



# Aviation Manufacturing Jobs Protection

## Legislative Analysis

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# Overview of the Aviation Manufacturing Support Program

## ■ Program Overview

- The American Rescue Plan created a new \$3B payroll support program for aviation manufacturing companies. (Sec. 7201 / 7202)
- The legislation was enacted on March 11, 2021; the Department of Transportation is creating guidance to implement the program.
- The program is not up and running yet, but expected to be online within weeks.
- First come; First served basis. The last day to apply is 6 months after the program's first agreement.

## ■ Which Aviation Manufacturing Companies Qualify?

### 1. Must either:

- a. actively manufacturers an aircraft, engine, propeller, or a component, part, or systems of an aircraft or engine under the FAA; or
- b. certain FAA certification for maintenance, repair, and overhaul of aircraft engines, components, or propellers; or
- c. operates a process certified to SAE AS9100 related to the design, development, or provision of an aviation product or service, including a part, component, or assembly.

### 2. Must be a U.S. company (established, organized, or created in the U.S. or under the laws of the U.S.).

### 3. With significant operations and majority of employees engaged in aviation manufacturing activities based in the U.S.

### 4. Must have suffered hardship:

- a. Involuntarily furloughed 10% of workforce in the U.S. as compared to 2019 employment levels; or
- b. 15% decline in revenues in 2020 compared to 2019 levels.

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# Program Details

## Which Employees Qualify?

- The legislation limits the amount of employees that qualify for the program to the “eligible employee group.”
- Eligible Employee Group =
  - 25% of employer’s total workforce.
  - Only employees that make less than \$200,000 (compensation + benefits).
  - Employees who are engaged in aviation manufacturing activities and services, or maintenance, repair, and overhaul activities and services.

## The Public-Private Partnership:

- 50/50 split of employees salaries as of April 1 of eligible employee group between the gov. and the employer.
- Up to 6 months.
- Salary = base compensation + benefits, excluding overtime/premium pay and any Fed/State/local taxes paid.
- Can be used for retention, rehire, or recall of employees.
- Cannot be used for back pay of returning or rehired employee.

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# Program Details Continued

## Employers Must Agree to:

- Provide sworn financial statements as to eligible employee group and salary levels.
- Maintain salary levels for the eligible employee group.
- Notify DoT of layoffs exceeding 10% of workforce outside the eligible employee group.
- Cannot layoff any employee within the eligible employee group from time of application until date enters into agreement with the Department of Transportation.
- Maintain employment of eligible employee group until the latter of 9/30/21 or duration of agreement and receipt of funds under the agreement.

## Companies That Are Ineligible:

- Elected the Employee Retention Tax Credit in the immediate preceding calendar quarter before agreement.
- Currently participating in the Paycheck Protection Program.
- Received funding under the Airline Payroll Support Program.

## Next Steps:

- U.S. Department of Transportation (DOT) will issue guidance in coming weeks.
- Boeing will work with DOT and follow-up with suppliers as program starts accepting applications.

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