



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 now accepting applications.
- Eligible applicants have until July 13 at 5pm EDT to submit applications for DOT to determine whether amounts requested must be distributed on a pro rata basis.

■ 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:

- Eligible applicants should submit applications by July 13 at 5pm EDT.
- Boeing will offer a follow-up call with suppliers to answer questions on the program.

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