

Clock running out before some airlines begin furloughs

30 September 2020, by David Koenig



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Airline employees and executives made 11th-hour appeals Wednesday for Congress to approve billions more in federal aid to avert thousands of layoffs that are scheduled to start Thursday.

U.S. passenger airlines and their [labor unions](#) are lobbying for another \$25 billion in [taxpayer money](#) to pay workers for six more months, though next March. Their request is tied up in stalled negotiations over a larger pandemic-relief measure.

Industry officials admitted that prospects were bleak for action before Thursday's deadline. They said, however, they were cheered that the House this week included airline payroll help in a \$2.2 trillion relief plan that moved closer to Republicans' preference for a price tag under \$1 trillion.

"It provides a glimmer of hope that something will get done," said Nicholas Calio, president of the trade group Airlines for America.

Calio suggested that Thursday might not be a hard deadline—airlines could reverse some furloughs if a deal between the White House and congressional Democrats appeared imminent.

"Ideally, if it's going to go beyond Thursday they will be close to a deal and say, 'Hang on for a couple days,' and we can wait," he said. "Beyond that, the notices have gone and furloughs will go into effect."

In March, Congress approved \$25 billion mostly in grants to cover passenger airline payrolls through September and up to another \$25 billion in loans that the airlines could use for other purposes. Late Tuesday, the Treasury Department said it completed loans to seven major airlines: American, United, Alaska, JetBlue, Frontier, Hawaiian and SkyWest.

The payroll aid came with conditions including a prohibition on involuntary layoffs or furloughs, but that ban ends after Wednesday. In announcing the closure of the loans to airlines, Treasury Secretary Steven Mnuchin made a pitch for Congress to extend the payroll help "so we can continue to support aviation industry workers as our economy reopens and we continue on the path to recovery."

U.S. air travel remains down nearly 70% from a year ago. Signs of a modest recovery faded this summer when COVID-19 cases spiked in many states. International travel is even weaker.

Airlines have persuaded tens of thousands of employees to take early retirement or severance deals. But even after those offers, the airlines have more workers than they need, and indications point to around 40,000 furloughs of flight attendants, mechanics, ramp workers, pilots and others beginning this week.

American Airlines has said it expects to furlough about 19,000 workers, and United Airlines still expects nearly 12,000 furloughs even after striking a deal to delay up to 3,900 pilot furloughs.

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