

# **Report Under Section 4026(b)(1)(C) of the CARES Act on Loans to Air Carriers, Eligible Businesses, and National Security Businesses**

**April 1, 2022**

## **Program Description**

Section 4003 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) authorized the Treasury Department to make loans, loan guarantees, and other investments to provide liquidity to eligible businesses related to losses incurred as a result of coronavirus.

The CARES Act provided:

- (1) up to \$25 billion for loans and loan guarantees for passenger air carriers; eligible businesses that are certified under 14 CFR part 145 and approved to perform inspection, repair, replace, or overhaul services; and ticket agents (as defined in 49 U.S.C. § 40102);
- (2) up to \$4 billion for loans and loan guarantees for cargo air carriers; and
- (3) up to \$17 billion for loans and loan guarantees for businesses critical to maintaining national security.

A loan or loan guarantee under section 4003 was authorized to be made in such form and on such terms and conditions and contain such covenants, representations, warranties, and requirements as the Treasury Secretary determined appropriate. However, the CARES Act specified a number of requirements applicable to these loans. Among other requirements under the statute, borrowers were required to maintain employment levels as of March 24, 2020, to the extent practicable, and in any case not reduce their employment levels by more than 10 percent from the levels on such date, until September 30, 2020. Borrowers were also required to agree to certain restrictions on employee compensation; agree not to repurchase stock, except to the extent required under a contractual obligation in effect as of March 27, 2020; and agree not to pay dividends or make other capital distributions with respect to the borrower's common stock until 12 months after the loan has been repaid.

In addition, the CARES Act required that Treasury receive a warrant or equity instrument in the borrower if the borrower was a public company (unless Treasury determined that the issuance of warrants or equity was infeasible, in which case the company was required to provide a senior debt instrument), or a warrant, equity instrument, or senior debt instrument if the borrower was a private company, to compensate taxpayers.

## **Reporting Requirements**

The CARES Act requires Treasury to make a number of disclosures regarding its loans and loan guarantees under section 4003 of the CARES Act:

- (1) under section 4026(a) of the CARES Act, not later than 72 hours after any transaction under section 4003(b)(1), (2), or (3) of the CARES Act, Treasury must publish on its website a description of the transaction, certain transaction terms, and transaction documentation;
- (2) under section 4026(b)(1)(A) of the CARES Act, not later than seven days after any loan or loan guarantee under section 4003(b)(1), (2), or (3), Treasury must submit to Congress a report summarizing the actions taken under those provisions and certain related financial information;
- (3) under section 4026(b)(1)(B) of the CARES Act, not later than seven days after delivering the report to Congress described above, Treasury must publish the report on its website; and
- (4) under section 4026(b)(1)(C) of the CARES Act, every 30 days while a loan or loan guarantee under section 4003(b)(1), (2), or (3) is outstanding, Treasury must publish on its website a report summarizing its reports to Congress described above.

Treasury has published the information and reports described above on its website at <https://home.treasury.gov/policy-issues/cares/preserving-jobs-for-american-industry/loans-to-air-carriers-eligible-businesses-and-national-security-businesses>.

### **Current Report**

This report summarizes information about transactions under sections 4003(b)(1), (2), and (3) of the CARES Act. This report reflects 23 outstanding loans and 12 loans that have been repaid in full.

*(See next page)*

**DETAILED FINANCIAL STATEMENT**

| <b>Borrower Name</b>                             | <b>Borrower Type<sup>1</sup></b> | <b>City<sup>2</sup></b> | <b>State<sup>2</sup></b> | <b>Date of Loan Agreement</b>                | <b>Maturity Date</b> | <b>Total Authorized Loan Amount</b> | <b>Disbursements<sup>3</sup></b> | <b>Total Outstanding Loan Amount<sup>4</sup></b> | <b>Total Repaid Loan Principal</b> | <b>Cash Interest Receipts</b> |
|--|----------------------------------|-------------------------|--------------------------|--|----------------------|-------------------------------------|----------------------------------|--|------------------------------------|-------------------------------|
| Aero Hydraulics, Inc.                            | Repair Station Operator          | Fayetteville            | GA                       | 10/26/2020                                   | 10/24/2025           | \$450,000                           | \$450,000                        | \$507,914  | \$0                                | \$0                           |
| Alaska Airlines, Inc. <sup>5</sup>               | Passenger Air Carrier            | Seattle                 | WA                       | 9/28/2020 (amended 10/3/2020 and 1/15/2021)  | 9/26/2025            | \$1,928,000,000                     | \$135,000,000                    | \$0  | \$135,000,000                      | \$2,538,900                   |
| Allflight Corporation                            | Repair Station Operator          | Kent                    | WA                       | 11/5/2020                                    | 11/5/2025            | \$4,721,260                         | \$4,721,260                      | \$4,721,260                                      | \$0                                | \$420,822                     |
| American Airlines, Inc. <sup>6</sup>             | Passenger Air Carrier            | Fort Worth              | TX                       | 9/25/2020 (amended 10/21/2020 and 1/15/2021) | 6/30/2025            | \$7,500,000,000                     | \$550,000,000                    | \$0  | \$550,000,000                      | \$10,257,500                  |
| American Jet International Corporation           | Passenger Air Carrier            | Houston                 | TX                       | 11/5/2020                                    | 11/5/2025            | \$1,162,124                         | \$1,162,124                      | \$1,181,571                                      | \$0                                | \$85,119                      |
| Aviation Management & Repairs, Inc. <sup>7</sup> | Repair Station Operator          | Fort Pierce             | FL                       | 11/5/2020                                    | 11/5/2025            | \$4,026,705                         | \$4,026,705                      | \$4,294,825                                      | \$100,000                          | \$0                           |
| Bristin Travel, LLC                              | Ticket Agent                     | Fayetteville            | AR                       | 10/26/2020                                   | 10/24/2025           | \$549,651                           | \$549,651                        | \$591,163  | \$0                                | \$9,320                       |
| Caribbean Sun Airlines, Inc. <sup>8</sup>        | Passenger Air Carrier            | Virginia Gardens        | FL                       | 11/5/2020 (amended 12/7/2020)                | 11/5/2025            | \$6,768,749                         | \$6,768,749                      | \$7,369,731                                      | \$0                                | \$0                           |
| Channel Logistics, LLC                           | National Security                | Camden                  | NJ                       | 11/12/2020                                   | 11/12/2025           | \$2,500,000                         | \$2,500,000                      | \$2,584,410                                      | \$0                                | \$142,372                     |

| Borrower Name                                 | Borrower Type <sup>1</sup> | City <sup>2</sup> | State <sup>2</sup> | Date of Loan Agreement                       | Maturity Date | Total Authorized Loan Amount | Disbursements <sup>3</sup> | Total Outstanding Loan Amount <sup>4</sup> | Total Repaid Loan Principal | Cash Interest Receipts |
|---|----------------------------|-------------------|--------------------|--|---------------|------------------------------|----------------------------|--|-----------------------------|------------------------|
| Core Avionics & Industrial, Inc. <sup>9</sup> | National Security          | Tampa             | FL                 | 11/5/2020                                    | 11/5/2025     | \$6,000,000                  | \$6,000,000                | \$0  | \$6,489,033                 | \$213,998              |
| Eastern Airlines, LLC                         | Passenger Air Carrier      | Wayne             | PA                 | 10/28/2020                                   | 10/28/2025    | \$15,000,000                 | \$15,000,000               | \$16,453,541                               | \$0                         | \$0                    |
| Elite Airways, LLC <sup>10</sup>              | Passenger Air Carrier      | Portland          | ME                 | 11/9/2020 (amended 12/1/2020)                | 11/7/2025     | \$2,630,274                  | \$2,630,274                | \$2,867,017                                | \$0                         | \$0                    |
| Frontier Airlines, Inc. <sup>11</sup>         | Passenger Air Carrier      | Denver            | CO                 | 9/28/2020 (amended 1/15/2021)                | 9/26/2025     | \$574,000,000                | \$150,000,000              | \$0  | \$150,000,000               | \$5,548,667            |
| Hawaiian Airlines, Inc. <sup>12</sup>         | Passenger Air Carrier      | Honolulu          | HI                 | 9/25/2020 (amended 10/23/2020 and 1/15/2021) | 6/28/2024     | \$622,000,000                | \$45,000,000               | \$0  | \$45,000,000                | \$450,450              |
| Island Wings, Inc.                            | Cargo Air Carrier          | Ft. Lauderdale    | FL                 | 11/5/2020                                    | 11/5/2025     | \$294,350                    | \$294,350                  | \$321,561                                  | \$0                         | \$0                    |
| JetBlue Airways Corporation <sup>13</sup>     | Passenger Air Carrier      | Long Island City  | NY                 | 9/29/2020 (amended 11/3/2020 and 1/15/2021)  | 9/29/2025     | \$1,948,000,000              | \$115,000,000              | \$0  | \$115,000,000               | \$3,330,113            |
| Legacy Airways, LLC                           | Cargo Air Carrier          | Conroe            | TX                 | 10/20/2020                                   | 10/20/2025    | \$1,817,306                  | \$1,817,306                | \$2,052,656                                | \$0                         | \$0                    |
| Map Large, Inc.                               | National Security          | Atlanta           | GA                 | 11/2/2020                                    | 10/31/2025    | \$10,000,000                 | \$10,000,000               | \$11,260,517                               | \$0                         | \$0                    |

| Borrower Name                            | Borrower Type <sup>1</sup> | City <sup>2</sup> | State <sup>2</sup> | Date of Loan Agreement                       | Maturity Date | Total Authorized Loan Amount | Disbursements <sup>3</sup> | Total Outstanding Loan Amount <sup>4</sup> | Total Repaid Loan Principal | Cash Interest Receipts |
|--|----------------------------|-------------------|--------------------|--|---------------|------------------------------|----------------------------|--|-----------------------------|------------------------|
| Meridian Rapid Defense Group, LLC        | National Security          | Pasadena          | CA                 | 10/30/2020                                   | 10/30/2025    | \$7,100,000                  | \$7,100,000                | \$7,912,647                                | \$0                         | \$79,019               |
| Mesa Airlines, Inc. <sup>14</sup>        | Passenger Air Carrier      | Phoenix           | AZ                 | 10/30/2020                                   | 10/30/2025    | \$195,000,000                | \$195,000,000              | \$204,947,017                              | \$0                         | \$0                    |
| Ovation Travel Group, Inc. <sup>15</sup> | Ticket Agent               | New York          | NY                 | 10/15/2020                                   | 10/15/2025    | \$20,000,000                 | \$20,000,000               | \$0  | \$20,294,156                | \$181,881              |
| oVio Technologies, Inc.                  | National Security          | Newport Beach     | CA                 | 11/2/2020                                    | 10/31/2025    | \$1,186,900                  | \$1,186,900                | \$1,336,511                                | \$0                         | \$0                    |
| Republic Airways, Inc. <sup>16</sup>     | Passenger Air Carrier      | Indianapolis      | IN                 | 11/6/2020                                    | 11/6/2025     | \$58,000,000                 | \$58,000,000               | \$0  | \$58,000,000                | \$1,622,308            |
| Semahtronix, LLC <sup>17</sup>           | National Security          | Flippin           | AR                 | 11/13/2020                                   | 11/13/2025    | \$1,999,100                  | \$1,999,100                | \$0  | \$2,112,957                 | \$777                  |
| Semantic AI, Inc                         | National Security          | San Diego         | CA                 | 11/13/2020                                   | 11/13/2025    | \$506,300                    | \$506,300                  | \$553,718                                  | \$0                         | \$0                    |
| SkyWest Airlines, Inc. <sup>18</sup>     | Passenger Air Carrier      | St George         | UT                 | 9/29/2020 (amended 10/28/2020 and 1/15/2021) | 9/29/2025     | \$725,000,000                | \$60,000,000               | \$0  | \$60,000,000                | \$1,196,767            |
| Southern Airways Express, LLC            | Passenger Air Carrier      | Pompano Beach     | FL                 | 10/28/2020                                   | 10/28/2025    | \$1,838,501                  | \$1,838,501                | \$1,838,501                                | \$0                         | \$171,409              |

| Borrower Name                       | Borrower Type <sup>1</sup> | City <sup>2</sup> | State <sup>2</sup> | Date of Loan Agreement                                  | Maturity Date | Total Authorized Loan Amount | Disbursements <sup>3</sup> | Total Outstanding Loan Amount <sup>4</sup> | Total Repaid Loan Principal | Cash Interest Receipts |
|-------------------------------------|----------------------------|-------------------|--------------------|---|---------------|------------------------------|----------------------------|--|-----------------------------|------------------------|
| SpinLaunch, Inc                     | National Security          | Long Beach        | CA                 | 11/13/2020  | 11/13/2025    | \$2,519,200                  | \$2,519,200                | \$2,519,200                                | \$0                         | \$224,997              |
| Sun Country, Inc. <sup>19</sup>     | Passenger Air Carrier      | Minneapolis       | MN                 | 10/26/2020  | 10/24/2025    | \$45,000,000                 | \$45,000,000               | \$0  | \$46,182,421                | \$77,125               |
| Thomas Global Systems, LLC          | Repair Station Operator    | Irvine            | CA                 | 11/9/2020   | 11/7/2025     | \$1,400,000                  | \$1,400,000                | \$1,530,278                                | \$0                         | \$0                    |
| Timco Engine Center, Inc.           | Repair Station Operator    | Oscoda            | MI                 | 11/5/2020   | 11/5/2025     | \$8,390,240                  | \$8,390,240                | \$9,171,000                                | \$0                         | \$0                    |
| United Airlines, Inc. <sup>20</sup> | Passenger Air Carrier      | Chicago           | IL                 | 9/28/2020 (amended 11/6/2020, 12/8/2020, and 1/15/2021) | 9/26/2025     | \$7,491,000,000              | \$520,000,000              | \$0  | \$520,000,000               | \$9,517,733            |
| Visual Semantics, Inc.              | National Security          | Austin            | TX                 | 10/30/2020  | 10/30/2025    | \$1,053,200                  | \$1,053,200                | \$1,173,746                                | \$0                         | \$11,722               |
| Wiser Imagery Services, LLC         | National Security          | Murfreesboro      | TN                 | 10/30/2020  | 10/30/2025    | \$3,069,700                  | \$3,069,700                | \$3,459,124                                | \$0                         | \$0                    |
| Yellow Corporation <sup>21</sup>    | National Security          | Overland Park     | KS                 | 7/7/2020  | 9/30/2024     | \$700,000,000                | \$700,000,000              | \$713,814,026                              | \$230                       | \$25,177,821           |
| <b>TOTAL</b>                        |                            |                   |                    |   |               | <b>\$21,890,983,560</b>      | <b>\$2,677,983,560</b>     | <b>\$1,002,463,934</b>                     | <b>\$1,708,178,797</b>      | <b>\$61,258,820</b>    |

Note: Data are as of the date of this report.

## Footnotes

1. Only certain categories of entities were eligible to receive loans under sections 4003(b)(1), (2), and (3) of the CARES Act. Under those provisions, a borrower must be a passenger air carrier; a business that is certified under 14 CFR part 145 and approved to perform inspection, repair, replace, or overhaul services; a ticket agent (as defined in 49 U.S.C. 40102); a cargo air carrier; or a business critical to maintaining national security.
2. The locations provided are the addresses included by the borrowers in their applications and may not indicate all locations in which a borrower operates.
3. "Disbursements" includes all loan disbursements.
4. "Total Outstanding Loan Amount" includes all loan disbursements and increases of loan principal amount arising from payment-in-kind (PIK) interest, less any repayments of principal.
5. Alaska Airlines, Inc. entered into a loan agreement for up to \$1.301 billion on September 28, 2020, an amendment on October 30, 2020, increasing the maximum loan amount by \$627 million, and an additional amendment on January 15, 2021, extending the termination date for Treasury's commitment to May 28, 2021. Alaska Airlines, Inc. paid in full all outstanding principal and interest on June 3, 2021.
6. American Airlines, Inc. entered into a loan agreement for up to \$5.477 billion on September 25, 2020, an amendment on October 21, 2020, increasing the maximum loan amount by \$2.023 billion, and an additional amendment on January 15, 2021, extending the termination date for Treasury's commitment to May 28, 2021. American Airlines, Inc. paid in full all outstanding principal and interest on March 24, 2021.
7. Aviation Management & Repairs Inc. repaid \$100,000 in principal on April 1, 2021.
8. Caribbean Sun Airlines, Inc. entered into a loan agreement for up to \$15 million on November 5, 2020, and an amendment on December 7, 2020, extending the termination date for Treasury's commitment to December 7, 2020, and decreasing the maximum loan amount by \$8,231,251.
9. Core Avionics & Industrial, Inc. repaid \$800,000 in principal on June 8, 2021; Core Avionics & Industrial, Inc. paid in full all principal and interest on April 1, 2022.
10. Elite Airways, LLC entered into a loan agreement for up to \$2,630,274 on November 9, 2020, and an amendment on December 1, 2020, extending the termination date for Treasury's commitment to December 1, 2020.
11. Frontier Airlines, Inc. entered into a loan agreement for up to \$574 million on September 28, 2020 and an amendment on January 15, 2021, extending the termination date for Treasury's commitment to May 28, 2021. Frontier Airlines, Inc. paid in full all principal and interest on February 2, 2022.
12. Hawaiian Airlines entered into a loan agreement for up to \$420 million on September 25, 2020, an amendment on October 23, 2020, increasing the maximum loan amount by \$202 million, and an additional amendment on January 15, 2021, extending the termination date for Treasury's commitment to May 28, 2021. Hawaiian Airlines, Inc. paid in full all principal and interest on February 4, 2021.
13. JetBlue Airways Corporation entered into a loan agreement for up to \$1.14 billion on September 29, 2020, an amendment on November 3, 2020, increasing the maximum loan amount by \$808 million, and an additional amendment on January 15, 2021, extending the termination date for Treasury's commitment to May 28, 2021. JetBlue Airways Corporation paid in full all outstanding principal and interest on September 15, 2021.
14. Mesa Airlines, Inc. entered into a loan agreement for up to \$200 million on October 30, 2020, and elected to draw \$43 million on October 30, 2020, and \$152 million on November 13, 2020.
15. Ovation Travel Group, Inc. paid in full all outstanding principal and interest on January 21, 2021.
16. Republic Airlines, Inc. entered into a loan agreement for up to \$77 million on November 6, 2020, and elected to draw \$58 million on December 7, 2020. Republic Airlines, Inc. paid in full all outstanding principal and interest on September 10, 2021.
17. Semahtronix LLC paid in full all outstanding principal and interest on September 17, 2021.
18. SkyWest Airlines, Inc. entered into a loan agreement for up to \$573 million on September 29, 2020, an amendment on October 28, 2020, increasing the maximum loan amount by \$152 million, and an additional amendment on January 15, 2021, extending the termination date for Treasury's commitment to May 28, 2021. SkyWest Airlines, Inc. paid in full all outstanding principal and interest on May 10, 2021.
19. Sun Country, Inc. paid in full all outstanding principal and interest on March 24, 2021.
20. United Airlines, Inc. entered into a loan agreement for up to \$5.17 billion on September 28, 2020, an amendment on November 6, 2020, increasing the maximum loan amount by \$2.33 billion, an amendment on December 8, 2020, reducing the maximum loan amount by \$9 million, and an additional amendment on January 15, 2021, extending the termination date for Treasury's commitment to May 28, 2021. United Airlines paid in full all outstanding principal and interest on April 20, 2021.
21. It was announced on February 4, 2021 that YRC Worldwide, Inc. had changed its name to Yellow Corporation. Yellow Corporation repaid \$230 in principal on June 13, 2021.