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All Eyes on Congress as House Weighs More Pandemic Aid

Madhu Unnikrishnan • September 29, 2020

Democrats in the House of Representatives have released a new coronavirus fiscal aid package that would extend payroll support for airlines and provide additional aid to airports. But Congress has a day to act before tens of thousands of airline employees protected by the CARES Act are furloughed when that funding expires on September 30.

The \$2.2 trillion bill released by the House Appropriations Committee and Speaker Nancy Pelosi (D-Calif.) is a slimmed-down version of the HEROES Act the House passed in May but that the Senate did not debate. The bill extends the CARES Act's payroll support program through March of next year, and, just like the CARES Act, would prohibit airlines taking the funds from laying off or furloughing employees.

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The \$25 billion in airline aid also is contingent on airlines continuing to serve all destinations they served in March of this year. The CARES Act had the same provision, but the Transportation Department made several exemptions to the rule. And just like the CARES Act, the HEROES Act gives the Treasury Department the right to extract warrants from airlines taking the funds and forbids airlines from paying dividends to shareholders or repurchasing stock. The bill also provides \$300 million to cargo airlines and \$3 billion to airline contractors.

Airports would get \$13.5 billion in the bill, more than \$10 billion they received in the CARES Act. Airports are expected to lose at least \$23 billion this year, Airports Council International-North America (ACI-NA) said. The airport funds will expire by 2025 if not expended and can only be used for airport operations. “The prolonged downturn in commercial aviation related to COVID-19 continues to cost airports billions of dollars, and the longer that slowdown persists, the more those losses mount,” ACI-NA President Kevin Burke said.

United and Delta have postponed pilot furloughs — United [struck a deal](#) with its pilots represented by the Air Line Pilots Association (ALPA) that would prevent furloughs until next year and Delta’s union is reviewing its proposal. But thousands of other airline

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employees are facing furloughs or layoffs on October 1. "We remain hopeful that Congress will act swiftly before the current Payroll Support Program expires on September 30 to preserve the jobs of these flight attendants, pilots, mechanics, gate agents and others who are truly the backbone of our industry," Airlines for America President Nicholas Calio said.

Unions lined up to thank Congress for the new bill, but stressed that time is running out. "As October 1 arrives, thousands of jobs will be lost, previous CARES Act investment funds will have been squandered and the future recovery will be slowed, not to mention many cities losing vital air service," Allied Pilots Association spokesman Dennis Tajer told *Airline Weekly*. "We must have action now."

Pelosi and Treasury Secretary Steven Mnuchin spoke about the need for more coronavirus aid yesterday and are expected to speak again today. The White House has signaled it is open to more aid, but the Senate remains a question mark. Senate Majority Leader Mitch McConnell (R-Ky.) did not take up the HEROES Act in May, and Senate Republicans remain split over whether more coronavirus aid is necessary. Senators Roger Wicker (R-Miss.) and Susan Collins (R-Maine) last week [introduced](#) a standalone bill that provides airlines with \$28 billion in payroll support, although that bill has not come up for a vote.

In addition, of course, the Senate is preoccupied with filling a Supreme Court vacancy created by the death of Justice Ruth Bader Ginsburg earlier this month. It also remains unclear if the new HEROES Act will come up for a vote in the House before October 1.

Airline employees are expected to rally at several airports around the country today to bring attention to the looming furloughs. "ALPA implores Congress to move legislation to extend the [payroll support program] by any means possible before October 1," an ALPA spokesperson told *Airline Weekly*.

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