

Senate Passes Bill to Steady Air and Rail Industries



March 26, 2020

The Senate late last night passed a bi-partisan stimulus Bill that will help stabilize the air and rail industries, protect our members and provide the entire country with much-needed financial relief. The House of Representatives is expected to easily pass the Bill in the coming days.

“This critical legislation was almost derailed by opportunists, including some in the labor movement, trying to add self-serving conditions to the aid our members and our industry so desperately need,” said General Vice President Sito Pantoja. “The IAM’s legislative team has been working around the clock, seven days a week since this crisis began with specific instructions that their priority was to advocate for our members jobs, not anyone’s unrelated wish list. Thankfully, with the help of tens of thousands of IAM members who contacted their Senators and Representatives, we succeeded and unnecessary conditions were eliminated.”

Highlights of the federal stimulus for airlines:

- \$25 billion in grants and \$25 billion in loans or loan guarantees to the airline industry
- o Before labor’s input it was only a loan program
- The grant funds are EXCLUSIVELY for the continuation of payment of employee wages, salaries and benefits

—o Before labor's input, this provision did not exist

- No condition to open CBAs and enter concessionary negotiations to receive grant funds, loans or loan guarantees

—o Before labor's input, the Treasury Secretary had the power to demand unlimited conditions on receiving federal funds

- As a condition to receive federal grant funds the carrier must refrain from conducting involuntary furloughs until September 30, 2020

—o Before labor's input, this important provision did not exist

- Prohibition on stock buybacks until September 30, 2021
- Prohibition of dividend payments until September 30, 2021
- Limits on executive compensation
- Limits on "golden parachutes"

—o Before labor's input, these provisions did not exist Highlights of the federal stimulus for railroads:

- Waiver of waiting periods for benefits under the Railroad Unemployment Insurance Act

—o No waiting periods for sickness and unemployment benefits through the end of 2020

- Enhanced unemployment benefits under the Railroad Unemployment Insurance Act

—o Additional unemployment pay, and up to an additional 130 days of unemployment benefits

- \$492 million in grants for AMTRAK for activities associated with the Northeast Corridor
- \$526 million in grants for AMTRA for activities

associated with the National Network

“If not for unions, this legislation would not be centered on workers as it is,” continued Pantoja. “It would have been a give-away to corporations and Wall Street. What we accomplished was substantial, but now is not the time to celebrate. Workers are unemployed, businesses are closed and people are dying every day in our communities from the COVID-19 pandemic. We still have an unprecedented crisis in front of us, so our work is far from being done.”