

In the Senate of the United States,

June 12, 2003.

Resolved, That the bill from the House of Representatives (H.R. 2115) entitled “An Act to amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the*

3 *“Aviation Investment and Revitalization Vision Act”.*

1 (b) *AMENDMENT OF TITLE 49.—Except as otherwise*
 2 *expressly provided, whenever in this Act an amendment or*
 3 *repeal is expressed in terms of an amendment to, or a repeal*
 4 *of, a section or other provision, the reference shall be consid-*
 5 *ered to be made to a section or other provision of title 49,*
 6 *United States Code.*

7 **SEC. 2. TABLE OF CONTENTS.**

8 *The table of contents for this Act is as follows:*

Sec. 1. Short title; amendment of title 49.

Sec. 2. Table of contents.

TITLE I—REAUTHORIZATIONS; FAA MANAGEMENT

Sec. 101. Airport improvement program.

Sec. 102. Airway facilities improvement program.

Sec. 103. FAA operations.

Sec. 104. Research, engineering, and development.

Sec. 105. Other programs.

Sec. 106. Reorganization of the Air Traffic Services Subcommittee.

Sec. 107. Clarification of responsibilities of chief operating officer.

Sec. 108. Whistle-blower protection under Acquisition Management System.

TITLE II—AIRPORT DEVELOPMENT

Sec. 201. National capacity projects.

Sec. 202. Categorical exclusions.

Sec. 203. Alternatives analysis.

*Sec. 204. Increase in apportionment for, and flexibility of, noise compatibility
planning programs.*

Sec. 205. Secretary of Transportation to identify airport congestion-relief projects.

Sec. 206. Design-build contracting.

Sec. 207. Special rule for airport in Illinois.

Sec. 208. Elimination of duplicative requirements.

Sec. 209. Streamlining the passenger facility fee program.

Sec. 210. Quarterly status reports.

Sec. 211. Noise disclosure.

*Sec. 212. Prohibition on requiring airports to provide rent-free space for FAA or
TSA.*

Sec. 213. Special rules for fiscal year 2004.

Sec. 214. Agreements for operation of airport facilities.

Sec. 215. Public agencies.

Sec. 216. Flexible funding for nonprimary airport apportionments.

Sec. 217. Share of airport project costs.

Sec. 218. Pilot program for purchase of airport development rights.

Sec. 219. Gary/Chicago Airport funding.

*Sec. 220. Civil penalty for closure of an airport without providing sufficient no-
tice.*

Sec. 221. Anchorage air traffic control.

TITLE III—AIRLINE SERVICE DEVELOPMENT

Subtitle A—Program Enhancements

Sec. 301. Delay reduction meetings.

Sec. 302. Small community air service development pilot program.

Sec. 303. DOT study of competition and access problems at large and medium hub airports.

Sec. 304. Competition disclosure requirement for large and medium hub airports.

Sec. 305. Location of shuttle service at Ronald Reagan Washington National Airport.

Sec. 306. Air carriers required to honor tickets for suspended service.

Subtitle B—Small Community and Rural Air Service Revitalization

Sec. 351. Reauthorization of essential air service program.

Sec. 352. Incentive program.

Sec. 353. Pilot programs.

Sec. 354. EAS program authority changes.

Sec. 355. One-year extension of EAS eligibility for communities terminated in 2003 due to decreased air travel.

Subtitle C—Financial Improvement Effort and Executive Compensation Report

Sec. 371. GAO report on airlines actions to improve finances and on executive compensation.

TITLE IV—AVIATION SECURITY

Sec. 401. Study of effectiveness of transportation security system.

Sec. 402. Aviation security capital fund.

Sec. 403. Technical amendments related to security-related airport development.

Sec. 404. Armed forces charters.

Sec. 405. Arming cargo pilots against terrorism.

Sec. 406. General aviation and air charters.

Sec. 407. Air defense identification zone.

Sec. 408. Report on passenger prescreening program.

Sec. 409. Removal of cap on TSA staffing level.

Sec. 410. Foreign repair station safety and security.

TITLE V—MISCELLANEOUS

Sec. 501. Extension of war risk insurance authority.

Sec. 502. Cost-sharing of air traffic modernization projects.

Sec. 503. Counterfeit or fraudulently represented parts violations.

Sec. 504. Clarifications to procurement authority.

Sec. 505. Judicial review.

Sec. 506. Civil penalties.

Sec. 507. Miscellaneous amendments.

Sec. 508. Low-emission airport vehicles and infrastructure.

Sec. 509. Low-emission airport vehicles and ground support equipment.

Sec. 510. Pacific emergency diversion airport.

Sec. 511. Gulf of Mexico aviation service improvements.

Sec. 512. Air traffic control collegiate training initiative.

Sec. 513. Air transportation oversight system plan.

Sec. 514. National small community air service development Ombudsman.

- Sec. 515. National commission on small community air service.*
- Sec. 516. Training certification for cabin crew.*
- Sec. 517. Aircraft manufacturer insurance.*
- Sec. 518. Ground-based precision navigational aids.*
- Sec. 519. Standby power efficiency program.*
- Sec. 520. Certain interim and final rules.*
- Sec. 521. Air fares for members of armed forces.*
- Sec. 522. Modification of requirements regarding training to operate aircraft.*
- Sec. 523. Exemption for Jackson Hole Airport.*
- Sec. 524. Distance requirement applicable to eligibility for essential air service subsidies.*
- Sec. 525. Reimbursement for losses incurred by general aviation entities.*
- Sec. 526. Recommendations concerning travel agents.*
- Sec. 527. Pass-through of refunded passenger security fees to code-share partners.*
- Sec. 528. Air carrier citizenship.*
- Sec. 529. United States presence in global air cargo industry.*

TITLE VI—SECOND CENTURY OF FLIGHT

- Sec. 601. Findings.*

Subtitle A—The Office of Aerospace and Aviation Liaison

- Sec. 621. Office of Aerospace and Aviation Liaison.*
- Sec. 622. National Air Traffic Management System Development Office.*
- Sec. 623. Report on certain market developments and government policies.*
- Sec. 624. Transfer of certain air traffic control functions prohibited.*

Subtitle B—Technical Programs

- Sec. 641. Aerospace and aviation safety workforce initiative.*
- Sec. 642. Scholarships for service.*

Subtitle C—FAA Research, Engineering, and Development

- Sec. 661. Research program to improve airfield pavements.*
- Sec. 662. Ensuring appropriate standards for airfield pavements.*
- Sec. 663. Assessment of wake turbulence research and development program.*
- Sec. 664. Air quality in aircraft cabins.*
- Sec. 665. International role of the FAA.*
- Sec. 666. FAA report on other nations' safety and technological advancements.*
- Sec. 667. Development of analytical tools and certification methods.*
- Sec. 668. Pilot program to provide incentives for development of new technologies.*
- Sec. 669. FAA center for excellence for applied research and training in the use of advanced materials in transport aircraft.*
- Sec. 670. FAA certification of design organizations.*
- Sec. 671. Report on long term environmental improvements.*

TITLE VII—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

- Sec. 701. Extension of expenditure authority.*

1 ***TITLE I—REAUTHORIZATIONS;***
 2 ***FAA MANAGEMENT***

3 ***SEC. 101. AIRPORT IMPROVEMENT PROGRAM.***

4 (a) *AUTHORIZATION OF APPROPRIATIONS.—Section*
 5 *48103 is amended—*

6 (1) *by inserting “(a) IN GENERAL.—” before*
 7 *“The”;*

8 (2) *by striking “and” in paragraph (4);*

9 (3) *by striking “2003.” in paragraph (5) and in-*
 10 *serting “2003;”;*

11 (4) *by inserting after paragraph (5) the fol-*
 12 *lowing:*

13 “(6) \$3,400,000,000 for fiscal year 2004;

14 “(7) \$3,500,000,000 for fiscal year 2005; and

15 “(8) \$3,600,000,000 for fiscal year 2006.”; and

16 (5) *by adding at the end the following:*

17 “(b) *ADMINISTRATIVE EXPENSES.—From the amounts*
 18 *authorized by paragraphs (6) through (8) of subsection (a),*
 19 *there shall be available for administrative expenses relating*
 20 *to the airport improvement program, passenger facility fee*
 21 *approval and oversight, national airport system planning,*
 22 *airport standards development and enforcement, airport*
 23 *certification, airport-related environmental activities (in-*
 24 *cluding legal service), to remain available until expended—*

25 “(1) *for fiscal year 2004, \$69,737,000;*

1 “(2) for fiscal year 2005, \$71,816,000; and

2 “(3) for fiscal year 2006, \$74,048,000.”.

3 (b) *OBLIGATIONAL AUTHORITY*.—Section 47104(c) is
4 amended by striking “2003,” and inserting “2006,”.

5 **SEC. 102. AIRWAY FACILITIES IMPROVEMENT PROGRAM.**

6 (a) *IN GENERAL*.—Section 48101(a) is amended by
7 adding at the end the following:

8 “(6) \$2,916,000,000 for fiscal year 2004.

9 “(7) \$2,971,000,000 for fiscal year 2005.

10 “(8) \$3,030,000,000 for fiscal year 2006.”.

11 (b) *BIANNUAL REPORTS*.—Beginning 180 days after
12 the date of enactment of Act, the Administrator of the Fed-
13 eral Aviation Administration shall transmit a report to the
14 Senate Committee on Commerce, Science, and Transpor-
15 tation and the House of Representatives Committee on
16 Transportation and Infrastructure every 6 months that
17 describes—

18 (1) the 10 largest programs funded under section
19 48101(a) of title 49, United States Code;

20 (2) any changes in the budget for such programs;

21 (3) the program schedule; and

22 (4) technical risks associated with the programs.

23 **SEC. 103. FAA OPERATIONS.**

24 (a) *IN GENERAL*.—Section 106(k)(1) is amended—

25 (1) by striking “and” in subparagraph (C);

1 (2) *by striking “2003.” in subparagraph (D)*
 2 *and inserting “2003;” and*

3 (3) *by adding at the end the following:*

4 “(E) \$7,591,000,000 for fiscal year 2004;

5 “(F) \$7,732,000,000 for fiscal year 2005;

6 *and*

7 “(G) \$7,889,000,000 for fiscal year 2006.”.

8 (b) *ANNUAL REPORT.*—*Beginning with the submission*
 9 *of the Budget of the United States to the Congress for fiscal*
 10 *year 2004, the Administrator of the Federal Aviation Ad-*
 11 *ministration shall transmit a report to the Senate Com-*
 12 *mittee on Commerce, Science, and Transportation and the*
 13 *House of Representatives Committee on Transportation and*
 14 *Infrastructure that describes the overall air traffic controller*
 15 *staffing plan, including strategies to address anticipated re-*
 16 *tirement and replacement of air traffic controllers.*

17 **SEC. 104. RESEARCH, ENGINEERING, AND DEVELOPMENT.**

18 (a) *AMOUNTS AUTHORIZED.*—*Section 48102(a) is*
 19 *amended—*

20 (1) *by striking “and” at the end of paragraph*
 21 *(7);*

22 (2) *by striking the period at the end of para-*
 23 *graph (8) and inserting a semicolon; and*

24 (3) *by adding at the end the following:*

1 “(9) for fiscal year 2004, \$289,000,000,
2 *including—*

3 “(A) \$200,000,000 to improve aviation safe-
4 *ty, including icing, crashworthiness, and aging*
5 *aircraft;*

6 “(B) \$18,000,000 to improve the efficiency
7 *of the air traffic control system;*

8 “(C) \$27,000,000 to reduce the environ-
9 *mental impact of aviation;*

10 “(D) \$16,000,000 to improve the efficiency
11 *of mission support; and*

12 “(E) \$28,000,000 to improve the durability
13 *and maintainability of advanced material struc-*
14 *tures in transport airframe structures;*

15 “(10) for fiscal year 2005, \$304,000,000,
16 *including—*

17 “(A) \$211,000,000 to improve aviation safe-
18 *ty;*

19 “(B) \$19,000,000 to improve the efficiency
20 *of the air traffic control system;*

21 “(C) \$28,000,000 to reduce the environ-
22 *mental impact of aviation;*

23 “(D) \$17,000,000 to improve the efficiency
24 *of mission support; and*

1 “(E) \$29,000,000 to improve the durability
2 and maintainability of advanced material struc-
3 tures in transport airframe structures; and

4 “(11) for fiscal year 2006, \$317,000,000,
5 including—

6 “(A) \$220,000,000 to improve aviation safe-
7 ty;

8 “(B) \$20,000,000 to improve the efficiency
9 of the air traffic control system;

10 “(C) \$29,000,000 to reduce the environ-
11 mental impact of aviation;

12 “(D) \$18,000,000 to improve the efficiency
13 of mission support; and

14 “(E) \$30,000,000 to improve the durability
15 and maintainability of advanced material struc-
16 tures in transport airframe structures.”.

17 **SEC. 105. OTHER PROGRAMS.**

18 Section 106 of the Wendell H. Ford Aviation Invest-
19 ment and Reform Act for the 21st Century is amended—

20 (1) by striking “2003” in subsection (a)(1)(A)
21 and subsection (c)(2) and inserting “2006”; and

22 (2) by striking “2003,” in subsection (a)(2) and
23 inserting “2006,”.

1 **SEC. 106. REORGANIZATION OF THE AIR TRAFFIC SERVICES**

2 **SUBCOMMITTEE.**

3 *(a) IN GENERAL.—Section 106 is amended—*

4 *(1) by redesignating subsections (q) and (r) as*
5 *subsections (r) and (s), respectively; and*

6 *(2) by inserting after subsection (p) the fol-*
7 *lowing:*

8 *“(q) AIR TRAFFIC MANAGEMENT COMMITTEE.—*

9 *“(1) ESTABLISHMENT.—The Secretary of Trans-*
10 *portation shall establish an advisory committee which*
11 *shall be known as the Air Traffic Services Committee*
12 *(in this subsection referred to as the ‘Committee’).*

13 *“(2) MEMBERSHIP.—*

14 *“(A) COMPOSITION AND APPOINTMENT.—*

15 *The Committee shall be composed of—*

16 *“(i) the Administrator of the Federal*
17 *Aviation Administration, who shall serve as*
18 *chair; and*

19 *“(ii) 4 members, to be appointed by the*
20 *Secretary, after consultation with the Com-*
21 *mittee on Transportation and Infrastruc-*
22 *ture of the House of Representatives, and*
23 *the Committee on Commerce, Science, and*
24 *Transportation of the Senate.*

25 *“(B) NO FEDERAL OFFICER OR EM-*
26 *PLOYEE.—No member appointed under subpara-*

graph (A)(ii) may serve as an officer or employee of the United States Government while serving as a member of the Committee.

“(C) *ELIGIBILITY.*—Members appointed under subparagraph (A)(ii) shall—

“(i) have a fiduciary responsibility to represent the public interest;

“(ii) be citizens of the United States; and

“(iii) be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in one or more of the following areas:

“(I) Management of large service organizations.

“(II) Customer service.

“(III) Management of large procurements.

“(IV) Information and communications technology.

“(V) Organizational development.

“(VI) Labor relations.

At least one of such members should have a background in managing large organizations successfully. In the aggregate, such

1 *members should collectively bring to bear*
 2 *expertise in all of the areas described in*
 3 *subclauses (I) through (VI).*

4 “(D) *PROHIBITIONS ON MEMBERS OF COM-*
 5 *MITTEE.—No member appointed under subpara-*
 6 *graph (A)(ii) may—*

7 “(i) *have a pecuniary interest in, or*
 8 *own stock in or bonds of, an aviation or*
 9 *aeronautical enterprise, except an interest*
 10 *in a diversified mutual fund or an interest*
 11 *that is exempt from the application of sec-*
 12 *tion 208 of title 18;*

13 “(ii) *engage in another business related*
 14 *to aviation or aeronautics; or*

15 “(iii) *be a member of any organization*
 16 *that engages, as a substantial part of its ac-*
 17 *tivities, in activities to influence aviation-*
 18 *related legislation.*

19 “(E) *CLAIMS AGAINST MEMBERS.—*

20 “(i) *IN GENERAL.—A member ap-*
 21 *pointed under subparagraph (A)(ii) shall*
 22 *have no personal liability under Federal*
 23 *law with respect to any claim arising out*
 24 *of or resulting from an act or omission by*
 25 *such member within the scope of service as*

1 *a member of the Air Traffic Services Com-*
 2 *mittee.*

3 “(ii) *EFFECT ON OTHER LAW.*—*This*
 4 *subparagraph shall not be construed—*

5 *“(I) to affect any other immunity*
 6 *or protection that may be available to*
 7 *a member of the Committee under ap-*
 8 *plicable law with respect to such trans-*
 9 *actions;*

10 *“(II) to affect any other right or*
 11 *remedy against the United States*
 12 *under applicable law; or*

13 *“(III) to limit or alter in any*
 14 *way the immunities that are available*
 15 *under applicable law for Federal offi-*
 16 *cers and employees.*

17 “(F) *ETHICAL CONSIDERATIONS.*—

18 “(i) *FINANCIAL DISCLOSURE.*—*During*
 19 *the entire period that an individual ap-*
 20 *pointed under subparagraph (A)(ii) is a*
 21 *member of the Committee, such individual*
 22 *shall be treated as serving as an officer or*
 23 *employee referred to in section 101(f) of the*
 24 *Ethics in Government Act of 1978 for pur-*
 25 *poses of title I of such Act; except that sec-*

tion 101(d) of such Act shall apply without regard to the number of days of service in the position.

“(ii) *RESTRICTIONS ON POST-EMPLOYMENT.*—For purposes of section 207(c) of title 18, an individual appointed under subparagraph (A)(ii) shall be treated as an employee referred to in section 207(c)(2)(A)(i) of such title during the entire period the individual is a member of the Committee; except that subsections (c)(2)(B) and (f) of section 207 of such title shall not apply.

“(G) *TERMS FOR AIR TRAFFIC SERVICES COMMITTEE MEMBERS.*—A member appointed under subparagraph (A)(ii) shall be appointed for a term of 5 years.

“(H) *REAPPOINTMENT.*—An individual may not be appointed under subparagraph (A)(ii) to more than two 5-year terms.

“(I) *VACANCY.*—Any vacancy on the Committee shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member’s predecessor was

1 *appointed shall be appointed for the remainder*
 2 *of that term.*

3 “(J) *CONTINUATION IN OFFICE.*—*A member*
 4 *whose term expires shall continue to serve until*
 5 *the date on which the member’s successor takes*
 6 *office.*

7 “(K) *REMOVAL.*—*Any member appointed*
 8 *under subparagraph (A)(ii) may be removed for*
 9 *cause by the Secretary.*

10 “(3) *GENERAL RESPONSIBILITIES.*—

11 “(A) *OVERSIGHT.*—*The Committee shall*
 12 *oversee the administration, management, con-*
 13 *duct, direction, and supervision of the air traffic*
 14 *control system.*

15 “(B) *CONFIDENTIALITY.*—*The Committee*
 16 *shall ensure that appropriate confidentiality is*
 17 *maintained in the exercise of its duties.*

18 “(4) *SPECIFIC RESPONSIBILITIES.*—*The Com-*
 19 *mittee shall have the following specific responsibil-*
 20 *ities:*

21 “(A) *STRATEGIC PLANS.*—*To review, ap-*
 22 *prove, and monitor the strategic plan for the air*
 23 *traffic control system, including the establish-*
 24 *ment of—*

25 “(i) *a mission and objectives;*

1 “(ii) standards of performance relative
2 to such mission and objectives, including
3 safety, efficiency, and productivity; and

4 “(iii) annual and long-range strategic
5 plans.

6 “(B) MODERNIZATION AND IMPROVE-
7 MENT.—To review and approve—

8 “(i) methods to accelerate air traffic
9 control modernization and improvements in
10 aviation safety related to air traffic control;
11 and

12 “(ii) procurements of air traffic control
13 equipment in excess of \$100,000,000.

14 “(C) OPERATIONAL PLANS.—To review the
15 operational functions of the air traffic control
16 system, including—

17 “(i) plans for modernization of the air
18 traffic control system;

19 “(ii) plans for increasing productivity
20 or implementing cost-saving measures; and

21 “(iii) plans for training and edu-
22 cation.

23 “(D) MANAGEMENT.—To—

1 “(i) review and approve the Adminis-
2 trator’s appointment of a Chief Operating
3 Officer under section 106(s);

4 “(ii) review the Administrator’s selec-
5 tion, evaluation, and compensation of sen-
6 ior executives of the Administration who
7 have program management responsibility
8 over significant functions of the air traffic
9 control system;

10 “(iii) review and approve the Adminis-
11 trator’s plans for any major reorganization
12 of the Administration that would impact on
13 the management of the air traffic control
14 system;

15 “(iv) review and approve the Adminis-
16 trator’s cost accounting and financial man-
17 agement structure and technologies to help
18 ensure efficient and cost-effective air traffic
19 control operation; and

20 “(v) review the performance and com-
21 pensation of managers responsible for major
22 acquisition projects, including the ability of
23 the managers to meet schedule and budget
24 targets.

25 “(E) BUDGET.—To—

1 “(i) review and approve the budget re-
 2 quest of the Administration related to the
 3 air traffic control system prepared by the
 4 Administrator;

5 “(ii) submit such budget request to the
 6 Secretary; and

7 “(iii) ensure that the budget request
 8 supports the annual and long-range stra-
 9 tegic plans.

10 “(5) CONGRESSIONAL REVIEW OF PRE-OMB
 11 BUDGET REQUEST.—The Secretary shall submit the
 12 budget request referred to in paragraph (4)(E)(ii) for
 13 any fiscal year to the President who shall transmit
 14 such request, without revision, to the Committees on
 15 Transportation and Infrastructure and Appropria-
 16 tions of the House of Representatives and the Com-
 17 mittees on Commerce, Science, and Transportation
 18 and Appropriations of the Senate, together with the
 19 President’s annual budget request for the Federal
 20 Aviation Administration for such fiscal year.

21 “(6) COMMITTEE PERSONNEL MATTERS.—

22 “(A) COMPENSATION OF MEMBERS.—Each
 23 member of the Committee, other than the chair,
 24 shall be compensated at a rate of \$25,000 per
 25 year.

1 “(B) *STAFF.*—*The chair of the Committee*
 2 *may appoint and terminate any personnel that*
 3 *may be necessary to enable the Committee to per-*
 4 *form its duties.*

5 “(C) *PROCUREMENT OF TEMPORARY AND*
 6 *INTERMITTENT SERVICES.*—*The chair of the*
 7 *Committee may procure temporary and inter-*
 8 *mittent services under section 3109(b) of title 5,*
 9 *United States Code.*

10 “(7) *ADMINISTRATIVE MATTERS.*—

11 “(A) *POWERS OF CHAIR.*—*Except as other-*
 12 *wise provided by a majority vote of the Com-*
 13 *mittee, the powers of the chair shall include—*

14 “(i) *establishing subcommittees;*

15 “(ii) *setting meeting places and times;*

16 “(iii) *establishing meeting agendas;*

17 *and*

18 “(iv) *developing rules for the conduct*
 19 *of business.*

20 “(B) *MEETINGS.*—*The Committee shall*
 21 *meet at least quarterly and at such other times*
 22 *as the chair determines appropriate.*

23 “(C) *QUORUM.*—*Three members of the Com-*
 24 *mittee shall constitute a quorum. A majority of*

1 *members present and voting shall be required for*
 2 *the Committee to take action.*

3 “(D) *APPLICATION OF SUBSECTION (p) PRO-*
 4 *VISIONS.—The following provisions of subsection*
 5 *(p) apply to the Committee to the same extent as*
 6 *they apply to the Management Advisory Council:*

7 “(i) *Paragraph (4)(C) (relating to ac-*
 8 *cess to documents and staff).*

9 “(ii) *Paragraph (5) (relating to non-*
 10 *application of Federal Advisory Committee*
 11 *Act).*

12 “(iii) *Paragraph (6)(G) (relating to*
 13 *travel and per diem).*

14 “(iv) *Paragraph (6)(H) (relating to*
 15 *detail of personnel).*

16 “(8) *ANNUAL REPORT.—The Committee shall*
 17 *each year report with respect to the conduct of its re-*
 18 *sponsibilities under this title to the Administrator,*
 19 *the Management Advisory Council, the Committee on*
 20 *Transportation and Infrastructure of the House of*
 21 *Representatives, and the Committee on Commerce,*
 22 *Science, and Transportation of the Senate.”.*

23 (b) *CONFORMING AMENDMENTS.—*

24 (1) *Subsection (p) of section 106 is amended—*

1 (A) by striking “18” in paragraph (2) and
2 inserting “13”;

3 (B) by inserting “and” after the semicolon
4 in subparagraph (C) of paragraph (2);

5 (C) by striking “Transportation; and” in
6 subparagraph (D) of paragraph (2) and insert-
7 ing “Transportation.”;

8 (D) by striking subparagraph (E) of para-
9 graph (2);

10 (E) by striking paragraph (3) and inserting
11 the following:

12 “(3) NO FEDERAL OFFICER OR EMPLOYEE.—No
13 member appointed under paragraph (2)(C) may serve
14 as an officer or employee of the United States Govern-
15 ment while serving as a member of the Council.”;

16 (F) by striking subparagraphs (C), (D),
17 (H), and (I) of paragraph (6) and redesignating
18 subparagraphs (E), (F), (G), (J), (K), and (L)
19 as subparagraphs (C), (D), (E), (F), (G), and
20 (H), respectively; and

21 (G) by striking paragraphs (7) and (8).

22 (2) Section 106(s) (as redesignated by subsection
23 (a) of this section) is amended—

24 (A) by striking “Air Traffic Services Sub-
25 committee of the Aviation Management Advisory

1 *Council.” and inserting “Air Traffic Services*
 2 *Committee.” in paragraphs (1)(A) and (2)(A);*
 3 *and*

4 *(B) by striking “Air Traffic Services Sub-*
 5 *committee of the Aviation Management Advisory*
 6 *Council,” and inserting “Air Traffic Services*
 7 *Committee,” in paragraph (3).*

8 *(3) Section 106 is amended by adding at the end*
 9 *the following:*

10 *“(t) AIR TRAFFIC CONTROL SYSTEM DEFINED.—In*
 11 *this section, the term ‘air traffic control system’ has the*
 12 *meaning such term has under section 40102(a).”.*

13 *(c) TRANSITION FROM AIR TRAFFIC SERVICE SUB-*
 14 *COMMITTEE TO AIR TRAFFIC SERVICE COMMITTEE.—*

15 *(1) TERMINATION OF MANAGEMENT ADVISORY*
 16 *COUNCIL MEMBERSHIP.—Effective on the day after*
 17 *the date of enactment of this Act, any member of the*
 18 *Management Advisory Council appointed under sec-*
 19 *tion 106(p)(2)(E) of title 49, United States Code, (as*
 20 *such section was in effect on the day before such date*
 21 *of enactment) who is a member of the Council on such*
 22 *date of enactment shall cease to be a member of the*
 23 *Council.*

24 *(2) COMMENCEMENT OF MEMBERSHIP ON AIR*
 25 *TRAFFIC SERVICES COMMITTEE.—Effective on the day*

1 *after the date of enactment of this Act, any member*
 2 *of the Management Advisory Council whose member-*
 3 *ship is terminated by paragraph (1) shall become a*
 4 *member of the Air Traffic Services Committee as pro-*
 5 *vided by section 106(q)(2)(G) of title 49, United*
 6 *States Code, to serve for the remainder of the term to*
 7 *which that member was appointed to the Council.*

8 **SEC. 107. CLARIFICATION OF RESPONSIBILITIES OF CHIEF**
 9 **OPERATING OFFICER.**

10 *Section 106(s) (as redesignated by section 106(a)(1) of*
 11 *this Act) is amended—*

12 (1) *by striking “Transportation and Congress”*
 13 *in paragraph (4) and inserting “Transportation, the*
 14 *Committee on Transportation and Infrastructure of*
 15 *the House of Representatives, and the Committee on*
 16 *Commerce, Science, and Transportation of the Sen-*
 17 *ate,”;*

18 (2) *by striking “develop a strategic plan of the*
 19 *Administration for the air traffic control system, in-*
 20 *cluding the establishment of—” in paragraph (5)(A)*
 21 *and inserting “implement the strategic plan of the*
 22 *Administration for the air traffic control system in*
 23 *order to further—”;*

24 (3) *by striking “To review the operational func-*
 25 *tions of the Administration,” in paragraph (5)(B)*

1 and inserting “To oversee the day-to-day operational
2 functions of the Administration for air traffic con-
3 trol,”;

4 (4) by striking “system prepared by the Admin-
5 istrator;” in paragraph (5)(C)(i) and inserting “sys-
6 tem;”;

7 (5) by striking “Administrator and the Secretary
8 of Transportation;” in paragraph (5)(C)(ii) and in-
9 serting “Administrator;”; and

10 (6) by striking paragraph (5)(C)(iii) and insert-
11 ing the following:

12 “(iii) ensure that the budget request
13 supports the agency’s annual and long-
14 range strategic plans for air traffic control
15 services.”.

16 **SEC. 108. WHISTLE-BLOWER PROTECTION UNDER ACQUISI-**
17 **TION MANAGEMENT SYSTEM.**

18 Section 40110(d)(2)(C) is amended by striking “355).”
19 and inserting “355), except for section 315 (41 U.S.C. 265).
20 For the purpose of applying section 315 of that Act to the
21 system, the term ‘executive agency’ is deemed to refer to the
22 Federal Aviation Administration.”.

TITLE II—AIRPORT DEVELOPMENT

SEC. 201. NATIONAL CAPACITY PROJECTS.

(a) *IN GENERAL.*—Part B of subtitle VII is amended by adding at the end the following:

“CHAPTER 477. NATIONAL CAPACITY PROJECTS

“47701. Capacity enhancement.

“47702. Designation of national capacity projects.

“47703. Expedited coordinated environmental review process; project coordinators and environment impact teams.

“47704. Compatible land use initiative for national capacity projects.

“47705. Air traffic procedures at national capacity projects.

“47706. Pilot program for environmental review at national capacity projects.

“47707. Definitions.

§ 47701. Capacity enhancement

“(a) *IN GENERAL.*—Within 30 days after the date of enactment of the Aviation Investment and Revitalization Vision Act, the Secretary of Transportation shall identify those airports among the 31 airports covered by the Federal Aviation Administration’s Airport Capacity Benchmark Report 2001 with delays that significantly affect the national air transportation system.

“(b) *TASK FORCE; CAPACITY ENHANCEMENT STUDY.*—

“(1) *IN GENERAL.*—The Secretary shall direct any airport identified by the Secretary under subsection (a) that is not engaged in a runway expansion process and has not initiated a capacity en-

1 *hancement study (or similar capacity assessment)*
 2 *since 1996—*

3 “(A) *to establish a delay reduction task*
 4 *force to study means of increasing capacity at*
 5 *the airport, including air traffic, airline sched-*
 6 *uling, and airfield expansion alternatives; or*

7 “(B) *to conduct a capacity enhancement*
 8 *study.*

9 “(2) *SCOPE.—The scope of the study shall be de-*
 10 *termined by the airport and the Federal Aviation Ad-*
 11 *ministration, and where appropriate shall consider*
 12 *regional capacity solutions.*

13 “(3) *RECOMMENDATIONS SUBMITTED TO SEC-*
 14 *RETARY.—*

15 “(A) *TASK FORCE.—A task force established*
 16 *under this subsection shall submit a report con-*
 17 *taining its findings and conclusions, together*
 18 *with any recommendations for capacity enhance-*
 19 *ment at the airport, to the Secretary within 9*
 20 *months after the task force is established.*

21 “(B) *CES.—A capacity enhancement study*
 22 *conducted under this subsection shall be sub-*
 23 *mitted, together with its findings and conclu-*
 24 *sions, to the Secretary as soon as the study is*
 25 *completed.*

1 “(c) *RUNWAY EXPANSION AND RECONFIGURATION.*—
2 *If the report or study submitted under subsection (b)(3) in-*
3 *cludes a recommendation for the construction or reconfig-*
4 *uration of runways at the airport, then the Secretary and*
5 *the airport shall complete the planning and environmental*
6 *review process within 5 years after report or study is sub-*
7 *mitted to the Secretary. The Secretary may extend the 5-*
8 *year deadline under this subsection for up to 1 year if the*
9 *Secretary determines that such an extension is necessary*
10 *and in the public interest. The Secretary shall notify the*
11 *Senate Committee on Commerce, Science, and Transpor-*
12 *tation, and to the House of Representatives Committee on*
13 *Transportation and Infrastructure of any such extension.*

14 “(d) *AIRPORTS THAT DECLINE TO UNDERTAKE EX-*
15 *PANSION PROJECTS.*—

16 “(1) *IN GENERAL.*—*If an airport at which the*
17 *construction or reconfiguration of runways is rec-*
18 *ommended does not take action to initiate a planning*
19 *and environmental assessment process for the con-*
20 *struction or reconfiguration of those runways within*
21 *30 days after the date on which the report or study*
22 *is submitted to the Secretary, then—*

23 “(A) *the airport shall be ineligible for plan-*
24 *ning and other expansion funds under sub-*

1 *chapter I of chapter 471, notwithstanding any*
 2 *provision of that subchapter to the contrary; and*

3 “(B) *no passenger facility fee may be ap-*
 4 *proved at that airport during the 5-year period*
 5 *beginning 30 days after the date on which the re-*
 6 *port or study is submitted to the Secretary, for—*

7 “(i) *projects that, but for subparagraph*
 8 *(A), could have been funded under chapter*
 9 *471; or*

10 “(ii) *any project other than on-airport*
 11 *airfield-side capacity or safety-related*
 12 *projects.*

13 “(2) *SAFETY-RELATED AND ENVIRONMENTAL*
 14 *PROJECTS EXCEPTED.—Paragraph (1) does not apply*
 15 *to the use of funds for safety-related, security, or envi-*
 16 *ronment projects.*

17 “(e) *AIRPORTS THAT TAKE ACTION.—The Secretary*
 18 *shall take all actions possible to expedite funding and pro-*
 19 *vide options for funding to any airport undertaking run-*
 20 *way construction or reconfiguration projects in response to*
 21 *recommendations by its task force.*

22 **“§47702. Designation of national capacity projects**

23 “(a) *IN GENERAL.—In response to a petition from an*
 24 *airport sponsor, or in the case of an airport on the list*
 25 *of airports covered by the Federal Aviation Administra-*

tion’s *Airport Capacity Benchmarks* study, the Secretary of Transportation may designate an airport development project as a national capacity project if the Secretary determines that the project to be designated will significantly enhance the capacity of the national air transportation system.

“(b) *DESIGNATION TO REMAIN IN EFFECT FOR 5 YEARS.*—The designation of a project as a national capacity project under paragraph (1) shall remain in effect for 5 years. The Secretary may extend the 5-year period for up to 2 additional years upon request if the Secretary finds that substantial progress is being made toward completion of the project.

“§47703. Expedited coordinated environmental review process; project coordinators and environment impact teams

“(a) *IN GENERAL.*—The Secretary of Transportation shall implement an expedited coordinated environmental review process for national capacity projects that—

“(1) provides for better coordination among the Federal, regional, State, and local agencies concerned with the preparation of environmental impact statements or environmental assessments under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

1 “(2) provides for an expedited and coordinated
 2 process in the conduct of environmental reviews that
 3 ensures that, where appropriate, the reviews are done
 4 concurrently and not consecutively; and

5 “(3) provides for a date certain for completing
 6 all environmental reviews.

7 “(b) *HIGH PRIORITY FOR AIRPORT ENVIRONMENTAL*
 8 *REVIEWS.*—Each department and agency of the United
 9 States Government with jurisdiction over environmental re-
 10 views shall accord any such review involving a national
 11 capacity project the highest possible priority and conduct
 12 the review expeditiously. If the Secretary finds that any
 13 such department or agency is not complying with the re-
 14 quirements of this subsection, the Secretary shall notify the
 15 Senate Committee on Commerce, Science, and Transpor-
 16 tation, and to the House of Representatives Committee on
 17 Transportation and Infrastructure immediately.

18 “(c) *PROJECT COORDINATORS; EIS TEAMS.*—

19 “(1) *DESIGNATION.*—For each project designated
 20 by the Secretary as a national capacity project under
 21 subsection (a) for which an environmental impact
 22 statement or environmental assessment must be filed,
 23 the Secretary shall—

24 “(A) designate a project coordinator within
 25 the Department of Transportation; and

1 “(B) establish an environmental impact
2 team within the Department.

3 “(2) *FUNCTION.*—The project coordinator and
4 the environmental impact team shall—

5 “(A) coordinate the activities of all Federal,
6 State, and local agencies involved in the project;

7 “(B) to the extent possible, working with
8 Federal, State and local officials, reduce and
9 eliminate duplicative and overlapping Federal,
10 State, and local permit requirements;

11 “(C) to the extent possible, eliminate dupli-
12 cate Federal, State, and local environmental re-
13 view procedures; and

14 “(D) provide direction for compliance with
15 all applicable Federal, State, and local environ-
16 mental requirements for the project.

17 **“§47704. Compatible land use initiative for national**
18 **capacity projects**

19 “(a) *IN GENERAL.*—The Secretary of Transportation
20 may make grants under chapter 471 to States and units
21 of local government for land use compatibility plans di-
22 rectly related to national capacity projects for the purposes
23 of making the use of land areas around the airport compat-
24 ible with aircraft operations if the land use plan or project
25 meets the requirements of this section.

1 “(b) *CONDITIONS.—A land use plan or project meets*
2 *the requirements of this section if it—*

3 “(1) *is sponsored by the public agency that has*
4 *the authority to plan and adopt land use control*
5 *measures, including zoning, in the planning area in*
6 *and around the airport and that agency provides*
7 *written assurances to the Secretary that it will work*
8 *with the affected airport to identify and adopt such*
9 *measures;*

10 “(2) *does not duplicate, and is not inconsistent*
11 *with, an airport noise compatibility program pre-*
12 *pared by an airport owner or operator under chapter*
13 *475 or with other planning carried out by the air-*
14 *port;*

15 “(3) *is subject to an agreement between the pub-*
16 *lic agency sponsor and the airport owner or operator*
17 *that the development of the land use compatibility*
18 *plan will be done cooperatively;*

19 “(4) *is consistent with the airport operation and*
20 *planning, including the use of any noise exposure*
21 *contours on which the land use compatibility plan-*
22 *ning or project is based; and*

23 “(5) *has been approved jointly by the airport*
24 *owner or operator and the public agency sponsor.*

1 “(c) *ASSURANCES FROM SPONSORS.*—*The Secretary*
 2 *may require the airport sponsor, public agency, or other*
 3 *entity to which a grant may be awarded under this section*
 4 *to provide such additional assurances, progress reports, and*
 5 *other information as the Secretary determines to be nec-*
 6 *essary to carry out this section.*

7 **“§47705. Air traffic procedures at national capacity**
 8 **projects**

9 “(a) *IN GENERAL.*—*The Secretary of Transportation*
 10 *may consider prescribing flight procedures to avoid or min-*
 11 *imize potentially significant adverse noise impacts of the*
 12 *project during the environmental planning process for a na-*
 13 *tional capacity project that involves the construction of new*
 14 *runways or the reconfiguration of existing runways. If the*
 15 *Secretary determines that noise mitigation flight procedures*
 16 *are consistent with safe and efficient use of the navigable*
 17 *airspace, then, at the request of the airport sponsor, the Ad-*
 18 *ministrator may, in a manner consistent with applicable*
 19 *Federal law, commit to prescribing such procedures in any*
 20 *record of decision approving the project.*

21 “(b) *MODIFICATION.*—*Notwithstanding any commit-*
 22 *ment by the Secretary under subsection (a), the Secretary*
 23 *may initiate changes to such procedures if necessary to*
 24 *maintain safety and efficiency in light of new information*
 25 *or changed circumstances.*

1 **“§47706. Pilot program for environmental review at**
 2 ***national capacity projects***

3 “(a) *IN GENERAL.*—*The Secretary of Transportation*
 4 *shall initiate a 5-year pilot program funded by airport*
 5 *sponsors—*

6 “(1) *to hire additional fulltime-equivalent envi-*
 7 *ronmental specialists and attorneys, or*

8 “(2) *to obtain the services of such specialists and*
 9 *attorneys from outside the United States Government,*
 10 *to assist in the provision of an appropriate nation-*
 11 *wide level of staffing for planning and environmental*
 12 *review of runway development projects for national*
 13 *capacity projects at the Federal Aviation Administra-*
 14 *tion.*

15 “(b) *ELIGIBLE PARTICIPANTS.*—*Participation in the*
 16 *pilot program shall be available, on a voluntary basis, to*
 17 *airports with an annual passenger enplanement of not less*
 18 *than 3 million passengers. The Secretary shall specify the*
 19 *minimum contribution necessary to qualify for participa-*
 20 *tion in the pilot program, which shall be not less than the*
 21 *amount necessary to compensate the Department of Trans-*
 22 *portation for the expense of a fulltime equivalent environ-*
 23 *mental specialist and attorney qualified at the GS-14*
 24 *equivalent level.*

25 “(c) *RETENTION OF REVENUES.*—*The salaries and ex-*
 26 *penses account of the Federal Aviation Administration shall*

1 *retain as an offsetting collection such sums as may be nec-*
 2 *essary from such proceeds for the costs of developing and*
 3 *implementing the program required by subsection (a). Such*
 4 *offsetting collections shall be available for obligation subject*
 5 *to the terms and conditions of the receiving appropriations*
 6 *account, and shall be deposited in such accounts on a quar-*
 7 *terly basis. Such offsetting collections are authorized to re-*
 8 *main available until expended for such purpose.*

9 **“§ 47707. Definitions**

10 *“In this chapter:*

11 *“(1) NATIONAL CAPACITY PROJECT.—The term*
 12 *‘national capacity project’ means a project designated*
 13 *by the Secretary under section 44702.*

14 *“(2) OTHER TERMS.—The definitions in section*
 15 *47102 apply to any terms used in this chapter that*
 16 *are defined in that section.”.*

17 *(b) ADDITIONAL STAFF AUTHORIZED.—The Secretary*
 18 *of Transportation is authorized to hire additional environ-*
 19 *mental specialists and attorneys needed to process environ-*
 20 *mental impact statements in connection with airport con-*
 21 *struction projects and to serve as project coordinators and*
 22 *environmental impact team members under section 47703*
 23 *of title 49, United States Code.*

1 (c) *CLERICAL AMENDMENT.*—*The analysis for subtitle*
 2 *VII is amended by inserting after the item relating to sec-*
 3 *tion 475 the following:*

“477. National capacity projects 47701”.

4 **SEC. 202. CATEGORICAL EXCLUSIONS.**

5 *Not later than 30 days after the date of enactment of*
 6 *this Act, the Secretary of Transportation shall report to the*
 7 *Senate Committee on Commerce, Science, and Transpor-*
 8 *tation on the categorical exclusions currently recognized*
 9 *and provide a list of proposed additional categorical exclu-*
 10 *sions from the requirement that an environmental assess-*
 11 *ment or an environmental impact statement be prepared*
 12 *under the National Environmental Policy Act of 1969 (42*
 13 *U.S.C. 4321 et seq.) for projects at airports. In determining*
 14 *the list of additional proposed categorical exclusions, the*
 15 *Secretary shall include such other projects as the Secretary*
 16 *determines should be categorically excluded in order to en-*
 17 *sure that Department of Transportation environmental*
 18 *staff resources are not diverted to lower priority tasks and*
 19 *are available to expedite the environmental reviews of air-*
 20 *port capacity enhancement projects at congested airports.*

21 **SEC. 203. ALTERNATIVES ANALYSIS.**

22 (a) *NOTICE REQUIREMENT.*—*Not later than 30 days*
 23 *after the date on which the Secretary of Transportation*
 24 *identifies an airport capacity enhancement project at a*
 25 *congested airport under section 47171(c) of title 49, United*

1 *States Code, the Secretary shall publish a notice in the Fed-*
 2 *eral Register requesting comments on whether reasonable al-*
 3 *ternatives exist to the project.*

4 (b) *CERTAIN REASONABLE ALTERNATIVES DE-*
 5 *FINED.—For purposes of this section, an alternative shall*
 6 *be considered reasonable if—*

7 (1) *the alternative does not create an unreason-*
 8 *able burden on interstate commerce, the national*
 9 *aviation system, or the navigable airspace;*

10 (2) *the alternative is not inconsistent with main-*
 11 *taining the safe and efficient use of the navigable air-*
 12 *space;*

13 (3) *the alternative does not conflict with a law*
 14 *or regulation of the United States;*

15 (4) *the alternative would result in at least the*
 16 *same reduction in congestion at the airport or in the*
 17 *national aviation system as the proposed project; and*

18 (5) *in any case in which the alternative is a pro-*
 19 *posed construction project at an airport other than a*
 20 *congested airport, firm commitments to provide such*
 21 *alternate airport capacity exists, and the Secretary*
 22 *determines that such alternate airport capacity will*
 23 *be available no later than 4 years after the date of the*
 24 *Secretary's determination under this section.*

1 (c) *COMMENT PERIOD.*—*The Secretary shall provide*
 2 *a period of 60 days for comments on a project identified*
 3 *by the Secretary under this section after the date of publica-*
 4 *tion of notice with respect to the project.*

5 (d) *DETERMINATION OF EXISTENCE OF REASONABLE*
 6 *ALTERNATIVES.*—*Not later than 90 days after the last day*
 7 *of a comment period established under subsection (c) for*
 8 *a project, the Secretary shall determine whether reasonable*
 9 *alternatives exist to the project. The determination shall be*
 10 *binding on all persons, including Federal and State agen-*
 11 *cies, acting under or applying Federal laws when consid-*
 12 *ering the availability of alternatives to the project.*

13 (e) *LIMITATION ON APPLICABILITY.*—*This section does*
 14 *not apply to—*

15 (1) *any alternatives analysis required under the*
 16 *National Environmental Policy Act of 1969 (42*
 17 *U.S.C. 4321 et seq.); or*

18 (2) *a project at an airport if the airport sponsor*
 19 *requests, in writing, to the Secretary that this section*
 20 *not apply to the project.*

21 **SEC. 204. INCREASE IN APPORTIONMENT FOR, AND FLEXI-**
 22 **BILITY OF, NOISE COMPATIBILITY PLANNING**
 23 **PROGRAMS.**

24 *Section 47117(e)(1)(A) is amended—*

1 (1) *by striking the first sentence and inserting:*
 2 *“At least 35 percent for grants for airport noise com-*
 3 *patibility planning under section 47505(a)(2) for a*
 4 *national capacity project, for carrying out noise com-*
 5 *patibility programs under section 47504(c) of this*
 6 *title, and for noise mitigation projects approved in an*
 7 *environmental record of decision for an airport devel-*
 8 *opment project designated as a national capacity*
 9 *project under section 47702.”; and*

10 (2) *by striking “or not such 34 percent require-*
 11 *ment” in the second sentence and inserting “the fund-*
 12 *ing level required by the preceding sentence”.*

13 **SEC. 205. SECRETARY OF TRANSPORTATION TO IDENTIFY**
 14 **AIRPORT CONGESTION-RELIEF PROJECTS.**

15 (a) *IN GENERAL.*—Within 90 days after the date of
 16 *enactment of this Act, the Secretary of Transportation shall*
 17 *provide to the Senate Committee on Commerce, Science,*
 18 *and Transportation, and to the House of Representatives*
 19 *Committee on Transportation and Infrastructure—*

20 (1) *a list of planned air traffic and airport-ca-*
 21 *capacity projects at congested airport capacity bench-*
 22 *mark airports the completion of which will substan-*
 23 *tially relieve congestion at those airports; and*

1 (2) *a list of options for expanding capacity at*
 2 *the 8 airports on the list at which the most severe*
 3 *delays are occurring.*

4 (b) *2-YEAR UPDATE.*—*The Secretary shall provide up-*
 5 *dated lists under subsection (a) to the Committees 2 years*
 6 *after the date of enactment of this Act.*

7 (c) *DELISTING OF PROJECTS.*—*The Secretary shall re-*
 8 *move a project from the list provided to the Committees*
 9 *under this section upon the request, in writing, of an air-*
 10 *port operator if the operator states in the request that con-*
 11 *struction of the project will not be completed within 10*
 12 *years from the date of the request.*

13 **SEC. 206. DESIGN-BUILD CONTRACTING.**

14 (a) *IN GENERAL.*—*Subchapter I of chapter 471 is*
 15 *amended by adding at the end the following:*

16 **“§47138. Design-build contracting**

17 “(a) *IN GENERAL.*—*The Administrator may approve*
 18 *an application of an airport sponsor under this section to*
 19 *authorize the airport sponsor to award a design-build con-*
 20 *tract using a selection process permitted under applicable*
 21 *State or local law if—*

22 “(1) *the Administrator approves the application*
 23 *using criteria established by the Administrator;*

24 “(2) *the design-build contract is in a form that*
 25 *is approved by the Administrator;*

1 “(3) the Administrator is satisfied that the con-
 2 tract will be executed pursuant to competitive proce-
 3 dures and contains a schematic design adequate for
 4 the Administrator to approve the grant;

5 “(4) use of a design-build contract will be cost ef-
 6 fective and expedite the project;

7 “(5) the Administrator is satisfied that there will
 8 be no conflict of interest; and

9 “(6) the Administrator is satisfied that the selec-
 10 tion process will be as open, fair, and objective as the
 11 competitive bid system and that at least three or more
 12 bids will be submitted for each project under the selec-
 13 tion process.

14 “(b) *REIMBURSEMENT OF COSTS.*—The Administrator
 15 may reimburse an airport sponsor for design and construc-
 16 tion costs incurred before a grant is made pursuant to this
 17 section if the project is approved by the Administrator in
 18 advance and is carried out in accordance with all adminis-
 19 trative and statutory requirements that would have been
 20 applicable under this chapter 471, if the project were car-
 21 ried out after a grant agreement had been executed.

22 “(c) *DESIGN-BUILD CONTRACT DEFINED.*—In this sec-
 23 tion, the term ‘design-build contract’ means an agreement
 24 that provides for both design and construction of a project
 25 by a contractor.”.

1 (b) *CONFORMING AMENDMENT.*—*The chapter analysis*
 2 *for chapter 471 is amended by inserting after the item relat-*
 3 *ing to section 47137 the following:*

“47138. Design-build contracting.”.

4 **SEC. 207. SPECIAL RULE FOR AIRPORT IN ILLINOIS.**

5 (a) *IN GENERAL.*—*Nothing in this title shall be con-*
 6 *strued to preclude the application of any provision of this*
 7 *Act to the State of Illinois or any other sponsor of a new*
 8 *airport proposed to be constructed in the State of Illinois.*

9 (b) *AUTHORITY OF THE GOVERNOR.*—*Nothing in this*
 10 *title shall be construed to preempt the authority of the Gov-*
 11 *ernor of the State of Illinois as of August 1, 2001, to ap-*
 12 *prove or disapprove airport development projects.*

13 **SEC. 208. ELIMINATION OF DUPLICATIVE REQUIREMENTS.**

14 (a) *IN GENERAL.*—*Section 47106(c)(1) is amended—*

15 (1) *by inserting “and” after “project;” in sub-*
 16 *paragraph (A)(ii);*

17 (2) *by striking subparagraph (B); and*

18 (3) *by redesignating subparagraph (C) as sub-*
 19 *paragraph (B).*

20 (b) *CONFORMING AMENDMENTS.*—*Section 47106(c) of*
 21 *such title is amended—*

22 (1) *by striking paragraph (4);*

23 (2) *by redesignating paragraph (5) as para-*
 24 *graph (4); and*

1 (3) by striking “(1)(C)” in paragraph (4), as re-
 2 designated, and inserting “(1)(B)”.

3 **SEC. 209. STREAMLINING THE PASSENGER FACILITY FEE**
 4 **PROGRAM.**

5 Section 40117 is amended—

6 (1) by striking from “finds—” in paragraph (4)
 7 of subsection (b) through the end of that paragraph
 8 and inserting “finds that the project cannot be paid
 9 for from funds reasonably expected to be available for
 10 the programs referred to in section 48103.”;

11 (2) by adding at the end of subsection (c)(2) the
 12 following:

13 “(E) The agency will include in its applica-
 14 tion or notice submitted under subsection (1)
 15 copies of all certifications of agreement or dis-
 16 agreement received under subparagraph (D).

17 “(F) For the purpose of this section, an eli-
 18 gible agency providing notice and consultation to
 19 an air carrier and foreign air carrier is deemed
 20 to have satisfied this requirement if it limits
 21 such notices and consultations to air carriers
 22 and foreign air carriers that have a significant
 23 business interest on the airport. In developing
 24 regulations to implement this provision, the Sec-
 25 retary shall consider a significant business inter-

1 *est to be defined as an air carrier or foreign air*
2 *carrier that has no less than 1.0 percent of*
3 *boardings at the airport in the prior calendar*
4 *year, except that no air carrier or foreign air*
5 *carrier may be considered excluded under this*
6 *section if it has at least 25,000 boardings at the*
7 *airport in the prior calendar year, or if it oper-*
8 *ates scheduled service, without regard to such*
9 *percentage requirements.”;*

10 *(3) by redesignating paragraph (3) of subsection*
11 *(c) as paragraph (4) and inserting after paragraph*
12 *(2) the following:*

13 *“(3) Before submitting an application, the eligi-*
14 *ble agency must provide reasonable notice and an op-*
15 *portunity for public comment. The Secretary shall*
16 *prescribe regulations that define reasonable notice and*
17 *provide for at least—*

18 *“(A) a requirement that the eligible agency*
19 *provide public notice of intent to collect a pas-*
20 *senger facility fee so as to inform those interested*
21 *persons and agencies who may be affected,*
22 *including—*

23 *“(i) publication in local newspapers of*
24 *general circulation;*

1 “(ii) publication in other local media;

2 and

3 “(iii) posting the notice on the agen-

4 cy’s website;

5 “(B) a requirement for submission of public

6 comments no sooner than 30 days after pub-

7 lishing of the notice and not later than 45 days

8 after publication; and

9 “(C) a requirement that the agency include

10 in its application or notice submitted under

11 paragraph (1) copies of all comments received

12 under subparagraph (B).”;

13 (4) by striking “shall” in the first sentence of

14 paragraph (4), as redesignated, of subsection (c) and

15 inserting “may”; and

16 (5) by adding at the end the following:

17 “(l) PILOT PROGRAM FOR PASSENGER FACILITY FEE

18 AUTHORIZATIONS AT SMALL AIRPORTS.—

19 “(1) There is established a pilot program for the

20 Secretary to test alternative procedures for author-

21 izing small airports to impose passenger facility fees.

22 An eligible agency may impose a passenger facility

23 fee at a nonhub airport (as defined in section

24 41762(11) of this title) that it controls for use on eli-

25 gible airport-related projects at that airport, in ac-

1 *cordance with the provisions of this subsection. These*
 2 *procedures shall be in lieu of the procedures otherwise*
 3 *specified in this section.*

4 *“(2) The eligible agency must provide reasonable*
 5 *notice and an opportunity for consultation to air car-*
 6 *riers and foreign air carriers in accordance with sub-*
 7 *section (c)(2), and must provide reasonable notice and*
 8 *opportunity for public comment in accordance with*
 9 *subsection (c)(3).*

10 *“(3) The eligible agency must submit to the Sec-*
 11 *retary a notice of intention to impose a passenger fa-*
 12 *cility fee, which notice shall include—*

13 *“(A) information that the Secretary may*
 14 *require by regulation on each project for which*
 15 *authority to impose a passenger facility charge*
 16 *is sought;*

17 *“(B) the amount of revenue from passenger*
 18 *facility charges that is proposed to be collected*
 19 *for each project; and*

20 *“(C) the level of the passenger facility*
 21 *charge that is proposed.*

22 *“(4) The Secretary shall acknowledge receipt of*
 23 *the notice and indicate any objection to the imposi-*
 24 *tion of a passenger facility fee for any project identi-*

1 *fied in the notice within 30 days after receipt of the*
 2 *eligible agency's notice.*

3 *“(5) Unless the Secretary objects within 30 days*
 4 *after receipt of the eligible agency's notice, the eligible*
 5 *agency is authorized to impose a passenger facility fee*
 6 *in accordance with the terms of its notice.*

7 *“(6) Not later than 180 days after the date of en-*
 8 *actment of this subsection, the Secretary shall propose*
 9 *such regulations as may be necessary to carry out this*
 10 *subsection.*

11 *“(7) The authority granted under this subsection*
 12 *shall expire three years after the issuance of the regu-*
 13 *lation required by paragraph (6).*

14 *“(8) An acknowledgement issued under para-*
 15 *graph (4) shall not be considered an order of the Sec-*
 16 *retary issued under section 46110 of this title.”.*

17 **SEC. 210. QUARTERLY STATUS REPORTS.**

18 *Beginning with the second calendar quarter ending*
 19 *after the date of enactment of this Act, the Secretary of*
 20 *Transportation shall provide quarterly status reports to the*
 21 *Senate Committee on Commerce, Science, and Transpor-*
 22 *tation and the House of Representatives Committee on*
 23 *Transportation and Infrastructure on the status of con-*
 24 *struction of each major runway project undertaken at the*

1 *largest 40 commercial airports in terms of annual*
 2 *enplanements.*

3 **SEC. 211. NOISE DISCLOSURE.**

4 (a) *NOISE DISCLOSURE SYSTEM IMPLEMENTATION*
 5 *STUDY.*—*The Administrator of the Federal Aviation Ad-*
 6 *ministration shall conduct a study to determine the feasi-*
 7 *bility of developing a program under which prospective*
 8 *home buyers of property located in the vicinity of an air-*
 9 *port could be notified of information derived from noise ex-*
 10 *posure maps that may affect the use and enjoyment of the*
 11 *property. The study shall assess the scope, administration,*
 12 *usefulness, and burdensomeness of any such program, the*
 13 *costs and benefits of such a program, and whether partici-*
 14 *pation in such a program should be voluntary or manda-*
 15 *tory.*

16 (b) *PUBLIC AVAILABILITY OF NOISE EXPOSURE*
 17 *MAPS.*—*The Federal Aviation Administration shall make*
 18 *copies or facsimiles of noise exposure maps available to the*
 19 *public via the Internet on its website in an appropriate*
 20 *format.*

21 (c) *NOISE EXPOSURE MAP.*—*In this section, the term*
 22 *“noise exposure map” means a noise exposure map pre-*
 23 *pared under section 47503 of title 49, United States Code.*

1 **SEC. 212. PROHIBITION ON REQUIRING AIRPORTS TO PRO-**
 2 **VIDE RENT-FREE SPACE FOR FAA OR TSA.**

3 (a) *IN GENERAL.*—Chapter 401 is amended by adding
 4 at the end the following:

5 **“§ 40129. Prohibition on rent-free space requirements**
 6 **for FAA or TSA**

7 “(a) *IN GENERAL.*—Neither the Secretary of Transpor-
 8 tation nor the Secretary of Homeland Security may require
 9 airport sponsors to provide building construction, mainte-
 10 nance, utilities and expenses, or space in airport sponsor-
 11 owned buildings to the Federal Aviation Administration or
 12 the Transportation Security Administration without cost
 13 for services relating to air traffic control, air navigation,
 14 aviation security, or weather reporting.

15 “(b) *NEGOTIATED AGREEMENTS.*—Subsection (a) does
 16 not prohibit—

17 “(1) the negotiation of agreements between either
 18 Secretary and an airport sponsor to provide building
 19 construction, maintenance, utilities and expenses, or
 20 space in airport sponsor-owned buildings to the Fed-
 21 eral Aviation Administration or the Transportation
 22 Security Administration without cost or at below-
 23 market rates; or

24 “(2) either Secretary from requiring airport
 25 sponsors to provide land without cost to the Federal
 26 Aviation Administration for air traffic control facili-

1 *ties or space without cost to the Transportation Secu-*
 2 *urity Administration for necessary security check-*
 3 *points.”.*

4 *(b) CONFORMING AMENDMENT.—The chapter analysis*
 5 *for chapter 401 is amended by adding at the end the fol-*
 6 *lowing:*

“40129. Prohibition on rent-free space requirements for FAA or TSA.”.

7 **SEC. 213. SPECIAL RULES FOR FISCAL YEAR 2004.**

8 *(a) APPORTIONMENT TO CERTAIN AIRPORTS WITH*
 9 *DECLINING BOARDINGS.—*

10 *(1) IN GENERAL.—For fiscal year 2004, the Sec-*
 11 *retary of Transportation may apportion funds under*
 12 *section 47114 of title 49, United States Code, to the*
 13 *sponsor of an airport described in paragraph (2) in*
 14 *an amount equal to the amount apportioned to that*
 15 *airport under that section for fiscal year 2002, not-*
 16 *withstanding any provision of section 47114 to the*
 17 *contrary.*

18 *(2) AIRPORTS TO WHICH PARAGRAPH (1) AP-*
 19 *PLIES.—Paragraph (1) applies to any airport deter-*
 20 *mined by the Secretary to have had—*

21 *(A) less than 0.05 percent of the total*
 22 *United States passenger boardings (as defined in*
 23 *section 47102(10) of title 49, United States*
 24 *Code) for the calendar year used for determining*

1 *apportionments under section 47114 for fiscal*
 2 *year 2004;*

3 *(B) less than 10,000 passenger boardings in*
 4 *calendar year 2002; and*

5 *(C) 10,000 or more passenger boardings in*
 6 *calendar year 2000.*

7 *(b) TEMPORARY INCREASE IN GOVERNMENT SHARE OF*
 8 *CERTAIN AIP PROJECT COSTS.—Notwithstanding section*
 9 *47109(a) of title 49, United States Code, the Government’s*
 10 *share of allowable project costs for a grant made in fiscal*
 11 *year 2004 under chapter 471 of that title for a project de-*
 12 *scribed in paragraph (2) or (3) of that section shall be 95*
 13 *percent.*

14 **SEC. 214. AGREEMENTS FOR OPERATION OF AIRPORT FA-**
 15 **CILITIES.**

16 *Section 47124 is amended—*

17 *(1) by inserting “a qualified entity or” after*
 18 *“with” in subsection (a);*

19 *(2) by inserting “entity or ” after “allow the” in*
 20 *subsection (a);*

21 *(3) by inserting “entity or” before “State” the*
 22 *last place it appears in subsection (a);*

23 *(4) by striking “contract,” in subsection (b)(2)*
 24 *and inserting “contract with a qualified entity, or”;*

1 (5) by striking “the State” each place it appears
 2 in subsection (b)(2) and inserting “the entity or
 3 State”;

4 (6) by striking “PILOT” in the caption of sub-
 5 section (b)(3);

6 (7) by striking “pilot” in subsection (b)(3)(A);

7 (8) by striking “pilot” in subsection (b)(3)(D);

8 (9) by striking “\$6,000,000 per fiscal year” in
 9 subsection (b)(3)(E) and inserting “\$6,500,000 for fis-
 10 cal 2004, \$7,000,000 for fiscal year 2005, and
 11 \$7,500,000 for fiscal year 2006”; and

12 (10) by striking “\$1,100,000.” in subsection
 13 (b)(4)(C) and inserting “\$1,500,000.”.

14 **SEC. 215. PUBLIC AGENCIES.**

15 Section 47102(15) is amended—

16 (1) by striking “or” after the semicolon in sub-
 17 paragraph (B);

18 (2) by redesignating subparagraph (C) as sub-
 19 paragraph (D); and

20 (3) by inserting after subparagraph (B) the fol-
 21 lowing:

22 “(C) the Department of the Interior with re-
 23 spect to an airport owned by the Department
 24 that is required to be maintained for commercial
 25 aviation safety at a remote location; or”.

1 **SEC. 216. FLEXIBLE FUNDING FOR NONPRIMARY AIRPORT**
 2 **APPORTIONMENTS.**

3 (a) *IN GENERAL.*—Section 47117(c)(2) is amended to
 4 read as follows:

5 “(2) *WAIVER.*—A sponsor of an airport may
 6 make an agreement with the Secretary of Transpor-
 7 tation waiving the sponsor’s claim to any part of the
 8 amount apportioned for the airport under sections
 9 47114(c) and 47114(d)(2)(A) of this title if the Sec-
 10 retary agrees to make the waived amount available
 11 for a grant for another public-use airport in the same
 12 State or geographical area as the airport, as deter-
 13 mined by the Secretary.”.

14 (b) *CONFORMING AMENDMENTS.*—

15 (1) Section 47108(a) is amended by inserting
 16 “or section 47114(d)(2)(A)” after “under section
 17 47114(c)”.

18 (2) Section 47110 is amended—

19 (A) by inserting “or section
 20 47114(d)(2)(A)” in subsection (b)(2)(C) after “of
 21 section 47114(c)”;

22 (B) by inserting “or section
 23 47114(d)(2)(A)” in subsection (g) after “of sec-
 24 tion 47114(c)”;

25 (C) by striking “of project.” in subsection
 26 (g) and inserting “of the project.”; and

1 (D) by adding at the end the following:

2 “(h) *NONPRIMARY AIRPORTS.*—The Secretary may de-
 3 cide that the costs of revenue producing aeronautical sup-
 4 port facilities, including fuel farms and hangars, are allow-
 5 able for an airport development project at a nonprimary
 6 airport and for which the Government’s share is paid only
 7 with funds apportioned to a sponsor under section
 8 47114(d)(3)(A), if the Secretary determines that the sponsor
 9 has made adequate provision for financing airside needs of
 10 the airport.”.

11 (3) Section 47119(b) is amended by—

12 (A) striking “or” after the semicolon in
 13 paragraph (3);

14 (B) striking “1970.” in paragraph (4) and
 15 inserting “1970; or”; and

16 (C) adding at the end the following:

17 “(5) to a sponsor of a nonprimary airport re-
 18 ferred to in subparagraph (A) or (B) paragraph (2),
 19 any part of amounts apportioned to the sponsor for
 20 the fiscal year under section 47114(d)(3)(A) of this
 21 title for project costs allowable under section 47110(d)
 22 of this title.”.

23 (c) *APPORTIONMENT FOR ALL-CARGO AIRPORTS.*—
 24 Section 47114(c)(2)(A) is amended by striking “3” and in-
 25 serting “3.5”.

1 (d) *CONSIDERATIONS FOR CARGO OPERATIONS.*—Section
2 tion 47115(d) is amended—

3 (1) by striking “and” at the end of paragraph
4 (5);

5 (2) by striking the period at the end of para-
6 graph (6) and inserting “; and”; and

7 (3) by adding at the end the following new para-
8 graph:

9 “(7) the ability of the project to foster United
10 States competitiveness in securing global air cargo ac-
11 tivity at a United States airport.”.

12 (e) *TERMINAL DEVELOPMENT COSTS.*—Section
13 47119(a)(1)(C) is amended by striking “3 years” and in-
14 serting “1 year”.

15 **SEC. 217. SHARE OF AIRPORT PROJECT COSTS.**

16 (a) *IN GENERAL.*—Section 47109 of title 49, United
17 States Code, is amended by redesignating subsection (c) as
18 subsection (d) and inserting after subsection (b) the fol-
19 lowing:

20 “(c) *GRANDFATHER RULE.*—

21 “(1) *IN GENERAL.*—In the case of any project
22 approved after September 30, 2001, at an airport
23 that has less than .25 percent of the total number of
24 passenger boardings at all commercial service air-
25 ports, and that is located in a State containing unap-

1 *propriated and unreserved public lands and non-*
 2 *taxable Indian lands (individual and tribal) of more*
 3 *than 5 percent of the total area of all lands in the*
 4 *State, the Government's share of allowable costs of the*
 5 *project shall be increased by the same ratio as the*
 6 *basic share of allowable costs of a project divided into*
 7 *the increased (Public Lands States) share of allowable*
 8 *costs of a project as shown on documents of the Fed-*
 9 *eral Aviation Administration dated August 3, 1979,*
 10 *at airports for which the general share was 80 percent*
 11 *on August 3, 1979. This subsection shall apply only*
 12 *if—*

13 “(A) *the State contained unappropriated*
 14 *and unreserved public lands and nontaxable In-*
 15 *dian lands of more than 5 percent of the total*
 16 *area of all lands in the State on August 3, 1979;*
 17 *and*

18 “(B) *the application under subsection (b),*
 19 *does not increase the Government's share of al-*
 20 *lowable costs of the project*

21 “(2) *LIMITATION.—The Government's share of*
 22 *allowable project costs determined under this sub-*
 23 *section shall not exceed the lesser of 93.75 percent or*
 24 *the highest percentage Government share applicable to*
 25 *any project in any State under subsection (b).”.*

1 (b) *CONFORMING AMENDMENT.*—Subsection (a) of Sec-
 2 tion 47109, title 49, United States Code, is amended by
 3 striking “Except as provided in subsection (b)”, and insert-
 4 ing in lieu thereof “Except as provided in subsection (b)
 5 or subsection (c)”.

6 **SEC. 218. PILOT PROGRAM FOR PURCHASE OF AIRPORT DE-**
 7 **VELOPMENT RIGHTS.**

8 (a) *IN GENERAL.*—Chapter 471 is amended by adding
 9 at the end the following:

10 **“§47141. Pilot program for purchase of airport devel-**
 11 **opment rights**

12 “(a) *IN GENERAL.*—The Secretary of Transportation
 13 shall establish a pilot program to support the purchase, by
 14 a State or political subdivision of a State, of development
 15 rights associated with, or directly affecting the use of, pri-
 16 vately owned public use airports located in that State.
 17 Under the program, the Secretary may make a grant to
 18 a State or political subdivision of a State from funds ap-
 19 portioned under section 47114 for the purchase of such
 20 rights.

21 “(b) *GRANT REQUIREMENTS.*—

22 “(1) *IN GENERAL.*—The Secretary may not make
 23 a grant under subsection (a) unless the grant is
 24 made—

1 “(A) to enable the State or political subdivi-
 2 sion to purchase development rights in order to
 3 ensure that the airport property will continue to
 4 be available for use as a public airport; and

5 “(B) subject to a requirement that the State
 6 or political subdivision acquire an easement or
 7 other appropriate covenant requiring that the
 8 airport shall remain a public use airport in per-
 9 petuity.

10 “(2) *MATCHING REQUIREMENT.*—The amount of
 11 a grant under the program may not exceed 90 percent
 12 of the costs of acquiring the development rights.

13 “(c) *GRANT STANDARDS.*—The Secretary shall pre-
 14 scribe standards for grants under subsection (a),
 15 including—

16 “(1) grant application and approval procedures;
 17 and

18 “(2) requirements for the content of the instru-
 19 ment recording the purchase of the development
 20 rights.

21 “(d) *RELEASE OF PURCHASED RIGHTS AND COV-*
 22 *ENANT.*—Any development rights purchased under the pro-
 23 gram shall remain the property of the State or political
 24 subdivision unless the Secretary approves the transfer or
 25 disposal of the development rights after making a deter-

1 mination that the transfer or disposal of that right is in
2 the public interest.

3 “(e) *LIMITATION.*—The Secretary may not make a
4 grant under the pilot program for the purchase of develop-
5 ment rights at more than 10 airports”.

6 (b) *CONFORMING AMENDMENT.*—The chapter analysis
7 for chapter 471 is amended by inserting after the item relat-
8 ing to section 47140 the following:

“47141. Pilot program for purchase of airport development rights”.

9 **SEC. 219. GARY/CHICAGO AIRPORT FUNDING.**

10 The Administrator of the Federal Aviation Adminis-
11 tration shall, for purposes of chapter 471 of title 49, United
12 States Code, give priority consideration to a letter of intent
13 application for funding submitted by the City of Gary, In-
14 diana, or the State of Indiana, for the extension of the main
15 runway at the Gary/Chicago Airport. The letter of intent
16 application shall be considered upon completion of the envi-
17 ronmental impact statement and benefit cost analysis in
18 accordance with Federal Aviation Administration require-
19 ments. The Administrator shall consider the letter of intent
20 application not later than 90 days after receiving it from
21 the applicant.

22 **SEC. 220. CIVIL PENALTY FOR CLOSURE OF AN AIRPORT**
23 **WITHOUT PROVIDING SUFFICIENT NOTICE.**

24 (a) *IN GENERAL.*—Chapter 463 is amended by adding
25 at the end the following:

1 **“SEC. 46319. CLOSURE OF AN AIRPORT WITHOUT PRO-**
 2 **VIDING SUFFICIENT NOTICE.**

3 “(a) *PROHIBITION.*—A public agency (as defined in
 4 section 47102) may not close an airport listed in the na-
 5 tional plan of integrated airport systems under section
 6 47103 without providing written notice to the Adminis-
 7 trator of the Federal Aviation Administration at least 30
 8 days before the date of the closure.

9 “(b) *PUBLICATION OF NOTICE.*—The Administrator
 10 shall publish each notice received under subsection (a) in
 11 the Federal Register.

12 “(c) *CIVIL PENALTY.*—A public agency violating sub-
 13 section (a) shall be liable for a civil penalty of \$10,000 for
 14 each day that the airport remains closed without having
 15 given the notice required by this section.”.

16 (b) *CONFORMING AMENDMENT.*—The analysis for
 17 chapter 463 is amended by adding at the end the following:

“46319. Closure of an airport without providing sufficient note.”.

18 **SEC. 221. ANCHORAGE AIR TRAFFIC CONTROL.**

19 (a) *IN GENERAL.*—Not later than September 30, 2004,
 20 the Administrator of the Federal Aviation Administration
 21 shall complete a study and transmit a report to the appro-
 22 priate committees regarding the feasibility of consolidating
 23 the Anchorage Terminal Radar Approach Control and the
 24 Anchorage Air Route Traffic Control Center at the existing
 25 Anchorage Air Route Traffic Control Center facility.

1 (b) *APPROPRIATE COMMITTEES.*—In this section, the
 2 term “appropriate committees” means the Committee on
 3 Commerce, Science, and Transportation of the Senate and
 4 the Committee on Transportation and Infrastructure of the
 5 House of Representatives.

6 ***TITLE III—AIRLINE SERVICE***
 7 ***DEVELOPMENT***
 8 ***Subtitle A—Program Enhancements***

9 ***SEC. 301. DELAY REDUCTION MEETINGS.***

10 (a) *IN GENERAL.*—Subchapter I of chapter 417 is
 11 amended by adding at the end the following new section:

12 ***“§ 41723. Delay reduction actions***

13 ***“(a) DELAY REDUCTION MEETINGS.—***

14 ***“(1) SCHEDULING REDUCTION MEETINGS.—The***
 15 *Secretary of Transportation may request that air car-*
 16 *riers meet with the Administrator of the Federal*
 17 *Aviation Administration to discuss flight reductions*
 18 *at severely congested airports to reduce overscheduling*
 19 *and flight delays during hours of peak operation if—*

20 ***“(A) the Administrator of the Federal Avia-***
 21 *tion Administration determines that it is nec-*
 22 *essary to convene such a meeting; and*

23 ***“(B) the Secretary determines that the***
 24 *meeting is necessary to meet a serious transpor-*

1 *tation need or achieve an important public ben-*
 2 *efit.*

3 “(2) *MEETING CONDITIONS.—Any meeting under*
 4 *paragraph (1)—*

5 “(A) *shall be chaired by the Administrator;*

6 “(B) *shall be open to all scheduled air car-*
 7 *riers; and*

8 “(C) *shall be limited to discussions involv-*
 9 *ing the airports and time periods described in*
 10 *the Administrator’s determination.*

11 “(3) *FLIGHT REDUCTION TARGETS.—Before any*
 12 *such meeting is held, the Administrator shall establish*
 13 *flight reduction targets for the meeting and notify the*
 14 *attending air carriers of those targets not less than 48*
 15 *hours before the meeting.*

16 “(4) *DELAY REDUCTION OFFERS.—An air car-*
 17 *rier attending the meeting shall make any delay re-*
 18 *duction offer to the Administrator rather than to an-*
 19 *other carrier.*

20 “(5) *TRANSCRIPT.—The Administrator shall en-*
 21 *sure that a transcript of the meeting is kept and*
 22 *made available to the public not later than 3 business*
 23 *days after the conclusion of the meeting.*

24 “(b) *STORMY WEATHER AGREEMENTS LIMITED EX-*
 25 *EMPTION.—*

1 “(1) *IN GENERAL.*—*The Secretary may establish*
 2 *a program to authorize by order discussions and*
 3 *agreements between 2 or more air carriers for the*
 4 *purpose of reducing flight delays during periods of in-*
 5 *clement weather.*

6 “(2) *REQUIREMENTS.*—*An authorization issued*
 7 *under paragraph (1)—*

8 “(A) *may only be issued by the Secretary*
 9 *after a determination by the Federal Aviation*
 10 *Administration that inclement weather is likely*
 11 *to adversely and directly affect capacity at an*
 12 *airport for a period of at least 3 hours;*

13 “(B) *shall apply only to discussions and*
 14 *agreements concerning flights directly affected by*
 15 *the inclement weather; and*

16 “(C) *shall remain in effect for a period of*
 17 *24 hours.*

18 “(3) *PROCEDURE.*—*The Secretary shall establish*
 19 *procedures within 30 days after such date of enact-*
 20 *ment for—*

21 “(A) *filing requests for an authorization*
 22 *under paragraph (1);*

23 “(B) *participation under paragraph (5) by*
 24 *representatives of the Department of Transpor-*

1 *tation in any meetings or discussions held pur-*
 2 *suant to such an order; and*

3 “(C) *the determination by the Federal Avia-*
 4 *tion Administration about the impact of inclem-*
 5 *ent weather.*

6 “(4) *COPY OF PARTICIPATION REQUEST FILED*
 7 *WITH SECRETARY.—Before an air carrier may request*
 8 *an order under paragraph (1), it shall file a request*
 9 *with the Secretary, in such form and manner as the*
 10 *Secretary may prescribe, to participate in the pro-*
 11 *gram established under paragraph (1).*

12 “(5) *DOT PARTICIPATION.—The Secretary shall*
 13 *ensure that the Department is represented at any*
 14 *meetings authorized under this subsection.*

15 “(c) *EXEMPTION AUTHORIZED.—When the Secretary*
 16 *finds that it is required by the public interest, the Secretary,*
 17 *as part of an order issued under subsection (b)(1), shall*
 18 *exempt a person affected by the order from the antitrust*
 19 *laws to the extent necessary to allow the person to proceed*
 20 *with the activities approved in the order.*

21 “(d) *ANTITRUST LAWS DEFINED.—In this section, the*
 22 *term ‘antitrust laws’ has the meaning given that term in*
 23 *the first section of the Clayton Act (15 U.S.C. 12).*

24 “(e) *SUNSET.—The authority of the Secretary to issue*
 25 *an order under subsection (b)(1) of this section expires at*

1 *the end of the 2-year period that begins 45 days after the*
 2 *date of enactment of the Aviation Investment and Revital-*
 3 *ization Vision Act. The Secretary may extend the 2-year*
 4 *Period for an additional 2 years if the Secretary determines*
 5 *that such an extension is necessary and in the public inter-*
 6 *est. The Secretary shall notify the Senate Committee on*
 7 *Commerce, Science, and Transportation, and to the House*
 8 *of Representatives Committee on Transportation and Infra-*
 9 *structure of any such extension.”.*

10 (b) *CONFORMING AMENDMENT.—The chapter analysis*
 11 *for chapter 417 is amended by inserting after the item relat-*
 12 *ing to section 41722 the following new item:*

“41723. Delay reduction actions.”.

13 **SEC. 302. SMALL COMMUNITY AIR SERVICE DEVELOPMENT**
 14 **PILOT PROGRAM.**

15 (a) *3-YEAR EXTENSION.—Section 41743(e)(2) is*
 16 *amended—*

17 (1) *by striking “There is” and inserting “There*
 18 *are”;*

19 (2) *by striking “2001 and” and inserting*
 20 *“2001,”;*

21 (3) *by striking “2003” and inserting “2003, and*
 22 *\$27,500,000 for each of fiscal years 2004, 2005, and*
 23 *2006”; and*

24 (4) *by striking “section.” and inserting “section,*
 25 *not more than \$275,000 per year of which may be*

1 *used for administrative costs in fiscal years 2004*
 2 *through 2006.”.*

3 (b) *ADDITIONAL COMMUNITIES.*—Section 41743(c)(4)
 4 *of such title is amended by striking “program.” and insert-*
 5 *ing “program each year. No community, consortia of com-*
 6 *munities, nor combination thereof may participate in the*
 7 *program in support of the same project more than once,*
 8 *but any community, consortia of communities, or combina-*
 9 *tion thereof may apply, subsequent to such participation,*
 10 *to participate in the program in support of a different*
 11 *project.*

12 **SEC. 303. DOT STUDY OF COMPETITION AND ACCESS PROB-**
 13 **LEMS AT LARGE AND MEDIUM HUB AIRPORTS.**

14 (a) *IN GENERAL.*—The Secretary of Transportation
 15 *shall study competition and airline access problems at hub*
 16 *airports (as defined in section 41731(a)(3)) of title 49,*
 17 *United States Code, and medium hub airports (as defined*
 18 *in section 41714(h)(9) of that title). In the study, the Sec-*
 19 *retary shall examine, among other matters—*

20 (1) *gate usage and availability; and*

21 (2) *the effects of the pricing of gates and other*
 22 *facilities on competition and access.*

23 (b) *REPORT.*—The Secretary shall transmit a report
 24 *of the Secretary’s findings and conclusions together with*
 25 *any recommendations, including legislative recommenda-*

1 tions, the Secretary may have for improving competition
 2 and airline access at such airports to the Senate Committee
 3 on Commerce, Science, and Transportation and the House
 4 of Representatives Committee on Transportation and Infra-
 5 structure within 6 months after the date of enactment of
 6 this Act.

7 **SEC. 304. COMPETITION DISCLOSURE REQUIREMENT FOR**
 8 **LARGE AND MEDIUM HUB AIRPORTS.**

9 Section 47107 is amended by adding at the end the
 10 following:

11 “(q) **COMPETITION DISCLOSURE REQUIREMENT.**—

12 “(1) **IN GENERAL.**—The Secretary of Transpor-
 13 tation may approve an application under this sub-
 14 chapter for an airport development project grant for
 15 a hub airport or a medium hub airport only if the
 16 Secretary receives assurances that the airport sponsor
 17 will provide the information required by paragraph
 18 (2) at such time and in such form as the Secretary
 19 may require.

20 “(2) **COMPETITIVE ACCESS.**—If an airport denies
 21 an application by an air carrier to receive access to
 22 gates or other facilities at that airport in order to
 23 provide service to the airport or to expand service at
 24 the airport, then, within 30 days after denying the re-
 25 quest, the airport sponsor shall—

1 “(A) notify the Secretary of the denial; and

2 “(B) transmit a report to the Secretary

3 that—

4 “(i) describes the request;

5 “(ii) explains the reasons for the de-
6 nial; and

7 “(iii) provides a time frame within
8 which, if any, the airport will be able to ac-
9 commodate the request.

10 “(3) DEFINITIONS.—In this subsection:

11 “(A) HUB AIRPORT.—The term ‘hub air-
12 port’ has the meaning given that term by section
13 41731(a)(3).

14 “(B) MEDIUM HUB AIRPORT.—The term
15 ‘medium hub airport’ has the meaning given
16 that term by section 41714(h)(9).”.

17 **SEC. 305. LOCATION OF SHUTTLE SERVICE AT RONALD**
18 **REAGAN WASHINGTON NATIONAL AIRPORT.**

19 *The Airports Authority (as defined in section 49103(1)*
20 *of title 49, United States Code) shall, in conjunction with*
21 *the Department of Transportation, conduct a study on the*
22 *feasibility of housing the gates used by all air carriers pro-*
23 *viding shuttle service from Ronald Reagan Washington Na-*
24 *tional Airport in the same terminal.*

1 **SEC. 306. AIR CARRIERS REQUIRED TO HONOR TICKETS**
 2 **FOR SUSPENDED SERVICE.**

3 (a) *IN GENERAL.*—Section 145(a) of the Aviation and
 4 Transportation Security Act of 2001 (49 U.S.C. 40101
 5 note) is amended by adding at the end the following: “The
 6 Secretary of Transportation shall give favorable consider-
 7 ation to waiving the terms and conditions established by
 8 this section, including those set forth in the guidance pro-
 9 vided by the Department in notices, dated August 8, 2002,
 10 November 14, 2002, and January 23, 2003, in cases where
 11 remaining carriers operate additional flights to accommo-
 12 date passengers whose service was suspended, interrupted,
 13 or discontinued under circumstances described in the pre-
 14 ceding sentence over routes located in isolated areas that
 15 are unusually dependent on air transportation.”.

16 (b) *EXTENSION.*—Section 145(c) of such Act (49
 17 U.S.C. 40101 note) is amended by striking “more than”
 18 and all that follows through “after” and inserting “more
 19 than 36 months after”.

20 **Subtitle B—Small Community and**
 21 **Rural Air Service Revitalization**

22 **SEC. 351. REAUTHORIZATION OF ESSENTIAL AIR SERVICE**
 23 **PROGRAM.**

24 Section 41742(a) of title 49, United States Code, is
 25 amended to read as follows:

1 “(a) *IN GENERAL.*—There are authorized to be appro-
 2 priated to the Secretary of Transportation to carry out the
 3 essential air service under this subchapter, \$113,000,000 for
 4 each of fiscal years 2004 through 2007, \$50,000,000 of
 5 which for each such year shall be derived from amounts re-
 6 ceived by the Federal Aviation Administration credited to
 7 the account established under section 45303 of this title or
 8 otherwise provided to the Administration.”.

9 **SEC. 352. INCENTIVE PROGRAM.**

10 (a) *IN GENERAL.*—Chapter 417 of title 49, United
 11 States Code, is amended by adding at the end the following:

12 “SUBCHAPTER IV—MARKETING INCENTIVE
 13 PROGRAM

“Sec. 41781. Purpose.

“Sec. 41782. Marketing program.

“Sec. 41783. State marketing assistance.

“Sec. 41784. Definitions.

“Sec. 41785. Authorization of appropriations.

14 **“§41781. Purposes**

15 “The purposes of this subchapter are—

16 “(1) to enable essential air service communities
 17 to increase boardings and the level of passenger usage
 18 of airport facilities at an eligible place by providing
 19 technical, financial, and other marketing assistance to
 20 such communities and to States;

1 “(2) to reduce subsidy costs under subchapter II
2 of this chapter as a consequence of such increased
3 usage; and

4 “(3) to provide such communities with opportu-
5 nities to obtain, retain, and improve transportation
6 services.

7 **“§41782. Marketing program**

8 “(a) *IN GENERAL.*—The Secretary of Transportation
9 shall establish a marketing incentive program for commu-
10 nities that receive subsidized service by an air carrier under
11 section 41733 under which the airport sponsor in such a
12 community may receive a grant of not more than \$50,000
13 to develop and implement a marketing plan to increase pas-
14 senger boardings and the level of passenger usage of its air-
15 port facilities.

16 “(b) *MATCHING REQUIREMENT; SUCCESS BONUSES*—

17 “(1) *IN GENERAL.*—Except as provided in para-
18 graphs (2) and (3), not less than 25 percent of the
19 publicly financed costs associated with the marketing
20 plan shall come from non-Federal sources. For pur-
21 poses of this paragraph—

22 “(A) the non-Federal portion of the publicly
23 financed costs may be derived from contributions
24 in kind; and

1 “(B) State or local matching contributions
2 may not be derived, directly or indirectly, from
3 Federal funds, but the use by a state or local gov-
4 ernment of proceeds from the sale of bonds to
5 provide the matching contribution is not consid-
6 ered to be a contribution derived directly or in-
7 directly from Federal funds, without regard to
8 the Federal income tax treatment of interest paid
9 on those bonds or the Federal income tax treat-
10 ment of those bonds.

11 “(2) BONUS FOR 25-PERCENT INCREASE IN
12 USAGE.—Except as provided in paragraph (3), if,
13 after any 12-month period during which a marketing
14 plan has been in effect, the Secretary determines that
15 the marketing plan has increased average monthly
16 boardings, or the level of passenger usage, at the air-
17 port facilities at the eligible place, by 25 percent or
18 more, then only 10 percent of the publicly financed
19 costs associated with the marketing plan shall be re-
20 quired to come from non-Federal sources for the fol-
21 lowing 12-month period.

22 “(3) BONUS FOR 50-PERCENT INCREASE IN
23 USAGE.—If, after any 12-month period during which
24 a marketing plan has been in effect, the Secretary de-
25 termines that the marketing plan has increased aver-

1 *age monthly boardings, or the level of passenger*
 2 *usage, at the airport facilities at the eligible place, by*
 3 *50 percent or more, then no portion of the publicly*
 4 *financed costs associated with the marketing plan*
 5 *shall be required to come from non-Federal sources for*
 6 *the following 12-month period.*

7 **“§41783. State marketing assistance**

8 *“The Secretary of Transportation may provide up to*
 9 *\$50,000 in technical assistance to any State within which*
 10 *an eligible point that receives subsidized service by an air*
 11 *carrier under section 41733 is located for the purpose of*
 12 *assisting the State and such communities to develop meth-*
 13 *ods to increase boardings in such communities. At least 10*
 14 *percent of the costs of the activity with which the assistance*
 15 *is associated shall come from non-Federal sources, including*
 16 *contributions in kind.*

17 **“§41784. Definitions**

18 *“In this subchapter:*

19 *“(1) ELIGIBLE PLACE.—The term ‘eligible place’*
 20 *has the meaning given that term in section*
 21 *41731(a)(1), subject to the provisions of section 332 of*
 22 *the Department of Transportation and Related Agen-*
 23 *cies Appropriations Act, 2000 (49 U.S.C. 41731*
 24 *note).*

1 “(2) *ELIGIBLE ESSENTIAL AIR SERVICE COMMU-*
 2 *NITY.—The term ‘eligible essential air service commu-*
 3 *nity’ means an eligible place that—*

4 “(A) *submits an application to the Sec-*
 5 *retary in such form, at such time, and con-*
 6 *taining such information as the Secretary may*
 7 *require, including a detailed marketing plan, or*
 8 *specifications for the development of such a plan,*
 9 *to increase average boardings, or the level of pas-*
 10 *senger usage, at its airport facilities; and*

11 “(B) *provides assurances, satisfactory to the*
 12 *Secretary, that it is able to meet the non-Federal*
 13 *funding requirements of section 41782(b)(1).*

14 “(3) *PASSENGER BOARDINGS.—The term ‘pas-*
 15 *senger boardings’ has the meaning given that term by*
 16 *section 47102(10).*

17 “(4) *SPONSOR.—The term ‘sponsor’ has the*
 18 *meaning given that term in section 47102(19).*

19 **“§41785. Authorization of appropriations**

20 *“There are authorized to be appropriated to the Sec-*
 21 *retary of Transportation \$12,000,000 for each of fiscal*
 22 *years 2004 through 2006, to carry out this subchapter, not*
 23 *more than \$200,000 per year of which may be used for ad-*
 24 *ministrative costs.”.*

1 (b) *CONFORMING AMENDMENT.*—*The chapter analysis*
 2 *for chapter 417 of such title is amended by inserting after*
 3 *the item relating to section 41767 the following:*

“SUBCHAPTER IV—MARKETING INCENTIVE PROGRAM

“41781. *Purpose.*

“41782. *Marketing program.*

“41783. *State marketing assistance.*

“41784. *Definitions.*

“41785. *Authorization of appropriations.*”.

4 **SEC. 353. PILOT PROGRAMS.**

5 (a) *IN GENERAL.*—*Subchapter II of chapter 417 of*
 6 *title 49, United States Code, is amended by adding at the*
 7 *end the following:*

8 **“§ 41745. Other pilot programs**

9 “(a) *IN GENERAL.*—*If the entire amount authorized*
 10 *to be appropriated to the Secretary of Transportation by*
 11 *section 41785 is appropriated for fiscal years 2004 through*
 12 *2007, the Secretary of Transportation shall establish pilot*
 13 *programs that meet the requirements of this section for im-*
 14 *proving service to communities receiving essential air serv-*
 15 *ice assistance under this subchapter or consortia of such*
 16 *communities.*

17 “(b) *PROGRAMS AUTHORIZED.*—

18 “(1) *COMMUNITY FLEXIBILITY.*—*The Secretary*
 19 *shall establish a pilot program for not more than 10*
 20 *communities or consortia of communities under which*
 21 *the airport sponsor of an airport serving the commu-*
 22 *nity or consortium may elect to forego any essential*

1 *air service assistance under preceding sections of this*
 2 *subchapter for a 10-year period in exchange for a*
 3 *grant from the Secretary equal in value to twice the*
 4 *annual essential air service assistance received for the*
 5 *most recently ended calendar year. Under the pro-*
 6 *gram, and notwithstanding any provision of law to*
 7 *the contrary, the Secretary shall make a grant to each*
 8 *participating sponsor for use by the recipient for any*
 9 *project that—*

10 “(A) *is eligible for assistance under chapter*

11 *471;*

12 “(B) *is located on the airport property; or*

13 “(C) *will improve airport facilities in a*
 14 *way that would make such facilities more usable*
 15 *for general aviation.*

16 “(2) *EQUIPMENT CHANGES.—*

17 “(A) *IN GENERAL.—The Secretary shall es-*
 18 *tablish a pilot program for not more than 10*
 19 *communities or consortia of communities under*
 20 *which, upon receiving a petition from the spon-*
 21 *sor of the airport serving the community or con-*
 22 *sortium, the Secretary shall authorize and re-*
 23 *quest the essential air service provider for that*
 24 *community or consortium to use smaller equip-*
 25 *ment to provide the service and to consider in-*

1 creasing the frequency of service using such
 2 smaller equipment. Before granting any such pe-
 3 tition, the Secretary shall determine that pas-
 4 senger safety would not be compromised by the
 5 use of such smaller equipment. Any community
 6 that participates in a pilot program under this
 7 subparagraph is deemed to have waived the min-
 8 imum service requirements under section
 9 41732(b) for purposes of its participation in that
 10 pilot program.

11 “(B) *ALTERNATIVE SERVICES.*—For any 3
 12 airport sponsors participating in the program es-
 13 tablished under subparagraph (A), the Secretary
 14 may establish a pilot program under which—

15 “(i) the Secretary provides 100 percent
 16 Federal funding for reasonable levels of al-
 17 ternative transportation services from the
 18 eligible place to the nearest hub airport or
 19 small hub airport;

20 “(ii) the Secretary will authorize the
 21 sponsor to use its essential air service sub-
 22 sidy funds provided under preceding sec-
 23 tions of this subchapter for any airport-re-
 24 lated project that would improve airport fa-
 25 cilities; and

1 “(iii) the sponsor may make an irrev-
 2 ocable election to terminate its participa-
 3 tion in the pilot program established under
 4 this paragraph after 1 year.

5 “(3) *COST-SHARING.*—The Secretary shall estab-
 6 lish a pilot program under which the sponsors of air-
 7 ports serving a community or consortium of commu-
 8 nities share the cost of providing air transportation
 9 service greater than the basic essential air service pro-
 10 vided under this subchapter.

11 “(c) *CODE-SHARING.*—Under the pilot program estab-
 12 lished under subsection (a), the Secretary is authorized to
 13 require air carriers providing service to participating com-
 14 munities and major air carriers (as defined in section
 15 41716(a)(2)) serving large hub airports (as defined in sec-
 16 tion 41731(a)(3)) to participate in multiple code-share ar-
 17 rangements consistent with normal industry practice when-
 18 ever and wherever the Secretary determines that such mul-
 19 tiple code-sharing arrangements would improve air trans-
 20 portation services. The Secretary may not require air car-
 21 riers to participate in such arrangements under this sub-
 22 section for more than 10 such communities.

23 “(d) *TRACKING SERVICE.*—The Secretary shall require
 24 carriers providing subsidy for service under section 41733
 25 to track changes in services, including on-time arrivals and

1 *departures, on such subsidized routes, and to report such*
 2 *information to the Secretary on a semi-annual basis in*
 3 *such form as the Secretary may require.*

4 “(e) *ADMINISTRATIVE PROVISIONS.—In order to par-*
 5 *ticipate in a pilot program established under this section,*
 6 *the airport sponsor for a community or consortium of com-*
 7 *munities shall submit an application to the Secretary in*
 8 *such form, at such time, and containing such information*
 9 *as the Secretary may require.”.*

10 (b) *CONFORMING AMENDMENT.—The chapter analysis*
 11 *for chapter 417 of such title is amended by inserting after*
 12 *the item relating to section 41744 the following:*

“41745. Other pilot programs.”.

13 **SEC. 354. EAS PROGRAM AUTHORITY CHANGES.**

14 (a) *RATE RENEGOTIATION.—If the Secretary of Trans-*
 15 *portation determines that essential air service providers are*
 16 *experiencing significantly increased costs of providing serv-*
 17 *ice under subchapter II of chapter 417 of title 49, United*
 18 *States Code, the Secretary of Transportation may increase*
 19 *the rates of compensation payable under that subchapter*
 20 *within 30 days after the date of enactment of this Act with-*
 21 *out regard to any agreements or requirements relating to*
 22 *the renegotiation of contracts. For purposes of this sub-*
 23 *section, the term “significantly increased costs” means an*
 24 *average annual total unit cost increase (but not increases*
 25 *in individual unit costs) of 10 percent or more in relation*

1 *to the unit rates used to construct the subsidy rate, based*
 2 *on the carrier's internal audit of its financial statements.*

3 (b) *RETURNED FUNDS.*—*Notwithstanding any provi-*
 4 *sion of law to the contrary, any funds made available under*
 5 *subchapter II of chapter 417 of title 49, United States Code,*
 6 *that are returned to the Secretary by an airport sponsor*
 7 *because of decreased subsidy needs for essential air service*
 8 *under that subchapter shall remain available to the Sec-*
 9 *retary and may be used by the Secretary under that sub-*
 10 *chapter to increase the frequency of flights at that airport.*

11 (c) *SMALL COMMUNITY AIR SERVICE DEVELOPMENT*
 12 *PILOT PROGRAM.*—*Section 41743(h) of such title is amend-*
 13 *ed by striking “an airport” and inserting “each airport”.*

14 **SEC. 355. ONE-YEAR EXTENSION OF EAS ELIGIBILITY FOR**
 15 **COMMUNITIES TERMINATED IN 2003 DUE TO**
 16 **DECREASED AIR TRAVEL.**

17 *Notwithstanding the rate of subsidy limitation in sec-*
 18 *tion 332 of the Department of Transportation and Related*
 19 *Agencies Appropriations Act, 2000, the Secretary of Trans-*
 20 *portation may not terminate an essential air service sub-*
 21 *sidy provided under chapter 417 of title 49, United States*
 22 *Code, before the end of calendar year 2004 for air service*
 23 *to a community—*

1 (1) *whose calendar year ridership for 2000 was*
 2 *sufficient to keep the per passenger subsidy below that*
 3 *limitation; and*

4 (2) *that has received notice that its subsidy will*
 5 *be terminated during calendar year 2003 because de-*
 6 *creased ridership has caused the subsidy to exceed*
 7 *that limitation.*

8 ***Subtitle C—Financial Improvement***
 9 ***Effort and Executive Compensation***
 10 ***Report***

11 ***SEC. 371. GAO REPORT ON AIRLINES ACTIONS TO IMPROVE***
 12 ***FINANCES AND ON EXECUTIVE COMPENSA-***
 13 ***TION.***

14 (a) *FINDING.—The Congress finds that the United*
 15 *States government has by law provided substantial finan-*
 16 *cial assistance to United States commercial airlines in the*
 17 *form of war risk insurance and reinsurance and other eco-*
 18 *nomie benefits and has imposed substantial economic and*
 19 *regulatory burdens on those airlines. In order to determine*
 20 *the economic viability of the domestic commercial airline*
 21 *industry and to evaluate the need for additional measures*
 22 *or the modification of existing laws, the Congress needs*
 23 *more frequent information and independently verified in-*
 24 *formation about the financial condition of these airlines.*

1 (b) *SEMIANNUAL REPORTS.*—*The Comptroller General*
 2 *shall prepare a semiannual report to the Congress—*

3 (1) *analyzing measures being taken by air car-*
 4 *riers engaged in air transportation and intrastate air*
 5 *transportation (as such terms are used in subtitle VII*
 6 *of title 49, United States Code) to reduce costs and*
 7 *to improve their earnings and profits and balance*
 8 *sheets; and*

9 (2) *stating—*

10 (A) *the total compensation (as defined in*
 11 *section 104(b) of the Air Transportation Safety*
 12 *and System Stabilization Act (49 U.S.C. 40101*
 13 *note)) paid by the air carrier to each officer or*
 14 *employee of that air carrier to whom that section*
 15 *applies for the period to which the report relates;*
 16 *and*

17 (B) *the terms and value (determined on the*
 18 *basis of the closing price of the stock on the last*
 19 *business day of the period to which the report re-*
 20 *lates) of any stock options awarded to such offi-*
 21 *cer during that period.*

22 (c) *GAO AUTHORITY.*—*In order to compile the reports*
 23 *required by subsection (b), the Comptroller General, or any*
 24 *of the Comptroller General's duly authorized representa-*
 25 *tives, shall have access for the purpose of audit and exam-*

1 ination to any books, accounts, documents, papers, and
 2 records of such air carriers that relate to the information
 3 required to compile the reports. The Comptroller General
 4 shall submit with each such report a certification as to
 5 whether the Comptroller General has had access to sufficient
 6 information to make informed judgments on the matters
 7 covered by the report.

8 (d) *REPORTS TO CONGRESS.*—The Comptroller Gen-
 9 eral shall transmit the compilation of reports required by
 10 subsection (c) to the Senate Committee on Commerce,
 11 Science, and Transportation and the House of Representa-
 12 tives Committee on Transportation and Infrastructure.

13 ***TITLE IV—AVIATION SECURITY***

14 ***SEC. 401. STUDY OF EFFECTIVENESS OF TRANSPORTATION*** 15 ***SECURITY SYSTEM.***

16 (a) *IN GENERAL.*—The Secretary of Homeland Secu-
 17 rity, in consultation with representatives of the airport
 18 community, shall study the effectiveness of the aviation se-
 19 curity system, including the air marshal program, hard-
 20 ening of cockpit doors, and security screening of passengers,
 21 checked baggage, and cargo.

22 (b) *REPORT.*—The Secretary shall transmit a report
 23 of the Secretary's findings and conclusions together with
 24 any recommendations, including legislative recommenda-
 25 tions, the Secretary may have for improving the effective-

ness of aviation security to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 6 months after the date of enactment of this Act. In the report the Secretary shall also describe any redeployment of Transportation Security Administration resources based on those findings and conclusions. The Secretary may submit the report to the Committees in classified and redacted form.

SEC. 402. AVIATION SECURITY CAPITAL FUND.

(a) *IN GENERAL.*—There may be established within the Department of Homeland Security a fund to be known as the Aviation Security Capital Fund. There are authorized to be appropriated to the Fund up to \$500,000,000 for each of the fiscal years 2004 through 2007, such amounts to be derived from fees received under section 44940 of title 49, United States Code. Amounts in the fund shall be allocated in such a manner that—

(1) 40 percent shall be made available for hub airports;

(2) 20 percent shall be made available for medium hub airports;

(3) 15 percent shall be made available for small hub airports and nonhub airports; and

1 (4) 25 percent may be distributed at the Sec-
2 retary's discretion.

3 (b) *PURPOSE.*—Amounts in the Fund shall be avail-
4 able to the Secretary of Homeland Security to provide fi-
5 nancial assistance to airport sponsors to defray capital in-
6 vestment in transportation security at airport facilities in
7 accordance with the provisions of this section. The program
8 shall be administered in concert with the airport improve-
9 ment program under chapter 417 of title 49, United States
10 Code.

11 (c) *APPORTIONMENT.*—Amounts made available under
12 subsection (a)(1), (a)(2), or (a)(3) shall be apportioned
13 among the airports in each category in accordance with a
14 formula based on the ratio that passenger enplanements at
15 each airport in the category bears to the total passenger
16 enplanements at all airports in that category.

17 (d) *LETTERS OF INTENT.*—The Secretary of Homeland
18 Security, or his delegate, may execute letters of intent to
19 commit funding to airport sponsors from the Fund.

20 (e) *CONFORMING AMENDMENT.*—Section 44940(a)(1)
21 of title 49, United States Code, is amended by adding at
22 the end the following:

23 “(H) The costs of security-related capital
24 improvements at airports.”.

1 (f) *DEFINITIONS.*—Any term used in this section that
 2 is defined or used in chapter 417 of title 49, United States
 3 Code, has the meaning given that term in that chapter.

4 **SEC. 403. TECHNICAL AMENDMENTS RELATED TO SECU-**
 5 **RITY-RELATED AIRPORT DEVELOPMENT.**

6 (a) *DEFINITION OF AIRPORT DEVELOPMENT.*—Section
 7 47102(3)(B) is amended—

8 (1) by inserting “and” after the semicolon in
 9 clause (viii);

10 (2) by striking “circular; and” in clause (ix)
 11 and inserting “circular.”; and

12 (3) by striking clause (x).

13 (b) *IMPROVEMENT OF FACILITIES AND EQUIPMENT.*—
 14 Section 308(a) of the Federal Aviation Reauthorization Act
 15 of 1996 (49 U.S.C. 44901 note) is amended by striking
 16 “travel.” and inserting “travel if the improvements or
 17 equipment will be owned and operated by the airport.”.

18 **SEC. 404. ARMED FORCES CHARTERS.**

19 Section 132 of the Aviation and Transportation Secu-
 20 rity Act (49 U.S.C. 44903 note) is amended by adding at
 21 the end the following:

22 “(c) *EXEMPTION FOR ARMED FORCES CHARTERS.*—

23 “(1) *IN GENERAL.*—Subsections (a) and (b) of
 24 this section, and chapter 449 of title 49, United
 25 States Code, do not apply to passengers and property

1 *carried by aircraft when employed to provide charter*
 2 *transportation to members of the armed forces.*

3 “(2) *IN GENERAL.*—*The Secretary of Defense, in*
 4 *consultation with the Secretary of Homeland Security*
 5 *and the Secretary of Transportation, shall establish*
 6 *security procedures relating to the operation of air-*
 7 *craft when employed to provide charter transpor-*
 8 *tation to members of the armed forces to or from an*
 9 *airport described in section 44903(c) of title 49,*
 10 *United States Code.*

11 “(3) *ARMED FORCES DEFINED.*—*In this sub-*
 12 *section, the term ‘armed forces’ has the meaning given*
 13 *that term by section 101(a)(4) of title 10, United*
 14 *States Code.’’.*

15 **SEC. 405. ARMING CARGO PILOTS AGAINST TERRORISM.**

16 (a) *SHORT TITLE.*—*This section may be cited as the*
 17 *“Arming Cargo Pilots Against Terrorism Act”.*

18 (b) *FINDINGS.*—*Congress makes the following findings:*

19 (1) *During the 107th Congress, both the Senate*
 20 *and the House of Representatives overwhelmingly*
 21 *passed measures that would have armed pilots of*
 22 *cargo aircraft.*

23 (2) *Cargo aircraft do not have Federal air mar-*
 24 *shals, trained cabin crew, or determined passengers to*
 25 *subdue terrorists.*

1 (3) Cockpit doors on cargo aircraft, if present at
2 all, largely do not meet the security standards re-
3 quired for commercial passenger aircraft.

4 (4) Cargo aircraft vary in size and many are
5 larger and carry larger amounts of fuel than the air-
6 craft hijacked on September 11, 2001.

7 (5) Aircraft cargo frequently contains hazardous
8 material and can contain deadly biological and chem-
9 ical agents and quantities of agents that cause com-
10 municable diseases.

11 (6) Approximately 12,000 of the nation's 90,000
12 commercial pilots serve as pilots and flight engineers
13 on cargo aircraft.

14 (7) There are approximately 2,000 cargo flights
15 per day in the United States, many of which are
16 loaded with fuel for outbound international travel or
17 are inbound from foreign airports not secured by the
18 Transportation Security Administration.

19 (8) Aircraft transporting cargo pose a serious
20 risk as potential terrorist targets that could be used
21 as weapons of mass destruction.

22 (9) Pilots of cargo aircraft deserve the same abil-
23 ity to protect themselves and the aircraft they pilot as
24 other commercial airline pilots.

1 (10) *Permitting pilots of cargo aircraft to carry*
 2 *firearms creates an important last line of defense*
 3 *against a terrorist effort to commandeer a cargo air-*
 4 *craft.*

5 (c) *SENSE OF CONGRESS.—It is the sense of Congress*
 6 *that members of a flight deck crew of a cargo aircraft should*
 7 *be armed with a firearm and taser to defend the cargo air-*
 8 *craft against an attack by terrorists that could result in*
 9 *the use of the aircraft as a weapon of mass destruction or*
 10 *for other terrorist purposes.*

11 (d) *ARMING CARGO PILOTS AGAINST TERRORISM.—*
 12 *Section 44921 of title 49, United States Code, is amended—*

13 (1) *in subsection (a), by striking “passenger”*
 14 *each place that it appears; and*

15 (2) *in subsection (k)—*

16 (A) *in paragraph (2)—*

17 (i) *by striking “or,” and all that fol-*
 18 *lows; and*

19 (ii) *by inserting “or any other flight*
 20 *deck crew member.”; and*

21 (B) *by adding at the end the following new*
 22 *paragraph:*

23 “(3) *ALL-CARGO AIR TRANSPORTATION.—For the*
 24 *purposes of this section, the term air transportation*
 25 *includes all-cargo air transportation.”.*

1 (e) *TIME FOR IMPLEMENTATION.*—*The training of pi-*
 2 *lots as Federal flight deck officers required in the amend-*
 3 *ments made by subsection (d) shall begin as soon as prac-*
 4 *ticable and no later than 90 days after the date of enact-*
 5 *ment of this Act.*

6 (f) *EFFECT ON OTHER LAWS.*—*The requirements of*
 7 *subsection (e) shall have no effect on the deadlines for imple-*
 8 *mentation contained in section 44921 of title 49, United*
 9 *States Code, as in effect on the day before the date of enact-*
 10 *ment of this Act.*

11 **SEC. 406. GENERAL AVIATION AND AIR CHARTERS.**

12 Section 132(a) of the Aviation and Transportation Se-
 13 curity Act (49 U.S.C. 44944 note) is amended by striking
 14 “12,500 pounds or more” and inserting “more than 12,500
 15 pounds”.

16 **SEC. 407. AIR DEFENSE IDENTIFICATION ZONE.**

17 (a) *IN GENERAL.*—*If the Administrator of the Federal*
 18 *Aviation Administration establishes an Air Defense Identi-*
 19 *fication Zone (in this section referred as an “ADIZ”), the*
 20 *Administrator shall, not later than 60 days after the date*
 21 *of establishing the ADIZ, transmit to the Committee on*
 22 *Transportation and Infrastructure of the House of Rep-*
 23 *resentatives and the Committee on Commerce, Science, and*
 24 *Transportation of the Senate, a report containing an expla-*
 25 *nation of the need for the ADIZ. The Administrator shall*

1 *provide the Committees an updated report every 60 days*
 2 *until the establishment of the ADIZ is rescinded. The re-*
 3 *ports and updates shall be transmitted in classified form.*

4 *(b) EXISTING ADIZ.—If an ADIZ is in effect on the*
 5 *date of enactment of this Act, the Administrator shall trans-*
 6 *mit an initial report under subsection (a) to the Committee*
 7 *on Transportation and Infrastructure of the House of Rep-*
 8 *resentatives and the Committee on Commerce, Science, and*
 9 *Transportation of the Senate not later than 30 days after*
 10 *the date of enactment of this Act.*

11 *(c) REPORTING REQUIREMENTS.—If a report required*
 12 *under subsection (a) or (b) indicates that the ADIZ is to*
 13 *be continued, the Administrator shall outline changes in*
 14 *procedures and requirements to improve operational effi-*
 15 *ciency and minimize the operational impacts of the ADIZ*
 16 *on pilots and air traffic controllers.*

17 *(d) DEFINITION.—In this section, the terms “Air De-*
 18 *fense Identification Zone” and “ADIZ” mean a zone estab-*
 19 *lished by the Administrator with respect to airspace under*
 20 *18,000 feet in approximately a 15 to 38 mile radius around*
 21 *Washington, District of Columbia, for which security meas-*
 22 *ures are extended beyond the existing 15-mile-no-fly zone*
 23 *around Washington and in which general aviation aircraft*
 24 *are required to adhere to certain procedures issued by the*
 25 *Administrator.*

1 **SEC. 408. REPORT ON PASSENGER PRESCREENING PRO-**
2 **GRAM.**

3 (a) *IN GENERAL.*—Within 90 days after the date of
4 enactment of this Act, the Secretary of Homeland Security,
5 after consultation with the Attorney General, shall submit
6 a report in writing to the Senate Committee on Commerce,
7 Science, and Transportation and the House of Representa-
8 tives Committee on Transportation and Infrastructure on
9 the potential impact of the Transportation Security Admin-
10 istration’s proposed Computer Assisted Passenger
11 Prescreening system, commonly known as CAPPS II, on
12 the privacy and civil liberties of United States citizens.

13 (b) *SPECIFIC ISSUES TO BE ADDRESSED.*—The report
14 shall address the following:

15 (1) *Whether and for what period of time data*
16 *gathered on individual travelers will be retained, who*
17 *will have access to such data, and who will make de-*
18 *cisions concerning access to such data.*

19 (2) *How the Transportation Security Adminis-*
20 *tration will treat the scores assigned to individual*
21 *travelers to measure the likelihood they may pose a*
22 *security threat, including how long such scores will be*
23 *retained and whether and under what circumstances*
24 *they may be shared with other governmental, non-*
25 *governmental, or commercial entities.*

1 (3) *The role airlines and outside vendors or con-*
 2 *tractors will have in implementing and operating the*
 3 *system, and to what extent will they have access, or*
 4 *the means to obtain access, to data, scores, or other*
 5 *information generated by the system.*

6 (4) *The safeguards that will be implemented to*
 7 *ensure that data, scores, or other information gen-*
 8 *erated by the system will be used only as officially in-*
 9 *tended.*

10 (5) *The procedures that will be implemented to*
 11 *mitigate the effect of any errors, and what procedural*
 12 *recourse will be available to passengers who believe*
 13 *the system has wrongly barred them from taking*
 14 *flights.*

15 (6) *The oversight procedures that will be imple-*
 16 *mented to ensure that, on an ongoing basis, privacy*
 17 *and civil liberties issues will continue to be considered*
 18 *and addressed with high priority as the system is in-*
 19 *stalled, operated and updated.*

20 **SEC. 409. REMOVAL OF CAP ON TSA STAFFING LEVEL.**

21 *The matter appearing under the heading “AVIATION*
 22 *SECURITY” in the appropriations for the Transportation*
 23 *Security Administration in the Transportation and Re-*
 24 *lated Agencies Appropriation Act, 2003 (Public Law 108–*
 25 *7; 117 Stat. 386) is amended by striking the fifth proviso.*

1 **SEC. 410. FOREIGN REPAIR STATION SAFETY AND SECU-**
 2 **RITY.**

3 (a) *DEFINITIONS.—In this section:*

4 (1) *ADMINISTRATOR.—The term “Adminis-*
 5 *trator” means the Administrator of the Federal Avia-*
 6 *tion Administration.*

7 (2) *DOMESTIC REPAIR STATION.—The term “do-*
 8 *mestic repair station” means a repair station or shop*
 9 *that—*

10 (A) *is described in section 44707(2) of title*
 11 *49, United States Code; and*

12 (B) *is located in the United States.*

13 (3) *FOREIGN REPAIR STATION.—The term “for-*
 14 *ign repair station” means a repair station or shop*
 15 *that—*

16 (A) *is described in section 44707(2) of title*
 17 *49, United States Code; and*

18 (B) *is located outside of the United States.*

19 (4) *UNDER SECRETARY.—The term “Under Sec-*
 20 *retary” means the Under Secretary for Border and*
 21 *Transportation Security of the Department of Home-*
 22 *land Security.*

23 (b) *APPLICABILITY OF STANDARDS.—Within 180 days*
 24 *after the date of enactment of this Act, the Administrator*
 25 *shall issue regulations to ensure that foreign repair stations*

1 *meet the same level of safety required of domestic repair*
2 *stations.*

3 (c) *SPECIFIC STANDARDS.*—*In carrying out subsection*
4 *(b), the Administrator shall, at a minimum, specifically en-*
5 *sure that foreign repair stations, as a condition of being*
6 *certified to work on United States registered aircraft—*

7 (1) *institute a program of drug and alcohol test-*
8 *ing of its employees working on United States reg-*
9 *istered aircraft and that such a program provides an*
10 *equivalent level of safety achieved by the drug and al-*
11 *cohol testing requirements that workers are subject to*
12 *at domestic repair stations;*

13 (2) *agree to be subject to the same type and level*
14 *of inspection by the Federal Aviation Administration*
15 *as domestic repair stations and that such inspections*
16 *occur without prior notice to the country in which the*
17 *station is located; and*

18 (3) *follow the security procedures established*
19 *under subsection (d).*

20 (d) *SECURITY AUDITS.*—

21 (1) *IN GENERAL.*—*To ensure the security of*
22 *maintenance and repair work conducted on United*
23 *States aircraft and components at foreign repair sta-*
24 *tions, the Under Secretary, in consultation with the*
25 *Administrator, shall complete a security review and*

1 *audit of foreign repair stations certified by the Ad-*
 2 *ministrator under part 145 of title 14, Code of Fed-*
 3 *eral Regulations. The review shall be completed not*
 4 *later than 180 days after the date on which the Under*
 5 *Secretary issues regulations under paragraph (6).*

6 (2) *ADDRESSING SECURITY CONCERNS.—The*
 7 *Under Secretary shall require a foreign repair station*
 8 *to address the security issues and vulnerabilities iden-*
 9 *tified in a security audit conducted under paragraph*
 10 *(1) within 90 days of providing notice to the repair*
 11 *station of the security issues and vulnerabilities iden-*
 12 *tified.*

13 (3) *SUSPENSIONS AND REVOCATIONS OF CERTIFI-*
 14 *CATES.—*

15 (A) *FAILURE TO CARRY OUT EFFECTIVE SE-*
 16 *curity MEASURES.—If the Under Secretary de-*
 17 *termines as a result of a security audit that a*
 18 *foreign repair station does not maintain and*
 19 *carry out effective security measures or if a for-*
 20 *foreign repair station does not address the security*
 21 *issues and vulnerabilities as required under sub-*
 22 *section (d)(2), the Under Secretary shall notify*
 23 *the Administrator of the determination. Upon re-*
 24 *ceipt of the determination, the Administrator*
 25 *shall suspend the certification of the repair sta-*

1 *tion until such time as the Under Secretary de-*
2 *termines that the repair station maintains and*
3 *carries out effective security measures and has*
4 *addressed the security issues identified in the*
5 *audit, and transmits the determination to the*
6 *Administrator.*

7 *(B) IMMEDIATE SECURITY RISK.—If the*
8 *Under Secretary determines that a foreign repair*
9 *station poses an immediate security risk, the*
10 *Under Secretary shall notify the Administrator*
11 *of the determination. Upon receipt of the deter-*
12 *mination, the Administrator shall revoke the cer-*
13 *tification of the repair station.*

14 *(4) FAILURE TO MEET AUDIT DEADLINE.—If the*
15 *security audits required by paragraph (1) are not*
16 *completed on or before the date that is 180 days after*
17 *the date on which the Under Secretary issues regula-*
18 *tions under paragraph (6), the Administrator may*
19 *not certify, or renew the certification of, any foreign*
20 *repair station until such audits are completed.*

21 *(5) PRIORITY FOR AUDITS.—In conducting the*
22 *audits described in paragraph (1), the Under Sec-*
23 *retary and the Administrator shall give priority to*
24 *foreign repair stations located in countries identified*

1 *by the United States Government as posing the most*
 2 *significant security risks.*

3 (6) *REGULATIONS.*—*Not later than 180 days*
 4 *after the date of enactment of this section, the Under*
 5 *Secretary, in consultation with the Administrator,*
 6 *shall issue final regulations to ensure the security of*
 7 *foreign and domestic repair stations. If final regula-*
 8 *tions are not issued within 180 days of the date of*
 9 *enactment of this Act, the Administrator may not cer-*
 10 *tify, or renew the certification of, any foreign repair*
 11 *station until such regulations have been issued.*

12 ***TITLE V—MISCELLANEOUS***

13 ***SEC. 501. EXTENSION OF WAR RISK INSURANCE AUTHOR-*** 14 ***ITY.***

15 *Section 44310 is amended by striking “2004.” and in-*
 16 *serting “2006.”.*

17 ***SEC. 502. COST-SHARING OF AIR TRAFFIC MODERNIZATION*** 18 ***PROJECTS.***

19 (a) *IN GENERAL.*—*Chapter 445 is amended by adding*
 20 *at the end the following:*

21 ***“§44517. Program to permit cost-sharing of air traf-*** 22 ***fic modernization projects***

23 “(a) *IN GENERAL.*—*Subject to the requirements of this*
 24 *section, the Secretary may carry out a program under*
 25 *which the Secretary may make grants to project sponsors*

1 *for not more than 10 eligible projects per fiscal year for*
 2 *the purpose of improving aviation safety and enhancing*
 3 *mobility of the Nation’s air transportation system by en-*
 4 *couraging non-Federal investment in critical air traffic*
 5 *control facilities and equipment.*

6 “(b) *FEDERAL SHARE.*—*The Federal share of the cost*
 7 *of an eligible project carried out under the program shall*
 8 *not exceed 33 percent. The non-Federal share of the cost of*
 9 *an eligible project shall be provided from non-Federal*
 10 *sources, including revenues collected pursuant to section*
 11 *40117 of this title.*

12 “(c) *LIMITATION ON GRANT AMOUNTS.*—*No eligible*
 13 *project may receive more than \$5,000,000 in Federal funds*
 14 *under the program.*

15 “(d) *FUNDING.*—*The Secretary shall use amounts ap-*
 16 *propriated under section 48101(a) of this title to carry out*
 17 *this program.*

18 “(e) *DEFINITIONS.*—*In this section:*

19 “(1) *ELIGIBLE PROJECT.*—*The term ‘eligible*
 20 *project’ means a project relating to the Nation’s air*
 21 *traffic control system that is certified or approved by*
 22 *the Administrator and that promotes safety, effi-*
 23 *ciency, or mobility. Such projects may include—*

24 “(A) *airport-specific air traffic facilities*
 25 *and equipment, including local area augmenta-*

1 *tion systems, instrument landing systems, weath-*
 2 *er and wind shear detection equipment, lighting*
 3 *improvements, and control towers;*

4 *“(B) automation tools to effect improve-*
 5 *ments in airport capacity, including passive*
 6 *final approach spacing tools and traffic manage-*
 7 *ment advisory equipment; and*

8 *“(C) facilities and equipment that enhance*
 9 *airspace control procedures, including consolida-*
 10 *tion of terminal radar control facilities and*
 11 *equipment, or assist in en route surveillance, in-*
 12 *cluding oceanic and offshore flight tracking.*

13 *“(2) PROJECT SPONSOR.—The term ‘project*
 14 *sponsor’ means any major user of the National Air-*
 15 *space System, as determined by the Secretary, includ-*
 16 *ing a public-use airport or a joint venture between a*
 17 *public-use airport and one or more air carriers.*

18 *“(f) TRANSFERS OF EQUIPMENT.—Notwithstanding*
 19 *any other provision of law, and upon agreement by the Ad-*
 20 *ministrator of the Federal Aviation Administration, project*
 21 *sponsors may transfer, without consideration, to the Fed-*
 22 *eral Aviation Administration, facilities, equipment, or au-*
 23 *tomation tools, the purchase of which was assisted by a*
 24 *grant made under this section, if such facilities, equipment*

1 *or tools meet Federal Aviation Administration operation*
 2 *and maintenance criteria.*

3 “(g) *GUIDELINES.*—*The Administrator shall issue ad-*
 4 *visory guidelines on the implementation of the program,*
 5 *which shall not be subject to administrative rulemaking re-*
 6 *quirements under subchapter II of chapter 5 of title 5.”.*

7 (b) *CONFORMING AMENDMENT.*—*The chapter analyses*
 8 *for chapter 445 is amended by adding at the end the fol-*
 9 *lowing:*

“44517. Program to permit cost-sharing of air traffic modernization projects.”.

10 ***SEC. 503. COUNTERFEIT OR FRAUDULENTLY REPRESENTED***

11 ***PARTS VIOLATIONS.***

12 *Section 44726(a)(1) is amended—*

13 (1) *by striking “or” after the semicolon in sub-*
 14 *paragraph (A);*

15 (2) *by redesignating subparagraph (B) as sub-*
 16 *paragraph (D);*

17 (3) *by inserting after subparagraph (A) the fol-*
 18 *lowing:*

19 “(B) *who knowingly, and with intent to de-*
 20 *fraud, carried out or facilitated an activity pun-*
 21 *ishable under a law described in subparagraph*
 22 *(A);*

23 “(C) *whose certificate is revoked under sub-*
 24 *section (b) of this section; or”;* and

1 (4) by striking “convicted of such a violation.”
 2 in subparagraph (D), as redesignated, and inserting
 3 “described in subparagraph (A), (B) or (C).”.

4 **SEC. 504. CLARIFICATIONS TO PROCUREMENT AUTHORITY.**

5 (a) *UPDATE AND CLARIFICATION OF AUTHORITY.*—

6 (1) *Section 40110(c) is amended to read as fol-*
 7 *lows:*

8 “(c) *DUTIES AND POWERS.*—When carrying out sub-
 9 section (a) of this section, the Administrator of the Federal
 10 *Aviation Administration may—*

11 “(1) notwithstanding section 1341(a)(1) of title
 12 31, lease an interest in property for not more than 20
 13 years;

14 “(2) consider the reasonable probable future use
 15 of the underlying land in making an award for a
 16 condemnation of an interest in airspace; and

17 “(3) dispose of property under subsection (a)(2)
 18 of this section, except for airport and airway prop-
 19 erty and technical equipment used for the special pur-
 20 poses of the Administration, only under subchapter
 21 III of chapter 5 of title 40, United States Code.”.

22 (2) *Section 40110(d)(1) is amended by striking*
 23 *“implement, not later than January 1, 1996,” and*
 24 *inserting “implement”.*

1 (b) *CLARIFICATION.—Section 106(f)(2)(A)(ii) is*
 2 *amended by striking “property” and inserting “property,*
 3 *services,”.*

4 **SEC. 505. JUDICIAL REVIEW.**

5 *Section 46110(c) is amended by adding at the end the*
 6 *following: “Except as otherwise provided in this subtitle,*
 7 *judicial review of an order issued, in whole or in part, pur-*
 8 *suant to this part, part B of this subtitle , or subsection*
 9 *(l) or (s) of section 114 of this title, shall be in accordance*
 10 *with the provisions of this section.”.*

11 **SEC. 506. CIVIL PENALTIES.**

12 (a) *INCREASE IN MAXIMUM CIVIL PENALTY.—Section*
 13 *46301(a) is amended—*

14 (1) *by striking “\$1,000” in paragraph (1) and*
 15 *inserting “\$25,000”;*

16 (2) *by striking “or” the last time it appears in*
 17 *paragraph (1)(A);*

18 (3) *by striking “section)” in paragraph (1)(A),*
 19 *and inserting “section), or section 47133”;*

20 (4) *by striking paragraphs (2), (3), (6), and (7)*
 21 *and redesignating paragraphs (4), (5), and (8) as*
 22 *paragraphs (2), (3), and (4), respectively; and*

23 (5) *by striking “paragraphs (1) and (2)” in*
 24 *paragraph (4), as redesignated, and inserting “para-*
 25 *graph (1)”.*

1 (b) *INCREASE IN LIMIT ON ADMINISTRATIVE AUTHOR-*
 2 *ITY AND CIVIL PENALTY.*—Section 46301(d) is amended—

3 (1) by striking “\$50,000;” in paragraph (4)(A)
 4 by inserting “\$50,000, if the violation occurred before
 5 the date of enactment of the Aviation Authorization
 6 Act of 2003, or \$1,000,000, if the violation occurred
 7 on or after that date;” and

8 (2) by striking “\$50,000.” in paragraph (8) and
 9 inserting “\$50,000, if the violation occurred before the
 10 date of enactment of the Aviation Authorization Act
 11 of 2003, or \$1,000,000, if the violation occurred on or
 12 after that date.”.

13 **SEC. 507. MISCELLANEOUS AMENDMENTS.**

14 (a) *AMOUNTS SUBJECT TO APPORTIONMENT UNDER*
 15 *CHAPTER 471.*—

16 (1) *IN GENERAL.*—Section 47102 is amended—
 17 (A) by striking paragraph (6) and inserting
 18 the following:

19 “(6) ‘amount newly made available’ means the
 20 amount newly made available under section 48103 of
 21 this title as an authorization for grant obligations for
 22 a fiscal year, as that amount may be limited in that
 23 year by a provision in an appropriations Act, but as
 24 determined without regard to grant obligation recov-

1 *eries made in that year or amounts covered by section*
 2 *47107(f).”; and*

3 *(B) by redesignating paragraphs (7)*
 4 *through (20) as paragraphs (8) through (21),*
 5 *and inserting after paragraph (6) the following:*

6 *“(7) ‘amount subject to apportionment’ means*
 7 *the amount newly made available, less the amount*
 8 *made available for the fiscal year for administrative*
 9 *expenses under section 48105.”.*

10 *(2) CONFORMING AMENDMENTS.—*

11 *(A) Section 41742(b) is amended by strik-*
 12 *ing “Notwithstanding section 47114(g) of this*
 13 *title, any” and inserting “Any”.*

14 *(B) Section 47104(b) is amended to read as*
 15 *follows:*

16 *“(b) INCURRING OBLIGATIONS.—The Secretary may*
 17 *incur obligations to make grants from the amount subject*
 18 *to apportionment as soon as the apportionments required*
 19 *by sections 47114(c) and (d)(2) of this title have been*
 20 *issued.”.*

21 *(C) Section 47107(f)(3) is amended by*
 22 *striking “made available to the Secretary under*
 23 *section 48103 of this title and” and inserting*
 24 *“subject to apportionment, and is”.*

25 *(D) Section 47114 is amended—*

1 (i) by striking subsection (a);

2 (ii) by striking “apportionment for
3 that fiscal year” in subsection (b) and in-
4 serting “apportionment”;

5 (iii) by striking “total amount made
6 available under section 48103” in sub-
7 sections (c)(2)(C), (d)(3), and (e)(4) and in-
8 serting “amount subject to apportionment”;

9 (iv) by striking “each fiscal year” in
10 subsection (c)(2)(A); and

11 (v) by striking “for each fiscal year”
12 in subsection (d)(2).

13 (E) Subsection 47116(b) is amended by
14 striking “amounts are made available under sec-
15 tion 48103 of this title” and inserting “an
16 amount is subject to apportionment”.

17 (F) Section 47117 is amended—

18 (i) by striking “amounts are made
19 available under section 48103 of this title.”
20 in subsection (a) and inserting “an amount
21 is subject to apportionment.”;

22 (ii) by striking “a sufficient amount is
23 made available under section 48103.” in
24 subsection (f)(2)(A) and inserting “there is

1 *a sufficient amount subject to apportion-*
 2 *ment.”;*

3 (iii) *in subsection (f)(2)(B), by insert-*
 4 *ing “in” before “the succeeding”;*

5 (iv) *by striking “NEWLY AVAILABLE”*
 6 *in the caption of subsection (f)(3) and in-*
 7 *serting “RESTORED”;*

8 (v) *by striking “newly available under*
 9 *section 48103 of this title,” in subsection*
 10 *(f)(3)(A) and inserting “subject to appor-*
 11 *tionment,”;*

12 (vi) *by striking “made available under*
 13 *section 48103 for such obligations for such*
 14 *fiscal year.” in subsection (f)(4) and insert-*
 15 *ing “subject to apportionment.”; and*

16 (vii) *by striking “enacted after Sep-*
 17 *tember 3, 1982,” in subsection (g).*

18 (b) *RECOVERED FUNDS.—Section 47117 is amended*
 19 *by adding at the end the following:*

20 “(h) *CREDITING OF RECOVERED FUNDS.—For the*
 21 *purpose of determining compliance with a limitation on the*
 22 *amount of grant obligations that may be incurred in a fis-*
 23 *cal year imposed by an appropriations Act, an amount that*
 24 *is recovered by canceling or reducing a grant obligation—*

1 “(1) shall be treated as a negative obligation that
2 is to be netted against the gross obligation limitation,
3 and

4 “(2) may permit the gross limitation to be ex-
5 ceeded by an equal amount.”.

6 (c) *AIRPORT SAFETY DATA COLLECTION*.—Section
7 47130 is amended to read as follows:

8 **“§47130. Airport safety data collection**

9 “Notwithstanding any other provision of law, the Ad-
10 ministrators of the Federal Aviation Administration may
11 award a contract, using sole source or limited source au-
12 thority, or enter into a cooperative agreement with, or pro-
13 vide a grant from amounts made available under section
14 48103 to, a private company or entity for the collection of
15 airport safety data. If a grant is provided, the United
16 States Government’s share of the cost of the data collection
17 shall be 100 percent.”.

18 (d) *STATUTE OF LIMITATIONS*.—Section
19 47107(l)(5)(A) is amended by inserting “or any other gov-
20 ernmental entity” after “sponsor”.

21 (e) *AUDIT CERTIFICATION*.—Section 47107(m) is
22 amended—

23 (1) by striking “promulgate regulations that” in
24 paragraph (1) and inserting “include a provision in
25 the compliance supplement provisions to”;

1 (2) *by striking “and opinion of the review” in*
 2 *paragraph (1); and*

3 (3) *by striking paragraph (3).*

4 (f) *NOISE EXPOSURE MAPS.*—Section 47503(a) *is*
 5 *amended by striking “1985,” and inserting “a forecast year*
 6 *that is at least 5 years in the future,”.*

7 (g) *CLARIFICATION OF APPLICABILITY OF PFCs TO*
 8 *MILITARY CHARTERS.*—Section 40117(e)(2) *is amended—*
 9 (1) *by striking “and” after the semicolon in sub-*
 10 *paragraph (D);*

11 (2) *by striking “passengers.” in subparagraph*
 12 *(E) and inserting “passengers; and”; and*

13 (3) *by adding at the end the following:*

14 “(F) *enplaning at an airport if the passenger*
 15 *did not pay for the air transportation which resulted*
 16 *in such enplanement due to charter arrangements and*
 17 *payment by the United States Department of De-*
 18 *fense.”.*

19 **SEC. 508. LOW-EMISSION AIRPORT VEHICLES AND INFRA-**
 20 **STRUCTURE.**

21 (a) *PURPOSE.*—*The purpose of this section is to permit*
 22 *the use of funds made available under subchapter 471 to*
 23 *encourage commercial service airports in air quality non-*
 24 *attainment and maintenance areas to undertake projects for*
 25 *gate electrification, acquisition or conversion of airport ve-*

1 hicles and airport-owned ground support equipment to ac-
 2 quire low-emission technology, low-emission technology fuel
 3 systems, and other related air quality projects on a vol-
 4 untary basis to improve air quality and more aggressively
 5 address the constraints that emissions can impose on future
 6 aviation growth. Use of those funds is conditioned on air-
 7 ports receiving credits for emissions reductions that can be
 8 used to mitigate the air quality effects of future airport de-
 9 velopment. Making these projects eligible for funding in ad-
 10 dition to those projects that are already eligible under sec-
 11 tion 47102(3)(F) is intended to support those projects that,
 12 at the time of execution, may not be required by the Clean
 13 Air Act (42 U.S.C. 7501 et seq.), but may be needed in
 14 the future.

15 (b) *ACTIVITIES ADDED TO DEFINITION OF “AIRPORT*
 16 *DEVELOPMENT”*.—Section 47102(3) is amended by adding
 17 at the end the following:

18 “(K) work necessary to construct or modify
 19 airport facilities to provide low-emission fuel
 20 systems, gate electrification, and other related
 21 air quality improvements at a commercial serv-
 22 ice airport, if the airport is located in an air
 23 quality nonattainment or maintenance area (as
 24 defined in sections 171(2) and 175(A) of the
 25 Clean Air Act (42 U.S.C. 7501(2), 7505a) and

1 *if such project will result in an airport receiving*
2 *appropriate emission credits, as described in sec-*
3 *tion 47139 of this title. The Secretary, in con-*
4 *sultation with the Administrator of the Environ-*
5 *mental Protection Agency, shall issue guidance*
6 *describing eligible low-emission modifications*
7 *and improvements and stating how airport*
8 *sponsors will demonstrate benefits.*

9 *“(L) a project for the acquisition or conver-*
10 *sion of vehicles and ground support equipment,*
11 *owned by a commercial service airport, to low-*
12 *emission technology, if the airport is located in*
13 *an air quality nonattainment or maintenance*
14 *area (as defined in sections 171(2) and 175(A)*
15 *of the Clean Air Act (42 U.S.C. 7501(2), 7505a)*
16 *and if such project will result in an airport re-*
17 *ceiving appropriate emission credits as described*
18 *in section 47139 of this title. The Secretary, in*
19 *consultation with the Administrator of the Envi-*
20 *ronmental Protection Agency, shall issue guid-*
21 *ance describing eligible low-emission vehicle tech-*
22 *nology and stating how airport sponsors will*
23 *demonstrate benefits. For airport-owned vehicles*
24 *and equipment, the acquisition of which are not*
25 *otherwise eligible for assistance under this sub-*

1 chapter, the incremental cost of equipping such
 2 vehicles or equipment with low-emission tech-
 3 nology shall be treated as eligible for assist-
 4 ance.”.

5 (c) *LOW-EMISSION TECHNOLOGY DEFINED.*—Section
 6 47102 is amended by redesignating paragraphs (10)
 7 through (20), as paragraphs (11) through (21) respectively,
 8 and inserting after paragraph (9) the following:

9 “(11) ‘low-emission technology’ means technology
 10 for new vehicles and equipment whose emission per-
 11 formance is the best achievable under emission stand-
 12 ards established by the Environmental Protection
 13 Agency and that relies exclusively on alternative fuels
 14 that are substantially non-petroleum based, as defined
 15 by the Department of Energy, but not excluding hy-
 16 brid systems.”.

17 (d) *EMISSIONS CREDITS.*—

18 (1) *IN GENERAL.*—Subchapter I of chapter 471,
 19 as amended by section 206 of this Act, is further
 20 amended by adding at the end the following:

21 **“§47139. Emission credits for air quality projects**

22 “(a) *IN GENERAL.*—The Secretary and the Adminis-
 23 trator of the Environmental Protection Agency shall jointly
 24 agree on how to assure that airport sponsors receive appro-
 25 priate emission credits for projects described in sections

1 40117(a)(3)(G), 47102(3)(K), or 47102(3)(L) of this title.

2 The agreement must, at a minimum, include provisions to
3 ensure that—

4 “(1) the credits will be consistent with the Clean
5 Air Act (42 U.S.C. 7402 et seq.);

6 “(2) credits generated by the emissions reduc-
7 tions in criteria pollutants are kept by the airport
8 sponsor and may be used for purposes of any current
9 or future general conformity determination or as off-
10 sets under the New Source Review program;

11 “(3) there is national consistency in the way
12 credits are calculated and are provided to airports;

13 “(4) credits are provided to airport sponsors in
14 a timely manner; and

15 “(5) there is a method by which the Secretary
16 can be assured that, for any specific project for which
17 funding is being requested, the appropriate credits
18 will be granted.

19 “(b) ASSURANCE OF RECEIPT OF CREDITS.—

20 “(1) IN GENERAL.—As a condition for making a
21 grant for a project described in section 47102(3)(K),
22 47102(3)(L), or 47140 of this title, or as a condition
23 for granting approval to collect or use a passenger fa-
24 cility fee for a project described in sections
25 40117(a)(3)(G), 47102(3)(K), 47102(3)(L), or 47140

1 *of this title, the Secretary must receive assurance*
 2 *from the State in which the project is located, or from*
 3 *the Administrator of the Environmental Protection*
 4 *Agency where there is a Federal Implementation*
 5 *Plan, that the airport sponsor will receive appro-*
 6 *priate emission credits in accordance with the condi-*
 7 *tions of this subsection.*

8 “(2) *CREDITS FOR CERTAIN EXISTING*
 9 *PROJECTS.—The Secretary and the Administrator of*
 10 *the Environmental Protection Agency shall jointly*
 11 *agree on how to provide emission credits to projects*
 12 *previously approved under section 47136 of this title*
 13 *during fiscal years 2001 through 2003, under terms*
 14 *consistent with this section.”.*

15 (2) *CONFORMING AMENDMENT.—The chapter*
 16 *analysis for chapter 471 is amended by inserting*
 17 *after the item relating to section 47138 the following:*

“47139. Emission credits for air quality projects.”.

18 (e) *AIRPORT GROUND SUPPORT EQUIPMENT EMIS-*
 19 *SIONS RETROFIT PILOT PROGRAM.—*

20 (1) *IN GENERAL.—Subchapter I of chapter 471*
 21 *is further amended by adding at the end the fol-*
 22 *lowing:*

1 **“§ 47140. Airport ground support equipment emissions**
2 **retrofit pilot program**

3 “(a) *IN GENERAL.*—*The Secretary of Transportation*
4 *shall carry out a pilot program at not more than 10 com-*
5 *mercial service airports under which the sponsors of such*
6 *airports may use an amount subject to apportionment to*
7 *retrofit existing eligible airport ground support equipment*
8 *which burns conventional fuels to achieve lower emissions*
9 *utilizing emission control technologies certified or verified*
10 *by the Environmental Protection Agency.*

11 “(b) *LOCATION IN AIR QUALITY NONATTAINMENT OR*
12 *MAINTENANCE AREAS.*—*A commercial service airport shall*
13 *be eligible for participation in the pilot program only if*
14 *the airport is located in an air quality nonattainment or*
15 *maintenance area (as defined in sections 171(2) and 175(A)*
16 *of the Clean Air Act (42 U.S.C. 7501(2), 7505a)).*

17 “(c) *SELECTION CRITERIA.*—*In selecting applicants*
18 *for participation in the pilot program, the Secretary shall*
19 *give priority consideration to applicants that will achieve*
20 *the greatest air quality benefits measured by the amount*
21 *of emissions reduced per dollar of funds expended under the*
22 *pilot program.*

23 “(d) *MAXIMUM AMOUNT.*—*Not more than \$500,000*
24 *may be expended under the pilot program at any single*
25 *commercial service airport.*

1 “(e) *GUIDELINES.*—*The Secretary, in consultation*
 2 *with the Administrator of the Environmental Protection*
 3 *Agency, shall establish guidelines regarding the types of ret-*
 4 *rofit projects eligible under this pilot program by consid-*
 5 *ering remaining equipment useful life, amounts of emission*
 6 *reduction in relation to the cost of projects, and other fac-*
 7 *tors necessary to carry out this section. The Secretary may*
 8 *give priority to ground support equipment owned by the*
 9 *airport and used for airport purposes.*

10 “(f) *ELIGIBLE EQUIPMENT DEFINED.*—*For purposes*
 11 *of this section, the term ‘eligible equipment’ means ground*
 12 *service or maintenance equipment that—*

13 “(1) *is located at the airport;*

14 “(2) *used to support aeronautical and related ac-*
 15 *tivities on the airport; and*

16 “(3) *will remain in operation at the airport.”.*

17 “(2) *CONFORMING AMENDMENT.*—*The chapter*
 18 *analysis for chapter 471 is further amended by insert-*
 19 *ing after the item relating to section 47139 the fol-*
 20 *lowing:*

“47140. *Airport ground support equipment emissions retrofit pilot program.*”.

21 **SEC. 509. LOW-EMISSION AIRPORT VEHICLES AND GROUND**
 22 **SUPPORT EQUIPMENT.**

23 *Section 40117(a)(3) is amended by inserting at the*
 24 *end the following:*

1 “(G) A project for the acquisition or conver-
2 sion of ground support equipment or airport-
3 owned vehicles used at a commercial service air-
4 port with, or to, low-emission technology or
5 cleaner burning conventional fuels, or the retro-
6 fitting of such equipment or vehicles that are
7 powered by a diesel or gasoline engine with
8 emission control technologies certified or verified
9 by the Environmental Protection Agency to re-
10 duce emissions, if the airport is located in an air
11 quality nonattainment or maintenance area (as
12 defined in sections 171(2) and 175(A) of the
13 Clean Air Act (42 U.S.C. 7501(2), 7505a), and
14 if such project will result in an airport receiving
15 appropriate emission credits as described in sec-
16 tion 47139 of this title. The Secretary, in con-
17 sultation with the Administrator of the Environ-
18 mental Protection Agency, shall issue guidance
19 for eligible projects and for how benefits must be
20 demonstrated. The eligible cost is limited to the
21 incremental amount that exceeds the cost of ac-
22 quiring other vehicles or equipment that are not
23 low-emission and would be used for the same
24 purpose, or to the cost of low-emission retro-
25 fitting. For purposes of this paragraph, the term

1 “ground support equipment” means service and
 2 maintenance equipment used at an airport to
 3 support aeronautical operations and related ac-
 4 tivities.”.

5 **SEC. 510. PACIFIC EMERGENCY DIVERSION AIRPORT.**

6 (a) *IN GENERAL.*—The Secretary of Transportation
 7 shall enter into a memorandum of understanding with the
 8 Secretaries of Defense, the Interior, and Homeland Security
 9 to facilitate the sale of aircraft fuel on Midway Island, so
 10 that the revenue from the fuel sales can be used to operate
 11 Midway Island Airport in accordance with Federal Avia-
 12 tion Administration airport standards. The memorandum
 13 shall also address the long term potential for promoting
 14 tourism as a means of generating revenue to operate the
 15 airport.

16 (b) *NAVIGATIONAL AIDS.*—The Administrator of the
 17 Federal Aviation Administration may support and be re-
 18 sponsible for maintaining all aviation-related navigational
 19 aids at Midway Island Airport.

20 **SEC. 511. GULF OF MEXICO AVIATION SERVICE IMPROVE-**
 21 **MENTS.**

22 (a) *IN GENERAL.*—The Secretary of Transportation
 23 may develop and carry out a program designed to expand
 24 and improve the safety, efficiency, and security of—

1 (1) *air traffic control services provided to avia-*
 2 *tion in the Gulf of Mexico area; and*

3 (2) *aviation-related navigational, low altitude*
 4 *communications and surveillance, and weather serv-*
 5 *ices in that area.*

6 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 7 *authorized to be appropriated to the Secretary of Transpor-*
 8 *tation such sums as may be necessary to carry out this sec-*
 9 *tion for the 4 fiscal year period beginning with fiscal year*
 10 *2004.*

11 **SEC. 512. AIR TRAFFIC CONTROL COLLEGIATE TRAINING**
 12 **INITIATIVE.**

13 *The Secretary of Transportation may use, from funds*
 14 *available to the Secretary and not otherwise obligated or*
 15 *expended, such sums as may be necessary to carry out and*
 16 *expand the Air Traffic Control Collegiate Training Initia-*
 17 *tive.*

18 **SEC. 513. AIR TRANSPORTATION OVERSIGHT SYSTEM PLAN.**

19 (a) *IN GENERAL.—Within 90 days after the date of*
 20 *enactment of this Act, the Administrator of the Federal*
 21 *Aviation Administration shall transmit to the Senate Com-*
 22 *mittee on Commerce, Science, and Transportation and the*
 23 *House of Representatives Committee on Transportation and*
 24 *Infrastructure an action plan, with an implementation*
 25 *schedule—*

1 (1) *to provide adequate oversight of repair sta-*
2 *tions (known as Part 145 repair stations) and ensure*
3 *that Administration-approved repair stations outside*
4 *the United States are subject to the same level of over-*
5 *sight and quality control as those located in the*
6 *United States; and*

7 (2) *for addressing problems with the Air Trans-*
8 *portation Oversight System that have been identified*
9 *in reports by the Comptroller General and the Inspec-*
10 *tor General of the Department of Transportation.*

11 (b) *PLAN REQUIREMENTS.—The plan transmitted by*
12 *the Administrator under subsection (a)(2) shall set forth the*
13 *action the Administration will take under the plan—*

14 (1) *to develop specific, clear, and meaningful in-*
15 *spection checklists for the use of Administration avia-*
16 *tion safety inspectors and analysts;*

17 (2) *to provide adequate training to Administra-*
18 *tion aviation safety inspectors in system safety con-*
19 *cepts, risk analysis, and auditing;*

20 (3) *to ensure that aviation safety inspectors with*
21 *the necessary qualifications and experience are phys-*
22 *ically located where they can satisfy the most impor-*
23 *tant needs;*

24 (4) *to establish strong national leadership for the*
25 *Air Transportation Oversight System and to ensure*

1 *that the System is implemented consistently across*
 2 *Administration field offices; and*

3 *(5) to extend the Air Transportation Oversight*
 4 *System beyond the 10 largest air carriers, so it gov-*
 5 *erns oversight of smaller air carriers as well.*

6 **SEC. 514. NATIONAL SMALL COMMUNITY AIR SERVICE DE-**
 7 **VELOPMENT OMBUDSMAN.**

8 *(a) IN GENERAL.—Subchapter II of chapter 417, as*
 9 *amended by section 353 of this Act, is amended by adding*
 10 *at the end the following:*

11 **“§41746. National Small Community Air Service De-**
 12 **velopment Ombudsman**

13 *“(a) ESTABLISHMENT.—There is established in the De-*
 14 *partment of Transportation the position of National Small*
 15 *Community Air Service Ombudsman (in this section re-*
 16 *ferred to as the ‘Ombudsman’). The Secretary of Transpor-*
 17 *tation shall appoint the Ombudsman. The Ombudsman*
 18 *shall report to the Secretary.*

19 *“(b) PURPOSE.—The Ombudsman, in consultation*
 20 *with officials from small communities in the United States,*
 21 *State aviation agencies, and State and local economic devel-*
 22 *opment agencies, shall develop strategies for retaining and*
 23 *enhancing the air service provided to small communities*
 24 *in the United States.*

1 “(c) *OUTREACH.*—*The Ombudsman shall solicit and*
 2 *receive comments from small communities regarding strate-*
 3 *gies for retaining and enhancing air service, and shall act*
 4 *as a liaison between the communities and Federal agencies*
 5 *for the purpose of developing such strategies.”*

6 (b) *CONFORMING AMENDMENT.*—*The chapter analysis*
 7 *for chapter 417 is amended by inserting after the item relat-*
 8 *ing to section 47145 the following:*

“47146. National small community air service development ombudsman.”.

9 **SEC. 515. NATIONAL COMMISSION ON SMALL COMMUNITY**
 10 **AIR SERVICE.**

11 (a) *ESTABLISHMENT.*—*There is established a commis-*
 12 *sion to be known as the “National Commission on Small*
 13 *Community Air Service” (in this section referred to as the*
 14 *“Commission”).*

15 (b) *MEMBERSHIP.*—

16 (1) *COMPOSITION.*—*The Commission shall be*
 17 *composed of 9 members of whom—*

18 (A) *3 members shall be appointed by the*
 19 *Secretary;*

20 (B) *2 members shall be appointed by the*
 21 *Majority Leader of the Senate;*

22 (C) *1 member shall be appointed by the Mi-*
 23 *nority Leader of the Senate;*

24 (D) *2 members shall be appointed by the*
 25 *Speaker of the House of Representatives; and*

1 (E) 1 member shall be appointed by the Mi-
 2 nority Leader of the House of Representatives.

3 (2) QUALIFICATIONS.—Of the members ap-
 4 pointed by the Secretary under paragraph (1)(A)—

5 (A) 1 member shall be a representative of a
 6 regional airline;

7 (B) 1 member shall be a representative of
 8 an FAA-designated small-hub airport; and

9 (C) 1 member shall be a representative of a
 10 State aviation agency.

11 (3) TERMS.—Members shall be appointed for the
 12 life of the Commission.

13 (4) VACANCIES.—A vacancy in the Commission
 14 shall be filled in the manner in which the original
 15 appointment was made.

16 (5) TRAVEL EXPENSES.—Members shall serve
 17 without pay but shall receive travel expenses, includ-
 18 ing per diem in lieu of subsistence, in accordance
 19 with subchapter I of chapter 57 of title 5, United
 20 States Code.

21 (c) CHAIRPERSON.—The Secretary shall designate,
 22 from among the individuals appointed under subsection
 23 (b)(1), an individual to serve as Chairperson of the Com-
 24 mission.

25 (d) DUTIES.—

1 (1) *STUDY.*—*The Commission shall undertake a*
2 *study of—*

3 (A) *the challenges faced by small commu-*
4 *nities in the United States with respect to re-*
5 *taining and enhancing their scheduled commer-*
6 *cial air service; and*

7 (B) *whether the existing Federal programs*
8 *charged with helping small communities are ade-*
9 *quate for them to retain and enhance their exist-*
10 *ing air service.*

11 (2) *ESSENTIAL AIR SERVICE COMMUNITIES.*—*In*
12 *conducting the study, the Commission shall pay par-*
13 *ticular attention to the state of scheduled commercial*
14 *air service in communities currently served by the*
15 *Essential Air Service program.*

16 (e) *RECOMMENDATIONS.*—*Based on the results of the*
17 *study under subsection (d), the Commission shall make such*
18 *recommendations as it considers necessary to—*

19 (1) *improve the state of scheduled commercial air*
20 *service at small communities in the United States, es-*
21 *pecially communities described in subsection (d)(2);*
22 *and*

23 (2) *improve the ability of small communities to*
24 *retain and enhance their existing air service.*

1 (f) *REPORT*.—Not later than 6 months after the date
 2 on which initial appointments of members to the Commis-
 3 sion are completed, the Commission shall transmit to the
 4 President and Congress a report on the activities of the
 5 Commission, including recommendations made by the Com-
 6 mission under subsection (e).

7 (g) *COMMISSION PANELS*.—The Chairperson shall es-
 8 tablish such panels consisting of members of the Commis-
 9 sion as the Chairperson determines appropriate to carry
 10 out the functions of the Commission.

11 (h) *COMMISSION PERSONNEL MATTERS*.—

12 (1) *STAFF*.—The Commission may appoint and
 13 fix the pay of such personnel as it considers appro-
 14 priate.

15 (2) *STAFF OF FEDERAL AGENCIES*.—Upon re-
 16 quest of the Chairperson, the head of any department
 17 or agency of the United States may detail, on a reim-
 18 bursable basis, any of the personnel of that depart-
 19 ment or agency to the Commission to assist it in car-
 20 rying out its duties under this section.

21 (3) *OTHER STAFF AND SUPPORT*.—Upon the re-
 22 quest of the Commission, or a panel of the Commis-
 23 sion, the Secretary shall provide the Commission or
 24 panel with professional and administrative staff and
 25 other support, on a reimbursable basis, to assist the

1 Commission or panel in carrying out its responsibil-
2 ities.

3 (i) *OBTAINING OFFICIAL DATA.*—*The Commission*
4 *may secure directly from any department or agency of the*
5 *United States information (other than information required*
6 *by any statute of the United States to be kept confidential*
7 *by such department or agency) necessary for the Commis-*
8 *sion to carry out its duties under this section. Upon request*
9 *of the Chairperson, the head of that department or agency*
10 *shall furnish such nonconfidential information to the Com-*
11 *mission.*

12 (j) *TERMINATION.*—*The Commission shall terminate*
13 *on the 30th day following the date of transmittal of the re-*
14 *port under subsection (f).*

15 (k) *APPLICABILITY OF THE FEDERAL ADVISORY COM-*
16 *MITTEE ACT.*—*The Federal Advisory Committee Act (5*
17 *U.S.C. App.) shall not apply to the Commission.*

18 (l) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
19 *authorized to be appropriated to the Secretary of Transpor-*
20 *tation \$250,000 to be used to fund the Commission.*

21 **SEC. 516. TRAINING CERTIFICATION FOR CABIN CREW.**

22 *Section 44935 is amended by adding at the end the*
23 *following:*

24 “(g) *TRAINING STANDARDS FOR CABIN CREW.*—

1 “(1) *IN GENERAL.*—*The Administrator shall es-*
 2 *tablish standards for cabin crew training, consistent*
 3 *with the Homeland Security Act of 2002, and the*
 4 *issuance of certification. The Administrator shall re-*
 5 *quire cabin crew members to complete a cabin crew*
 6 *training courses approved by the Federal Aviation*
 7 *Administration and the Transportation Security Ad-*
 8 *ministration.*

9 “(2) *CERTIFICATION.*—

10 “(A) *IN GENERAL.*—*The Administrator*
 11 *shall provide for the issuance of an appropriate*
 12 *certificate to each individual who successfully*
 13 *completes such a course.*

14 “(B) *CONTENTS.*—*The cabin crew certifi-*
 15 *cate shall—*

16 “(i) *be numbered and recorded by the*
 17 *Administrator of the Federal Aviation Ad-*
 18 *ministration;*

19 “(ii) *contain the name, address, and*
 20 *description of the individual to whom the*
 21 *certificate is issued; and*

22 “(iii) *contain the name of the current*
 23 *air carrier employer of the certificate hold-*
 24 *er;*

1 “(iv) contain terms the Administrator
 2 determines are necessary to ensure safety in
 3 air commerce, including terms that the cer-
 4 tificate shall remain valid unless the Ad-
 5 ministrator suspends or revokes the certifi-
 6 cate; and

7 “(v) designate the type and model of
 8 aircraft on which the certificate holder
 9 cabin crew member has successfully com-
 10 pleted all Federal Aviation Administration
 11 and Transportation Security Administra-
 12 tion required training in order to be as-
 13 signed duties on board such type and model
 14 of aircraft.

15 “(3) CABIN CREW DEFINED.—In this subsection,
 16 the term ‘cabin crew’ means individuals working in
 17 an aircraft cabin on board a transport category air-
 18 craft with 20 or more seats.”.

19 **SEC. 517. AIRCRAFT MANUFACTURER INSURANCE.**

20 (a) IN GENERAL.—Section 44302(f) is amended by
 21 adding at the end the following:

22 “(3) AIRCRAFT MANUFACTURERS.—The Sec-
 23 retary may offer to provide war and terrorism insur-
 24 ance to aircraft manufacturers for loss or damage
 25 arising from the operation of an aircraft by an air

1 *carrier, in excess of \$50,000,000 in the aggregate or*
 2 *in excess of such other amounts of available primary*
 3 *insurance, on such terms and conditions as the Sec-*
 4 *retary may prescribe.”.*

5 *(b) CONFORMING AMENDMENTS.—*

6 *(1) DEFINITION OF AIRCRAFT MANUFACTURER.—*

7 *Section 44301 is amended by adding at the end the*
 8 *following:*

9 *“(3) ‘aircraft manufacturer’ means any com-*
 10 *pany or other business entity the majority ownership*
 11 *and control of which is by United States citizens that*
 12 *manufactures aircraft or aircraft engines.”.*

13 *(2) COVERAGE.—Section 44303(a) is amended*
 14 *by adding at the end the following:*

15 *“(6) war and terrorism losses or damages of an*
 16 *aircraft manufacturer arising from the operation of*
 17 *an aircraft by an air carrier.”.*

18 **SEC. 518. GROUND-BASED PRECISION NAVIGATIONAL AIDS.**

19 *(a) IN GENERAL.—The Secretary of Transportation*
 20 *may establish a program for the installation, operation,*
 21 *and maintenance of ground-based precision navigational*
 22 *aids for terrain-challenged airports. The program shall in-*
 23 *clude provision for—*

24 *(1) preventative and corrective maintenance for*
 25 *the life of each system of such aids; and*

1 (2) *requisite staffing and resources for the Fed-*
 2 *eral Aviation Administration's efficient maintenance*
 3 *of the program.*

4 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 5 *authorized to be appropriated to the Secretary of Transpor-*
 6 *tation to carry out the program established under sub-*
 7 *section (a) such sums as may be necessary.*

8 **SEC. 519. STANDBY POWER EFFICIENCY PROGRAM.**

9 (a) *ESTABLISHMENT.—The Secretary of Transpor-*
 10 *tation, in cooperation with the Secretary of Energy and,*
 11 *where applicable, the Secretary of Defense, may establish*
 12 *a program to improve the efficiency, cost-effectiveness, and*
 13 *environmental performance of standby power systems at*
 14 *Federal Aviation Administration sites, including the imple-*
 15 *mentation of fuel cell technology.*

16 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 17 *authorized to be appropriated to the Secretary of Transpor-*
 18 *tation such sums as may be necessary for each of fiscal*
 19 *years 2004 through 2008 to carry out the provisions of this*
 20 *section.*

21 **SEC. 520. CERTAIN INTERIM AND FINAL RULES.**

22 *Notwithstanding section 141(d)(1) of the Aviation and*
 23 *Transportation Security Act (49 U.S.C. 44901 note), sec-*
 24 *tion 45301(b)(1)(B) of title 49, United States Code, as*
 25 *amended by section 119(d) of that Act, is deemed to apply*

1 *to, and to have been in effect with respect to, the authority*
 2 *of the Administrator of the Federal Aviation Administra-*
 3 *tion with respect to the Interim Final Rule and Final Rule*
 4 *issued by the Administrator on May 30, 2000, and August*
 5 *13, 2001, respectively.*

6 **SEC. 521. AIR FARES FOR MEMBERS OF ARMED FORCES.**

7 *It is the sense of the Senate that each United States*
 8 *air carrier should—*

9 *(1) make every effort to allow active duty mem-*
 10 *bers of the Armed Forces to purchase tickets, on a*
 11 *space-available basis, for the lowest fares offered for*
 12 *the flights desired, without regard to advance pur-*
 13 *chase requirements and other restrictions; and*

14 *(2) offer flexible terms that allow members of the*
 15 *Armed Forces on active duty to purchase, modify, or*
 16 *cancel tickets without time restrictions, fees, or pen-*
 17 *alties.*

18 **SEC. 522. MODIFICATION OF REQUIREMENTS REGARDING**
 19 **TRAINING TO OPERATE AIRCRAFT.**

20 *(a) IN GENERAL.—Section 44939 of title 49, United*
 21 *States Code, is amended to read as follows:*

22 **“§ 44939. Training to operate certain aircraft**

23 **“(a) IN GENERAL.—**

24 **“(1) WAITING PERIOD.—A person subject to reg-**
 25 **ulation under this part may provide training in the**

1 *United States in the operation of an aircraft to an*
 2 *individual who is an alien (as defined in section*
 3 *101(a)(3) of the Immigration and Nationality Act (8*
 4 *U.S.C. 1101(a)(3))) or to any other individual speci-*
 5 *fied by the Under Secretary of Homeland Security for*
 6 *Border and Transportation Security only if—*

7 *“(A) that person has notified the Under*
 8 *Secretary that the individual has requested such*
 9 *training and furnished the Under Secretary with*
 10 *that individual’s identification in such form as*
 11 *the Under Secretary may require; and*

12 *“(B) the Under Secretary has not directed,*
 13 *within 30 days after being notified under sub-*
 14 *paragraph (A), that person not to provide the re-*
 15 *quested training because the Under Secretary has*
 16 *determined that the individual presents a risk to*
 17 *aviation security or national security.*

18 *“(2) NOTIFICATION-ONLY INDIVIDUALS.—*

19 *“(A) IN GENERAL.—The requirements of*
 20 *paragraph (1) shall not apply to an alien indi-*
 21 *vidual who holds a visa issued under title I of*
 22 *the Immigration and Nationality Act (8 U.S.C.*
 23 *1101 et seq.) and who—*

1 “(i) *has earned a Federal Aviation Ad-*
2 *ministration type rating in an aircraft or*
3 *has undergone type-specific training, or*

4 “(ii) *holds a current pilot’s license or*
5 *foreign equivalent commercial pilot’s license*
6 *that permits the person to fly an aircraft*
7 *with a maximum certificated takeoff weight*
8 *of more than 12,500 pounds as defined by*
9 *the International Civil Aviation Organiza-*
10 *tion in Annex 1 to the Convention on Inter-*
11 *national Civil Aviation,*

12 *if the person providing the training has notified*
13 *the Under Secretary that the individual has re-*
14 *quested such training and furnished the Under*
15 *Secretary with that individual’s visa informa-*
16 *tion.*

17 “(B) *EXCEPTION.*—Subparagraph (A) *does*
18 *not apply to an alien individual whose airman’s*
19 *certificate has been suspended or revoked under*
20 *procedures established by the Under Secretary.*

21 “(3) *EXPEDITED PROCESSING.*—*The waiting pe-*
22 *riod under paragraph (1) shall be expedited for an*
23 *individual who—*

1 “(A) has previously undergone a back-
 2 ground records check by the Foreign Terrorist
 3 Tracking Task Force;

4 “(B) is employed by a foreign air carrier
 5 certified under part 129 of title 49, Code of Fed-
 6 eral Regulations, that has a TSA 1546 approved
 7 security program and who is undergoing recur-
 8 rent flight training;

9 “(C) is a foreign military pilot endorsed by
 10 the United States Department of Defense for
 11 flight training; or

12 “(D) who has unescorted access to a secured
 13 area of an airport designated under section
 14 44936(a)(1)(A)(ii).

15 “(4) INVESTIGATION AUTHORITY.—In order to
 16 determine whether an individual requesting training
 17 described in paragraph (1) presents a risk to aviation
 18 security or national security the Under Secretary is
 19 authorized to use the employment investigation au-
 20 thority provided by section 44936(a)(1)(A) for indi-
 21 viduals applying for a position in which the indi-
 22 vidual has unescorted access to a secured area of an
 23 airport designated under section 44936(a)(1)(A)(ii).

24 “(5) FEE.—

1 “(A) *IN GENERAL.*—The Under Secretary
 2 may assess a fee for an investigation under this
 3 section, which may not exceed \$100 per indi-
 4 vidual (exclusive of the cost of transmitting fin-
 5 gerprints collected at overseas facilities) during
 6 fiscal years 2003 and 2004. For fiscal year 2005
 7 and thereafter, the Under Secretary may adjust
 8 the maximum amount of the fee to reflect the
 9 costs of such an investigation.

10 “(B) *OFFSET.*—Notwithstanding section
 11 3302 of title 31, United States Code, any fee col-
 12 lected under this section—

13 “(i) shall be credited to the account in
 14 the Treasury from which the expenses were
 15 incurred and shall be available to the Under
 16 Secretary for those expenses; and

17 “(ii) shall remain available until ex-
 18 pended.

19 “(b) *INTERRUPTION OF TRAINING.*—If the Under Sec-
 20 retary, more than 30 days after receiving notification under
 21 subsection (a)(1)(A) from a person providing training de-
 22 scribed in subsection (a)(1) or at any time after receiving
 23 notice from such a person under subsection (a)(2)(A), deter-
 24 mines that an individual receiving such training presents
 25 a risk to aviation or national security, the Under Secretary

1 *shall immediately notify the person providing the training*
 2 *of the determination and that person shall immediately ter-*
 3 *minate the training.*

4 “(c) *COVERED TRAINING.*—*For purposes of subsection*
 5 *(a), the term ‘training’—*

6 “(1) *includes in-flight training, training in a*
 7 *simulator, and any other form or aspect of training;*
 8 *but*

9 “(2) *does not include classroom instruction (also*
 10 *known as ground school training), which may be pro-*
 11 *vided during the 30-day period described in sub-*
 12 *section (a)(1)(B).*

13 “(d) *INTERAGENCY COOPERATION.*—*The Attorney*
 14 *General, the Director of Central Intelligence, and the Ad-*
 15 *ministrator of the Federal Aviation Administration shall*
 16 *cooperate with the Under Secretary in implementing this*
 17 *section.*

18 “(e) *SECURITY AWARENESS TRAINING FOR EMPLOY-*
 19 *EES.*—*The Under Secretary shall require flight schools to*
 20 *conduct a security awareness program for flight school em-*
 21 *ployees, and for certified instructors who provide instruc-*
 22 *tion for the flight school but who are not employees thereof,*
 23 *to increase their awareness of suspicious circumstances and*
 24 *activities of individuals enrolling in or attending flight*
 25 *school.”.*

1 ***(b) PROCEDURES.—***

2 ***(1) IN GENERAL.—****Not later than 60 days after*
3 *the date of enactment of this Act, the Under Secretary*
4 *of Homeland Security for Border and Transportation*
5 *Security shall promulgate an interim final rule to*
6 *implement section 44939 of title 49, United States*
7 *Code, as amended by subsection (a).*

8 ***(2) USE OF OVERSEAS FACILITIES.—****In order to*
9 *implement section 44939 of title 49, United States*
10 *Code, as amended by subsection (a), United States*
11 *Embassies and Consulates that possess appropriate*
12 *fingerprint collection equipment and personnel cer-*
13 *tified to capture fingerprints shall provide fingerprint*
14 *services to aliens covered by that section if the Under*
15 *Secretary requires fingerprints in the administration*
16 *of that section, and shall transmit the fingerprints to*
17 *the Under Secretary or other agency designated by the*
18 *Under Secretary. The Attorney General and the Sec-*
19 *retary of State shall cooperate with the Under Sec-*
20 *retary in carrying out this paragraph.*

21 ***(3) USE OF UNITED STATES FACILITIES.—****If the*
22 *Under Secretary requires fingerprinting in the ad-*
23 *ministration of section 44939 of title 49, United*
24 *States Code, the Under Secretary may designate loca-*
25 *tions within the United States that will provide*

1 *fingerprinting services to individuals covered by that*
 2 *section.*

3 (c) *EFFECTIVE DATE.*—*The amendment made by sub-*
 4 *section (a) takes effect on the effective date of the interim*
 5 *final rule required by subsection (b)(1).*

6 (d) *REPORT.*—*Not later than 1 year after the date of*
 7 *enactment of this Act, the Secretary of Homeland Security*
 8 *shall submit to the Senate Committee on Commerce,*
 9 *Science, and Transportation and the House of Representa-*
 10 *tives Committee on Transportation and Infrastructure a re-*
 11 *port on the effectiveness of the activities carried out under*
 12 *section 44939 of title 49, United States Code, in reducing*
 13 *risks to aviation security and national security.*

14 **SEC. 523. EXEMPTION FOR JACKSON HOLE AIRPORT.**

15 (a) *IN GENERAL.*—*Notwithstanding chapter 475 of*
 16 *title 49, United States Code, or any other provision of law,*
 17 *if the Board of the Jackson Hole Airport in Wyoming and*
 18 *the Secretary of the Interior agree that Stage 3 aircraft*
 19 *technology represents a prudent and feasible technological*
 20 *advance which, if implemented at the Jackson Hole Airport,*
 21 *will result in a reduction in noise at Grand Teton National*
 22 *Park—*

23 (1) *the Jackson Hole Airport may impose re-*
 24 *strictions on, or prohibit, the operation of Stage 2*

1 *aircraft weighing less than 75,000 pounds, with rea-*
 2 *sonable exemptions for public health and safety;*

3 *(2) the notice, study, and comment provisions of*
 4 *subchapter II of chapter 475 of title 49, United States*
 5 *Code, and part 161 of title 14, Code of Federal Regu-*
 6 *lations, shall not apply to the imposition of the re-*
 7 *strictions;*

8 *(3) the imposition of the restrictions shall not af-*
 9 *fect the Airport's eligibility to receive a grant under*
 10 *title 49, United States Code; and*

11 *(4) the restrictions shall not be deemed to be un-*
 12 *reasonable, discriminatory, a violation of the assur-*
 13 *ances required by section 47107(a) of title 49, United*
 14 *States Code, or an undue burden on interstate com-*
 15 *merce.*

16 *(b) DEFINITIONS.—In this section, the terms “Stage*
 17 *2 aircraft” and “Stage 3 aircraft” have the same meaning*
 18 *as those terms have in chapter 475 of title 49, United States*
 19 *Code.*

20 **SEC. 524. DISTANCE REQUIREMENT APPLICABLE TO ELIGI-**
 21 **BILITY FOR ESSENTIAL AIR SERVICE SUB-**
 22 **SIDIES.**

23 *(a) MEASUREMENT OF HIGHWAY MILEAGE FOR PUR-*
 24 *POSES OF DETERMINING ELIGIBILITY FOR ESSENTIAL AIR*
 25 *SERVICE SUBSIDIES.—*

1 (1) *DETERMINATION OF ELIGIBILITY.*—Sub-
 2 *chapter II of Chapter 417 of title 49, United States*
 3 *Code, is amended by adding at the end the following*
 4 *new section:*

5 **“§41746. Distance requirement applicable to eligi-**
 6 **bility for essential air service subsidies**

7 “(a) *IN GENERAL.*—The Secretary shall not provide
 8 *assistance under this subchapter with respect to a place in*
 9 *the 48 contiguous States that—*

10 “(1) *is less than 70 highway miles from the*
 11 *nearest hub airport; or*

12 “(2) *requires a rate of subsidy per passenger in*
 13 *excess of \$200, unless such place is greater than 210*
 14 *highway miles from the nearest hub airport.*

15 “(b) *DETERMINATION OF MILEAGE.*—For purposes of
 16 *Lancaster, Pennsylvania, the highway mileage between a*
 17 *place and the nearest hub airport is the highway mileage*
 18 *of the most commonly used route between the place and the*
 19 *hub airport. In identifying such route, the Secretary shall—*

20 “(1) *promulgate by regulation a standard for*
 21 *calculating the mileage between Lancaster, Pennsyl-*
 22 *vania and a hub airport; and*

23 “(2) *identify the most commonly used route for*
 24 *a community by—*

1 “(A) consulting with the Governor of a
2 State or the Governor’s designee; and

3 “(B) considering the certification of the
4 Governor of a State or the Governor’s designee as
5 to the most commonly used route.”.

6 (2) *CONFORMING AMENDMENT.*—The analysis for
7 subchapter II of chapter 417 of title 49, United States
8 Code, is amended by inserting after the item relating
9 to section 41745 the following new item:

 “41746. Distance requirement applicable to eligibility for essential air service
 subsidies.”.

10 (b) *REPEAL.*—The following provisions of law are re-
11 pealed:

12 (1) Section 332 of the Department of Transpor-
13 tation and Related Agencies Appropriations Act,
14 2000 (49 U.S.C. 41731 note).

15 (2) Section 205 of the Wendell H. Ford Aviation
16 Investment and Reform Act for the 21st Century (49
17 U.S.C. 41731 note).

18 (3) Section 334 of the Department of Transpor-
19 tation and Related Agencies Appropriations Act,
20 1999 (section 101(g) of division A of the Omnibus
21 Consolidated and Emergency Supplemental Appro-
22 priations Act, 1999) (Public Law 105–277; 112 Stat.
23 2681–471).

24 (c) *SECRETARIAL REVIEW.*—

1 (1) *REQUEST FOR REVIEW.*—Any community
 2 with respect to which the Secretary has, between Sep-
 3 tember 30, 1993, and the date of the enactment of this
 4 Act, eliminated subsidies or terminated subsidy eligi-
 5 bility under section 332 of the Department of Trans-
 6 portation and Related Agencies Appropriations Act,
 7 2000 (49 U.S.C. 41731 note), section 205 of the Wen-
 8 dell H. Ford Aviation Investment and Reform Act for
 9 the 21st Century (49 U.S.C. 41731 note), or any
 10 prior law of similar effect, may request the Secretary
 11 to review such action.

12 (2) *ELIGIBILITY DETERMINATION.*—Not later
 13 than 60 days after receiving a request under sub-
 14 section (i), the Secretary shall—

15 (A) determine whether the community
 16 would have been subject to such elimination of
 17 subsidies or termination of eligibility under the
 18 distance requirement enacted by the amendment
 19 made by subsection (g) of this bill to subchapter
 20 II of chapter 417 of title 49, United States Code;
 21 and

22 (B) issue a final order with respect to the
 23 eligibility of such community for essential air
 24 service subsidies under subchapter II of chapter

1 417 of title 49, United States Code, as amended
2 by this Act.

3 **SEC. 525. REIMBURSEMENT FOR LOSSES INCURRED BY**
4 **GENERAL AVIATION ENTITIES.**

5 (a) *IN GENERAL.*—The Secretary of Transportation
6 may make grants to reimburse the following general avia-
7 tion entities for economic losses as a result of the restrictions
8 imposed by the Federal Government following the terrorist
9 attacks on the United States that occurred on September
10 11, 2001:

11 (1) *General aviation entities that operate at*
12 *Ronald Reagan Washington National Airport.*

13 (2) *Airports that are located within 15 miles of*
14 *Ronald Reagan Washington National Airport and*
15 *were operating under security restrictions on the date*
16 *of enactment of this Act and general aviation entities*
17 *operating at those airports.*

18 (3) *Any other general aviation entity that is pre-*
19 *vented from doing business or operating by an action*
20 *of the Federal Government prohibiting access to air-*
21 *space by that entity.*

22 (b) *DOCUMENTATION.*—Reimbursement under this sec-
23 tion shall be made in accordance with sworn financial
24 statements or other appropriate data submitted by each

1 *general aviation entity demonstrating the costs incurred*
 2 *and revenue foregone to the satisfaction of the Secretary.*

3 (c) *GENERAL AVIATION ENTITY DEFINED.*—*In this*
 4 *section, the term “general aviation entity” means any per-*
 5 *son (other than a scheduled air carrier or foreign air car-*
 6 *rier, as such terms are defined in section 40102 of title 49,*
 7 *United States Code) that—*

8 (1) *operates nonmilitary aircraft under part 91*
 9 *of title 14, Code of Federal Regulations, for the pur-*
 10 *pose of conducting its primary business;*

11 (2) *provides services necessary for nonmilitary*
 12 *operations under such part 91; or*

13 (3) *operates an airport, other than a primary*
 14 *airport (as such terms are defined in such section*
 15 *40102), that—*

16 (A) *is listed in the national plan of inte-*
 17 *grated airport systems developed by the Federal*
 18 *Aviation Administration under section 47103 of*
 19 *such title; or*

20 (B) *is normally open to the public, is lo-*
 21 *cated within the confines of enhanced class B*
 22 *airspace (as defined by the Federal Aviation Ad-*
 23 *ministration in Notice to Airmen FDC 1/0618),*
 24 *and was closed as a result of an order issued by*
 25 *the Federal Aviation Administration in the pe-*

1 *riod beginning September 11, 2001, and ending*
 2 *January 1, 2002, and remained closed as a re-*
 3 *sult of that order on January 1, 2002.*

4 *Such term includes fixed based operators, persons engaged*
 5 *in nonscheduled air taxi service or aircraft rental.*

6 *(d) AUTHORIZATION OF APPROPRIATIONS.—There is*
 7 *authorized to be appropriated to carry out this section*
 8 *\$100,000,000. Such sums shall remain available until ex-*
 9 *pendent.*

10 **SEC. 526. RECOMMENDATIONS CONCERNING TRAVEL**
 11 **AGENTS.**

12 *(a) REPORT.—Not later than 6 months after the date*
 13 *of enactment of this Act, the Secretary of Transportation*
 14 *shall transmit to Congress a report on any actions that*
 15 *should be taken with respect to recommendations made by*
 16 *the National Commission to Ensure Consumer Information*
 17 *and Choice in the Airline Industry on—*

18 *(1) the travel agent arbiter program; and*

19 *(2) the special box on tickets for agents to in-*
 20 *clude their service fee charges.*

21 *(b) CONSULTATION.—In preparing this report, the*
 22 *Secretary shall consult with representatives from the airline*
 23 *and travel agent industry.*

1 **SEC. 527. PASS-THROUGH OF REFUNDED PASSENGER SECU-**
 2 **RITY FEES TO CODE-SHARE PARTNERS.**

3 (a) *IN GENERAL.*—Within 30 days after the date of
 4 enactment of this Act, each United States flag air carrier
 5 that received a payment made under the second proviso of
 6 first appropriation in title IV of the Emergency Wartime
 7 Supplemental Appropriations Act, 2003 (Pub. L. 108–011;
 8 117 Stat. 604) shall transfer to each air carrier with which
 9 it had a code-share arrangement during the period covered
 10 by the passenger security fees remitted under that proviso
 11 an amount equal to that portion of the remittance under
 12 the proviso that was attributable to passenger security fees
 13 paid or collected by that code-share air carrier and taken
 14 into account in determining the amount of the payment to
 15 the United States flag air carrier.

16 (b) *DOT INSPECTOR GENERAL OVERSIGHT.*—The In-
 17 spector General of the Department of Transportation shall
 18 review the compliance of United States flag air carriers
 19 with subsection (a), including determinations of amounts,
 20 determinations of eligibility of code-share air carriers, and
 21 transfers of funds to such air carriers under subsection (a).

22 (c) *CERTIFICATION.*—The chief executive officer of each
 23 United States flag air carrier to which subsection (a) ap-
 24 plies shall certify to the Under Secretary of Homeland Se-
 25 curity for Border and Transportation Security, under pen-

1 *alty of perjury, the air carrier's compliance with subsection*
 2 *(a).*

3 **SEC. 528. AIR CARRIER CITIZENSHIP.**

4 *Section 40102(a)(15)(C) of title 49, United States*
 5 *Code, is amended by inserting "which is under the actual*
 6 *control of citizens of the United States," before "and in*
 7 *which".*

8 **SEC. 529. UNITED STATES PRESENCE IN GLOBAL AIR**
 9 **CARGO INDUSTRY.**

10 *Section 41703 is amended by adding at the end the*
 11 *following new subsection:*

12 *"(e) CARGO IN ALASKA.—*

13 *"(1) IN GENERAL.—For the purposes of sub-*
 14 *section (c), eligible cargo taken on or off any aircraft*
 15 *at a place in Alaska in the course of transportation*
 16 *of that cargo by any combination of 2 or more air*
 17 *carriers or foreign air carriers in either direction be-*
 18 *tween a place in the United States and a place out-*
 19 *side the United States shall not be deemed to have*
 20 *broken its international journey in, be taken on in,*
 21 *or be destined for Alaska.*

22 *"(2) ELIGIBLE CARGO.—For purposes of para-*
 23 *graph (1), the term 'eligible cargo' means cargo trans-*
 24 *ported between Alaska and any other place in the*
 25 *United States on a foreign air carrier (having been*

1 *transported from, or thereafter being transported to,*
 2 *a place outside the United States on a different air*
 3 *carrier or foreign air carrier) that is carried—*

4 *“(A) under the code of a United States air*
 5 *carrier providing air transportation to Alaska;*

6 *“(B) on an air carrier way bill of an air*
 7 *carrier providing air transportation to Alaska;*

8 *“(C) under a term arrangement or block*
 9 *space agreement with an air carrier; or*

10 *“(D) under the code of a United States air*
 11 *carrier for purposes of transportation within the*
 12 *United States.”.*

13 ***TITLE VI—SECOND CENTURY OF*** 14 ***FLIGHT***

15 ***SEC. 601. FINDINGS.***

16 *The Congress finds the following:*

17 *(1) Since 1990, the United States has lost more*
 18 *than 600,000 aerospace jobs.*

19 *(2) Over the last year, approximately 100,000*
 20 *airline workers and aerospace workers have lost their*
 21 *jobs as a result of the terrorist attacks in the United*
 22 *States on September 11, 2001, and the slowdown in*
 23 *the world economy.*

1 (3) *The United States has revolutionized the way*
2 *people travel, developing new technologies and air-*
3 *craft to move people more efficiently and more safely.*

4 (4) *Past Federal investment in aeronautics re-*
5 *search and development have benefited the economy*
6 *and national security of the United States and the*
7 *quality of life of its citizens.*

8 (5) *The total impact of civil aviation on the*
9 *United States economy exceeds \$900,000,000,000 an-*
10 *nually—9 percent of the gross national product—and*
11 *11 million jobs in the national workforce. Civil avia-*
12 *tion products and services generate a significant sur-*
13 *plus for United States trade accounts, and amount to*
14 *significant numbers of America’s highly skilled, tech-*
15 *nologically qualified work force.*

16 (6) *Aerospace technologies, products and services*
17 *underpin the advanced capabilities of our men and*
18 *women in uniform and those charged with homeland*
19 *security.*

20 (7) *Future growth in civil aviation increasingly*
21 *will be constrained by concerns related to aviation*
22 *system safety and security, aviation system capabili-*
23 *ties, aircraft noise, emissions, and fuel consumption.*

24 (8) *The United States is in danger of losing its*
25 *aerospace leadership to international competitors*

1 *aided by persistent government intervention. Many*
2 *governments take their funding beyond basic tech-*
3 *nology development, choosing to fund product develop-*
4 *ment and often bring the product to market, even if*
5 *the products are not fully commercially viable. More-*
6 *over, international competitors have recognized the*
7 *importance of noise, emission, fuel consumption, and*
8 *constraints of the aviation system and have estab-*
9 *lished aggressive agendas for addressing each of these*
10 *concerns.*

11 *(9) Efforts by the European Union, through a*
12 *variety of means, will challenge the United States’*
13 *leadership position in aerospace. A recent report out-*
14 *lined the European Union’s goal of becoming the*
15 *world’s leader in aviation and aeronautics by the end*
16 *of 2020, utilizing better coordination among research*
17 *programs, planning, and funding to accomplish this*
18 *goal.*

19 *(10) Revitalization and coordination of the*
20 *United States’ efforts to maintain its leadership in*
21 *aviation and aeronautics are critical and must begin*
22 *now.*

23 *(11) A recent report by the Commission on the*
24 *Future of the United States Aerospace Industry out-*
25 *lined the scope of the problems confronting the aero-*

1 *space and aviation industries in the United States*
2 *and found that—*

3 *(A) Aerospace will be at the core of Amer-*
4 *ica's leadership and strength throughout the 21st*
5 *century;*

6 *(B) Aerospace will play an integral role in*
7 *our economy, our security, and our mobility;*
8 *and*

9 *(C) global leadership in aerospace is a na-*
10 *tional imperative.*

11 *(12) Despite the downturn in the global econ-*
12 *omy, Federal Aviation Administration projections in-*
13 *dicade that upwards of 1 billion people will fly annu-*
14 *ally by 2013. Efforts must begin now to prepare for*
15 *future growth in the number of airline passengers.*

16 *(13) The United States must increase its invest-*
17 *ment in research and development to revitalize the*
18 *aviation and aerospace industries, to create jobs, and*
19 *to provide educational assistance and training to pre-*
20 *pare workers in those industries for the future.*

21 *(14) Current and projected levels of Federal in-*
22 *vestment in aeronautics research and development are*
23 *not sufficient to address concerns related to the*
24 *growth of aviation.*

1 ***Subtitle A—The Office of Aerospace***
2 ***and Aviation Liaison***

3 **SEC. 621. OFFICE OF AEROSPACE AND AVIATION LIAISON.**

4 (a) *ESTABLISHMENT.*—*There is established within the*
5 *Department of Transportation an Office of Aerospace and*
6 *Aviation Liaison.*

7 (b) *FUNCTION.*—*The Office shall—*

8 (1) *coordinate aviation and aeronautics research*
9 *programs to achieve the goal of more effective and di-*
10 *rected programs that will result in applicable re-*
11 *search;*

12 (2) *coordinate goals and priorities and coordi-*
13 *nate research activities within the Federal Govern-*
14 *ment with United States aviation and aeronautical*
15 *firms;*

16 (3) *coordinate the development and utilization of*
17 *new technologies to ensure that when available, they*
18 *may be used to their fullest potential in aircraft and*
19 *in the air traffic control system;*

20 (4) *facilitate the transfer of technology from re-*
21 *search programs such as the National Aeronautics*
22 *and Space Administration program established under*
23 *section 681 and the Department of Defense Advanced*
24 *Research Projects Agency program to Federal agencies*

1 *with operational responsibilities and to the private*
2 *sector;*

3 (5) *review activities relating to noise, emissions,*
4 *fuel consumption, and safety conducted by Federal*
5 *agencies, including the Federal Aviation Administra-*
6 *tion, the National Aeronautics and Space Adminis-*
7 *tration, the Department of Commerce, and the De-*
8 *partment of Defense;*

9 (6) *review aircraft operating procedures intended*
10 *to reduce noise and emissions, identify and coordinate*
11 *research efforts on aircraft noise and emissions reduc-*
12 *tion, and ensure that aircraft noise and emissions re-*
13 *duction regulatory measures are coordinated; and*

14 (7) *work with the National Air Traffic Manage-*
15 *ment System Development Office to coordinate re-*
16 *search needs and applications for the next generation*
17 *air traffic management system.*

18 (c) *PUBLIC-PRIVATE PARTICIPATION.—In carrying*
19 *out its functions under this section, the Office shall consult*
20 *with, and ensure participation by, the private sector (in-*
21 *cluding representatives of general aviation, commercial*
22 *aviation, and the space industry), members of the public,*
23 *and other interested parties.*

24 (d) *REPORTING REQUIREMENTS.—*

1 (1) *INITIAL STATUS REPORT.*—Not later than 90
2 days after the date of enactment of this Act, the Sec-
3 retary of Transportation shall submit a report to the
4 Senate Committee on Commerce, Science, and Trans-
5 portation and the House of Representatives Com-
6 mittee on Transportation and Infrastructure on the
7 status of the establishment of the Office of Aerospace
8 and Aviation Liaison, including the name of the pro-
9 gram manager, the list of staff from each partici-
10 pating department or agency, names of the national
11 team participants, and the schedule for future ac-
12 tions.

13 (2) *PLAN.*—The Office shall submit to the Senate
14 Committee on Commerce, Science, and Transpor-
15 tation and the House of Representatives Committee
16 on Science a plan for implementing paragraphs (1)
17 and (2) of subsection (b) and a proposed budget for
18 implementing the plan.

19 (3) *ANNUAL REPORT.*—The Office shall submit to
20 the Senate Committee on Commerce, Science, and
21 Transportation, the House of Representatives Com-
22 mittee on Transportation and Infrastructure, and the
23 House of Representatives Committee on Science an
24 annual report that—

1 (A) contains a unified budget that combines
 2 the budgets of each program coordinated by the
 3 Office; and

4 (B) describes the coordination activities of
 5 the Office during the preceding year.

6 (e) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 7 authorized to be appropriated to the Secretary of Transpor-
 8 tation \$2,000,000 for fiscal years 2004 and 2005 to carry
 9 out this section, such sums to remain available until ex-
 10 pended.

11 **SEC. 622. NATIONAL AIR TRAFFIC MANAGEMENT SYSTEM**
 12 **DEVELOPMENT OFFICE.**

13 (a) *ESTABLISHMENT.*—There is established within the
 14 Federal Aviation Administration a National Air Traffic
 15 Management System Development Office, the head of which
 16 shall report directly to the Administrator.

17 (b) *DEVELOPMENT OF NEXT GENERATION AIR TRAF-*
 18 *FIC MANAGEMENT SYSTEM.*—

19 (1) *IN GENERAL.*—The Office shall develop a
 20 next generation air traffic management system plan
 21 for the United States that will—

22 (A) transform the national airspace system
 23 to meet air transportation mobility, efficiency,
 24 and capacity needs beyond those currently in-

cluded in the Federal Aviation Administration's operational evolution plan;

(B) result in a national airspace system that can safely and efficiently accommodate the needs of all users;

(C) build upon current air traffic management and infrastructure initiatives;

(D) improve the security, safety, quality, and affordability of aviation services;

(E) utilize a system-of-systems, multi-agency approach to leverage investments in civil aviation, homeland security, and national security;

(F) develop a highly integrated, secure architecture to enable common situational awareness for all appropriate system users; and

(G) ensure seamless global operations for system users, to the maximum extent possible.

(2) *MULTI-AGENCY AND STAKEHOLDER INVOLVEMENT.*—In developing the system, the Office shall—

(A) include staff from the Federal Aviation Administration, the National Aeronautics and Space Administration, the Department of Homeland Security, the Department of Defense, the Department of Commerce, and other Federal

1 *agencies and departments determined by the Sec-*
2 *retary of Transportation to have an important*
3 *interest in, or responsibility for, other aspects of*
4 *the system; and*

5 *(B) consult with, and ensure participation*
6 *by, the private sector (including representatives*
7 *of general aviation, commercial aviation, and*
8 *the space industry), members of the public, and*
9 *other interested parties.*

10 *(3) DEVELOPMENT CRITERIA AND REQUIRE-*
11 *MENTS.—In developing the next generation air traffic*
12 *management system plan under paragraph (1), the*
13 *Office shall—*

14 *(A) develop system performance require-*
15 *ments;*

16 *(B) select an operational concept to meet*
17 *system performance requirements for all system*
18 *users;*

19 *(C) ensure integration of civil and military*
20 *system requirements, balancing safety, security,*
21 *and efficiency, in order to leverage Federal fund-*
22 *ing;*

23 *(D) utilize modeling, simulation, and ana-*
24 *lytical tools to quantify and validate system per-*
25 *formance and benefits;*

1 (E) develop a transition plan, including
 2 necessary regulatory aspects, that ensures oper-
 3 ational achievability for system operators;

4 (F) develop transition requirements for on-
 5 going modernization programs, if necessary;

6 (G) develop a schedule for aircraft equip-
 7 ment implementation and appropriate benefits
 8 and incentives to make that schedule achievable;
 9 and

10 (H) assess, as part of its function within
 11 the Office of Aeronautical and Aviation Liaison,
 12 the technical readiness of appropriate research
 13 technological advances for integration of such re-
 14 search and advances into the plan.

15 (c) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 16 authorized to be appropriated to the Administrator of the
 17 Federal Aviation Administration \$300,000,000 for the pe-
 18 riod beginning with fiscal year 2004 and ending with fiscal
 19 year 2010 to carry out this section.

20 **SEC. 623. REPORT ON CERTAIN MARKET DEVELOPMENTS**
 21 **AND GOVERNMENT POLICIES.**

22 Within 6 months after the date of enactment of this
 23 Act, the Department of Transportation's Office of Aerospace
 24 and Aviation liaison, in cooperation with appropriate Fed-
 25 eral agencies, shall submit to the Senate Committee on

1 *Commerce, Science, and Transportation, the House of Rep-*
 2 *resentatives Committee on Science, and the House of Rep-*
 3 *resentatives Committee on Transportation and Infrastruc-*
 4 *ture a report about market developments and government*
 5 *policies influencing the competitiveness of the United States*
 6 *jet transport aircraft industry that—*

7 (1) *describes the structural characteristics of the*
 8 *United States and the European Union jet transport*
 9 *industries, and the markets for these industries;*

10 (2) *examines the global market factors affecting*
 11 *the jet transport industries in the United States and*
 12 *the European Union, such as passenger and freight*
 13 *airline purchasing patterns, the rise of low-cost car-*
 14 *riers and point-to-point service, the evolution of new*
 15 *market niches, and direct and indirect operating cost*
 16 *trends;*

17 (3) *reviews government regulations in the United*
 18 *States and the European Union that have altered the*
 19 *competitive landscape for jet transport aircraft, such*
 20 *as airline deregulation, certification and safety regu-*
 21 *lations, noise and emissions regulations, government*
 22 *research and development programs, advances in air*
 23 *traffic control and other infrastructure issues, cor-*
 24 *porate and air travel tax issues, and industry consoli-*
 25 *dation strategies;*

1 (4) *analyzes how changes in the global market*
 2 *and government regulations have affected the competi-*
 3 *tive position of the United States aerospace and avia-*
 4 *tion industry vis-à-vis the European Union aerospace*
 5 *and aviation industry; and*

6 (5) *describes any other significant developments*
 7 *that affect the market for jet transport aircraft.*

8 **SEC. 624. TRANSFER OF CERTAIN AIR TRAFFIC CONTROL**
 9 **FUNCTIONS PROHIBITED.**

10 (a) *IN GENERAL.*—*The Secretary of Transportation*
 11 *may not authorize the transfer to a private entity or to*
 12 *a public entity other than the United States Government*
 13 *of—*

14 (1) *the air traffic separation and control func-*
 15 *tions operated by the Federal Aviation Administra-*
 16 *tion on the date of enactment of this Act; or*

17 (2) *the maintenance of certifiable systems and*
 18 *other functions related to certification of national air-*
 19 *space systems and services operated by the Federal*
 20 *Aviation Administration on the date of enactment of*
 21 *this Act or flight service station personnel.*

22 (b) *CONTRACT TOWER PROGRAM.*—*Subsection (a)(1)*
 23 *shall not apply to a Federal Aviation Administration air*
 24 *traffic control tower operated under the contract tower pro-*
 25 *gram as of the date of enactment of this Act.*

1 ***Subtitle B—Technical Programs***

2 ***SEC. 641. AEROSPACE AND AVIATION SAFETY WORKFORCE***
 3 ***INITIATIVE.***

4 (a) *IN GENERAL.*—*The Administrator of the National*
 5 *Aeronautics and Space Administration and the Adminis-*
 6 *trator of the Federal Aviation Administration shall estab-*
 7 *lish a joint program of competitive, merit-based grants for*
 8 *eligible applicants to increase the number of students study-*
 9 *ing toward and completing technical training programs,*
 10 *certificate programs, and associate's, bachelor's, master's, or*
 11 *doctorate degrees in fields related to aerospace and aviation*
 12 *safety.*

13 (b) *INCREASED PARTICIPATION GOAL.*—*In selecting*
 14 *projects under this paragraph, the Director shall consider*
 15 *means of increasing the number of students studying to-*
 16 *ward and completing technical training and apprenticeship*
 17 *programs, certificate programs, and associate's or bachelor's*
 18 *degrees in fields related to aerospace and aviation safety*
 19 *who are individuals identified in section 33 or 34 of the*
 20 *Science and Engineering Equal Opportunities Act (42*
 21 *U.S.C. 1885a or 1885b).*

22 (c) *SUPPORTABLE PROJECTS.*—*The types of projects*
 23 *the Administrators may consider under this paragraph in-*
 24 *clude those that promote high quality—*

25 (1) *interdisciplinary teaching;*

1 (2) *undergraduate-conducted research;*

2 (3) *mentor relationships for students;*

3 (4) *graduate programs;*

4 (5) *bridge programs that enable students at com-*
 5 *munity colleges to matriculate directly into bacca-*
 6 *laureate aerospace and aviation safety related pro-*
 7 *grams;*

8 (6) *internships, including mentoring programs,*
 9 *carried out in partnership with the aerospace and*
 10 *aviation industry;*

11 (7) *technical training and apprenticeship that*
 12 *prepares students for careers in aerospace manufac-*
 13 *turing or operations; and*

14 (8) *innovative uses of digital technologies, par-*
 15 *ticularly at institutions of higher education that serve*
 16 *high numbers or percentages of economically dis-*
 17 *advantaged students.*

18 (d) *GRANTEE REQUIREMENTS.—In developing grant*
 19 *requirements under this section, the Administrators shall*
 20 *consider means, developed in concert with applicants, of in-*
 21 *creasing the number of students studying toward and com-*
 22 *pleting technical training and apprenticeship programs,*
 23 *certificate programs, and associate's or bachelor's degrees*
 24 *in fields related to aerospace and aviation safety.*

25 (e) *DEFINITIONS.—In this section:*

1 (1) *ELIGIBLE APPLICANT DEFINED.*—*The term*
 2 *“eligible applicant” means—*

3 (A) *an institution of higher education;*

4 (B) *a consortium of institutions of higher*
 5 *education; or*

6 (C) *a partnership between—*

7 (i) *an institution of higher education*
 8 *or a consortium of such institutions; and*

9 (ii) *a nonprofit organization, a State*
 10 *or local government, or a private company,*
 11 *with demonstrated experience and effective-*
 12 *ness in aerospace education.*

13 (2) *INSTITUTION OF HIGHER EDUCATION.*—*The*
 14 *term “institution of higher education” has the mean-*
 15 *ing given that term by subsection (a) of section 101*
 16 *of the Higher Education Act of 1965 (20 U.S.C.*
 17 *1001(a)), and includes an institution described in*
 18 *subsection (b) of that section.*

19 (f) *AUTHORIZATION OF APPROPRIATIONS.*—

20 (1) *NASA.*—*There are authorized to be appro-*
 21 *priated to the Administrator of the National Aero-*
 22 *nautics and Space Administration such sums as may*
 23 *be necessary for fiscal year 2004 to carry out this sec-*
 24 *tion.*

1 (2) *FAA.*—*There are authorized to be appro-*
 2 *priated to the Administrator of the Federal Aviation*
 3 *Administration such sums as may be necessary for*
 4 *fiscal year 2004 to carry out this section.*

5 (9) *REPORT, BUDGET, AND PLAN.*—*Within 180 days*
 6 *after the date of enactment of this Act, the Administrators*
 7 *jointly shall submit to the Senate Committee on Commerce,*
 8 *Science, and Transportation and the House of Representa-*
 9 *tives Committee on Transportation and Infrastructure a re-*
 10 *port setting forth—*

11 (1) *recommendations as to whether the program*
 12 *authorized by this section should be extended for mul-*
 13 *tiple years;*

14 (2) *a budget for such a multi-year program; and*

15 (3) *a plan for conducting such a program.*

16 **SEC. 642. SCHOLARSHIPS FOR SERVICE.**

17 (a) *IN GENERAL.*—*The Administrator of the National*
 18 *Aeronautics and Space Administration and the Adminis-*
 19 *trator of the Federal Aviation Administration shall develop*
 20 *a joint student loan program for fulltime students enrolled*
 21 *in an undergraduate or post-graduate program leading to*
 22 *an advanced degree in an aerospace-related or aviation*
 23 *safety-related field of endeavor.*

24 (b) *INTERNSHIPS.*—*The Administrators may provide*
 25 *temporary internships to such students.*

1 (c) *AUTHORIZATION OF APPROPRIATIONS.*—

2 (1) *NASA.*—*There are authorized to be appro-*
3 *priated to the Administrator of the National Aero-*
4 *nautics and Space Administration such sums as may*
5 *be necessary for fiscal year 2004 to carry out this sec-*
6 *tion.*

7 (2) *FAA.*—*There are authorized to be appro-*
8 *priated to the Administrator of the Federal Aviation*
9 *Administration such sums as may be necessary for*
10 *fiscal year 2004 to carry out this section.*

11 (g) *REPORT, BUDGET, AND PLAN.*—*Within 180 days*
12 *after the date of enactment of this Act, the Administrators*
13 *jointly shall submit to the Senate Committee on Commerce,*
14 *Science, and Transportation and the House of Representa-*
15 *tives Committee on Transportation and Infrastructure a re-*
16 *port setting forth—*

17 (1) *recommendations as to whether the program*
18 *authorized by this section should be extended for mul-*
19 *tiple years;*

20 (2) *a budget for such a multi-year program; and*

21 (3) *a plan for conducting such a program.*

1 ***Subtitle C—FAA Research,***
 2 ***Engineering, and Development***

3 ***SEC. 661. RESEARCH PROGRAM TO IMPROVE AIRFIELD***
 4 ***PAVEMENTS.***

5 *The Administrator of the Federal Aviation Adminis-*
 6 *tration shall continue the program to consider awards to*
 7 *nonprofit concrete and asphalt pavement research founda-*
 8 *tions to improve the design, construction, rehabilitation,*
 9 *and repair of rigid concrete airfield pavements to aid in*
 10 *the development of safer, more cost-effective, and more dura-*
 11 *ble airfield pavements. The Administrator may use grants*
 12 *or cooperative agreements in carrying out this section.*
 13 *Nothing in this section requires the Administrator to*
 14 *prioritize an airfield pavement research program above*
 15 *safety, security, Flight 21, environment, or energy research*
 16 *programs.*

17 ***SEC. 662. ENSURING APPROPRIATE STANDARDS FOR AIR-***
 18 ***FIELD PAVEMENTS.***

19 *(a) IN GENERAL.—The Administrator of the Federal*
 20 *Aviation Administration shall review and determine wheth-*
 21 *er the Federal Aviation Administration’s standards used to*
 22 *determine the appropriate thickness for asphalt and con-*
 23 *crete airfield pavements are in accordance with the Federal*
 24 *Aviation Administration’s standard 20-year-life require-*
 25 *ment using the most up-to-date available information on*

1 *the life of airfield pavements. If the Administrator deter-*
 2 *mines that such standards are not in accordance with that*
 3 *requirement, the Administrator shall make appropriate ad-*
 4 *justments to the Federal Aviation Administration's stand-*
 5 *ards for airfield pavements.*

6 (b) *REPORT.*—*Within 1 year after the date of enact-*
 7 *ment of this Act, the Administrator shall report the results*
 8 *of the review conducted under subsection (a) and the adjust-*
 9 *ments, if any, made on the basis of that review to the Senate*
 10 *Committee on Commerce, Science, and Transportation and*
 11 *the House of Representatives Committee on Transportation*
 12 *and Infrastructure.*

13 **SEC. 663. ASSESSMENT OF WAKE TURBULENCE RESEARCH**
 14 **AND DEVELOPMENT PROGRAM.**

15 (a) *ASSESSMENT.*—*The Administrator of the Federal*
 16 *Aviation Administration shall enter into an arrangement*
 17 *with the National Research Council for an assessment of*
 18 *the Federal Aviation Administration's proposed wake tur-*
 19 *bulence research and development program. The assessment*
 20 *shall include—*

- 21 (1) *an evaluation of the research and develop-*
 22 *ment goals and objectives of the program;*
- 23 (2) *a listing of any additional research and de-*
 24 *velopment objectives that should be included in the*
 25 *program;*

1 (3) *any modifications that will be necessary for*
 2 *the program to achieve the program's goals and objec-*
 3 *tives on schedule and within the proposed level of re-*
 4 *sources; and*

5 (4) *an evaluation of the roles, if any, that should*
 6 *be played by other Federal agencies, such as the Na-*
 7 *tional Aeronautics and Space Administration and the*
 8 *National Oceanic and Atmospheric Administration,*
 9 *in wake turbulence research and development, and*
 10 *how those efforts could be coordinated.*

11 (b) *REPORT.*—*A report containing the results of the*
 12 *assessment shall be provided to the Committee on Science*
 13 *of the House of Representatives and to the Committee on*
 14 *Commerce, Science, and Transportation of the Senate not*
 15 *later than 1 year after the date of enactment of this Act.*

16 (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 17 *authorized to be appropriated to the Administrator of the*
 18 *Federal Aviation Administration \$500,000 for fiscal year*
 19 *2004 to carry out this section.*

20 **SEC. 664. AIR QUALITY IN AIRCRAFT CABINS.**

21 (a) *IN GENERAL.*—*The Administrator of the Federal*
 22 *Aviation Administration shall undertake the studies and*
 23 *analysis called for in the report of the National Research*
 24 *Council entitled "The Airliner Cabin Environment and the*
 25 *Health of Passengers and Crew".*

1 (b) *REQUIRED ACTIVITIES.*—*In carrying out this sec-*
 2 *tion, the Administrator, at a minimum, shall—*

3 (1) *conduct surveillance to monitor ozone in the*
 4 *cabin on a representative number of flights and air-*
 5 *craft to determine compliance with existing Federal*
 6 *Aviation Regulations for ozone;*

7 (2) *collect pesticide exposure data to determine*
 8 *exposures of passengers and crew;*

9 (3) *analyze samples of residue from aircraft ven-*
 10 *tilation ducts and filters after air quality incidents to*
 11 *identify the contaminants to which passengers and*
 12 *crew were exposed;*

13 (4) *analyze and study cabin air pressure and al-*
 14 *titude; and*

15 (5) *establish an air quality incident reporting*
 16 *system.*

17 (c) *REPORT.*—*Not later than 30 months after the date*
 18 *of enactment of this Act, the Administrator shall transmit*
 19 *to Congress a report on the findings of the Administrator*
 20 *under this section.*

21 **SEC. 665. INTERNATIONAL ROLE OF THE FAA.**

22 Section 40101(d) is amended by adding at the end the
 23 following:

24 “(8) *Exercising leadership with the Administra-*
 25 *tor’s foreign counterparts, in the International Civil*

1 *Aviation Organization and its subsidiary organiza-*
 2 *tions, and other international organizations and fora,*
 3 *and with the private sector to promote and achieve*
 4 *global improvements in the safety, efficiency, and en-*
 5 *vironmental effect of air travel.”.*

6 **SEC. 666. FAA REPORT ON OTHER NATIONS’ SAFETY AND**
 7 **TECHNOLOGICAL ADVANCEMENTS.**

8 *The Administrator of the Federal Aviation Adminis-*
 9 *tration shall review aviation and aeronautical safety, and*
 10 *research funding and technological actions in other coun-*
 11 *tries. The Administrator shall submit a report to the Com-*
 12 *mittee on Science of the House of Representatives and to*
 13 *the Committee on Commerce, Science, and Transportation*
 14 *of the Senate, together with any recommendations as to how*
 15 *such activities might be utilized in the United States.*

16 **SEC. 667. DEVELOPMENT OF ANALYTICAL TOOLS AND CER-**
 17 **TIFICATION METHODS.**

18 *The Federal Aviation Administration shall conduct re-*
 19 *search to promote the development of analytical tools to im-*
 20 *prove existing certification methods and to reduce the over-*
 21 *all costs for the certification of new products.*

22 **SEC. 668. PILOT PROGRAM TO PROVIDE INCENTIVES FOR**
 23 **DEVELOPMENT OF NEW TECHNOLOGIES.**

24 *(a) IN GENERAL.—The Administrator of the Federal*
 25 *Aviation Administration may conduct a limited pilot pro-*

1 *gram to provide operating incentives to users of the air-*
 2 *space for the deployment of new technologies, including*
 3 *technologies to facilitate expedited flight routing and se-*
 4 *quencing of take-offs and landings.*

5 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 6 *authorized to be appropriated to the Administrator*
 7 *\$500,000 for fiscal year 2004.*

8 **SEC. 669. FAA CENTER FOR EXCELLENCE FOR APPLIED RE-**
 9 **SEARCH AND TRAINING IN THE USE OF AD-**
 10 **VANCED MATERIALS IN TRANSPORT AIR-**
 11 **CRAFT.**

12 (a) *IN GENERAL.—The Administrator of the Federal*
 13 *Aviation Administration shall develop a Center for Excel-*
 14 *lence focused on applied research and training on the dura-*
 15 *bility and maintainability of advanced materials in trans-*
 16 *port airframe structures, including the use of polymeric*
 17 *composites in large transport aircraft. The Center shall—*

18 (1) *promote and facilitate collaboration among*
 19 *academia, the Federal Aviation Administration’s*
 20 *Transportation Division, and the commercial aircraft*
 21 *industry, including manufacturers, commercial air*
 22 *carriers, and suppliers; and*

23 (2) *establish goals set to advance technology, im-*
 24 *prove engineering practices, and facilitate continuing*
 25 *education in relevant areas of study.*

1 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
 2 *authorized to be appropriated to the Administrator*
 3 *\$500,000 for fiscal year 2004 to carry out this section.*

4 **SEC. 670. FAA CERTIFICATION OF DESIGN ORGANIZATIONS.**

5 (a) *GENERAL AUTHORITY TO ISSUE CERTIFICATES.*—
 6 *Section 44702(a) is amended by inserting “design organiza-*
 7 *tion certificates,” after “airman certificates.”*

8 (b) *DESIGN ORGANIZATION CERTIFICATES.*—

9 (1) *IN GENERAL.*—*Section 44704 is amended—*
 10 (A) *by striking the section heading and in-*
 11 *serting the following:*

12 **“§ 44704. *Design organization certificates, type cer-***
 13 ***tificates, production certificates, and air-***
 14 ***worthiness certificates” ;***

15 (B) *by redesignating subsections (a) through*
 16 *(d) as subsections (b) through (e);*

17 (C) *by inserting before subsection (b) the*
 18 *following:*

19 “(a) *DESIGN ORGANIZATION CERTIFICATES.*—

20 “(1) *PLAN.*—*Within 3 years after the date of en-*
 21 *actment of the Aviation Investment and Revitaliza-*
 22 *tion Vision Act, the Administrator of the Federal*
 23 *Aviation Administration shall submit a plan to the*
 24 *Senate Committee on Commerce, Science, and Trans-*
 25 *portation and the House of Representatives Com-*

1 *mittee on Transportation and Infrastructure for the*
 2 *development and oversight of a system for certifi-*
 3 *cation of design organizations under paragraph (2)*
 4 *that ensures that the system meets the highest stand-*
 5 *ards of safety.*

6 “(2) *IMPLEMENTATION OF PLAN.*—Within 5
 7 *years after the date of enactment of the Aviation In-*
 8 *vestment and Revitalization Vision Act, the Adminis-*
 9 *trator of the Federal Aviation Administration may*
 10 *commence the issuance of design organization certifi-*
 11 *cates under paragraph (3) to authorize design organi-*
 12 *zations to certify compliance with the requirements*
 13 *and minimum standards prescribed under section*
 14 *44701(a) for the type certification of aircraft, aircraft*
 15 *engines, propellers, or appliances.*

16 “(3) *ISSUANCE OF CERTIFICATES.*—On receiving
 17 *an application for a design organization certificate,*
 18 *the Administrator shall examine and rate the design*
 19 *organization in accordance with the regulations pre-*
 20 *scribed by the Administrator to determine that the de-*
 21 *sign organization has adequate engineering, design,*
 22 *and testing capabilities, standards, and safeguards to*
 23 *ensure that the product being certificated is properly*
 24 *designed and manufactured, performs properly, and*
 25 *meets the regulations and minimum standards pre-*

1 scribed under that section. The Administrator shall
 2 include in a design organization certificate terms re-
 3 quired in the interest of safety.

4 “(4) NO EFFECT ON POWER OF REVOCATION.—
 5 Nothing in this subsection affects the authority of the
 6 Secretary of Transportation to revoke a certificate.”;

7 (D) by striking subsection (b), as redesign-
 8 nated, and inserting the following:

9 “(b) TYPE CERTIFICATES.—

10 “(1) IN GENERAL.—The Administrator may
 11 issue a type certificate for an aircraft, aircraft en-
 12 gine, or propeller, or for an appliance specified under
 13 paragraph (2)(A) of this subsection—

14 “(A) when the Administrator finds that the
 15 aircraft, aircraft engine, or propeller, or appli-
 16 ance is properly designed and manufactured,
 17 performs properly, and meets the regulations and
 18 minimum standards prescribed under section
 19 44701(a) of this title; or

20 “(B) based on a certification of compliance
 21 made by a design organization certificated under
 22 subsection (a).

23 “(2) INVESTIGATION AND HEARING.—On receiv-
 24 ing an application for a type certificate, the Adminis-
 25 trator shall investigate the application and may con-

1 *duct a hearing. The Administrator shall make, or re-*
 2 *quire the applicant to make, tests the Administrator*
 3 *considers necessary in the interest of safety.”.*

4 *(c) REINSPECTION AND REEXAMINATION.—Section*
 5 *44709(a) is amended by inserting “design organization,*
 6 *production certificate holder,” after “appliance,”.*

7 *(d) PROHIBITIONS.—Section 44711(a)(7) is amended*
 8 *by striking “agency” and inserting “agency, design organi-*
 9 *zation certificate, ”.*

10 *(e) CONFORMING AMENDMENTS.—*

11 *(1) CHAPTER ANALYSIS.—The chapter analysis*
 12 *for chapter 447 is amended by striking the item relat-*
 13 *ing to section 44704 and inserting the following:*

*“44704. Design organization certificates, type certificates, production certificates,
and airworthiness certificates.”.*

14 *(2) CROSS REFERENCE.—Section 44715(a)(3) is*
 15 *amended by striking “44704(a)” and inserting*
 16 *“44704(b)”.*

17 **SEC. 671. REPORT ON LONG TERM ENVIRONMENTAL IM-**
 18 **PROVEMENTS.**

19 *(a) IN GENERAL.—The Administrator of the Federal*
 20 *Aviation Administration, in consultation with the Admin-*
 21 *istrator of the National Aeronautics and Space Administra-*
 22 *tion and the head of the Department of Transportation’s*
 23 *Office of Aerospace and Aviation Liaison, shall conduct a*

1 *study of ways to reduce aircraft noise and emissions and*
 2 *to increase aircraft fuel efficiency. The study shall—*

3 (1) *explore new operational procedures for air-*
 4 *craft to achieve those goals;*

5 (2) *identify both near term and long term op-*
 6 *tions to achieve those goals;*

7 (3) *identify infrastructure changes that would*
 8 *contribute to attainment of those goals;*

9 (4) *identify emerging technologies that might*
 10 *contribute to attainment of those goals;*

11 (5) *develop a research plan for application of*
 12 *such emerging technologies, including new combustor*
 13 *and engine design concepts and methodologies for de-*
 14 *signing high bypass ratio turbofan engines so as to*
 15 *minimize the effects on climate change per unit of*
 16 *production of thrust and flight speed; and*

17 (6) *develop an implementation plan for exploit-*
 18 *ing such emerging technologies to attain those goals.*

19 (b) *REPORT.—The Administrator shall transmit a re-*
 20 *port on the study to the Senate Committee on Commerce,*
 21 *Science, and Transportation and the House of Representa-*
 22 *tives Committee on Transportation and Infrastructure*
 23 *within 1 year after the date of enactment of this Act.*

24 (c) *AUTHORIZATION OF APPROPRIATIONS.—There are*
 25 *authorized to be appropriated to the Administrator of the*

1 *Federal Aviation Administration \$500,000 for fiscal year*
 2 *2004 to carry out this section.*

3 ***TITLE VII—EXTENSION OF AIR-***
 4 ***PORT AND AIRWAY TRUST***
 5 ***FUND EXPENDITURE AU-***
 6 ***THORITY***

7 ***SEC. 701. EXTENSION OF EXPENDITURE AUTHORITY.***

8 (a) *IN GENERAL.*—Paragraph (1) of section 9502(d)
 9 *of the Internal Revenue Code of 1986 (relating to expendi-*
 10 *tures from Airport and Airway Trust Fund) is amended—*

11 (1) *by striking “October 1, 2003” and inserting*
 12 *“October 1, 2006”, and*

13 (2) *by inserting before the semicolon at the end*
 14 *of subparagraph (A) the following: “or the Aviation*
 15 *Investment and Revitalization Vision Act”.*

16 (b) *CONFORMING AMENDMENT.*—Paragraph (2) of sec-
 17 *tion 9502(f) of the Internal Revenue Code of 1986 is amend-*
 18 *ed by striking “October 1, 2003” and inserting “October*
 19 *1, 2006”.*

Attest:

Secretary.

108TH CONGRESS
1ST SESSION

H. R. 2115

AMENDMENT