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108TH CONGRESS
1ST SESSION

H. R. 2115

[Report No. 108-143]

To amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2003

Mr. YOUNG of Alaska (for himself, Mr. MICA, Mr. OBERSTAR, and Mr. DEFAZIO) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

JUNE 6, 2003

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 15, 2003]

A BILL

To amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
 3 *“Flight 100—Century of Aviation Reauthorization Act”.*

4 (b) *TABLE OF CONTENTS.*—

Sec. 1. Short title; table of contents.

Sec. 2. Amendments to title 49, United States Code.

Sec. 3. Effective date.

TITLE I—AUTHORIZATIONS

Sec. 101. Federal Aviation Administration operations.

Sec. 102. Air navigation facilities and equipment.

Sec. 103. Airport planning and development and noise compatibility planning and programs.

Sec. 104. Additional reauthorizations.

Sec. 105. Insurance.

Sec. 106. Pilot program for innovative financing for terminal automation replacement systems.

TITLE II—AIRPORT PROJECT STREAMLINING

Sec. 201. Short title.

Sec. 202. Findings.

Sec. 203. Promotion of new runways.

Sec. 204. Airport project streamlining.

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Sec. 207. Limitations.

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TITLE III—FEDERAL AVIATION REFORM

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Sec. 302. Reorganization of the Air Traffic Services Subcommittee.

Sec. 303. Clarification of the responsibilities of the Chief Operating Officer.

Sec. 304. Small Business Ombudsman.

Sec. 305. FAA purchase cards.

TITLE IV—AIRLINE SERVICE IMPROVEMENTS

Sec. 401. Improvement of aviation information collection.

Sec. 402. Data on incidents and complaints involving passenger and baggage security screening.

Sec. 403. Definitions.

Sec. 404. Clarifications to procurement authority.

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Sec. 406. Streamlining of the passenger facility fee program.

Sec. 407. Financial management of passenger facility fees.

Sec. 408. Government contracting for air transportation.

Sec. 409. Overflights of national parks.

Sec. 410. Collaborative decisionmaking pilot program.

Sec. 411. Availability of aircraft accident site information.

Sec. 412. Slot exemptions at Ronald Reagan Washington National Airport.

- Sec. 413. Notice concerning aircraft assembly.*
- Sec. 414. Special rule to promote air service to small communities.*
- Sec. 415. Small community air service.*
- Sec. 416. Type certificates.*
- Sec. 417. Design organization certificates.*
- Sec. 418. Counterfeit or fraudulently represented parts violations.*
- Sec. 419. Runway safety standards.*
- Sec. 420. Availability of maintenance information.*
- Sec. 421. Certificate actions in response to a security threat.*
- Sec. 422. Flight attendant certification.*
- Sec. 423. Civil penalty for closure of an airport without providing sufficient notice.*
- Sec. 424. Noise exposure maps.*
- Sec. 425. Amendment of general fee schedule provision.*
- Sec. 426. Improvement of curriculum standards for aviation maintenance technicians.*
- Sec. 427. Task force on future of air transportation system.*
- Sec. 428. Air quality in aircraft cabins.*
- Sec. 429. Recommendations concerning travel agents.*
- Sec. 430. Task force on enhanced transfer of applications of technology for military aircraft to civilian aircraft.*
- Sec. 431. Reimbursement for losses incurred by general aviation entities.*
- Sec. 432. Impasse procedures for National Association of Air Traffic Specialists.*
- Sec. 433. FAA inspector training.*
- Sec. 434. Prohibition on air traffic control privatization.*
- Sec. 435. Airfares for members of the Armed Forces.*
- Sec. 436. Air carriers required to honor tickets for suspended air service.*
- Sec. 437. International air show.*
- Sec. 438. Definition of air traffic controller.*
- Sec. 439. Justification for air defense identification zone.*
- Sec. 440. International air transportation.*
- Sec. 441. Reimbursement of air carriers for certain screening and related activities.*
- Sec. 442. General aviation flights at Ronald Reagan Washington National Airport.*

TITLE V—AIRPORT DEVELOPMENT

- Sec. 501. Definitions.*
- Sec. 502. Replacement of baggage conveyor systems.*
- Sec. 503. Security costs at small airports.*
- Sec. 504. Withholding of program application approval.*
- Sec. 505. Runway safety areas.*
- Sec. 506. Disposition of land acquired for noise compatibility purposes.*
- Sec. 507. Grant assurances.*
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- Sec. 509. Apportionments to primary airports.*
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- Sec. 511. Considerations in making discretionary grants.*
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- Sec. 513. Use of apportioned amounts.*
- Sec. 514. Military airport program.*
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- Sec. 516. Contract towers.*
- Sec. 517. Airport safety data collection.*

Sec. 518. Airport privatization pilot program.

Sec. 519. Innovative financing techniques.

Sec. 520. Airport security program.

Sec. 521. Low-emission airport vehicles and infrastructure.

Sec. 522. Compatible land use planning and projects by State and local governments.

Sec. 523. Prohibition on requiring airports to provide rent-free space for Federal Aviation Administration.

Sec. 524. Midway Island Airport.

1 SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.

2 *Except as otherwise expressly provided, whenever in*
 3 *this Act an amendment or repeal is expressed in terms of*
 4 *an amendment to, or a repeal of, a section or other provi-*
 5 *sion, the reference shall be considered to be made to a section*
 6 *or other provision of title 49, United States Code.*

7 SEC. 3. EFFECTIVE DATE.

8 *Except as otherwise expressly provided, this Act and*
 9 *the amendments made by this Act shall be effective on the*
 10 *date of enactment of this Act.*

11 TITLE I—AUTHORIZATIONS

12 SEC. 101. FEDERAL AVIATION ADMINISTRATION OPER-
 13 **ATIONS.**

14 *(a) IN GENERAL.—Section 106(k) is amended to read*
 15 *as follows:*

16 *“(k) AUTHORIZATION OF APPROPRIATIONS.—*

17 *“(1) SALARIES, OPERATIONS, AND MAINTEN-*
 18 *NANCE.—There is authorized to be appropriated to*
 19 *the Secretary of Transportation for salaries, oper-*
 20 *ations, and maintenance of the Administration—*

21 *“(A) \$7,591,000,000 for fiscal year 2004;*

1 “(B) \$7,732,000,000 for fiscal year 2005;

2 “(C) \$7,889,000,000 for fiscal year 2006;

3 and

4 “(D) \$8,064,000,000 for fiscal year 2007.

5 *Such sums shall remain available until expended.*

6 “(2) *OPERATION OF CENTER FOR MANAGEMENT*
7 *AND DEVELOPMENT.—Out of amounts appropriated*
8 *under paragraph (1), such sums as may be necessary*
9 *may be expended by the Center for Management De-*
10 *velopment of the Federal Aviation Administration to*
11 *operate at least 200 courses each year and to support*
12 *associated student travel for both residential and field*
13 *courses.*

14 “(3) *AIR TRAFFIC MANAGEMENT SYSTEM.—Out*
15 *of amounts appropriated under paragraph (1), such*
16 *sums as may be necessary may be expended by the*
17 *Federal Aviation Administration for the establish-*
18 *ment and operation of a new office to develop, in co-*
19 *ordination with the Department of Defense, the Na-*
20 *tional Aeronautics and Space Administration, and*
21 *the Department of Homeland Security, the next gen-*
22 *eration air traffic management system and a transi-*
23 *tion plan for the implementation of that system. The*
24 *office shall be known as the ‘Next Generation Air*
25 *Transportation System Joint Program Office’.*

1 “(4) *HELICOPTER AND TILTROTOR PROCE-*
2 *DURES.—Out of amounts appropriated under para-*
3 *graph (1), such sums as may be necessary may be ex-*
4 *pended by the Federal Aviation Administration for*
5 *the establishment of helicopter and tiltrotor approach*
6 *and departure procedures using advanced tech-*
7 *nologies, such as the Global Positioning System and*
8 *automatic dependent surveillance, to permit oper-*
9 *ations in adverse weather conditions to meet the needs*
10 *of air ambulance services.*

11 “(5) *ADDITIONAL AIR TRAFFIC CONTROLLERS.—*
12 *Out of amounts appropriated under paragraph (1),*
13 *such sums as may be necessary may be expended to*
14 *hire additional air traffic controllers in order to meet*
15 *increasing air traffic demands and to address the an-*
16 *ticipated increase in the retirement of experienced air*
17 *traffic controllers.*

18 “(6) *COMPLETION OF ALASKA AVIATION SAFETY*
19 *PROJECT.—Out of amounts appropriated under para-*
20 *graph (1), \$6,000,000 may be expended for the com-*
21 *pletion of the Alaska aviation safety project with re-*
22 *spect to the 3 dimensional mapping of Alaska’s main*
23 *aviation corridors.*

24 “(7) *AVIATION SAFETY REPORTING SYSTEM.—*
25 *Out of amounts appropriated under paragraph (1),*

1 \$3,400,000 may be expended on the Aviation Safety
2 Reporting System.”.

3 (b) AIRLINE DATA AND ANALYSIS.—There is author-
4 ized to be appropriated to the Secretary of Transportation,
5 out of the Airport and Airway Trust Fund established by
6 section 9502 of the Internal Revenue Code of 1986 (26
7 U.S.C. 9502), \$3,971,000 for fiscal year 2004, \$4,045,000
8 for fiscal year 2005, \$4,127,000 for fiscal year 2006, and
9 \$4,219,000 for fiscal year 2007 to gather airline data and
10 conduct analyses of such data in the Bureau of Transpor-
11 tation Statistics of the Department of Transportation.

12 (c) HUMAN CAPITAL WORKFORCE STRATEGY.—

13 (1) DEVELOPMENT.—The Administrator of the
14 Federal Aviation Administration shall develop a com-
15 prehensive human capital workforce strategy to deter-
16 mine the most effective method for addressing the need
17 for more air traffic controllers that is called for in the
18 June 2002 report of the General Accounting Office.

19 (2) COMPLETION DATE.—The Administrator
20 shall complete development of the strategy not later
21 than 1 year after the date of enactment of this Act.

22 (3) REPORT.—Not later than 30 days after the
23 date on which the strategy is completed, the Adminis-
24 trator shall transmit to Congress a report describing
25 the strategy.

1 (d) *GOALS AND OBJECTIVES OF AVIATION SAFETY RE-*
2 *PORTING SYSTEM.*—Not later than 90 days after the date
3 of enactment of this Act, the Administrator shall transmit
4 to Congress a report on the long-term goals and objectives
5 of the Aviation Safety Reporting System and how such sys-
6 tem interrelates with other safety reporting systems of the
7 Federal Government.

8 **SEC. 102. AIR NAVIGATION FACILITIES AND EQUIPMENT.**

9 Section 48101 is amended—

10 (1) in subsection (a) by striking paragraphs (1)
11 through (5) and inserting the following:

12 “(1) \$3,138,000,000 for fiscal year 2004;

13 “(2) \$2,993,000,000 for fiscal year 2005;

14 “(3) \$3,053,000,000 for fiscal year 2006; and

15 “(4) \$3,110,000,000 for fiscal year 2007.”;

16 (2) by striking subsection (b);

17 (3) by redesignating (c) as subsection (b);

18 (4) by striking subsections (d) and (e) and in-
19 sserting the following:

20 “(c) *ENHANCED SAFETY AND SECURITY FOR AIR-*
21 *CRAFT OPERATIONS IN THE GULF OF MEXICO.*—Of
22 amounts appropriated under subsection (a), such sums as
23 may be necessary for fiscal years 2004 through 2007 may
24 be used to expand and improve the safety, efficiency, and
25 security of air traffic control, navigation, low altitude com-

1 *munications and surveillance, and weather services in the*
2 *Gulf of Mexico.*

3 “(d) *OPERATIONAL BENEFITS OF WAKE VORTEX ADVI-*
4 *SORY SYSTEM.—Of amounts appropriated under subsection*
5 *(a), \$20,000,000 for each of fiscal years 2004 through 2007*
6 *may be used to document and demonstrate the operational*
7 *benefits of a wake vortex advisory system.*

8 “(e) *GROUND-BASED PRECISION NAVIGATIONAL*
9 *AIDS.—Of amounts appropriated under subsection (a),*
10 *\$20,000,000 for each of fiscal years 2004 to 2007 may be*
11 *used to establish a program for the installation, operation,*
12 *and maintenance of a closed-loop precision approach aid*
13 *designed to improve aircraft accessibility at mountainous*
14 *airports with limited land if the approach aid is able to*
15 *provide curved and segmented approach guidance for noise*
16 *abatement purposes and has been certified or approved by*
17 *the Administrator.”; and*

18 (5) *in subsection (f)—*

19 (A) *by striking “for fiscal years beginning*
20 *after September 30, 2000”; and*

21 (B) *by inserting “may be used” after “nec-*
22 *essary”.*

1 **SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND**
2 **NOISE COMPATIBILITY PLANNING AND PRO-**
3 **GRAMS.**

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

5 (1) by striking “September 30, 1998” and insert-
6 ing “September 30, 2003”; and

7 (2) by striking paragraphs (1) through (5) and
8 inserting:

9 “(1) \$3,400,000,000 for fiscal year 2004;

10 “(2) \$3,600,000,000 for fiscal year 2005;

11 “(3) \$3,800,000,000 for fiscal year 2006; and

12 “(4) \$4,000,000,000 for fiscal year 2007.”.

13 (b) *OBLIGATIONAL AUTHORITY.*—Section 47104(c) is
14 amended by striking “September 30, 2003” and inserting
15 “September 30, 2007”.

16 **SEC. 104. ADDITIONAL REAUTHORIZATIONS.**

17 (a) *CONTRACT AIR TRAFFIC CONTROL TOWER PILOT*
18 *PROGRAM.*—Section 47124(b)(3)(E) is amended by striking
19 “\$6,000,000 per fiscal year” and inserting “\$6,500,000 for
20 fiscal year 2004, \$7,000,000 for fiscal year 2005, \$7,500,000
21 for fiscal year 2006, and \$8,000,000 for fiscal year 2007”.

22 (b) *SMALL COMMUNITY AIR SERVICE.*—Section
23 41743(e)(2) is amended—

24 (1) by striking “and” the first place it appears
25 and inserting a comma; and

1 (2) by inserting after “2003” the following “,
2 and \$35,000,000 for each of fiscal years 2004 through
3 2008”.

4 (c) *REGIONAL AIR SERVICE INCENTIVE PROGRAM.*—
5 Section 41766 is amended by striking “2003” and inserting
6 “2007”.

7 (d) *FUNDING FOR AVIATION PROGRAMS.*—Section 106
8 of the *Wendell H. Ford Aviation Investment and Reform*
9 *Act for the 21st Century* (49 U.S.C. 48101 note) is amended
10 by striking “2003” each place it appears and inserting
11 “2007”.

12 (e) *DESIGN-BUILD CONTRACTING.*—Section 139(e) of
13 the *Wendell H. Ford Aviation Investment and Reform Act*
14 *for the 21st Century* (49 U.S.C. 47104 note) is amended
15 by striking “2003” and inserting “2007”.

16 (f) *METROPOLITAN WASHINGTON AIRPORTS AUTHOR-*
17 *ITY.*—Section 49108 is amended by striking “2004” and
18 inserting “2007”.

19 **SEC. 105. INSURANCE.**

20 (a) *TERMINATION.*—Section 44310 is amended to read
21 as follows:

22 **“§44310. Termination date**

23 *“Effective December 31, 2007, the authority of the Sec-*
24 *retary of Transportation to provide insurance and reinsur-*
25 *ance under this chapter shall be limited to—*

1 “(1) the operation of an aircraft by an air car-
2 rier or foreign air carrier in foreign air commerce or
3 between at least 2 points, all of which are outside the
4 United States; and

5 “(2) insurance obtained by a department, agen-
6 cy, or instrumentality of the United States under sec-
7 tion 44305.”.

8 (b) *EXTENSION OF POLICIES.*—Section 44302(f)(1) is
9 amended by striking “through December 31, 2004,” and in-
10 serting “thereafter”.

11 (c) *AIRCRAFT MANUFACTURER LIABILITY FOR THIRD*
12 *PARTY CLAIMS ARISING OUT OF ACTS OF TERRORISM.*—
13 Section 44303(b) is amended by adding at the end the fol-
14 lowing: “The Secretary may extend the provisions of this
15 subsection to the United States manufacturer (as defined
16 in section 44310) of the aircraft of the air carrier in-
17 volved.”.

18 (d) *VENDORS, AGENTS, SUBCONTRACTORS, AND MANU-*
19 *FACTURERS.*—

20 (1) *IN GENERAL.*—Chapter 443 is amended—

21 (A) by redesignating section 44310 (as
22 amended by subsection (a) of this section) as sec-
23 tion 44311; and

24 (B) by inserting after section 44309 the fol-
25 lowing:

1 **“§44310. Vendors, agents, subcontractors, and manu-**
2 **facturers**

3 “(a) *IN GENERAL.*—*The Secretary of Transportation*
4 *may extend the application of any provision of this chapter*
5 *to a loss by a vendor, agent, and subcontractor of an air*
6 *carrier and a United States manufacturer of an aircraft*
7 *used by an air carrier but only to the extent that the loss*
8 *involved an aircraft of an air carrier.*

9 “(b) *UNITED STATES MANUFACTURER DEFINED.*—*In*
10 *this section, the term ‘United States manufacturer’ means*
11 *a manufacturer incorporated under the laws of a State of*
12 *the United States and having its principal place of business*
13 *in the United States.’.*

14 (2) *CONFORMING AMENDMENT.*—*The analysis for*
15 *chapter 443 is amended by striking the item relating*
16 *to section 44310 and inserting the following:*

“44310. Vendors, agents, subcontractors, and manufacturers.
“44311. Termination date.”.

17 (e) *TECHNICAL CORRECTIONS.*—*Effective November*
18 *19, 2001, section 124(b) of the Aviation and Transportation*
19 *Security Act (115 Stat. 631) is amended by striking “to*
20 *carry out foreign policy” and inserting “to carry out the*
21 *foreign policy”.*

1 **SEC. 106. PILOT PROGRAM FOR INNOVATIVE FINANCING**
2 **FOR TERMINAL AUTOMATION REPLACEMENT**
3 **SYSTEMS.**

4 (a) *IN GENERAL.*—*In order to test the cost-effectiveness*
5 *and feasibility of long-term financing of modernization of*
6 *major air traffic control systems, the Administrator of the*
7 *Federal Aviation Administration may establish a pilot pro-*
8 *gram to test innovative financing techniques through*
9 *amending a contract, subject to section 1341 of title 31,*
10 *United States Code, of more than one, but not more than*
11 *20, fiscal years to purchase and install terminal automa-*
12 *tion replacement systems for the Administration. Such*
13 *amendments may be for more than one, but not more than*
14 *10 fiscal years.*

15 (b) *CANCELLATION.*—*A contract described in sub-*
16 *section (a) may include a cancellation provision if the Ad-*
17 *ministrator determines that such a provision is necessary*
18 *and in the best interest of the United States. Any such pro-*
19 *vision shall include a cancellation liability schedule that*
20 *covers reasonable and allocable costs incurred by the con-*
21 *tractor through the date of cancellation plus reasonable*
22 *profit, if any, on those costs. Any such provision shall not*
23 *apply if the contract is terminated by default of the con-*
24 *tractor.*

25 (c) *CONTRACT PROVISIONS.*—*If feasible and prac-*
26 *ticable for the pilot program, the Administrator may make*

1 *an advance contract provision to achieve economic-lot pur-*
2 *chases and more efficient production rates.*

3 (d) *LIMITATION.—The Administrator may not amend*
4 *a contract under this section until the program for the ter-*
5 *минаl automation replacement systems has been rebaselined*
6 *in accordance with the acquisition management system of*
7 *the Administration.*

8 (e) *ANNUAL REPORTS.—At the end of each fiscal year*
9 *during the term of the pilot program, the Administrator*
10 *shall transmit to the Committee on Commerce, Science, and*
11 *Transportation of the Senate and the Committee on Trans-*
12 *portation and Infrastructure of the House of Representa-*
13 *tives a report on how the Administrator has implemented*
14 *in such fiscal year the pilot program, the number and types*
15 *of contracts or contract amendments that are entered into*
16 *under the program, and the program’s cost-effectiveness.*

17 (f) *FUNDING.—Out of amounts appropriated under*
18 *section 48101 for fiscal year 2004, \$200,000,000 shall be*
19 *used to carry out this section.*

20 **TITLE II—AIRPORT PROJECT**
21 **STREAMLINING**

22 **SEC. 201. SHORT TITLE.**

23 *This title may be cited as the “Airport Streamlining*
24 *Approval Process Act of 2003”.*

1 **SEC. 202. FINDINGS.**

2 *Congress finds that—*

3 *(1) airports play a major role in interstate and*
4 *foreign commerce;*

5 *(2) congestion and delays at our Nation’s major*
6 *airports have a significant negative impact on our*
7 *Nation’s economy;*

8 *(3) airport capacity enhancement projects at*
9 *congested airports are a national priority and should*
10 *be constructed on an expedited basis;*

11 *(4) airport capacity enhancement projects must*
12 *include an environmental review process that pro-*
13 *vides local citizenry an opportunity for consideration*
14 *of and appropriate action to address environmental*
15 *concerns; and*

16 *(5) the Federal Aviation Administration, airport*
17 *authorities, communities, and other Federal, State,*
18 *and local government agencies must work together to*
19 *develop a plan, set and honor milestones and dead-*
20 *lines, and work to protect the environment while sus-*
21 *taining the economic vitality that will result from the*
22 *continued growth of aviation.*

23 **SEC. 203. PROMOTION OF NEW RUNWAYS.**

24 *Section 40104 is amended by adding at the end the*
25 *following:*

1 “(c) *AIRPORT CAPACITY ENHANCEMENT PROJECTS AT*
 2 *CONGESTED AIRPORTS.*—*In carrying out subsection (a),*
 3 *the Administrator shall take action to encourage the con-*
 4 *struction of airport capacity enhancement projects at con-*
 5 *gested airports as those terms are defined in section*
 6 *47178.”.*

7 **SEC. 204. AIRPORT PROJECT STREAMLINING.**

8 (a) *IN GENERAL.*—*Chapter 471 is amended by insert-*
 9 *ing after section 47153 the following:*

10 “*SUBCHAPTER III—AIRPORT PROJECT*
 11 *STREAMLINING*

12 **“§ 47171. DOT as lead agency**

13 “(a) *AIRPORT PROJECT REVIEW PROCESS.*—*The Sec-*
 14 *retary of Transportation shall develop and implement a co-*
 15 *ordinated review process for airport capacity enhancement*
 16 *projects at congested airports.*

17 “(b) *COORDINATED REVIEWS.*—

18 “(1) *IN GENERAL.*—*The coordinated review proc-*
 19 *ess under this section shall provide that all environ-*
 20 *mental reviews, analyses, opinions, permits, licenses,*
 21 *and approvals that must be issued or made by a Fed-*
 22 *eral agency or airport sponsor for an airport capac-*
 23 *ity enhancement project at a congested airport will be*
 24 *conducted concurrently, to the maximum extent prac-*
 25 *ticable, and completed within a time period estab-*

1 *lished by the Secretary, in cooperation with the agen-*
2 *cies identified under subsection (c) with respect to the*
3 *project.*

4 “(2) *AGENCY PARTICIPATION.—Each Federal*
5 *agency identified under subsection (c) shall formulate*
6 *and implement administrative, policy, and proce-*
7 *dural mechanisms to enable the agency to ensure com-*
8 *pletion of environmental reviews, analyses, opinions,*
9 *permits, licenses, and approvals described in para-*
10 *graph (1) in a timely and environmentally respon-*
11 *sible manner.*

12 “(c) *IDENTIFICATION OF JURISDICTIONAL AGEN-*
13 *CIES.—With respect to each airport capacity enhancement*
14 *project at a congested airport, the Secretary shall identify,*
15 *as soon as practicable, all Federal and State agencies that*
16 *may have jurisdiction over environmental-related matters*
17 *that may be affected by the project or may be required by*
18 *law to conduct an environmental-related review or analysis*
19 *of the project or determine whether to issue an environ-*
20 *mental-related permit, license, or approval for the project.*

21 “(d) *STATE AUTHORITY.—If a coordinated review*
22 *process is being implemented under this section by the Sec-*
23 *retary with respect to a project at an airport within the*
24 *boundaries of a State, the State, consistent with State law,*
25 *may choose to participate in such process and provide that*

1 *all State agencies that have jurisdiction over environ-*
2 *mental-related matters that may be affected by the project*
3 *or may be required by law to conduct an environmental-*
4 *related review or analysis of the project or determine wheth-*
5 *er to issue an environmental-related permit, license, or ap-*
6 *proval for the project, be subject to the process.*

7 “(e) *MEMORANDUM OF UNDERSTANDING.—The coordi-*
8 *nated review process developed under this section may be*
9 *incorporated into a memorandum of understanding for a*
10 *project between the Secretary and the heads of other Federal*
11 *and State agencies identified under subsection (c) with re-*
12 *spect to the project and the airport sponsor.*

13 “(f) *EFFECT OF FAILURE TO MEET DEADLINE.—*

14 “(1) *NOTIFICATION OF CONGRESS AND CEQ.—If*
15 *the Secretary determines that a Federal agency, State*
16 *agency, or airport sponsor that is participating in a*
17 *coordinated review process under this section with re-*
18 *spect to a project has not met a deadline established*
19 *under subsection (b) for the project, the Secretary*
20 *shall notify, within 30 days of the date of such deter-*
21 *mination, the Committee on Transportation and In-*
22 *frastructure of the House of Representatives, the Com-*
23 *mittee on Commerce, Science, and Transportation of*
24 *the Senate, the Council on Environmental Quality,*

1 *and the agency or sponsor involved about the failure*
2 *to meet the deadline.*

3 *“(2) AGENCY REPORT.—Not later than 30 days*
4 *after date of receipt of a notice under paragraph (1),*
5 *the agency or sponsor involved shall submit a report*
6 *to the Secretary, the Committee on Transportation*
7 *and Infrastructure of the House of Representatives,*
8 *the Committee on Commerce, Science, and Transpor-*
9 *tation of the Senate, and the Council on Environ-*
10 *mental Quality explaining why the agency or sponsor*
11 *did not meet the deadline and what actions it intends*
12 *to take to complete or issue the required review, anal-*
13 *ysis, opinion, permit, license, or approval.*

14 *“(g) PURPOSE AND NEED.—For any environmental*
15 *review, analysis, opinion, permit, license, or approval that*
16 *must be issued or made by a Federal or State agency that*
17 *is participating in a coordinated review process under this*
18 *section with respect to an airport capacity enhancement*
19 *project at a congested airport and that requires an analysis*
20 *of purpose and need for the project, the agency, notwith-*
21 *standing any other provision of law, shall be bound by the*
22 *project purpose and need as defined by the Secretary.*

23 *“(h) ALTERNATIVES ANALYSIS.—The Secretary shall*
24 *determine the reasonable alternatives to an airport capacity*
25 *enhancement project at a congested airport. Any other Fed-*

1 eral or State agency that is participating in a coordinated
2 review process under this section with respect to the project
3 shall consider only those alternatives to the project that the
4 Secretary has determined are reasonable.

5 “(i) *SOLICITATION AND CONSIDERATION OF COM-*
6 *MENTS.*—In applying subsections (g) and (h), the Secretary
7 shall solicit and consider comments from interested persons
8 and governmental entities.

9 “(j) *MONITORING BY TASK FORCE.*—The Transpor-
10 tation Infrastructure Streamlining Task Force, established
11 by Executive Order 13274 (67 Fed. Reg. 59449; relating
12 to environmental stewardship and transportation infra-
13 structure project reviews), may monitor airport projects
14 that are subject to the coordinated review process under this
15 section.

16 “§47172. **Categorical exclusions**

17 “Not later than 120 days after the date of enactment
18 of this section, the Secretary of Transportation shall develop
19 and publish a list of categorical exclusions from the require-
20 ment that an environmental assessment or an environ-
21 mental impact statement be prepared under the National
22 Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)
23 for projects at airports.

1 **“§ 47173. Access restrictions to ease construction**

2 *“At the request of an airport sponsor for a congested*
3 *airport, the Secretary of Transportation may approve a re-*
4 *striction on use of a runway to be constructed at the airport*
5 *to minimize potentially significant adverse noise impacts*
6 *from the runway only if the Secretary determines that im-*
7 *position of the restriction—*

8 *“(1) is necessary to mitigate those impacts and*
9 *expedite construction of the runway;*

10 *“(2) is the most appropriate and a cost-effective*
11 *measure to mitigate those impacts, taking into con-*
12 *sideration any environmental tradeoffs associated*
13 *with the restriction; and*

14 *“(3) would not adversely affect service to small*
15 *communities, adversely affect safety or efficiency of*
16 *the national airspace system, unjustly discriminate*
17 *against any class of user of the airport, or impose an*
18 *undue burden on interstate or foreign commerce.*

19 **“§ 47174. Airport revenue to pay for mitigation**

20 *“(a) IN GENERAL.—Notwithstanding section 47107(b),*
21 *section 47133, or any other provision of this title, the Sec-*
22 *retary of Transportation may allow an airport sponsor car-*
23 *rying out an airport capacity enhancement project at a*
24 *congested airport to make payments, out of revenues gen-*
25 *erated at the airport (including local taxes on aviation*

1 fuel), for measures to mitigate the environmental impacts
2 of the project if the Secretary finds that—

3 “(1) the mitigation measures are included as
4 part of, or support, the preferred alternative for the
5 project in the documentation prepared pursuant to
6 the National Environmental Policy Act of 1969 (42
7 U.S.C. 4321 et seq.);

8 “(2) the use of such revenues will provide a sig-
9 nificant incentive for, or remove an impediment to,
10 approval of the project by a State or local govern-
11 ment; and

12 “(3) the cost of the mitigation measures is rea-
13 sonable in relation to the mitigation that will be
14 achieved.

15 “(b) **MITIGATION OF AIRCRAFT NOISE.**—Mitigation
16 measures described in subsection (a) may include the insu-
17 lation of residential buildings and buildings used primarily
18 for educational or medical purposes to mitigate the effects
19 of aircraft noise and the improvement of such buildings as
20 required for the insulation of the buildings under local
21 building codes.

22 **“§ 47175. Airport funding of FAA staff**

23 “(a) **ACCEPTANCE OF SPONSOR-PROVIDED FUNDS.**—
24 Notwithstanding any other provision of law, the Adminis-
25 trator of the Federal Aviation Administration may accept

1 *funds from an airport sponsor, including funds provided*
2 *to the sponsor under section 47114(c), to hire additional*
3 *staff or obtain the services of consultants in order to facili-*
4 *tate the timely processing, review, and completion of envi-*
5 *ronmental activities associated with an airport development*
6 *project.*

7 “(b) *ADMINISTRATIVE PROVISION.—Instead of pay-*
8 *ment from an airport sponsor from funds apportioned to*
9 *the sponsor under section 47114, the Administrator, with*
10 *agreement of the sponsor, may transfer funds that would*
11 *otherwise be apportioned to the sponsor under section 47114*
12 *to the account used by the Administrator for activities de-*
13 *scribed in subsection (a).*

14 “(c) *RECEIPTS CREDITED AS OFFSETTING COLLEC-*
15 *TIONS.—Notwithstanding section 3302 of title 31, any*
16 *funds accepted under this section, except funds transferred*
17 *pursuant to subsection (b)—*

18 “(1) *shall be credited as offsetting collections to*
19 *the account that finances the activities and services*
20 *for which the funds are accepted;*

21 “(2) *shall be available for expenditure only to*
22 *pay the costs of activities and services for which the*
23 *funds are accepted; and*

24 “(3) *shall remain available until expended.*

1 “(d) *MAINTENANCE OF EFFORT.*—No funds may be ac-
2 cepted pursuant to subsection (a), or transferred pursuant
3 to subsection (b), in any fiscal year in which the Federal
4 Aviation Administration does not allocate at least the
5 amount it expended in fiscal year 2002, excluding amounts
6 accepted pursuant to section 337 of the Department of
7 Transportation and Related Agencies Appropriations Act,
8 2002 (115 Stat. 862), for the activities described in sub-
9 section (a).

10 **“§47176. Authorization of appropriations**

11 *“In addition to the amounts authorized to be appro-*
12 *priated under section 106(k), there is authorized to be ap-*
13 *propriated to the Secretary of Transportation, out of the*
14 *Airport and Airway Trust Fund established under section*
15 *9502 of the Internal Revenue Code of 1986 (26 U.S.C.*
16 *9502), \$4,200,000 for fiscal year 2004 and for each fiscal*
17 *year thereafter to facilitate the timely processing, review,*
18 *and completion of environmental activities associated with*
19 *airport capacity enhancement projects at congested air-*
20 *ports.*

21 **“§47177. Designation of aviation safety and aviation**
22 *security projects for priority environ-*
23 *mental review*

24 “(a) *IN GENERAL.*—The Administrator of the Federal
25 Aviation Administration may designate an aviation safety

1 *or aviation security project for priority environmental re-*
2 *view. The Administrator may not delegate this designation*
3 *authority.*

4 “(b) *PROJECT DESIGNATION CRITERIA.—The Admin-*
5 *istrator shall establish guidelines for the designation of an*
6 *aviation safety or aviation security project for priority en-*
7 *vironmental review. Such guidelines shall include consider-*
8 *ation of—*

9 “(1) *the importance or urgency of the project;*

10 “(2) *the potential for undertaking the environ-*
11 *mental review under existing emergency procedures*
12 *under the National Environmental Policy Act of 1969*
13 *(42 U.S.C. 4321 et seq.);*

14 “(3) *the need for cooperation and concurrent re-*
15 *views by other Federal or State agencies; and*

16 “(4) *the prospect for undue delay if the project*
17 *is not designated for priority review.*

18 “(c) *COORDINATED ENVIRONMENTAL REVIEWS.—*

19 “(1) *TIMELINES AND HIGH PRIORITY FOR CO-*
20 *ORDINATED ENVIRONMENTAL REVIEWS.—The Admin-*
21 *istrator, in consultation with the heads of affected*
22 *agencies, shall establish specific timelines for the co-*
23 *ordinated environmental review of an aviation safety*
24 *or aviation security project designated under sub-*
25 *section (a). Such timelines shall be consistent with the*

1 *timelines established in existing laws and regulations.*
2 *Each Federal agency with responsibility for project*
3 *environmental reviews, analyses, opinions, permits,*
4 *licenses, and approvals shall accord any such review*
5 *a high priority and shall conduct the review expedi-*
6 *tiously and, to the maximum extent possible, concu-*
7 *rently with other such reviews.*

8 “(2) *AGENCY PARTICIPATION.—Each Federal*
9 *agency identified under subsection (c) shall formulate*
10 *and implement administrative, policy, and proce-*
11 *dural mechanisms to enable the agency to ensure com-*
12 *pletion of environmental reviews, analyses, opinions,*
13 *permits, licenses, and approvals described in para-*
14 *graph (1) in a timely and environmentally respon-*
15 *sible manner.*

16 “(d) *STATE PARTICIPATION.—*

17 “(1) *INVITATION TO PARTICIPATE.—If a priority*
18 *environmental review process is being implemented*
19 *under this section with respect to a project within the*
20 *boundaries of a State with applicable State environ-*
21 *mental requirements and approvals, the Adminis-*
22 *trator shall invite the State to participate in the*
23 *process.*

24 “(2) *STATE CHOICE.—A State invited to partici-*
25 *rate in a priority environmental review process, con-*

1 *sistent with State law, may choose to participate in*
2 *such process and direct that all State agencies, which*
3 *have jurisdiction by law to conduct an environmental*
4 *review or analysis of the project to determine whether*
5 *to issue an environmentally related permit, license, or*
6 *approval for the project, be subject to the process.*

7 *“(e) FAILURE TO GIVE PRIORITY REVIEW.—*

8 *“(1) NOTICE.—If the Secretary of Transpor-*
9 *tation determines that a Federal agency or a partici-*
10 *pating State is not complying with the requirements*
11 *of this section and that such noncompliance is under-*
12 *mining the environmental review process, the Sec-*
13 *retary shall notify, within 30 days of such determina-*
14 *tion, the head of the Federal agency or, with respect*
15 *to a State agency, the Governor of the State.*

16 *“(2) REPORT TO SECRETARY.—A Federal agency*
17 *that receives a copy of a notification relating to that*
18 *agency made by the Secretary under paragraph (1)*
19 *shall submit, within 30 days after receiving such*
20 *copy, a written report to the Secretary explaining the*
21 *reasons for the situation described in the notification*
22 *and what remedial actions the agency intends to take.*

23 *“(3) NOTIFICATION OF CEQ AND COMMITTEES.—*
24 *If the Secretary determines that a Federal agency has*
25 *not satisfactorily addressed the problems within a*

1 *reasonable period of time following a notification*
2 *under paragraph (1), the Secretary shall notify the*
3 *Committee on Transportation and Infrastructure of*
4 *the House of Representatives, the Committee on Com-*
5 *merce, Science and Transportation of the Senate, and*
6 *the Council on Environmental Quality.*

7 “(f) *PROCEDURAL PROVISIONS.*—*The procedures set*
8 *forth in subsections (c), (e), (g), (h), and (i) of section 47171*
9 *shall apply with respect to an aviation safety or aviation*
10 *security project under this section in the same manner and*
11 *to the same extent as such procedures apply to an airport*
12 *capacity enhancement project at a congested airport under*
13 *section 47171.*

14 “(g) *DEFINITIONS.*—*In this section, the following defi-*
15 *nitions apply:*

16 “(1) *AVIATION SAFETY PROJECT.*—*The term*
17 *‘aviation safety project’ means an aviation project*
18 *that—*

19 “(A) *has as its primary purpose reducing*
20 *the risk of injury to persons or damage to air-*
21 *craft and property, as determined by the Admin-*
22 *istrator; and*

23 “(B)(i) *is needed to respond to a rec-*
24 *ommendation from the National Transportation*
25 *Safety Board; or*

1 “(ii) is necessary for an airport to comply
2 with part 139 of title 14, Code of Federal Regu-
3 lations (relating to airport certification).

4 “(2) *AVIATION SECURITY PROJECT*.—The term
5 ‘aviation security project’ means a security project at
6 an airport required by the Department of Homeland
7 Security.

8 “(3) *FEDERAL AGENCY*.—The term ‘Federal
9 agency’ means a department or agency of the United
10 States Government.

11 **“§47178. Definitions**

12 *“In this subchapter, the following definitions apply:*

13 “(1) *AIRPORT SPONSOR*.—The term ‘airport
14 sponsor’ has the meaning given the term ‘sponsor’
15 under section 47102.

16 “(2) *CONGESTED AIRPORT*.—The term ‘congested
17 airport’ means an airport that accounted for at least
18 1 percent of all delayed aircraft operations in the
19 United States in the most recent year for which such
20 data is available and an airport listed in table 1 of
21 the Federal Aviation Administration’s Airport Capac-
22 ity Benchmark Report 2001.

23 “(3) *AIRPORT CAPACITY ENHANCEMENT*
24 *PROJECT*.—The term ‘airport capacity enhancement
25 project’ means—

1 “(A) a project for construction or extension
2 of a runway, including any land acquisition,
3 taxiway, or safety area associated with the run-
4 way or runway extension; and

5 “(B) such other airport development
6 projects as the Secretary may designate as facili-
7 tating a reduction in air traffic congestion and
8 delays.”.

9 (b) *CONFORMING AMENDMENT.*—*The analysis for*
10 *chapter 471 of such title is amended by adding at the end*
11 *the following:*

“SUBCHAPTER III—AIRPORT PROJECT STREAMLINING

“47171. DOT as lead agency.

“47172. Categorical exclusions.

“47173. Access restrictions to ease construction.

“47174. Airport revenue to pay for mitigation.

“47175. Airport funding of FAA staff.

“47176. Authorization of appropriations.

*“47177. Designation of aviation safety and aviation security projects for priority
environmental review.*

“47178. Definitions.”.

12 **SEC. 205. GOVERNOR’S CERTIFICATE.**

13 *Section 47106(c) of title 49, United States Code, is*
14 *amended—*

15 (1) *in paragraph (1)—*

16 (A) *by inserting “and” after the semicolon*
17 *at the end of subparagraph (A)(ii);*

18 (B) *by striking subparagraph (B); and*

19 (C) *by redesignating subparagraph (C) as*
20 *subparagraph (B);*

1 (2) in paragraph (2)(A) by striking “stage 2”
2 and inserting “stage 3”;

3 (3) by striking paragraph (4); and

4 (4) by redesignating paragraph (5) as para-
5 graph (4).

6 **SEC. 206. CONSTRUCTION OF CERTAIN AIRPORT CAPACITY**
7 **PROJECTS.**

8 Section 47504(c)(2) of title 49, United States Code, is
9 amended—

10 (1) by moving subparagraphs (C) and (D) 2 ems
11 to the right;

12 (2) by striking “and” at the end of subpara-
13 graph (C);

14 (3) by striking the period at the end of subpara-
15 graph (D) and inserting “; and”; and

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

17 “(E) to an airport operator of a congested
18 airport (as defined in section 47178) and a unit
19 of local government referred to in paragraph
20 (1)(B) of this subsection to carry out a project
21 to mitigate noise in the area surrounding the
22 airport if the project is included as a commit-
23 ment in a record of decision of the Federal Avia-
24 tion Administration for an airport capacity en-
25 hancement project (as defined in section 47178)

1 *even if that airport has not met the requirements*
2 *of part 150 of title 14, Code of Federal Regula-*
3 *tions.”.*

4 **SEC. 207. LIMITATIONS.**

5 *Nothing in this title, including any amendment made*
6 *by this title, shall preempt or interfere with—*

7 (1) *any practice of seeking public comment;*

8 (2) *any power, jurisdiction, or authority that a*
9 *State agency or an airport sponsor has with respect*
10 *to carrying out an airport capacity enhancement*
11 *project; and*

12 (3) *any obligation to comply with the provisions*
13 *of the National Environmental Policy Act of 1969 (42*
14 *U.S.C. 4371 et seq.) and the regulations issued by the*
15 *Council on Environmental Quality to carry out such*
16 *Act.*

17 **SEC. 208. RELATIONSHIP TO OTHER REQUIREMENTS.**

18 *The coordinated review process required under the*
19 *amendments made by this title shall apply to an airport*
20 *capacity enhancement project at a congested airport wheth-*
21 *er or not the project is designated by the Secretary of Trans-*
22 *portation as a high-priority transportation infrastructure*
23 *project under Executive Order 13274 (67 Fed. Reg. 59449;*
24 *relating to environmental stewardship and transportation*
25 *infrastructure project reviews).*

1 **TITLE III—FEDERAL AVIATION**
2 **REFORM**

3 **SEC. 301. MANAGEMENT ADVISORY COMMITTEE MEMBERS.**

4 *Section 106(p) is amended—*

5 (1) *in the subsection heading by inserting “AND*
6 *AIR TRAFFIC SERVICES BOARD” after “COUNCIL”;*
7 *and*

8 (2) *in paragraph (2)—*

9 (A) *by striking “consist of” and all that fol-*
10 *lows through “members, who” and inserting*
11 *“consist of 13 members, who”;*

12 (B) *by inserting after “Senate” in subpara-*
13 *graph (C)(i) “, except that initial appointments*
14 *made after May 1, 2003, shall be made by the*
15 *Secretary of Transportation”;*

16 (C) *by striking the semicolon at the end of*
17 *subparagraph (C)(ii) and inserting “; and”;* and

18 (D) *by striking “employees, by—” in sub-*
19 *paragraph (D) and all that follows through the*
20 *period at the end of subparagraph (E) and in-*
21 *serting “employees, by the Secretary of Trans-*
22 *portation.”.*

23 **SEC. 302. REORGANIZATION OF THE AIR TRAFFIC SERVICES**
24 **SUBCOMMITTEE.**

25 *Section 106(p) is amended—*

1 (1) in paragraph (3)—

2 (A) by striking “(A) NO FEDERAL OFFICER
3 OR EMPLOYEE.—”;

4 (B) by striking “or (2)(E)” and inserting
5 “or to the Air Traffic Services Board”; and

6 (C) by striking subparagraphs (B) and (C);

7 (2) in paragraph (4)(C) by inserting “or Air
8 Traffic Services Board” after “Council” each place it
9 appears;

10 (3) in paragraph (5) by inserting “, the Air
11 Traffic Services Board,” after “Council”;

12 (4) in paragraph (6)(C)—

13 (A) by striking “SUBCOMMITTEE” in the
14 subparagraph heading and inserting “BOARD”;

15 (B) by striking “member” and inserting
16 “members”;

17 (C) by striking “under paragraph (2)(E)”
18 the first place it appears and inserting “to the
19 Air Traffic Services Board”; and

20 (D) by striking “of the members first” and
21 all that follows through the period at the end and
22 inserting “the first members of the Board shall
23 be the members of the Air Traffic Services Sub-
24 committee of the Council on the day before the
25 date of enactment of the Flight 100—Century of

1 *Aviation Reauthorization Act who shall serve as*
2 *members of the Board until their respective*
3 *terms as members of the Subcommittee would*
4 *have ended under this subparagraph, as in effect*
5 *on such day.”;*

6 (5) *in paragraph (6)(D) by striking “under*
7 *paragraph (2)(E)” and inserting “to the Board”;*

8 (6) *in paragraph (6)(E) by inserting “or Board”*
9 *after “Council”;*

10 (7) *in paragraph (6)(F) by inserting “of the*
11 *Council or Board” after “member”;*

12 (8) *in the second sentence of subparagraph*
13 (6)(G)—

14 (A) *by striking “Council” and inserting*
15 *“Board”;* and

16 (B) *by striking “appointed under para-*
17 *graph (2)(E)”;*

18 (9) *in paragraph (6)(H)—*

19 (A) *by striking “SUBCOMMITTEE” in the*
20 *subparagraph heading and inserting “BOARD”;*

21 (B) *by striking “under paragraph (2)(E)”*
22 *in clause (i) and inserting “to the Board”;* and

23 (C) *by striking “Air Traffic Services Sub-*
24 *committee” and inserting “Board”;*

25 (10) *in paragraph (6)(I)(i)—*

1 (A) by striking “appointed under para-
2 graph (2)(E) is” and inserting “is serving as”;
3 and

4 (B) by striking “Subcommittee” and insert-
5 ing “Board”;

6 (11) in paragraph (6)(I)(ii)—

7 (A) by striking “appointed under para-
8 graph (2)(E)” and inserting “who is a member
9 of the Board”; and

10 (B) by striking “Subcommittee” and insert-
11 ing “Board”;

12 (12) in paragraph (6)(K) by inserting “or
13 Board” after “Council”;

14 (13) in paragraph (6)(L) by inserting “or
15 Board” after “Council” each place it appears; and

16 (14) in paragraph (7)—

17 (A) by striking “SUBCOMMITTEE” in the
18 paragraph heading and inserting “BOARD”;

19 (B) by striking subparagraph (A) and in-
20 serting the following:

21 “(A) *ESTABLISHMENT.*—The Administrator
22 shall establish a board that is independent of the
23 Council by converting the Air Traffic Services
24 Subcommittee of the Council, as in effect on the
25 day before the date of enactment of the Flight

1 *100—Century of Aviation Reauthorization Act,*
2 *into such board. The board shall be known as the*
3 *Air Traffic Services Board (in this subsection re-*
4 *ferred to as the ‘Board’).’;*

5 *(C) by redesignating subparagraphs (B)*
6 *through (F) as subparagraphs (D) through (H),*
7 *respectively;*

8 *(D) by inserting after subparagraph (A) the*
9 *following:*

10 *“(B) MEMBERSHIP AND QUALIFICATIONS.—*
11 *Subject to paragraph (6)(C), the Board shall*
12 *consist of 5 members, one of whom shall be the*
13 *Administrator and shall serve as chairperson.*
14 *The remaining members shall be appointed by*
15 *the President with the advice and consent of the*
16 *Senate and—*

17 *“(i) shall have a fiduciary responsi-*
18 *bility to represent the public interest;*

19 *“(ii) shall be citizens of the United*
20 *States; and*

21 *“(iii) shall be appointed without re-*
22 *gard to political affiliation and solely on*
23 *the basis of their professional experience*
24 *and expertise in one or more of the fol-*
25 *lowing areas and, in the aggregate, should*

1 *collectively bring to bear expertise in all of*
2 *the following areas:*

3 “(I) *Management of large service*
4 *organizations.*

5 “(II) *Customer service.*

6 “(III) *Management of large pro-*
7 *curements.*

8 “(IV) *Information and commu-*
9 *nications technology.*

10 “(V) *Organizational development.*

11 “(VI) *Labor relations.*

12 “(C) *PROHIBITIONS ON MEMBERS OF*
13 *BOARD.—No member of the Board may—*

14 “(i) *have a pecuniary interest in, or*
15 *own stock in or bonds of, an aviation or*
16 *aeronautical enterprise, except an interest*
17 *in a diversified mutual fund or an interest*
18 *that is exempt from the application of sec-*
19 *tion 208 of title 18;*

20 “(ii) *engage in another business related*
21 *to aviation or aeronautics; or*

22 “(iii) *be a member of any organization*
23 *that engages, as a substantial part of its ac-*
24 *tivities, in activities to influence aviation-*
25 *related legislation.”;*

1 (E) by striking “Subcommittee” each place
2 it appears in subparagraphs (D) and (E) (as re-
3 designated by subparagraph (C) of this para-
4 graph) and inserting “Board”;

5 (F) by striking “approve” in subparagraph
6 (E)(v)(I) (as so redesignated) and inserting
7 “make recommendations on”;

8 (G) by striking “request” in subparagraph
9 (E)(v)(II) (as so redesignated) and inserting
10 “recommendations”;

11 (H) by striking “ensure that the budget re-
12 quest supports” in subparagraph (E)(v)(III) (as
13 so redesignated) and inserting “base such budget
14 recommendations on”;

15 (I) by striking “The Secretary shall submit”
16 in subparagraph (E) (as so redesignated) and all
17 that follows through the period at the end of such
18 subparagraph (E) and inserting “The Secretary
19 shall submit the budget recommendations re-
20 ferred to in clause (v) to the President who shall
21 transmit such recommendations to the Com-
22 mittee on Transportation and Infrastructure and
23 the Committee on Appropriations of the House of
24 Representatives and the Committee on Com-
25 merce, Science, and Transportation and the

1 *Committee on Appropriations of the Senate to-*
2 *gether with the annual budget request of the Fed-*
3 *eral Aviation Administration.”;*

4 *(J) by striking subparagraph (F) (as so re-*
5 *designated) and inserting the following:*

6 *“(F) BOARD PERSONNEL MATTERS.—The*
7 *Board may appoint and terminate any per-*
8 *sonnel that may be necessary to enable the Board*
9 *to perform its duties, and may procure tem-*
10 *porary and intermittent services under section*
11 *40122.”;*

12 *(K) in subparagraph (G) (as so redesign-*
13 *ated)—*

14 *(i) by striking clause (i);*

15 *(ii) by redesignating clauses (ii), (iii),*
16 *and (iv) as clauses (i), (ii), and (iii), re-*
17 *spectively; and*

18 *(iii) by striking “Subcommittee” each*
19 *place it appears in clauses (i), (ii), and*
20 *(iii) (as so redesignated) and inserting*
21 *“Board”;*

22 *(L) in subparagraph (H) (as so redesign-*
23 *ated)—*

24 *(i) by striking “Subcommittee” each*
25 *place it appears and inserting “Board”;*

1 (ii) by striking “Administrator, the
2 Council” each place it appears in clauses
3 (i) and (ii) and inserting “Secretary”; and
4 (iii) in clause (ii) by striking “(B)(i)”
5 and inserting “(D)(i)”; and
6 (M) by adding at the end the following:

7 “(I) AUTHORIZATION.—There are author-
8 ized to be appropriated to the Board such sums
9 as may be necessary for the Board to carry out
10 its activities.”

11 **SEC. 303. CLARIFICATION OF THE RESPONSIBILITIES OF**
12 **THE CHIEF OPERATING OFFICER.**

13 Section 106(r) is amended—

14 (1) in each of paragraphs (1)(A) and (2)(A) by
15 striking “Air Traffic Services Subcommittee of the
16 Aviation Management Advisory Council” and insert-
17 ing “Air Traffic Services Board”;

18 (2) in paragraph (2)(B) by inserting “in” before
19 “paragraph (3).”;

20 (3) in paragraph (3) by striking “Air Traffic
21 Control Subcommittee of the Aviation Management
22 Advisory Committee” and inserting “Air Traffic
23 Services Board”;

24 (4) in paragraph (4) by striking “Transportation
25 and Congress” and inserting “Transportation,

1 *the Committee on Transportation and Infrastructure*
2 *of the House of Representatives, and the Committee*
3 *on Commerce, Science, and Transportation of the*
4 *Senate”;*

5 *(5) in paragraph (5)(A)—*

6 *(A) by striking “develop a” and inserting*
7 *“implement the”; and*

8 *(B) by striking “, including the establish-*
9 *ment of” and inserting “in order to further”;*

10 *(6) in paragraph (5)(B)—*

11 *(A) by striking “review” and all that fol-*
12 *lows through “Administration,” and inserting*
13 *“oversee the day-to-day operational functions of*
14 *the Administration for air traffic control,”;*

15 *(B) by striking “and” at the end of clause*
16 *(ii);*

17 *(C) by striking the period at the end of*
18 *clause (iii) and inserting “; and”;* and

19 *(D) by adding at the end the following:*

20 *“(iv) the management of cost-reimburs-*
21 *able contracts.”;*

22 *(7) in paragraph (5)(C)(i) by striking “prepared*
23 *by the Administrator”;*

1 (8) in paragraph (5)(C)(ii) by striking “and the
2 Secretary of Transportation” and inserting “and the
3 Board”; and

4 (9) in paragraph (5)(C)(iii)—

5 (A) by inserting “agency’s” before “an-
6 nual”; and

7 (B) by striking “developed under subpara-
8 graph (A) of this subsection.” and inserting “for
9 air traffic control services.”.

10 **SEC. 304. SMALL BUSINESS OMBUDSMAN.**

11 Section 106 is amended by adding at the end the fol-
12 lowing:

13 “(s) *SMALL BUSINESS OMBUDSMAN.*—

14 “(1) *ESTABLISHMENT.*—There shall be in the
15 Administration a Small Business Ombudsman.

16 “(2) *GENERAL DUTIES AND RESPONSIBIL-*
17 *ITIES.*—The Ombudsman shall—

18 “(A) be appointed by the Administrator;

19 “(B) serve as a liaison with small busi-
20 nesses in the aviation industry;

21 “(C) be consulted when the Administrator
22 proposes regulations that may affect small busi-
23 nesses in the aviation industry;

1 “(D) provide assistance to small businesses
2 in resolving disputes with the Administration;
3 and

4 “(E) report directly to the Administrator.”.

5 **SEC. 305. FAA PURCHASE CARDS.**

6 (a) *IN GENERAL.*—The Administrator of the Federal
7 Aviation Administration shall take appropriate actions to
8 implement the recommendations contained in the report of
9 the General Accounting Office entitled “FAA Purchase
10 Cards: Weak Controls Resulted in Instances of Improper
11 and Wasteful Purchases and Missing Assets”, numbered
12 GAO-03-405 and dated March 21, 2003.

13 (b) *REPORT.*—Not later than 1 year after the date of
14 enactment of this Act, the Administrator shall transmit to
15 Congress a report containing a description of the actions
16 taken by the Administrator under this section.

17 **TITLE IV—AIRLINE SERVICE**
18 **IMPROVEMENTS**

19 **SEC. 401. IMPROVEMENT OF AVIATION INFORMATION COL-**
20 **LECTION.**

21 (a) *IN GENERAL.*—Section 329(b)(1) is amended by
22 striking “except that in no case” and all that follows
23 through the semicolon at the end.

24 (b) *EFFECTIVE DATE.*—The amendment made by sub-
25 section (a) shall take effect on the date of the issuance of

1 *a final rule to modernize the Origin and Destination Sur-*
2 *vey of Airline Passenger Traffic, pursuant to the Advance*
3 *Notice of Proposed Rulemaking published July 15, 1998*
4 *(Regulation Identifier Number 2105–AC71), that reduces*
5 *the reporting burden for air carriers through electronic fil-*
6 *ing of the survey data collected under section 329(b)(1) of*
7 *title 49, United States Code.*

8 **SEC. 402. DATA ON INCIDENTS AND COMPLAINTS INVOLV-**
9 **ING PASSENGER AND BAGGAGE SECURITY**
10 **SCREENING.**

11 *Section 329 is amended by adding at the end the fol-*
12 *lowing:*

13 *“(e) INCIDENTS AND COMPLAINTS INVOLVING PAS-*
14 *SENGER AND BAGGAGE SECURITY SCREENING.—*

15 *“(1) PUBLICATION OF DATA.—The Secretary of*
16 *Transportation shall publish data on incidents and*
17 *complaints involving passenger and baggage security*
18 *screening in a manner comparable to other consumer*
19 *complaint and incident data.*

20 *“(2) MONTHLY REPORTS FROM SECRETARY OF*
21 *HOMELAND SECURITY.—To assist the Secretary of*
22 *Transportation in the publication of data under*
23 *paragraph (1), the Secretary of Homeland Security*
24 *shall submit monthly to the Secretary of Transpor-*
25 *tation a report on the number of complaints about se-*

1 *curity screening received by the Secretary of Home-*
2 *land Security.”.*

3 **SEC. 403. DEFINITIONS.**

4 *(a) IN GENERAL.—Section 40102(a) is amended—*

5 *(1) by redesignating paragraphs (38) through*
6 *(42) as paragraphs (43) through (47), respectively;*

7 *(2) by inserting after paragraph (37) the fol-*
8 *lowing:*

9 *“(42) ‘small hub airport’ means a commercial*
10 *service airport (as defined in section 47102) that has*
11 *at least 0.05 percent but less than 0.25 percent of the*
12 *passenger boardings.”;*

13 *(3) by redesignating paragraphs (33) through*
14 *(37) as paragraphs (37) through (41) respectively;*

15 *(4) by inserting after paragraph (32) the fol-*
16 *lowing:*

17 *“(36) ‘passenger boardings’—*

18 *“(A) means, unless the context indicates*
19 *otherwise, revenue passenger boardings in the*
20 *United States in the prior calendar year on an*
21 *aircraft in service in air commerce, as the Sec-*
22 *retary determines under regulations the Sec-*
23 *retary prescribes; and*

24 *“(B) includes passengers who continue on*
25 *an aircraft in international flight that stops at*

1 *an airport in the 48 contiguous States, Alaska,*
2 *or Hawaii for a nontraffic purpose.”;*

3 *(5) by redesignating paragraph (32) as para-*
4 *graph (35);*

5 *(6) by inserting after paragraph (31) the fol-*
6 *lowing:*

7 *“(34) ‘nonhub airport’ means a commercial serv-*
8 *ice airport (as defined in section 47102) that has less*
9 *than 0.05 percent of the passenger boardings.”;*

10 *(7) by redesignating paragraphs (30) and (31)*
11 *as paragraphs (32) and (33), respectively;*

12 *(8) by inserting after paragraph (29) the fol-*
13 *lowing:*

14 *“(31) ‘medium hub airport’ means a commercial*
15 *service airport (as defined in section 47102) that has*
16 *at least 0.25 percent but less than 1.0 percent of the*
17 *passenger boardings.”;*

18 *(9) by redesignating paragraph (29) as para-*
19 *graph (30); and*

20 *(10) by inserting after paragraph (28) the fol-*
21 *lowing:*

22 *“(29) ‘large hub airport’ means a commercial*
23 *service airport (as defined in section 47102) that has*
24 *at least 1.0 percent of the passenger boardings.”.*

25 ***(b) CONFORMING AMENDMENTS.—***

1 (1) *AIR SERVICE TERMINATION NOTICE.*—Section
2 41719(d) is amended—

3 (A) by striking paragraph (1); and

4 (B) by redesignating paragraphs (2)
5 through (5) as paragraphs (1) through (4), re-
6 spectively.

7 (2) *SMALL COMMUNITY AIR SERVICE.*—Section
8 41731(a) is amended by striking paragraphs (3)
9 through (5).

10 (3) *AIRPORTS NOT RECEIVING SUFFICIENT SERV-*
11 *ICE.*—Section 41743 is amended—

12 (A) in subsection (c)(1) by striking “(as
13 that term is defined in section 41731(a)(5))”;
14 and

15 (B) in subsection (f) by striking “(as de-
16 fined in section 41731(a)(3))”.

17 (4) *PRESERVATION OF BASIC ESSENTIAL AIR*
18 *SERVICE AT SINGLE CARRIER DOMINATED HUB AIR-*
19 *PORTS.*—Section 41744(b) is amended by striking
20 “(as defined in section 41731)”.

21 (5) *REGIONAL AIR SERVICE INCENTIVE PRO-*
22 *GRAM.*—Section 41762 is amended—

23 (A) by striking paragraphs (11) and (15);
24 and

1 (B) by redesignating paragraphs (12), (13),
2 (14), and (16) as paragraphs (11), (12), (13),
3 and (14), respectively.

4 **SEC. 404. CLARIFICATIONS TO PROCUREMENT AUTHORITY.**

5 (a) *DUTIES AND POWERS.*—Section 40110(c) is
6 amended—

7 (1) by striking “Administration—” and all that
8 follows through “(2) may—” and inserting “Adminis-
9 tration may—”;

10 (2) by striking subparagraph (D);

11 (3) by redesignating subparagraphs (A), (B),
12 (C), (E), and (F) as paragraphs (1), (2), (3), (4), and
13 (5) respectively; and

14 (4) by moving such paragraphs (1) through (5)
15 2 ems to the left.

16 (b) *ACQUISITION MANAGEMENT SYSTEM.*—Section
17 40110(d) is amended—

18 (1) in paragraph (1)—

19 (A) by striking “, not later than January
20 1, 1996,”; and

21 (B) by striking “provides for more timely
22 and cost-effective acquisitions of equipment and
23 materials.” and inserting the following:

24 “provides for—

1 “(A) more timely and cost-effective acquisi-
2 tions of equipment, services, property, and mate-
3 rials; and

4 “(B) the resolution of bid protests and con-
5 tract disputes related thereto, using consensual
6 alternative dispute resolution techniques to the
7 maximum extent practicable.”; and

8 (2) by striking paragraph (4), relating to the ef-
9 fective date, and inserting the following:

10 “(4) *ADJUDICATION OF CERTAIN BID PROTESTS*
11 *AND CONTRACT DISPUTES.*—A bid protest or contract
12 dispute that is not addressed or resolved through al-
13 ternative dispute resolution shall be adjudicated by
14 the Administrator through Dispute Resolution Offi-
15 cers or Special Masters of the Federal Aviation Ad-
16 ministration Office of Dispute Resolution for Acquisi-
17 tion, acting pursuant to sections 46102, 46104,
18 46105, 46106 and 46107.”.

19 (c) *AUTHORITY OF ADMINISTRATOR TO ACQUIRE*
20 *SERVICES.*—Section 106(f)(2)(A)(ii) is amended by insert-
21 ing “; services,” after “property”.

22 **SEC. 405. LOW-EMISSION AIRPORT VEHICLES AND GROUND**
23 **SUPPORT EQUIPMENT.**

24 (a) *IN GENERAL.*—Section 40117(a)(3) is amended by
25 inserting at the 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 (as de-
5 fined in section 47102) or cleaner burning con-
6 ventional fuels, or the retrofitting of such equip-
7 ment or vehicles that are powered by a diesel or
8 gasoline engine with emission control tech-
9 nologies certified or verified by the Environ-
10 mental Protection Agency to reduce emissions, if
11 the airport is located in an air quality non-
12 attainment area (as defined in section 171(2) of
13 the Clean Air Act (42 U.S.C. 7501(2)) or a
14 maintenance area referred to in section 175A of
15 such Act (42 U.S.C. 7505a), and if such project
16 will result in an airport receiving appropriate
17 emission credits as described in section 47138.”.

18 (b) *MAXIMUM COST FOR CERTAIN LOW-EMISSION*
19 *TECHNOLOGY PROJECTS.*—Section 40117(b) is amended by
20 *adding at the end the following:*

21 “(5) *MAXIMUM COST FOR CERTAIN LOW-EMIS-*
22 *SION TECHNOLOGY PROJECTS.*—The maximum cost
23 *that may be financed by imposition of a passenger fa-*
24 *cility fee under this section for a project described in*
25 *subsection (a)(3)(G) with respect to vehicle or ground*

1 *support equipment may not exceed the incremental*
2 *amount of the project cost that is greater than the cost*
3 *of acquiring a vehicle or equipment that is not low-*
4 *emission and would be used for the same purpose, or*
5 *the cost of low-emission retrofitting, as determined by*
6 *the Secretary.”.*

7 *(c) GROUND SUPPORT EQUIPMENT DEFINED.—Sec-*
8 *tion 40117(a) is amended—*

9 *(1) by redesignating paragraphs (4) and (5) as*
10 *paragraphs (5) and (6), respectively;*

11 *(2) by inserting after paragraph (3) the fol-*
12 *lowing:*

13 *“(4) GROUND SUPPORT EQUIPMENT.—The term*
14 *‘ground support equipment’ means service and main-*
15 *tenance equipment used at an airport to support*
16 *aeronautical operations and related activities.”.*

17 **SEC. 406. STREAMLINING OF THE PASSENGER FACILITY**
18 **FEE PROGRAM.**

19 *(a) APPLICATION REQUIREMENTS.—Section 40117(c)*
20 *is amended—*

21 *(1) by adding at the end of paragraph (2) the*
22 *following:*

23 *“(E) The agency will include in its application*
24 *or notice submitted under subparagraph (A) copies of*

1 *all certifications of agreement or disagreement re-*
2 *ceived under subparagraph (D).*

3 *“(F) For the purpose of this section, an eligible*
4 *agency providing notice and an opportunity for con-*
5 *sultation to an air carrier or foreign air carrier is*
6 *deemed to have satisfied the requirements of this*
7 *paragraph if the eligible agency limits such notices*
8 *and consultations to air carriers and foreign air car-*
9 *riers that have a significant business interest at the*
10 *airport. In the subparagraph, the term ‘significant*
11 *business interest’ means an air carrier or foreign air*
12 *carrier that had no less than 1.0 percent of passenger*
13 *boardings at the airport in the prior calendar year,*
14 *had at least 25,000 passenger boardings at the airport*
15 *in the prior calendar year, or provides scheduled serv-*
16 *ice at the airport.”;*

17 *(2) by redesignating paragraph (3) as para-*
18 *graph (4);*

19 *(3) by inserting after paragraph (2) the fol-*
20 *lowing:*

21 *“(3) Before submitting an application, the eligible*
22 *agency must provide reasonable notice and an opportunity*
23 *for public comment. The Secretary shall prescribe regula-*
24 *tions that define reasonable notice and provide for at least*
25 *the following under this paragraph:*

1 “(A) A requirement that the eligible agency pro-
2 vide public notice of intent to collect a passenger fa-
3 cility fee so as to inform those interested persons and
4 agencies who may be affected, which public notice
5 may include—

6 “(i) publication in local newspapers of gen-
7 eral circulation;

8 “(ii) publication in other local media; and

9 “(iii) posting the notice on the agency’s Web
10 site.

11 “(B) A requirement for submission of public
12 comments no sooner than 30 days, and no later than
13 45 days, after the date of the publication of the notice.

14 “(C) A requirement that the agency include in
15 its application or notice submitted under subpara-
16 graph (A) copies of all comments received under sub-
17 paragraph (B).”; and

18 (4) in the first sentence of paragraph (4) (as re-
19 designated by paragraph (2) of this subsection) by
20 striking “shall” and inserting “may”.

21 (b) *PILOT PROGRAM FOR PASSENGER FACILITY FEE*
22 *AUTHORIZATIONS AT NONHUB AIRPORTS.—Section 40117*
23 *is amended by adding at the end the following:*

24 “(l) *PILOT PROGRAM FOR PASSENGER FACILITY FEE*
25 *AUTHORIZATIONS AT NONHUB AIRPORTS.—*

1 “(1) *IN GENERAL.*—*The Secretary shall establish*
2 *a pilot program to test alternative procedures for au-*
3 *thorizing eligible agencies for nonhub airports to im-*
4 *pose passenger facility fees. An eligible agency may*
5 *impose in accordance with the provisions of this sub-*
6 *section a passenger facility fee under this section. For*
7 *purposes of the pilot program, the procedures in this*
8 *subsection shall apply instead of the procedures other-*
9 *wise provided in this section.*

10 “(2) *NOTICE AND OPPORTUNITY FOR CONSULTA-*
11 *TION.*—*The eligible agency must provide reasonable*
12 *notice and an opportunity for consultation to air car-*
13 *riers and foreign air carriers in accordance with sub-*
14 *section (c)(2) and must provide reasonable notice and*
15 *opportunity for public comment in accordance with*
16 *subsection (c)(3).*

17 “(3) *NOTICE OF INTENTION.*—*The eligible agency*
18 *must submit to the Secretary a notice of intention to*
19 *impose a passenger facility fee under this subsection.*
20 *This shall include—*

21 “(A) *information that the Secretary may*
22 *require by regulation on each project for which*
23 *authority to impose a passenger facility fee is*
24 *sought;*

1 “(B) the amount of revenue from passenger
2 facility fees that is proposed to be collected for
3 each project; and

4 “(C) the level of the passenger facility fee
5 that is proposed.

6 “(4) *ACKNOWLEDGEMENT OF RECEIPT AND INDI-*
7 *CATION OF OBJECTION.*—The Secretary shall acknowl-
8 edge receipt of the notice and indicate any objection
9 to the imposition of a passenger facility fee under this
10 subsection for any project identified in the notice
11 within 30 days after receipt of the eligible agency’s
12 notice.

13 “(5) *AUTHORITY TO IMPOSE FEE.*—Unless the
14 Secretary objects within 30 days after receipt of the
15 eligible agency’s notice, the eligible agency is author-
16 ized to impose a passenger facility fee in accordance
17 with the terms of its notice under this subsection.

18 “(6) *DEADLINE.*—Not later than 180 days after
19 the date of enactment of this subsection, the Secretary
20 shall propose such regulations as may be necessary to
21 carry out this subsection.

22 “(7) *SUNSET.*—This subsection shall not be in ef-
23 fect 3 years after the date of issuance of regulations
24 to carry out this subsection.

1 “(8) *ACKNOWLEDGEMENT NOT AN ORDER.*—An
2 *acknowledgement issued under paragraph (4) shall*
3 *not be considered an order of the Secretary issued*
4 *under section 46110.”.*

5 (c) *CLARIFICATION OF APPLICABILITY OF PFCS TO*
6 *MILITARY CHARTERS.*—Section 40117(e)(2) is amended—

7 (1) *by striking the period at the end of subpara-*
8 *graph (C) and inserting a semicolon;*

9 (2) *by striking “and” at the end of subpara-*
10 *graph (D);*

11 (3) *by striking the period at the end of subpara-*
12 *graph (E) and inserting “; and”; and*

13 (4) *by inserting after subparagraph (E) the fol-*
14 *lowing:*

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

19 (d) *TECHNICAL AMENDMENTS.*—Section
20 40117(a)(3)(C) is amended—

21 (1) *by striking “for costs” and inserting “A*
22 *project”; and*

23 (2) *by striking the semicolon and inserting a pe-*
24 *riod.*

1 **SEC. 407. FINANCIAL MANAGEMENT OF PASSENGER FACIL-**
2 **ITY FEES.**

3 (a) *IN GENERAL.*—Section 40117 is further amended
4 by adding at the end the following:

5 “(m) *FINANCIAL MANAGEMENT OF FEES.*—

6 “(1) *HANDLING OF FEES.*—

7 “(A) *PLACEMENT OF FEES IN ESCROW AC-*
8 *COUNT.*—Subject to subparagraph (B), passenger
9 *facility revenue held by an air carrier or any of*
10 *its agents shall be segregated from the carrier’s*
11 *cash and other assets and placed in an escrow*
12 *account for the benefit of the eligible agencies en-*
13 *titled to such revenue.*

14 “(B) *ALTERNATIVE METHOD OF COMPLI-*
15 *ANCE.*—Instead of placing amounts in an escrow
16 *account under subparagraph (A), an air carrier*
17 *may provide to the eligible agency a letter of*
18 *credit, bond, or other form of adequate and im-*
19 *mediately available security in an amount equal*
20 *to estimated remittable passenger facility fees for*
21 *180 days, to be assessed against later audit,*
22 *upon which security the eligible agency shall be*
23 *entitled to draw automatically, without necessity*
24 *of any further legal or judicial action to effec-*
25 *tuate foreclosure.*

1 “(2) *TRUST FUND STATUS.*—*If an air carrier or*
2 *its agent commingles passenger facility revenue in*
3 *violation of the subsection, the trust fund status of*
4 *such revenue shall not be defeated by an inability of*
5 *any party to identify and trace the precise funds in*
6 *the accounts of the air carrier.*

7 “(3) *PROHIBITION.*—*An air carrier and its*
8 *agents may not grant to any third party any security*
9 *or other interest in passenger facility revenue.*

10 “(4) *COMPENSATION TO ELIGIBLE ENTITIES.*—
11 *An air carrier that fails to comply with any require-*
12 *ment of this subsection, or otherwise unnecessarily*
13 *causes an eligible entity to expend funds, through liti-*
14 *gation or otherwise, to recover or retain payment of*
15 *passenger facility revenue to which the eligible entity*
16 *is otherwise entitled shall be required to compensate*
17 *the eligible agency for the costs so incurred.*

18 “(5) *INTEREST ON AMOUNTS.*—*An air carrier*
19 *that collects passenger facility fees is entitled to re-*
20 *ceive the interest on passenger facility fee accounts, if*
21 *the accounts are established and maintained in com-*
22 *pliance with this subsection.”.*

23 (b) *EFFECTIVE DATE.*—

1 (1) *IN GENERAL.*—*The amendment made by sub-*
2 *section (a) shall take effect 60 days after the date of*
3 *enactment of this Act.*

4 (2) *EXISTING REGULATIONS.*—*Beginning 60*
5 *days after the date of enactment of this Act, the provi-*
6 *sions of section 158.49 of title 14, Code of Federal*
7 *Regulations, that permit the commingling of pas-*
8 *senger facility fees with other air carrier revenue shall*
9 *have no force or effect.*

10 **SEC. 408. GOVERNMENT CONTRACTING FOR AIR TRANSPOR-**
11 **TATION.**

12 (a) *GOVERNMENT-FINANCED AIR TRANSPORTATION.*—
13 *Section 40118(f)(2) is amended by inserting before the pe-*
14 *riod at the end the following: “, except that it shall not*
15 *include a contract for the transportation by air of pas-*
16 *sengers”.*

17 (b) *AIRLIFT SERVICE.*—*Section 41106(b) is amended*
18 *by inserting after “military department” the following: “,*
19 *or by a person that has contracted with the Secretary of*
20 *Defense or the Secretary of a military department,”.*

21 **SEC. 409. OVERFLIGHTS OF NATIONAL PARKS.**

22 (a) *AIR TOUR MANAGEMENT ACT CLARIFICATIONS.*—
23 *Section 40128 is amended—*

1 (1) in subsection (a)(1) by inserting “, as de-
2 fined by this section,” after “lands” the first place it
3 appears;

4 (2) in subsections (b)(3)(A), (b)(3)(B), and
5 (b)(3)(C) by inserting “over a national park” after
6 “operations”;

7 (3) in subsection (b)(3)(D) by striking “at the
8 park” and inserting “over a national park”;

9 (4) in subsection (b)(3)(E) by inserting “over a
10 national park” after “operations” the first place it
11 appears;

12 (5) in subsections (c)(2)(A)(i) and (c)(2)(B) by
13 inserting “over a national park” after “operations”;

14 (6) in subsection (f)(1) by inserting “over a na-
15 tional park” after “operation”;

16 (7) in subsection (f)(4)(A)—

17 (A) by striking “commercial air tour oper-
18 ation” and inserting “commercial air tour oper-
19 ation over a national park”; and

20 (B) by striking “park, or over tribal lands,”
21 and inserting “park (except the Grand Canyon
22 National Park), or over tribal lands (except those
23 within or abutting the Grand Canyon National
24 Park),”;

1 (8) *in subsection (f)(4)(B) by inserting “over a*
2 *national park” after “operation”; and*

3 (9) *in the heading for paragraph (4) of sub-*
4 *section (f) by inserting “OVER A NATIONAL PARK”*
5 *after “OPERATION”.*

6 **(b) GRAND CANYON NATIONAL PARK SPECIAL FLIGHT**
7 **RULES AREA OPERATION CURFEW.—**

8 (1) *IN GENERAL.—The Administrator of the Fed-*
9 *eral Aviation Administration may not restrict com-*
10 *mercial Special Flight Rules Area operations in the*
11 *Dragon and Zuni Point corridors of the Grand Can-*
12 *yon National Park during the period beginning 1*
13 *hour after sunrise and ending 1 hour before sunset,*
14 *unless required for aviation safety purposes.*

15 (2) *EFFECT ON EXISTING REGULATIONS.—Begin-*
16 *ning on the date of enactment of this Act, section*
17 *93.317 of title 14, Code of Federal Regulations, shall*
18 *not be in effect.*

19 **SEC. 410. COLLABORATIVE DECISIONMAKING PILOT PRO-**
20 **GRAM.**

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

23 **“§ 40129. Collaborative decisionmaking pilot program**

24 “(a) *ESTABLISHMENT.—Not later than 90 days after*
25 *the date of enactment of this section, the Administrator of*

1 *the Federal Aviation Administration shall establish a col-*
2 *laborative decisionmaking pilot program in accordance*
3 *with this section.*

4 “(b) *DURATION.*—*Except as provided in subsection*
5 *(k), the pilot program shall be in effect for a period of 2*
6 *years.*

7 “(c) *GUIDELINES.*—

8 “(1) *ISSUANCE.*—*The Administrator shall issue*
9 *guidelines concerning the pilot program. Such guide-*
10 *lines, at a minimum, shall define the criteria and*
11 *process for determining when a capacity reduction*
12 *event exists that warrants the use of collaborative de-*
13 *cisionmaking among carriers at airports partici-*
14 *pating in the pilot program and that prescribe the*
15 *methods of communication to be implemented among*
16 *carriers during such an event.*

17 “(2) *VIEWS.*—*The Administrator may obtain the*
18 *views of interested parties in issuing the guidelines.*

19 “(d) *EFFECT OF DETERMINATION OF EXISTENCE OF*
20 *CAPACITY REDUCTION EVENT.*—*Upon a determination by*
21 *the Administrator that a capacity reduction event exists,*
22 *the Administrator may authorize air carriers and foreign*
23 *air carriers operating at an airport participating in the*
24 *pilot program to communicate for a period of time not to*
25 *exceed 24 hours with each other concerning changes in their*

1 *respective flight schedules in order to use air traffic capac-*
2 *ity most effectively. The Administration shall facilitate and*
3 *monitor such communication.*

4 “(e) *SELECTION OF PARTICIPATING AIRPORTS.—Not*
5 *later than 30 days after the date on which the Adminis-*
6 *trator establishes the pilot program, the Administrator shall*
7 *select 3 airports to participate in the pilot program from*
8 *among the most capacity-constrained airports in the coun-*
9 *try based on the Administration’s Airport Capacity Bench-*
10 *mark Report 2001 or more recent data on airport capacity*
11 *that is available to the Administrator. The Administrator*
12 *shall select an airport for participation in the pilot pro-*
13 *gram if the Administrator determines that collaborative de-*
14 *cisionmaking among air carriers and foreign air carriers*
15 *would reduce delays at the airport and have beneficial ef-*
16 *fects on reducing delays in the national airspace system as*
17 *a whole.*

18 “(f) *ELIGIBILITY OF AIR CARRIERS.—An air carrier*
19 *or foreign air carrier operating at an airport selected to*
20 *participate in the pilot program is eligible to participate*
21 *in the pilot program if the Administrator determines that*
22 *the carrier has the operational and communications capa-*
23 *bility to participate in the pilot program.*

24 “(g) *MODIFICATION OR TERMINATION OF PILOT PRO-*
25 *GRAM AT AN AIRPORT.—The Administrator may modify or*

1 *end the pilot program at an airport before the term of the*
2 *pilot program has expired, or may ban an air carrier or*
3 *foreign air carrier from participating in the program, if*
4 *the Administrator determines that the purpose of the pilot*
5 *program is not being furthered by participation of the air-*
6 *port or air carrier or if the Secretary of Transportation*
7 *finds that the pilot program or the participation of an air*
8 *carrier or foreign air carrier in the pilot program has had,*
9 *or is having, an adverse effect on competition among car-*
10 *riers.*

11 “(h) *EVALUATION.*—

12 “(1) *IN GENERAL.*—*Before the expiration of the*
13 *2-year period for which the pilot program is author-*
14 *ized under subsection (b), the Administrator shall de-*
15 *termine whether the pilot program has facilitated*
16 *more effective use of air traffic capacity and the Sec-*
17 *retary shall determine whether the pilot program has*
18 *had an adverse effect on airline competition or the*
19 *availability of air services to communities. The Ad-*
20 *ministrator shall also examine whether capacity bene-*
21 *fits resulting from the participation in the pilot pro-*
22 *gram of an airport resulted in capacity benefits to*
23 *other parts of the national airspace system.*

24 “(2) *OBTAINING NECESSARY DATA.*—*The Admin-*
25 *istrator may require participating air carriers and*

1 “(17)(A) *An assurance that, in the case of an ac-*
2 *cident that results in significant damage to a man-*
3 *made structure or other property on the ground that*
4 *is not government-owned, the air carrier will prompt-*
5 *ly provide notice, in writing, to the extent practicable,*
6 *directly to the owner of the structure or other prop-*
7 *erty about liability for any property damage and*
8 *means for obtaining compensation.*

9 “(B) *At a minimum, the written notice shall ad-*
10 *vide an owner (i) to contact the insurer of the prop-*
11 *erty as the authoritative source for information about*
12 *coverage and compensation; (ii) to not rely on unoffi-*
13 *cial information offered by air carrier representatives*
14 *about compensation by the air carrier for accident-*
15 *site property damage; and (iii) to obtain photo-*
16 *graphic or other detailed evidence of property damage*
17 *as soon as possible after the accident, consistent with*
18 *restrictions on access to the accident site.*

19 “(18) *An assurance that, in the case of an acci-*
20 *dent in which the National Transportation Safety*
21 *Board conducts a public hearing or comparable pro-*
22 *ceeding at a location greater than 80 miles from the*
23 *accident site, the air carrier will ensure that the pro-*
24 *ceeding is made available simultaneously by elec-*
25 *tronic means at a location open to the public at both*

1 *the origin city and destination city of the air car-*
2 *rier's flight if that city is located in the United*
3 *States.”.*

4 **(b) FOREIGN AIR TRANSPORTATION.**—Section
5 41313(c) is amended by adding at the end the following:

6 **“(17) NOTICE CONCERNING LIABILITY FOR MAN-**
7 **MADE STRUCTURES.**—

8 **“(A) IN GENERAL.**—*An assurance that, in*
9 *the case of an accident that results in significant*
10 *damage to a man-made structure or other prop-*
11 *erty on the ground that is not government-*
12 *owned, the foreign air carrier will promptly pro-*
13 *vide notice, in writing, to the extent practicable,*
14 *directly to the owner of the structure or other*
15 *property about liability for any property dam-*
16 *age and means for obtaining compensation.*

17 **“(B) MINIMUM CONTENTS.**—*At a minimum,*
18 *the written notice shall advise an owner (i) to*
19 *contact the insurer of the property as the author-*
20 *itative source for information about coverage and*
21 *compensation; (ii) to not rely on unofficial infor-*
22 *mation offered by foreign air carrier representa-*
23 *tives about compensation by the foreign air car-*
24 *rier for accident-site property damage; and (iii)*
25 *to obtain photographic or other detailed evidence*

1 of property damage as soon as possible after the
2 accident, consistent with restrictions on access to
3 the accident site.

4 “(18) *SIMULTANEOUS ELECTRONIC TRANS-*
5 *MISSION OF NTSB HEARING.*—An assurance that, in
6 the case of an accident in which the National Trans-
7 portation Safety Board conducts a public hearing or
8 comparable proceeding at a location greater than 80
9 miles from the accident site, the foreign air carrier
10 will ensure that the proceeding is made available si-
11 multaneously by electronic means at a location open
12 to the public at both the origin city and destination
13 city of the foreign air carrier’s flight if that city is
14 located in the United States.”.

15 (c) *UPDATE PLANS.*—Air carriers and foreign air car-
16 riers shall update their plans under sections 41113 and
17 41313 of title 49, United States Code, respectively, to reflect
18 the amendments made by subsections (a) and (b) of this
19 section not later than 90 days after the date of enactment
20 of this Act.

21 **SEC. 412. SLOT EXEMPTIONS AT RONALD REAGAN WASH-**
22 **INGTON NATIONAL AIRPORT.**

23 (a) *BEYOND-PERIMETER EXEMPTIONS.*—Section
24 41718(a) is amended by striking “12” and inserting “24”.

1 (b) *WITHIN-PERIMETER EXEMPTIONS.*—Section
2 41718(b) is amended—

3 (1) by striking “12” and inserting “20”; and

4 (2) by striking “that were designated as medium
5 hub or smaller airports”.

6 (c) *LIMITATIONS.*—

7 (1) *GENERAL EXEMPTIONS.*—Section 41718(c)(2)
8 is amended by striking “two” and inserting “3”.

9 (2) *ALLOCATION OF WITHIN-PERIMETER EXEMP-*
10 *TIONS.*—Section 41718(c)(3) is amended—

11 (A) in subparagraph (A)—

12 (i) by striking “four” and inserting
13 “six”; and

14 (ii) by striking “and” at the end;

15 (B) in subparagraph (B)—

16 (i) by striking “eight” and inserting
17 “ten”; and

18 (ii) by striking the period at the end
19 and inserting “; and”; and

20 (C) by adding at the end the following:

21 “(C) four shall be for air transportation to
22 airports without regard to their size.”.

23 (d) *APPLICATION PROCEDURES.*—Section 41718(d) is
24 amended to read as follows:

1 “(d) *APPLICATION PROCEDURES.*—*The Secretary shall*
2 *establish procedures to ensure that all requests for exemp-*
3 *tions under this section are granted or denied within 90*
4 *days after the date on which the request is made.*”.

5 (e) *EFFECT OF PERIMETER RULES ON COMPETITION*
6 *AND AIR SERVICE.*—

7 (1) *IDENTIFICATION OF OTHER AIRPORTS.*—*The*
8 *Secretary of Transportation shall identify airports*
9 *(other than Ronald Reagan Washington National Air-*
10 *port) that have imposed perimeter rules like those in*
11 *effect with respect to Ronald Reagan Washington Na-*
12 *tional Airport.*

13 (2) *LIMITATION ON APPLICABILITY.*—*This sub-*
14 *section does not apply to perimeter rules imposed by*
15 *Federal law.*

16 (3) *STUDY.*—*The Secretary shall conduct a study*
17 *of the effect that perimeter rules for airports identi-*
18 *fied under paragraph (1) have on competition and on*
19 *air service to communities outside the perimeter.*

20 (4) *REPORT.*—*Not later than 120 days after the*
21 *date of enactment of this Act, the Secretary shall*
22 *transmit to Congress a report on the results of the*
23 *study.*

24 (f) *EFFECT OF CHANGING DEFINITION OF COMMUTER*
25 *AIR CARRIER.*—

1 (1) *STUDY.*—*The Secretary shall study the effects*
2 *of changing the definition of commuter air carrier in*
3 *regulations of the Federal Aviation Administration to*
4 *increase the maximum size of aircraft of such carriers*
5 *to 76 seats or less on air service to small communities*
6 *and on commuter air carriers operating aircraft with*
7 *56 seats or less.*

8 (2) *REPORT.*—*Not later than 90 days after the*
9 *date of enactment of this Act, the Secretary shall*
10 *transmit to Congress a report on the results of the*
11 *study.*

12 **SEC. 413. NOTICE CONCERNING AIRCRAFT ASSEMBLY.**

13 (a) *IN GENERAL.*—*Subchapter I of chapter 417 is*
14 *amended by adding at the end the following:*

15 **“§ 41722. Notice concerning aircraft assembly**

16 *“The Secretary of Transportation shall require, begin-*
17 *ning after the last day of the 1-year period following the*
18 *date of enactment of this section, an air carrier using an*
19 *aircraft to provide scheduled passenger air transportation*
20 *to display a notice, on an information placard available*
21 *to each passenger on the aircraft, that informs the pas-*
22 *sengers of the nation in which the aircraft was finally as-*
23 *sembled.”.*

1 (b) *CONFORMING AMENDMENT.*—*The analysis for*
2 *chapter 417 is amended by striking the item relating to sec-*
3 *tion 41721 and inserting the following:*

“41721. Reports by carriers on incidents involving animals during air transport.
“41722. Notice concerning aircraft assembly.”.

4 **SEC. 414. SPECIAL RULE TO PROMOTE AIR SERVICE TO**
5 **SMALL COMMUNITIES.**

6 (a) *IN GENERAL.*—*Subchapter I of chapter 417 is fur-*
7 *ther amended by adding at the end the following:*

8 **“§41723. Special rule to promote air service to small**
9 **communities**

10 *“In order to promote air service to small communities,*
11 *the Secretary of Transportation shall permit an operator*
12 *of a turbine powered or multiengine piston powered aircraft*
13 *with 10 passenger seats or less (1) to provide air transpor-*
14 *tation between an airport that is a nonhub airport and an-*
15 *other airport or between an airport that is not a commer-*
16 *cial service airport and another airport, and (2) to sell in-*
17 *dividual seats on that aircraft at a negotiated price, if the*
18 *aircraft is otherwise operated in accordance with parts 119*
19 *and 135 of title 14, Code of Federal Regulations, and the*
20 *air transportation is otherwise provided in accordance with*
21 *part 298 of such title 14.”.*

1 (b) *CONFORMING AMENDMENT.*—*The analysis for*
 2 *chapter 417 is further amended by adding at the end the*
 3 *following:*

“41723. Special rule to promote air service to small communities.”.

4 **SEC. 415. SMALL COMMUNITY AIR SERVICE.**

5 (a) *COMPENSATION GUIDELINES, LIMITATION, AND*
 6 *CLAIMS.*—

7 (1) *PAYMENT OF PROMOTIONAL AMOUNTS.*—*Sec-*
 8 *tion 41737(a)(2) is amended by inserting before the*
 9 *period at the end “or may be paid directly to the unit*
 10 *of local government having jurisdiction over the eligi-*
 11 *ble place served by the air carrier”.*

12 (2) *LOCAL SHARE.*—*Section 41737(a) is amend-*
 13 *ed by adding at the end the following:*

14 “*(3) PAYMENT OF COST BY LOCAL GOVERN-*
 15 *MENT.*—

16 “*(A) GENERAL REQUIREMENT.*—*The guide-*
 17 *lines may require a unit of local government*
 18 *having jurisdiction over an eligible place that is*
 19 *less than 170 miles from a medium or large hub*
 20 *or less than 75 miles from a small hub or a*
 21 *State within the boundaries of which the eligible*
 22 *place is located to pay 2.5 percent in fiscal year*
 23 *2005, 5 percent in fiscal year 2006, 7.5 percent*
 24 *in fiscal year 2007, and 10 percent in fiscal year*
 25 *2008 of the amount of compensation payable*

1 *under this subchapter for air transportation*
2 *with respect to the eligible place to ensure the*
3 *continuation of that air transportation.*

4 “(B) *WAIVER.—The Secretary may waive*
5 *the requirement, or reduce the amount, of a pay-*
6 *ment from a unit of local government under sub-*
7 *paragraph (A) if the Secretary finds that—*

8 “(i) *the unit of local government lacks*
9 *the ability to pay; and*

10 “(ii) *the loss of essential air service to*
11 *the eligible place would have an adverse ef-*
12 *fect on the eligible place’s access to the na-*
13 *tional air transportation system.*

14 “(C) *DETERMINATION OF MILEAGE.—In de-*
15 *termining the mileage between the eligible place*
16 *and a hub under this paragraph, the Secretary*
17 *shall use the most commonly used highway route*
18 *between the eligible place and the hub.”.*

19 (3) *AUTHORITY TO MAKE AGREEMENTS AND*
20 *INCUR OBLIGATIONS.—Section 41737(d) is amend-*
21 *ed—*

22 (A) *by striking “(1) The Secretary” and in-*
23 *serting the “The Secretary”; and*

24 (B) *by striking paragraph (2).*

1 (b) *AIRPORTS NOT RECEIVING SUFFICIENT SERV-*
2 *ICE.*—*Section 41743 is amended—*

3 (1) *in the heading of subsection (a) by striking*
4 *“PILOT”;*

5 (2) *in subsection (a) by striking “pilot”;*

6 (3) *in subsection (c)—*

7 (A) *by striking paragraph (3);*

8 (B) *by redesignating paragraphs (4) and*
9 *(5) as paragraphs (3) and (4), respectively; and*

10 (C) *in paragraph (4) (as so redesignated)—*

11 (i) *by striking “and” at the end of sub-*
12 *paragraph (C);*

13 (ii) *by striking the period at the end of*
14 *subparagraph (D) and inserting “; and”;*
15 *and*

16 (iii) *by adding at the end the fol-*
17 *lowing:*

18 *“(E) the assistance can be used in the fiscal*
19 *year in which it is received.”; and*

20 (4) *in subsection (f) by striking “pilot”.*

21 (c) *ESSENTIAL AIR SERVICE AUTHORIZATION.*—*Sec-*
22 *tion 41742 is amended—*

23 (1) *in subsection (a)(2) by striking*
24 *“\$15,000,000” and inserting “\$65,000,000”;*

1 (2) *by adding at the end of subsection (a) the fol-*
2 *lowing:*

3 “(3) *AUTHORIZATION FOR ADDITIONAL EMPLOY-*
4 *EES.—In addition to amounts authorized under*
5 *paragraphs (1) and (2), there are authorized to be ap-*
6 *propriated such sums as may be necessary for the*
7 *Secretary of Transportation to hire and employ 4 ad-*
8 *ditional employees for the office responsible for car-*
9 *rying out the essential air service program.”; and*

10 (3) *by striking subsection (c).*

11 (d) *PROCESS FOR DISCONTINUING CERTAIN SUB-*
12 *SIDIES.—Section 41734 is amended by adding at the end*
13 *the following:*

14 “(i) *PROCESS FOR DISCONTINUING CERTAIN SUB-*
15 *SIDIES.—If the Secretary determines that no subsidy will*
16 *be provided to a carrier to provide essential air service to*
17 *an eligible place because the eligible place does not meet*
18 *the requirements of section 332 of the Department of Trans-*
19 *portation and Related Agencies Appropriations Act, 2000*
20 *(49 U.S.C. 41731 note; 113 Stat. 1022), the Secretary shall*
21 *notify the affected community that the subsidy will cease*
22 *but shall continue to provide the subsidy for 90 days after*
23 *providing the notice to the community.”.*

24 (e) *JOINT PROPOSALS.—Section 41740 is amended by*
25 *inserting “, including joint fares,” after “joint proposals”.*

1 (f) *COMMUNITY AND REGIONAL CHOICE PROGRAM.*—

2 (1) *IN GENERAL.*—*Subchapter II of chapter 417*

3 *is amended by adding at the end the following:*

4 “§41745. **Community and regional choice program**

5 “(a) *ESTABLISHMENT.*—*The Secretary of Transpor-*

6 *tation shall establish an alternate essential air service pilot*

7 *program in accordance with the requirements of this sec-*

8 *tion.*

9 “(b) *COMPENSATION TO ELIGIBLE PLACES.*—*In car-*

10 *rying out the program, the Secretary, instead of paying*

11 *compensation to an air carrier to provide essential air serv-*

12 *ice to an eligible place, may pay compensation directly to*

13 *a unit of local government having jurisdiction over the eli-*

14 *gible place or a State within the boundaries of which the*

15 *eligible place is located.*

16 “(c) *USE OF COMPENSATION.*—*A unit of local govern-*

17 *ment or State receiving compensation for an eligible place*

18 *under the program shall use the compensation for any of*

19 *the following purposes:*

20 “(1) *To provide assistance to an air carrier to*

21 *provide scheduled air service to and from the eligible*

22 *place, without being subject to the requirements of*

23 *41732(b).*

1 “(2) To provide assistance to an air carrier to
2 provide on-demand air taxi service to and from the
3 eligible place.

4 “(3) To provide assistance to a person to provide
5 scheduled or on-demand surface transportation to and
6 from the eligible place and an airport in another
7 place.

8 “(4) In combination with other units of local
9 government in the same region, to provide transpor-
10 tation services to and from all the eligible places in
11 that region at an airport or other transportation cen-
12 ter that can serve all the eligible places in that region.

13 “(5) To purchase aircraft, or a fractional share
14 in aircraft, to provide transportation to and from the
15 eligible place.

16 “(6) To pay for other transportation or related
17 services that the Secretary may permit.

18 “(d) *FRACTIONALLY OWNED AIRCRAFT.*—Notwith-
19 standing any other provision of law, only those operating
20 rules that relate to an aircraft that is fractionally owned
21 apply when an aircraft described in subsection (c)(5) is
22 used to provide transportation described in subsection
23 (c)(5).

24 “(e) *APPLICATIONS.*—

1 “(1) *IN GENERAL.*—A unit of local government
2 or State seeking to participate in the program for an
3 eligible place shall submit to the Secretary an appli-
4 cation in such form and containing such information
5 as the Secretary may require.

6 “(2) *REQUIRED INFORMATION.*—At a minimum,
7 the application shall include—

8 “(A) a statement of the amount of com-
9 pensation required; and

10 “(B) a description of how the compensation
11 will be used.

12 “(f) *PARTICIPATION REQUIREMENTS.*—

13 “(1) *ELIGIBLE PLACES.*—An eligible place for
14 which compensation is received under the program in
15 a fiscal year shall not be eligible to receive in that fis-
16 cal year the essential air service that it would other-
17 wise be entitled to under this subchapter.

18 “(2) *GOVERNMENTAL ENTITIES.*—A unit of local
19 government or State receiving compensation for an el-
20 igible place under the program in a fiscal year shall
21 not be required to pay the local share described in
22 41737(a)(3) in such fiscal year.

23 “(g) *SUBSEQUENT PARTICIPATION.*—A unit of local
24 government participating in the program under this section
25 in a fiscal year shall not be prohibited from participating

1 *in the basic essential air service program under this chapter*
2 *in a subsequent fiscal year if such unit is otherwise eligible*
3 *to participate in such program.*

4 “(h) *FUNDING.—Amounts appropriated or otherwise*
5 *made available to carry out the essential air service pro-*
6 *gram under this subchapter shall be available to carry out*
7 *this section.*”.

8 (2) *CONFORMING AMENDMENT.—The analysis for*
9 *chapter 417 is amended by inserting after the item re-*
10 *lating to section 41744 the following:*

“41745. Community and regional choice program.”.

11 **SEC. 416. TYPE CERTIFICATES.**

12 (a) *AGREEMENTS TO PERMIT USE OF CERTIFICATES*
13 *BY OTHER PERSONS.—Section 44704(a) is amended by*
14 *adding at the end the following:*

15 “(3) *If the holder of a type certificate agrees to permit*
16 *another person to use the certificate to manufacture a new*
17 *aircraft, aircraft engine, propeller, or appliance, the holder*
18 *shall provide the other person with written evidence, in a*
19 *form acceptable to the Administrator, of that agreement. A*
20 *person may manufacture a new aircraft, aircraft engine,*
21 *propeller, or appliance based on a type certificate only if*
22 *the person is the holder of the type certificate or has permis-*
23 *sion from the holder.*”.

1 **(b) CERTIFICATION OF PRODUCTS MANUFACTURED IN**
2 *FOREIGN NATIONS.*—Section 44704 is further amended by
3 *adding at the end the following:*

4 **“(e) CERTIFICATION OF PRODUCTS MANUFACTURED IN**
5 *FOREIGN NATIONS.*—*In order to ensure safety, the Admin-*
6 *istrator shall spend at least the same amount of time and*
7 *perform a no-less-thorough review in certifying, or vali-*
8 *dating the certification of, an aircraft, aircraft engine, pro-*
9 *PELLER, or appliance manufactured in a foreign nation as*
10 *the regulatory authorities of that nation employ when the*
11 *authorities certify, or validate the certification of, an air-*
12 *craft, aircraft engine, propeller, or appliance manufactured*
13 *in the United States.”.*

14 **SEC. 417. DESIGN ORGANIZATION CERTIFICATES.**

15 **(a) GENERAL AUTHORITY TO ISSUE CERTIFICATES.**—
16 *Effective on the last day of the 7-year period beginning on*
17 *the date of enactment of this Act, section 44702(a) is*
18 *amended by inserting “design organization certificates,”*
19 *after “airman certificates,”.*

20 **(b) DESIGN ORGANIZATION CERTIFICATES.**—

21 **(1) PLAN.**—*Not later than 3 years after the date*
22 *of enactment of this Act, the Administrator of the*
23 *Federal Aviation Administration shall transmit to*
24 *the Committee on Transportation and Infrastructure*
25 *of the House of Representatives and the Committee on*

1 *Commerce, Science, and Transportation of the Senate*
2 *a plan for the development and oversight of a system*
3 *for certification of design organizations to certify*
4 *compliance with the requirements and minimum*
5 *standards prescribed under section 44701(a) of title*
6 *49, United States Code, for the type certification of*
7 *aircraft, aircraft engines, propellers, or appliances.*

8 (2) *ISSUANCE OF CERTIFICATES.*—Section 44704
9 *is further amended by adding at the end the fol-*
10 *lowing:*

11 “(f) *DESIGN ORGANIZATION CERTIFICATES.*—

12 “(1) *ISSUANCE.*—Beginning 7 years after the
13 *date of enactment of this subsection, the Adminis-*
14 *trator may issue a design organization certificate to*
15 *a design organization to authorize the organization to*
16 *certify compliance with the requirements and min-*
17 *imum standards prescribed under section 44701(a)*
18 *for the type certification of aircraft, aircraft engines,*
19 *propellers, or appliances.*

20 “(2) *APPLICATIONS.*—On receiving an applica-
21 *tion for a design organization certificate, the Admin-*
22 *istrator shall examine and rate the design organiza-*
23 *tion submitting the application, in accordance with*
24 *regulations to be prescribed by the Administrator, to*
25 *determine whether the design organization has ade-*

1 *quate engineering, design, and testing capabilities,*
2 *standards, and safeguards to ensure that the product*
3 *being certificated is properly designed and manufac-*
4 *tured, performs properly, and meets the regulations*
5 *and minimum standards prescribed under section*
6 *44701(a).*

7 *“(3) ISSUANCE OF TYPE CERTIFICATES BASED*
8 *ON DESIGN ORGANIZATION CERTIFICATION.—On re-*
9 *ceiving an application for a type certificate under*
10 *subsection (a) that is accompanied by a certification*
11 *of compliance by a design organization certificated*
12 *under this subsection, instead of conducting an inde-*
13 *pendent investigation under subsection (a), the Ad-*
14 *ministrator may issue the type certificate based on*
15 *the certification of compliance.*

16 *“(4) PUBLIC SAFETY.—The Administrator shall*
17 *include in a design organization certificate issued*
18 *under this subsection terms required in the interest of*
19 *safety.”.*

20 *(c) REINSPECTION AND REEXAMINATION.—Section*
21 *44709(a) is amended by inserting “design organization,*
22 *production certificate holder,” after “appliance,”.*

23 *(d) PROHIBITIONS.—Section 44711(a)(7) is amended*
24 *by striking “agency” and inserting “agency, design organi-*
25 *zation certificate, ”.*

1 (e) *CONFORMING AMENDMENTS.*—

2 (1) *SECTION HEADING.*—Section 44704 is
3 amended by striking the section designation and
4 heading and inserting the following:

5 “§44704. **Type certificates, production certificates,**
6 **airworthiness certificates, and design or-**
7 **ganization certificates”.**

8 (2) *CHAPTER ANALYSIS.*—The analysis for chap-
9 ter 447 is amended by striking the item relating to
10 section 44704 and inserting the following:

 “44704. *Type certificates, production certificates, airworthiness certificates, and
 design organization certificates.*”.

11 **SEC. 418. COUNTERFEIT OR FRAUDULENTLY REPRESENTED**
12 **PARTS VIOLATIONS.**

13 Section 44726(a)(1) is amended—

14 (1) by striking “or” at the end of subparagraph
15 (A);

16 (2) by redesignating subparagraph (B) as sub-
17 paragraph (C);

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

20 “(B) whose certificate is revoked under sub-
21 section (b); or”; and

22 (4) in subparagraph (C) (as redesignated by
23 paragraph (2) of this section) by striking “convicted

1 *of such a violation.” and inserting “described in sub-*
2 *paragraph (A) or (B).”.*

3 **SEC. 419. RUNWAY SAFETY STANDARDS.**

4 *(a) IN GENERAL.—Chapter 447 is amended by adding*
5 *at the end the following:*

6 **“§ 44727. Runway safety areas**

7 *“An airport owner or operator shall not be required*
8 *to reduce the length of a runway or declare the length of*
9 *a runway to be less than the actual pavement length in*
10 *order to meet standards of the Federal Aviation Adminis-*
11 *tration applicable to runway safety areas.”.*

12 *(b) CONFORMING AMENDMENT.—The analysis for*
13 *chapter 447 is amended by adding at the end the following:*
14 *“44727. Runway safety areas.”.*

14 **SEC. 420. AVAILABILITY OF MAINTENANCE INFORMATION.**

15 *(a) IN GENERAL.—Chapter 447 is further amended by*
16 *adding at the end the following:*

17 **“§ 44728. Availability of maintenance information**

18 *“(a) IN GENERAL.—The Administrator of the Federal*
19 *Aviation Administration shall continue in effect the re-*
20 *quirement of section 21.50(b) of title 14, Code of Federal*
21 *Regulations, that the holder of a design approval—*

22 *“(1) shall prepare and furnish at least one set of*
23 *complete instructions for continued airworthiness as*
24 *prescribed in such section to the owner of each type*
25 *of aircraft, aircraft engine, or propeller upon its de-*

1 *livery or upon the issuance of the first standard air-*
2 *worthiness certificate for the affected aircraft, which-*
3 *ever occurs later; and*

4 *“(2) thereafter shall make the instructions, and*
5 *any changes thereto, available to any other person re-*
6 *quired by parts 1 through 199 of title 14, Code of*
7 *Federal Regulations, to comply with any of the terms*
8 *of the instructions.*

9 *“(b) DEFINITIONS.—In this section, the following defi-*
10 *initions apply:*

11 *“(1) MAKE AVAILABLE.—The term ‘make avail-*
12 *able’ means providing at a cost not to exceed the cost*
13 *of preparation and distribution.*

14 *“(2) DESIGN APPROVAL.—The term ‘design ap-*
15 *proval’ means a type certificate, supplemental type*
16 *certificate, amended type certificate, parts manufac-*
17 *turer approval, technical standard order authoriza-*
18 *tion, and any other action as determined by the Ad-*
19 *ministrator pursuant to subsection (c)(2).*

20 *“(3) INSTRUCTIONS FOR CONTINUED AIRWORTH-*
21 *NESS.—The term ‘instructions for continued air-*
22 *worthiness’ means any information (and any changes*
23 *to such information) considered essential to continued*
24 *airworthiness that sets forth the methods, techniques,*
25 *and practices for performing maintenance and alter-*

1 *ation on civil aircraft, aircraft engines, propellers,*
2 *appliances or any part installed thereon. Such infor-*
3 *mation may include maintenance, repair, and over-*
4 *haul manuals, standard practice manuals, service*
5 *bulletins, service letters, or similar documents issued*
6 *by a design approval holder.*

7 *“(c) RULEMAKING.—The Administrator shall conduct*
8 *a rulemaking proceeding for the following purposes:*

9 *“(1) To determine the meaning of the phrase ‘es-*
10 *sential to continued airworthiness’ of the applicable*
11 *aircraft, aircraft engine, and propeller as that term*
12 *is used in parts 23 through 35 of title 14, Code of*
13 *Federal Regulations.*

14 *“(2) To determine if a design approval should*
15 *include, in addition to those approvals specified in*
16 *subsection (b)(2), any other activity in which persons*
17 *are required to have technical data approved by the*
18 *Administrator.*

19 *“(3) To revise existing rules to reflect the defini-*
20 *tion of design approval holder in subsections (b)(2)*
21 *and (c)(2).*

22 *“(4) To determine if design approval holders*
23 *that prepared instructions for continued airworthi-*
24 *ness or maintenance manuals before January 29,*
25 *1981, should be required to make the manuals avail-*

1 *able (including any changes thereto) to any person re-*
2 *quired by parts 1 through 199 of title 14, Code of*
3 *Federal Regulations, to comply with any of the terms*
4 *of those manuals.*

5 *“(5) To require design approval holders that—*

6 *“(A) are operating an ongoing business con-*
7 *cern;*

8 *“(B) were required to produce maintenance*
9 *manuals or instructions for continued airworthi-*
10 *ness under section 21.50(b) of title 14, Code of*
11 *Federal Regulations; and*

12 *“(C) have not done so,*
13 *to prepare those documents and make them available*
14 *as required by this section not later than 1 year after*
15 *date on which the regulations are published.*

16 *“(6) To revise its rules to reflect the changes*
17 *made by this section.*

18 *“(d) LIMITATION ON STATUTORY CONSTRUCTION.—*
19 *Nothing in this section shall be construed as requiring the*
20 *holder of a design approval to make available proprietary*
21 *information unless it is deemed essential to continued air-*
22 *worthiness.”.*

23 *(b) CONFORMING AMENDMENT.—The analysis for*
24 *chapter 447 is further amended by adding at the end the*
25 *following:*

“44728. Availability of maintenance information.”.

1 **SEC. 421. CERTIFICATE ACTIONS IN RESPONSE TO A SECURITY THREAT.**
2

3 (a) *IN GENERAL.*—Chapter 461 is amended by adding
4 at the end the following:

5 **“§46111. Certificate actions in response to a security threat**
6

7 “(a) *ORDERS.*—The Administrator of Federal Aviation Administration shall issue an order amending, modifying, suspending, or revoking any part of a certificate
8 issued under this title if the Administrator is notified by
9 the Under Secretary for Border and Transportation Security of the Department of Homeland Security that the holder of the certificate poses, or is suspected of posing, a risk
10 of air piracy or terrorism or a threat to airline or passenger
11 safety. If requested by the Under Secretary, the order shall
12 be effective immediately.
13
14
15
16

17 “(b) *HEARINGS FOR CITIZENS.*—An individual who is
18 a citizen of the United States who is adversely affected by
19 an order of the Administrator under subsection (a) is entitled to a hearing on the record.
20

21 “(c) *HEARINGS.*—When conducting a hearing under
22 this section, the administrative law judge shall not be bound
23 by findings of fact or interpretations of laws and regulations of the Administrator or the Under Secretary.
24

25 “(d) *APPEALS.*—An appeal from a decision of an administrative law judge as the result of a hearing under sub-
26

1 *section (b) shall be made to the Transportation Security*
2 *Oversight Board established by section 115. The Board shall*
3 *establish a panel to review the decision. The members of*
4 *this panel (1) shall not be employees of the Transportation*
5 *Security Administration, (2) shall have the level of security*
6 *clearance needed to review the determination made under*
7 *this section, and (3) shall be given access to all relevant*
8 *documents that support that determination. The panel may*
9 *affirm, modify, or reverse the decision.*

10 “(e) *REVIEW.*—*A person substantially affected by an*
11 *action of a panel under subsection (d), or the Under Sec-*
12 *retary when the Under Secretary decides that the action*
13 *of the panel under this section will have a significant ad-*
14 *verse impact on carrying out this part, may obtain review*
15 *of the order under section 46110. The Under Secretary and*
16 *the Administrator shall be made a party to the review pro-*
17 *ceedings. Findings of fact of the panel are conclusive if sup-*
18 *ported by substantial evidence.*

19 “(f) *EXPLANATION OF DECISIONS.*—*An individual*
20 *who commences an appeal under this section shall receive*
21 *a written explanation of the basis for the determination or*
22 *decision and all relevant documents that support that deter-*
23 *mination to the maximum extent that the national security*
24 *interests of the United States and other applicable laws per-*
25 *mit.*

1 “(g) *CLASSIFIED EVIDENCE.*—

2 “(1) *IN GENERAL.*—*The Under Secretary, in*
3 *consultation with the Administrator, shall issue regu-*
4 *lations to establish procedures by which the Under*
5 *Secretary, as part of a hearing conducting under this*
6 *section, may substitute an unclassified summary of*
7 *classified evidence upon the approval of the adminis-*
8 *trative law judge.*

9 “(2) *APPROVAL AND DISAPPROVAL OF SUM-*
10 *MARIES.*—*Under the procedures, an administrative*
11 *law judge shall—*

12 “(A) *approve a summary if the judge finds*
13 *that it is sufficient to enable the certificate hold-*
14 *er to appeal an order issued under subsection*
15 *(a); or*

16 “(B) *disapprove a summary if the judge*
17 *finds that it is not sufficient to enable the certifi-*
18 *cate holder to appeal such an order.*

19 “(3) *MODIFICATIONS.*—*If an administrative law*
20 *judge disapproves a summary under paragraph*
21 *(2)(B), the judge shall direct the Under Secretary to*
22 *modify the summary and resubmit the summary for*
23 *approval.*

24 “(4) *INSUFFICIENT MODIFICATIONS.*—*If an ad-*
25 *ministrative law judge is unable to approve a modi-*

1 *fied summary, the order issued under subsection (a)*
2 *that is the subject of the hearing shall be set aside un-*
3 *less the judge finds that such a result—*

4 *“(A) would likely cause serious and irrep-*
5 *arable harm to the national security; or*

6 *“(B) would likely cause death or serious*
7 *bodily injury to any person.*

8 *“(5) SPECIAL PROCEDURES.—If an administra-*
9 *tive law judge makes a finding under subparagraph*
10 *(A) or (B) of paragraph (4), the hearing shall proceed*
11 *without an unclassified summary provided to the cer-*
12 *tificate holder. In such a case, subject to procedures*
13 *established by regulation by the Under Secretary in*
14 *consultation with the Administrator, the administra-*
15 *tive law judge shall appoint a special attorney to as-*
16 *sist the accused by—*

17 *“(A) reviewing in camera the classified evi-*
18 *dence; and*

19 *“(B) challenging, through an in camera*
20 *proceeding, the veracity of the evidence contained*
21 *in the classified information.”.*

22 *(b) CONFORMING AMENDMENT.—The analysis for*
23 *chapter 461 is amended by adding at the end the following:*

“46111. Certificate actions in response to a security threat.”.

1 **SEC. 422. FLIGHT ATTENDANT CERTIFICATION.**

2 (a) *IN GENERAL.*—Chapter 447 is further amended by
3 adding at the end the following:

4 **“§ 44729. Flight attendant certification**

5 “(a) *CERTIFICATE REQUIRED.*—

6 “(1) *IN GENERAL.*—No person may serve as a
7 flight attendant aboard an aircraft of an air carrier
8 unless that person holds a certificate of demonstrated
9 proficiency from the Administrator of the Federal
10 Aviation Administration. Upon the request of the Ad-
11 ministrator or an authorized representative of the Na-
12 tional Transportation Safety Board or another Fed-
13 eral agency, a person who holds such a certificate
14 shall present the certificate for inspection within a
15 reasonable period of time after the date of the request.

16 “(2) *SPECIAL RULE FOR CURRENT FLIGHT AT-*
17 *TENDANTS.*—An individual serving as a flight attend-
18 ant on the effective date of this section may continue
19 to serve aboard an aircraft as a flight attendant until
20 completion by that individual of the required recur-
21 rent or requalification training and subsequent cer-
22 tification under this section.

23 “(3) *TREATMENT OF FLIGHT ATTENDANT AFTER*
24 *NOTIFICATION.*—On the date that the Administrator
25 is notified by an air carrier that an individual has
26 the demonstrated proficiency to be a flight attendant,

1 *the individual shall be treated for purposes of this sec-*
2 *tion as holding a certificate issued under the section.*

3 “(b) *ISSUANCE OF CERTIFICATE.—The Administrator*
4 *shall issue a certificate of demonstrated proficiency under*
5 *this section to an individual after the Administrator is no-*
6 *tified by the air carrier that the individual has successfully*
7 *completed all the training requirements for flight attend-*
8 *ants approved by the Administrator.*

9 “(c) *DESIGNATION OF PERSON TO DETERMINE SUC-*
10 *CESSFUL COMPLETION OF TRAINING.—In accordance with*
11 *part 183 of chapter 14, Code of Federal Regulation, the di-*
12 *rector of operations of an air carrier is designated to deter-*
13 *mine that an individual has successfully completed the*
14 *training requirements approved by the Administrator for*
15 *such individual to serve as a flight attendant.*

16 “(d) *SPECIFICATIONS RELATING TO CERTIFICATES.—*
17 *Each certificate issued under this section shall—*

18 *“(1) be numbered and recorded by the Adminis-*
19 *trator;*

20 *“(2) contain the name, address, and description*
21 *of the individual to whom the certificate is issued;*

22 *“(3) contain the name of the air carrier that em-*
23 *ploy or will employ the certificate holder on the date*
24 *that the certificate is issued;*

1 “(4) is similar in size and appearance to certifi-
2 cates issued to airmen;

3 “(5) contain the airplane group for which the
4 certificate is issued; and

5 “(6) be issued not later than 30 days after the
6 Administrator receives notification from the air car-
7 rier of demonstrated proficiency and, in the case of
8 an individual serving as flight attendant on the effec-
9 tive date of this section, not later than 1 year after
10 such effective date.

11 “(e) *APPROVAL OF TRAINING PROGRAMS.*—Air carrier
12 flight attendant training programs shall be subject to ap-
13 proval by the Administrator. All flight attendant training
14 programs approved by the Administrator in the 1-year pe-
15 riod ending on the date of enactment of this section shall
16 be treated as providing a demonstrated proficiency for pur-
17 poses of meeting the certification requirements of this sec-
18 tion.

19 “(f) *FLIGHT ATTENDANT DEFINED.*—In this section,
20 the term ‘flight attendant’ means an individual working as
21 a flight attendant in the cabin of an aircraft that has 20
22 or more seats and is being used by an air carrier to provide
23 air transportation.”.

1 (b) *CONFORMING AMENDMENT.*—*The analysis for*
 2 *chapter 447 is further amended by adding at the end the*
 3 *following:*

“44729. *Flight attendant certification.*”.

4 (c) *EFFECTIVE DATE.*—*The amendments made by sub-*
 5 *sections (a) and (b) shall take effect on the 365th day fol-*
 6 *lowing the date of enactment of this Act.*

7 **SEC. 423. CIVIL PENALTY FOR CLOSURE OF AN AIRPORT**
 8 **WITHOUT PROVIDING SUFFICIENT NOTICE.**

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

11 **“§46319. Closure of an airport without providing suf-**
 12 **ficient notice**

13 “(a) *PROHIBITION.*—*A public agency (as defined in*
 14 *section 47102) may not close an airport listed in the na-*
 15 *tional plan of integrated airport systems under section*
 16 *47103 without providing written notice to the Adminis-*
 17 *trator of the Federal Aviation Administration at least 30*
 18 *days before the date of the closure.*

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

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

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

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

3 **SEC. 424. NOISE EXPOSURE MAPS.**

4 *Section 47503 is amended—*

5 (1) *in subsection (a) by striking “1985,” and in-*
6 *serting “a forecast period that is at least 5 years in*
7 *the future”;* and

8 (2) *by striking subsection (b) and inserting the*
9 *following:*

10 *“(b) REVISED MAPS.—If, in an area surrounding an*
11 *airport, a change in the operation of the airport would es-*
12 *tablish a substantial new noncompatible use, or would sig-*
13 *nificantly reduce noise over existing noncompatible uses,*
14 *that is not reflected in either the existing conditions map*
15 *or forecast map currently on file with the Federal Aviation*
16 *Administration, the airport operator shall submit a revised*
17 *noise exposure map to the Secretary showing the new non-*
18 *compatible use or noise reduction.”.*

19 **SEC. 425. AMENDMENT OF GENERAL FEE SCHEDULE PROVI-**
20 **SION.**

21 *The amendment made by section 119(d) of the Avia-*
22 *tion and Transportation Security Act (115 Stat. 629) shall*
23 *not be affected by the savings provisions contained in sec-*
24 *tion 141 of that Act (115 Stat. 643).*

1 **SEC. 426. IMPROVEMENT OF CURRICULUM STANDARDS FOR**
2 **AVIATION MAINTENANCE TECHNICIANS.**

3 (a) *IN GENERAL.*—*The Administrator of the Federal*
4 *Aviation Administration shall ensure that the training*
5 *standards for airframe and powerplant mechanics under*
6 *part 65 of title 14, Code of Federal Regulations, are up-*
7 *dated and revised in accordance with this section. The Ad-*
8 *ministrator may update and revise the training standards*
9 *through the initiation of a formal rulemaking or by issuing*
10 *an advisory circular or other agency guidance.*

11 (b) *ELEMENTS FOR CONSIDERATION.*—*The updated*
12 *and revised standards required under subsection (a) shall*
13 *include those curriculum adjustments that are necessary to*
14 *more accurately reflect current technology and maintenance*
15 *practices.*

16 (c) *MINIMUM TRAINING HOURS.*—*In making adjust-*
17 *ments to the maintenance curriculum requirements pursu-*
18 *ant to this section, the current requirement of 1900 min-*
19 *imum training hours shall be maintained.*

20 (d) *CERTIFICATION.*—*Any adjustment or modification*
21 *of current curriculum standards made pursuant to this sec-*
22 *tion shall be reflected in the certification examinations of*
23 *airframe and powerplant mechanics.*

24 (e) *COMPLETION.*—*The revised and updated training*
25 *standards required by subsection (a) shall be completed not*

1 *later than 12 months after the date of enactment of this*
2 *Act.*

3 (f) *PERIODIC REVIEWS AND UPDATES.*—*The Adminis-*
4 *trator shall review the content of the curriculum standards*
5 *for training airframe and powerplant mechanics referred*
6 *to in subsection (a) every 3 years after completion of the*
7 *revised and updated training standards required under sub-*
8 *section (a) as necessary to reflect current technology and*
9 *maintenance practices.*

10 **SEC. 427. TASK FORCE ON FUTURE OF AIR TRANSPOR-**
11 **TATION SYSTEM.**

12 (a) *IN GENERAL.*—*The President shall establish a task*
13 *force to work with the Next Generation Air Transportation*
14 *System Joint Program Office authorized under section*
15 *106(k)(3).*

16 (b) *MEMBERSHIP.*—*The task force shall be composed*
17 *of representatives, appointed by the President, from air car-*
18 *riers, general aviation, pilots, and air traffic controllers*
19 *and the following government organizations:*

20 (1) *The Federal Aviation Administration.*

21 (2) *The National Aeronautics and Space Admin-*
22 *istration.*

23 (3) *The Department of Defense.*

24 (4) *The Department of Homeland Security.*

1 (5) *The National Oceanic and Atmospheric Ad-*
2 *ministration.*

3 (6) *Other government organizations designated*
4 *by the President.*

5 (c) *FUNCTION.—The function of the task force shall be*
6 *to develop an integrated plan to transform the Nation’s air*
7 *traffic control system and air transportation system to meet*
8 *its future needs.*

9 (d) *PLAN.—Not later than 1 year after the date of es-*
10 *tablishment of the task force, the task force shall transmit*
11 *to the President and Congress a plan outlining the overall*
12 *strategy, schedule, and resources needed to develop and de-*
13 *ploy the Nation’s next generation air traffic control system*
14 *and air transportation system.*

15 **SEC. 428. AIR QUALITY IN AIRCRAFT CABINS.**

16 (a) *IN GENERAL.—The Administrator of the Federal*
17 *Aviation Administration shall undertake the studies and*
18 *analysis called for in the report of the National Research*
19 *Council entitled “The Airliner Cabin Environment and the*
20 *Health of Passengers and Crew”.*

21 (b) *REQUIRED ACTIVITIES.—In carrying out this sec-*
22 *tion, the Administrator, at a minimum, shall—*

23 (1) *conduct surveillance to monitor ozone in the*
24 *cabin on a representative number of flights and air-*

1 *craft to determine compliance with existing Federal*
2 *Aviation Regulations for ozone;*

3 (2) *collect pesticide exposure data to determine*
4 *exposures of passengers and crew; and*

5 (3) *analyze samples of residue from aircraft ven-*
6 *tilation ducts and filters after air quality incidents to*
7 *identify the allergens, diseases, and other contami-*
8 *nants to which passengers and crew were exposed.*

9 (c) *REPORT.—Not later than 30 months after the date*
10 *of enactment of this Act, the Administrator shall transmit*
11 *to Congress a report on the findings of the Administrator*
12 *under this section.*

13 **SEC. 429. RECOMMENDATIONS CONCERNING TRAVEL**
14 **AGENTS.**

15 (a) *REPORT.—Not later than 6 months after the date*
16 *of enactment of this Act, the Secretary of Transportation*
17 *shall transmit to Congress a report on any actions that*
18 *should be taken with respect to recommendations made by*
19 *the National Commission to Ensure Consumer Information*
20 *and Choice in the Airline Industry on—*

21 (1) *the travel agent arbiter program; and*

22 (2) *the special box on tickets for agents to in-*
23 *clude their service fee charges.*

1 (b) *CONSULTATION.*—*In preparing this report, the*
2 *Secretary shall consult with representatives from the airline*
3 *and travel agent industry.*

4 **SEC. 430. TASK FORCE ON ENHANCED TRANSFER OF APPLI-**
5 **CATIONS OF TECHNOLOGY FOR MILITARY**
6 **AIRCRAFT TO CIVILIAN AIRCRAFT.**

7 (a) *IN GENERAL.*—*The President shall establish a task*
8 *force to look for better methods for ensuring that technology*
9 *developed for military aircraft is more quickly and easily*
10 *transferred to applications for improving and modernizing*
11 *the fleet of civilian aircraft.*

12 (b) *MEMBERSHIP.*—*The task force shall be composed*
13 *of the Secretary of Transportation who shall be the chair*
14 *of the task force and representatives, appointed by the Presi-*
15 *dent, from the following:*

- 16 (1) *The Department of Transportation.*
- 17 (2) *The Federal Aviation Administration.*
- 18 (3) *The Department of Defense.*
- 19 (4) *The National Aeronautics and Space Admin-*
20 *istration.*
- 21 (5) *The aircraft manufacturing industry.*
- 22 (6) *Such other organizations as the President*
23 *may designate.*

24 (c) *REPORT.*—*Not later than 1 year after the date of*
25 *enactment of this Act, the task force shall report to Congress*

1 *on the methods looked at by the task force for ensuring the*
2 *transfer of applications described in subsection (a).*

3 **SEC. 431. 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 the security costs incurred and revenue fore-*
8 *gone as a result of the restrictions imposed by the Federal*
9 *Government following the terrorist attacks on the United*
10 *States that occurred on September 11, 2001, or the military*
11 *action to free the people of Iraq that commenced in March*
12 *2003:*

13 *(1) General aviation entities that operate at*
14 *Ronald Reagan Washington National Airport.*

15 *(2) Airports that are located within 15 miles of*
16 *Ronald Reagan Washington National Airport and*
17 *were operating under security restrictions on the date*
18 *of enactment of this Act and general aviation entities*
19 *operating at those airports.*

20 *(3) General aviation entities that were affected*
21 *by Federal Aviation Administration Notices to Air-*
22 *men FDC 2/0199 and 3/1862 and section 352 of the*
23 *Department of Transportation and Related Agencies*
24 *Appropriations Act, 2003 (P.L. 108–7, Division I).*

1 (4) *General aviation entities affected by imple-*
2 *mentation of section 44939 of title 49, United States*
3 *Code.*

4 (5) *Any other general aviation entity that is pre-*
5 *vented from doing business or operating by an action*
6 *of the Federal Government prohibiting access to air-*
7 *space by that entity.*

8 (b) *DOCUMENTATION.*—*Reimbursement under this sec-*
9 *tion shall be made in accordance with sworn financial*
10 *statements or other appropriate data submitted by each*
11 *general aviation entity demonstrating the costs incurred*
12 *and revenue foregone to the satisfaction of the Secretary.*

13 (c) *GENERAL AVIATION ENTITY DEFINED.*—*In this*
14 *section, the term “general aviation entity” means any per-*
15 *son (other than a scheduled air carrier or foreign air car-*
16 *rier, as such terms are defined in section 40102 of title 49,*
17 *United States Code) that—*

18 (1) *operates nonmilitary aircraft under part 91*
19 *of title 14, Code of Federal Regulations, for the pur-*
20 *pose of conducting its primary business;*

21 (2) *manufactures nonmilitary aircraft with a*
22 *maximum seating capacity of fewer than 20 pas-*
23 *sengers or aircraft parts to be used in such aircraft;*

24 (3) *provides services necessary for nonmilitary*
25 *operations under such part 91; or*

1 (4) *operates an airport, other than a primary*
2 *airport (as such terms are defined in such section*
3 *40102), that—*

4 (A) *is listed in the national plan of inte-*
5 *grated airport systems developed by the Federal*
6 *Aviation Administration under section 47103 of*
7 *such title; or*

8 (B) *is normally open to the public, is lo-*
9 *cated within the confines of enhanced class B*
10 *airspace (as defined by the Federal Aviation Ad-*
11 *ministration in Notice to Airmen FDC 1/0618),*
12 *and was closed as a result of an order issued by*
13 *the Federal Aviation Administration in the pe-*
14 *riod beginning September 11, 2001, and ending*
15 *January 1, 2002, and remained closed as a re-*
16 *sult of that order on January 1, 2002.*

17 *Such term includes fixed based operators, flight schools,*
18 *manufacturers of general aviation aircraft and products,*
19 *persons engaged in nonscheduled aviation enterprises, and*
20 *general aviation independent contractors.*

21 (d) *AUTHORIZATION OF APPROPRIATIONS.—There is*
22 *authorized to be appropriated to carry out this section*
23 *\$100,000,000. Such sums shall remain available until ex-*
24 *pended.*

1 **SEC. 432. IMPASSE PROCEDURES FOR NATIONAL ASSOCIA-**
2 **TION OF AIR TRAFFIC SPECIALISTS.**

3 (a) *FAILURE OF CURRENT NEGOTIATIONS.*—If, within
4 30 days after the date of enactment of this Act, the Federal
5 Aviation Administration and the exclusive bargaining rep-
6 resentative of the National Association of Air Traffic Spe-
7 cialists have failed to achieve agreement through a medi-
8 ation process of the Federal Mediation and Conciliation
9 Service, the current labor negotiation shall be treated for
10 purposes of this section to have failed.

11 (b) *SUBMISSION TO IMPASSE PANEL.*—Not later than
12 30 days after the negotiation has failed under subsection
13 (a), the parties to the negotiation shall submit unresolved
14 issues to the Federal Service Impasses Panel described in
15 section 7119(c) of title 5, United States Code, for final and
16 binding resolution.

17 (c) *ASSISTANCE.*—The Panel shall render assistance to
18 the parties in resolving their dispute in accordance with
19 section 7119 of title 5, United States Code, and parts 2470
20 and 2471 of title 5, Code of Federal Regulations.

21 (d) *DETERMINATION.*—The Panel shall make a just
22 and reasonable determination of the matters in dispute. In
23 arriving at such determination, the Panel shall specify the
24 basis for its findings, taking into consideration such rel-
25 evant factors as are normally and customarily considered
26 in the determination of wages or impasse Panel pro-

1 *ceedings. The Panel shall also take into consideration the*
2 *financial ability of the Administration to pay.*

3 (e) *EFFECT OF PANEL DETERMINATION.—The deter-*
4 *mination of the Panel shall be final and binding upon the*
5 *parties for the period prescribed by the Panel or a period*
6 *otherwise agreed to by the parties.*

7 (f) *REVIEW.—The determination of the Panel shall be*
8 *subject to review in the manner prescribed in chapter 71*
9 *of title 5, United States Code.*

10 **SEC. 433. FAA INSPECTOR TRAINING.**

11 (a) *STUDY.—*

12 (1) *IN GENERAL.—The Comptroller General shall*
13 *conduct a study of the training of the aviation safety*
14 *inspectors of the Federal Aviation Administration (in*
15 *this section referred to as “FAA inspectors”).*

16 (2) *CONTENTS.—The study shall include—*

17 (A) *an analysis of the type of training pro-*
18 *vided to FAA inspectors;*

19 (B) *actions that the Federal Aviation Ad-*
20 *ministration has undertaken to ensure that FAA*
21 *inspectors receive up-to-date training on the lat-*
22 *est technologies;*

23 (C) *the extent of FAA inspector training*
24 *provided by the aviation industry and whether*

1 *such training is provided without charge or on*
2 *a quid-pro-quo basis; and*

3 *(D) the amount of travel that is required of*
4 *FAA inspectors in receiving training.*

5 *(3) REPORT.—Not later than 1 year after the*
6 *date of enactment of this Act, the Comptroller General*
7 *shall transmit to the Committee on Transportation*
8 *and Infrastructure of the House of Representatives*
9 *and the Committee on Commerce, Science, and Trans-*
10 *portation of the Senate a report on the results of the*
11 *study.*

12 *(b) SENSE OF THE HOUSE.—It is the sense of the*
13 *House of Representatives that—*

14 *(1) FAA inspectors should be encouraged to take*
15 *the most up-to-date initial and recurrent training on*
16 *the latest aviation technologies;*

17 *(2) FAA inspector training should have a direct*
18 *relation to an individual's job requirements; and*

19 *(3) if possible, a FAA inspector should be al-*
20 *lowed to take training at the location most convenient*
21 *for the inspector.*

22 *(c) WORKLOAD OF INSPECTORS.—*

23 *(1) STUDY BY NATIONAL ACADEMY OF*
24 *SCIENCES.—Not later than 90 days after the date of*
25 *enactment of this Act, the Administrator of the Fed-*

1 *eral Aviation Administration shall make appropriate*
2 *arrangements for the National Academy of Sciences to*
3 *conduct a study of the assumptions and methods used*
4 *by the Federal Aviation Administration to estimate*
5 *staffing standards for FAA inspectors to ensure prop-*
6 *er oversight over the aviation industry, including the*
7 *designee program.*

8 (2) *CONTENTS.*—*The study shall include the fol-*
9 *lowing:*

10 (A) *A suggested method of modifying FAA*
11 *inspectors staffing models for application to cur-*
12 *rent local conditions or applying some other ap-*
13 *proach to developing an objective staffing stand-*
14 *ard.*

15 (B) *The approximate cost and length of*
16 *time for developing such models.*

17 (3) *REPORT.*—*Not later than 12 months after the*
18 *initiation of the arrangements under subsection (a),*
19 *the National Academy of Sciences shall transmit to*
20 *Congress a report on the results of the study.*

21 **SEC. 434. PROHIBITION ON AIR TRAFFIC CONTROL PRIVAT-**
22 **IZATION.**

23 (a) *IN GENERAL.*—*The Secretary of Transportation*
24 *may not authorize the transfer of the air traffic separation*
25 *and control functions operated by the Federal Aviation Ad-*

1 *ministration on the date of enactment of this Act to a pri-*
2 *vate entity or to a public entity other than the United*
3 *States Government.*

4 (b) *CONTRACT TOWER PROGRAM.*—Subsection (a)
5 *shall not apply to the contract tower program authorized*
6 *by section 47124 of title 49, United States Code.*

7 **SEC. 435. AIRFARES FOR MEMBERS OF THE ARMED FORCES.**

8 (a) *FINDINGS.*—Congress finds that—

9 (1) *the Armed Forces is comprised of approxi-*
10 *mately 1,400,000 members who are stationed on ac-*
11 *tive duty at more than 6,000 military bases in 146*
12 *different countries;*

13 (2) *the United States is indebted to the members*
14 *of the Armed Forces, many of whom are in grave*
15 *danger due to their engagement in, or exposure to,*
16 *combat;*

17 (3) *military service, especially in the current*
18 *war against terrorism, often requires members of the*
19 *Armed Forces to be separated from their families on*
20 *short notice, for long periods of time, and under very*
21 *stressful conditions;*

22 (4) *the unique demands of military service often*
23 *preclude members of the Armed Forces from pur-*
24 *chasing discounted advance airline tickets in order to*
25 *visit their loved ones at home; and*

1 (5) *it is the patriotic duty of the people of the*
2 *United States to support the members of the Armed*
3 *Forces who are defending the Nation's interests*
4 *around the world at great personal sacrifice.*

5 (b) *SENSE OF CONGRESS.—It is the sense of Congress*
6 *that each United States air carrier should—*

7 (1) *establish for all members of the Armed Forces*
8 *on active duty reduced air fares that are comparable*
9 *to the lowest airfare for ticketed flights; and*

10 (2) *offer flexible terms that allow members of the*
11 *Armed Forces on active duty to purchase, modify, or*
12 *cancel tickets without time restrictions, fees, and pen-*
13 *alties.*

14 **SEC. 436. AIR CARRIERS REQUIRED TO HONOR TICKETS**
15 **FOR SUSPENDED AIR SERVICE.**

16 *Section 145(c) of the Aviation and Transportation Se-*
17 *curity Act (49 U.S.C. 40101 note; 115 stat. 645) is amended*
18 *by striking “more than” and all that follows through*
19 *“after” and inserting “more than 36 months after”.*

20 **SEC. 437. INTERNATIONAL AIR SHOW.**

21 (a) *STUDY.—The Secretary of Transportation shall*
22 *study the feasibility of the United States hosting a world-*
23 *class international air show.*

24 (b) *REPORT.—Not later than 9 months after the date*
25 *of enactment of this Act, the Secretary shall transmit to*

1 *Congress a report on the results of the study conducted*
2 *under subsection (a) together with recommendations con-*
3 *cerning potential locations at which the air show could be*
4 *held.*

5 **SEC. 438. DEFINITION OF AIR TRAFFIC CONTROLLER.**

6 (a) *CIVIL SERVICE RETIREMENT SYSTEM.*—Section
7 8331 of title 5, United States Code, is amended—

8 (1) *by striking “and” at the end of paragraph*
9 *(27);*

10 (2) *by striking the period at the end of para-*
11 *graph (28) and inserting “; and”; and*

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

13 “(29) ‘air traffic controller’ or ‘controller’
14 means—

15 “(A) a controller within the meaning of sec-
16 tion 2109(1); and

17 “(B) a civilian employee of the Department
18 of Transportation or the Department of Defense
19 holding a supervisory, managerial, executive,
20 technical, semiprofessional, or professional posi-
21 tion for which experience as a controller (within
22 the meaning of section 2109(1)) is a pre-
23 requisite.”.

24 (b) *FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.*—
25 Section 8401 of title 5, United States Code, is amended—

1 (1) *by striking “and” at the end of paragraph*
2 *(33);*

3 (2) *by striking the period at the end of para-*
4 *graph (34) and inserting “; and”; and*

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

6 “(35) ‘air traffic controller’ or ‘controller’
7 *means—*

8 “(A) *a controller within the meaning of sec-*
9 *tion 2109(1); and*

10 “(B) *a civilian employee of the Department*
11 *of Transportation or the Department of Defense*
12 *holding a supervisory, managerial, executive,*
13 *technical, semiprofessional, or professional posi-*
14 *tion for which experience as a controller (within*
15 *the meaning of section 2109(1)) is a pre-*
16 *requisite.”.*

17 (c) *MANDATORY SEPARATION TREATMENT NOT AF-*
18 *FFECTED.—*

19 (1) *CIVIL SERVICE RETIREMENT SYSTEM.—Sec-*
20 *tion 8335(a) of title 5, United States Code, is amend-*
21 *ed by adding at the end the following: “For purposes*
22 *of this subsection, the term ‘air traffic controller’ or*
23 *‘controller’ has the meaning given to it under section*
24 *8331(29)(A).”.*

1 (2) *FEDERAL EMPLOYEES' RETIREMENT SYS-*
2 *TEM.—Section 8425(a) of title 5, United States Code,*
3 *is amended by adding at the end the following: “For*
4 *purposes of this subsection, the term ‘air traffic con-*
5 *troller’ or ‘controller’ has the meaning given to it*
6 *under section 8401(35)(A).”.*

7 (d) *EFFECTIVE DATE.—This section and the amend-*
8 *ments made by this section—*

9 (1) *shall take effect on the 60th day after the*
10 *date of enactment of this Act; and*

11 (2) *shall apply with respect to—*

12 (A) *any annuity entitlement to which is*
13 *based on an individual’s separation from service*
14 *occurring on or after that 60th day; and*

15 (B) *any service performed by any such in-*
16 *dividual before, on, or after that 60th day, sub-*
17 *ject to subsection (e).*

18 (e) *DEPOSIT REQUIRED FOR CERTAIN PRIOR SERVICE*
19 *TO BE CREDITABLE AS CONTROLLER SERVICE.—*

20 (1) *DEPOSIT REQUIREMENT.—For purposes of*
21 *determining eligibility for immediate retirement*
22 *under section 8412(e) of title 5, United States Code,*
23 *the amendment made by subsection (b) shall, with re-*
24 *spect to any service described in paragraph (2), be*
25 *disregarded unless there is deposited into the Civil*

1 *Service Retirement and Disability Fund, with respect*
2 *to such service, in such time, form, and manner as*
3 *the Office of Personnel Management by regulation re-*
4 *quires, an amount equal to the amount by which—*

5 *(A) the deductions from pay which would*
6 *have been required for such service if the amend-*
7 *ments made by this section had been in effect*
8 *when such service was performed, exceeds*

9 *(B) the unrefunded deductions or deposits*
10 *actually made under subchapter II of chapter 84*
11 *of such title 5 with respect to such service.*

12 *The amount under the preceding sentence shall in-*
13 *clude interest, computed under paragraphs (2) and*
14 *(3) of section 8334(e) of such title 5.*

15 *(2) PRIOR SERVICE DESCRIBED.—This sub-*
16 *section applies with respect to any service performed*
17 *by an individual, before the 60th day following the*
18 *date of enactment of this Act, as an employee de-*
19 *scribed in section 8401(35)(B) of such title 5 (as set*
20 *forth in subsection (b)).*

21 **SEC. 439. JUSTIFICATION FOR AIR DEFENSE IDENTIFICA-**
22 **TION ZONE.**

23 *(a) IN GENERAL.—If the Administrator of the Federal*
24 *Aviation Administration establishes an Air Defense Identi-*
25 *fication Zone (in this section referred as an “ADIZ”), the*

1 Administrator shall transmit, not later than 60 days after
2 the date of establishing the ADIZ, to the Committee on
3 Transportation and Infrastructure of the House of Rep-
4 resentatives and the Committee on Commerce, Science, and
5 Transportation of the Senate a report containing an expla-
6 nation of the need for the ADIZ. The Administrator also
7 shall transmit to the Committees updates of the report every
8 60 days until the ADIZ is rescinded. The reports and up-
9 dates shall be transmitted in classified form.

10 (b) *EXISTING ADIZ.*—If an ADIZ is in effect on the
11 date of enactment of this Act, the Administrator shall trans-
12 mit an initial report under subsection (a) not later than
13 30 days after such date of enactment.

14 (c) *DEFINITION.*—In this section, the terms “Air De-
15 fense Identification Zone” and “ADIZ” each mean a zone
16 established by the Administrator with respect to airspace
17 under 18,000 feet in approximately a 15- to 38-mile radius
18 around Washington, District of Columbia, for which secu-
19 rity measures are extended beyond the existing 15-mile no-
20 fly zone around Washington and in which general aviation
21 aircraft are required to adhere to certain procedures issued
22 by the Administrator.

23 **SEC. 440. INTERNATIONAL AIR TRANSPORTATION.**

24 It is the sense of Congress that, in an effort to mod-
25 ernize its regulations, the Department of Transportation

1 *should formally define “Fifth Freedom” and “Seventh Free-*
2 *dom” consistently for both scheduled and charter passenger*
3 *and cargo traffic.*

4 **SEC. 441. REIMBURSEMENT OF AIR CARRIERS FOR CERTAIN**
5 **SCREENING AND RELATED ACTIVITIES.**

6 *The Secretary of Transportation, subject to the avail-*
7 *ability of funds (other than amounts in the Aviation Trust*
8 *Fund) provided for this purpose, shall reimburse air car-*
9 *riers and airports for the following:*

10 *(1) All screening and related activities that the*
11 *air carriers or airports are still performing or con-*
12 *tinuing to be responsible for, including—*

13 *(A) the screening of catering supplies;*

14 *(B) checking documents at security check-*
15 *points;*

16 *(C) screening of passengers; and*

17 *(D) screening of persons with access to air-*
18 *craft.*

19 *(2) The provision of space and facilities used to*
20 *perform screening functions if such space and facili-*
21 *ties have been previously used, or were intended to be*
22 *used, for revenue-producing purposes.*

1 **SEC. 442. GENERAL AVIATION FLIGHTS AT RONALD REAGAN**
2 **WASHINGTON NATIONAL AIRPORT.**

3 *It is the sense of Congress that Ronald Reagan Wash-*
4 *ington National Airport should be open to general aviation*
5 *flights as soon as possible.*

6 **TITLE V—AIRPORT**
7 **DEVELOPMENT**

8 **SEC. 501. DEFINITIONS.**

9 (a) *IN GENERAL.*—Section 47102 is amended—

10 (1) *by redesignating paragraphs (19) and (20)*
11 *as paragraphs (24) and (25), respectively;*

12 (2) *by inserting after paragraph (18) the fol-*
13 *lowing:*

14 “(23) ‘small hub airport’ means a commercial
15 service airport that has at least 0.05 percent but less
16 than 0.25 percent of the passenger boardings.”;

17 (3) *in paragraph (10) by striking subparagraphs*
18 *(A) and (B) and inserting following:*

19 “(A) means, unless the context indicates
20 otherwise, revenue passenger boardings in the
21 United States in the prior calendar year on an
22 aircraft in service in air commerce, as the Sec-
23 retary determines under regulations the Sec-
24 retary prescribes; and

25 “(B) includes passengers who continue on
26 an aircraft in international flight that stops at

1 *an airport in the 48 contiguous States, Alaska,*
2 *or Hawaii for a nontraffic purpose.”;*

3 *(4) by redesignating paragraphs (10) through*
4 *(18) as paragraphs (14) through (22), respectively;*

5 *(5) by inserting after paragraph (9) the fol-*
6 *lowing:*

7 *“(10) ‘large hub airport’ means a commercial*
8 *service airport that has at least 1.0 percent of the*
9 *passenger boardings.*

10 *“(12) ‘medium hub airport’ means a commercial*
11 *service airport that has at least 0.25 percent but less*
12 *than 1.0 percent of the passenger boardings.*

13 *“(13) ‘nonhub airport’ means a commercial serv-*
14 *ice airport that has less than 0.05 percent of the pas-*
15 *senger boardings.”; and*

16 *(6) by striking paragraph (6) and inserting the*
17 *following:*

18 *“(6) ‘amount made available under section*
19 *48103’ or ‘amount newly made available’ means the*
20 *amount authorized for grants under section 48103 as*
21 *that amount may be limited in that year by a subse-*
22 *quent law, but as determined without regard to grant*
23 *obligation recoveries made in that year or amounts*
24 *covered by section 47107(f).”.*

1 (b) *CONFORMING AMENDMENT.*—Section 47116(b)(1)
2 *is amended by striking “(as defined in section 41731 of this*
3 *title)”.*

4 **SEC. 502. REPLACEMENT OF BAGGAGE CONVEYOR SYS-**
5 **TEMS.**

6 Section 47102(3)(B)(x) *is amended by striking the pe-*
7 *riod at the end and inserting the following: “; except that*
8 *such activities shall be eligible for funding under this sub-*
9 *chapter only using amounts apportioned under section*
10 *47114.”.*

11 **SEC. 503. SECURITY COSTS AT SMALL AIRPORTS.**

12 (a) *SECURITY COSTS.*—Section 47102(3)(J) *is amend-*
13 *ed to read as follows:*

14 “(J) *in the case of a nonhub airport or an*
15 *airport that is not a primary airport in fiscal*
16 *year 2004, direct costs associated with new, ad-*
17 *ditional, or revised security requirements im-*
18 *posed on airport operators by law, regulation, or*
19 *order on or after September 11, 2001, if the Gov-*
20 *ernment’s share is paid only from amounts ap-*
21 *portioned to a sponsor under section 47114(c) or*
22 *47114(d)(3)(A).”.*

23 (b) *CONFORMING AMENDMENT.*—Section 47110(b)(2)
24 *is amended—*

1 (1) in subparagraph (D) by striking “,
2 47102(3)(K), or 47102(3)(L)”;

3 (2) by aligning the margin of subparagraph (D)
4 with the margin of subparagraph (B).

5 **SEC. 504. WITHHOLDING OF PROGRAM APPLICATION AP-**
6 **PROVAL.**

7 Section 47106(d) is amended—

8 (1) in paragraph (1) by striking “section
9 47114(c) and (e) of this title” and inserting “sub-
10 sections (c), (d), and (e) of section 47114”; and

11 (2) by adding at the end the following:

12 “(4) If the Secretary withholds a grant to an airport
13 from the discretionary fund under section 47115 or from
14 the small airport fund under section 47116 on the grounds
15 that the sponsor has violated an assurance or requirement
16 of this subchapter, the Secretary shall follow the procedures
17 of this subsection.”.

18 **SEC. 505. RUNWAY SAFETY AREAS.**

19 Section 47106 is amended by adding at the end the
20 following:

21 “(h) **RUNWAY SAFETY AREAS.**—The Secretary may
22 approve an application under this chapter for a project
23 grant to construct, reconstruct, repair, or improve a run-
24 way only if the Secretary receives written assurances, satis-
25 factory to the Secretary, that the sponsor will undertake,

1 *to the maximum extent practical, improvement of the run-*
 2 *way's safety area to meet the standards of the Federal Avia-*
 3 *tion Administration."*

4 **SEC. 506. DISPOSITION OF LAND ACQUIRED FOR NOISE**
 5 **COMPATIBILITY PURPOSES.**

6 *Section 47107(c) is amended by adding at the end the*
 7 *following:*

8 *"(4) Notwithstanding paragraph (2)(A)(iii), an air-*
 9 *port owner or operator may retain all or any portion of*
 10 *the proceeds from a land disposition described in that para-*
 11 *graph if the Secretary finds that the use of the land will*
 12 *be compatible with airport purposes and the proceeds re-*
 13 *tained will be used for airport development or to carry out*
 14 *a noise compatibility program under section 47504(c)."*

15 **SEC. 507. GRANT ASSURANCES.**

16 *(a) HANGAR CONSTRUCTION.—Section 47107(a) is*
 17 *amended—*

18 *(1) by striking "and" at the end of paragraph*
 19 *(19);*

20 *(2) by striking the period at the end of para-*
 21 *graph (20) and inserting "; and"; and*

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

23 *"(21) if the airport owner or operator and a per-*
 24 *son who owns an aircraft agree that a hangar is to*
 25 *be constructed at the airport for the aircraft at the*

1 *aircraft owner’s expense, the airport owner or oper-*
2 *ator will grant to the aircraft owner for the hangar*
3 *a long-term lease (of not less than 50 years) that is*
4 *subject to such terms and conditions on the hangar*
5 *as the airport owner or operator may impose.”.*

6 (b) *STATUTE OF LIMITATIONS.*—Section
7 *47107(l)(5)(A) is amended by inserting “or any other gov-*
8 *ernmental entity” after “sponsor”.*

9 (c) *AUDIT CERTIFICATION.*—Section 47107(m) is
10 *amended—*

11 (1) *in paragraph (1) by striking “promulgate*
12 *regulations that” and inserting “include a provision*
13 *in the compliance supplement provisions to”;*

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

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

17 **SEC. 508. ALLOWABLE PROJECT COSTS.**

18 (a) *CONSTRUCTION OR MODIFICATION OF PUBLIC*
19 *PARKING FACILITIES FOR SECURITY PURPOSES.*—Section
20 *47110 is amended—*

21 (1) *in subsection (f) by striking “subsection (d)”*
22 *and inserting “subsections (d) and (h)”;* and

23 (2) *by adding at the end the following:*

24 *“(h) CONSTRUCTION OR MODIFICATION OF PUBLIC*
25 *PARKING FACILITIES FOR SECURITY PURPOSES.—Notwith-*

1 *standing subsection (f)(1), a cost of constructing or modi-*
2 *fying a public parking facility for passenger automobiles*
3 *to comply with a regulation or directive of the Department*
4 *of Homeland Security shall be treated as an allowable air-*
5 *port development project cost.”.*

6 (b) *DEBT FINANCING.*—Section 47110 is further
7 amended by adding at the end the following:

8 “(i) *DEBT FINANCING.*—In the case of an airport that
9 is not a medium hub airport or large hub airport, the Sec-
10 retary may determine that allowable airport development
11 project costs include payments of interest, commercial bond
12 insurance, and other credit enhancement costs associated
13 with a bond issue to finance the project.”.

14 (c) *CLARIFICATION OF ALLOWABLE COSTS.*—Section
15 47110(b)(1) is amended by inserting before the semicolon
16 at the end “and any cost of moving a Federal facility im-
17 peding the project if the rebuilt facility is of an equivalent
18 size and type”.

19 (d) *TECHNICAL AMENDMENTS.*—Section 47110(e) is
20 amended by aligning the margin of paragraph (6) with the
21 margin of paragraph (5).

22 **SEC. 509. APPORTIONMENTS TO PRIMARY AIRPORTS.**

23 (a) *FORMULA CHANGES.*—Section 47114(c)(1)(A) is
24 amended by striking clauses (iv) and (v) and by inserting
25 the following:

1 “(iv) \$.65 for each of the next 500,000
2 passenger boardings at the airport during
3 the prior calendar year;

4 “(v) \$.50 cents for each of the next
5 2,500,000 passenger boardings at the air-
6 port during the prior calendar year; and

7 “(vi) \$.45 cents for each additional
8 passenger boarding at the airport during
9 the prior calendar year.”.

10 (b) *SPECIAL RULE FOR FISCAL YEARS 2004 AND*
11 *2005.—Section 47114(c)(1) is amended by adding at the*
12 *end the following:*

13 “(F) *SPECIAL RULE FOR FISCAL YEARS 2004*
14 *AND 2005.—Notwithstanding subparagraph (A)*
15 *and the absence of scheduled passenger aircraft*
16 *service at an airport, the Secretary may appor-*
17 *tion in fiscal years 2004 and 2005 to the sponsor*
18 *of the airport an amount equal to the amount*
19 *apportioned to that sponsor in fiscal year 2002*
20 *or 2003, whichever amount is greater, if the Sec-*
21 *retary finds that—*

22 “(i) *the passenger boardings at the air-*
23 *port were below 10,000 in calendar year*
24 *2002;*

1 “(ii) the airport had at least 10,000
2 passenger boardings and scheduled pas-
3 senger aircraft service in either calendar
4 year 2000 or 2001; and

5 “(iii) the reason that passenger
6 boardings described in clause (i) were below
7 10,000 was the decrease in passengers fol-
8 lowing the terrorist attacks of September 11,
9 2001.”.

10 **SEC. 510. CARGO AIRPORTS.**

11 Section 47114(c)(2) is amended—

12 (1) in the paragraph heading by striking
13 “ONLY”; and

14 (2) in subparagraph (A) by striking “3 percent”
15 and inserting “3.5 percent”.

16 **SEC. 511. CONSIDERATIONS IN MAKING DISCRETIONARY**
17 **GRANTS.**

18 Section 47115(d) is amended to read as follows:

19 “(d) **CONSIDERATIONS.**—

20 “(1) **FOR CAPACITY ENHANCEMENT PROJECTS.**—

21 In selecting a project for a grant to preserve and im-
22 prove capacity funded in whole or in part from the
23 fund, the Secretary shall consider—

24 “(A) the effect that the project will have on
25 overall national transportation system capacity;

1 “(B) the benefit and cost of the project, in-
2 cluding, in the case of a project at a reliever air-
3 port, the number of operations projected to be di-
4 verted from a primary airport to the reliever
5 airport as a result of the project, as well as the
6 cost savings projected to be realized by users of
7 the local airport system;

8 “(C) the financial commitment from non-
9 United States Government sources to preserve or
10 improve airport capacity;

11 “(D) the airport improvement priorities of
12 the States to the extent such priorities are not in
13 conflict with subparagraphs (A) and (B); and

14 “(E) the projected growth in the number of
15 passengers or aircraft that will be using the air-
16 port at which the project will be carried out.

17 “(2) FOR ALL PROJECTS.—In selecting a project
18 for a grant described in paragraph (1), the Secretary
19 shall consider whether—

20 “(A) funding has been provided for all other
21 projects qualifying for funding during the fiscal
22 year under this chapter that have attained a
23 higher score under the numerical priority system
24 employed by the Secretary in administering the
25 fund; and

1 “(B) the sponsor will be able to commence
2 the work identified in the project application in
3 the fiscal year in which the grant is made or
4 within 6 months after the grant is made, which-
5 ever is later.”.

6 **SEC. 512. FLEXIBLE FUNDING FOR NONPRIMARY AIRPORT**
7 **APPORTIONMENTS.**

8 (a) *IN GENERAL.*—Section 47117(c) is amended to
9 read as follows:

10 “(c) *USE OF SPONSOR’S APPORTIONED AMOUNTS AT*
11 *PUBLIC USE AIRPORTS.*—

12 “(1) *OF SPONSOR.*—An amount apportioned to a
13 sponsor of an airport under section 47114(c) or
14 47114(d)(3)(A) is available for grants for any public-
15 use airport of the sponsor included in the national
16 plan of integrated airport systems.

17 “(2) *IN SAME STATE OR AREA.*—A sponsor of an
18 airport may make an agreement with the Secretary
19 of Transportation waiving the sponsor’s claim to any
20 part of the amount apportioned for the airport under
21 section 47114(c) or 47114(d)(3)(A) if the Secretary
22 agrees to make the waived amount available for a
23 grant for another public-use airport in the same State
24 or geographical area as the airport, as determined by
25 the Secretary.”.

1 (b) *PROJECT GRANT AGREEMENTS.*—Section 47108(a)
2 *is amended by inserting “or 47114(d)(3)(A)” after “under*
3 *section 47114(c)”.*

4 (c) *ALLOWABLE PROJECT COSTS.*—Section 47110 *is*
5 *further amended—*

6 (1) *in subsection (b)(2)(C) by striking “of this*
7 *title” and inserting “or section 47114(d)(3)(A)”;*

8 (2) *in subsection (g)—*

9 (A) *by inserting “or section*
10 *47114(d)(3)(A)” after “of section 47114(c)”;* and

11 (B) *by striking “of project” and inserting*
12 *“of the project”;* and

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

14 “(j) *NONPRIMARY AIRPORTS.*—*The Secretary may de-*
15 *cide that the costs of revenue producing aeronautical sup-*
16 *port facilities, including fuel farms and hangars, are allow-*
17 *able for an airport development project at a nonprimary*
18 *airport if the Government’s share of such costs is paid only*
19 *with funds apportioned to the airport sponsor under section*
20 *47114(d)(3)(A) and if the Secretary determines that the*
21 *sponsor has made adequate provision for financing airside*
22 *needs of the airport.”.*

23 (d) *TERMINAL DEVELOPMENT COSTS.*—Section
24 *47119(b) is amended—*

25 (1) *by striking “or” at the end of paragraph (3);*

1 (2) *by striking the period at the end of para-*
2 *graph (4) and inserting “; or”; and*

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

4 “(5) *to a sponsor of a nonprimary airport, any*
5 *part of amounts apportioned to the sponsor for the*
6 *fiscal year under section 47114(d)(3)(A) for project*
7 *costs allowable under section 47110(d).”.*

8 **SEC. 513. USE OF APPORTIONED AMOUNTS.**

9 (a) *SPECIAL APPORTIONMENT CATEGORIES.*—Section
10 *47117(e)(1)(A) is amended—*

11 (1) *by striking “of this title” the first place it*
12 *appears and inserting a comma; and*

13 (2) *by striking “of this title” the second place it*
14 *appears and inserting “, for noise mitigation projects*
15 *approved in an environmental record of decision for*
16 *an airport development project under this title, for*
17 *compatible land use planning and projects carried*
18 *out by State and local governments under section*
19 *47140, and for airport development described in sec-*
20 *tion 47102(3)(F) or 47102(3)(K) to comply with the*
21 *Clean Air Act (42 U.S.C. 7401 et seq.)”.*

22 (b) *ELIMINATION OF SUPER RELIEVER SET-ASIDE.*—
23 *Section 47117(e)(1)(C) is repealed.*

24 (c) *RECOVERED FUNDS.*—Section 47117 is further
25 *amended by adding at the end the following:*

1 “(h) *TREATMENT OF CANCELED OR REDUCED GRANT*
2 *OBLIGATIONS.*—*For the purpose of determining compliance*
3 *with a limitation, enacted in an appropriations Act, on*
4 *the amount of grant obligations of funds made available*
5 *by section 48103 that may be incurred in a fiscal year,*
6 *an amount that is recovered by canceling or reducing a*
7 *grant obligation of funds made available by section 48103*
8 *shall be treated as a negative obligation that is to be netted*
9 *against the obligation limitation as enacted and thus may*
10 *permit the obligation limitation to be exceeded by an equal*
11 *amount.*”.

12 **SEC. 514. MILITARY AIRPORT PROGRAM.**

13 Subsections (e) and (f) of section 47118 are each
14 amended by striking “\$7,000,000” and inserting
15 “\$10,000,000”.

16 **SEC. 515. TERMINAL DEVELOPMENT COSTS.**

17 Section 47119(a) is amended to read as follows:

18 “(a) *REPAYING BORROWED MONEY.*—

19 “(1) *TERMINAL DEVELOPMENT COSTS INCURRED*
20 *AFTER JUNE 30, 1970, AND BEFORE JULY 12, 1976.*—
21 *An amount apportioned under section 47114 and*
22 *made available to the sponsor of a commercial service*
23 *airport at which terminal development was carried*
24 *out after June 30, 1970, and before July 12, 1976, is*
25 *available to repay immediately money borrowed and*

1 *used to pay the costs for such terminal development*
2 *if those costs would be allowable project costs under*
3 *section 47110(d) if they had been incurred after Sep-*
4 *tember 3, 1982.*

5 “(2) *TERMINAL DEVELOPMENT COSTS INCURRED*
6 *BETWEEN JANUARY 1, 1992, AND OCTOBER 31,*
7 *1992.—An amount apportioned under section 47114*
8 *and made available to the sponsor of a nonhub air-*
9 *port at which terminal development was carried out*
10 *between January 1, 1992, and October 31, 1992, is*
11 *available to repay immediately money borrowed and*
12 *to pay the costs for such terminal development if those*
13 *costs would be allowable project costs under section*
14 *47110(d).*

15 “(3) *TERMINAL DEVELOPMENT COSTS AT PRI-*
16 *MARY AIRPORTS.—An amount apportioned under sec-*
17 *tion 47114 or available under subsection (b)(3) to a*
18 *primary airport—*

19 “(A) *that was a nonhub airport in the most*
20 *recent year used to calculate apportionments*
21 *under section 47114;*

22 “(B) *that is a designated airport under sec-*
23 *tion 47118 in fiscal year 2003; and*

1 “(C) at which terminal development is car-
2 ried out between January 2003 and August
3 2004,
4 is available to repay immediately money borrowed
5 and used to pay the costs for such terminal develop-
6 ment if those costs would be allowable project costs
7 under section 47110(d).

8 “(4) CONDITIONS FOR GRANT.—An amount is
9 available for a grant under this subsection only if—
10 “(A) the sponsor submits the certification
11 required under section 47110(d);

12 “(B) the Secretary of Transportation de-
13 cides that using the amount to repay the bor-
14 rowed money will not defer an airport develop-
15 ment project outside the terminal area at that
16 airport; and

17 “(C) amounts available for airport develop-
18 ment under this subchapter will not be used for
19 additional terminal development projects at the
20 airport for at least 3 years beginning on the date
21 the grant is used to repay the borrowed money.

22 “(5) APPLICABILITY OF CERTAIN LIMITATIONS.—
23 A grant under this subsection shall be subject to the
24 limitations in subsection (b)(1) and (2).”.

1 **SEC. 516. CONTRACT TOWERS.**

2 *Section 47124(b) is amended—*

3 *(1) in paragraph (1) by striking “on December*
4 *30, 1987,” and inserting “on date of enactment of the*
5 *Flight 100—Century of Aviation Reauthorization*
6 *Act”;*

7 *(2) in the heading for paragraph (3) by striking*
8 *“PILOT”;*

9 *(3) in paragraph (4)(C) by striking*
10 *“\$1,100,000” and inserting “\$1,500,000”; and*

11 *(4) by striking “pilot” each place it appears.*

12 **SEC. 517. AIRPORT SAFETY DATA COLLECTION.**

13 *Section 47130 is amended to read as follows:*

14 **“§ 47130. Airport safety data collection**

15 *“Notwithstanding any other provision of law, the Ad-*
16 *ministrator of the Federal Aviation Administration may*
17 *award a contract, using sole source or limited source au-*
18 *thority, or enter into a cooperative agreement with, or pro-*
19 *vide a grant from amounts made available under section*
20 *48103 to, a private company or entity for the collection of*
21 *airport safety data. In the event that a grant is provided*
22 *under this section, the United States Government’s share*
23 *of the cost of the data collection shall be 100 percent.”.*

24 **SEC. 518. AIRPORT PRIVATIZATION PILOT PROGRAM.**

25 *(a) IN GENERAL.—Section 47134(b)(1) is amended—*

1 (1) *in subparagraph (A) by striking clauses (i)*
2 *and (ii) and inserting the following:*

3 “(i) *in the case of a primary airport,*
4 *by at least 65 percent of the scheduled air*
5 *carriers serving the airport and by sched-*
6 *uled and nonscheduled air carriers whose*
7 *aircraft landing at the airport during the*
8 *preceding calendar year, had a total landed*
9 *weight during the preceding calendar year*
10 *of at least 65 percent of the total landed*
11 *weight of all aircraft landing at the airport*
12 *during such year; or*

13 “(ii) *by the Secretary at any nonpri-*
14 *mary airport after the airport has consulted*
15 *with at least 65 percent of the owners of*
16 *aircraft based at that airport, as deter-*
17 *mined by the Secretary.”;*

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

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

22 “(B) *OBJECTION TO EXEMPTION.—An air*
23 *carrier shall be deemed to have approved a spon-*
24 *sor’s application for an exemption under sub-*
25 *paragraph (A) unless the air carrier has sub-*

1 mitted an objection, in writing, to the sponsor
2 within 60 days of the filing of the sponsor's ap-
3 plication with the Secretary, or within 60 days
4 of the service of the application upon that air
5 carrier, whichever is later.”.

6 (b) *FEDERAL SHARE*.—Section 47109(a) is amend-
7 *ed*—

8 (1) by inserting “and” at the end of paragraph
9 (3);

10 (2) by striking paragraph (4); and

11 (3) by redesignating paragraph (5) as para-
12 *graph* (4).

13 **SEC. 519. INNOVATIVE FINANCING TECHNIQUES.**

14 (a) *ELIGIBLE PROJECTS*.—Section 47135(a) is
15 *amended*—

16 (1) in the first sentence by inserting after “ap-
17 *prove*” the following: “after the date of enactment of
18 *the Flight 100—Century of Aviation Reauthorization*
19 *Act*”;

20 (2) in the first sentence by striking “20” and in-
21 *serting* “10”; and

22 (3) by striking the second sentence and inserting
23 *the following*: “Such projects shall be located at air-
24 *ports that are not medium or large hub airports.*”.

1 (b) *INNOVATIVE FINANCING TECHNIQUES.*—Section
2 47135(c)(2) is amended—

3 (1) by striking subparagraphs (A) and (B); and

4 (2) by redesignating subparagraphs (C) and (D)
5 as subparagraphs (A) and (B), respectively.

6 (c) *SAVINGS CLAUSE.*—The amendments made by this
7 section shall not affect applications approved under section
8 47135 of title 49, United States Code, before the date of
9 enactment of this Act.

10 **SEC. 520. AIRPORT SECURITY PROGRAM.**

11 Section 47137 is amended—

12 (1) by redesignating subsections (e) and (f) as
13 subsections (f) and (g), respectively; and

14 (2) by inserting after subsection (d) the fol-
15 lowing:

16 “(e) *ADMINISTRATION.*—The Secretary, in cooperation
17 with the Secretary of Homeland Security, shall administer
18 the program authorized by this section.”.

19 **SEC. 521. LOW-EMISSION AIRPORT VEHICLES AND INFRA-**
20 **STRUCTURE.**

21 (a) *EMISSIONS CREDITS.*—Subchapter I of chapter
22 471 is amended by adding at the end the following:

23 **“§ 47138. Emission credits for air quality projects**

24 “(a) *IN GENERAL.*—The Secretary of Transportation
25 and the Administrator of the Environmental Protection

1 *Agency shall jointly agree on how to assure that airport*
2 *sponsors receive appropriate emission credits for carrying*
3 *out projects described in sections 40117(a)(3)(G),*
4 *47102(3)(K), and 47102(3)(L). Such agreement must in-*
5 *clude, at a minimum, the following conditions:*

6 “(1) *The provision of credits is consistent with*
7 *the Clean Air Act (42 U.S.C. 7402 et seq.).*

8 “(2) *Credits generated by the emissions reduc-*
9 *tions are kept by the airport sponsor and may only*
10 *be used for purposes of any current or future general*
11 *conformity determination under the Clean Air Act or*
12 *as offsets under the Environmental Protection Agen-*
13 *cy’s new source review program for projects on the*
14 *airport or associated with the airport.*

15 “(3) *Credits are calculated and provided to air-*
16 *ports on a consistent basis nationwide.*

17 “(4) *Credits are provided to airport sponsors in*
18 *a timely manner.*

19 “(5) *The establishment of a method to assure the*
20 *Secretary that, for any specific airport project for*
21 *which funding is being requested, the appropriate*
22 *credits will be granted.*

23 “(b) *ASSURANCE OF RECEIPT OF CREDITS.—*

24 “(1) *IN GENERAL.—As a condition for making a*
25 *grant for a project described in section 47102(3)(K),*

1 47102(3)(L), or 47139 or as a condition for granting
2 approval to collect or use a passenger facility fee for
3 a project described in section 40117(a)(3)(G),
4 47102(3)(K), 47102(3)(L), or 47139, the Secretary
5 must receive assurance from the State in which the
6 project is located, or from the Administrator of the
7 Environmental Protection Agency where there is a
8 Federal implementation plan, that the airport spon-
9 sor will receive appropriate emission credits in ac-
10 cordance with the conditions of this section.

11 “(2) *AGREEMENT ON PREVIOUSLY APPROVED*
12 *PROJECTS.*—The Secretary and the Administrator of
13 the Environmental Protection Agency shall jointly
14 agree on how to provide emission credits to airport
15 projects previously approved under section 47136
16 under terms consistent with the conditions enumer-
17 ated in this section.”.

18 (b) *AIRPORT GROUND SUPPORT EQUIPMENT EMIS-*
19 *SIONS RETROFIT PILOT PROGRAM.*—Subchapter I of chap-
20 ter 471 is further amended by adding at the end the fol-
21 lowing:

22 “**§47139. Airport ground support equipment emissions**
23 **retrofit pilot program**

24 “(a) *IN GENERAL.*—The Secretary of Transportation
25 shall carry out a pilot program at not more than 10 com-

1 *mercial service airports under which the sponsors of such*
2 *airports may use an amount made available under section*
3 *48103 to retrofit existing eligible airport ground support*
4 *equipment that burns conventional fuels to achieve lower*
5 *emissions utilizing emission control technologies certified or*
6 *verified by the Environmental Protection Agency.*

7 “(b) *LOCATION IN AIR QUALITY NONATTAINMENT OR*
8 *MAINTENANCE AREAS.*—*A commercial service airport shall*
9 *be eligible for participation in the pilot program only if*
10 *the airport is located in an air quality nonattainment area*
11 *(as defined in section 171(2) of the Clean Air Act (42*
12 *U.S.C. 7501(2)) or a maintenance area referred to in sec-*
13 *tion 175A of such Act (42 U.S.C. 7505a).*

14 “(c) *SELECTION CRITERIA.*—*In selecting from among*
15 *applicants for participation in the pilot program, the Sec-*
16 *retary shall give priority consideration to applicants that*
17 *will achieve the greatest air quality benefits measured by*
18 *the amount of emissions reduced per dollar of funds ex-*
19 *pended under the pilot program.*

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

23 “(e) *GUIDELINES.*—*The Secretary, in consultation*
24 *with the Administrator of the Environmental Protection*
25 *Agency, shall establish guidelines regarding the types of ret-*

1 rofit projects eligible under the pilot program by consid-
2 ering remaining equipment useful life, amounts of emission
3 reduction in relation to the cost of projects, and other fac-
4 tors necessary to carry out this section. The Secretary may
5 give priority to ground support equipment owned by the
6 airport and used for airport purposes.

7 “(f) *ELIGIBLE EQUIPMENT DEFINED.*—In this section,
8 the term ‘eligible equipment’ means ground service or main-
9 tenance equipment that is located at the airport, is used
10 to support aeronautical and related activities at the air-
11 port, and will remain in operation at the airport for the
12 life or useful life of the equipment, whichever is earlier.”.

13 “(c) *ADDITION TO AIRPORT DEVELOPMENT.*—Section
14 47102(3) is further amended by striking subparagraphs (K)
15 and (L) and inserting the following:

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

1 *priate emission credits, as described in section*
2 *47138.*

3 *“(L) converting vehicles and ground sup-*
4 *port equipment owned by a commercial service*
5 *airport to low-emission technology or acquiring*
6 *for use at a commercial service airport vehicles*
7 *and ground support equipment that include low-*
8 *emission technology if the airport is located in*
9 *an air quality nonattainment area (as defined*
10 *in section 171(2) of the Clean Air Act (42 U.S.C.*
11 *7501(2)) or a maintenance area referred to in*
12 *section 175A of such Act (42 U.S.C. 7505a) and*
13 *if such project will result in an airport receiving*
14 *appropriate emission credits as described in sec-*
15 *tion 47138.”.*

16 *(d) ALLOWABLE PROJECT COST.—Section 47110(b) is*
17 *further amended—*

18 *(1) by striking “and” at the end of paragraph*
19 *(4);*

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

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

23 *“(6) in the case of a project for acquiring for use*
24 *at a commercial service airport vehicles and ground*
25 *support equipment owned by an airport that is not*

1 *described in section 47102(3) and that include low-*
2 *emission technology, if the total costs allowed for the*
3 *project are not more than the incremental cost of*
4 *equipping such vehicles or equipment with low-emis-*
5 *sion technology, as determined by the Secretary.”.*

6 *(e) LOW-EMISSION TECHNOLOGY EQUIPMENT.—Sec-*
7 *tion 47102 (as amended by section 501 of this Act) is fur-*
8 *ther amended by inserting after paragraph (10) the fol-*
9 *lowing:*

10 *“(11) ‘low-emission technology’ means technology*
11 *for vehicles and equipment whose emission perform-*
12 *ance is the best achievable under emission standards*
13 *established by the Environmental Protection Agency*
14 *and that relies exclusively on alternative fuels that*
15 *are substantially non-petroleum based, as defined by*
16 *the Department of Energy, but not excluding hybrid*
17 *systems or natural gas powered vehicles.”.*

18 *(f) CONFORMING AMENDMENTS.—The analysis of sub-*
19 *chapter I of chapter 471 is amended by adding at the end*
20 *the following:*

“47138. Emission credits for air quality projects.

“47139. Airport ground support equipment emissions retrofit pilot program.”.

1 **SEC. 522. COMPATIBLE LAND USE PLANNING AND**
2 **PROJECTS BY STATE AND LOCAL GOVERN-**
3 **MENTS.**

4 (a) *IN GENERAL.*—Subchapter I of chapter 471 is fur-
5 ther amended by adding at the end the following:

6 **“§47140. Compatible land use planning and projects**
7 **by State and local governments**

8 “(a) *IN GENERAL.*—The Secretary of Transportation
9 may make grants from amounts set aside under section
10 47117(e)(1)(A) to States and units of local government for
11 land use compatibility plans or projects resulting from
12 those plans for the purposes of making the use of land areas
13 around large hub airports and medium hub airports com-
14 patible with aircraft operations if—

15 “(1) the airport operator has not submitted a
16 noise compatibility program to the Secretary under
17 section 47504 or has not updated such program with-
18 in the past 10 years; and

19 “(2) the land use plan meets the requirements of
20 this section and any project resulting from the plan
21 meets such requirements.

22 “(b) *ELIGIBILITY.*—In order to receive a grant under
23 this section, a State or unit of local government must—

24 “(1) have the authority to plan and adopt land
25 use control measures, including zoning, in the plan-

1 *ning area in and around a large or medium hub air-*
2 *port;*

3 *“(2) provide written assurance to the Secretary*
4 *that it will work with the affected airport to identify*
5 *and adopt such measures; and*

6 *“(3) provide written assurance to the Secretary*
7 *that it will achieve, to the maximum extent possible,*
8 *compatible land uses consistent with Federal land use*
9 *compatibility criteria under section 47502(3) and*
10 *that those compatible land uses will be maintained.*

11 *“(c) ASSURANCES.—The Secretary shall require a*
12 *State or unit of local government to which a grant may*
13 *be awarded under this section for a land use plan or a*
14 *project resulting from such a plan to provide—*

15 *“(1) assurances satisfactory to the Secretary that*
16 *the plan—*

17 *“(A) is reasonably consistent with the goal*
18 *of reducing existing noncompatible land uses and*
19 *preventing the introduction of additional non-*
20 *compatible land uses;*

21 *“(B) addresses ways to achieve and main-*
22 *tain compatible land uses, including zoning,*
23 *building codes, and any other projects under sec-*
24 *tion 47504(a)(2) that are within the authority of*

1 *the State or unit of local government to imple-*
2 *ment;*

3 “(C) *uses noise contours provided by the*
4 *airport operator that are consistent with the air-*
5 *port operation and planning, including any*
6 *noise abatement measures adopted by the airport*
7 *operator as part of its own noise mitigation ef-*
8 *forts;*

9 “(D) *does not duplicate, and is not incon-*
10 *sistent with, the airport operator’s noise compat-*
11 *ibility measures for the same area; and*

12 “(E) *has received concurrence by the airport*
13 *operator prior to adoption by the State or unit*
14 *of local government; and*

15 “(2) *such other assurances as the Secretary de-*
16 *termines to be necessary to carry out this section.*

17 “(d) *GUIDELINES.—The Secretary shall establish*
18 *guidelines to administer this section in accordance with the*
19 *purposes and conditions described in this section. The Sec-*
20 *retary may require the State or unit of local government*
21 *to which a grant may be awarded under this section to pro-*
22 *vide progress reports and other information as the Sec-*
23 *retary determines to be necessary to carry out this section.*

24 “(e) *ELIGIBLE PROJECTS.—The Secretary may ap-*
25 *prove a grant under this section to a State or unit of local*

1 government for a land use compatibility project only if the
 2 Secretary is satisfied that the project is consistent with the
 3 guidelines established by the Secretary under this section,
 4 that the State or unit of local government has provided the
 5 assurances required by this section, that the Secretary has
 6 received evidence that the State or unit of local government
 7 has implemented (or has made provision to implement)
 8 those elements of the plan that are not eligible for Federal
 9 financial assistance, and that the project is not inconsistent
 10 with Federal standards.

11 “(f) *SUNSET.*—This section shall not be in effect after
 12 September 30, 2007.”.

13 (b) *CONFORMING AMENDMENT.*—The analysis of sub-
 14 chapter I of chapter 471 is further amended by adding at
 15 the end the following:

“47140. *Compatible land use planning and projects by State and local govern-
 ments.*”.

16 **SEC. 523. PROHIBITION ON REQUIRING AIRPORTS TO PRO-**
 17 **VIDE RENT-FREE SPACE FOR FEDERAL AVIA-**
 18 **TION ADMINISTRATION.**

19 (a) *IN GENERAL.*—Subchapter I of chapter 471 is fur-
 20 ther amended by adding at the end the following:

21 **“§47141. Prohibition on rent-free space requirements**
 22 **for Federal Aviation Administration**

23 “(a) *IN GENERAL.*—The Secretary of Transportation
 24 may not require an airport sponsor to provide to the Fed-

1 *eral Aviation Administration, without compensation, space*
2 *in a building owned by the sponsor and costs associated*
3 *with such space for building construction, maintenance,*
4 *utilities, and other expenses.*

5 “(b) *NEGOTIATED AGREEMENTS.*—*Subsection (a) does*
6 *not prohibit—*

7 “(1) *the negotiation of agreements between the*
8 *Secretary and an airport sponsor to provide building*
9 *construction, maintenance, utilities and expenses, or*
10 *space in airport sponsor-owned buildings to the Fed-*
11 *eral Aviation Administration without cost or at*
12 *below-market rates; or*

13 “(2) *the Secretary of Transportation from re-*
14 *quiring airport sponsors to provide land without cost*
15 *to the Federal Aviation Administration for air traffic*
16 *control facilities.”.*

17 (b) *CONFORMING AMENDMENT.*—*The analysis for sub-*
18 *chapter I of chapter 471 is further amended by adding at*
19 *the end the following:*

“47141. Prohibition on rent-free space requirements for Federal Aviation Admin-
istration.”.

20 **SEC. 524. MIDWAY ISLAND AIRPORT.**

21 (a) *FINDINGS.*—*Congress finds that the continued op-*
22 *eration of the Midway Island Airport in accordance with*
23 *the standards of the Federal Aviation Administration ap-*
24 *plicable to commercial airports is critical to the safety of*

1 *commercial, military, and general aviation in the mid-Pa-*
2 *cific Ocean region.*

3 (b) *MEMORANDUM OF UNDERSTANDING ON SALE OF*
4 *AIRCRAFT FUEL.—The Secretary of Transportation shall*
5 *enter into a memorandum of understanding with the Secre-*
6 *taries of Defense, Interior, and Homeland Security to facili-*
7 *tate the sale of aircraft fuel on Midway Island at a price*
8 *that will generate sufficient revenue to improve the ability*
9 *of the airport to operate on a self-sustaining basis in ac-*
10 *cordance with the standards of the Federal Aviation Ad-*
11 *ministration applicable to commercial airports. The memo-*
12 *randum shall also address the long-range potential of pro-*
13 *moting tourism as a means to generate revenue to operate*
14 *the airport.*

15 (c) *TRANSFER OF NAVIGATION AIDS AT MIDWAY IS-*
16 *LAND AIRPORT.—The Midway Island Airport may transfer,*
17 *without consideration, to the Administrator the navigation*
18 *aids at the airport. The Administrator shall accept the*
19 *navigation aids and operate and maintain the navigation*
20 *aids under criteria of the Administrator.*

21 (d) *FUNDING TO THE SECRETARY OF INTERIOR FOR*
22 *MIDWAY ISLAND AIRPORT.—*

23 (1) *IN GENERAL.—Chapter 481 is amended by*
24 *adding at the end the following:*

1 **“§48114. Funding to the Secretary of Interior for Mid-**
2 **way Island Airport**

3 *“The following amounts shall be available (and shall*
4 *remain available until expended) to the Secretary of Inte-*
5 *rior, out of the Airport and Airway Trust Fund established*
6 *under section 9502 of the Internal Revenue Code of 1986*
7 *(26 U.S.C. 9502), for airport capital projects at the Midway*
8 *Island Airport:*

9 *“(1) \$750,000 for fiscal year 2004.*

10 *“(2) \$2,500,000 for fiscal year 2005.*

11 *“(3) \$1,000,000 for fiscal year 2006.*

12 *“(4) \$1,000,000 for fiscal year 2007.”.*

13 *(2) CONFORMING AMENDMENT.—The analysis for*
14 *chapter 481 is amended by adding at the end the fol-*
15 *lowing:*

“48114. Funding to the Secretary of Interior for Midway Island Airport.”.

Union Calendar No. 72

108TH CONGRESS
1ST SESSION

H. R. 2115

[Report No. 108-143]

A BILL

To amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, and for other purposes.

JUNE 6, 2003

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed