

Trump says airline rescue plan coming soon

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The US airline industry needs money and needs it fast in the face of flagging business due to the COVID-19 pandemic, many experts say

US President Donald Trump said Thursday his administration would present a plan this weekend to save the flagging airline industry, which is facing vastly reduced business as a result of the coronavirus pandemic.

As is his style, the US president did not offer many details about the package during his daily coronavirus taskforce press briefing.

"We will probably be putting out a proposal and giving ([airline companies](#)) some of the details, some very powerful details over the weekend," he said.

He did not rule out direct conversations with individual airlines in the coming days.

"I think it's going to be a very acceptable package, it's a very big package and acceptable package," Trump said. "It will be good for the country and good for the airlines. Good for lots of people."

Most experts and policymakers agree: US airlines need money and they need it fast. In the \$2.2 trillion stimulus bill signed into law in late March, lawmakers set aside \$50 billion with an eye toward job preservation in the industry.

But not all airlines are ready to accept the conditions proposed by the government.

There is already a stand-off brewing at the Treasury Department, industry sources told AFP this week.

The Treasury wants to avoid the impression that it is giving airlines a blank check, fearful of a repeat of the public ire that followed Washington's response to the [global financial crisis](#) more than a decade ago.

Aiming to get taxpayer money paid back, the government is considering taking an [equity stake](#) in airlines, at least temporarily.

That outcome is giving the four major US carriers—Delta Air Lines, United Airlines, Southwest Airlines and American Airlines—pause, industry sources say.

The companies fear Wall Street would reject having the government as majority shareholder, even though the companies desperately need the cash.

After an already disastrous first quarter, Delta expects sales to fall 90 percent in the [second quarter](#), while American has cut 90 percent of its routes to and from New York, one of the country's main transportation hubs.

The carriers' reputation is in a weak position in these talks: they've spent \$39 billion over the last five years pampering their shareholders, S&P Dow Jones Indices calculated, rather than preparing for a crisis like the one that now jeopardizes their survival.

Still, their strategic importance gives them some weight at the negotiating table.

They directly and indirectly sustain hundreds of thousands of jobs and remain an integral part of the world's largest economy.

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