



August 3, 2020

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Dear Secretary Mnuchin:

On behalf of the Helicopter Association International (HAI), National Air Transportation Association (NATA), National Business Aviation Association (NBAA), and the Regional Airline Association (RAA), we appreciate your efforts to provide relief for air carriers and other aviation businesses. However, our members are facing significant challenges accessing the direct lending program authorized under Section 4003 of the CARES Act and administered by the Department of the Treasury.

Our member companies collectively support nearly 1.3 million jobs and serve small and mid-sized communities across the United States. For example, regional airlines provide passenger air service for 63-percent of our nation's commercial airports because they are too small to support profitable air service by larger airlines. General aviation aircraft serve our nation's more than 5,000 public-use airports, conduct air medical flights, transport doctors and PPE, and are a critical part of the network to deliver organs for transplant.

While our members received relief through the Air Carrier Payroll Support Program under Section 4112 of the CARES Act, the COVID-19 pandemic continues to have negative and unprecedented impacts on aviation. With expanding state-level restrictions, business travel has not recovered, and the Section 4003 loan program would provide much-needed support to retain employees and continue operations.

Under the CARES Act, the definition of an air carrier includes regional airlines and general aviation commercial operators; however, most of our members have not been granted access to the loan program. In contrast, all of the major airlines have received loan term sheets from the Treasury Department. Also, after dedicating significant time and resources to the Treasury program, our members have been told to apply using the Main Street lending program.

With many regional airlines and general aviation commercial operators having limited liquidity and few assets to collateralize, we respectfully request additional flexibility to allow these operators access to the Section 4003 loan program. For example, a two-tiered approach similar to what the Department used for the Payroll Support Program offers a model for unsecured loans. The Department could provide unsecured loans for smaller air carriers up to a limited lending amount, at an appropriate interest rate. For lending above that amount, a pledge of assets and security agreement would be required.

Thank you for your efforts in addressing the unprecedented challenges our air transportation system is facing. We look forward to continued engagement on improvements to the Section 4003 loan program so that better it meets the legislative intent of the CARES Act.

Sincerely,

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

cc: Brent J. McIntosh, Under Secretary for International Affairs
Dr. Michael Faulkender, Assistant Secretary for Economic Policy
David J. Kautter, Assistant Secretary for Tax Policy