

ROBERT P. CASEY, JR.
PENNSYLVANIA

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United States Senate
WASHINGTON, DC 20510-3805

June 9, 2020

The Honorable Steven T. Mnuchin
Secretary
United States Department of Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin:

I write to express my concern that multiple air carriers have threatened to or are currently involuntarily reducing the hours of employees despite receiving payroll support under the Coronavirus Aid, Relief and Economic Security (CARES) Act. In passing this legislation, Congress made clear its intention that any air carrier receiving assistance must agree to maintain payroll and not cut employee compensation. I urge you to immediately issue guidance that makes clear that unilateral and involuntary reductions in employee hours are prohibited under the CARES Act.

Congress recognized the extent to which the current COVID-19 pandemic has negatively affected the airline industry and provided assistance in the CARES Act specifically to air carriers to protect the jobs and livelihoods of workers in the airline industry. In addition to placing restrictions on stock buybacks and executive compensation, the law prohibits any air carriers that receive this assistance from “conducting involuntary furloughs or reducing pay rates and benefits until September 30, 2020” and states that assistance cannot be conditioned on the renegotiation of collective bargaining agreements. Congress’ intent that air carriers use this assistance to fully protect workers’ compensation and employment was clear.

According to recent reports, however, air carriers like Delta Air Lines and JetBlue Airways have unilaterally imposed hour reductions on employees. United Airlines announced an intention to do the same, but in response to outcry from the public and pending legal action from workers, reversed its initial decision for the time being. Significantly reducing workers’ hours without their consent reduces workers’ paychecks in the same way that reducing workers’ rate of pay would, and in many cases such reductions in hours can significantly negatively affect other benefits workers receive. This is in clear violation of Congress’ intent and should not be undertaken by any air carriers accepting federal assistance, nor should these carriers threaten to take such actions in the future if insufficient numbers of workers voluntarily agree to reduce their hours as part of any company initiative. The funds provided by the CARES Act should be used to fully protect workers’ jobs and compensation, and airlines should use the time during which this assistance is provided to work constructively with their employees and employee representatives to identify how best to protect jobs and minimize any negative impact on their workforces in the long term.

I urge you to immediately issue guidance making clear that unilateral reductions in workers' hours and resultant reductions in their pay and benefits are prohibited under the CARES Act and to engage in rigorous oversight of air carriers' adherence to the agreements they have signed. Thank you for attention to this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Bob Casey". The signature is written in a cursive, flowing style.

Robert P. Casey, Jr.
United States Senator