

105TH CONGRESS
1ST SESSION

S. 1193

AN ACT

To amend chapter 443 of title 49, United States Code, to extend the authorization of the aviation insurance program, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Aviation Insurance Re-
5 authorization Act of 1997”.

1 **SEC. 2. VALUATION OF AIRCRAFT.**

2 (a) GENERAL AUTHORITY FOR INSURANCE AND RE-
3 INSURANCE.—Section 44302(a)(2) of title 49, United
4 States Code, is amended by striking “as determined by
5 the Secretary.” and inserting “as determined by the Sec-
6 retary in accordance with reasonable business practices in
7 the commercial aviation insurance industry.”.

8 (b) LIMITATION ON MAXIMUM INSURED AMOUNT.—
9 Section 44306(c) of title 49, United States Code, is
10 amended by striking “as determined by the Secretary.”
11 and inserting “as determined by the Secretary in accord-
12 ance with reasonable business practices in the commercial
13 aviation insurance industry.”.

14 **SEC. 3. EFFECT OF INDEMNITY AGREEMENTS.**

15 Section 44305(b) of title 49, United States Code, is
16 amended by adding at the end the following: “If such an
17 agreement is countersigned by the President or the Presi-
18 dent’s designee, the agreement shall constitute, for pur-
19 poses of section 44302(b), a determination that continu-
20 ation of the aircraft operations to which the agreement
21 applies is necessary to carry out the foreign policy of the
22 United States.”.

23 **SEC. 4. ARBITRATION AUTHORITY.**

24 (a) AUTHORIZATION OF BINDING ARBITRATION.—
25 Section 44308(b)(1) of title 49, United States Code, is
26 amended by inserting after the second sentence the follow-

1 ing: “Any such policy may authorize the binding arbitra-
2 tion of claims made thereunder in such manner as may
3 be agreed to by the Secretary and any commercial insurer
4 that may be responsible for any part of a loss to which
5 such policy relates.”.

6 (b) **AUTHORITY TO PAY ARBITRATION AWARD.**—Sec-
7 tion 44308(b)(2) of such title is amended—

8 (1) by striking “and” at the end of subpara-
9 graph (A);

10 (2) by redesignating subparagraph (B) as sub-
11 paragraph (C); and

12 (3) by inserting after subparagraph (A) the fol-
13 lowing:

14 “(B) pay the amount of a binding arbitra-
15 tion award made under paragraph (1); and”.

16 **SEC. 5. EXTENSION OF PROGRAM.**

17 (a) **IN GENERAL.**—Section 44310 of title 49, United
18 States Code, is amended by striking “September 30,
19 2002” and inserting “December 31, 1998”.

20 (b) **EFFECTIVE DATE.**—The amendment made by
21 subsection (a) takes effect on October 1, 1997.

22 **SEC. 6. USE OF AIRCRAFT FOR DEMONSTRATION.**

23 Section 40102(a)(37)(A) of title 49, United States
24 Code, is amended—

25 (1) by striking “or” in clause (i);

1 (2) by redesignating clause (ii) as clause (iii);

2 and

3 (3) by inserting after clause (i) the following:

4 “(ii) owned by the United States Gov-
5 ernment and operated by any person for
6 purposes related to crew training, equip-
7 ment development, or demonstration; or”.

Passed the Senate November 8, 1997.

Attest:

Secretary.

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