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May 29, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Democratic Leader
U.S. Senate
Washington, D.C. 20510

RE: Opposing HEROES Act Sec. 190503

Dear Senators McConnell and Schumer:

The Aeronautical Repair Station Association (ARSA) opposes language in the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800) that imposes restrictions on U.S. air carriers that have received CARES Act relief.

Sec. 190503 of the bill retroactively punishes U.S. air carriers that receive CARES Act relief by forbidding the proceeds of such assistance being applied toward a contract for heavy maintenance work at a facility located outside of the United States.

Enacting this retroactive measure would set an ominous precedent that Congress can or should alter the terms under which any individual or business have contracted with the government. Given that U.S. air carriers rely on a global network of Federal Aviation Administration (FAA) certificated repair stations to maintain safe operations, and that those service contracts cover multiple years, airlines would have had to refuse to accept CARES Act relief had the proposed restrictions existed at the time the monies were requested.

The provision would undermine air carriers' ability to structure business efficiently and would interfere with global operations. Airlines utilize the services of FAA certificated repair stations outside the country for legitimate safety reasons, including quality and lack of capacity in the United States. All U.S. aircraft must be maintained by FAA certificated "persons" no matter where in the world those aircraft operate. The proposed restrictions would add a new and unnecessary factor for airlines to consider when making decisions about where to fly and how to keep aircraft safe. This retroactive provision would also make it more difficult for U.S. air carriers to recover from the economic downturn.

Finally, the provision could lead to retaliation by foreign governments against the U.S. aviation maintenance industry, which employs hundreds of thousands of Americans in all 50 states and contributes \$50 billion annually to the U.S. economy. The maintenance industry is already reeling from a sharp drop in business due to the pandemic; a trade war would further erode business conditions for the more than 1,400 U.S. repair stations that serve a global customer base.

May 29, 2020
Senators McConnell and Schumer
Page 2

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For all the foregoing reasons, ARSA urges the Senate to reject Sec. 190503 and to keep it or any other similar provision out of any future coronavirus relief legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Klein', with a stylized flourish at the end.

Christian A. Klein
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c.c. All members of the U.S. Senate