



COMMITTEE ON

# TRANSPORTATION & INFRASTRUCTURE

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## Highlights of the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)* T&I Committee Related Provisions

Aviation supports 5% of our Nation's GDP and generates \$1.6 trillion in annual economic activity. Millions of Americans work throughout the aviation industry across the country, and the CARES Act includes programs to help ensure these jobs continue to exist once the COVID-19 crisis is over. The legislation also includes additional provisions under the T&I Committee's jurisdiction to help our Nation respond to this unprecedented public health emergency and to maintain businesses critical to the Nation's supply chain.

### Aviation Loans

- \$25 billion for passenger air carriers, repair stations, and ticket agents.
- \$4 billion for cargo carriers.
- \$17 billion for businesses critical to national security.
- \$454 billion for generally "distressed businesses," for which other transportation-related businesses could apply.
- Loan repayments will be paid to the Treasury.
- Loans come with certain conditions, including:
  - Restrictions on executive compensation, golden parachutes, length of the loan, stock buybacks and dividends.
  - Ensures that eligible businesses maintain existing employment levels through September 30, 2020, to the extent practicable, and in no case reduce it more than 10%.
- Ensures the Treasury Secretary will protect the taxpayer, and the government can participate in any gains.
- Allows air carriers to maintain medical supply chains and continue providing services to certain routes, including small and rural communities.
- Provides for a Congressional Oversight Committee to ensure oversight and accountability.

### Airline Grants

- \$32 billion in grants to airlines and airline contractors to prevent furloughs – these funds will exclusively cover salaries and compensation of non-executive employees:
  - \$25 billion in grants to passenger air carriers.
  - \$4 billion in grants to cargo air carriers.

- \$3 billion in grants to airline contractors, including caterers, baggage handlers, and wheelchair pushers.
- Companies receiving grants may not furlough employees through September 30, 2020, or buy back stocks or issue dividends through September 30, 2021.
- The same air service and executive compensation provisions attached to loans apply.
- Grants cannot be conditioned on an airline entering into collective bargaining negotiations with unions.

### **Airport Improvement Program (AIP) in Supplemental Appropriations**

- \$10 billion in AIP supplemental appropriations at 100% federal match, including:
  - For commercial service airports, \$7.4 billion distributed by special formula and \$2 billion distributed by modified AIP formula.
  - \$100 million in General Aviation (GA) airport funding.
- Includes a passenger ticket tax, cargo waybill tax, and commercial aviation fuel tax holiday.

### **Federal Emergency Management Agency (FEMA)**

- \$45 billion for the Disaster Relief Fund (DRF) with at least \$25 billion specifically for major disaster declarations (states continue to request major disaster declarations, and this funding will assist those states that are approved).
- \$400 million for federal assistance.
- \$100 million for assistance to firefighter grants for protective equipment.
- \$100 million for Emergency Management Performance Grants.
- \$200 million for the Emergency Food and Shelter Program.

### **Harbor Maintenance Trust Fund (HMTF)**

- Enables full use of the HMTF user fees, collected to improve the Nation's ports and harbors and enhance the competitiveness of U.S. farmers and businesses, which has broad bipartisan support.

### **General Service Administration (GSA)**

- \$275 million in expedited funds to help GSA meet space acquisitions necessary to prevent, prepare for, or respond to COVID-19.

### **United States Coast Guard**

- \$140.8 million to mobilize Coast Guard reservists and acquire IT equipment to improve emergency response communication capabilities; also includes funds to acquire personal protective equipment for Coast Guardsmen and other DHS personnel.

### **Transit and Rail Transportation**

- \$25 billion to the Federal Transit Administration (FTA) for rural and urban transit, distributed by existing formula.
- \$1.257 billion to Amtrak divided among the Northeast Corridor, state-supported routes, and long-distance routes.