
National Air Transportation Association Responding to COVID-19

The domestic aviation system has a natural credit flow, unless this system is federally guaranteed during this trying time, aviation commerce may be strongly adversely affected and we need to keep the credit lines going to FBOs and operators. Below are critical priorities and proposed language.

1. Provide relief to aviation fuel suppliers and Fixed Based Operators (FBOs) that provide unsecured credit to the airlines for aviation fuel by requiring the Secretary of the Treasury to take the need to maintain credit with fuel suppliers into account when providing loans or loan guarantees to the airlines.

Page 86, line 16 (section 3102(c)(2)), redesignate subparagraph (B) as subparagraph (C) and insert the following new subparagraph:

(B) PAYMENT OF ESSENTIAL SERVICE PROVIDERS.—The Secretary shall require that any passenger air carrier, cargo air carrier, or eligible business in the cruise ship industry that receives loans or loan guarantees through this section shall require payment of essential product and service providers, including fuel, ground service, maintenance, and pilotage providers and fixed based operators. In making any loans or loan guarantees under this section, the Secretary shall consider the need for obligors to fulfill prior payment obligations to essential service providers in order to ensure continued operations.

2. For a period of six months, FBOs and aviation businesses (MRO/Repair Stations, flights schools, and Part 135 Certificated Operators), or the master leaseholder, providing services to the general public and general and business aviation operators (including Part 135, 125, 91k, and 91 operators) at airports shall not be required to pay lease obligations to the airport or their master leaseholder/landlord. The lease obligation shall be paid by the federal government out of the Airport and Airway Trust Fund, and entities participating in this relief program shall repay (interest free) over a period of 30 years. (The AATF's FY20 surplus is \$6.8 billion, forecast to be nearly \$17 billion by FY25).

Sec. XXXX. Maintaining Service Provider Operations at Airports.

- (a) ESTABLISHMENT.—Not later than 30 days after the enactment of this Act, the Secretary of Transportation shall establish a program for the payment of leases held by covered operators to covered airports and master leaseholders at covered airports.
- (b) PARTICIPATION.— Secretary shall, immediately upon establishment of the program under subsection (a), request that covered operators, covered airports, and covered master leaseholders provide such information as the Secretary determines to be necessary for the operation of the program.

- (c) **PAYMENTS.**—The Secretary shall, on the dates that payment is due for a covered lease, provide to the covered airport or master leaseholder not more than 100 percent of the amount owed pursuant to the covered lease. Such amounts shall be withdrawn from the Airport and Airway Trust Fund. The Secretary shall make payments for a covered lease that is due from the date of the enactment of this Act through December 31, 2020.
- (d) **PREMIUMS.**—
- (1) **OBLIGATION** – The payment made by the Secretary for a covered lease shall be for the benefit of the covered operator. The covered operator shall have no obligation to pay the covered airport or master leaseholder payments under its covered lease during the period of the enactment of this Act through December 30 2020.
 - (2) **LOAN**—No sooner than 180 days after December 30, 2020, the Secretary may request repayment of the amount paid for the benefit of the covered operator under subsection (c) in the form of an interest free loan in equal payment for a period of thirty (30) years from the covered operator.
 - (3) **REMEDIES.**—Should payment not be received within 90 days of such a request, the Secretary is authorized to use such legal means as the Secretary deems necessary for repayment.
 - (4) **DEPOSIT.**—All funds received under this subsection shall be returned to the Airport and Airway Trust Fund.
- (e) **SUNSET.**—The authority provided by subsection (c) shall expire on December 31, 2020. The program established by subsection (a) shall terminate on the date that the Secretary certifies that no further actions under subsection (d) are necessary.
- (f) **DEFINITIONS.**—In this section—
- (1) the term “covered operator” means any flight school, any part 135 certificated operator, any Part 91k certificated operator, any Part 91 operator, any Part 145 certificated MRO, any repair station, any entity that holds out aviation related services to the public, any Fixed Based Operator, any fuel provider that provides services to the general public or general and business aviation;
 - (2) the term “covered airport” means any airport that provides leases for real estate or operating spaces to covered operators at such airport, or such airport’s designee for such purposes;
 - (3) the term “covered master leaseholder” shall mean any commercial entity that leases or subleases space at a covered airport to covered operators; and
 - (4) the term “covered lease” means any lease in effect between March 1, 2020, and the sunset date provided in subsection (e).

3. Suspend aviation fuel tax through the end of 2020 at general aviation airports.

We support expansion of section 3201 of the bill to also exempt aviation fuel for non-commercial aviation covered under 26 U.S.C. 4801(a)(2)(A)(ii), while maintaining the exemptions in the current bill for kerosene in 26 U.S.C. 4801(a)(2)(A)(iii) and (a)(2)(C).

AMEND Section 3201(b)

(b) **USE OF KEROSENE AND OTHER FUEL IN COMMERCIAL AVIATION.**— In the case of kerosene **and other fuels** used in ~~commercial~~ aviation (~~as 4 defined in section 4083 of the Internal Revenue Code of 5 1986~~) during the excise tax holiday period— 6 (1) no tax shall be imposed on such kerosene **and other aviation fuels** under—

A) section 4041(c) of the Internal Revenue Code of 1986, or

(B) section 4081 of such Code (other than at the rate provided in subsection (a)(2)(B) thereof), and (2) section 6427(l) of such Code shall be applied— (A) by treating such use as a nontaxable use, and (B) without regard to paragraph (4)(A)(ii) thereof.

4. Provide Air Charter Operators Relief by Amending Sec. 3102

(b) **DISTRIBUTION OF LOANS AND LOAN GUARANTEES.**—Loans and loan guarantees made pursuant to sub-5 section (a) shall be made available to eligible business as follows:

(1) Not more than \$50,000,000,000 shall be available for passenger air carriers.

2) Not more than \$8,000,000,000 shall be available for cargo air carriers.

INSERT NEW (3) – Not more than \$8,000,000,000 shall be available for air charter operators, including Part 135 emergency carriers.

4) Not more than \$150,000,000,000 shall be available for other eligible businesses.