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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

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May 12, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, Northwest
Washington, DC 20220

Dear Secretary Mnuchin:

On April 6, 2020, I wrote to you concerning implementation of the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136), (CARES Act) and the intent of Congress to provide \$17 billion in loans to businesses critical to national security.

As I noted then, aerospace companies, from large corporations to the thousands of small businesses that supply them, support both defense production and the production of commercial aircraft. These businesses are a vital part of the global supply chain and remain vital to our national security.

However, Treasury's implementation of the loan program has not adequately addressed the needs of the aerospace supply chain and its workforce, which is fundamental to America's industrial base.

On May 6, 2020, the Senate Committee on Commerce, Science, and Transportation held a hearing on the impact of the COVID-19 pandemic on the aviation industry. During his testimony, Eric Fanning, President and Chief Executive Officer of the Aerospace Industries Association, and former Secretary of the Army, highlighted problems with Treasury's implementation of the \$17 billion fund for businesses critical to maintaining national security.

Secretary Fanning noted that the criteria for that assistance is too narrow and has prevented the aerospace supply chain from accessing this aid. For example, Secretary Fanning noted that applicants must have a current "DX-rated" contract or a top secret facility clearance, which renders ineligible any companies that perform national security work on an unclassified basis. In addition, Treasury provided only a week's notice for applicants. These two limitations likely explain why Treasury received only a limited number of applications and for amounts lower than expected.

The result is that America's aerospace workers – including many of the more than 136,000 aerospace and supply chain employees in Washington state – have not received the protection Congress intended under the CARES Act.

Therefore, I urge you to provide revised eligibility criteria more broadly inclusive of aerospace businesses, both commercial and defense. While the CARES Act permits Treasury to make unused funds from this \$17 billion available for other programs and facilities established by the Federal Reserve Board of Governors, before you do so I strongly encourage you also to re-open the application process for the \$17 billion in federal funds using that revised criteria to ensure that the funds go the companies and workers as intended.

I look forward to working with you to ensure the Federal Government provides assistance to our aviation and aerospace workforce to support U.S. manufacturing and protect our national security. Thank you for your prompt attention to this request.

Sincerely,



Maria Cantwell
Ranking Member