

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2641

To amend the Federal Aviation Act of 1958 to prohibit the issuance of a certificate of public convenience and necessity to an applicant which is controlled by a person who has controlled 1 or more air carriers which have filed, in the aggregate, 2 or more petitions for bankruptcy.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1993

Mr. RAHALL introduced the following bill; which was referred to the  
Committee on Public Works and Transportation

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## A BILL

To amend the Federal Aviation Act of 1958 to prohibit the issuance of a certificate of public convenience and necessity to an applicant which is controlled by a person who has controlled 1 or more air carriers which have filed, in the aggregate, 2 or more petitions for bankruptcy.

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. LIMITATION ON ISSUANCE OF CERTIFICATES**  
2 **OF PUBLIC CONVENIENCE AND NECESSITY.**

3 Section 401 of the Federal Aviation Act of 1958 (49  
4 U.S.C. App. 1371) is amended by adding at the end the  
5 following new subsection:

6 “(s) LIMITATION ON ISSUANCE OF CERTIFICATES.—

7 “(1) GENERAL RULE.—No certificate shall be  
8 issued to an applicant under this section if such ap-  
9 plicant is controlled by a person who controls or had  
10 controlled, in any manner whatsoever, 1 or more air  
11 carriers which filed, while under such control, in the  
12 aggregate, 2 or more petitions under the bankruptcy  
13 laws contained in title 11 of the United States Code.

14 “(2) INVALIDATION OF CERTAIN CERTIFI-  
15 CATES.—If a certificate was issued to an applicant  
16 under this section after January 1, 1993, and before  
17 the date of the enactment of this subsection, and  
18 such certificate could not have been issued to the ap-  
19 plicant under the rule contained in paragraph (1),  
20 such certificate shall no longer be valid after such  
21 date of enactment.

22 “(3) PRESUMPTION.—For the purposes of this  
23 subsection, any person owning 5 percent or more of  
24 the voting securities of an air carrier shall be pre-  
25 sumed to be in control of the air carrier unless the  
26 Secretary finds otherwise.”.

1 **SEC. 2. CONFORMING AMENDMENT.**

2 The table of contents contained in the first section  
3 of the Federal Aviation Act of 1958 is amended by adding  
4 at the end of the matter relating to section 401 the follow-  
5 ing new item:

“(s) Limitation on issuance of certificates.”.

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