

Questions for the Record- Senator Warren
The Quarterly CARES ACT Report to Congress
May 19, 2020

For Secretary Mnuchin

Airline Assistance

1. The CARES Act provided \$50 billion in taxpayer funds to assist passenger airlines. The CARES Act specifies that, as a condition of receiving financial assistance, carriers must “refrain from conducting involuntary furloughs or reducing pay rates and benefits until September 30, 2020.” A small number of carriers, including Delta Air Lines, have received financial assistance and subsequently cut the hours of full-time workers. Why has Treasury taken no action against companies that accepted payroll assistance and then cut worker hours, thereby reducing take home pay for workers?
2. Treasury has issued guidance in a series of Q&A documents that clarify the Department's view of how carriers and contractors can comply with many terms of the payroll assistance program, including the rules on stock buybacks, dividends, and executive compensation. That guidance states that the assistance is “intended to preserve aviation jobs and compensate air carrier industry workers by providing continuation of payment of employee wages, salaries, and benefits.” However, even after public reports have emerged that some carriers have begun cutting hours of workers, Treasury has not issued guidance on whether cutting employee hours or mandating unpaid time off for employees violates the CARES Act. Does the Treasury Department plan to issue guidance regarding whether cutting employee hours violates Section 4114 of the CARES Act for airlines receiving financial assistance under the payroll relief provisions? If yes, when will you release this guidance? If no, why not?
3. Have you, or any person in the Treasury Department, consulted with any representatives of Delta Air Lines regarding compliance with Section 4114 of the CARES Act, and did Treasury Department provide Delta Air Lines with any guidance regarding complying with CARES Act provisions? If so, when did this take place, who was involved, and what guidance was provided?
4. Did any airline receiving financial assistance for payroll relief under the CARES Act seek guidance from the Treasury Department regarding whether reducing employee hours, or implementing unpaid mandatory time off, complies with Section 4114 of the CARES Act? Did anyone at Treasury provide that guidance? If so, when did this take place, who was involved, and what guidance was provided?