) are the primary service and fuel providers to general aviation aircraft operators. The FBO industry in the U.S. today are located at 3,233 airports around the country. FBO's may also provide maintenance; aircraft rentals, charters, aircraft management and/or aircraft sales; or flight instruction.

Additionally, at many Part 139 commercial airports FBOs also perform line maintenance, cabin cleaning, and baggage handling for Part 121 commercial, passenger, and cargo airline customers.

### **Airports**

One of NATA's fastest-growing membership categories is general aviation airports. Over 330 airport sponsors are NATA members. General aviation airports, 4500 in total, are vital economic engines, serving as arrival and departure points for economic developers, components for local manufacturing, agriculture missions, fire-fighting hubs, and access to critical medical care. By contrast, scheduled air carriers fly only to those places where the economics of operation justify service, approximately 500 airports.

### **Maintenance/Repair Stations**

The term "repair station" refers to a maintenance facility that has a certificate issued by the Federal Aviation Administration (FAA) under 14 CFR Part 145 and is engaged in the maintenance, preventive maintenance, inspection, and alteration of aircraft and aircraft products. Another more general term used throughout the industry is MRO, referring to repair stations as maintenance, repair, and overhaul facilities.

### **Flight Training**

Across the country, a number of accredited universities and colleges integrate a flight training curriculum under 14 CFR 141 into the academic requirements for a degree in aviation science, educating the next generation of aircraft captains. In addition, many FBOs and independent flight instructors provide flight training under 14 CFR Part 61.

### **Part 135 On-Demand Air Charter**

One of the most important contributions of general aviation is providing on-demand (or as needed) transportation for freight and passengers—especially to airports that have no scheduled commercial air carrier service. Most operators using general aviation aircraft in a for-hire passenger and/or cargo service are certificated to operate under 14 CFR Part 135. Aircraft used in on-demand air charter operations are limited to no more than 30 passenger seats and a 7,500-pound payload.

Part 135 air charter businesses conduct numerous types of operations, including medical flights.

### **Fractional Ownership Companies**

For those who do not need the use of an airplane full time, fractional ownership plans offer all of the benefits of private aviation, including on-demand transportation, consistently high service levels, and an excellent safety record.

As the term fractional implies, participants are brought together to buy into a specific airplane, with each holding a fractional share entitling them to usage of an airplane on a predetermined hourly basis, normally over a 12-month period. The day-to-day operational management of an aircraft involved in a fractional plan is carried out by the plan's operator who is responsible for the acquisition and management of the aircraft on behalf of the shareholders. This operator also provides flight crews and takes charge of maintenance and scheduling.

### **Aeromedical Services**

Approximately 250 organizations in the U.S. are currently engaged in the transport of seriously ill or injured people to hospitals for emergency care. Air medical transport saves lives by bringing more medical capabilities to the patient than are normally provided by ground emergency medical services, along with faster transit times to the appropriate specialty care location.

### **Aircraft Brokers, Dealers, and Distributors**

General aviation aircraft are marketed for sale primarily through dealers and brokers. The sale of new aircraft is handled by independent distributors.

Since its foundation, NATA has not only focused on advocacy, but also on elevating the safety and professionalism of the industry. NATA's Safety 1st program is the industry standard for training general aviation support personnel. Since 2008, Safety 1st has trained over 40,000 individuals. With Safety 1st, organizations and training administrators are empowered with flexible tools allowing them to customize learning pathways to meet the specific needs of their operations and the specific learning needs of their team members. However, at its core, the SFTC still employs its unique approach to online learning by blending online content and assessment with locally provided on-the-job (OJT) training and practical skills assessment. Topics include misfueling avoidance, aircraft movement and ramp safety, regulated hazmat handling, and flight coordinator training.

NATA also is represented on numerous working groups with U.S. Customs and Border Patrol and the Transportation Security Administration on issues pertaining to general aviation security.

Over the years, NATA has worked with policymakers at the Federal Aviation Administration (FAA) and in Congress, including the Senate Committee on Commerce, Science, and Transportation to effect real policy changes that positively impact safety and ensure the economic viability of our industry, including key provisions in the *FAA Reauthorization Act of 2018* that promote a more efficient regulatory framework, beginning to identify policy options to end the practice of illegal air charter, and important safety improvements.

NATA's statement will focus on three subjects. First, the impact of the COVID-19 pandemic on our industry. Second, it will provide perspective on the implementation and effects of the CARES Act, and will close with policy recommendations we believe will lay the foundation for the next era of a prosperous industry.

A viable general aviation industry is imperative to the existence of commercial airlines in this country. As the airlines return to service they will need to rely, as they always have, both directly and indirectly on a network of general aviation businesses to support their operations. But today, those businesses are struggling and their future is unclear. A shrinking general aviation industry will fundamentally alter the commercial aviation system that Congress worked to save in the CARES Act.

### ***The Impact of COVID-19***

Commercial aviation in the U.S. can only function because it is a part of an interconnected industry that relies heavily on a general aviation workforce for supply chain, service, support, and workforce development. Congress acknowledged the na-

tional significance of the commercial airlines by providing them assistance in the CARES Act. As a condition of the receipt of their grants and loans, however, the U.S. Department of Transportation has required air carriers operating under 14 CFR 121 to maintain certain minimum levels of service along the routes within their networks. But meeting such obligations will be difficult for air carriers in the absence of general aviation businesses that support their operations.

In the week prior to the first case of COVID-19 in the United States, industry news reported earnings for air charter were up, the aircraft sales markets were solid, and some FBO's were reporting a record year as they closed out their financials for 2019.

In the weeks that followed, companies began quarantining flight crews who returned from international trips, aircraft manufacturers began issuing guidance on aircraft sanitization, and industry observers calling the pandemic the "biggest gut punch to the industry" since the September 11, 2001 terrorist attacks.<sup>1</sup>

On March 16, 2020, NATA led the general aviation industry in sending a letter to Secretary of Transportation Elaine Chao, asking that general aviation be allowed to continue its record of operating safely during times of crisis.

While NATA member companies responded quickly, developing and implementing standard operating procedures for aircraft cleaning and sanitizing, passenger facilitation, and daily operations, many companies that traditionally used Part 135 or fractional ownership carriers to transport staff implemented travel bans that led to declines in levels of activity never before seen in general aviation.

Acknowledging the vital role they play, the CISA guidance issued March 28, 2020 in response to the COVID pandemic designated most general aviation workers as "essential." The majority of NATA member companies are small businesses. In times of crisis, they are best equipped to provide lifesaving support and time sensitive supplies. These businesses support the movement of flights carrying medical and testing equipment, key personnel, and humanitarian relief supplies.

For example, Grandview Aviation, and NATA member and small business based in Baltimore, Maryland has been in operation since 2004. Grandview is a Part 135 air carrier operating seven aircraft with 49 employees. Prior to the pandemic, Grandview usually flew 400 hours per month, which has declined sharply to around 50 hours per month due to a decline in discretionary travel. However, Grandview also transports organ transplants, which saw an increase as the COVID-19 crisis worsened. They must maintain three crew shifts on daily to ensure it can be ready to fly at a moment's notice. Normally, Grandview supports the higher overhead associated with organ flights by flying private passenger charters. However, passenger operations have completely stopped since shelter in place orders were enacted. While Grandview received support through the PPP, they are unsure whether they will receive support under Title IV of the CARES Act, and believe they will have to reduce staffing to a level that will make it impossible to complete these vital organ flights and ground most or all of the fleet by June if additional assistance does not materialize.

An essential lifeline to rural America, general aviation companies operate at nearly 4,500 airports and thousands of cities that are not served at all by the airlines, but are nonetheless impacted by major changes in industry activity. The aviation activity in these cities and towns supports good paying jobs, economic activity, and connectedness. General aviation airports and general aviation businesses support EMS, agriculture flights, police work, Border Patrol, executive transport, cargo, flight schools, vocational schools, research, drones, powerline patrol, pipeline patrol, conservation efforts, fire control/fighting, construction, seismic work, sightseeing, organ transport, non-emergency medical transport, charter, and providing medical staff from major cities to the community to provide routine medical service.

Companies like Grandview are optimistic that they will see a rebound in business when the pandemic subsides; a number of their regular clients are elderly and immunosuppressed who choose to charter specifically out of health precautions.

#### *Implementation and Effects of the CARES Act*

Title IV of the CARES Act provided relief to certain aviation businesses, some of whom are NATA members. However, many of those businesses, including those eligible as "contractors" to the commercial airlines have not yet received funding.

Air carriers operating under Part 135 were eligible for assistance under Title IV of the CARES Act. NATA thanks Congress for its attention to the concerns of this important segment of the industry, which has played a key role in delivering personal protective equipment (PPE) and medical personnel in pandemic response ef-

<sup>1</sup> March 16, 2020. Bruno, Michael. "How COVID-19 Could Change the Aerospace and Defense Supply Chain." The Weekly Business of Aviation.

forts. While Part 135 air carriers fulfill critical and time sensitive missions that cannot be completed by commercial airlines, many of the businesses that support the existence of the commercial airline industry that Congress prioritized in the CARES Act and support rural America did not receive assistance under Title IV.

NATA thanks this Committee and its staff for providing contact with key officials at the Department of Treasury to discuss implementation of the Title IV relief programs. We have found the Department to be responsive and receptive to our inquiries, even incorporating a number of our concerns in subsequent programmatic guidance. NATA was able to share with the Department the aspects of Part 135 businesses that would make, for example, mandatory service levels or the proffering of financial instruments unworkable for most of the industry. We appreciate that the Department incorporated those recommendations when implementing the programs.

NATA member companies who have received Title IV assistance are pleased that the funds allow them additional flexibility during what could be a protracted recovery. And while we can appreciate that the Department of Treasury has been inundated with both applications and efforts to provide assistance quickly, the Association is aware of many members—in particular those who are eligible as Part 135 passenger air carriers, air cargo operators, and contractors to the airlines—who applied before the priority deadline of April 3rd and, as of today, have still have not received funding. Additionally, confusion about the particulars of the program and what would be required of participants that were not Part 121 passenger air carriers led to many eligible businesses who desperately need the relief not filing by the April 3rd priority deadline or not filing altogether.

The CARES Act also provided \$10 billion of assistance to airports. However, out of the \$10 billion only \$100 million went to the 4,500 general aviation airports, with the remainder going to just over 500 Part 139 certificated airports that serve Part 121 commercial passenger air carriers. This led to thousands of general aviation airport sponsors being eligible to receive \$30,000 or less under the CARES Act, with many receiving only \$1,000, while general aviation airports report declines in activity between 75 percent to over 95 percent. Per longstanding FAA policy under FAA Grant Assurance 24, airports that receive funds from the FAA are required to be as financially self-sustaining as possible relying on user fees and rental income from tenant businesses. Those businesses are part of a broader operational ecosystem, and when they are unable to meet payroll obligations and the terms of their tenancy agreement with their airport sponsors, it imperils the ability of the airport to operate safely and efficiently.

While the Paycheck Protection Program (PPP) created by the CARES Act may have supported some general aviation businesses for a period of 8 weeks, the future of these essential businesses is unclear as air traffic—and revenues—continue to decline. The PPP funds authorized in the CARES Act were allocated in two weeks, and as of today, the second round of funding is largely allocated, despite myriad of technical problems and difficulties with the application process.

Likewise, the Emergency EIDL Grant program through SBA continues to experience problems. But perhaps most disconcerting is the fact that nearly half of the FBOs across the Nation are owned and operated by the airport sponsor, most often the local unit of government; thus, these critical system stakeholders were not eligible for PPP assistance at all. Faced with a decision to allocate scant Federal assistance to the airport or to, perhaps, a local health system, local government officials have little choice. As the pandemic subsides, loss of critical aviation infrastructure will jeopardize the revitalization of our Nation's commercial aviation system, and for a network of such strategic importance to our nation, cannot rely on a program with a history of mixed success.

#### *Recommendations to Preserve an Essential Industry*

The future of our Nation's commercial aviation industry will rely on robust general aviation activity to support it.

Because of the unique nature of our industry, experts are predicting a lengthy recovery period, well beyond the term of assistance provided by the PPP. Beside payroll, the lease obligations of NATA member companies to the sponsors of the airports on which their businesses reside represent one of the most significant operational expenses. And in many cases, the lease arrangements between an airport sponsor and tenant business include a Minimum Annual Guarantee (MAG). Thus, lease obligations also represent one of the largest vulnerabilities during times of reduced aviation activity. But because the airport sponsors rely on this revenue to finance the day-to-day operation of the airport itself, when tenants are unable to meet payroll obligations and the terms of their tenancy agreement with their airport sponsors, it imperils the ability of the airport to operate safely and efficiently.

Congress may wish to consider providing assistance to airport sponsors and their tenant businesses for relief of lease obligations. One option would be for the Departments of Treasury and Transportation to analyze the amount of airport sponsors' revenues that account from the lease obligations of certain tenant businesses, and then to provide a level of relief equal to that amount with the requirement that airport sponsors abate lease obligations over the term of the assistance provided.

Despite delays in delivering funds to successful applicants, the Title IV programs of the CARES Act allow more flexibility to aviation businesses. In the interest of efficiency, Congress may wish to consider reauthorizing and recapitalizing those programs. If Congress chooses to do so the Title IV, subpart B, programs of the CARES Act, we ask that you consider eligibilities for a broader ecosystem of businesses that provide support for the continued viability of all air carriers, not just Part 121 passenger air carriers.

The fact that it was necessary for the Department of Treasury to prorate assistance under Title IV, subpart B, of the CARES Act to air carriers, including Part 135 operators because of the large number of applicants speaks to the level of need and thus an impetus for Congress to consider additional support in subsequent legislation.

NATA looks forward to working with this Committee to find policy solutions that will support general aviation. We believe that support for general aviation is directly linked to the future of passenger air transportation in the United States. We thank the Committee for its attention to these concerns and recommendations.

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PREPARED STATEMENT OF ED BOLEN, PRESIDENT AND CEO,  
NATIONAL BUSINESS AVIATION ASSOCIATION

Chairman Wicker, Ranking Member Cantwell, and members of the Senate Committee on Commerce, Science & Transportation, thank you for holding this hearing to discuss the unprecedented challenges our aviation industry is facing due to the COVID-19 pandemic. The National Business Aviation Association (NBAA) represents more than 11,000 member companies that utilize general aviation aircraft to make their businesses more productive and successful. We welcome the opportunity to provide this statement to explain the unique challenges our segment of the aviation industry is facing each day, and how we are contributing to the humanitarian response.

The United States business and general aviation industry, which includes all operations other than scheduled airline flights and the military, supports 1.2 million jobs and \$247 billion in economic impact. Across the country, thousands of small and mid-size businesses that generate \$77 billion in labor income are facing unprecedented challenges due to the COVID-19 pandemic and require additional relief.

Since early March, general aviation operations have declined more than 70-percent, resulting in severe economic consequences for a wide variety of businesses, from aircraft operators to airports and aviation manufacturers. For example, in Mississippi, airports are laying off workers, and flight schools at community colleges have closed. In Washington state, many general aviation airports are reporting steep declines in traffic. At Pierce County Airport in Puyallup, there has been a 95-percent decline in traffic, while at Boeing Field in King County, general aviation traffic and fuel sales have declined by more than 70-percent.

Your efforts to provide near and mid-term relief for air carriers and small businesses under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) injected much-needed funds into general aviation businesses. Still, we believe additional assistance will be necessary. The uncertainty as to the longer-term prospects for aviation requires us to think creatively beyond the CARES Act.

In addition to loans and grants for air carriers, the CARES Act suspended certain Federal excise taxes for commercial air transportation until January 1, 2021; however, it did not suspend non-commercial aviation fuel taxes. While this excise tax suspension provides longer-term relief to commercial air carriers, most general aviation operations are non-commercial, and thus not eligible for this tax relief that will help incentivize aviation activity as we recover from the COVID-19 pandemic. As Congress considers a fourth relief package, we respectfully request that aviation fuel taxes paid by non-commercial operators also be suspended.

This temporary relief from fuel taxes will incentivize general aviation businesses to preserve jobs and resume flying once we begin to emerge from this crisis. For example, at crucial general aviation airports in Florida, including Venice Beach Municipal and North Perry, flight schools are either closed or seeing their business reduced drastically. Across the country, these small businesses employ nearly 110,000 flight instructors and are a crucial driver of economic activity at community air-

ports. The suspension of non-commercial fuel taxes will help reduce operating costs for flight schools and other small businesses and provide a much-needed incentive to get back in the air.

In addition to these examples, many other general aviation airports, which are the backbone of our Nation's aviation infrastructure, are facing unprecedented challenges. These facilities, both large and small, provide communities a lifeline for critical supplies and air medical flights. As a result of aircraft operations dropping so drastically, these airports have lost their significant sources of revenue, derived from fuel sales and landing fees. While pavement will inevitably survive the crisis, airport operators are struggling to maintain their skilled staff, essential to the ability to operate the facilities safely. Fixed Base Operators and other airport-based businesses are struggling to pay rent and retain their employees.

General aviation depends on these airports, which will be critical in the recovery phase as well. Thank you for fully funding the Airport Improvement Program (AIP). We also applaud your efforts to provide airports with much-needed funding through the CARES Act by increasing the Federal share to 100-percent and ask for your continued support.

We also recognize the COVID-19 pandemic has led to challenges for the Airport & Airway Trust Fund (AATF). However, we believe the suspension of non-commercial aviation fuel taxes would provide our industry with similar relief to what commercial operators have received. Also, temporary relief from the fuel taxes will serve as a catalyst to help small general aviation businesses recover once the immediate crisis begins to recede. In the long-run, this will benefit the aviation system, the AATF, and our entire economy.

Beyond relief from air transportation excise taxes, the CARES Act provided grants and loans for air carriers and other general aviation businesses. These programs, administered by the Department of the Treasury, have provided much-needed relief to general aviation air carriers. To date, payroll support funds were provided to more than 90 air carriers, many of which are small and mid-sized businesses.

While this represents significant progress, air cargo operators and eligible contractors have not yet received support. Also, based on conversations with NBAA members, some air carriers are still awaiting a final decision on their payroll support application and disbursement of funds.

This uncertainty as to potential support presents significant challenges to general aviation businesses that are already struggling to survive. Air carriers and contractors are facing drastically reduced revenues, which makes maintaining prior employment levels, potentially unsustainable. If applicants had more detail as to when payroll support decisions will be made, it would significantly inform their planning and business decisions during these uncertain times. As Congress continues its oversight of CARES Act programs, we respectfully request that you work with the Treasury Department to provide additional details on the timeline for a decision on payroll support payments to applicants.

Along with the payroll support program, the Treasury Department is also overseeing a loan program for air carriers and other eligible aviation businesses. One challenge our industry is facing in applying for these loans is the requirement to track available seat miles, revenue per seat mile, and cost per available seat miles. Since most general aviation air carriers provide on-demand flights, they are not able to track these metrics as the large airlines do. As the Treasury Department processes loan applications, we ask that they provide flexibility for general aviation operators to suggest a metric that more accurately represents the service they provide to communities.

We also applaud the recent action by Congress to provide an additional \$310 billion in funding to the Paycheck Protection Program (PPP). Many NBAA member companies have been able to secure relief under the PPP, and we are hopeful that this additional relief will reach more general aviation small businesses. The \$60 billion provided to small community banks is also critical, as many of our members have developed close relationships with their local lenders.

Even during these challenging times, we have continued to see general aviation operators using their unique ability to connect more than 5,000 airports across the country for humanitarian purposes.

Recently, our industry facilitated the delivery of one million protective face masks and more than half a million COVID-19 test kits from China. Other operators are using aircraft to transport medical supplies where they are needed most and assist with the logistics of moving medical equipment and personnel to communities experiencing a surge in cases.

Through NBAA's Humanitarian Emergency Response Operator (HERO) database, we recently formed a partnership with the American Hospital Association to connect

supplies and services with hospitals across the country, including those in small towns and rural communities. This response builds on past relief efforts coordinated by the HERO database, including in the wake of major hurricanes, earthquakes, and other natural disasters.

Business and general aviation are resilient, and we will recover from this crisis; however, the road ahead will be very challenging. The CARES Act helped respond to some of the immediate challenges our community is facing, but additional long-term relief will be necessary over the coming months. Thank you for holding this hearing, and we look forward to continuing to engage with the Committee on efforts that will help our general aviation industry recover.

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PREPARED STATEMENT OF FAYE MALARKEY BLACK, PRESIDENT AND CEO, REGIONAL AIRLINE ASSOCIATION

The Regional Airline Association (RAA) thanks the U.S. Senate Committee on Commerce, Science, & Transportation for holding the hearing titled, “The State of the Aviation Industry: Examining the Impact of the COVID-19 Pandemic.” RAA submits this statement for the record to inform the Committee on the current status of the regional airline industry and share with it the actions the industry is taking to safeguard our crewmembers, passengers, and support partners in response to the COVID-19 pandemic.

On behalf of our entire membership, I want to thank this Committee, along with the House Transportation & Infrastructure Committee and House and Senate party leaders for their leadership in securing almost \$60 billion dollars in relief for passenger and air cargo air carriers in the Coronavirus Aid, Relief, And Economic Security (CARES) Act. These funds—specifically, the funding for air carrier worker support—acted as a lifeline for the approximately 70,000 women and men working for the regional airline industry. You and your staff worked tirelessly to develop and enact meaningful legislation with speed and care and kept the needs of small community air service in mind by ensuring regional airlines were able to directly participate. Your leadership in this area has been a crucial, first step in helping regional airlines retain a “ready status” workforce that will be able to immediately stand air service back up when the pandemic abates. While significant needs remain, your actions increased the chance of survival for many smaller airlines who may not have shouldered the unprecedented economic blow without you. We are grateful for your support and determined to do our part to uphold air service to communities who rely on us.

#### **CARES ACT**

We know that Congress is contemplating deep needs that extend far beyond the aviation sector, as harm has touched nearly every American and businesses of all sizes are facing significant challenges. Understanding this, we humbly ask that this Committee keep in mind the continuing vulnerability of regional airlines and the small communities they serve in the coming months as this pandemic continues. Specifically, we hope that Congress will differentiate between types of air carriers, because we have vastly different compositions and differing resources with which to deal with the economic impact associated with the Coronavirus; however, we are all critical pieces of the Nation’s air transportation system.

As you know, the CARES Act payroll assistance program was so direly needed, that air carrier claims far exceeded the available funds and air carriers expect to receive approximately 76 percent of 2019 payroll costs to help cover their full payroll costs today. Like most air carriers, regional airlines planned to accommodate the exponential growth seen across all aviation sectors and were typically staffed at 20 percent higher than those 2019 levels. When a combination of government-mandated travel restrictions and the abrupt spread of COVID-19 contagion decimated the aviation industry, regional airlines felt the downturn, and subsequent financial effects, almost immediately. Impacts on passenger loads have been nothing short of stunning and major airlines have dramatically reduced the schedules of their regional airline partners in response. Today, most of the regional airline fleet is parked, and capacity cuts are likely to persist and may worsen for months to come.

Regional airlines’ partner-centered business model is one reason the COVID-19 crisis has hit our sector particularly hard. Nearly all regional/mainline partnerships operate under Capacity Purchase Agreements (CPA’s) where the larger airline sells the ticket and the regional airline does the flying at the direction of the partner. Under these arrangements, regional airlines typically dedicate 100 percent of their capacity to flying on behalf of one or more mainline partners and are compensated by the mainline—and not the passenger directly—for this work. In this way, re-

gional airlines help major airlines reach smaller communities and passengers that major airlines could not otherwise serve. Typically, the CPAs governing these arrangements are fixed-term and, given the (heretofore) underlying stability and low-risk nature of the relationships, reflect low profit margins. Additionally, these agreements do not afford regional airlines control of ticket prices or allow real-time rate adjustments. In fact, increasing revenues would require regional airlines to seek contract changes, an unlikely outcome given the margins underlying these contracts are fragile during the best of times.

Today, these mainline partners are themselves deeply impacted by COVID-19 challenges and are making unprecedented capacity cuts. The aforementioned lack of direct, real-time revenue control limits regional airlines' ability to bolster future revenue streams to raise enough free cash flow to extinguish any debt or equity taken on to sustain a workforce that is not flying as a result. This is one reason that regional airlines are depleting liquidity at alarming rates during this crisis, as payroll expenses in excess of CARES Act grant receipts continue to deplete resources. While regional airlines are making every effort to reduce non-payroll expenses, these efforts will not reduce in tandem with revenue losses. Such ownership costs include IT systems, aircraft maintenance, crew and employee training, simulator upkeep, rent and leasing costs and more. Additionally, as with nearly all companies, many regional airlines are asking supply company partners to help shoulder the burden; however, regional airlines are vulnerable here as well, as suppliers to major airlines facing their own unprecedented liquidity crises.

Another important distinction sets regional airline recovery apart from that of larger airlines. Where larger carriers can turn to the Treasury's Air Carrier Loan program for additional assistance; many regional airlines cannot. Despite the lower lending rates and stated purpose of serving as a lender of last resort, regional airlines are again constrained by the CPA structure that limits regional airlines' ability to extinguish debt. Additionally, the requirements for securitized loans and government equity stakes in concert with these loans present additional hurdles; regional airlines generally do not have significant unencumbered assets; as they lease or sublease their aircraft and few regional airlines have slots, gates, frequent flier programs, routes or other assets that could be leveraged for financing. Regional airlines nonetheless support this program because it helps their valued mainline partners. However, the inability to participate directly in this assistance further limits resources available to help weather the economic repercussions of the pandemic.

Beyond the circumstances already described, a few regional airlines face additional challenges because they were erroneously categorized by the U.S. Treasury Department as major airlines because of the size of their payroll. Although these regional airlines collectively employ nearly 10,000 FTEs and provide air service to dozens of communities not served by mainline air carriers, they do not issue tickets or derive revenue directly from passengers. They are nonetheless required to provide an equity stake to the Federal government and to pay back 30 percent of their Payroll Assistance grants. In addition to dramatically slowing the delivery of this assistance in support of these carriers' workforce, it subjected some, but not all, regional airlines to additional, disadvantaging conditions for aid. Treasury officials have been responsive and communicative with RAA and our members and for that we are grateful. However, we continue to firmly believe that warrant and repayment terms intended for larger airlines should not apply to any regional airline.

Although regional airlines are doing all they can to survive despite these challenges, without additional resources, many remain extremely vulnerable. Already, three regional airlines have ceased operating due to the impacts of COVID-19. Trans States Airlines in Missouri and Compass Airlines in Minnesota ended their operations at the beginning of April. Between them, they supported 2,710 direct employees. Subsequently, Ravn Air Group, then Alaska's largest regional carrier, first filed a chapter 11 liquidation plan, then ceased all operations. Ravn employed 1,300 direct employees and served 115 communities in Alaska—most of these remote and significantly isolated. Ravn Air Group noted in its liquidation communication that it could not secure enough assistance under implementation of CARES Act worker support or loan programs to improve its chances for recovery.

#### **SMALL COMMUNITY AIR SERVICE**

As you know, the U.S. aviation system previously drove \$1.6 trillion in annual economic activity and supported 10.6 million jobs, with \$446.8 billion in earnings. Regional airlines contributed to this economic footprint by operating 41 percent of U.S. commercial airline departures and serving approximately 153 million passengers last year. Importantly, 409 airports (about two-thirds of our Nation's commercial airports receiving scheduled air service) are too small to support air service from larger airlines with larger aircraft, yet still need reliable air service to receive

perishable goods, connect with loved ones and business contacts, travel to destinations around the globe and participate fully in the economy. Regional airlines provide the only source of scheduled, commercial air service for these airports, connecting them with the Nation's air transportation system and the economic and quality of life options that air service brings.

As you know, air service does not happen to communities in the aggregate. While larger cities, with historically high yield, higher density traffic may be confident that air service will return when the crisis passes, those U.S. airports served exclusively or primarily by regional airlines are vastly more vulnerable. With regional airlines facing an existential threat, communities served exclusively by regional airlines face an enormous downstream threat. This risk to small and medium sized community air service could have an outsized impact on state and local economies, where businesses need reliable air service to remain viable. The economic consequences of leaving these communities behind are not insignificant. In 2018, regional airline service to the Nation's smallest airports alone (non-hub and small hub) drove a conservatively estimated \$134 billion in annual economic activity and supported more than 1 million jobs, with \$36.4 billion in earnings at the state and local level.

We do not need to look far back in aviation history to see that small communities are the first to lose air service when air service is retracted for any reason. Considering this, RAA greatly appreciates the role this Committee and other Congressional leaders played in support of small communities, by requiring continuation of certain air service for ticketing air carriers that accept government assistance. Additionally, we are thankful for the Department of Transportation (DOT)'s implementation of that requirement, which RAA believes to be measured, fair and thoughtful. Moving forward, meeting small community air service longer term relies upon the survival of regional airlines. If regional airlines disappear, air service to small communities will likewise collapse. Mainline airlines simply cannot serve smaller communities on their own. Their aircraft are too large and the unit costs and fuel inefficiencies of sending oversized aircraft with 150 seats or more into communities where forty passengers travel at a time on three or four flights a day is untenable. Many communities lack the passenger load to fill mainline aircraft. Elsewhere, substitution of mainline aircraft would require dramatic reductions in frequency and destinations that would damage the connectivity value of the service to an economically unviable degree.

For these reasons, RAA asks that Congress consider implementing a modest program designed to pick up where the CARES Act left off, in order to support the health of the carriers serving the Nation's smaller markets. For example, an unsecured, DOT-administered, forgivable loan program could help regional airlines cover remaining payroll and some modest, operating costs associated with small community air service. Such a program would help, although not fully offset, the extremely adverse cash flows that have weakened the regional airline industry. Because the industry is small and does not have a vast infrastructure, the cash requirements for such assistance would be relatively modest and would be fully offset by the economic benefit of preserving air service to smaller communities. Additionally, we ask that Congress craft a mechanism to forgive the implementation requirement for some regional airlines to repay a portion of the workforce relief payroll grants, an act that would extend protection to all regional airline workers and reduce the liquidity strain on those carriers.

We also ask the Committee to help preserve meaningful air service to smaller communities in the future. We fully support flexibility today, where minimal service levels are required for each point. This appropriately reflects the enormity of the crisis and its impact on demand. In the future, additional support from DOT and Congress may be necessary to ensure small and medium-sized communities see service levels return, especially given that COVID-19 is expected to cause a prolonged economic downturn within the air carrier industry. Major airlines are anticipating a multi-year economic recovery period with their operations reduced to account for the drop in passenger demand and the potential for continuing travel restrictions. During this period of recovery, strong support and ample funding for the Essential Air Service Program will be vital to protect air service to participating communities. Additionally, Congress may need to consider creative solutions, such as an EAS-like program covering additional small airports, which will become newly vulnerable to air service loss or degradation due to COVID-19.

#### **FUTURE WORKFORCE PROTECTION**

Today, many industry experts predict that extensive furloughs will follow this pandemic if it persists longer term. As this Committee knows, only a few months ago the entire aviation industry was facing workforce shortages across several work

groups, most notably pilots. Veteran industry observers will recall that a pilot shortage was similarly developing in the late 1990s—averted only when the devastating terrorist acts of 9/11 spurred industry downsizing. While those 9/11 furloughs temporarily reversed the course of the pilot shortage, they also served to deter future pilots from the profession. By 2010, the shortage had returned and regional airlines, who are the entry point for the professional pilot career, were the first and hardest hit.

Regional airlines have accordingly spent the last decade building and strengthening their workforce. This is another reason we are taking every step to sustain today's workforce. Looking further into the uncertain future, a return of the pilot shortage seems unlikely for many years. Nonetheless, RAA continues to believe that closing the funding gap between pilot training costs and student loan availability is important, because it helps support the future of our industry and because it ensures more pilots follow the structured training paths that produce higher levels of proficiency.

RAA is pursuing language in an expected Higher Education Reauthorization package, aimed to expand the dollars available through the Federal student loan program (Title IV funds) for students who attend accredited flight education and training programs. Critically, given the uncertainty today's pilots face, we applaud Congress for supporting a suspension of Federal student loan payments until September 30th under the CARES Act and for the tax relief offered to companies who help students with student loan payments. We ask Congress to consider extending and expanding these provisions, as the need for such support of students who aspire to take flight will not expire on that date. Additionally, when legislation is introduced to help trainee pilots access sufficient higher education funding, we hope Committee members will support and help to advance it. Additionally, we encourage the Committee to continue to work with stakeholders who have led on technician workforce programs, to determine the best avenues for future support.

#### **RETURN TO SERVICE AND COMMITMENT TO HEALTH AND SAFETY**

Regional airlines have been taking substantial steps to protect the health, safety and wellness of their passengers and employees since the World Health Organization (WHO) declared the novel 2019 coronavirus outbreak and COVID-19 infection a public health emergency of international concern. On January 31, 2020, the President issued Proclamation 9984 directing the Department of Homeland Security and other executive departments to take certain actions in response to the coronavirus threat and to protect the interests of the United States. Since then, RAA has been at the forefront of daily interactions and discussions with multiple government agencies, including the Federal Aviation Administration (FAA), the Centers for Disease Control and Prevention (CDC), the Transportation Security Administration (TSA), and the Cybersecurity and Infrastructure Security Agency (CISA) to ensure all our member carriers have the latest information necessary to follow the public health guidance.

Following safety guidelines issues by the FAA in collaboration with the CDC, all RAA member airlines are proactively mitigating safety risks posed by the COVID-19 outbreak, both independently and by working closely with their mainline partners. These safety measures are either in compliance with or exceed CDC's recommended protocols. Such examples include, but are not limited to, crew members wearing face coverings and other PPE as appropriate, providing PPE kits and enhanced Universal Protection Kits (UPKs) on board aircraft; conducting aircraft cleaning with approved cleaning agents during operations and electrostatic cleaning or fogging during overnight maintenance. In addition, passengers are required to wear face covering to uphold the overall safety and protection of the travelling public and crew members.

RAA continues to facilitate member airline discussions, through our Councils and Committees, and sharing of best practices related to upholding the safety of employees and passengers. Further, RAA believes the utilization of crucial safety programs and systems in place today, such as the Commercial Aviation Safety Team (CAST), the Aviation Safety Information Analysis and Sharing (ASIAS) and the Aviation Safety Action Program (ASAP) allow airlines to quickly communicate emerging safety and health risks and act to mitigate those risks using a data-driven approach. Recognized globally, CAST is particularly well-suited for advancing solutions given its successful government/industry working group with the broad participation in the program by air carriers, manufacturers and employee groups empowers the industry to meet the urgency of emerging issues by collaboration on solutions.

As our country continues to battle this ongoing public health crisis, regional airlines will remain vigilant, placing the health and safety of their crew and passengers first. RAA will continue to work with this Committee, government agencies

and our member airlines and their employee partners to help our members proactively meet and respond to evolving concerns with appropriate safeguards. We additionally hope the Committee will view RAA as a resource as you consider proposals. Our team stands ready to assist and share our ideas, expertise and insights.

### Conclusion

Thank you for your leadership securing vital assistance to passenger and cargo air carriers in response to the COVID-19 pandemic. Your actions stabilized the financial health of our country's aviation system. The Regional Airline Association stands ready to partner with the Committee in its continued work to prevent and mitigate the spread of COVID-19 in air transportation and ensure the continuation of air service to all communities across the country. As we work together to combat this pandemic, please know that the safety and health of our crewmembers, passengers, and support partners are our foremost priority, as we continue to uphold the highest level of safety. We look forward to the day when we can safely bring air service back to communities of all sizes.

Thank you for this opportunity to provide comments.

Sincerely,

FAYE MALARKEY BLACK,  
*President and CEO.*

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### PREPARED STATEMENT OF AIRPORT RESTAURANT AND RETAIL ASSOCIATION (ARRA) AND AIRPORT MINORITY ADVISORY COUNCIL (AMAC)

Mr. Chairman and Members of the Committee:

As you know, airline travel has been devastated by the COVID-19 pandemic, and the restaurant and retail airport industry has been particularly impacted, experiencing mounting losses in jobs and revenues.

The Airport Restaurant & Retail Association (ARRA) represents the companies who operate restaurant and retail stores and shops at airports across the U.S. ARRA's mission is to work collaboratively with the airport community and the aviation industry on matters of policy decision-making with a collective impact on restaurant and retail operators. Our companies represent large and small operators, including many small minority and women-owned businesses.

The Airport Minority Advisory Council (AMAC) is a trade association whose members include concessionaires, airports, contractors, professional services firms and airport officials. AMAC business members likewise include large and small firms, including minority and women-owned firms. AMAC's mission is to advocate for diversity and inclusion in the airport and aviation industry.

We are submitting this statement and urging Congress to pass financial relief and assistance specifically for airport restaurateurs and retailers given the unprecedented and long term detrimental business impact caused by Coronavirus pandemic.

### **AIRPORT CONCESSIONS ARE A CRITICAL ELEMENT TO THE MULTI-BILLION AIR TRAVEL INDUSTRY.**

Beyond air carriers and airport operators, *airport concessionaires* are third major partner in the ecosystem that serves air travelers. We transform empty airport terminals into vibrant shopping and dining destinations that generate *\$10B annually* employ *125,000 workers* in steady jobs that often offer good pay and benefits and opportunities for advancement. Moreover, concessionaires contribute *\$2.5B in non-aeronautical revenue* to airports under contracts and agreements that deliver services travelers and airports need, and that fuel airport operations, development, bond financing and growth.

### **AIRPORT CONCESSIONAIRES ARE A VITAL PART OF THE AIRPORT/AVIATION ECOSYSTEM BUT WE ARE THE ONLY PARTNER NOT TO RECEIVE TARGETED ASSISTANCE.**

In the CARES ACT (Phase III), passenger air carriers received \$50B, air cargo carriers received \$8B; airports received \$10B and air carrier associated contractors received \$3B in immediate financial aid and for future recovery. Airport concessionaires received \$0.

Airport concessionaires are uniquely dependent on airline passenger traffic. Airline passenger traffic (*i.e.*, carrier/plane "load factor") is *down by more than 95 percent—and as a consequence, most concessionaires' revenues are similarly down by 95 percent or more and a comparable number of locations have already been forced to close*. Most industry experts do not expect passenger traffic and business sales revenues to return to pre-pandemic levels for 18–36 months.

**THE PAYCHECK PROTECTION PROGRAM DOES NOT WORK FOR AIRPORT CONCESSIONAIRES.**

Without immediate targeted help, many of these companies will simply fold, taking jobs and potential revenues with them. We need assistance now so when the economy begins to recover and air travel takes off again, we can be there to serve the public while the policy objectives of the of the Paycheck Protection Program (PPP) are admirable, as a practical matter, it contains key timing and duration limitations that are beyond the control of airport concessionaires. The re-hiring of employees and re-opening of stores within 8 weeks during a period when there are almost no air travelers, renders the program insufficient to meet the real needs of these businesses.

Similarly while a few individual airports have indicated an initial interest in helping their concessionaires (*e.g.*, by temporarily abating or deferring rents or other charges), it doesn't go far or deep enough. Given that there are no funds in any of the CARES Acts or other relief legislation specifically designated for the many issues confronting concessionaires, these discussions are likely to be protracted or, in the end, may not be successful. ARRA and AMAC have called on airport operators to waive or abate Minimum Annual Guarantees (MAGS) and rents for a period of 12-months. This is essential in order for these companies to at least cover operating costs, to survive and to be prepared to rehire employees and restart their restaurants and shops as travelers begin to return. Unfortunately, despite receiving CARES Act grants, of the top 50 airports, only about half have granted any type of relief to concessionaires. Many of those are only deferring the minimum rent, despite the fact that concessionaires have virtually no sales.

However, even rent relief at local airports will not be enough to sustain airport concessionaires, save their businesses or enable them to fully participate in providing concessions services and revenues to airports when the aviation system and economy rebound.

**CONGRESS SHOULD AUTHORIZE AND APPROPRIATE \$5.0 BILLION FOR A NEW GRANT AND LOAN SPECIFICALLY DESIGNED TO SUPPORT AIRPORT CONCESSIONAIRES AND PROVIDE A FOUNDATION FOR RECOVERY.**

- The proposal is not a new idea—in the Phase III stimulus CARES Act; Congress authorized and appropriated \$3 billion for grants and loans reserved for air carrier contractors (to be disbursed by the U.S. Treasury Department) as a means of supporting those businesses and employees.
- Seventy percent (70 percent) of the funds would be made available in the form of FAA grants; thirty percent (30 percent) would be in the form of loans (sourced from Minority Depository Institutions, *i.e.*, minority-owned banks).
- The amount of funding available to the concessions companies at each individual airport would be based on that airport's 2018 enplanements (the most recent available.) Use of the funds would be limited to provide economic assistance and relief for concessionaires operating at the airport (*i.e.*, to support an individual concessionaire's operations at a given airport). Concessionaires would be permitted to use the grants and/or loans for re-opening expenses, employee wages, benefits and training, inventory costs, utility costs, expenses related to COVID-19 cleaning/sterilization requirements or protocols, expenses related to airport security, interest and debt service payment, or for workout arrangements.
- In addition to restaurant and retail operators, other concessions companies operating at an airport (as defined by C.F.R. 49 Section 23.3) would be eligible to apply for grants or loans.
- For FAA grants, each concession company would prepare a simplified FAA grant application that would be reviewed and verified by the airport where they operate and then submitted to the FAA. After review and determination that the application meets the eligibility requirements, the FAA would provide the grant assistance directly to the concession applicant for its use for operating and capital projects only at that airport. The funds could not be used at any other airport. FAA would have authority to review and audit the expenditure of the funds to ensure compliance with the eligibility and other requirements.
- The proposal is not a new idea—in the Phase III stimulus Cares Act, Congress authorized and appropriated \$3 billion for grants and loans reserved for air carrier contractors as a means of supporting those businesses and retaining jobs.

For these reasons, ARRA and AMAC urge Congress to SAVE OUR INDUSTRY and include financial relief and direct assistance to airport concessionaires as it

works to mitigate the economic and public health implications of this unprecedented pandemic.

Thank you.



America's Community  
Airline Coalition

May 6, 2020

Statement of America's Community Airline Coalition

The State of the Aviation Industry:

Examining the Impact of the COVID-19 Pandemic

Before the

U.S. Senate Committee on Commerce, Science, and Transportation

America's Community Airline Coalition ("ACAC") respectfully submits the following statement to the Senate Committee on Commerce, Science, and Transportation for consideration during the May 6 hearing entitled "The State of the Aviation Industry: Examining the Impact of the COVID-19 Pandemic."

As Congress grapples with the consequences of the COVID-19 pandemic, and considers various policy solutions, we urge the Committee to consider the unique and critical role ACAC members play in serving the American public.

The members of the ACAC are small Part 135 scheduled air carriers that fly aircraft with on-board seating capacity of up to nine passengers. Collectively, our members carried more than 700,000 passengers, more than 9 million pounds of mail and nearly 6 million pounds of additional freight in CY 2019. Despite their relatively small size and route networks, ACAC member air carriers provide vital air transportation to small, remote, and rural communities throughout the United States.

Our member carriers provide significant service under the U.S. Department of Transportation's Essential Air Service program to small and rural communities in many States. They fly to and between remote communities and island communities located in Alaska, Hawaii, the Virgin Islands and Puerto Rico, and throughout the mainland United States. In addition to vital scheduled services, the ACAC members provide 24/7 medical evacuation services and daily pharmaceutical transportation for small communities. In addition, many of our members hold a USDOT Certificate of Public Convenience and provide the only way for U.S. Mail to reach the communities they serve. In most cases, our member carriers are the lifeline for numerous small, remote, and rural communities

throughout the U.S., providing the only passenger air transportation for the residents and businesses in those communities and the only way to connect to the broader U.S. aviation transportation network. Indeed, in some cases, particularly in Alaska, air transportation is the only way for people to get to and from the community.

The entire aviation industry is struggling to deal with the economic ramifications of the COVID-19 pandemic. ACAC members are no different. Indeed, because of their small size, they are particularly vulnerable to the current economic downturn. As Congress considers further legislation to help the struggling aviation industry, ACAC members respectfully request that Congress give careful consideration to the unique needs of Part 135 scheduled air carriers.

Thank you for your attention to this very important segment of the airline industry. We stand ready to respond to any questions and engage with Congress as it works on additional legislation to address the COVID-19 pandemic.

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**ALASKA  
SEAPLANES**  
FLYING AT A HIGHER STANDARD

 **TRADEWIND AVIATION**

 **ISLAND**  
AIR EXPRESS

  
**GRANT AVIATION**

**ADVANCED AIR**  


  
**VAL**  
VIEQUES AIR LINK

 **TROPIC OCEAN**  
AIRWAYS

BLOCK ISLAND'S RESIDENT AIRLINE  
"SINCE 1970"  
 **New England Airlines**

 **GEM AIR**

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**KENMORE AIR**  
Flying the Pacific Northwest Since 1946

AERONAUTICAL REPAIR STATION ASSOCIATION  
Alexandria, VA, May 6, 2020

Hon. ROGER WICKER,  
Chairman,  
Committee on Commerce, Science, and  
Transportation,  
U.S. Senate,  
Washington, DC.

Hon. MARIA CANTWELL,  
Ranking Member,  
Committee on Commerce, Science, and  
Transportation,  
U.S. Senate,  
Washington, DC.

RE: Coronavirus Relief for the Aviation Maintenance Industry

Dear Chairman Wicker and Ranking Member Cantwell:

On behalf of America's aviation maintenance industry, the Aeronautical Repair Station Association (ARSA) thanks you for your efforts to provide relief to businesses suffering from economic disruptions caused by the SARS-CoV-2/COVID-19 ("coronavirus") pandemic. We appreciate you convening today's hearing to examine the health of the aviation industry and discuss opportunities to help the aviation sector weather the unprecedented economic storm.

Unfortunately, despite recent legislation, conditions for aviation businesses are dire. Hundreds of thousands of well-paying jobs at Federal Aviation Administration (FAA) certificated repair stations and parts manufacturing facilities throughout the country are in jeopardy (a state-by-state overview of the maintenance industry's employment and economic footprint is at [arsa.org/news-media/economic-data](https://www.arsa.org/news-media/economic-data)).

Oliver Wyman CAVOK (OW), a leading aviation consultancy that provides economic data for ARSA, recently reported that:

While 9/11 represented a sudden, severe shock to the North American aviation market and the 2008 financial crisis presented immense global economic challenges, *COVID-19 is proving to be an even greater threat to commercial aviation because of global travel restrictions and massive reductions in consumer demand for air travel, evidenced in cancelled and lost bookings, and the uncertain prospects for a return to normalcy.* Commercial airlines have already been forced to make significant cuts to their capacity through a combination of placing aircraft in storage and operating the remaining aircraft at lower levels of utilization. [Emphasis added]

OW has projected that because of the dramatic drop in aircraft utilization, *global maintenance, repair and overhaul (MRO) spending will drop by more than 50 percent in 2020*, from a pre-pandemic forecasted level of \$91.2 billion to \$42.3 billion in the post-pandemic world. In the United States, demand is expected to fall 43 percent.

*The jobs of more than 250,000 Americans who work in the aviation maintenance sector are at high risk due to the collapse of the MRO market.* Worse still, while other industries are likely to rebound quickly from the present downturn, the aviation industry will take years to recover. Under OW's baseline projection, industry revenues will not return to pre-pandemic levels until late 2021; *under the worst-case scenario, the industry may not recover until early 2023.*

Even once aviation activity returns to pre-pandemic levels, the effects of the coronavirus disruptions are expected to linger and suppress growth for years. OW projects that 4,500 fewer aircraft will be added to the global fleet over the next decade than originally anticipated and that *maintenance spending in 2030 will be almost nine percent below prior predictions because of the lingering effects of the pandemic.*

In light of the foregoing, *it is critical that Congress continue to provide immediate relief and identify opportunities to support aviation over the long-term to help the industry survive.*

The MRO sector is not only critical to air carrier operations, but also supports general, business, government and military aviation. Repair station workers are highly trained; it takes years to gain the necessary expertise to be an effective technician. If the industry loses a substantial portion of its workforce, *repair stations will lack the capacity to support the Nation's civil and military fleets as aviation activity returns to normal levels.* This, in turn, will pose *long-term risks to both the efficiency of the aviation system and to national security.*

As you consider the next phase of relief legislation, we ask that you include the policy proposals below (and addressed in more detail in the attached white paper) to protect

U.S. repair station jobs and ensure the survival of this vital economic sector. Specifically, ARSA encourages Congress to:

- Improve repair station access to Federal relief by directing the Small Business Administration (SBA) to immediately increase the small business size standard for all North American Industry Classification System (NAICS) codes applicable to aviation maintenance industry companies to at least 1,500 (and, ideally, to 3,000) employees and by temporarily exempting companies covered by those NAICS codes from SBA's affiliation rules for purposes of accessing pandemic relief.
- Clarify the ability of air carrier maintenance contractors and subcontractors to access Air Carrier Worker Support (ACWS) resources.
- Provide significant additional resources for both the Paycheck Protection and ACWS programs.
- Refrain from imposing unnecessary restrictions and requirements on companies seeking access to relief.
- Create temporary tax incentives and grant programs to encourage business investment in worker training, equipment and facilities and air carrier investment in maintenance.
- Resolve the uncertainty surrounding the tax treatment of PPP loans.

ARSA and its members look forward to working with you to continue to implement the CARES Act and craft additional legislation to sustain the U.S. economy through this uncertain period.

Thank you for your consideration.

Sincerely,

CHRISTIAN A. KLEIN,  
Executive Vice President.

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## CORONAVIRUS RELIEF FOR THE AVIATION MAINTENANCE INDUSTRY

### Background

The civil aviation maintenance industry is a vital part of the U.S. economy and the aviation ecosystem. It provides close to two-thirds of the maintenance for U.S. air carriers and supports general, business, state and local government, and military aviation operations.

As of March 9, 2020, America's 4,017 Federal Aviation Administration (FAA) certificated repair stations employed an estimated 263,000 workers and contributed more than \$25 billion annually to the U.S. economy. When aircraft parts and manufacturing distribution are factored in, the industry employed approximately 320,000 workers and generated more than \$50 billion in annual economic activity. A state-by-state analysis of the aviation maintenance industry's economic and employment footprint is available at <http://arsa.org/news-media/economic-data/>.

Because airlines are such important customers for so many repair stations, the maintenance industry has been hit hard by the air travel disruptions caused by the SARS-CoV-2/COVID-19 ("coronavirus") pandemic.

According to the *Transportation Security Administration* (TSA), passenger traffic at airports is less than seven percent of what it was a year ago. *The latest industry economic forecast* by aviation consultancy Oliver Wyman CAVOK (OW) suggests that demand for maintenance, repair and overhaul (MRO) services in 2020 will drop nearly 50 percent compared to the firm's previous pre-coronavirus pandemic estimates. Under OW's baseline projection, industry revenues will not return to pre-pandemic levels until late 2021; under the worst-case scenario, the industry may not recover until early 2023. Even once the aviation activity returns to pre-pandemic levels, the effects of the coronavirus disruptions will linger for years, suppressing growth. OW predicts that 4,500 fewer aircraft will be added to the global fleet over the next decade and that maintenance spending in 2030 will be almost nine percent below prior predictions because of the lingering effects of the pandemic. Similarly, according to Argus International, charter flights are down 65 percent relative to the same time last year.

The full impact of the disruptions and Federal relief is still uncertain, but hundreds of thousands of maintenance industry jobs throughout the country are at risk.

While the Coronavirus Aid, Relief and Economic Security (CARES) Act (H.R. 748) has helped many maintenance companies, *some repair stations have fallen through the cracks and are ineligible for certain CARES Act relief. And even those that have been able to access Federal resources will almost certainly require more support to survive.*

ARSA therefore encourages Congress and the administration to take the actions described below to save as many aviation jobs as possible in the months ahead. In

addition to preventing repair station workers from ending up on unemployment rolls and keeping small and medium-size companies afloat, ARSA's proposals will help ensure that maintenance industry has the necessary capacity to maintain the U.S. fleet when the pandemic ends and air travel once again increases.

## 1. Update SBA Size Standard for Aviation Maintenance NAICS Codes

*RECOMMENDATION: To address inequities in the CARES Act, allow more aviation maintenance companies to access PPP resources and save more repair station jobs, the next relief bill should direct the SBA to issue a direct final rule (or take other appropriate administrative action) within 10 days of enactment to increase the small business size standard for NAICS codes 336413 and 488190 to at least 1,500 employees or, ideally, increase the size standards for all NAICS codes applicable to aviation maintenance to 3,000 employees.*

Most aviation maintenance companies fall into one of the following four North American Industry Classification System (NAICS) codes:

- 336411—Aircraft Manufacturing, including “overhaul”
- 336412—Aircraft Engine and Parts Manufacturing, including “overhaul”
- 336413—Other Aircraft Parts and Auxiliary Equipment Manufacturing
- 488190—Other Support Activities for Air Transportation

Pursuant to 13 *CFR* part 121, the Small Business Administration (SBA) establishes small business size standards for industries based on NAICS codes. Companies classified as 336411 and 33641 are considered small businesses if they have fewer than 1,500 employees. The standard for 336413 is fewer than 1,250 employees. *The standard for 488190—the category into which many repair stations fall—is less than \$35 million in annual revenues.*

Based on ARSA estimates that one employee, on average, is associated with each \$100,000 in repair station revenues, a company with \$35 million in revenues would have just 350 employees, 80 percent fewer workers than those companies considered small businesses in categories 336411 and 336412 and 72 percent fewer than the number of workers at category 336413 companies.

The CARES Act has highlighted how this disproportionality works to the disadvantage of small and medium-size aviation businesses. Sec. 1102 of the law created a Paycheck Protection Program (PPP) through which certain companies may obtain forgivable loans to cover payroll and some overhead costs during the national emergency. To be eligible, a company must either have 500 or fewer employees or be considered a small business under its NAICS code (whichever is greater). *Thus, while companies in many industries with significantly more than 500 employees will ultimately be able to obtain relief through PPP loans because of the size standard for their NAICS codes, many repair stations with more than 500 employees will not.*

*ARSA therefore requests that the next relief bill require the SBA to issue a direct final rule or to take other appropriate administrative action within ten days of enactment to increase the small business size standard for NAICS codes 336413 and 488190 to at least 1,500 employees or, ideally, increase the size standards for all NAICS codes applicable to aviation maintenance to 3,000 employees.*

## 2. Exempt Repair Stations from Affiliation Rules for PPP Purposes

*RECOMMENDATION: To allow a broader cross-section of small and medium-size repair stations to access PPP relief, Congress should exempt businesses covered by aviation maintenance related NAICS codes from SBA's affiliation rules for PPP purposes.*

The SBA's size standards and affiliation rules have also made it difficult for some aviation maintenance companies to access PPP relief; in particular, those partially or wholly owned by private equity companies or operated as a family of small companies with a common ownership umbrella.

13 *CFR* Sec. 121.103(a)(6) states that, “In determining the concern's size, SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue *and all of its domestic and foreign affiliates*, regardless of whether the affiliates are organized for profit.” (Emphasis added.) 13 *CFR* Sec. 121.103(a)(1) states that, “Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party or parties controls or has the power to control both. It does not matter whether control is exercised, so long as the power to control exists.”

Thus, if Company A is owned wholly or partially by an individual or business with other business interests, the employees and receipts of those other business interests are imputed to Company A in determining whether it is a small business. As

a result, many repair stations that would otherwise qualify for PPP relief are excluded based on their ownership structures.

Recognizing that the affiliation rules would prevent small and medium-size businesses in certain industries from accessing PPP relief, Congress included language in the CARES Act exempting them from the affiliation rules. Sec. 1102 of the law waived the affiliation rules for companies with up to 500 employees per location if the company was assigned a NAICS code beginning with 72 (*i.e.*, the accommodation and food service sectors), for franchises assigned an SBA franchise identified code and for business that receive financial assistance from SBA-licensed small business investment companies. *However, despite being similarly situated and in desperate need of assistance, none of these exemptions apply to repair stations, precluding some from accessing PPP relief.*

To allow a broader cross-section of small and medium-size aviation maintenance companies to access PPP relief, ARSA urges Congress to exempt businesses with NAICS codes 336411 (“Aircraft Manufacturing”), 336412 (“Aircraft Engine and Parts Manufacturing”), 336413 (“Other Aircraft Parts and Auxiliary Equipment Manufacturing”) and 488190 (“Other Support Activities for Air Transportation”) from the SBA’s affiliation rules for PPP purposes.

### **3. Ensure All Repair Stations Serving Airlines Can Access to Air Carrier Worker Support Program Resources**

*RECOMMENDATION: Congress should amend Sec. 4111(3) of the CARES Act to remove the requirement that airline contractors and subcontractors must be “on airport” to access Air Carrier Worker Support assistance.*

Subtitle B of Title IV (“Air Carrier Worker Support”) (Secs. 4111–4120) establishes a program to provide direct assistance to airlines, cargo carriers and airline contractors. The term contractor is defined at Sec. 4111(3) to mean:

- (A) person that performs, under contract with a passenger air carrier conducting operations under part 121 of title 14, Code of Federal Regulations—
  - (i) catering functions; or
  - (ii) functions on the property of an airport that are directly related to the air transportation of persons, property, or mail, including but not limited to the loading and unloading of property on aircraft; assistance to passengers under part 382 of title 14, Code of Federal Regulations; security; airport ticking and check-in functions; ground handling of aircraft; or aircraft cleaning and sanitization functions and waste removal; or
- (B) a subcontractor that performs such functions.

The Treasury Department has recognized that maintenance is a function directly related to air transportation and confirmed that repair stations located at airports that provide maintenance to air carriers are eligible to apply for ACWS relief. *However, the lion’s share of aviation maintenance takes place “off the aircraft” and “off the airport” at highly specialized FAA certificated component and engine maintenance facilities.* These off-airport companies may be direct contractors of airlines or may be subcontractors of other on-airport repair stations.

ARSA believes that in creating the ACWS program it was Congress’s intent to provide relief to the full spectrum of airline contractors impacted by the coronavirus-related airline disruptions. However, the language of statute discriminates against airline maintenance contractors not located at airports and is, at best, unclear about where a subcontractor must be located to be eligible for the ACWS program.

*ARSA therefore urges that Sec. 4111(3)(A)(2) be amended to add “maintenance performed under part 43 of title 14, Code of Federal Regulations, regardless of whether such work is performed on the property of an airport” to the list enumerated functions in that section.*

### **4. Increase Loan and Grant Program Resources**

*RECOMMENDATION: Congress should increase and extend financial resources available to businesses under the CARES Act’s loan and grant programs and reduce burdensome requirements to ensure all companies requiring relief are able to access it.*

The CARES Act created, *inter alia*, the \$349 billion PPP for small and medium size companies; the ACWS Program, which authorizes \$25 billion for assistance to airlines, \$4 billion for cargo carriers and \$3 billion for airline contractors; and a \$500 billion loan program, of which \$25 billion is set aside in Sec. 4003(b)(1) specifically for FAA-certificated part 145 repair stations, airlines and ticket agents. The law also authorized a “main street” lending program with preferential interest rates for medium size companies (*i.e.*, those with between 500 and 10,000 employees).

The present crisis is likely to persist for at least several more weeks and it is highly unlikely that air travel will return to pre-March 2020 levels before the end of the year. *ARSA therefore urges that the grant and loan programs be extended and receive additional funds to sustain affected companies and their workers.* Doing so will help maintain business capacity and worker readiness, thereby helping to facilitate a speedier recovery.

ARSA also asks that Congress reconsider the various requirements associated with accessing loan and grant money to make it easier for already struggling companies to access these critical resources. Congress created these new grant and loans programs to protect jobs in industries affected by the coronavirus pandemic. However, the various “taxpayer protection” requirements applicable to the programs may have the opposite effect. The CARES Act adds terms to loans that would be unthinkable in the commercial world because they impact business operations and limit decisionmaking well beyond the term of the loan. For example, Main Street Lending Program recipients are prohibited from outsourcing or offshoring jobs during the term of the loan *and for two years thereafter.*

In other words, if a company facing desperate economic circumstances through no fault of its own takes on debt now through the program to pay its workers, *even after the loan is paid off* the company will be limited in its ability to adjust supply chains and take other actions to make itself more competitive in the future. By adding restrictions to loans at a time when businesses are desperate for liquidity, Congress has, in some respect, made it less attractive for companies to seek government relief than it would be to obtain a commercial loan.

The CARES Act also included \$1.5 billion for the Economic Adjustment Assistance (EAA) grant program administered by the Department of Commerce’s Economic Development Administration (EDA). While these resources can play a vital role in expanding local economic opportunities, particularly in distressed communities, the EDA has yet to provide guidance and release CARES Act funding. *EDA should be encouraged to begin making grants as soon as possible because the resources will enable state EDA offices to provide grants to mitigate business lease and rent costs, support worker training and retraining and fund entrepreneurial ideas that can stimulate more employment.*

The CARES Act provides the infrastructure to channel economic relief to American businesses and workers. Now Congress must refine the programs to make them as effective as possible and ensure Federal relief continues to flow as quickly and freely as possible.

## **5. Tax Credits to Encourage Investment, Training and Maintenance Activity**

*Recommendation: Congress should create additional short-term refundable tax incentives and/or grant programs to encourage activity that will sustain affected industries during the pandemic and position companies and workers for future success.*

Historically, tax incentives such as the highly successful depreciation bonus created after 9/11 have incentivized stimulated economic activity by encouraging businesses to shift future purchasing into the present.

While any relief provided to all employees and small-to-medium sized organizations will be helpful to the long-term health of repair stations, additional measures will no doubt be needed for the entire aviation supply chain to survive intact. *ARSA therefore proposes Congress and the administration create a temporary refundable tax credit for airlines and other aircraft operators equal to 50 percent of the cost of maintenance contracted to and performed by U.S. repair stations between April 1 and Dec. 31, 2020.* The temporary tax credit would encourage airlines and other aircraft operators to continue to contract for maintenance during the downturn. Aside from creating economic activity that will flow through the supply chains, this will ensure that aircraft remain airworthy and that worker skills remain sharp.

Similarly, Congress should use the tax code to incentivize businesses to invest in employee skills during the downturn, when many workers have been idled. *ARSA therefore proposes that Congress create a grant program or a temporary refundable tax credit equal to 50 percent of training costs incurred by U.S. companies between May 1 and Dec. 31, 2020.* This would encourage businesses whose employees are idled to invest in those workers, allowing them to maintain proficiency and acquire new expertise.

Finally, to help companies prepare for the ultimate recovery, Congress should explore new ways to incentivize business investment in research and development, facilities and capital equipment placed in service before the end of the year. This could

potentially be done through refundable tax credits, grants or changes to depreciation rules.

## 6. Resolve PPP Tax Uncertainty

*Recommendation: Congress should work with the IRS to resolve the uncertainty created by the IRS surrounding the tax treatment of PPP loans or amend the CARES Act to waive the applicability of 26 USC Sec. 265 to PPP loan forgiveness.*

On April 30, the Internal Revenue Service (IRS) issued *Notice 2020-32* which “clarified that no deduction is allowed under the Internal Revenue Code (Code) for an expense that is otherwise deductible if the payment of the expense results in forgiveness of a covered loan pursuant to section 1106(b)” of the CARES Act. The IRS notice apparently contradicts Sec. 1106(i), which states that, with regard to the “taxability” of the loan forgiveness available to PPP recipients, any amounts forgiven by a PPP loan “shall be excluded from gross income.”

Many repair stations are small and medium size entities that have likely taken advantage of the PPP. ARSA is concerned that, contrary to the apparent intent of Congress, this IRS ruling will increase tax liability for PPP recipients in the aviation maintenance industry at a time when many companies are struggling to survive.

We believe that IRS’s interpretation is inconsistent with the intent of the law. Congress should work with the IRS to resolve the inconsistency or amend the CARES Act to waive the applicability of 26 USC Sec. 265 from applying to PPP loan forgiveness.

\* \* \*

For additional information regarding these proposals, please contact ARSA Executive Vice President Christian Klein at [christian.klein@arsa.org](mailto:christian.klein@arsa.org).

## RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN THUNE TO HON. ERIC FANNING

*Question 1.* Mr. Fanning, your testimony discussed the difficulty your industry members face in responding quickly once orders for your products begin to climb, and the importance of ensuring that domestic suppliers—both large and small—have access to assistance programs provided by the CARES Act.

Given the reliance of your industry on a truly global supply chain, can you discuss some of the difficulties your members face in navigating the various restrictions on the movement of goods?

*Answer.* Like others, our industry did face some initial challenges when states and localities began restricting movement through the issuance of “stay at home” orders in March. However, with strong support at the federal, state and local level, these issues have been largely resolved. In the international arena, there have been issues with the non-coordination across governments about which industries should be deemed “essential” and therefore allowed to continue working and producing products. Once those products are produced, U.S. government agencies have been effective at ensuring items declared essential are allowed into the United States. The larger issue for our industry has been the effect of COVID-19 at reducing the output of overseas suppliers which provide important parts, products, and supplies to companies in the United States.

*Question 2.* To follow up on that, do you have any suggestions for how the Federal government can be helpful in resolving these supply chain challenges?

*Answer.* The Federal government should continue to recognize that commercial aviation manufacturing is a highly competitive global business with a necessarily global supply chain. As world leaders in this sector, U.S. aircraft manufacturers and their suppliers will increasingly serve overseas export markets that are projected to grow fastest over the coming decades. As the world recovers from the COVID-19 pandemic, we should do all we can to ensure overseas suppliers are able to continue supporting U.S. aviation manufacturers.

*Question 3.* You also mentioned that Aerospace Industries Association is working closely with International Civil Aviation Organization on restoring public confidence and development of safety standards in response to the pandemic. Could you provide additional information on these discussions and some of the standards being considered?

*Answer.* AIA currently chairs the International Coordinating Council of Aerospace Industries Associations (ICCAIA) which includes AIA and similar aerospace organizations in other countries and regions. ICCAIA has been heavily involved with the

International Civil Aviation Organization's (ICAO's) Council Aviation Recovery Taskforce (CART), which was established to provide guidance to countries and industry on how to restart aviation safely and incorporate appropriate measures to reduce the transmission of COVID-19. CART has now published its report setting out key principles that governments and industry should follow, along with guidance for public health risk mitigation across the entire aviation system. AIA believes this international focus is the best approach to restore confidence in commercial aviation around the world while helping to provide a roadmap to recovery. For more detail, the ICAO CART report and its accompanying "Takeoff" Guidance can be reviewed here: <https://www.icao.int/covid/cart/Pages/default.aspx>.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO  
HON. ERIC FANNING

*Question 1.* I think we all agree that a strong airline industry is critical to our economic recovery. The amount of passengers screened by the TSA is down by about 94 percent. It's clear that in order to increase confidence in air travel, we'll need to implement robust health testing and screening protocols at our Nation's airports until a vaccine becomes available. I'd like to get the panel's thoughts on possible testing and screening options, including the feasibility of temperature testing at TSA checkpoints, and whether you believe TSA is the appropriate entity to carry out these activities?

*Answer.* The health of both passengers and aviation workers is the highest priority for the entire aviation industry. AIA supports measures that will provide confidence to the traveling public in airport screening procedures while protecting the screening workforce. We believe it is important for airlines and airports to be involved in discussions about the requirements that would work best. The industry is already taking measures such as increased cleaning of airplanes and the use of passenger face masks. When combined with the hospital-grade air filters found on commercial aircraft, these additional steps will help minimize the risk of transmission during flight.

*Question 2.* What is the U.S. airline industry doing, or could be doing, to build the confidence of the travelling public by sharing the preexisting and new measures in place to protect the health of passengers, such as the use of HEPA filters in air filtration systems?

*Answer.* Passengers need to feel safe throughout their entire air travel experience, from the curb at the airport to the cabin of the airplane to when they arrive at their destination. ICAO's CART guidelines provide a strong starting point to begin reassuring the flying public. As AIA represents companies across the aviation manufacturing sector and supply chain, we're also coordinating with leaders representing airlines and airports to develop resources and materials for passengers to learn and understand both the pre-existing and new measures in place to ensure their health and well-being.

The use of HEPA filters on aircraft is an important element of strong cabin air quality. As the International Air Transport Association (IATA) said in a 2018 issue paper: "The majority of modern, large, commercial aircraft, which use a recirculation type of cabin air system, utilise HEPA filters. . .HEPA, or high efficiency particulate air, filters have similar performance to those used to keep the air clean in hospital operating rooms and industrial clean rooms. These filters are very effective at trapping microscopic particles as small as bacteria and viruses. . .HEPA filters are effective at capturing greater than 99 percent of the airborne microbes in the filtered air. Filtered, recirculated air provides higher cabin humidity levels and lower particulate levels than 100 percent outside air systems."

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RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. SHELLEY MOORE CAPITO TO  
HON. ERIC FANNING

*Question.* In response to the pandemic, Congress was able to provide much needed support to the aviation industry and its workers. The CARES Act provided up to \$46 billion available for Federal loans and loan guarantees to the aviation sector. In West Virginia, DOT has so far awarded more than \$9.3 million from the FAA to help fund continued operations and make up for lost revenue for airports across my state. As we move forward, what would be the primary recommendation for Congress in future COVID support?

*Answer.* Although the reduction in airline activity is expected to reduce demand in the short-and intermediate-term, it is important to preserve the manufacturing

workforce and its smaller suppliers so they are still available as demand returns. One excellent and creative example of how to accomplish this is the “Private-Public Partnership to Preserve Jobs in the Aviation Manufacturing Industry Act of 2020” (S. 3705), a bipartisan bill introduced last month by Senators Jerry Moran and Mark Warner. This bill would establish a cost-sharing partnership between industry and the Treasury Department to preserve the jobs of at-risk manufacturing employees.

Congress could also consider the expansion of research and development partnerships that support the aviation sector. One example of these is the FAA’s highly successful Continuous Lower Emissions, Environment and Energy (CLEEN) program. Through a government-industry cost share, CLEEN has helped maintain U.S. aerospace leadership by accelerating the advancement of several technologies that have improved the environmental performance and fuel efficiency of aircraft.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TOM UDALL TO  
HON. ERIC FANNING

We are hearing some calls from some industries that they want to be protected from paying damages to their employees and customers who get sick due to lack of COVID protections.

*Question 1.* After receiving tens of billions of taxpayer support, are the airlines asking for liability protection too, and if so, what specific and binding safety and consumer protection standards would the industry agree to in exchange for protection from liability?

Answer. AIA can only speak on behalf of our membership, which includes aviation manufacturers and their suppliers. AIA believes that liability is one area where policy dialogue is warranted. Precedents for such protections were authorized as the Nation recovered from the 9/11 terrorist attacks. Companies of all sizes are concerned about lawsuits, especially small businesses. We believe that legal protection for companies doing their best to control the spread of this disease with the limited guidance available should be considered by Congress. However, providing businesses with targeted and limited safe harbors during these difficult times is not the same as shielding companies from all liability. Liability protections should be tailored and focused on the current pandemic and critical infrastructure businesses. We do not believe that those who behave with gross negligence, willful misconduct, intentional criminal misconduct, or intentional infliction of harm should be protected or shielded from their actions. Creating uniform Federal legal standards and limited, rational safe harbors for companies that are acting responsibly will go a long way to ensure the availability of people and products that are essential during the pandemic and as we recover. Congress could also consider expanding current “Good Samaritan” provisions to further address product and volunteer liability issues.

*Question 2.* Would you agree to everything that Dr. Godwin has outlined in her testimony?

The main elements of Dr. Godwin’s testimony focused on commercial operations of the aircraft, and we would defer to the airlines on those subjects. We have provided additional information on HEPA filter usage for the hearing record to provide more clarity on this subject.

This is not the first time that the airline industry has needed dramatic help from the government and relief from taxpayers to get it through rough times. We definitely recognize that the airlines are being hit hard by the lull in travel driven by the coronavirus pandemic and this is through no fault of their own. But we are facing another major crisis: climate change. If we assume that once the pandemic subsides that travel will return to normal, we will still be confronting a major issue that many Americans care about. If we are going to continue to use their tax dollars to get you through this rough patch, we should be able to offer them benefits in return. If anything, this time offers the airline industry a moment of pause to replan and think creatively about how to reduce its carbon footprint. And not just with offsets—actual reduction.

*Question 3.* So, how can airlines use this pause to rethink the industry and the major crisis we are facing on climate change?

AIA can only speak on behalf of our membership, which includes aviation manufacturers and their suppliers. However, the entire aviation industry is committed to reducing climate change impacts. For example, we would point to strong industry cost-sharing in the FAA’s Continuous Lower Emissions, Energy and Noise (CLEEN) program, which is focused on reducing greenhouse gas emissions as well as aircraft noise. With strong support from both industry and Congress, this program is an example of a successful public-private partnership that will help us meet long-term

aviation environmental goals. Ensuring the aviation industry remains successful will be key to making these goals a reality, as well as continued investment in Federal R&D and sustainable aviation fuels.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN THUNE TO  
NICHOLAS CALIO

*Question 1.* Mr. Calio, you mentioned in your testimony that more than 3,000 aircraft, or about half of the airline fleet, has been grounded as a result of the evaporation in demand.

On average, how long does it take to bring grounded aircraft back into service, and how does the grounding of so many aircraft affect the industry's ability to quickly respond as demand picks back up?

Answer. In general, there is not an average, as each aircraft in storage is different in age and number of cycles which affects the level of maintenance necessary to reactivate. However, reactivation work can take anywhere from 50–225 man hours per aircraft depending on how much outstanding work is open with each aircraft. The efforts to bring aircraft out of storage are also impacted by the total number of aircraft being considered for reactivation, the more aircraft, the more labor intensive and man hours needed. Bringing aircraft back into service also requires necessary coordination with the FAA and the airplane manufacturer.

*Question 2.* Can you speak to the effects the major reductions in scheduled flights will have on crew training, and how airlines plan to adapt?

Answer. Severe disruptions due to dramatically reduced flying and the temporary closure of training facilities has impacted the ability to conduct recurrent training and qualification requirements for ground personnel, crewmembers, and aircraft dispatchers. These requirements include training, testing, checking, evaluation, recency, and observation activities. A4A has and will continue to work with the FAA to mitigate challenges and ensure the completion of various training and qualification requirements. As the situation evolves, managing the backlog of personnel who still require training to maintain currency will continue to be a challenge given limited access to training facilities and simulators.

*Question 3.* Your testimony also discussed many of the immediate actions airlines have taken to protect their employees and the traveling public, including expanded disinfection protocols and mask requirements.

As the industry looks toward long-term recovery, could you elaborate on your discussions with Transportation Security Administration, the Centers for Disease Control and Prevention, the Department of Transportation, and other government agencies on measure such as temperature checks, testing regimens, and contact tracing?

Answer. As health screening is a government function, we would encourage Congress support the Transportation Security Administration (TSA) in conducting temperature checks during the pandemic. Doing so would create a consistent and well-recognized experience for passengers at every U.S. airport. Temperature screenings are a critical component of a multilayered and risk-based screening process and also instill passenger confidence in overall health safety along with serving as an effective deterrent to those that may be sick from going to the airport in the first place.

We appreciate the leadership shown by TSA Administrator Pekoske throughout the pandemic. TSA has been a steadfast partner through the COVID–19 crisis and has routinely sought stakeholder input and provided consistent communication to the industry at a time when coordination efforts are at their most difficult.

Airlines also support the Centers for Disease Control and Prevention (CDC) in collecting passenger contact information with the shared goal of combating the spread of COVID–19 and mitigating any future public health emergencies. We believe public health screening is a government function and recommend the Department of Homeland Security (DHS) and the Department of Transportation (DOT) should develop, operate, administer and maintain a government process to collect contact tracing data that will allow for direct and timely action on an incredibly complex problem. To foster harmonization and improve accuracy, reliability, and privacy protections, the U.S. government should collect contact information directly from international passengers in a holistic process across all modes of transportation and through a Federal Government portal or mobile application. Importantly, this direct collection by the U.S. government is the recommended practice by the Council Aviation Recovery Task Force (CART) of the International Civil Aviation Organization (ICAO).

Unfortunately, collaboration and dialogue with the CDC has not been as productive as with other Agencies. A4A has had an ongoing (but off and on) conversation since January about aviation contact tracing, with no resolution. Airlines have re-

peatedly asked the CDC for technical specifications—including in writing on several occasions—so that airlines may begin the 12–18-month process of updating multiple information technology (IT) systems to comply with the CDC’s interim final rules requiring airlines’ collection of contact information. We have received no response to our inquiries, and the last discussion airlines had with CDC on this issue was March 2, 2020.

More importantly, even if airlines are required to collect the information, they cannot guarantee the accuracy or validate the information. The CDC, on the other hand, can collect accurate information directly from passengers under the penalty of law. Simply put, airline collection does not get the CDC what it needs: accurate contact information. Notably, the CDC has already created its own contact information collection website that it estimated could be operated at a small fraction of the costs for airlines to collect contact information. However, the CDC appears to have abandoned this option, without explanation.

Further, the CDC has not adequately considered the privacy implications of airlines collecting the information, which is best demonstrated by the CDC’s interim final rules. For example, the collection of information from residents in the EU will trigger protections under the EU General Data Protection Regulation (GDPR). In fact, DHS had to enter into a special US–EU agreement for the sharing of Passenger Name Record (PNR) information by airlines with the U.S. government, which does not cover the airlines sharing of passenger information for public health purposes. These privacy issues must be addressed and are better addressed through the U.S. government’s collection of contact information directly from passengers.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO  
NICOLAS CALIO

*Question 1.* Mr. Calio, there has been a general notion that cargo carriers have not been heavily damaged by the economic impacts of COVID–19—that is true for some cargo airlines. However, many smaller carriers like Lynden Air Cargo and Northern Air Cargo from my state have been greatly damaged by the tremendous economic downturn. Would you agree that we need to ensure smaller cargo carriers are not forgotten in the consideration of possible future assistance?

Answer. Yes, all air carriers should receive consideration.

*Question 2.* Mr. Calio, almost all passenger carriers are providing masks to passengers and flight crew, with most carriers requiring that passengers and/or flight crew wear masks. We all know there is a global shortage of N95 masks, which should be provided to health care providers and first responders before the general public. Have you received any feedback from your carriers on the availability of alternative cloth masks?

Answer. A4A carriers have not encountered systemic challenges in obtaining sufficient quantities of alternative face coverings for employees or passengers.

*Question 3.* Mr. Calio, since the CARES Act requires the Secretary of Treasury to coordinate with the Secretary of Transportation on implementation of the distribution of the loans, as DOT is best able to determine the needs of the variety of stakeholders operating in the national airspace, do you agree with the judgement of Congress that the Treasury is to rely on the expertise of the Secretary of Transportation for determining the manner in which to distribute the loans?

Answer. Section 4006 of the CARES Act directs Treasury to coordinate with the Secretary of Transportation as it pertains to air carrier financial assistance. We support this provision and encourage Treasury to coordinate with the Secretary of Transportation in accordance with the statute.

*Question 4.* I think we all agree that a strong airline industry is critical to our economic recovery. The number of passengers screened by the TSA is down by about 94 percent. It’s clear that in order to increase confidence in air travel, we’ll need to implement robust health testing and screening protocols at our Nation’s airports until a vaccine becomes available. I’d like to get the panel’s thoughts on possible testing and screening options, including the feasibility of temperature testing at TSA checkpoints, and whether you believe TSA is the appropriate entity to carry out these activities?

Answer. As health screening is a government function, we would encourage Congress support the Transportation Security Administration (TSA) in conducting temperature checks during the pandemic. Doing so would create a consistent and well-recognized experience for passengers at every U.S. airport. Temperature screenings are a critical component of a multilayered and risk-based screening process and also

instill passenger confidence in overall health safety along with serving as an effective deterrent to those that may be sick from going to the airport in the first place.

*Question 5.* What is the U.S. airline industry doing, or could be doing, to build the confidence of the travelling public by sharing the preexisting and new measures in place to protect the health of passengers, such as the use of HEPA filters in air filtration systems?

*Answer.* The safety and wellbeing of passengers and employees is the top priority of U.S. airlines. Since the onset of this health crisis, carriers have been taking substantial, proactive steps—in many instances exceeding CDC guidance—to protect passengers and employees.

As noted, in addition to requiring facial coverings, at check-in counters and gate areas, travelers may see agents sanitizing counters and kiosks. Some airlines have installed plexiglass shields over the counters to provide additional protection, and some have marked the floors to ensure appropriate distance is maintained. All A4A airlines have aircraft equipped with HEPA filters, which help generate hospital-grade air quality. In fact, the CDC has said that, “Because of how air circulates and is filtered on airplanes, most viruses and other germs do not spread easily on flights.”

U.S. airlines have also implemented intensive cleaning protocols, in some cases to include electrostatic cleaning and fogging procedures in addition to increasing the frequency of deep cleaning procedures for both domestic and international flights.

For the most up to date and on-going efforts we would also encourage you and your staff to visit <https://www.airlinestakeaction.com/>. The website provides a robust view of the multi-layered approach outlined above and it also highlights our “Fly Healthy. Fly Smart.” campaign.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARSHA BLACKBURN TO  
NICOLAS CALIO

*Question 1.* What do you believe is the appropriate method for conducting contact tracing for the travelling public?

*Answer.* Airlines support the Centers for Disease Control and Prevention (CDC) in collecting passenger contact information with the shared goal of combating the spread of COVID-19 and mitigating any future public health emergencies. We believe public health screening is a government function and recommend the Department of Homeland Security (DHS) and the Department of Transportation (DOT) should develop, operate, administer and maintain a government process to collect contact tracing data that will allow for direct and timely action on an incredibly complex problem. To foster harmonization and improve accuracy, reliability, and privacy protections, the U.S. government should collect contact information directly from international passengers in a holistic process across all modes of transportation and through a Federal Government portal or mobile application. Importantly, this direct collection by the U.S. government is the recommended practice by the Council Aviation Recovery Task Force (CART) of the International Civil Aviation Organization (ICAO).

*Question 2.* Do you think the airlines have been given the proper guidance on contact tracing? I'm very concerned the Federal Government is demanding that the private sector collect irrelevant information from U.S. citizens and invade their right to privacy.

*Answer.* No. Airlines have repeatedly asked the CDC for technical specifications—including in writing on several occasions—so that airlines may begin the 12–18-month process of updating multiple information technology (IT) systems to comply with the CDC's interim final rules requiring airlines' collection of contact information. We have received no response to our inquiries, and the last discussion airlines had with CDC on this issue was March 2, 2020.

More importantly, even if airlines are required to collect the information, they cannot guarantee the accuracy or validate the information. The CDC, on the other hand, can collect accurate information directly from passengers under the penalty of law. Simply put, airline collection does not get the CDC what it needs: accurate contact information. Notably, the CDC has already created its own contact information collection website that it estimated could be operated at a small fraction of the costs for airlines to collect contact information. However, the CDC appears to have abandoned this option, without explanation.

The CDC has not adequately considered the privacy implications of airlines collecting the information, which is best demonstrated by the CDC's interim final rules. For example, the collection of information from residents in the EU will trigger protections under the EU General Data Protection Regulation (GDPR). In fact,

DHS had to enter into a special US–EU agreement for the sharing of Passenger Name Record (PNR) information by airlines with the U.S. government, which does not cover the airlines sharing of passenger information for public health purposes. These privacy issues must be addressed and are better addressed through the U.S. government’s collection of contact information directly from passengers.

*Question 3.* A number of airlines are now requiring passengers to wear masks and facial coverings. To help contain the spread of the Coronavirus, do you believe airports should require masks and/or screen the temperature of airline passengers at terminal entry points?

*Answer.* A4A announced in late April that our member passenger carriers voluntarily would be requiring that customer-facing employees and passengers wear a facial covering over their nose and mouth throughout the journey—during check-in, boarding, in-flight and deplaning. We encourage airports and the TSA to similarly require facial coverings in the airport.

A4A also announced in early May that our member carriers are supporting the TSA to begin checking the temperature of the traveling public and customer-facing employees as long as necessary during the COVID–19 public health crisis. As all screening processes for the traveling public are the responsibility of the U.S. government, having temperature checks performed by the TSA will ensure that procedures are standardized, providing consistency across airports so that travelers can plan appropriately. We urge the Administration to move forward, as this is an important layer to protect the traveling public and instill passenger confidence.

*Question 4.* I would like to commend your members’ efforts on Project Air Bridge. This is a great example of a well-executed public-private project. Could you please explain to my colleagues how important this project is to the American people?

*Answer.* Consistent with information on the FEMA website, Project Air Bridge was created to reduce the time it takes U.S. medical supply distributors to receive personal protective equipment and other critical supplies. FEMA covers the cost to fly supplies into the U.S. from overseas factories, reducing shipment times. The program is a good example of a successful public-private partnership as it allowed for the efficient distribution of vital resources to hospitals, nursing homes, long-term care facilities, state and local governments, and other facilities critical to caring for the U.S. public during this pandemic.

*Question 5.* Do you feel your communication with the CDC has been pristine and dependable? If not, what troubles are you still encountering?

*Answer.* No. CDC has only been willing to engage the airline industry through the FAA and has not engaged directly.

*Question 6.* Is there a contact you can e-mail or call at CDC and receive a reply immediately?

*Answer.* No. Our substantive communications with CDC have all been coordinated through the FAA.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. SHELLEY MOORE CAPITO TO  
NICOLAS CALIO

*Question 1.* As you noted in your testimony, the CARES Act enabled airlines to preserve jobs and support the salaries and benefits of workers through September. As much as Congress wants to help, I believe that it is more important now that we evaluate what is needed to be done over the long-term. What steps are airlines taking to evaluate the long term impacts the COVID–19 pandemic will have on the airline industry?

*Answer.* The short answer is that airlines are evaluating every single aspect of their business in order to sustain and survive the economic challenges caused by the pandemic. The industry is focused on ensuring the safety and well-being of its employees and customers and its ability to weather through the current crisis and position itself for a recovery.

The crisis hit a previously robust industry at lightning speed. Unfortunately, recovery from the crisis will not be as swift. We anticipate a long and difficult road ahead. For context, passenger volumes took 3 years to recover from 9/11 and over 7 years to recover from the global financial crisis in 2008. Once demand does recover, it will take years to retire the newly accumulated debt and to address the sizable interest accrued, thereby limiting carriers’ ability to reinvest in their people and products. History has shown that air transport demand has never experienced a V-shaped recovery from a downturn.

Our industry is adapting on an almost daily basis to the unique near, mid-, and long-term challenges of the pandemic. However, to set a realistic and practical ex-

pectation, while the industry will do everything it can to mitigate and address the multitude of challenges, no factual doubt exists that the U.S. airline industry will emerge from this crisis smaller than what it was just three short months ago. There is simply no way around the detrimental and lasting economic impact this pandemic will have on commercial aviation.

*Question 2.* What do airlines plan on doing to keep and support jobs in the long run?

Answer. Please see answer to Question 1.

*Question 3.* I appreciate the efforts U.S. airlines are taking to protect passengers and employees during this time. I believe efforts like the ones you described in your testimony (complying with CDC cleaning protocols, increasing deep cleaning procedures, employees wearing facemasks) can play a positive role in keeping travelers safe and secure in the short-term. How are airlines planning to build consumer confidence going forward?

Answer. The safety and wellbeing of passengers and employees is the top priority of U.S. airlines. Since the onset of this health crisis, carriers have been taking substantial, proactive steps—in many instances exceeding CDC guidance—to protect passengers and employees.

As noted, in addition to requiring facial coverings, at check-in counters and gate areas, travelers may see agents sanitizing counters and kiosks. Some airlines have installed plexiglass shields over the counters to provide additional protection, and some have marked the floors to ensure appropriate distance is maintained. All A4A airlines have aircraft equipped with HEPA filters, which help generate hospital-grade air quality. In fact, the CDC has said that, “Because of how air circulates and is filtered on airplanes, most viruses and other germs do not spread easily on flights.”

U.S. airlines have also implemented intensive cleaning protocols, in some cases to include electrostatic cleaning and fogging procedures in addition to increasing the frequency of deep cleaning procedures for both domestic and international flights.

For the most up to date and on-going efforts we would also encourage you and your staff to visit <https://www.airlinestakeaction.com/>. The website provides a robust view of the multi-layered approach outlined above and it also highlights our “Fly Healthy. Fly Smart.” campaign.

*Question 4.* When do airlines anticipate people coming back?

Answer. There are many variables outside of aviation that will impact air travel demand, such as a vaccine and/or treatment options, the lifting of stay at home orders and others, that make it difficult to anticipate timing. What we do know is it will be a long and difficult road. Passenger volumes took 3 years to recover from 9/11 and over 7 years to recover from the global financial crisis in 2008. Once demand does recover, it will take years to retire the newly accumulated debt and to address the sizable interest accrued, thereby limiting carriers’ ability to reinvest in their people and products. History has shown that air transport demand has never experienced a V-shaped recovery from a downturn.

*Question 5.* What further measures are need in order to rebuild consumer confidence?

Answer. *Temporary Temperature Screening:* As health screening is a government function, we would encourage Congress support the Transportation Security Administration (TSA) in conducting temperature checks during the pandemic. Doing so would create a consistent and well-recognized experience for passengers at every U.S. airport. Temperature screenings are a critical component of a multilayered and risk-based screening process and also instill passenger confidence in overall health safety along with serving as an effective deterrent to those that may be sick from going to the airport in the first place.

*Contract Tracing:* Airlines also support the Centers for Disease Control and Prevention (CDC) in collecting passenger contact information with the shared goal of combating the spread of COVID-19 and mitigating any future public health emergencies. We believe public health screening is a government function and recommend the Department of Homeland Security (DHS) and the Department of Transportation (DOT) should develop, operate, administer and maintain a government process to collect contract tracing data that will allow for direct and timely action on an incredibly complex problem. To foster harmonization and improve accuracy, reliability, and privacy protections, the U.S. government should collect contact information directly from international passengers in a holistic process across all modes of transportation and through a Federal Government portal or mobile application. Importantly, this direct collection by the U.S. government is the recommended practice by the Council Aviation Recovery Task Force (CART) of the International Civil Aviation Organization (ICAO).

*Question 6.* As businesses begin to gradually reopen—while taking precautions—I believe that liability protections are essential. We know that the spread is still there and we need to make sure that the businesses that are reopening safely aren't unduly punished.

Answer. We agree, Congress should enact targeted liability relief in the wake of the COVID-19 pandemic. Airlines participating in CARES Act grants or loans are required by law to maintain air service at certain levels, therefore crucial protections should be put in place to safeguard the industry from excessive and speculative lawsuits. Absent a safe harbor, uncertainty from liability threatens to impede economic recovery. There is precedent for granting safe harbor in the wake of prior crises, such as post-9/11. Lawsuits do nothing to reduce transmission of COVID-19 but they could hamper industry recovery. Airlines should be focused on utilizing strained resources on recovery not potential litigation.

*Question 7.* What are the liability concerns you are anticipating?

Answer. Airlines participating in CARES Act grants or loans are required by law to maintain air service at certain levels, therefore crucial protections should be put in place to safeguard the industry from excessive and speculative lawsuits stemming from employees and/or passengers.

*Question 8.* Do you believe that such protections are necessary for the aviation industry?

Answer. Yes.

*Question 9.* In response to the pandemic, Congress was able to provide much needed support to the aviation industry and its workers. The CARES Act provided up to \$46 billion available for Federal loans and loan guarantees to the aviation sector. In West Virginia, DOT has so far awarded more than \$9.3 million from the FAA to help fund continued operations and make up for lost revenue for airports across my state.

As we move forward, what would be the primary recommendation for Congress in future COVID support?

Answer. *Liability Protection:* Congress should enact targeted liability relief in the wake of the COVID-19 pandemic. Airlines participating in CARES Act grants or loans are required by law to maintain air service at certain levels, therefore crucial protections should be put in place to safeguard the industry from excessive and speculative lawsuits. Absent a safe harbor, uncertainty from liability threatens to impede economic recovery. There is precedent for granting safe harbor in the wake of prior crises, such as post-9/11. Lawsuits do nothing to reduce transmission of COVID-19 but they could hamper industry recovery. Airlines should be focused on utilizing strained resources on recovery not potential litigation.

*Temporary Temperature Screening:* As health screening is a government function, we would encourage Congress support the Transportation Security Administration (TSA) in conducting temperature checks during the pandemic. Doing so would create a consistent and well-recognized experience for passengers at every U.S. airport. Temperature screenings are a critical component of a multilayered and risk-based screening process and also instill passenger confidence in overall health safety along with serving as an effective deterrent to those that may be sick from going to the airport in the first place.

*Contract Tracing:* Airlines also support the Centers for Disease Control and Prevention (CDC) in collecting passenger contact information with the shared goal of combating the spread of COVID-19 and mitigating any future public health emergencies. We believe public health screening is a government function and recommend the Department of Homeland Security (DHS) and the Department of Transportation (DOT) should develop, operate, administer and maintain a government process to collect contract tracing data that will allow for direct and timely action on an incredibly complex problem. To foster harmonization and improve accuracy, reliability, and privacy protections, the U.S. government should collect contact information directly from international passengers in a holistic process across all modes of transportation and through a Federal Government portal or mobile application. Importantly, this direct collection by the U.S. government is the recommended practice by the Council Aviation Recovery Task Force (CART) of the International Civil Aviation Organization (ICAO).

*Aviation Excise Tax Holiday Extension:* Section 4007 of the CARES Act provided temporary aviation excise tax relief through January 1, 2021. In order to establish, encourage and bolster long-term airline recovery, Congress should further extend the suspension of aviation excise taxes through at least January 1, 2022. Until aviation demand and financial health of the industry return, the revenues collected from the excise taxes will in no way cover budgetary needs of the FAA. The general fund will need to serve as the primary funding source of the FAA regardless of tax policy.

Tactical and mid-to-long-term excise tax relief will promote economic recovery and be one less impediment that discourages air travel.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TODD YOUNG TO  
NICOLAS CALIO

*Question 1.* Mr. Calio, has the industry come up with any further policy recommendations that might assist airlines as they work to recover from this crisis?

*Answer. Temporary Temperature Screening:* As health screening is a government function, we would encourage Congress support the Transportation Security Administration (TSA) in conducting temperature checks during the pandemic. Doing so would create a consistent and well-recognized experience for passengers at every U.S. airport. Temperature screenings are a critical component of a multilayered and risk-based screening process and also instill passenger confidence in overall health safety along with serving as an effective deterrent to those that may be sick from going to the airport in the first place.

*Contract Tracing:* Airlines also support the Centers for Disease Control and Prevention (CDC) in collecting passenger contact information with the shared goal of combating the spread of COVID-19 and mitigating any future public health emergencies. We believe public health screening is a government function and recommend the Department of Homeland Security (DHS) and the Department of Transportation (DOT) should develop, operate, administer and maintain a government process to collect contract tracing data that will allow for direct and timely action on an incredibly complex problem. To foster harmonization and improve accuracy, reliability, and privacy protections, the U.S. government should collect contact information directly from international passengers in a holistic process across all modes of transportation and through a Federal Government portal or mobile application. Importantly, this direct collection by the U.S. government is the recommended practice by the Council Aviation Recovery Task Force (CART) of the International Civil Aviation Organization (ICAO).

*Question 2.* In the near term, a return to any semblance of normalcy in the travel industry is likely going to require health testing and screening protocols at our Nation's airports until a vaccine becomes available.

Mr. Calio, who is the appropriate entity to carry out these protocols and how do you envision that process in practice—walk me through what the “new normal” experience will be for someone who is flying in the next few months?

*Answer.* We believe health testing and screening is a Federal responsibility and the U.S. government is the most appropriate entity to carry out those protocols.

For an up to date and comprehensive review of the ‘new normal’ we would encourage you and your staff to visit <https://www.airlinestakeaction.com/>. The website provides a robust view of the multi-layered approach outlined above and it also highlights our “Fly Healthy. Fly Smart.” campaign.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. RICK SCOTT TO  
NICOLAS CALIO

*Question 1.* Mr. Calio, I wrote a letter, which I will submit for the record, asking members of your association to clearly lay out their plans to protect passengers and employees as we return to a ‘new normal.’ Many airlines have recently instituted new requirements while on board their aircraft, including the wearing of facemasks. What additional measures are your members in the process of implementing?

*Answer.* The safety and wellbeing of passengers and employees is the top priority of U.S. airlines. Since the onset of this health crisis, carriers have been taking substantial, proactive steps—in many instances exceeding CDC guidance—to protect passengers and employees.

As noted, in addition to requiring facial coverings, at check-in counters and gate areas, travelers may see agents sanitizing counters and kiosks. Some airlines have installed plexiglass shields over the counters to provide additional protection, and some have marked the floors to ensure appropriate distance is maintained. All A4A airlines have aircraft equipped with HEPA filters, which help generate hospital-grade air quality. In fact, the CDC has said that, “Because of how air circulates and is filtered on airplanes, most viruses and other germs do not spread easily on flights.”

U.S. airlines have also implemented intensive cleaning protocols, in some cases to include electrostatic cleaning and fogging procedures in addition to increasing the frequency of deep cleaning procedures for both domestic and international flights.

For the most up to date and on-going efforts we would also encourage you and your staff to visit <https://www.airlinestakeaction.com/>. The website provides a robust view of the multi-layered approach outlined above and it also highlights our “Fly Healthy. Fly Smart.” campaign.

*Question 2.* Mr. Calio and Mr. Hauptli, what additional measures do your members think should be taken by the Federal Government to ensure the safety of passengers?

*Answer. Temporary Temperature Screening:* As health screening is a government function, we would encourage Congress support the Transportation Security Administration (TSA) in conducting temperature checks during the pandemic. Doing so would create a consistent and well-recognized experience for passengers at every U.S. airport. Temperature screenings are a critical component of a multilayered and risk-based screening process and also instill passenger confidence in overall health safety along with serving as an effective deterrent to those that may be sick from going to the airport in the first place.

*Contract Tracing:* Airlines also support the Centers for Disease Control and Prevention (CDC) in collecting passenger contact information with the shared goal of combating the spread of COVID-19 and mitigating any future public health emergencies. We believe public health screening is a government function and recommend the Department of Homeland Security (DHS) and the Department of Transportation (DOT) should develop, operate, administer and maintain a government process to collect contract tracing data that will allow for direct and timely action on an incredibly complex problem. To foster harmonization and improve accuracy, reliability, and privacy protections, the U.S. government should collect contact information directly from international passengers in a holistic process across all modes of transportation and through a Federal Government portal or mobile application. Importantly, this direct collection by the U.S. government is the recommended practice by the Council Aviation Recovery Task Force (CART) of the International Civil Aviation Organization (ICAO).

*Question 3.* Mr. Calio, The CARES Act provided substantial funding to the airline industry. What oversight measures by your members are in place to ensure these taxpayer dollars are spent wisely?

*Answer.* The aviation industry is very thankful for the financial assistance opportunities provided in the CARES Act. Air carriers have and will strictly adhere to their terms of agreement with the Treasury and all other Federal laws and regulations.

The CARES Act also contained the establishment of an Office of the Special Inspector General for Pandemic Recovery (Sec. 4018) and a Congressional Oversight Commission (Sec. 4020), both of which will provide additional oversight of taxpayer funding. It is also expected that the Department of Transportation, Office of the Inspector General and the U.S. Government Accountability Office (GAO) may add additional layers of oversight. Airlines welcome and encourage oversight on this matter.

*Question 4.* Mr. Calio, it has been reported in a recent Financial Times article that a major foreign airline leasing company, backed by the Bank of China, is using the opportunity to buy up airplanes from distressed U.S. airline companies and lease them back. Is that common practice for your members to lease planes from foreign companies backed by known foreign advisories and couldn't this cause vulnerabilities for a critical domestic industry?

*Answer.* U.S. commercial aviation is a global industry and air carriers routinely utilize aircraft leasing as a financing mechanism. Of note, as referenced in the GAO excerpt below, U.S. airlines are also subject to specific ownership and control laws. While the U.S. aviation industry, in some instances, does use lease back agreements, all of those financial agreements are done in strict accordance with all U.S. laws and regulations.

“U.S. aviation citizenship requirements—ownership and control—are defined in statute. In order to operate as a U.S. airline, an entity must obtain approval from DOT. This approval includes meeting aviation “citizenship” criteria. The requirements were enacted in the Air Commerce Act of 1926 and the Civil Aeronautics Act of 1938 and have largely remained the same since then. A “citizen of the United States” is an individual U.S. citizen, a partnership whose members are U.S. citizens, or a corporation or association organized under U.S. law where at least 75 percent of the total voting interest is owned and controlled by U.S. citizens. The law does not specify any limits on foreign investment in nonvoting stock or limits on the provision of debt financing. The law also specifies that the airline president, as well as at least two-thirds of the board of directors of the corporation, must be U.S. citi-

zens, and the airline must be under the actual control of U.S. citizens.” (GAO–19–540R *Airline Foreign Ownership*)

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO  
NICHOLAS CALIO

*Aviation Emission Trends.* I understand that, according to the Environmental Protection Agency, greenhouse gas emissions (GHG) from the aviation sector accounted for 130.8 million metric tons of CO<sub>2</sub> equivalent in 2018, or about 7 percent of all transportation sector GHG emissions. And that currently aviation accounts for roughly 2 percent of global carbon emissions, but that portion is expected to expand significantly as other sectors such as energy and ground transportation make rapid progress to decarbonize. In fact, the United Nations’ International Civil Aviation Organization (ICAO) projects global aviation emissions will triple by 2050, and by that time aviation could account for 25 percent of global carbon emissions. And that a recent study from the International Council on Clean Transportation found that global carbon dioxide emissions from airlines over the past 5 years increased at a rate that is 79 percent higher than the projections used by ICAO when they found emissions could triple by 2050.

*Question 1.* Mr. Calio, do you agree with these assessments?

Answer. A4A believes the U.S. Environmental Protection Agency’s (EPA) GHG emissions inventory is reasonably accurate and, in fact, A4A routinely cites the inventory in our work and communications. Here you note the figures of the aviation sector accounting for 130.8 million metric tons of CO<sub>2</sub> equivalent in 2018, or about 7 percent of all transportation sector GHG emissions. We concur with these figures. We also note that this means that aviation accounts for 2 percent of the Nation’s total GHG output.

We also concur that aviation accounts for approximately 2 percent of global carbon emissions, as confirmed by sources such as ICAO and the Intergovernmental Panel on Climate Change (IPCC).

While we note that certain ICAO analysis did determine that global aviation emissions *could* triple by 2050 under an *aggressive traffic growth scenario* (that was projected before the COVID-19 crisis) and *absent industry action*, our industry has rigorous climate goals and initiatives in place to address our GHG emissions so that will not occur.

By way of context, the U.S. airlines have a strong climate change record and a continuing commitment to further reduce the industry’s carbon footprint. Between 1978 and 2019, the U.S. airlines improved their fuel efficiency by more than 135 percent, saving over 5 billion metric tons of CO<sub>2</sub>—equivalent to taking more than 27 million cars off the road on average *in each of those years*. And between 2000 and 2019, U.S. airlines improved their fuel and carbon emissions efficiency by 40 percent.

These numbers are not happenstance. As an industry, we have achieved this record by driving and deploying technology, operations, and infrastructure advances to provide safe and vital air transport as efficiently as possible within the constraints of our air traffic management system.

Indeed, for the past several decades, airlines have dramatically improved fuel efficiency and reduced CO<sub>2</sub> emissions by investing billions in fuel-saving aircraft and engines, innovative technologies like winglets (which improve aerodynamics), and cutting-edge route-optimization software.

A4A and our members are not stopping there. Since 2009, we have been active participants in a global aviation coalition that committed to 1.5 percent annual average fuel efficiency improvements through 2020, with a goal to achieve carbon neutral growth beginning in 2020, subject to critical aviation infrastructure, technology, operations and sustainable fuels advances by government and industry. Further, we have adopted a long-term goal to achieve a 50 percent net reduction in CO<sub>2</sub> emissions in 2050, relative to 2005 levels.

The initiatives the U.S. airlines are undertaking to further reduce our GHG emissions are designed to responsibly and effectively limit our fuel consumption, GHG contribution and potential climate change impacts while allowing commercial aviation to continue to serve as a key contributor to the U.S., state and local economies as our Nation works to recover from the COVID crisis.<sup>1</sup> A4A and our members are

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<sup>1</sup>While we outline a number of our initiatives below, in response to other questions, we note that a brief summary is available on A4A’s website at this link: <https://www.airlines.org/airlines-fly-green/>.

keenly focused on these initiatives, both at the national and international levels. In addition to helping us achieve our environmental goals, reducing fuel consumption directly reduces airline costs, thus improving airline sustainability from both an economic and environmental perspective. Further, as advancing technology, operations, air traffic and ground-based infrastructure, and sustainable aviation fuels to meet our rigorous goals requires coordination across our broader industry and supply chain, our coalition includes the airlines, business aviation, airframe and aircraft engine manufacturers, airports, and air navigation service providers from across the world.<sup>2</sup>

It is through these measures that we will prevent the worst-case emissions growth scenarios that have been postulated and, in fact, reduce the industry's emissions consistent with our 2050 target.

*Question 2.* Please detail any concerns or qualifications you may have with any of these studies or their conclusions.

Answer. We believe you are referring to the ICCT Working Paper “CO<sub>2</sub> Emissions from Commercial Aviation,” dated September 2019, which asserts an “emissions growth rate” for “the past five years” that is “70 percent higher than assumed under current ICAO projections.”<sup>3</sup> A4A respectfully disagrees with the ICCT analysis, as we believe there are underlying flaws in ICCT’s methodology and calculations. In fact, adjusting for these data and methodology issues, one could conclude that global aviation CO<sub>2</sub> emissions were rising *slower* than ICAO had been projecting.

First, it appears that ICCT inaccurately used data from the wrong year—2012—as if it were 2013 data as a basis for its five-year calculation. ICCT cites data from the International Air Transport Association (IATA) to assert that the industry emitted 694 million metric tons (MMT) of CO<sub>2</sub> in 2013. However, this was a 2012 figure, whereas system-wide global commercial CO<sub>2</sub> emissions in 2013 were 710 MMT CO<sub>2</sub>. Second, ICCT appears to have inappropriately mixed in its own modeling and methodology with IATA’s, without adjusting for the differences, thereby inflating the 2018 CO<sub>2</sub> number.<sup>4</sup> Third, the selection of 2013 as reference for the ICCT analysis is arbitrary and ignores the cyclical nature of the aviation industry. The five years chosen, 2013–2018, were characteristic of the second half of a cycle. If the same analysis had been conducted using a 11-year time window (which is on average the period of a cycle of upward traffic and profitability in the aviation industry and is typically used in trend assessments),<sup>5</sup> ICCT would have found that emissions were not rising faster than ICAO projections, but were in fact rising approximately 18 percent *slower* than ICAO projections.

Rather than debate the ICCT analysis, however, we reemphasize that our industry’s commitments to achieving carbon-neutral growth in the near term and a 50 percent net reduction in CO<sub>2</sub> emissions in 2050 relative to 2005 levels are aimed at ensuring we responsibly manage and reduce our industry’s carbon footprint.

*Question 3.* On March 2013, the International Air Transport Association (IATA) Director General and CEO said that “the ability to manage our carbon emissions is our license to grow.” Do you agree with this statement?

Answer. Yes. As detailed above, A4A and our members are committed to rigorous climate goals and initiatives as these are core elements of sustainability, both for the industry and our planet. We believe that environmental stewardship is not only critical to having a proverbial “license to grow,” it is critical to having a license to operate.

*Adherence to Carbon Offsetting and Reduction System for International Aviation Goals.* I understand that ICAO adopted the Carbon Offsetting and Reduction System for International Aviation (CORSIA) program in 2016 and that it requires airlines to monitor and report international emissions and to offset the growth in emissions above average 2019–2020 levels using a global market-based carbon offset pro-

<sup>2</sup>Details on our coalition and its initiatives are available at these web links: <https://www.ata.org/> and <https://aviationbenefits.org/environmental-efficiency/climate-action>.

<sup>3</sup>This is the only ICCT study we found with a five-year analysis compared to ICAO projections. If so, we respectfully point out what may be a typo in your question, which asserts a 79 percent higher growth rate, rather than the 70 percent in the ICCT study we found.

<sup>4</sup>As ICCT acknowledges, ICCT’s modeling approach resulted in overshooting the 2018 CO<sub>2</sub> emissions by 2 percent relative to IATA’s data. (See page 4 of the ICCT report).

<sup>5</sup>See Jiang, H. H., Hansman, R. J., 2004, “An Analysis of Profit Cycles in the Airline Industry,” available at: <https://dspace.mit.edu/handle/1721.1/35759>. We sadly note that this Massachusetts Institute of Technology analysis and widely used reference point for industry cycle analysis appears to have been somewhat prescient, in that year-end 2019 was when the industry reached its eleventh year in the cycle and the COVID crisis in 2020 has clearly set the industry back.

gram. The program is voluntary from 2021–2027 and does not address domestic emissions from airlines.

On March 13, 2020, ICAO said they intend to move forward with CORSIA without any modifications, but reports since then indicate that ICAO intends to consider requests to modify the baseline during the next scheduled meeting in June. Since March 30, 2020, IATA has argued for modifications to the baseline because significant drops in passenger traffic in 2020 would result in an unfair increase in the cost to airlines to comply with emissions reductions over the 15-year duration of CORSIA.

*Question 4.* Mr. Calio, are A4A and its members still committed to the original targets and timeline of the CORSIA program?

Answer. A4A and our member carriers take our role in controlling GHG emissions very seriously. Our primary focus is on getting further fuel efficiency and emissions savings within the industry, through new aircraft technology, sustainable aviation fuels and air traffic management and other operational and infrastructure improvements. However, A4A and our members strongly supported Congress' directive under Public Law 112–200 that U.S. officials should conduct international negotiations to pursue a global approach to address aircraft emissions, and we have strongly supported both of the ICAO agreements reached in 2016 as a result of this directive, *i.e.*, the CORSIA agreement, and the ICAO fuel efficiency and CO<sub>2</sub> certification standard for future aircraft (which is slated to become effective for new-type design aircraft this year and in 2023 for newly manufactured in-production aircraft).

As you may know, the CORSIA agreement has two parts. First, beginning on January 1, 2019, it required that all aircraft operators with international flights emitting more than 10,000 metric tons of CO<sub>2</sub> monitor, verify, and report their emissions under a common set of rules. All A4A members began complying with these requirements in 2019. (Although U.S. aircraft operators have reported fuel burn and emissions to the U.S. government for many years, the ICAO CORSIA agreement called for reporting in a different format. It also made such reporting a global requirement, such that other countries' aircraft operators were compelled to start reporting activities that U.S. airlines had been undertaking for decades). Second, CORSIA includes a carbon offsetting obligation, which is slated to commence in 2021 and continue through 2035.

A4A and our members remain committed to CORSIA and the emissions target that the countries agreed to when adopting it in 2016, to help achieve carbon-neutral growth in international aviation from the levels of CO<sub>2</sub> emissions then projected to occur over the average of 2019–2020. When CORSIA was adopted, the projections were that 2020 international emissions would be above 2019 levels. The original thought behind a two-year baseline was that it could smooth against small market disruptions such as air traffic closures due to a volcanic eruption in a particular region. However, no one envisioned a disruption anywhere near as significant as that caused by COVID–19. Accordingly, A4A supports the proposal before ICAO to use verified 2019 CO<sub>2</sub> emissions data for calculating the baseline under CORSIA, rather than using an average of 2019 and 2020 emissions, as using the 2019 data will ensure that the potential for growth of international aviation emissions is capped at the level the countries intended when they entered the CORSIA agreement.

*Question 5.* If A4A and its members support any changes to its commitments under CORSIA, please explain what they are and what impact they would have in terms of additional aviation sector emissions?

Answer. As noted above, using the 2019 emissions data for CORSIA will ensure that international aviation emissions are capped as expected and intended. A4A has collaborated with IATA closely on this matter. As illustrated in an IATA briefing on which we collaborated, the average of the actual emissions in 2019 and 2020 is expected to be equivalent to the sector's total emissions in 2010.<sup>6</sup> As a result, should this approach be used, the CORSIA baseline would be about 30 percent more stringent than it would have been without the COVID–19 crisis. Thus, we respectfully submit that using 2019 emissions for the baseline has the intended impact on aviation emissions, whereas using an average of 2019–2020 would be dramatically different than what the countries agreed when adopting CORSIA.

*Question 6.* How would a delay or decrease in the original agreed to CORSIA targets impact the rate of deployment of technologies that can help decarbonization the aviation industry?

<sup>6</sup>The briefing, entitled "COVID–19 and CORSIA: Stabilizing Net CO<sub>2</sub> at 2019 'Pre-Crisis' Levels, Rather than 2010 Levels," is available at this web link: <https://www.iata.org/contentassets/fb745460050c48089597a3ef1b9fe7a8/covid19-and-corsia-baseline-190520.pdf>.

Answer. We do not believe that ensuring CORSIA's emissions cap is implemented at the intended level (using 2019 emissions data as the baseline) will negatively impact technology deployment. However, the COVID-19 crisis has negatively affected airframe and aircraft engine manufacturers, who report that their research and development budgets may be negatively affected due to the economic consequences of the pandemic, and alternative fuel producers, who are reportedly struggling as well.

*Prospects for Sustainable Aviation Fuels.* I am a strong supporter of sustainable aviation fuels (SAFs) and believe they will be a key component for airlines to meet future carbon pollution limits. In fact, almost a decade ago, I chaired an Aviation Subcommittee hearing on aviation fuels alternatives, and I authored legislation creating an FAA biofuels Center of Excellence that was included in the 2012 FAA reauthorization bill.

However, despite these investments, and notable multi-million-dollar commitments by major airlines to purchase sustainable aviation fuels, the International Energy Agency (IEA) reported that biofuel accounted for less than 0.1 percent of total aviation fuel consumption.

*Question 7.* Mr. Calio, what do you think it will take to make SAFs a significant portion of the domestic and international jet fuel supply?

Answer. A4A and our members are also strong supporters of SAF, which is a key pillar to the achievement of the aviation industry's aggressive GHG emissions goals. Accordingly, the aviation industry has worked hard to create the foundation for airline deployment of SAF, and we appreciate your support for its development and deployment.

A4A was pleased to testify before your Aviation Subcommittee hearing on SAF in 2011 and A4A and our members have continued to steadily advance SAF since then. While we have made great strides, making SAF reasonably cost competitive at scale remains a challenge. Yet, before detailing that challenge and how we can overcome it, it is important to take into account what has been done to create this industry and in a relatively short time-frame (basically starting in 2006) as compared with ground-based alternative fuels that have had substantial technology and policy support since the late 1970s.

As you know, to be sustainable, alternative jet fuel (*i.e.*, SAF) must be (1) as safe as petroleum-based fuels for powering aircraft; (2) more environmentally friendly than petroleum-based fuels; and (3) capable of being produced to provide cost-competitive, reliable supply. A4A and our members have been working with government partners and other stakeholders in a concerted effort to meet these criteria. For example, in 2006, A4A, the Federal Aviation Administration (FAA), the Aerospace Industries Association (AIA) and Airports Council International-North America (ACI-NA) co-founded the Commercial Aviation Alternative Fuels Initiative<sup>®</sup> (CAAFI)<sup>7</sup> to serve as the driving and coordinating force for the development and deployment of SAF meeting these criteria. We have made huge strides.

We are ensuring safety by requiring that all SAF meet the jet fuel specification, having developed specific standards and processes for this to be demonstrated. Accordingly, there are now seven approved "pathways" for SAF production, pairing processing technologies with renewable feedstocks such as forestry residues, grasses, energy crops, municipal solid waste and other biomass or industrial wastes, with other pathways pending.<sup>8</sup>

We are ensuring environmental benefits by assessing the reduction in GHG emissions associated with the production, transportation and use of SAF, and an evaluation of the fuel under other relevant environmental and social "sustainability" criteria. Indeed, as carbon is fundamental to powering aircraft engines, the CO<sub>2</sub> generated upon combustion cannot be eliminated through the use of SAF, but it can be reduced by increasing the per-unit energy provided in the fuel, reducing or avoiding GHG emissions somewhere along the "lifecycle" of the fuel, or some combination of the two. As a result, SAF has been shown to achieve up to an 80 percent emissions reduction as compared with fossil-based jet fuel.

As SAF currently tends to be considerably more expensive than traditional jet fuel, we are working on means to scale up supply and reduce costs. A key role our airlines are playing is to send appropriate market signals to SAF producers (and would-be SAF producers), the farmers and others who generate energy feedstock, and investors in the alternative fuels industry. Further, A4A teamed with the U.S. Department of Defense's procurement arm to encourage alternative fuel producers to include SAF in their product slate and we co-founded the *Farm-to-Fly* program

<sup>7</sup> See CAAFI's website at [www.CAAFI.org](http://www.CAAFI.org).

<sup>8</sup> In addition, there are two pathways approved for jet fuel production through co-processing renewable feedstock with crude oil-derived middle distillates in petroleum refineries.

with Boeing, the U.S. Department of Agriculture and other partners “to accelerate the availability of a commercially viable sustainable aviation biofuel industry in the United States, increase domestic energy security, establish regional supply chains and support rural development.”<sup>9</sup>

Our efforts are bearing fruit, such that United Airlines has been taking commercial supply of SAF at Los Angeles International Airport since 2016; American Airlines, Delta Air Lines, FedEx, Southwest, and JetBlue (as well as United) all have prospective SAF purchase agreements with the few existing and start up SAF suppliers; Alaska Airlines has a Memorandum of Agreement with a SAF producer that is intended to lead to procurement; and our other members have engaged in demonstration flights and other activities to support SAF.

The aviation industry and existing and would-be SAF suppliers are on the cusp of creating a viable SAF industry, but government support is needed to provide financial bridging and other tools necessary to help us get over the cusp. It is critical that Congress and the Administration continue to provide positive support for alternative energy programs and for public-private initiatives with SAF projects such as CAAFI, FAA’s Continuous Lower Energy, Emissions, and Noise (CLEEN) program and the Center of Excellence for Alternative Jet Fuels and the Environment (AS-CENT) that you championed.<sup>10</sup> Moreover, after years of providing tax incentives and other support to ground-based alternative fuels (in some cases reaching back into the 1970s),<sup>11</sup> Congress should establish SAF-specific tax incentives (as discussed in detail in response to Question #9 below) and SAF-specific loan guarantee, grant and other such programs to support our efforts.

There are strong policy arguments in favor of SAF-specific positive incentives. First, while other sectors and modes of transportation can be powered via a variety of energy sources, including electricity, nuclear, solar, hydrogen and wind, to name a few, airlines will be flying aircraft and engines requiring liquid, high energy-density fuels for the foreseeable future. This drives our industry to be keenly focused on the development and deployment of significant supplies of liquid SAF. Yet this source of alternative energy has received no SAF-specific tax or other incentives under Federal policy.<sup>12</sup>

Second, commercial aviation offers unique benefits to prospective alternative fuels producers. First, fuel demand is highly concentrated. The 40 largest U.S. airports account for an estimated 90 percent of all the Nation’s jet-fuel demand, while the top 10 airports account for about half of demand. The country’s largest airports—Los Angeles (LAX), New York-Kennedy (JFK), Chicago O’Hare (ORD) and Atlanta (ATL)—each demand more than one billion gallons of jet fuel annually. Demand from Air Force bases and Navy installations is also highly concentrated, and, in many cases, those facilities are located near commercial airports. Thus, airports essentially compose a network of markets that alone could support all the output from SAF production facilities. In addition, with high-demand nodes across the country, the aviation industry can support production from the full gamut of potential producers, who will rely on different feedstocks depending on where they intend to operate.

The benefits of a cost-competitive SAF industry that is capable of producing at scale would not inure to the airline industry or would-be SAF providers alone. The U.S. military, which has been a very active partner to A4A in the pursuit of jet fuel alternatives, shares many of the same interests as our airlines. Like airlines, jet fuel represents a significant share of costs to the U.S. military, particularly the U.S. Navy and U.S. Air Force. Volatile prices wreak havoc on military budgets and present significant challenges for military planners. At the same time, GHG emissions from military jet operations represent a large portion of the Federal govern-

<sup>9</sup>See *Agriculture and Aviation: Partners in Prosperity*, available at <http://www.airlines.org/Documents/usda-farm-to-fly-report-jan-2012.pdf>; see also *Agriculture and Aviation: Partners in Prosperity: Putting Aviation at the Forefront of the President’s Biofuels Targets*, Part II. Industry Recommendations, available at [http://www.airlines.org/Documents/Farm\\_to\\_Fly\\_Recommendations-A4A-Boeing-Jan2012.pdf](http://www.airlines.org/Documents/Farm_to_Fly_Recommendations-A4A-Boeing-Jan2012.pdf).

<sup>10</sup>For more detail on the U.S. airlines’ SAF initiatives, progress and remaining challenges, see A4A’s primer, “Deployment of Sustainable Aviation Fuel in the United States” (August 2019), available at <http://airlines.org/media/deployment-of-sustainable-aviation-fuel-in-the-united-states/>.

<sup>11</sup>See, e.g., Congressional Research Service, *Energy Tax Policy: History and Current Issues*, Oct. 30, 2008 (detailing “action taken during the 1970s to implement the new and refocused energy tax policy” including “the introduction of numerous tax incentives or subsidies (e.g., special tax credits, deductions, exclusions)” for ground-based alternative fuels).

<sup>12</sup>As discussed in our answer to question #9 below, however, some SAF, that which is biomass-derived, does qualify as “renewable diesel” for purposes of the biodiesel and renewable diesel tax credit in 26 U.S.C. section 40A.

ment's carbon footprint. Access to stable supplies of SAF would also allow the armed services to address these concerns and further enhance national security.

In addition, a vibrant SAF industry would support additional American jobs and spur economic development at a time when this is sorely needed. Rural America would benefit greatly from access to new markets for new agricultural biomass crops, communities would benefit from having increasing quantities of municipal solid waste diverted from landfills and put to productive use, while industrial areas would be revitalized through construction of new refineries and processing facilities or revitalization of those that have been mothballed. At the same time, a stable supply of SAF would improve our Nation's security by further ensuring energy independence and would support national economic security by improving our trade balance.

A4A and our members are committed to continuing to work to make SAF commercially viable and we appreciate your support in this important endeavor.

*Question 8.* The IEA estimated that roughly \$10 billion would need to be invested in at least 20 refineries for biofuels to account for 2 percent of annual aviation fuel demand and to make aviation biofuel markets self-sustaining, do you agree with that assessment?

Answer. We believe this question is referring to the aviation biofuels discussion in the International Energy Agency's (IEA) October 2018 market report, "Renewables 2018: Analysis and Forecasts to 2023."<sup>13</sup> In that discussion, IEA pointed out, correctly, that the so-called HEFA [hydroprocessed esters and fatty acids] pathway is the only SAF production pathway that "is currently technically mature and commercialized." Almost two years after the release of the Renewables 2018 report, the HEFA method is still the only commercialized pathway. IEA went on to state that, absent other commercialized SAF production processes, approximately 20 new HEFA SAF refineries would be required by 2025 in order to supply 2 percent of the world's aviation fuel demand, at an estimated investment cost of approximately \$10 billion.

We agreed with the IEA's assessment when it came out, and we still agree with it, although we would note that the total estimated investment cost may now be higher due to the passage of time, the oil price drop, and the COVID-related economic decline that has occurred over the last few months. We also observe that HEFA refineries that produce or are capable of producing SAF typically also produce renewable diesel and other products, and for economic reasons they may prefer to make more of their non-SAF product slate and, correspondingly, less SAF. Thus, a key part of SAF supply scale up is not only financing and capitalization of refining capacity but also providing incentive support to make SAF more competitive with renewable diesel and other products that have long enjoyed such support.

*Question 9.* For over a decade, Senator Grassley and I have championed and managed secure extensions of the Section 40a tax credit that provides a \$1 per gallon tax credit for some kinds of biojet fuel. Why do you think this credit has not had more of an impact in spurring the adoption of sustainable aviation fuels?

Answer. A4A and our members are grateful for your work and that of others to secure the "biodiesel and renewable diesel tax credit," at 26 U.S. Code § 40A, to provide a \$1.00/gallon tax credit to those who mix (*i.e.*, blend) certain biofuels in the biofuel production supply chain. While referred to as a "biodiesel/renewable diesel" credit, and originally intended for ground-based fuels, Section 40A(f)(4) expanded the eligibility criteria for the credit so bio-based jet fuel meeting the relevant ASTM standard can qualify for the credit. While a useful tool to help reduce the price gap between SAF and petroleum-based jet fuel to a degree, it has not been sufficient to narrow the gap given (a) the higher hurdle of producing SAF relative to ground-based alternative fuels and (b) the fact that ground-based alternative fuels (renewable diesel in particular) are eligible not only for this tax credit, but many other incentives across the supply chain, which make it more profitable for producers to produce. In addition, while we very much appreciate Congress having included in the FY 2020 appropriations package a retroactive reinstatement and extension through 2022 of the credit for biodiesel and renewable diesel under section 40A, the two-year lapse did come at a crucial time for would-be SAF producers and they have indicated to us that a longer time horizon for such a tax credit is needed for SAF given the nascency of the SAF industry.

<sup>13</sup> Available at this web link: <https://webstore.iea.org/download/direct/2322>. The aviation biofuels discussion appears at pp. 123–128, and was expanded upon in a March 2019 IEA commentary piece, "Are Aviation Biofuels Ready for Take Off?," which is available at this web link: <https://www.iea.org/commentaries/are-aviation-biofuels-ready-for-take-off>.

To address these issues, we have been working with a coalition of SAF producers, airlines, airports, labor, airframe and engine manufacturers, and business aviation in urging consideration of a unique, stand-alone blender's credit for SAF in the Internal Revenue Code, as was done years ago with ground transportation alternative fuels like ethanol and biodiesel/renewable diesel. (The tax credit for ethanol and other alcohols (section 40) was put in place in 1980, while the tax credit for biodiesel/renewable diesel (section 40A) dates back to 2004/2005. Unlike ground-based alternative fuels, SAF has never had its own dedicated, fuel-specific provision). Based on feedback from alternative fuel producers who are capable of producing SAF or ground-based alternative fuels, it is our understanding that to truly bridge the gap and promote SAF production and use, the SAF-specific blender's credit would need to be set at \$2.00 per gallon, or \$1.00 more than the current level provided to biomass-derived SAF under section 40A. In addition, such a provision would need to extend over a longer period, such as over 10 years, to provide the market certainty the SAF producers need. Moreover, whereas the current blender's credit in 40A only applies to biomass, the SAF producers note that a SAF-specific tax incentive should be defined to encompass fuel derived not only from biomass but also the other feedstocks that are under development, including waste streams and recovered gaseous carbon oxides.

*Question 10.* What other measures do you think the Federal government could take to increase the production and utilization of sustainable aviation fuels?

Answer. While A4A and our members are committed to doing our part to make SAF commercially viable, we do believe the Federal government has a role to play to complement our efforts. A SAF-specific blender's tax credit, such as that outlined in our response to Question #9, is one such measure. In addition, it is critical that Congress and the Administration continue to fund the programs under the Energy Title of the Farm Bill, make sure that these programs also are made available for SAF, and support public-private initiatives such as CAAFI, CLEEN, and ASCENT, which help enhance SAF technology and feedstock research and development. Other potential options for consideration could include SAF-specific grants and loan guarantees for production; support for the review and approval process for new SAF pathways; a SAF-specific production tax credit; development and enhancement of production through tax creditable SAF production facility bonds; and ensuring SAF regulatory parity with renewable diesel or preferably a credit multiplier for SAF under the Renewable Fuel Standard (RFS).<sup>14</sup>

We suggest that the following principles could help guide complementary government action to further support commercially viable SAF production and deployment:

- Implementation of a policy framework that prioritizes aviation and SAF production and use over road and maritime transport alternative fuels. The road and maritime transport sectors do indeed have other "alternatives to decarbonize," such as electric vehicles, whereas aviation does not have similar viable alternatives.
- Selection of policy timeframes that match return-on-investment timeframes, usually ten to twenty years, to reduce investment risk.
- Providing opportunities for public-private partnerships in SAF production.
- Providing continued support for SAF research and development, including development of feedstock supply chains and new and innovative SAF production technologies.
- Consideration of all potential SAF feedstocks (*e.g.*, traditional biomass sources, municipal solid waste, animal fats, waste oils and greases, waste gases) and production pathways.

We would be glad to discuss these and any other ideas with you in detail should that be of interest.

*Question 11.* What do you think of the European Commission's proposed initiative, ReFuelEU Aviation, which aims to boost the supply and demand for SAFs? Do you believe the U.S. market would benefit from a similar initiative?

Answer. A4A reviewed and submitted comments on the overview document the European Commission issued explaining what it plans to consider under its "ReFuelEU Aviation—Sustainable Aviation Fuels" review. While this "Inception Im-

<sup>14</sup> Currently under the RFS Program, renewable diesel is accorded an equivalence value of 1.7 (40 C.F.R. §80.1415), whereas SAF has an equivalence value of 1.6. This means a gallon of renewable diesel generates 0.1 more RINs (Renewable Identification Numbers) than does a gallon of SAF, a disparity that, albeit small, contributes to alternative fuel producers preferring to make the former over the latter.

pact Assessment” document for ReFuelEU Aviation was light on details,<sup>15</sup> as we conveyed to the Commission, we believe several of the positive incentives and supportive initiatives under consideration could be helpful, including, for example, an increased multiplier for SAF credit under the recast European Renewable Energy Directive (RED); a mechanism under which funding assistance would be provided to SAF producers and/or airlines; feedstock prioritization for SAF (over green (*i.e.*, renewable) diesel and other road transport alternative fuels); a central auctioning scheme for SAF; a collaborative platform to facilitate SAF purchase agreements; and technical facilitation and support for SAF producers seeking qualification and approval of their fuel.

A4A supports the creation of “a stable policy framework over a sufficient time horizon to provide investors with the necessary confidence to invest in the production of [SAF] and for airlines to pursue efficient fuels policy” as the Commission noted in its Inception Impact Assessment. However, as we conveyed to the Commission, we believe their plan to consider imposing a SAF blending and use mandate is premature at this juncture. As the Commission acknowledged in the Inception Impact Assessment, SAF are still a long way from being commercially viable at scale. Until they are, we believe the focus should instead be on positive measures and incentives that are geared towards improving cost-competitiveness, expanding supply, and establishing the long-term commercial viability of SAF.<sup>16</sup>

In our comments on the Inception Impact Assessment, A4A noted that we and our members would be glad to be stakeholders in the ReFuelEU Aviation process, sharing our experience from CAAFI and other initiatives.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO  
NICHOLAS CALIO

Reports have highlighted the high rate of coronavirus infections in flight crews, including the hundreds of pilots and flight attendants who have tested positive for the virus. You testified that your organization’s member airlines are now requiring employees and passengers to wear masks.

*Question 1.* Are airlines providing masks for both employees and passengers free of charge?

Answer. Yes, A4A member airlines are providing masks for both employees and passengers at no cost when a crew member or customer does not have a mask of their own.

*Question 2.* Do airlines have access to sufficient supplies to provide masks to employees and passengers, and do airlines have contingency plans in place if they encounter supply issues?

Answer. Yes, A4A member airlines currently have sufficient supplies and each respective air carrier has contingency plans, to the extent feasible, for supply issues that may arise.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. EDWARD MARKEY TO  
NICHOLAS CALIO

*Question 1.* I support efforts by airlines to now require all passengers to wear face masks on airplanes. However, significant questions remain about the implementation of these policies across different companies. To your knowledge, how do the various airlines intend to enforce this policy? What are the procedures and penalties for non-compliance, and how will airlines continue to protect the health and safety of crew members and fellow passengers in the event of non-compliance?

Answer. A4A member carriers are vigorously enforcing face covering policies. This step is just one critical element of the multiple layers that A4A carriers are imple-

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<sup>15</sup>The Inception Impact Assessment document is available at this web link: <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12303-ReFuelEU-Aviation-Sustainable-Aviation-Fuels>.

<sup>16</sup>The approach taken by Norway is instructive in this regard. On January 1, 2020, a SAF blending mandate of 0.5 percent by volume of total aviation fuel sold per year, excluding the military, went into effect in the country. See <https://lovdata.no/dokument/LTI/forskrift/2019-04-30-555>. We understand from a European airline that the mandate has led to a significant increase in the price of SAF. Due to the lack of SAF availability, the mandate has had the predictable effect of shifting pricing leverage to SAF producers. A4A is concerned that the same outcome and market distortion would result if the EU or one or more Member States were to impose a blending mandate before the SAF industry has become more mature and the price of and market for SAF are made more cost-competitive.

menting to mitigate risk and protect passengers and crew. Air carriers also have implemented other policy updates regarding face coverings, including:

- **Preflight Communications:** Each airline clearly articulates its individual face covering policy in communications with customers, which may require passengers to acknowledge the specific rules during the check-in process.
- **Onboard Announcements:** Onboard the aircraft, crew members announce specific details regarding the respective carrier's face covering policy including the consequences passengers could face for violating the policy.
- **Consequences for Noncompliance:** Each carrier determines the appropriate consequences for passengers who are found to be in noncompliance of the respective airline's face covering policy up to and including suspension of flying privileges on that airline.

*Question 2.* To your knowledge, has there been a science-driven study of what exactly constitutes safe distancing in an aircraft cabin, with and without the use of masks? Do you know of any science-based studies that have contributed to the development of current airline policies for seating or other behavior in aircraft cabins?

*Answer.* Just as there is no known vaccine or specific antiviral treatment to prevent COVID-19, our industry, and nearly every other business globally, awaits scientific studies and breakthroughs in order to better understand how the virus acts and can be mitigated in specific environments and situations. That said, along with the broader work being done by the scientific community, individual airlines, industry, trade associations and many others in the aviation community are all conducting or facilitating research to better guide policy decisions. As the science progresses, so will airline policies. The aviation industry has been and will continue to evaluate all the current layers of protective health measures across the passenger journey to determine science-based efficacy and continuous reassessment of better methods to mitigate risk of transmission. While risk can never be eliminated, until a vaccine or treatment is available, airlines will continue to take extraordinary steps to mitigate transmission of the virus.

For more information on mitigation efforts, I would encourage you to visit [www.AirlinesTakeAction.com](http://www.AirlinesTakeAction.com). I would also highlight A4A's awareness initiative, "Fly Healthy. Fly Smart." This initiative calls attention to the enhanced cleaning and procedural changes U.S. airlines are implementing as well as reminding the traveling public of steps they can take to mitigate transmission. Some of these efforts include:

- A4A's member airlines are requiring passengers and customer-facing employees to wear a face covering over their nose and mouth throughout the journey—check-in, boarding, in-flight and deplaning.
- A4A member airlines have aircraft equipped with HEPA filters, which help generate hospital-grade air quality. The Centers for Disease Control and Prevention (CDC) has said that, "Because of how air circulates and is filtered on airplanes, most viruses and other germs do not spread easily on flights."
- U.S. airlines have implemented intensive cleaning protocols, in some cases to include electrostatic cleaning and fogging procedures.
- Carriers are working around the clock to sanitize cockpits, cabins and key touchpoints—including tray tables, arm rests, seatbelts, buttons, vents, handles and lavatories—with EPA-approved disinfectants.
- Carriers have implemented a range of policies—including back-to-front boarding and adjusting food and beverage services—to help allow for distancing between people.
- As an additional layer of protection, A4A's member airlines have endorsed temperature screenings conducted by TSA.

*Question 3.* Do you believe that public safety is best served by what appears to be a patchwork approach to cabin safety by each of the airlines, including seat blocking and aircraft sanitization?

*Answer.* The aviation industry has been and will continue to evaluate all the current layers of protective health measures across the passenger journey to determine science-based efficacy and continuous reassessment of better methods to mitigate risk of transmission. These efforts all have a unified outcome-based approach to mitigate risk but may vary operationally at each carrier and/or airport. There are certain layers of the mitigation process, such as A4A member airline endorsed temperature screenings conducted by TSA, that rigid uniformity may address well.

However, other variables such as boarding or check-in may not, as neither all aircraft nor all airports are the same. Airlines care deeply about their passengers and

their crew members and will continue to implement and continually evaluate better methods to mitigate risk to best serve their health and safety.

- Do you believe that the public and crewmembers would be better served by uniform and consistent policies—based on science—for safe occupancy of aircraft cabins during this pandemic?

Answer. Please see previous answer.

- To that end, do you support my legislation—the Ensuring Health Safety in the Skies Act—that will charge a joint task force of aviation, security, and public health experts to develop recommendations for such policies?

Answer. While we appreciate the obvious well-intended premise of the legislation, A4A does not believe a broad sweeping task force as envisioned is the most effective and efficient approach to addressing the COVID-19 circumstances. We are certainly willing to work with you on the concept, but we do not believe high-level task forces are equipped or the proper venue to determine such detailed and varied topics as airplane boarding, de-boarding and baggage handling, amongst others. We believe Congress would find greater value in supporting and encouraging scientific breakthroughs and government centric responsibilities such as contract tracing and TSA temperature screenings.

*Question 4.* Do you believe that frontline essential workers, such as flight attendants and other airline crewmembers, should be eligible for retroactive “pandemic pay,” or hazard pay, for the risks they assume through their everyday employment?

Answer. A4A is not aware of a specific proposal or the parameters of such a proposal to determine a policy position on this matter.

*Question 5.* Despite \$25 billion in emergency relief for airline workers, many major carriers are predicting massive layoffs this fall. What are your carriers doing to prevent a tragedy in which tens of thousands of workers could lose their jobs?

Answer. Airlines sincerely appreciate Congress for reaching agreement on the bipartisan CARES Act, which included provisions intended to assist the U.S. airline industry to continue making payroll and protect the jobs of pilots, flight attendants, gate agents, mechanics and others. As this unprecedented event unfolds, airlines will continue to evolve to survive. They are severely impacted by the operational and financial realities of circumstances beyond their control during this crisis. As we all face the difficulties of these unparalleled times, please know that air carriers fully recognize employees are the backbone of our industry and its’ greatest resource and are working every day to protect airline jobs.

- Will you be looking for the Federal for government to again step in on the behalf of frontline workers, and if so, what might that support look like?

Answer. A4A is not aware of any efforts to seek additional Federal assistance.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TOM UDALL TO  
NICHOLAS CALIO

We are hearing some calls from some industries that they want to be protected from paying damages to their employees and customers who get sick due to lack of COVID protections.

*Question 1.* After receiving tens of billions of taxpayer support, are the airlines asking for liability protection too, and if so, what specific and binding safety and consumer protection standards would the industry agree to in exchange for protection from liability?

Answer. Airlines sincerely appreciate Congress for reaching agreement on the bipartisan CARES Act, which included provisions intended to assist the U.S. airline industry to continue making payroll and protect the jobs of pilots, flight attendants, gate agents, mechanics and others. Those funds help the industry to protect airline jobs.

As part of a broader coalition of businesses both small and large, including the New Mexico Association of Commerce & Industry and the New Mexico Retail Association, airlines support safe harbor from unwarranted lawsuits. Attached are two letters we believe you may find useful as Congress deliberates this issue.

*Question 2.* Would you agree to everything that Dr. Godwin has outlined in her testimony?

Answer. A4A appreciates the ideas and concepts Dr. Godwin brought forth in her testimony. However, as Dr. Godwin’s testimony is not an A4A product, we neither endorse nor oppose any of the content.

This is not the first time that the airline industry has needed dramatic help from the government and relief from taxpayers to get it through rough times. We defi-

nately recognize that the airlines are being hit hard by the lull in travel driven by the coronavirus pandemic and this is through no fault of their own. But we are facing another major crisis: climate change. If we assume that once the pandemic subsides that travel will return to normal, we will still be confronting a major issue that many Americans care about. If we are going to continue to use their tax dollars to get you through this rough patch, we should be able to offer them benefits in return. If anything, this time offers the airline industry a moment of pause to replan and think creatively about how to reduce its carbon footprint. And not just with offsets—actual reduction.

*Question 3.* So, how can airlines use this pause to rethink the industry and the major crisis we are facing on climate change?

Answer. The U.S. airlines have a decidedly strong fuel efficiency and greenhouse gas (GHG) emissions record that is often overlooked or misstated. In fact, between 1978 and 2019, the U.S. airlines improved their fuel efficiency by more than 135 percent,<sup>17</sup> saving over 5 billion metric tons of carbon dioxide (CO<sub>2</sub>), equivalent to taking 27 million cars off the road *each of those years*. Before COVID-19 struck, U.S. airlines were transporting a record 2.5 million passengers and 58,000 tons of cargo per day, while contributing just 2 percent of our Nation's GHG emissions.

These numbers are not happenstance. We have achieved this record by developing and deploying technology, operations and infrastructure advances central to providing safe and vital air transport as efficiently as possible within the constraints of our current air traffic management system. Even as the world is beset by a pandemic, one that has decimated our industry, we reaffirm our commitment to protecting the planet as we reconnect it.

Since 2009, we have been active participants in a global aviation coalition that committed to 1.5 percent annual average fuel efficiency improvements through 2020, with a goal to achieve carbon neutral growth beginning in 2020, subject to critical aviation infrastructure, technology, operations and sustainable fuels advances by government and industry. Further, we have adopted a long-term goal to achieve a 50 percent net reduction in CO<sub>2</sub> emissions in 2050, relative to 2005 levels. As we work to rebuild our previously robust and healthy industry and the global economy, we will continue our unwavering commitment to these goals.

The initiatives the U.S. airlines are undertaking to further reduce our GHG emissions are designed to responsibly and effectively limit our fuel consumption, GHG contribution and potential climate change impacts while allowing commercial aviation to continue to serve as a key contributor to the U.S., state and local economies as our Nation works to recover from the COVID crisis.<sup>18</sup> A4A and our members are keenly focused on these initiatives, both at the national and international levels.

We will meet our commitment to protect the planet by bringing back into service fuel-efficient aircraft and engines, by continuing to develop and deploy sustainable aviation fuels and by implementing more efficient procedures, both in the air and on the ground. Moreover, we continue to strongly support both international aviation GHG emissions agreements reached in 2016 under the International Civil Aviation Organization, the United Nations body that sets standards and recommended practices for civil aviation. The first of these agreements established a fuel efficiency and CO<sub>2</sub> certification standard for future aircraft, which is slated to go into effect this year for new-type design aircraft and in 2023 for newly manufactured in-production aircraft. The second, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) represents the first and only global market-based measure for GHG emissions from an individual business sector.

The Federal government has an important role to play in complementing our efforts in four key areas:

1. Continuation and proper funding of aviation environmental research and development programs to support the industry's technology and operations initiatives;
2. Recognizing that the U.S. Federal government controls the air traffic management infrastructure and airspace in which aircraft fly, business-case-based implementation of a modernized air traffic control system prioritizing existing aircraft equipment;
3. Stable policies to further support making sustainable aviation fuel commercially viable; and

<sup>17</sup> Using a more recent timeframe, the U.S. airlines improved their fuel and carbon emissions efficiency by 40 percent between 2000 and 2019.

<sup>18</sup> While we outline a number of our initiatives below, in response to other questions, we note that a brief summary is available on A4A's website at this link: <https://www.airlines.org/airlines-fly-green/>.

4. Continuing commitment to the two international aviation climate agreements reached under the International Civil Aviation Organization in 2016.

We would be glad to discuss these initiatives with you in greater detail at your convenience.



May 11, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Chuck Schumer  
Democratic Leader  
U.S. Senate  
Washington, DC 20510

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

On behalf of the undersigned organizations representing America's hospitality, travel, restaurant, retail, gaming, attractions, and entertainment industries, we thank you for your steadfast leadership in guiding our nation through this unprecedented health and economic crisis. As customer-centric industries whose employees interact with the general public in physical locations on a constant basis, we write in support of Congressional efforts to create a targeted and limited safe harbor from liability for companies that implement federal public health guidelines related to the transmission of COVID-19.

Many of our member companies are providing necessary goods, services and opportunities for Americans to return to work, and have taken extraordinary measures to protect the safety and well-being of our guests and employees while following government health guidelines in good faith. As you know, even with extraordinary protective measure, our employees or customers could still contract COVID-19 due to the extremely contagious nature of the virus. We fear that without Congressional action, the threat of litigation - even for those companies that faithfully follow federal public guidelines - will mire our recovery and negatively impact the economy writ large.

While some of our members have continued to operate throughout the COVID-19 health crisis to provide food, goods and services to the public, others are taking steps to prepare their businesses to safely reopen and create opportunities for Americans to return to work when restrictions are lifted. In all cases, the top priority has been the safety of our guests and employees, and our member companies are doing all that they can to safely and responsibly keep their doors open. That is why our associations have been working with member companies, government officials, health experts, and others to devise industry-specific protocols to mitigate the transmission of COVID-19 and address future public health emergencies.<sup>1</sup>

<sup>1</sup> See, e.g., American Hotel and Lodging Association's Industry-Wide Cleaning Standards and "Safe Stay" Initiative; U.S. Travel Association's Industry Guidance for Promoting Health and Safety of All Travelers; National Restaurant Association's ServSafe Guidance for restaurant reopening; National Retail Federation's "Operation Open Doors"; Retail Industry Leaders Association's Blue Print for Shopping Safe.

Evolving information about COVID-19 and differences in federal, state, and local guidelines, however, have created legal uncertainty. As a result, companies that diligently implement safety protocols and rely in good faith on public health recommendations and guidelines nonetheless face the prospect of substantial litigation based on virus transmission. Such lawsuits do nothing to reduce transmission of COVID-19 but do threaten the ability of companies to provide much-needed services and opportunities for Americans to return to work. Consumer-facing businesses should be able to rely on the safety guidelines and reopening parameters issued by experts without the threat of liability for implementing that guidance. Such businesses should instead be permitted to focus their strained resources on revitalizing operations and growing jobs for American workers.

Historically, Congress has acted to provide limited safe harbors from liability in the face of a public crisis. We ask that you do so again.

We stand ready to work with you in this critical moment to help stabilize our economy and support our impacted employees.

Sincerely,

Airlines for America  
 American Gaming Association  
 American Hotel & Lodging Association  
 American Society of Travel Advisors  
 Asian American Hotel Owners Association  
 Coalition of Franchise Associations  
 Global Business Travel Association  
 Home Care Association of America  
 International Association of Amusement Parks and Attractions  
 International Franchise Association  
 Latino Hotel Association  
 National Association of Black Hotel Owners, Operators and Developers  
 National Association of Theatre Owners  
 National Council of Chain Restaurants  
 National Restaurant Association  
 National Retail Federation  
 Small Business & Entrepreneurship Council  
 Retail Industry Leaders Association  
 U.S. Travel Association

Alabama Restaurant & Hospitality Association  
 Alabama Retail Association  
 Alaska Hotel & Lodging Association  
 Alliance of Wisconsin Retailers  
 Arizona Lodging & Tourism Association  
 Arizona Retailers Association  
 Arkansas Grocery and Retail Association  
 Arkansas Hospitality Association  
 Association of Lodging Professionals  
 California Hotel & Lodging Association  
 California Retailers Association  
 Casino Association of Indiana  
 Cincinnati Hotel Association  
 Colorado Hotel & Lodging Association  
 Connecticut Lodging Association  
 Connecticut Retail Merchants Association  
 Deadwood Casino Association

Delaware Hotel & Lodging Association  
 Elevanta  
 Florida Restaurant & Lodging Association  
 Florida Retail Federation  
 Franchise Business Services  
 Franchise Management Advisory Council  
 Georgia Hotel & Lodging Association  
 Hospitality Maine  
 Hospitality Minnesota  
 Hotel Association of New York City  
 Hotel Association of Washington DC  
 Idaho Lodging & Restaurant Association  
 Idaho Retailers Association  
 Illinois Casino Gaming  
 Illinois Hotel & Lodging Association  
 Illinois Retail Merchants Association  
 Indiana Restaurant & Lodging Association

Iowa Gaming Association	North Carolina Retail Merchants Association
Iowa Retail Federation	North Dakota Retail Association
Kentucky Retail Federation	Ocean City, MD Hotel-Motel-Restaurant Association
Louisiana Casino Association	Ohio Council of Retail Merchants
Louisiana Retailers Association	Ohio Hotel & Lodging Association
Lowcountry Hospitality Association	Oklahoma Hotel & Lodging Association
Maryland Association of Chain Drug Stores	Oregon Restaurant & Lodging Association
Maryland Food Industry Council	Pennsylvania Restaurant & Lodging Association
Maryland Hotel & Lodging Association	Pennsylvania Retailers Association
Maryland Retailers Association	Regulatory Management Counselors, P.C.
Massachusetts Lodging Association	Retail Association of Maine
Michigan Restaurant & Lodging Association	Retail Association of Nevada
Michigan Retailers Association	Retail Council of New York State
Minnesota Retailers Association	Retailers Association of Massachusetts
Mississippi Gaming & Hospitality Association	Rhode Island Hospitality Association
Missouri Retailers Association	South Carolina Restaurant & Lodging Association
Missouri Tire Industry Association	South Carolina Retail Association
Montana Lodging & Hospitality Association	St. Louis Area Hotel Association
Montana Restaurant Association	Tennessee Hospitality & Tourism Association
Montana Retail Association	Texas Hotel & Lodging Association
National Franchise Association	Texas Retailers Association
Nebraska Hotel & Lodging Association	Tri State Jewelers Association
Nebraska Retail Federation	Unique Lodging of Ohio
Nevada Hotel & Lodging Association	Utah Tourism Industry Association
Nevada Resort Association	Vermont Chamber of Commerce
New Hampshire Retail Association	Vermont Retail and Grocers Association
New Jersey Hotel & Lodging Association	Virginia Restaurant, Lodging, and Travel Association
New Jersey Restaurant & Hospitality Association	Washington Hospitality Association
New Jersey Retail Merchants Association	Washington Retail Association
New Mexico Retail Association	West Virginia Hospitality & Travel Association
New York State Hospitality & Tourism Association	Wisconsin Hotel & Lodging Association
North Carolina Restaurant and Lodging Association	Wyoming Lodging & Restaurant Association

*May 20, 2020*

## TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The undersigned chambers of commerce urge Congress to pass timely, temporary and targeted liability relief legislation to provide businesses a safe harbor from unwarranted lawsuits that, left unchecked, will endanger the fight against the pandemic and undermine the safe and orderly return to work for millions of Americans.

From distillers who switched to producing hand sanitizers, to manufacturers that transformed their operations to construct personal protective equipment (PPE) and ventilators, to front line medical professionals treating the afflicted, to pharmaceutical companies that are expediting research into cures, American businesses have rallied to fight the pandemic. During the stay-at-home orders, essential businesses have remained open and innovated in ways that permitted them to continue to provide critical services and supplies. Now millions of other businesses are in the process of reopening, desiring to do so in a safe manner that protects their employees and customers.

This is an unprecedented situation and despite employers' best efforts to comply with public health guidance, many are concerned that they will be forced to defend themselves against a wave of lawsuits. Their concern is driven by the fact that each day brings news of more lawsuits that have already been filed. That is why Congress should provide a safe harbor that holds truly bad actors accountable, but that protects those employers who are working to follow public health guidance. Specifically, temporary protections should remain in place for the duration of the pandemic crisis and response that cover:

- Businesses that work to follow government guidelines against COVID-19 exposure claims.
- Healthcare providers and facilities on the front lines of the COVID-19 response.
- Manufacturers that repurposed production and distribution to provide PPE, sanitizers, and other needed countermeasures.
- Companies that have donated their stock of supplies to hospitals and medical professionals.
- Public companies that could face securities lawsuits, including those driven largely on stock price drops resulting from the global pandemic under the spurious assertion that management failed to warn investors.

To ensure that we continue to wage war against the pandemic while also safely returning Americans to work, Congress must act without delay.

Sincerely,

Business Council of Alabama  
 Alaska Chamber  
 Arizona Chamber of Commerce and Industry  
 Arkansas State Chamber of Commerce/AIA  
 California Chamber of Commerce  
 Colorado Chamber of Commerce  
 Connecticut Business & Industry Association  
 DC Chamber of Commerce  
 Delaware State Chamber of Commerce  
 Florida Chamber of Commerce  
 Georgia Chamber of Commerce  
 Chamber of Commerce of Hawaii  
 Idaho Association of Commerce & Industry  
 Illinois Chamber of Commerce  
 Indiana Chamber of Commerce  
 Iowa Association of Business and Industry  
 Kansas Chamber of Commerce & Industry  
 Kentucky Chamber of Commerce  
 Louisiana Association of Business and Industry  
 Maine State Chamber of Commerce  
 Maryland Chamber of Commerce  
 Associated Industries of Massachusetts  
 Michigan Chamber of Commerce  
 Minnesota Chamber of Commerce  
 Mississippi Economic Council  
 Missouri Chamber of Commerce & Industry  
 Montana Chamber of Commerce  
 Nebraska Chamber of Commerce & Industry  
 Las Vegas Metro Chamber of Commerce

Business and Industry Association of New Hampshire  
 New Jersey Chamber of Commerce  
 New Mexico Association of Commerce & Industry  
 The Business Council of New York State  
 North Carolina Chamber  
 Greater North Dakota Chamber  
 Ohio Chamber of Commerce  
 State Chamber of Oklahoma  
 Oregon Business and Industry  
 Pennsylvania Chamber of Business and Industry  
 Puerto Rico Chamber of Commerce  
 South Carolina Chamber of Commerce  
 South Dakota Chamber of Commerce and Industry  
 Tennessee Chamber of Commerce & Industry  
 Texas Association of Business  
 Salt Lake Chamber  
 Vermont Chamber of Commerce  
 Virginia Chamber of Commerce  
 Association of Washington Business  
 West Virginia Chamber of Commerce  
 Wisconsin Manufacturers & Commerce  
 Wyoming State Chamber of Commerce  
 U.S. Chamber of Commerce

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN THUNE TO  
 TODD HAUPTLI

*Question 1.* Mr. Hauptli, I appreciate you mentioning the CARES Act Airport Improvement Program assistance to Rapid City Regional Airport, which has seen a precipitous decline in revenues the past two months. Rapid City and the surrounding Black Hills are a major tourist destination, and the airport is already anticipating a major decline in travel for the summer months that will only exacerbate revenue shortages.

You mentioned in your testimony the importance of Federal funding flexibility to ensure airports can allocate funds where they see fit. Have any of your members encountered challenges in spending these funds, and do you have any suggestions for additional flexibility that can be provided to airports as we look toward recovery?

Answer. Thank you for the question, Senator. Our members are grateful that the CARES Act included \$10 billion to help them through the immediate coronavirus crisis. We also appreciate that the bill included much-needed flexibility that allows airports to use Federal funds for operations, debt service and other lawful purposes. This flexibility is helping airports keep their workers employed and avoid defaulting on their bonds. The Airport Improvement Program, which airports rely on to fund infrastructure projects, does not include that same flexibility.

Our members suggest that the flexibility in the CARES Act is working well and is helping airports cover some of their immediate needs. We realize that it is not easy for a Federal agency to quickly distribute \$10 billion. But our members generally give the FAA high marks for working around the clock to help airports, for instituting an expedited application process and for getting Federal funds to airports as quickly as possible.

I would note that should additional Federal funding for airports materialize, which we believe to be imperative given the depths of the crisis and the unprecedented challenges facing airports, we would recommend that Congress include the same flexibility provided by the CARES Act. Specifically, the inclusion of language providing for the use of funds for “any purpose for which airport revenues may lawfully be used.”

*Question 2.* You also mentioned the importance of the Essential Air Service (EAS) program, which provides a critical service to three airports in South Dakota. The Department of Transportation recently released a notice providing temporary flexibility for the EAS program. Do your members feel this order provided airlines serving these communities with the flexibility needed to maintain a minimum level of service?

Answer. Senator, thank you for your longstanding support for airports in South Dakota and for programs that help small communities have access to our national airspace system. As you mentioned, the Department of Transportation has taken steps to help carriers that participate in the Essential Air Service program. For instance, DOT is authorizing subsidy payments for certain non-completed flights, and

the agency is not forcing EAS carriers to comply with certain requirements. Considering the unprecedented and dramatic drop in passenger levels due to the coronavirus, these actions and additional flexibility for EAS carriers seem reasonable and appropriate.

That said, we believe Congress should take additional steps to protect the EAS program and to ensure small communities continue to receive commercial air service. Congress can start by increasing funding for the EAS and Small Community Air Service Development programs and by making modifications to both programs.

As you know, commercial airlines have reduced or eliminated service to a long list of small communities in recent weeks. We expect that it will be challenging for many small communities to regain commercial air service in the aftermath of the current crisis. That could be even more difficult if the airlines contract in size as many expect. Increasing funding for EAS and the Small Community Air Service Development programs would provide smaller communities with a much-needed boost and help preserve commercial air service.

In addition to increased funding, we are encouraging Congress to reexamine the eligibility requirements for communities to participate in the EAS program, including the current subsidy caps and enplanement standards. EAS communities should not be unfairly penalized because passenger demand has declined due to the coronavirus.

We also urge Congress to expand eligibility for the Small Community Air Service Development Program and eliminate unnecessary restrictions. With increased funding more than 40 communities or consortia of communities and more than four per state should be allowed to participate in this underfunded program. We also recommend that Congress eliminate an unnecessary restriction that prevents communities from receiving additional grants to support the same air service project.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO  
TODD HAUTLI

*Question 1.* I am concerned with the need for airport managers to be able to utilize these funds for the preferred purpose at the local level. While the funds allocated by DOT are intended to cover continuing operations and replace the vital revenue lost from the sharp decline in airport traffic caused by COVID-19, this financial support may also be used for airport capital expenditures. Have any of your member airports experienced difficulty in working with the FAA to allocate funds in a manner preferred at the local level?

*Answer.* Our members are grateful that the CARES Act included \$10 billion to help them through the immediate coronavirus crisis. Airports also appreciate the flexibility in the bill that allows airports to use Federal funds for operations, debt service, infrastructure and other lawful purposes. This flexibility is helping airports to keep workers employed, avoid defaulting on their bonds, and move forward with their capital projects.

Our members suggest that the flexibility in the CARES Act is working well and is helping airports cover some of their immediate needs. We realize that it is not easy for a Federal agency to quickly distribute \$10 billion. But our members generally give the FAA high marks for working around the clock to help airports, for instituting an expedited application process and for getting Federal funds to airports as quickly as possible.

As you mentioned, airports are allowed to use CARES Act grants for capital projects, too. But those projects include additional requirements and a separate application process. According to the agency, a development or construction project must be consistent with prior Federal obligations, meet safety and security standards and comply with "other specific requirements for new airport development under the CARES Act."

We recognize and appreciate the FAA's distinction between the use of CARES Act funding for capital projects, which have a different set of requirements to meet under the law, and noncapital expenses. We do not, however, believe that it is wise or necessary to unduly burden airports interested in utilizing CARES Act funding for capital projects, as is clearly allowable under the law.

*Question 2.* A number of airlines are now requiring passengers to wear masks and facial coverings. Of course, before passengers check-in and board the aircraft, they must pass through the terminal, most likely placing themselves within six feet of other people. To help contain the spread of COVID-19, do you believe airports should play a role in health-related screening and testing, including the provision of masks at terminal entry points?

Answer. AAAE and our members believe that airports, airlines, our Federal partners, and other stakeholders need to work closely together to protect the health and safety of passengers and our employees. It is critical that we have clear and consistent Federal guidelines and standards, especially on the matter of health-related screenings and testing and facial coverings. Passengers should know what to expect when they arrive at the airport regardless of which airport or airline they happen to use. They should also receive consistent treatment and protection throughout their travel experience.

In regard to masks, AAAE has repeatedly recommended that all passengers and employees in the airport environment wear appropriate facial coverings. Many U.S. carriers are also requiring passengers and customer-facing employees to wear facial coverings. However, since there is no Federal policy on facial coverings, airports are understandably following state and local guidelines. If there is a local facial covering mandate, airports, in many cases, are providing masks to those passengers who may need them.

AAAE anticipates that these efforts will expand shortly because the Federal Emergency Management Agency is beginning to distribute approximately 87 million cloth facial coverings to all Part 139 commercial service airports. These facial coverings will be made available primarily for the traveling public, but airports may also distribute them to their workers, tenants, and other partners at the airport.

If the Federal Government determines that health screenings or other testing is necessary before a person can travel, AAAE believes this should be a Federal Government responsibility that should be closely coordinated with local health officials and airport operators. Airports simply do not have the medical expertise to conduct health screenings of passengers. Additionally, the FAA continues to maintain that the use of airport employees for public health screenings is generally not considered a proper use of airport revenue.

For any future health screenings that are required, airports will work closely with the appropriate Federal agencies and other aviation partners to determine where to conduct any necessary medical evaluations. Each airport configuration is unique, so the best location for health screenings may vary from airport to airport. It will be critical to evaluate locations so that these procedures do not create unnecessary bottlenecks or other unintended consequences.

*Question 3.* I think we all agree that a strong airline industry is critical to our economic recovery. The amount of passengers screened by the TSA is down by about 94 percent. It's clear that in order to increase confidence in air travel, we'll need to implement robust health testing and screening protocols at our Nation's airports until a vaccine becomes available. I'd like to get the panel's thoughts on possible testing and screening options, including the feasibility of temperature testing at TSA checkpoints, and whether you believe TSA is the appropriate entity to carry out these activities?

Answer. I completely agree with your assessment about the need to increase confidence in air travel. AAAE believes that the Federal Government including the Centers for Disease Control should set Federal standards and determine the necessity, effectiveness, and timeline for any protective safeguards for passengers, including the use of health questionnaires, health screenings or temperature checks. This Federal framework should also include any protocols that may be necessary to ensure that health screenings are consistently applied throughout the aviation system.

While a general consensus has emerged on the use of facial coverings by passengers and workers throughout the aviation system, the issue of temperature checking is more complex. In addition to the threshold question as to whether or not they provide a public health benefit, there are numerous complex operational and policy questions to understand. Where would the tests be conducted? By whom? Who would determine whether or not an individual is fit to travel?

It is our understanding that an interagency effort with participation from a broad section of U.S. government entities, including the CDC, DHS, TSA, DOT, FAA, and others, is underway to look at these and other issues regarding temperature checks, contact tracing, and other initiatives, and we look forward to reviewing their recommendations.

*Question 4.* What is the U.S. airline industry doing, or could be doing, to build the confidence of the travelling public by sharing the preexisting and new measures in place to protect the health of passengers, such as the use of HEPA filters in air filtration systems?

Answer. I know others on this panel will be able to answer your specific question about what the airlines are doing to build confidence in the traveling public and protect the health of passengers. But I can tell you what steps airports are taking to build confidence and to ensure that our facilities are safe for passengers and airport

employees alike. Airport operators have undertaken numerous efforts since the onset of this national emergency to mitigate the transmission of the COVID-19 virus. Our members are working diligently to create and maintain a clean, safe, and secure environment.

Airports are thoroughly cleaning, disinfecting and sanitizing their facilities to a higher public health standard, including all high-touch surfaces like toilets, faucets, sinks, tables, doorknobs, light switches, countertops, and handles; all TSA checkpoints; baggage areas; and other common use locations. Airports are using EPA-approved disinfectants or alternative disinfection methods, such as ultrasonic waves, high intensity UV radiation, and foggers. Airports are training workers on new cleaning guidelines and are providing cleaning staff with protective equipment to avoid contacting or spreading the virus.

Airports are also promoting physical distancing. They have installed physical distancing markers and are making regular announcements about the need for additional spacing. Airports, along with other partners, have installed plexiglass barriers to protect passengers and workers. And finally, airports are providing personal protective equipment and facial coverings to airport employees and passengers. These enhanced efforts are designed to better protect passengers, employees and Federal partners who operate at airports from contracting or spreading the COVID-19 virus.

As I mentioned during the hearing, airports are urging Congress to provide Federal funding for increased operational and infrastructure development costs associated with responding to COVID-19. For instance, additional funding would help implement physical distancing and touchless travel; enhance cleaning and sanitization; upgrade heating, ventilation, and air conditioning system upgrades, and make other necessary investments to protect passengers and employees.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARSHA BLACKBURN TO  
TODD HAUTLI

*Question 1.* Airport concessionaires play a vital role in the airport and aviation ecosystem. Most concessionaires' revenues are now down by 90 percent, and many have closed their locations. Are you working closely with restaurants and retail stores to ensure their employees will have a safe and reliable transition back to their place of work?

Answer. You are absolutely correct that concessionaires play a key role in the airport ecosystem. We value the close relationship that airports have with concessionaires, car rental companies, fixed-based operators and other airport partners. We realize that they—like airports and airlines—are suffering due to the dramatic drop in passenger levels and revenue. Even with funding in the CARES Act, airports have limited resources and little incoming revenue because of the dramatic drop in passengers during the coronavirus crisis. Despite a long list of needs, airports are working closely with their partners as they try to recover from the current crisis and deal with huge financial losses the entire airport ecosystem is facing. Many airports have identified ways to assist concessionaires and other businesses operating at their facilities. Because every airport and every airport's financial situation is unique, those discussions are taking place on an airport-by-airport basis. We expect that it will take airports four to five years to fully recover. As I mentioned in my testimony, we are urging Congress to provide airports with additional resources to help them with their operating costs and debt service payments at a time when revenues are still way below where they were last year. We are also urging Congress to provide assistance for concessionaires and other airport partners that have been significantly impacted by the crisis.

*Question 2.* A number of airlines are now requiring passengers to wear masks and facial coverings. To help contain the spread of the Coronavirus, do you believe airports should require masks and/or screen the temperature of airline passengers at terminal entry points?

Answer. To help prevent the spread of coronavirus, AAAE believes that all passengers and employees in the airport environment should wear appropriate face coverings. Since there is no nationwide policy on the use of facial coverings, airports are following state and local guidelines. If there is a local facial covering mandate, many airports are providing masks to those passengers who may not have one.

AAAE anticipates that more passengers will be encouraged to wear facial coverings because the Federal Emergency Management Agency is beginning to distribute approximately 87 million cloth facial coverings to all Part 139 commercial service airports. These facial coverings will be made available primarily for the traveling public, but airports may also distribute them for their workers, tenants, and other partners at the airport.

In regard to health screening or temperature checks of airline passengers, AAAE believes that the Federal Government including the CDC should determine the necessity, effectiveness, and timeline for any protective safeguards for passengers to travel. This Federal framework should ensure that any protocols that may be necessary for health screenings are consistently applied throughout the aviation system.

If the Federal Government determines that health screening of airline passengers is necessary, those screenings should be conducted by public health officials who have medical expertise. Airport personnel do not have this expertise to conduct health screenings, particularly for those travelers who may require additional scrutiny.

I appreciate your suggestion about screening passengers at the terminal entry points and believe that should be considered by the appropriate Federal agencies, working closely with airports and other aviation partners, as future health screenings are contemplated. Since each airport configuration is unique, it will be critical to evaluate where best to accommodate these efforts so that these procedures do not create bottlenecks or other unintended consequences.

*Question 3.* Do you feel your communication with the CDC has been pristine and dependable? If not, what troubles are you still encountering?

Answer. Our association typically does not communicate directly with Centers for Disease Control and Prevention. However, some of our airport members have CDC quarantine facilities at their locations, and they have been working regularly with the agency as travelers from certain countries have been funneled to these locations for further evaluation. In general, these airport members have strong working relationships with CDC and their local health departments.

*Question 4.* Is there a contact you can e-mail or call at CDC and receive a reply immediately?

Answer. It is our understanding that CDC has a contact form for coronavirus-related inquiries. We're told that airports generally receive responses from the agency quickly. Airports that have CDC located in their facilities are able to call or e-mail their local CDC officials, and generally they receive prompt replies. In addition, CDC guidance has been helpful to airports as they develop emergency response plans, internal health protocols, and recovery plans in response to the ongoing pandemic.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. SHELLEY MOORE CAPITO TO  
TODD HAUTLI

*Question 1.* As you noted in your testimony, throughput at TSA checkpoints have seen a significant reduction. General aviation and corporate business aircraft have slowed resulting in lower fuel sales. After reaching out to a number of airports in my state, their biggest concern is their long term sustainability. For example, as of May 5th, Yeager Airport in Charleston, WV had a total of 66 customer throughput which is a 91.8 percent decrease from the same time last year. Our airports in West Virginia are a vital source of economic activity in our state, how can Congress sustain this vital infrastructure?

Answer. That is great question, Senator. Airports in West Virginia and throughout the country share the same concerns. We are encouraged by the recent uptick in throughput at TSA checkpoints. But progress is exceptionally slow, and we expect the road to recovery will be long, especially for smaller communities around the country. Based on our experiences after the terrorist attacks on 9/11 and the Great Recession in 2008 and 2009, many expect that it will take airports four or five years to fully recover from the crisis.

Our members are grateful that the CARES Act included \$10 billion to help airports pay for operations, keep workers employed and ensure that they don't default on their bonds. The funding in the bill provided a lifeline to help airports survive the immediate crisis. But there are other steps that Congress can take to help airports meet the challenges during the recovery and in the longer term.

First, we urge Congress to continue to invest in airports and ensure they have the resources they need to respond to COVID-19, repair aging infrastructure, and build new facilities to help us prepare for the new normal. As I mentioned in my testimony, we are urging Congress to provide airports—both commercial service and general aviation facilities—with additional resources to help them cover their operating costs and other expenses and keep critical projects on-track at a time when revenues are still well below where they were last year.

As you know, commercial airlines have reduced or eliminated service to a long list of small communities in recent weeks. We expect that it will be challenging for

many small communities to regain commercial air service in the aftermath of the current crisis. That could be even more difficult if the airlines contract in size as many expect. Increasing funding for EAS and the Small Community Air Service Development programs would provide smaller communities with a much-needed boost and help preserve commercial air service.

As you point out, airports play a key role in economic activity at the state and local level. Investing in airports and air service programs now will help put people back to work, stimulate the economy and pay dividends down the road.

*Question 2.* In response to the pandemic, Congress was able to provide much needed support to the aviation industry and its workers. The CARES Act provided up to \$46 billion available for Federal loans and loan guarantees to the aviation sector. In West Virginia, DOT has so far awarded more than \$9.3 million from the FAA to help fund continued operations and make up for lost revenue for airports across my state. As we move forward, what would be the primary recommendation for Congress in future COVID support?

Answer. As I mentioned in a response to a previous question, our members are grateful that the CARES Act included \$10 billion to help airports pay for operations, keep workers employed and ensure that they don't default on their bonds. The funding in the bill provided a lifeline to help airports survive the immediate crisis. We are encouraged by the recent uptick in throughput at TSA checkpoints. However, airports expect to face tremendous financial losses in the months and years ahead.

Our primary recommendation is that Congress provide airports with additional resources to help them manage the coronavirus crisis in the longer term. We expect that it will take airports four to five years to fully recover from the current downturn in aviation activity. In light of the dramatic decline in aviation activity and the reduction in revenue we expect commercial airports will need an additional \$13 billion and that general aviation airports will need between \$1 billion and \$2 billion.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TODD YOUNG TO  
TODD HAUPTLI

*Question 1.* I was proud to support the CARES Act to provide \$10 billion for our Nation's airports. In my home state of Indiana, more than \$96 million was awarded to 65 different Hoosier airports. This funding will help Hoosier airports remain operational and maintain employees as we continue to navigate the coronavirus pandemic. With that said, my understanding is that some airports received significantly less funding than other very similar airports. In Indiana, the South Bend International Airport received roughly 50 percent less funding than the other two non-hub airports were awarded. I understand that multiple variables were taken into account and I don't intend to assign any blame—but what can we do to ensure that any future relief does not result in such funding discrepancies for similar airports?

Answer. Senator, thank you for the question and for supporting the CARES Act. We deeply appreciate your help. I am aware of the issue you have raised regarding the distribution of CARES Act funding and appreciate the concerns that you and others have expressed. As we look forward to future relief and recovery efforts for airports, care should be taken to ensure that similar funding discrepancies do not occur. I am confident that the experiences with the CARES Act and the lessons learned will help ensure that is the case.

I would note that the FAA has attempted to address the issue you identified by capping the initial grant amount an airport is allowed to receive to four times its annual operating expenses. That action may limit the amount of CARES Act funding that some airports ultimately receive. Any additional funding that is recouped from that adjustment could be redistributed—perhaps in the same geographic area—to help address the concerns that have been raised.

*Question 2.* In the near term, a return to any semblance of normalcy in the travel industry is likely going to require health testing and screening protocols at our Nation's airports until a vaccine becomes available. Who is the appropriate entity to carry out these protocols and how do you envision that process in practice—walk me through what the “new normal” experience will be for someone who is flying in the next few months?

Answer. Thank you for the question. In regard to the first part of the question, AAAE believes that the Federal Government including the CDC should determine the necessity, effectiveness, and timeline for any of protective safeguards for passengers to travel, including the use of health questionnaires, health screenings or temperature checks. Also, this Federal framework should include any protocols that may be necessary for health screenings to be consistently applied throughout the aviation system.

If the Federal Government determines that health screenings or other testing is necessary before a person can travel, these tests should be conducted by public health officials who have medical expertise. Neither airport nor TSA personnel have this expertise, particularly for those travelers that may require additional scrutiny and could be told that they are not fit to travel that day.

Aside from health testing and screening protocols, passengers' travel experiences will depend on the state and local health guidance applicable to the airport. However, there are many new changes that passengers should generally expect to encounter in the airport environment as they begin to travel again in the "new normal." For instance, passengers and airport employees interacting with the traveling public will be wearing facial coverings.

Passengers can expect that they will be asked to follow social distancing guidelines as they check their bags, are screened by TSA, or wait to board an aircraft. Ground markers, visual cues, and vocal announcements throughout airport terminals will also remind the public to follow such guidelines. Passengers will see increased cleaning and sanitization efforts across the terminal, and most interactions with concessionaire staff will be separated by a plexiglass barrier. Airports, working with their airline and tenant partners, are also planning to make the travel experience as "contactless" for passengers as possible in the near future.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. RICK SCOTT TO  
TODD HAUPTLI

*Question 1.* What additional measures do your members think should be taken by the Federal Government to ensure the safety of passengers?

Answer. Thank you for the question, Senator. As I mentioned in the hearing, AAAE and our members believe that airports, airlines, our Federal partners, and other stakeholders need to work closely together to protect the health and safety of passengers and our employees. However, it is critical that we have clear and consistent Federal guidelines and standards, especially on the matter of health-related screenings and testing and facial coverings. Passengers should know what to expect when they arrive at the airport regardless of which airport or airline they happen to use. Passengers should also receive consistent treatment and protection throughout their travel experience. Unfortunately, we do not have those Federal guidelines today.

In addition, AAAE believes that the Federal Government including the CDC should determine the necessity, effectiveness, and timeline for any protective safeguards for passengers to travel, including the use of health questionnaires, health screenings or temperature checks. We believe this Federal framework should include any protocols that may be necessary for health screenings to be consistently applied throughout the aviation system.

If the Federal Government determines that health screenings or other testing is necessary before a person can travel, these tests should be conducted by public health officials who have medical expertise. Neither airport nor TSA personnel have this expertise, particularly for those travelers that may require additional scrutiny and could be told that they are not fit to travel that day.

We believe that Congress and the administration should provide airports with the additional resources. As a result of COVID-19, airports will need additional assistance for increased cleaning and sanitization, potential facility modifications, the deployment of touchless technologies, and to meet other emerging requirements that will help keep passengers and airport workers safe.

We believe there is a real opportunity with Federal resources and clear and consistent Federal guidance to not only improve security but also advance and accelerate the deployment of technology to support the new customer experience post pandemic. This includes moving toward a touchless travel experience with improved and stand-off detection technology; biometric identity verification at check-in, bag drop locations and security checkpoints; and digital identification and payment methods. Airports, along with their tenants and Federal partners, are also looking to explore the use of automation and robotics to enhance the cleaning and sanitization of their facilities.

*Question 2.* I have heard from airports in my state that the formula used to distribute the funding set aside for airports in the CARES Act was not distributed properly based on the formula used by the FAA, which has adversely impacted some airports that needed it most. Have other airports around the country expressed similar concerns, and has the AAAE addressed these concerns with the FAA?

Answer. Thank you for the question, Senator. I am aware of the issue you have raised regarding the distribution of CARES Act funding and appreciate the concerns

that you and others have expressed. As we look forward to future relief and recovery efforts for airports, care should be taken to ensure that similar funding discrepancies do not occur. I am confident that the experiences with the CARES Act and the lessons learned will help ensure that is the case.

We have communicated the concerns raised by airports to the FAA, and I would note that the agency has attempted to address the issue by capping the initial grant amount an airport is allowed to receive to four times its annual operating expenses. That action may limit the amount of CARES Act funding that some airports ultimately receive. Any additional funding that is recouped from that adjustment could be redistributed—perhaps in the same geographic area—to help address the concerns that have been raised.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAN SULLIVAN TO  
DR. HILARY GODWIN

*Question 1.* I think we all agree that a strong airline industry is critical to our economic recovery. The amount of passengers screened by the TSA is down by about 94 percent. It's clear that in order to increase confidence in air travel, we'll need to implement robust health testing and screening protocols at our Nation's airports until a vaccine becomes available. I'd like to get the panel's thoughts on possible testing and screening options, including the feasibility of temperature testing at TSA checkpoints, and whether you believe TSA is the appropriate entity to carry out these activities?

Answer. With the appropriate guidance/protocols and training in place, I do believe that this work could be carried out by TSA. Having TSA implement the screening seems entirely consistent with the TSA's mission. An additional advantage of having the TSA perform this screening is that there would be a higher level of standardization across the country than if the screening is performed by individual airports.

*Question 2.* What is the U.S. airline industry doing, or could be doing, to build the confidence of the travelling public by sharing the preexisting and new measures in place to protect the health of passengers, such as the use of HEPA filters in air filtration systems?

Answer. Several of the major airlines are already doing a great job of making public the measures that they have in place to protect the health of passengers. An important role for the Federal government is to put in place guidelines that are applied across the country, so that travelers can expect a safe experience throughout their trip. In addition to ensuring that all commercial passenger aircraft have air filtration systems with HEPA filters, airlines can improve the confidence and safety of the traveling public by partnering with airports to screen individuals for symptoms, requiring employees and travelers to wear face coverings, maintaining social distancing to the greatest extent possible, frequently disinfecting high touch surfaces, making hand sanitizer readily available on flights, and thoroughly disinfecting planes between flights. It is also absolutely essential that airlines partner with government agencies to maintain flight manifests with up-to-date contact information for all passengers and ensure that this information is readily accessible to local health departments, in the event that this information is needed for contact tracing.

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RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. SHELLEY MOORE CAPITO TO  
DR. HILARY GODWIN

*Question.* In response to the pandemic, Congress was able to provide much needed support to the aviation industry and its workers. The CARES Act provided up to \$46 billion available for Federal loans and loan guarantees to the aviation sector. In West Virginia, DOT has so far awarded more than \$9.3 million from the FAA to help fund continued operations and make up for lost revenue for airports across my state. As we move forward, what would be the primary recommendation for Congress in future COVID support?

Answer. In addition to providing financial relief directly to the aviation sector, Congress should provide the resources needed to develop and maintain a secure national database of flight manifest and traveler contact information.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. AMY KLOBUCHAR TO  
DR. HILARY GODWIN

At Wednesday's hearing, we discussed my serious concerns about Frontier Airlines' proposal to charge passengers more for safer seats on flights during the pandemic—and Frontier has since confirmed it will not charge that fee after all. You testified that we should have Federal guidance on passenger safety to protect travelers.

*Question.* Can you elaborate on why you believe that Federal guidance is needed to ensure passenger safety during this public health crisis, and what are the key issues that should be addressed by any such guidance?

*Answer.* Federal guidance is needed so that travelers can expect a safe environment throughout their trip, regardless of which airline they are flying and what airports they are traveling through. Federal guidelines are critical because air travel is currently an inherently high risk activity, and it will remain high risk as long as COVID-19 is circulating at significant levels nationally and globally. Commercial travel is inherently high risk because it involves transporting large numbers of people over large distances and there is a large potential for prolonged (> 10 mins) close (< 6 ft) contact between multiple individuals. Federal guidelines should focus on reducing the number of people that individual travelers and airport/airline employees come into prolonged close contact with during their trip/day (*e.g.*, using social distancing interventions in airports and on planes) and requiring employees and travelers to wear face coverings while in airports and on planes. Federal guidance should also delineate air quality and cleaning standards for airports and planes. The Federal government also needs to play a critical role in mandating, funding, and facilitating a national system for maintaining flight manifests with up-to-date contact information for all commercial flights during the pandemic so that local health departments across the country have access to this information for contact tracing.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON TOM UDALL TO  
DR. HILARY GODWIN

Generally, if a state or the Federal government is giving liability protections, there is a strong safety standard that industry needs to meet to benefit from that kind of protection. Otherwise it simply gives business a huge incentive to take unreasonable risks in pursuit of profits—like reducing the number of flights to pack passengers in the fewer remaining planes as one example.

Dr. Godwin, most commercial airlines have announced requirements for passengers to wear masks, but the system is still a patchwork and social distancing is almost impossible on an airplane.

*Question 1.* As a public health expert, can you briefly describe the most effective tools all airlines should be implementing to help protect passengers and employees from COVID-19?

*Answer.* The most effective tools for airlines are similar to those for other settings:

- When possible, limit the number of people that air travelers and employees come into prolonged (>10 ft) close (< 6 ft) contact with.
- In situations where it is not possible to avoid having people be in prolonged, close contact with others, ensure that all people are wearing face coverings, both in airports and on planes.
- Regularly clean surfaces that a lot of people come into contact with; airlines should also thoroughly clean planes between trips.
- Screen people entering airports and planes for symptoms. One relatively simple methodology for screening to ask individuals to attest that they do not have symptoms prior to entering airports and/or prior to boarding flights.

Every public health expert I have heard from keeps hammering the importance of widespread accessible diagnostic testing being in place before the U.S. is ready to safely reopen the economy, which everyone is eager to do. Air travel is not being restricted by the government, but people are not going to come back in large numbers unless they feel safe doing it.

*Question 2.* Dr. Godwin, don't you agree that defeating this pandemic with testing, tracing and isolation is the only sustainable solution—if we “open up” and people are getting sick in larger and larger numbers, who is going to want to get on a plane? Is it your opinion that there is enough testing being done at a national level to keep essential workers, including airline employees, safe?

Answer. Testing, tracing, and isolation are critical to our ability to controlling the COVID-19 pandemic both in the United States and worldwide. At this time (6/22/20), most jurisdictions in the United States are not conducting enough testing for us to be confident that we can identify the majority of infected individuals in our country. It is particularly problematic that we cannot identify all of the individuals that are infected with COVID who are asymptomatic, because many of these individuals may not even realize that they are sick and hence may be less inclined to take the necessary precautions to control spread of the disease. The approaches that I described in my testimony and my previous responses will not remove all of the risks to travelers and airport/airline employees, but they can *lower* the risk of COVID-19 transmission in airports and on airplanes.

*Question 3.* Are there special testing procedures that might be useful specifically for airline employees, who are exposed to so many people from so many different areas?

Answer. I am not aware of any special testing procedures that might be useful specifically for airline employees. Before adopting a point of care test for COVID-19, airlines should be sure to check to make sure that the test they are considering does not produce a high percentage of false negative results. Airlines should also be aware that all tests provide information about a moment in time: an individual can show up negative on a COVID-19 test and become ill with COVID-19 the next day. As a result, any testing protocol airlines implement for their employees would need to include regular/repeated testing.

