



March 31, 2020

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

Dear Secretary Mnuchin:

Thank you for your efforts to quickly provide guidelines on the available loans and payroll support grants for air carriers and other aviation businesses enacted as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). We appreciate the dedication of Congress and the Treasury Department to stand up these critical programs rapidly as we respond to the COVID-19 pandemic.

In addition to the major commercial and cargo air carriers, general aviation air carriers are an essential part of our air transportation network and eligible for this relief under the CARES Act. The United States business and general aviation industry, which includes all operations other than the scheduled commercial airlines and military, supports 1.2 million jobs and \$247 billion in economic impact. Across the country, thousands of small and mid-size businesses generate \$77 billion in labor income that pays the bills for families and supports communities throughout the country.

With scheduled airlines serving only ten percent of our nation's 5,000 airports, general aviation air carriers connect thousands of communities not served by the airlines. In addition to transporting passengers, these operators conduct air ambulance flights and are a critical part of the network to deliver organs for transplant. These companies need both near and medium to long-term relief to survive and continue providing service.

Also, at approximately half of commercial air carrier airports, general aviation fixed based operators (FBOs) provide ground handling and other services to scheduled airlines. These service providers are eligible for relief under the "contractor" definition within the worker support provision of the CARES Act.

The scale and business operations of general aviation air carriers and FBOs are significantly different than those of scheduled passenger and cargo air carriers. As the Treasury Department continues to develop guidance and review applications for the loan and payroll support programs, we respectfully request that you consider the following:

- The majority of general aviation air carriers and FBOs are not publicly traded and have limited liquidity in the current environment. When evaluating the taxpayer and financial protection provisions under the CARES Act, we request that you provide flexibility to these companies in meeting the goal of protecting taxpayer dollars.
- Any additional details or examples of how a non-publicly traded firm, such as a general aviation air carrier could satisfy the taxpayer and financial protection provisions would be desirable.
- Most general aviation air carriers do not transmit salary and benefits reports to the Department of Transportation. We appreciate the table provided in the payroll support program guidelines.

- Certain general aviation businesses might qualify for the loan and grant program under multiple criteria in that they provide both scheduled and on-demand passenger/cargo services, guidance on a primary purpose test or other method to classify these operations for purposes of the relief programs is necessary.
- We support the March 31 show cause order issued by the Department of Transportation, defining the minimum air service requirements for air carriers receiving financial assistance under the CARES Act. Since most general aviation air carriers conduct “on-demand” operations, we agree that they should not be subject to the service obligation requirements.
- For the air carrier loan program, general aviation operators generally do not track available seat miles, revenue per seat mile, and cost per available seat miles as they conduct on-demand operations. We welcome the opportunity to work with you on developing additional measures to more accurately measure the service provided by a general aviation air carrier.
- As general aviation air companies and their advisors review these programs and guidelines, a point of contact within the Department of the Treasury is needed.

Thank you for your efforts in addressing the unprecedented challenges our air transportation system is facing. We look forward to being engaged in discussions as additional details on the payroll support and loan programs are developed and appreciate your consideration of the unique challenges faced by general aviation air businesses.

Sincerely,



Ed Bolen
President & CEO
National Business Aviation Association



Timothy Obitts
President & CEO
National Air Transportation 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