

It's just a reminder that you're receiving this email because you have expressed an interest in Alaska Air Carriers Association. Don't forget to add aaca@alaskaaircarriers.org to your address book so we'll be sure to land in your inbox!

You may [unsubscribe](#) if you no longer wish to receive our emails.

KEEP UP ON NEWS YOU CAN USE!



April 1, 2020 Newsletter

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<https://home.treasury.gov/cares>

ASSISTANCE FOR SMALL BUSINESSES

The 7(a) SBA Paycheck Protection Program prioritizes millions of Americans employed by small businesses by authorizing up to \$349 billion toward job retention and certain other expenses. Deadlines for businesses and sole proprietorships is Friday April 3, 2020. Deadline

for self employed individuals Friday, April 10, 2020.

- For a top-line overview of the program: [Overview](#)
- If you're a lender, more information: [Lender Info](#)
- If you're a borrower: [Borrower Fact Sheet](#)
- The application for borrowers can be found here: [Application](#)

Additional information is available thru: <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

Documents provided by Senator Sullivans Office. The Congressional Delegation is available to assist members.



4112 (a) of the CARES Act ADDRESSING COMMERCIAL SERVICES to Part 121 AIR CARRIERS

The U.S. Department of the Treasury published resources to assist eligible businesses in applying for payroll support to enable the continued payment of employee wages, salaries, and benefits, and for loans pursuant to the CARES Act.

[Guidelines and Application Procedures for Payroll Support to Air Carriers](#)

[Procedures and Minimum Requirements for Loans to Air Carriers](#)

Consider submitting your application in a no later than April 3, 2020 5pm EST. The Congressional Delegation is available to write letters of reference and offer general assistance.

Document provided by Senator Sullivan's Office and available at <https://home.treasury.gov/cares>

Overview

- Section 4112(a) of the Act authorizes the Treasury Department ("Treasury") to provide payments to passenger air carriers, cargo air carriers, and certain contractors up to the following aggregate amounts:
- Passenger air carriers: \$25 billion, cargo air carriers: \$4 billion, and contractors: \$3 billion
- Award amount calculated based on salaries and benefits from April 1 to September 30, 2019.
- **Applications can be submitted now.** To receive approval ASAP, completed applications should be submitted by 5:00 pm (EDT) on April 3, 2020 to PayrollSupportApplications@treasury.gov. Treasury will provide a web-based form for application submissions.
- Applications received after 5:00 p.m. EDT on April 3 will be considered, but may not receive approval as quickly.
- Applications received after 11:59 p.m. EDT on April 27, 2020, may not be considered, subject to Treasury Secretary's discretion and subject to the availability of funds.

Definitions

- "*Air carrier*" has the meaning given to such term under 49 U.S.C. § 40102.
- "*Employee*" means an individual, other than a corporate officer, who is employed by an air carrier or a contractor in the United States (including its territories and possessions).
- "*Passenger air carrier*" means an air carrier that, during the period from April 1, 2019, to September 30, 2019, derived more than 50% of its air transportation revenue from the transportation of passengers.
- "*Wages, salaries, benefits, and other compensation*," for purposes of Section 4113(a)(2) and (3) of the Act, means remuneration paid by the applicant to its employees for personal services and includes salaries, wages, overtime pay, cost-of-living differentials, and other similar compensation, as distinguished from per diem allowances or reimbursement for expenses incurred by personnel for the benefit of the applicant.

Application Evaluation

Applications determined to be complete will be reviewed and evaluated by Treasury. Treasury will consider:

- (1) eligibility of the applicant,
- (2) **adequacy of the proposed financial instruments for providing compensation to the Federal Government,**
- (3) availability of funds,
- (4) applicant's willingness to be bound by the Payroll Support Agreement, and
- (5) **purposes of the Act in determining whether to approve an application.**

Complimentary slides provided by NATA!

EXCISE TAX Suspension

AACA requested guidance to implement suspension of excise taxes described in Section 4007. More to follow.

Section 4007. *Suspension of Certain Aviation Excise Taxes*

- I. Federal Excise Tax Holiday: "means the period beginning after the date of the enactment of this section and ending before January 1, 2021."*
- II. Transportation of persons or property
 1. 26 USC 4261 (7.5% + Segment Fee AND International Facilities Fee)
 2. 26 USC 4271 (6.25%)
 3. Does not apply to amounts paid prior to enactment
- III. Kerosene In Commercial Aviation (i.e. Jet Fuel)
all commercial use treated as nontaxable use

*enactment on 3/27/30

Complimentary slide provided by NATA.

Other SBA Loans- Economic Injury Disaster Loans and Wells Fargo SBA 7(a) Loans

A. In response to the Coronavirus (COVID-19) pandemic, small business owners are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.

- **The SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.**
- **These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses. The**

interest rate for non-profits is 2.75%.

-
- The SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- More information is available at this link: <https://www.sba.gov/disaster-assistance/coronavirus-covid-19#section-header-1>

B. Wells Fargo offers businesses a SBA 7(a) lending program option however, there are no funds from SBA PPP. Additional information is available: <https://www.wellsfargo.com/biz/sba/>

The Congressional Delegation seeks INPUT on CARES Act Proposed Amendments.

(Phase IV of the CARES Act is currently being drafted)

Consider:

- 1. Change the PPP payroll multiplier from 2.5 to match the duration of the program or a full year. Address seasonal workers.**
- 2. Amend the definition of air carriers in 4112(a) of the CARES Act.**
- 3. Provide COVID-19 Test Kits For Operators.**
- 4. Consider making all programs work together and not to disqualify each other.**

AACA OFFERS MEMBERSHIP BENEFITS

- **Worker's Compensation Insurance**
 - Good experience on paid insurance premiums.

- Dual memberships required - AACA & IFBOA.
- IFBOA dues are \$300 per year for plan participants.
- **Pilots Loss of License Insurance (INCLUDING LOSS OF MEDICAL)**
 - Contact Assured directly at (792) 980-0800. <http://www.airsure.com/markets-we-serve/alaska>
 - Risk Strategies - Please contact Mike Craford 503-789-5215.
- **MODA Group Health Care plans.**
 - Three medical plans have been developed for AACA members, as well as dental and vision packages.
 - The three plan choices are designed to fit a range of budgets, including a high deductible health plan.
 - Favorable 2019-2020 rates were finalized in October 2019 and renewed annually.
 - Call or email Risk Strategies program specialists today for a quote on Health Care, Life Insurance and more!

AACA Group Health Care Presentation [CLICK HERE](#)

Contact:

Mike Craford 503 789-5215, mcraford@risk-strategies.com or Stephen Craford 415.686.7636 and scraford@risk-strategies.com.

- **Other AACA benefits:**
 - Legislative Advocacy (Federal & State)
 - Safety Awards Program
 - Scholarships
 - Free Stand By Travel - for air carrier employees to AACA annual convention and member dinner.
Generously donated by Alaska Airlines
 - AACA Facilitates Training and Meetings
 - Web links to your website or email
 - Member discounts for advertising on the AACA website.
 - Quarterly Newsletter (Digital)
 - Annual Membership Directory



Alaska Air Carriers Association | 907.277.0071 | aaca@alaskaaircarriers.org | www.alaskaaircarriers.org

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