

January 28, 2021

Dear Members of the House of Labor, Industry, Veterans and Military Affairs Finance and Policy Committee:

On behalf of Sun Country Airlines, thank you for the opportunity to provide our thoughts and concerns about HF 2 (Ecklund) and the individual components of that legislation (HF 39 – Carlson; HF 41 - Frazier) which the committee is considering this week. As a Minnesota based company, Sun Country Airlines employs upwards of 1,700, the vast majority of whom are Minnesotans and operates as a low cost, high quality air carrier providing scheduled service, charter, and cargo operations.

All major U.S. passenger airlines have been negatively affected by the economic decline from the COVID-19 pandemic, including Sun Country. Fortunately, our diversified and flexible business model has allowed us to stay open and operational, serving Minnesotans who need to travel with the consistently lowest airfares available. We've been able to do this, in part, because of our flexibility, including through efforts to utilize corporate re-sizing and shuffling in response to business conditions, whether due to a crisis or otherwise. This continued flexibility is particularly important to smaller businesses, such as Sun Country, who may not have the financial depth of larger businesses.

Legislation like HF 39 and HF 41 gives larger competitors an advantage as they can creatively manage around state-specific laws like the proposed bill, or simply chose to absorb the cost, so the disparate impact is on the smaller businesses. Smaller businesses do not have the scale or financial resources of their larger competitors, so they are either forced out of business or must move to more favorable regulatory regimes in other states. These actions have broad impacts, including higher prices for consumers and lost jobs. Policymakers should focus on stabilizing the at-risk businesses and be forward-looking with short term economic recovery. During these cash critical times, emphasis should be placed on avoiding restrictions and not placing an increased strain on an already reduced workforce, which can lead to impacts beyond the workplace, including mental and physical health issues. By avoiding restrictions and increased costs, Minnesota can allow businesses the ability to flex as needed to remain operational and survive the pandemic.

While we believe the economic recovery from the downturn caused by the COVID-19 pandemic needs to be the priority for the 2021 Legislative Session, the proposed legislation would harm Minnesota businesses' ability to remain competitive, impose heavy burdens on an already taxed team, and increase costs and impacts on smaller businesses. Therefore, we respectfully encourage a "no" vote on HF 2, HF 39 and HF 41. Thank you for your consideration.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Eric Levenhagen".

Eric Levenhagen
General Counsel and Chief Administrative Officer