



COMMITTEE ON

TRANSPORTATION & INFRASTRUCTURE

SAM GRAVES, REPUBLICAN LEADER

Coronavirus Aid, Relief, and Economic Security (CARES) Act **Frequently Asked Questions – T&I Related Provisions**

Question: Why does the bill include assistance specifically for the airlines?

Answer: This bill aids in saving American jobs throughout the aviation industry – not just one segment of it. As a Nation, our federal government initiated a comprehensive response to reduce the spread of the COVID-19 pandemic, and the CARES Act is in response to steps taken by the federal government. Our aviation industry supports 5% of our Nation's GDP and generates \$1.6 trillion in annual economic activity. Millions of Americans work in aviation across the country, and the CARES Act includes programs to help ensure these jobs continue to exist once the COVID-19 crisis is over.

Question: What are the restrictions on airlines that accept grants/loans?

Answer: The loan conditions include restrictions on executive compensation, golden parachutes, and prohibitions on stock buybacks and dividend payouts. The airline or distressed industry business must also maintain its existing employment levels through September 30, 2020, to the extent practicable, and in no case reduce levels by more than 10%. The grants come with the same executive compensation restrictions. In addition, companies receiving grants may not furlough employees through September 30, 2020, buy back stocks, or issue dividends through September 30, 2021. The federal government may receive warrants or equity stakes in the companies receiving grants, and an oversight committee will help ensure accountability.

Question: How does the bill support airports and affiliated contractors?

Answer: The CARES Act provides \$10 billion in grants to airports to help them maintain employment, continue operations, clean and sanitize to prevent the spread of coronavirus, and service airport construction debt. The bill also provides \$3 billion in payroll support grants to airline contractors, including baggage handlers, wheelchair pushers, and caterers. These grants can only be used to pay employees. Further, contractors that receive grants must maintain current employment levels through September 30, 2020.

Question: What funding is provided to the Federal Emergency Management Agency (FEMA) to support state and local response efforts?

Answer: The CARES Act infuses \$45 billion into FEMA's Disaster Relief Fund (DRF), which will be added to the existing amounts in the DRF (approximately \$40 billion). This funding will help response efforts in states with approved major disaster declarations. The bill also includes \$100 million for FEMA's Emergency Management Performance Grants (EMPG), which support state and local emergency

management capacity; \$100 million for Assistance to Firefighter Grants to support the acquisition of personal protective equipment; and \$200 million for FEMA's emergency food and shelter program.

Question: Does the bill provide Disaster Unemployment Assistance?

Answer: States are able to request Disaster Unemployment Assistance (DUA) through a request for a major disaster declaration; however, expanded unemployment assistance in other parts of the bill will likely provide more benefits and coverage than FEMA's DUA.

Question: Does the bill impact the Harbor Maintenance Trust Fund (HMTF)?

Answer: The *CARES Act* allows for the full utilization of the HMTF. The Harbor Maintenance Tax is collected on goods and cargo coming into U.S. ports for the sole purpose of maintaining our Nation's ports so that they remain efficient and globally competitive. However, the total amount collected in the HMTF has not been dedicated to those intended purposes. The bill provides this long-sought bipartisan fix and a similar bill (H.R. 2440) passed the House earlier this Congress.

Question: Does the bill provide assistance to cruise lines, the owners and operators of small passenger vessels, or port facilities?

Answer: In general, the *CARES Act* provides \$454 billion to provide loans, loan guarantees, and other investments to assist eligible businesses. Eligible business are U.S. businesses whose losses result from the coronavirus, and U.S.-owned cruise lines, owners and operators of small passenger vessels, and port facilities are expected to qualify.

Question: Does the bill provide any regulatory relief to the trucking industry?

Answer: The *CARES Act* includes language requested by the Department of Transportation (DOT) to clarify state authority to issue special permits for increased truck weight. Under either a "major disaster" or "emergency," states can issue special permits for heavier trucks to deliver relief supplies. This ensures the validity of state-issued special permits.

Question: Does the bill include Amtrak funding?

Answer: In the legislation, Amtrak receives just over \$1 billion for operations and maintenance. Amtrak's ridership levels have greatly decreased during the pandemic, and service in certain areas has been reduced or temporarily suspended. \$492 million will go to the Northeast Corridor, and \$526 million is designated for the National Network, which includes long-distance and state-supported routes.

Question: What does the bill include for transit?

Answer: Transit agencies have incurred a significant increase in operating expenses due to the coronavirus and, at the same time, ridership has decreased significantly. \$25 billion is included to prevent, prepare for, and respond to coronavirus. The funding for operations and maintenance will help transit agencies provide essential service while ridership and revenues are greatly reduced. This funding will be distributed by current formula. The bill requires the Federal Transit Administration (FTA) to apportion funds within seven days after enactment, and the federal match can be up to 100 percent, at the discretion of the grant recipient.