

Calendar No. 515

105TH CONGRESS
2^D SESSION

S. 2279

[Report No. 105-278]

A BILL

To amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

JULY 30, 1998

Reported with an amendment

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IN THE SENATE OF THE UNITED STATES

JULY 9, 1998

Mr. McCAIN (for himself and Mr. GORTON) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

JULY 30, 1998

Reported by Mr. McCAIN, with an amendment

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

A BILL

To amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, 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 **SEC. 1. SHORT TITLE; TABLE OF SECTIONS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “National Air Transportation System Improvement Act of
 4 1998”.

5 (b) **TABLE OF SECTIONS.**—The table of sections for
 6 this Act is as follows:

Sec. 1. Short title; table of sections.

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

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. Reprogramming notification requirement.

Title II—Airport Improvement Program Amendments

Sec. 201. Removal of the cap on discretionary fund.

Sec. 202. Innovative use of airport grant funds.

Sec. 203. Matching share.

Sec. 204. Increase in apportionment for noise compatibility planning and pro-
 grams.

Sec. 205. Technical amendments.

Sec. 206. Repeal of period of applicability.

Sec. 207. Report on efforts to implement capacity enhancements.

Sec. 208. Prioritization of discretionary projects.

Sec. 209. Public notice before grant assurance requirement waived.

Sec. 210. Definition of public aircraft.

Sec. 211. Terminal development costs.

Title III—Amendments to Aviation Law

Sec. 301. Severable services contracts for periods crossing fiscal years.

Sec. 302. Foreign carriers eligible for waiver under airport noise and capacity
 act.

Sec. 303. Government and industry consortia.

Sec. 304. Implementation of Article 83 Bis of the Chicago Convention.

Sec. 305. Foreign aviation services authority.

Sec. 306. Flexibility to perform criminal history record checks; technical amend-
 ments to Pilot Records Improvement Act.

Sec. 307. Aviation insurance program amendments.

Sec. 308. Technical corrections to civil penalty provisions.

Title IV—Title 49 Technical Corrections

Sec. 401. Restatement of 49 U.S.C. 106(g).

Sec. 402. Restatement of 49 U.S.C. 44909.

Sec. 403. Typographical errors.

Title V—Miscellaneous

Sec. 501. Oversight of FAA response to year 2000 problem as it affects the
 aviation industry.

Sec. 502. Cargo collision avoidance systems deadline.

Sec. 503. Runway safety areas.

Sec. 504. Airplane emergency locators.

Sec. 505: Counterfeit aircraft parts.
 Sec. 506: FAA may fine unruly passengers.
 Sec. 507: Higher international standards for handicapped access.
 Sec. 508: Conveyances of United States Government land.
 Sec. 509: Flight operations quality assurance rules.
 Sec. 510: Wide area augmentation system.
 Sec. 511: Regulation of Alaska air guides.
 Sec. 512: Application of FAA regulations.
 Sec. 513: Advanced qualification program.
 Sec. 514: Independent validation of FAA costs and allocations.
 Sec. 515: Whistleblower protection for FAA employees.
 Sec. 516: Report on modernization of oceanic ATC system.
 Sec. 517: Report on air transportation oversight system.

Title VI—Aviation Competition Promotion

Sec. 601: Purpose.
 Sec. 602: Establishment of small community aviation development program.
 Sec. 603: Community-carrier air service program.
 Sec. 604: Funding authority.
 Sec. 605: Marketing practices.
 Sec. 606: Slot exemptions for nonstop regional jet service.
 Sec. 607: Secretary shall grant exemptions to perimeter rule.
 Sec. 608: Additional slots at Chicago's O'hare Airport.
 Sec. 609: Consumer notification of e-ticket expiration dates.

Title VII—Park Overflights

Sec. 701: Findings.
 Sec. 702: Air tour management plans for national parks.
 Sec. 703: Advisory group.
 Sec. 704: Exemption.
 Sec. 705: Overflight fee report.

Title VIII—Aviation Trust Fund Amendments

Sec. 801: Amendments to the Airport and Airway Trust Fund.

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
 4 of an amendment to, or a repeal of, a section or other
 5 provision, the reference shall be considered to be made to
 6 a section or other provision of title 49, United States
 7 Code.

8 **TITLE I—AUTHORIZATIONS**

9 **SEC. 101. FEDERAL AVIATION ADMINISTRATION OPER-**
 10 **ATIONS.**

11 Section 106(k) is amended to read as follows:

1 “(k) AUTHORIZATION OF APPROPRIATIONS FOR OP-
2 ERATIONS.—

3 “(1) IN GENERAL.—There are authorized to be
4 appropriated to the Secretary of Transportation for
5 operations of the Administration \$5,631,000,000 for
6 fiscal year 1999, \$5,784,000,000 for fiscal year
7 2000, \$5,946,000,000 for fiscal year 2001, and
8 \$6,112,000,000 for fiscal year 2002. Of the amounts
9 authorized to be appropriated for fiscal year 1999,
10 not more than \$9,100,000 shall be used to support
11 air safety efforts through payment of United States
12 membership obligations, to be paid as soon as prac-
13 ticable.

14 “(2) AUTHORIZED EXPENDITURES.—Of the
15 amounts appropriated under paragraph (1)
16 \$450,000 may be used for wildlife hazard mitigation
17 measures and management of the wildlife strike
18 database of the Federal Aviation Administration.

19 “(3) UNIVERSITY CONSORTIUM.—There are au-
20 thorized to be appropriated not more than
21 \$9,100,000 for the 3 fiscal year period beginning
22 with fiscal year 1999 to support a university consor-
23 tium established to provide an air safety and secu-
24 rity management certificate program, working coop-
25 eratively with the Federal Aviation Administration

1 and United States air carriers. Funds authorized
2 under this paragraph—

3 “(A) may not be used for the construction
4 of a building or other facility; and

5 “(B) shall be awarded on the basis of open
6 competition.”.

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

8 (a) IN GENERAL.—Section 48101(a) is amended by
9 striking paragraphs (1) and (2) and inserting the follow-
10 ing:

11 “(1) for fiscal year 1999—

12 “(A) \$222,800,000 for engineering, devel-
13 opment, test, and evaluation: en route pro-
14 grams;

15 “(B) \$74,700,000 for engineering, develop-
16 ment, test, and evaluation: terminal programs;

17 “(C) \$108,000,000 for engineering, devel-
18 opment, test, and evaluation: landing and navi-
19 gational aids;

20 “(D) \$17,790,000 for engineering, develop-
21 ment, test, and evaluation: research, test, and
22 evaluation equipment and facilities programs;

23 “(E) \$391,358,300 for air traffic control
24 facilities and equipment: en route programs;

1 “(F) \$492,315,500 for air traffic control
2 facilities and equipment: terminal programs;

3 “(G) \$38,764,400 for air traffic control fa-
4 cilities and equipment: flight services programs;

5 “(H) \$50,500,000 for air traffic control fa-
6 cilities and equipment: other ATC facilities pro-
7 grams;

8 “(I) \$162,400,000 for non-ATC facilities
9 and equipment programs;

10 “(J) \$14,500,000 for training and equip-
11 ment facilities programs;

12 “(K) \$280,800,000 for mission support
13 programs;

14 “(L) \$235,210,000 for personnel and re-
15 lated expenses;

16 “(2) \$2,189,000,000 for fiscal year 2000;

17 “(3) \$2,250,000,000 for fiscal year 2001; and

18 “(4) \$2,313,000,000 for fiscal year 2002.”.

19 (b) CONTINUATION OF ILS INVENTORY PROGRAM.—

20 Section 44502(a)(4)(B) is amended—

21 (1) by striking “fiscal years 1995 and 1996”
22 and inserting “fiscal year 1999”; and

23 (2) by inserting “under new or existing con-
24 tracts” after “including acquisition”.

1 (e) LIFE-CYCLE COST ESTIMATES.—The Adminis-
 2 trator of the Federal Aviation Administration shall estab-
 3 lish life-cycle cost estimates for any air traffic control
 4 modernization project the total life-cycle costs of which
 5 equal or exceed \$50,000,000.

6 **SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND**
 7 **NOISE COMPATIBILITY PLANNING AND PRO-**
 8 **GRAMS.**

9 (a) EXTENSION AND AUTHORIZATION.—Section
 10 48103 is amended by—

11 (1) striking “September 30, 1996,” and insert-
 12 ing “September 30, 1998,”;

13 (2) striking “and \$4,627,000,000” and insert-
 14 ing “\$3,415,000,000”; and

15 (3) striking “October 1, 1998.” and inserting
 16 “October 1, 1998, \$5,825,000,000 for fiscal years
 17 ending before October 1, 1999, \$8,300,000,000 for
 18 fiscal years ending before October 1, 2000,
 19 \$10,842,000,000 for fiscal years ending before Octo-
 20 ber 1, 2001, and \$13,453,000,000 for fiscal years
 21 ending before October 1, 2002.”.

22 (b) PROJECT GRANT AUTHORITY.—Section 47104(c)
 23 is amended by striking “1998,” and inserting “2002,”.

1 **SEC. 104. REPROGRAMMING NOTIFICATION REQUIREMENT.**

2 Before reprogramming any amounts appropriated
 3 under section 106(k), 48101(a), or 48103 of title 49,
 4 United States Code, the Secretary of Transportation shall
 5 submit a written explanation of the proposed reprogram-
 6 ming to the Committee on Commerce, Science, and Trans-
 7 portation of the Senate and the Committee on Transpor-
 8 tation and Infrastructure of the House of Representatives.

9 **TITLE II—AIRPORT IMPROVE-**
 10 **MENT PROGRAM AMEND-**
 11 **MENTS**

12 **SEC. 201. REMOVAL OF THE CAP ON DISCRETIONARY FUND.**

13 Section 47115(g) is amended by striking paragraph
 14 (4).

15 **SEC. 202. INNOVATIVE USE OF AIRPORT GRANT FUNDS.**

16 (a) ~~CODIFICATION AND IMPROVEMENT OF 1996 PRO-~~
 17 ~~GRAM.~~—Subchapter I of chapter 471 is amended by add-
 18 ing at the end thereof the following:

19 **“§ 47135. Innovative financing techniques**

20 **“(a) IN GENERAL.**—The Secretary of Transportation
 21 is authorized to carry out a demonstration program under
 22 which the Secretary may approve applications under this
 23 subchapter for not more than 20 projects for which grants
 24 received under the subchapter may be used to implement
 25 innovative financing techniques.

1 “(b) PURPOSE.—The purpose of the demonstration
2 program shall be to provide information on the use of in-
3 novative financing techniques for airport development
4 projects.

5 “(c) LIMITATION.—In no case shall the implementa-
6 tion of an innovative financing technique under the dem-
7 onstration program result in a direct or indirect guarantee
8 of any airport debt instrument by the United States Gov-
9 ernment.

10 “(d) INNOVATIVE FINANCING TECHNIQUE DE-
11 FINED.—In this section, the term ‘innovative financing
12 technique’ includes methods of financing projects that the
13 Secretary determines may be beneficial to airport develop-
14 ment, including—

15 “(1) payment of interest;

16 “(2) commercial bond insurance and other cred-
17 it enhancement associated with airport bonds for eli-
18 gible airport development; and

19 “(3) flexible non-Federal matching require-
20 ments.”.

21 (b) CONFORMING AMENDMENT.—The chapter analy-
22 sis for chapter 471 is amended by inserting after the item
23 relating to section 47134 the following:

“47135. Innovative financing techniques”.

1 **SEC. 203. MATCHING SHARE.**

2 Section 47109(a)(2) is amended by inserting “not
3 more than” before “90 percent”.

4 **SEC. 204. INCREASE IN APPORTIONMENT FOR NOISE COM-**
5 **PATIBILITY PLANNING AND PROGRAMS.**

6 Section 47117(c)(1)(A) is amended by striking “31”
7 each time it appears and substituting “35”.

8 **SEC. 205. TECHNICAL AMENDMENTS.**

9 (a) **USE OF APPORTIONMENTS FOR ALASKA, PUERTO**
10 **RICO, AND HAWAII.**—Section 47114(d)(3) is amended to
11 read as follows:

12 “(3) An amount apportioned under paragraph
13 (2) of this subsection for airports in Alaska, Hawaii,
14 or Puerto Rico may be made available by the Sec-
15 retary for any public airport in those respective ju-
16 risdictions.”.

17 (b) **SUPPLEMENTAL APPORTIONMENT FOR ALAS-**
18 **KA.**—Section 47114(e) is amended—

19 (1) by striking “ALTERNATIVE” in the sub-
20 section caption and inserting “SUPPLEMENTAL”;

21 (2) in paragraph (1) by—

22 (A) striking “Instead of apportioning
23 amounts for airports in Alaska under” and in-
24 serting “Notwithstanding”; and

25 (B) striking “those airports” and inserting
26 “airports in Alaska”; and

1 ~~(3)~~ striking paragraph ~~(3)~~ and inserting the fol-
 2 lowing:

3 ~~“(3) An amount apportioned under this sub-~~
 4 ~~section may be used for any public airport in Alas-~~
 5 ~~ka.”.~~

6 (c) REPEAL OF APPORTIONMENT LIMITATION ON
 7 COMMERCIAL SERVICE AIRPORTS IN ALASKA.—Section
 8 47117 is amended by striking subsection (f) and redesignig-
 9 nating subsections (g) and (h) as subsections (f) and (g),
 10 respectively.

11 (d) DISCRETIONARY FUND DEFINITION.—

12 (1) Section 47115 is amended—

13 (A) by striking “25” in subsection (a) and
 14 inserting “12.5”; and

15 (B) by striking the second sentence in sub-
 16 section (b).

17 (2) Section 47116 is amended—

18 (A) by striking “75” in subsection (a) and
 19 inserting “87.5”;

20 (B) by redesignating paragraphs (1) and
 21 (2) in subsection (b) as subparagraphs (A) and
 22 (B), respectively, and inserting before subpara-
 23 graph (A), as so redesignated, the following:

1 “(1) one-seventh for grants for projects at small
2 hub airports (as defined in section 41731 of this
3 title); and

4 “(2) the remaining amounts based on the fol-
5 lowing.”.

6 (c) CONTINUATION OF PROJECT FUNDING.—Section
7 47108 is amended by adding at the end thereof the follow-
8 ing:

9 “(e) CHANGE IN AIRPORT STATUS.—If the status of
10 a primary airport changes to a non-primary airport at a
11 time when a development project under a multiyear agree-
12 ment under subsection (a) is not yet completed, the project
13 shall remain eligible for funding from discretionary funds
14 under section 47115 of this title at the funding level and
15 under the terms provided by the agreement, subject to the
16 availability of funds.”.

17 (f) GRANT ELIGIBILITY FOR PRIVATE RELIEVER
18 AIRPORTS.—Section 47102(17)(B) is amended by—

19 (1) striking “or” at the end of clause (i) and
20 redesignating clause (ii) as clause (iii); and

21 (2) inserting after clause (i) the following:

22 “(ii) a privately-owned airport that, as a
23 reliever airport, received Federal aid for airport
24 development prior to October 9, 1996, but only
25 if the Administrator issues revised administra-

1 tive guidance after July 1, 1998, for the des-
2 ignation of reliever airports; or”.

3 (g) ~~RELIEVER AIRPORTS NOT ELIGIBLE FOR LET-~~
4 ~~TTERS OF INTENT.~~—Section 47110(c)(1) is amended by
5 striking “or reliever”.

6 (h) ~~PASSENGER FACILITY FEE WAIVER FOR CER-~~
7 ~~TAIN CLASS OF CARRIERS OR FOR SERVICE TO AIRPORTS~~
8 ~~IN ISOLATED COMMUNITIES.~~—Section 40117(i) is amend-
9 ed—

10 (1) by striking “and” at the end of paragraph
11 (1);

12 (2) by striking “transportation.” in paragraph
13 (2)(D) and inserting “transportation; and”; and

14 (3) by adding at the end thereof the following:

15 “(3) may permit a public agency to request that
16 collection of a passenger facility fee be waived for—

17 “(A) passengers enplaned by any class of
18 air carrier or foreign air carrier if the number
19 of passengers enplaned by the carriers in the
20 class constitutes not more than one percent of
21 the total number of passengers enplaned annu-
22 ally at the airport at which the fee is imposed;
23 or

24 “(B) passengers enplaned on a flight to an
25 airport—

1 “(i) that has fewer than 2,500 pas-
2 senger boardings each year and receives
3 scheduled passenger service; or

4 (ii) in a community which has a popu-
5 lation of less than 10,000 and is not con-
6 nected by a land highway or vehicular way
7 to the land-connected National Highway
8 System within a State.”.

9 (i) USE OF THE WORD “GIFT” AND PRIORITY FOR
10 AIRPORTS IN SURPLUS PROPERTY DISPOSAL.—

11 (1) Section 47151 is amended—

12 (A) by striking “give” in subsection (a)
13 and inserting “convey to”;

14 (B) by striking “gift” in subsection (a)(2)
15 and inserting “conveyance”;

16 (C) by striking “gift” in subsection (b) and
17 inserting “conveyance”; and

18 (D) by adding at the end thereof the fol-
19 lowing:

20 “(d) PRIORITY FOR PUBLIC AIRPORTS.—Except for
21 requests from another Federal agency, a department,
22 agency, or instrumentality of the Executive Branch of the
23 United States Government shall give priority to a request
24 by a public agency (as defined in section 47102 of this

1 title) for surplus property described in subsection (a) of
 2 this section for use at a public airport.”.

3 ~~(2)~~ Section 47152 is amended—

4 (A) by striking “**gifts**” in the section cap-
 5 tion and inserting “**conveyances**”; and

6 (B) by striking “gift” in the first sentence
 7 and inserting “conveyance”.

8 ~~(3)~~ The chapter analysis for subchapter 471 is
 9 amended by striking the item relating to section
 10 47152 and inserting the following:

“47152. Terms of conveyances”.

11 ~~(4)~~ Section 47153(a) is amended—

12 (A) by striking “gift” in paragraph (1)
 13 and inserting “conveyance”;

14 (B) by striking “given” in paragraph
 15 (1)(A) and inserting “conveyed”; and

16 (C) by striking “gift” in paragraph (1)(B)
 17 and inserting “conveyance”.

18 (j) FLEXIBILITY IN PAVEMENT DESIGN STAND-
 19 ARDS.—Section 47114(d) is amended by adding at the end
 20 thereof the following:

21 “(4) The Secretary may permit the use of State
 22 highway specifications for airfield pavement con-
 23 struction using funds made available under this sub-
 24 section at non-primary airports with runways of
 25 5,000 feet or shorter serving aircraft that do not ex-

1 exceed 60,000 pounds gross weight, if the Secretary
2 determines that—

3 “(A) safety will not be negatively affected;

4 and

5 “(B) the life of the pavement will not be
6 shorter than it would be if constructed using
7 Administration standards.

8 An airport may not seek funds under this sub-
9 chapter for runway rehabilitation or reconstruction
10 of any such airfield pavement constructed using
11 State highway specifications for a period of 10 years
12 after construction is completed.”.

13 **SEC. 206. REPEAL OF PERIOD OF APPLICABILITY.**

14 Section 125 of the Federal Aviation Reauthorization
15 Act of 1996 (49 U.S.C. 47114 note) is repealed.

16 **SEC. 207. REPORT ON EFFORTS TO IMPLEMENT CAPACITY
17 ENHANCEMENTS.**

18 Within 9 months after the date of enactment of this
19 Act, the Secretary of Transportation shall report to the
20 Committee on Commerce, Science, and Transportation of
21 the Senate and the Committee on Transportation and In-
22 frastructure of the House of Representatives on efforts by
23 the Federal Aviation Administration to implement capac-
24 ity enhancements and improvements, such as precision

1 runway monitoring systems and the time frame for imple-
 2 mentation of such enhancements and improvements.

3 **SEC. 208. PRIORITIZATION OF DISCRETIONARY PROJECTS.**

4 Section 47120 is amended by—

5 (1) inserting “(a) IN GENERAL.—” before
 6 “In”; and

7 (2) adding at the end thereof the following:

8 “(b) DISCRETIONARY FUNDING TO BE USED FOR
 9 HIGHER PRIORITY PROJECTS.—The Administrator of the
 10 Federal Aviation Administration shall discourage airport
 11 sponsors and airports from using discretionary funds for
 12 lower priority projects by giving lower priority to discre-
 13 tionary projects submitted by airport sponsors and air-
 14 ports that have used entitlement funds for projects that
 15 have a lower priority than the projects for which discre-
 16 tionary funds are being requested.”

17 **SEC. 209. PUBLIC NOTICE BEFORE GRANT ASSURANCE RE-**
 18 **QUIREMENT WAIVED.**

19 Notwithstanding any other provision of law to the
 20 contrary, the Secretary of Transportation may not waive
 21 any assurance required under section 47107 of title 49,
 22 United States Code, unless the Secretary provides notice
 23 to the public not less than 30 days before issuing any such
 24 waiver. Nothing in this section shall be construed to au-

1 thozize the Secretary to issue a waiver of any assurance
 2 required under that section.

3 **SEC. 210. DEFINITION OF PUBLIC AIRCRAFT.**

4 Section 40102(a)(37)(B)(ii) is amended—

5 (1) by striking “or” at the end of subelause (I);

6 (2) by striking the “States.” in subelause (H)

7 and inserting “States; or”; and

8 (3) by adding at the end thereof the following:

9 “(H) transporting persons
 10 aboard the aircraft if the aircraft is
 11 operated for the purpose of prisoner
 12 transport.”.

13 **SEC. 211. TERMINAL DEVELOPMENT COSTS.**

14 Section 40117 is amended by adding at the end
 15 thereof the following:

16 “(j) SHELL OF TERMINAL BUILDING.—In order to
 17 enable additional air service by an air carrier with less
 18 than 50 percent of the scheduled passenger traffic at an
 19 airport, the Secretary may consider the shell of a terminal
 20 building (including heating, ventilation, and air condi-
 21 tioning) to be an eligible airport-related project under sub-
 22 section (a)(3)(E).”.

1 **TITLE III—AMENDMENTS TO**
 2 **AVIATION LAW**

3 **SEC. 301. SEVERABLE SERVICES CONTRACTS FOR PERIODS**
 4 **CROSSING FISCAL YEARS.**

5 (a) Chapter 401 is amended by adding at the end
 6 thereof the following:

7 **“§ 40125. SEVERABLE SERVICES CONTRACTS FOR**
 8 **PERIODS CROSSING FISCAL YEARS.**

9 “(a) **IN GENERAL.**—The Administrator of the Fed-
 10 eral Aviation Administration may enter into a contract for
 11 procurement of severable services for a period that begins
 12 in one fiscal year and ends in the next fiscal year if (with-
 13 out regard to any option to extend the period of the con-
 14 tract) the contract period does not exceed one year.

15 “(b) **OBLIGATION OF FUNDS.**—Funds made available
 16 for a fiscal year may be obligated for the total amount
 17 of a contract entered into under the authority of sub-
 18 section (a) of this section.”.

19 (b) **CONFORMING AMENDMENT.**—The chapter analy-
 20 sis for chapter 401 is amended by adding at the end there-
 21 of the following:

“40125. Severable services contracts for periods crossing fiscal years”.

1 **SEC. 302. FOREIGN CARRIERS ELIGIBLE FOR WAIVER**
 2 **UNDER AIRPORT NOISE AND CAPACITY ACT.**

3 The first sentence of section 47528(b)(1) is amended
 4 by inserting “or foreign air carrier” after “air carrier”
 5 the first place it appears and after “carrier” the first place
 6 it appears.

7 **SEC. 303. GOVERNMENT AND INDUSTRY CONSORTIA.**

8 Section 44903 is amended by adding at the end
 9 thereof the following:

10 “(f) GOVERNMENT AND INDUSTRY CONSORTIA.—
 11 The Administrator may establish at airports such consor-
 12 tia of government and aviation industry representatives as
 13 the Administrator may designate to provide advice on mat-
 14 ters related to aviation security and safety. Such consortia
 15 shall not be considered federal advisory committees for
 16 purposes of the Federal Advisory Committee Act (5
 17 U.S.C. App.).”.

18 **SEC. 304. IMPLEMENTATION OF ARTICLE 83 BIS OF THE**
 19 **CHICAGO CONVENTION.**

20 Section 44701 is amended—

21 (1) by redesignating subsection (e) as sub-
 22 section (f); and

23 (2) by inserting after subsection (d) the follow-
 24 ing:

25 “(e) BILATERAL EXCHANGES OF SAFETY OVER-
 26 SIGHT RESPONSIBILITIES.—

1 “(1) Notwithstanding the provisions of this
2 chapter, and pursuant to Article 83 bis of the Con-
3 vention on International Civil Aviation, the Adminis-
4 trator may, by a bilateral agreement with the aero-
5 nautical authorities of another country, exchange
6 with that country all or part of their respective func-
7 tions and duties with respect to aircraft described in
8 subparagraphs (A) and (B), under the following ar-
9 ticles of the Convention:

10 “(A) Article 12 (Rules of the Air).

11 “(B) Article 31 (Certificates of Airworthi-
12 ness).

13 “(C) Article 32a (Licenses of Personnel).

14 “(2) The agreement under paragraph (1) may apply
15 to—

16 “(A) aircraft registered in the United
17 States operated pursuant to an agreement for
18 the lease, charter, or interchange of the aircraft
19 or any similar arrangement by an operator that
20 has its principal place of business or, if it has
21 no such place of business, its permanent resi-
22 dence in another country; or

23 “(B) aircraft registered in a foreign coun-
24 try operated under an agreement for the lease,
25 charter, or interchange of the aircraft or any

1 similar arrangement by an operator that has its
 2 principal place of business or, if it has no such
 3 place of business, its permanent residence in
 4 the United States.

5 “(3) The Administrator relinquishes responsibil-
 6 ity with respect to the functions and duties trans-
 7 ferred by the Administrator as specified in the bilat-
 8 eral agreement, under the Articles listed in para-
 9 graph (1) of this subsection for United States-reg-
 10 istered aircraft transferred abroad as described in
 11 subparagraph (A) of that paragraph, and accepts re-
 12 sponsibility with respect to the functions and duties
 13 under those Articles for aircraft registered abroad
 14 that are transferred to the United States as de-
 15 scribed in subparagraph (B) of that paragraph.

16 “(4) The Administrator may, in the agreement
 17 under paragraph (1), predicate the transfer of these
 18 functions and duties on any conditions the Adminis-
 19 trator deems necessary and prudent.”.

20 **SEC. 305. FOREIGN AVIATION SERVICES AUTHORITY.**

21 (a) **RECIPROCAL WAIVER OF OVERFLIGHT FEES.—**

22 Section 45301(a)(1) is amended to read as follows:

23 “(1) Air traffic control and related services pro-
 24 vided to aircraft that neither take off from, nor land
 25 in, the United States, other than military and civil-

1 ian aircraft of the United States Government or of
 2 a foreign government, except that such fees shall not
 3 be imposed on overflights operated by citizens of a
 4 country contiguous to the United States if—

5 “(A) both the origin and destination of
 6 such flights are within that other country;

7 “(B) that country exempts similar cat-
 8 egories of flights operated by citizens of the
 9 United States from such fees; and

10 “(C) that country exchanges responsibility
 11 for air traffic control services with the United
 12 States.”.

13 (b) TECHNICAL CORRECTIONS.—Section 45301 is
 14 amended—

15 (1) by striking “government.” in subsection
 16 (a)(2) and inserting “government or to any entity
 17 obtaining services outside the United States.”;

18 (2) by striking “directly” in subsection
 19 (b)(1)(B); and

20 (3) by striking “rendered.” in subsection
 21 (b)(1)(B) and inserting “rendered, including value to
 22 the recipient and both direct and indirect costs of
 23 overflight-related services, as determined by the Ad-
 24 ministrators, using generally accepted accounting

1 principles and internationally accepted principles of
 2 setting fees for overflight-related services.”.

3 **SEC. 306. FLEXIBILITY TO PERFORM CRIMINAL HISTORY**
 4 **RECORD CHECKS; TECHNICAL AMENDMENTS**
 5 **TO PILOT RECORDS IMPROVEMENT ACT.**

6 Section 44936 is amended—

7 (1) by striking “subparagraph (C)” in sub-
 8 section (a)(1)(B) and inserting “subparagraph (C),
 9 or in the case of passenger, baggage, or property
 10 screening at airports, the Administrator decides it is
 11 necessary to ensure air transportation security)”;

12 (2) by striking “individual” in subsection
 13 (f)(1)(B)(ii) and inserting “individual’s performance
 14 as a pilot”; and

15 (3) by inserting “or from a foreign government
 16 or entity that employed the individual” in subsection
 17 (f)(14)(B) after “exists,”.

18 **SEC. 307. AVIATION INSURANCE PROGRAM AMENDMENTS.**

19 (a) REIMBURSEMENT OF INSURED PARTY’S
 20 SUBROGEE.—Subsection (a) of 44309 is amended—

21 (1) by striking the subsection caption and the
 22 first sentence, and inserting the following:

23 “(a) LOSSES.—

24 “(1) A person may bring a civil action in a dis-
 25 trict court of the United States or in the United

1 States Court of Federal Claims against the United
2 States Government when—

3 “(A) a loss insured under this chapter is in
4 dispute; or

5 “(B)(i) the person is subrogated to the
6 rights against the United States Government of
7 a party insured under this chapter (other than
8 under subsection 44305(b) of this title); under
9 a contract between the person and such insured
10 party; and

11 “(ii) the person has paid to such insured
12 party, with the approval of the Secretary of
13 Transportation, an amount for a physical dam-
14 age loss that the Secretary of Transportation
15 has determined is a loss covered under insur-
16 ance issued under this chapter (other than in-
17 surance issued under subsection 44305(b) of
18 this title).”; and

19 (2) by resetting the remainder of the subsection
20 as a new paragraph and inserting “(2)” before “A
21 civil action”.

22 (b) EXTENSION OF AVIATION INSURANCE PRO-
23 GRAM.—Section 44310 is amended by striking “1998.”
24 and inserting “2003.”.

1 **SEC. 308. TECHNICAL CORRECTIONS TO CIVIL PENALTY**
 2 **PROVISIONS.**

3 Section 46301 is amended—

4 (1) by striking “46302, 46303, or” in sub-
 5 section (a)(1)(A);

6 (2) by striking “individual” the first time it ap-
 7 pears in subsection (d)(7)(A) and inserting “per-
 8 son”; and

9 (3) by inserting “or the Administrator” in sub-
 10 section (g) after “Secretary”.

11 **TITLE IV—TITLE 49 TECHNICAL**
 12 **CORRECTIONS**

13 **SEC. 401. RESTATEMENT OF 49 U.S.C. 106(G).**

14 (a) IN GENERAL.—Section 106(g) is amended by
 15 striking “, 40113(a), (c), and (d), 40114(a), 40119,
 16 44501(a) and (c), 44502(a)(1), (b) and (c), 44504, 44505,
 17 44507, 44508, 44511-44513, 44701-44716, 44718(c),
 18 44721(a), 44901, 44902, 44903(a)-(c) and (e), 44906,
 19 44912, 44935-44937, and 44938(a) and (b), chapter 451,
 20 sections 45302-45304,” and inserting “40113(a), (c)-(e),
 21 40114(a), and 40119, and chapter 445 (except sections
 22 44501(b), 44502(a)(2)-(4), 44503, 44506, 44509, 44510,
 23 44514, and 44515), chapter 447 (except sections 44717,
 24 44718(a) and (b), 44719, 44720, 44721(b), 44722, and
 25 44723), chapter 449 (except sections 44903(d), 44904,

1 44905, 44907-44911, 44913, 44915, and 44931-44934),
 2 chapter 451, chapter 453, sections”.

3 (b) TECHNICAL CORRECTION.—The amendment
 4 made by this section may not be construed as making a
 5 substantive change in the language replaced.

6 **SEC. 402. RESTATEMENT OF 49 U.S.C. 44909.**

7 Section 44909(a)(2) is amended by striking “shall”
 8 and inserting “should”.

9 **SEC. 403. TYPOGRAPHICAL ERRORS.**

10 (a) SECTION 15904.—Section 15904(c)(1) is amend-
 11 ed by inserting “section” before 15901(b)”.

12 (b) CHAPTER 491.—Chapter 491 is amended—

13 (1) by striking “1996” in section
 14 49106(b)(1)(F) and inserting “1986”;

15 (2) by striking “by the board” in section
 16 49106(c)(3) and inserting “to the board”;

17 (3) by striking “subchapter II” in section
 18 49107(b) and inserting “subchapter III”; and

19 (4) by striking “retention of” in section
 20 49111(b) and inserting “retention by”.

21 (c) SCHEDULE OF REPEALED LAWS.—The Schedule
 22 of Laws Repealed in section 5(b) of the Act of November
 23 20, 1997 (Public Law 105-102; 111 Stat. 2217), is
 24 amended by striking “1996” the first place it appears and
 25 inserting “1986”.

1 (d) AMENDMENTS EFFECTIVE AS OF EARLIER DATE
 2 OF ENACTMENT.—The amendments made by subsections
 3 (a), (b), and (c) are effective as of November 20, 1997.

4 (e) CORRECTION OF ERROR IN TECHNICAL CORREC-
 5 TIONS ACT.—Effective October 11, 1996, section 5(45)(A)
 6 of the Act of October 11, 1996 (Public Law 104-287, 110
 7 Stat. 3393), is amended by striking “ENFORCEMENT;”
 8 and inserting “ENFORCEMENT:”.

9 **TITLE V—MISCELLANEOUS**

10 **SEC. 501. OVERSIGHT OF FAA RESPONSE TO YEAR 2000**

11 **PROBLEM AS IT AFFECTS THE AVIATION IN-** 12 **DUSTRY.**

13 The Administrator of the Federal Aviation Adminis-
 14 tration shall report to the Senate Committee on Com-
 15 merce, Science, and Transportation and the House Com-
 16 mittee on Transportation and Infrastructure every 3
 17 months, in oral or written form, on electronic data proc-
 18 essing problems associated with the year 2000 within the
 19 Administration.

20 **SEC. 502. CARGO COLLISION AVOIDANCE SYSTEMS DEAD-** 21 **LINE.**

22 (a) IN GENERAL.—The Administrator of the Federal
 23 Aviation Administration shall require by regulation that,
 24 not later than December 31, 2002, collision avoidance

1 equipment be installed on each cargo aircraft with a pay-
 2 load capacity of 15,000 kilograms or more.

3 (b) **EXTENSION.**—The Administrator may extend the
 4 deadline imposed by subsection (a) for not more than 2
 5 years if the Administrator finds that the extension is need-
 6 ed to promote—

7 (1) a safe and orderly transition to the oper-
 8 ation of a fleet of cargo aircraft equipped with colli-
 9 sion avoidance equipment; or

10 (2) other safety or public interest objectives.

11 (c) **COLLISION AVOIDANCE EQUIPMENT.**—For pur-
 12 poses of this section, the term “collision avoidance equip-
 13 ment” means TCAS II equipment (as defined by the Ad-
 14 ministrator), or any other similar system approved by the
 15 Administration for collision avoidance purposes.

16 **SEC. 503. RUNWAY SAFETY AREAS.**

17 Within 6 months after the date of enactment of this
 18 Act, the Administrator of the Federal Aviation Adminis-
 19 tration shall initiate rulemaking to amend the regulations
 20 in part 139 of title 14, Code of Federal Regulation—

21 (1) to improve runway safety areas; and

22 (2) to require the installation of precision ap-
 23 proach path indicators.

1 **SEC. 504. AIRPLANE EMERGENCY LOCATORS.**

2 (a) REQUIREMENT.—Section 44712(b) is amended to
3 read as follows:

4 “(b) NONAPPLICATION.—Subsection (a) does not
5 apply to aircraft when used in—

6 “(1) flight operations related to the design and
7 testing, manufacture, preparation, and delivery of
8 aircraft; or

9 “(2) the aerial application of a substance for an
10 agricultural purpose.”.

11 (b) EFFECTIVE DATE; REGULATIONS.—

12 (1) REGULATIONS.—The Secretary of Trans-
13 portation shall promulgate regulations under section
14 44712(b) of title 49, United States Code, as amend-
15 ed by subsection (a) not later than January 1, 2002.

16 (2) EFFECTIVE DATE.—The amendment made
17 by subsection (a) shall take effect on January 1,
18 2002.

19 **SEC. 505. COUNTERFEIT AIRCRAFT PARTS.**

20 (a) DENIAL OF CERTIFICATE.—Section 44703 is
21 amended by adding at the end thereof the following:

22 “(g) CERTIFICATE DENIED FOR DEALING IN COUN-
23 TERFEIT PARTS.—The Administrator may not issue an
24 airman certificate or an airframe and powerplant certifi-
25 cate under subpart D of part 65 of title 14, Code of Fed-
26 eral Regulations, to any person convicted of a violation

1 of any Federal or State law relating to the installation,
2 production, repair, or sale of a counterfeit or falsely-rep-
3 resented aviation part or material.”.

4 (b) REVOCATION OF CERTIFICATE.—Section 44710
5 is amended by adding at the end thereof the following:

6 “(g) REVOCATION FOR DEALING IN COUNTERFEIT
7 PARTS.—The Administrator shall revoke an airman cer-
8 tificate or an airframe and powerplant certificate under
9 subpart D of part 65 of title 14, Code of Federal Regula-
10 tions, issued to any person convicted of a violation of any
11 Federal or State law relating to the installation, produc-
12 tion, repair, or sale of a counterfeit or falsely-represented
13 aviation part or material.”.

14 (c) PROHIBITION ON EMPLOYMENT.—Section 44711
15 is amended by adding at the end thereof the following:

16 “(c) PROHIBITION ON EMPLOYMENT OF CONVICTED
17 COUNTERFEIT PART DEALERS.—No person subject to
18 this chapter may employ an individual to perform a func-
19 tion related to the procurement, sale, production, or repair
20 of a part or material, or the installation of a part into
21 a civil aircraft, who has been convicted of a violation of
22 any Federal or State law relating to the installation, pro-
23 duction, repair, or sale of a counterfeit or falsely-rep-
24 resented aviation part or material.”.

1 **SEC. 506. FAA MAY FINE UNRULY PASSENGERS.**

2 (a) ~~IN GENERAL.~~—Chapter 463 is amended by redel-
3 ignating section 46316 as section 46317, and by inserting
4 after section 46315 the following:

5 **“§ 46316. Interference with cabin or flight crew**

6 “(a) ~~IN GENERAL.~~—An individual who interferes
7 with the duties or responsibilities of the flight crew or
8 cabin crew of a civil aircraft, or who poses an imminent
9 threat to the safety of the aircraft or other individuals on
10 the aircraft, is liable to the United States Government for
11 a civil penalty of not more than \$10,000, which shall be
12 paid to the Federal Aviation Administration and deposited
13 in the account established by section 45303(e).

14 “(b) ~~COMPROMISE AND SETOFF.~~—

15 “(1) The Secretary of Transportation may com-
16 promise the amount of a civil penalty imposed under
17 subsection (a).

18 “(2) The Government may deduct the amount
19 of a civil penalty imposed or compromised under this
20 section from amounts it owes the individual liable
21 for the penalty.”

22 (b) ~~CONFORMING CHANGE.~~—The chapter analysis
23 for chapter 463 is amended by striking the item relating
24 to section 46316 and inserting after the item relating to
25 section 46315 the following:

“46316. Interference with cabin or flight crew

“46317. General criminal penalty when specific penalty not provided”.

1 **SEC. 507. HIGHER INTERNATIONAL STANDARDS FOR**
 2 **HANDICAPPED ACCESS.**

3 The Secretary of Transportation shall work with ap-
 4 propriate international organizations and the aviation au-
 5 thorities of other nations to bring about their establish-
 6 ment of higher standards for accommodating handicapped
 7 passengers in air transportation, particularly with respect
 8 to foreign air carriers that code-share with domestic air
 9 carriers.

10 **SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT**
 11 **LAND.**

12 (a) IN GENERAL.—Section 47125(a) is amended to
 13 read as follows:

14 “(a) CONVEYANCES TO PUBLIC AGENCIES.—Except
 15 as provided in subsection (b) of this section, the Secretary
 16 of Transportation—

17 “(1) shall request the head of the department,
 18 agency, or instrumentality owning or controlling
 19 land or airspace to convey a property interest in the
 20 land or airspace to the public agency sponsoring the
 21 project or owning or controlling the airport when
 22 necessary to carry out a project under this sub-
 23 chapter at a public airport, to operate a public air-
 24 port, or for the future development of an airport

1 under the national plan of integrated airport sys-
2 tems; and

3 “(2) may request the head of such a depart-
4 ment, agency, or instrumentality to convey a prop-
5 erty interest in the land or airspace to a public agen-
6 ey for a use that will complement, facilitate, or aug-
7 ment airport development, including the development
8 of additional revenue from both aviation and non-
9 aviation sources if the Secretary—

10 “(A) determines that the property is no
11 longer needed for aeronautical purposes;

12 “(B) determines that the property will be
13 used to generate revenue for the public airport;

14 “(C) provides preliminary notice to the
15 head of such department, agency, or instrumen-
16 tality at least 30 days before making the re-
17 quest;

18 “(D) provides an opportunity for notice to
19 the public and public comment on the request;
20 and

21 “(E) includes in the request a written jus-
22 tification for the conveyance.”.

23 (b) APPLICATION TO EXISTING CONVEYANCES.—The
24 provisions of section 47125(a)(2), as amended by sub-
25 section (a) apply to property interests conveyed under sec-

1 tion 47125 of that title before, on, or after the date of
 2 enactment of this Act, section 516 of the Airport and Air-
 3 way Improvement Act of 1982, section 23 of the Airport
 4 and Airway Development Act of 1970, or section 16 of
 5 the Federal Airport Act. For purposes of this section, the
 6 Secretary of Transportation (or the predecessor of the
 7 Secretary) shall be deemed to have met the requirements
 8 of subparagraphs (C), (D), and (E) of section 47125(a)(2)
 9 of such title, as so amended, for any such conveyance be-
 10 fore the date of enactment of this Act.

11 **SEC. 509. FLIGHT OPERATIONS QUALITY ASSURANCE**
 12 **RULES.**

13 Not later than 90 days after the date of enactment
 14 of this Act, the Administrator shall issue a notice of pro-
 15 posed rulemaking to develop procedures to protect air car-
 16 riers and their employees from civil enforcement action
 17 under the program known as Flight Operations Quality
 18 Assurance. Not later than 1 year after the last day of the
 19 period for public comment provided for in the notice of
 20 proposed rulemaking, the Administrator shall issue a final
 21 rule establishing those procedures.

22 **SEC. 510. WIDE AREA AUGMENTATION SYSTEM.**

23 (a) PLAN.—The Administrator shall identify or de-
 24 velop a plan to implement WAAS to provide navigation
 25 and landing approach capabilities for civilian use and

1 make a determination as to whether a backup system
 2 is necessary. Until the Administrator determines that
 3 WAAS is the sole means of navigation, the Administration
 4 shall continue to develop and maintain a backup system.”.

5 (b) REPORT.—Within 6 months after the date of en-
 6 actment of this Act, the Administrator shall—

7 (1) report to the Senate Committee on Com-
 8 merce, Science, and Transportation and the House
 9 of Representatives Committee on Transportation
 10 and Infrastructure, on the plan developed under sub-
 11 section (a);

12 (2) submit a timetable for implementing
 13 WAAS; and

14 (3) make a determination as to whether WAAS
 15 will ultimately become a primary or sole means of
 16 navigation and landing approach capabilities.

17 (c) WAAS DEFINED.—For purposes of this section,
 18 the term “WAAS” means wide area augmentation system.

19 (d) FUNDING AUTHORIZATION.—There are author-
 20 ized to be appropriated to the Secretary of Transportation
 21 such sums as may be necessary to carry out this sub-
 22 section.

23 **SEC. 511. REGULATION OF ALASKA AIR GUIDES.**

24 The Administrator shall reissue the notice to opera-
 25 tors originally published in the Federal Register on Janu-

1 ary 2, 1998, which advised Alaska guide pilots of the ap-
 2 plicability of part 135 of title 14, Code of Federal Regula-
 3 tions, to guide pilot operations. In reissuing the notice,
 4 the Administrator shall provide for not less than 60 days
 5 of public comment on the Federal Aviation Administration
 6 action. If, notwithstanding the public comments, the Ad-
 7 ministrator decides to proceed with the action, the Admin-
 8 istrator shall publish in the Federal Register a notice jus-
 9 tifying the Administrator's decision and providing at least
 10 90 days for compliance.

11 **SEC. 512. APPLICATION OF FAA REGULATIONS.**

12 Section 40113 is amended by adding at the end
 13 thereof the following:

14 “(f) APPLICATION OF CERTAIN REGULATIONS TO
 15 ALASKA.—In amending title 14, Code of Federal Regula-
 16 tions, in a manner affecting intrastate aviation in Alaska,
 17 the Administrator of the Federal Aviation Administration
 18 shall consider the extent to which Alaska is not served by
 19 transportation modes other than aviation, and shall estab-
 20 lish such regulatory distinctions as the Administrator con-
 21 siders appropriate.”.

22 **SEC. 513. ADVANCED QUALIFICATION PROGRAM.**

23 (a) IN GENERAL.—Chapter 445 is amended by add-
 24 ing at the end thereof the following:

1 **“§ 44516. Human factors program**

2 “(a) OVERSIGHT COMMITTEE.—The Administrator
3 of the Federal Aviation Administration shall establish an
4 advanced qualification program oversight committee to ad-
5 vise the Administrator on the development and execution
6 of Advanced Qualification Programs for air carriers under
7 this section, and to encourage their adoption and imple-
8 mentation.

9 “(b) HUMAN FACTORS TRAINING.—

10 “(1) AIR TRAFFIC CONTROLLERS.—The Admin-
11 istrator shall—

12 “(A) address the problems and concerns
13 raised by the National Research Council in its
14 report ‘The Future of Air Traffic Control’ on
15 air traffic control automation; and

16 “(B) respond to the recommendations
17 made by the National Research Council.

18 “(2) PILOTS AND FLIGHT CREWS.—The Admin-
19 istrator shall work with the aviation industry to de-
20 velop specific training curricula, within 12 months
21 after the date of enactment of the National Air
22 Transportation System Improvement Act of 1998, to
23 address critical safety problems, including problems
24 of pilots—

1 “(A) in recovering from loss of control of
2 the aircraft, including handling unusual atti-
3 tudes and mechanical malfunctions;

4 “(B) in deviating from standard operating
5 procedures, including inappropriate responses to
6 emergencies and hazardous weather;

7 “(C) in awareness of altitude and location
8 relative to terrain to prevent controlled flight
9 into terrain; and

10 “(D) in landing and approaches, including
11 nonprecision approaches and go-around proce-
12 dures.

13 “(e) ACCIDENT INVESTIGATIONS.—The Adminis-
14 trator, working with the National Transportation Safety
15 Board and representatives of the aviation industry, shall
16 establish a process to assess human factors training as
17 part of accident and incident investigations.

18 “(d) TEST PROGRAM.—The Administrator shall es-
19 tablish a test program in cooperation with United States
20 air carriers to use model Jeppesen approach plates or
21 other similar tools to improve nonprecision landing ap-
22 proaches for aircraft.

23 “(e) ADVANCED QUALIFICATION PROGRAM DE-
24 FINED.—For purposes of this section, the term ‘advanced
25 qualification program’ means an alternative method for

1 qualifying, training, certifying, and ensuring the com-
 2 petency of flight crews and other commercial aviation op-
 3 erations personnel subject to the training and evaluation
 4 requirements of Parts 121 and 135 of title 14, Code of
 5 Federal Regulations.”.

6 (b) **AUTOMATION AND ASSOCIATED TRAINING.**—The
 7 Administrator shall complete the Administration’s updat-
 8 ing of training practices for automation and associated
 9 training requirements within 12 months after the date of
 10 enactment of this Act.

11 (c) **CONFORMING AMENDMENT.**—The chapter analy-
 12 sis for chapter 445 is amended by adding at the end there-
 13 of the following:

“44516. Advanced qualification program”.

14 **SEC. 514. INDEPENDENT VALIDATION OF FAA COSTS AND**
 15 **ALLOCATIONS.**

16 (a) **INDEPENDENT ASSESSMENT.**—

17 (1) **INITIATION.**—Not later than 90 days after
 18 the date of enactment of this Act, the Inspector
 19 General of the Department of Transportation shall
 20 initiate the analyses described in paragraph (2). In
 21 conducting the analyses, the Inspector General shall
 22 ensure that the analyses are carried out by 1 or
 23 more entities that are independent of the Federal
 24 Aviation Administration. The Inspector General may
 25 use the staff and resources of the Inspector General

1 or may contract with independent entities to conduct
2 the analyses.

3 ~~(2) ASSESSMENT OF ADEQUACY AND ACCURACY~~
4 ~~OF FAA COST DATA AND ATTRIBUTIONS.~~—To ensure
5 that the method for capturing and distributing the
6 overall costs of the Federal Aviation Administration
7 is appropriate and reasonable, the Inspector General
8 shall conduct an assessment that includes the follow-
9 ing:

10 ~~(A)(i) Validation of Federal Aviation Ad-~~
11 ~~ministration cost input data, including an audit~~
12 ~~of the reliability of Federal Aviation Adminis-~~
13 ~~tration source documents and the integrity and~~
14 ~~reliability of the Federal Aviation Administra-~~
15 ~~tion's data collection process.~~

16 ~~(ii) An assessment of the reliability of the~~
17 ~~Federal Aviation Administration's system for~~
18 ~~tracking assets.~~

19 ~~(iii) An assessment of the reasonableness~~
20 ~~of the Federal Aviation Administration's bases~~
21 ~~for establishing asset values and depreciation~~
22 ~~rates.~~

23 ~~(iv) An assessment of the Federal Aviation~~
24 ~~Administration's system of internal controls for~~
25 ~~ensuring the consistency and reliability of re-~~

1 reported data to begin immediately after full
2 operational capability of the cost accounting
3 system.

4 (B) A review and validation of the Federal
5 Aviation Administration's definition of the serv-
6 ices to which the Federal Aviation Administra-
7 tion ultimately attributes its costs, and the
8 methods used to identify direct costs associated
9 with the services.

10 (C) An assessment and validation of the
11 general cost pools used by the Federal Aviation
12 Administration, including the rationale for and
13 reliability of the bases on which the Federal
14 Aviation Administration proposes to allocate
15 costs of services to users and the integrity of
16 the cost pools as well as any other factors con-
17 sidered important by the Inspector General. Ap-
18 propriate statistical tests shall be performed to
19 assess relationships between costs in the various
20 cost pools and activities and services to which
21 the costs are attributed by the Federal Aviation
22 Administration.

23 (b) DEADLINE.—The independent analyses described
24 in this section shall be completed no later than 270 days
25 after the contracts are awarded to the outside independent

1 contractors. The Inspector General shall submit a final re-
 2 port combining the analyses done by its staff with those
 3 of the outside independent contractors to the Secretary of
 4 Transportation, the Administrator, the Committee on
 5 Commerce, Science, and Transportation of the Senate,
 6 and the Committee on Transportation and Infrastructure
 7 of the House of Representatives. The final report shall be
 8 submitted by the Inspector General not later than 300
 9 days after the award of contracts.

10 (e) FUNDING.—There are authorized to be appro-
 11 priated such sums as may be necessary for the cost of
 12 the contracted audit services authorized by this section.

13 **SEC. 515. WHISTLEBLOWER PROTECTION FOR FAA EM-**
 14 **PLLOYEES.**

15 Section 347(b)(1) of Public Law 104-50 (49 U.S.C.
 16 106, note) is amended by striking “protection;” and in-
 17 serting “protection, including the provisions for investiga-
 18 tions and enforcement as provided in chapter 12 of title
 19 5, United States Code;”.

20 **SEC. 516. REPORT ON MODERNIZATION OF OCEANIC ATC**
 21 **SYSTEM.**

22 The Administrator of the Federal Aviation Adminis-
 23 tration shall report to the Congress on plan to modernize
 24 the oceanic air traffic control system, including a budget
 25 for the program, a determination of the requirements for

1 modernization, and, if necessary, a proposal to fund the
2 program.

3 **SEC. 517. REPORT ON AIR TRANSPORTATION OVERSIGHT**
4 **SYSTEM.**

5 Beginning in 1999, the Administrator of the Federal
6 Aviation Administration shall report biannually to the
7 Congress on the air transportation oversight system pro-
8 gram announced by the Administration on May 13, 1998,
9 in detail on the training of inspectors, the number of in-
10 spectors using the system, air carriers subject to the sys-
11 tem, and the budget for the system.

12 **TITLE VI—AVIATION**
13 **COMPETITION PROMOTION**

14 **SEC. 601. PURPOSE.**

15 The purpose of this title is to facilitate, through a
16 5-year pilot program, incentives and projects that will help
17 up to 40 communities or consortia of communities to im-
18 prove their access to the essential airport facilities of the
19 national air transportation system through public-private
20 partnerships and to identify and establish ways to over-
21 come the unique policy, economic, geographic, and market-
22 place factors that may inhibit the availability of quality,
23 affordable air service to small communities.

1 **SEC. 602. ESTABLISHMENT OF SMALL COMMUNITY AVIA-**
 2 **TION DEVELOPMENT PROGRAM.**

3 Section 102 is amended by adding at the end thereof
 4 the following:

5 “(g) **SMALL COMMUNITY AIR SERVICE DEVELOP-**
 6 **MENT PROGRAM.**—

7 “(1) **ESTABLISHMENT.**—The Secretary shall es-
 8 tablish a 5-year pilot aviation development program
 9 to be administered by a program director designated
 10 by the Secretary.

11 “(2) **FUNCTIONS.**—The program director
 12 shall—

13 “(A) function as a facilitator between
 14 small communities and air carriers;

15 “(B) carry out section 41743 of this title;

16 “(C) carry out the airline service restora-
 17 tion program under sections 41744, 41745, and
 18 41746 of this title;

19 “(D) ensure that the Bureau of Transpor-
 20 tation Statistics collects data on passenger in-
 21 formation to assess the service needs of small
 22 communities;

23 “(E) work with and coordinate efforts with
 24 other Federal, State, and local agencies to in-
 25 crease the viability of service to small commu-

1 nities and the creation of aviation development
2 zones; and

3 “(F) provide policy recommendations to
4 the Secretary and the Congress that will ensure
5 that small communities have access to quality,
6 affordable air transportation services.

7 “(3) REPORTS.—The program director shall
8 provide an annual report to the Secretary and the
9 Congress beginning in 1999 that—

10 “(A) analyzes the availability of air trans-
11 portation services in small communities, includ-
12 ing; but not limited to, an assessment of the air
13 fares charged for air transportation services in
14 small communities compared to air fares
15 charged for air transportation services in larger
16 metropolitan areas and an assessment of the
17 levels of service, measured by types of aircraft
18 used, the availability of seats, and scheduling of
19 flights, provided to small communities;

20 “(B) identifies the policy, economic, geo-
21 graphic and marketplace factors that inhibit the
22 availability of quality, affordable air transpor-
23 tation services to small communities; and

24 “(C) provides policy recommendations to
25 address the policy, economic, geographic, and

1 marketplace factors inhibiting the availability of
2 quality, affordable air transportation services to
3 small communities.”.

4 **SEC. 603. COMMUNITY-CARRIER AIR SERVICE PROGRAM.**

5 (a) IN GENERAL.—Subchapter II is amended by add-
6 ing at the end thereof the following:

7 **“§ 41743. Air service program for small communities**

8 “(a) COMMUNITIES PROGRAM.—Under advisory
9 guidelines prescribed by the Secretary of Transportation,
10 a small community or a consortia of small communities
11 or a State may develop an assessment of its air service
12 requirements, in such form as the program director des-
13 ignated by the Secretary under section 402(g) may re-
14 quire, and submit the assessment and service proposal to
15 the program director.

16 “(b) SELECTION OF PARTICIPANTS.—In selecting
17 community programs for participation in the communities
18 program under subsection (a), the program director shall
19 apply criteria, including geographical diversity and the
20 presentation of unique circumstances, that will dem-
21 onstrate the feasibility of the program.

22 “(c) CARRIERS PROGRAM.—The program director
23 shall invite part 121 air carriers and regional/commuter
24 carriers (as such terms are defined in section 41715(d)
25 of this title) to offer service proposals in response to, or

1 in conjunction with, community aircraft service assess-
2 ments submitted to the office under subsection (a). A serv-
3 ice proposal under this paragraph shall include—

4 “(1) an assessment of potential daily passenger
5 traffic, revenues, and costs necessary for the carrier
6 to offer the service;

7 “(2) a forecast of the minimum percentage of
8 that traffic the carrier would require the community
9 to garner in order for the carrier to start up and
10 maintain the service; and

11 “(3) the costs and benefits of providing jet serv-
12 ice by regional or other jet aircraft.

13 “(d) PROGRAM SUPPORT FUNCTION.—The program
14 director shall work with small communities and air ear-
15 riers, taking into account their proposals and needs, to
16 facilitate the initiation of service. The program director—

17 “(1) may work with communities to develop in-
18 novative means and incentives for the initiation of
19 service;

20 “(2) may obligate funds available to carry out
21 this section;

22 “(3) shall continue to work with both the ear-
23 riers and the communities to develop a combination
24 of community incentives and carrier service levels
25 that—

1 “(A) are acceptable to communities and
2 carriers; and

3 “(B) do not conflict with other Federal or
4 State programs to facilitate air transportation
5 to the communities;

6 “(4) designate an airport in the program as an
7 Air Service Development Zone and work with the
8 community on means to attract business to the area
9 surrounding the airport, to develop land use options
10 for the area, and provide data, working with the De-
11 partment of Commerce and other agencies;

12 “(5) take such other action under subchapter
13 III of this chapter as may be appropriate.

14 “(e) LIMITATIONS.—

15 “(1) COMMUNITY SUPPORT.—The program di-
16 rector may not provide financial assistance under
17 subsection (e)(2) to any community unless the pro-
18 gram director determines that—

19 “(A) a public-private partnership exists at
20 the community level to carry out the commu-
21 nity’s proposal;

22 “(B) the community will make a substan-
23 tial financial contribution that is appropriate
24 for that community’s resources, but of not less

1 than 25 percent of the cost of the project in
2 any event;

3 “(C) the community has established an
4 open process for soliciting air service proposals;
5 and

6 “(D) the community will accord similar
7 benefits to air carriers that are similarly situ-
8 ated.

9 “(2) AMOUNT.—The program director may not
10 obligate more than \$20,000,000 over the 5 years of
11 the program.

12 “(3) NUMBER OF PARTICIPANTS.—The pro-
13 gram established under subsection (a) shall not in-
14 volve more than 40 communities or consortia of
15 communities.

16 “(f) REPORT.—The program director shall report
17 through the Secretary to the Congress annually on the
18 progress made under this section during the preceding
19 year in expanding commercial aviation service to smaller
20 communities.

21 **“§ 41744. Pilot program project authority**

22 “(a) IN GENERAL.—The program director designated
23 by the Secretary of Transportation under section
24 102(g)(1) shall establish a 5-year pilot program—

1 “(1) to assist communities and States with in-
2 adequate access to the national transportation sys-
3 tem to improve their access to that system; and

4 “(2) to facilitate better air service link-ups to
5 support the improved access.

6 “(b) PROJECT AUTHORITY.—Under the pilot pro-
7 gram established pursuant to subsection (a), the program
8 director may—

9 “(1) provide financial assistance by way of
10 grants to small communities or consortia of small
11 communities under section 41743 of up to \$500,000
12 per year; and

13 “(2) take such other action as may be appro-
14 priate.

15 “(c) OTHER ACTION.—Under the pilot program es-
16 tablished pursuant to subsection (a), the program director
17 may facilitate service by—

18 “(1) working with airports and air carriers to
19 ensure that appropriate facilities are made available
20 at essential airports;

21 “(2) collecting data on air carrier service to
22 small communities; and

23 “(3) providing policy recommendations to the
24 Secretary to stimulate air service and competition to
25 small communities.

1 **“§ 41745. Assistance to communities for service**

2 “(a) IN GENERAL.—Financial assistance provided
3 under section ~~41743~~ during any fiscal year as part of the
4 pilot program established under section 41744(a) shall be
5 implemented for not more than—

6 “(1) 4 communities within any State at any
7 given time; and

8 “(2) 40 communities in the entire program at
9 any time.

10 For purposes of this subsection, a consortium of commu-
11 nities shall be treated as a single community.

12 “(b) ELIGIBILITY.—In order to participate in a pilot
13 project under this subchapter, a State, community, or
14 group of communities shall apply to the Secretary in such
15 form and at such time, and shall supply such information,
16 as the Secretary may require, and shall demonstrate to
17 the satisfaction of the Secretary that—

18 “(1) the applicant has an identifiable need for
19 access, or improved access, to the national air trans-
20 portation system that would benefit the public;

21 “(2) the pilot project will provide material bene-
22 fits to a broad section of the travelling public, busi-
23 nesses, educational institutions, and other enter-
24 prises whose access to the national air transpor-
25 tation system is limited;

1 “(3) the pilot project will not impede competi-
2 tion; and

3 “(4) the applicant has established, or will estab-
4 lish, public-private partnerships in connection with
5 the pilot project to facilitate service to the public.

6 “(e) COORDINATION WITH OTHER PROVISIONS OF
7 SUBCHAPTER.—The Secretary shall carry out the 5-year
8 pilot program authorized by this subchapter in such a
9 manner as to complement action taken under the other
10 provisions of this subchapter. To the extent the Secretary
11 determines to be appropriate, the Secretary may adopt cri-
12 teria for implementation of the 5-year pilot program that
13 are the same as, or similar to, the criteria developed under
14 the preceding sections of this subchapter for determining
15 which airports are eligible under those sections. The Sec-
16 retary shall also, to the extent possible, provide incentives
17 where no direct, viable, and feasible alternative service ex-
18 ists, taking into account geographical diversity and appro-
19 priate market definitions.

20 “(d) MAXIMIZATION OF PARTICIPATION.—The Sec-
21 retary shall structure the program established pursuant
22 to section 41744(a) in a way designed to—

23 “(1) permit the participation of the maximum
24 feasible number of communities and States over a 5-

1 year period by limiting the number of years of par-
2 ticipation or otherwise; and

3 ~~“(2) obtain the greatest possible leverage from~~
4 ~~the financial resources available to the Secretary and~~
5 ~~the applicant by—~~

6 ~~“(A) progressively decreasing; on a project-~~
7 ~~by-project basis; any Federal financial incen-~~
8 ~~tives provided under this chapter over the 5-~~
9 ~~year period; and~~

10 ~~“(B) terminating as early as feasible Fed-~~
11 ~~eral financial incentives for any project deter-~~
12 ~~mined by the Secretary after its implementation~~
13 ~~to be—~~

14 ~~“(i) viable without further support~~
15 ~~under this subchapter; or~~

16 ~~“(ii) failing to meet the purposes of~~
17 ~~this chapter or criteria established by the~~
18 ~~Secretary under the pilot program.~~

19 ~~“(e) SUCCESS BONUS.—If Federal financial incen-~~
20 ~~tives to a community are terminated under subsection~~
21 ~~(d)(2)(B) because of the success of the program in that~~
22 ~~community, then that community may receive a one-time~~
23 ~~incentive grant to ensure the continued success of that~~
24 ~~program.~~

1 “(f) PROGRAM TO TERMINATE IN 5 YEARS.—No new
2 financial assistance may be provided under this sub-
3 chapter for any fiscal year beginning more than 5 years
4 after the date of enactment of the National Air Transpor-
5 tation System Improvement Act of 1998.

6 “§ 41746. Additional authority

7 “In carrying out this chapter, the Secretary—

8 “(1) may provide assistance to States and com-
9 munities in the design and application phase of any
10 project under this chapter, and oversee the imple-
11 mentation of any such project;

12 “(2) may assist States and communities in put-
13 ting together projects under this chapter to utilize
14 private sector resources, other Federal resources, or
15 a combination of public and private resources;

16 “(3) may accord priority to service by jet air-
17 craft;

18 “(4) take such action as may be necessary to
19 ensure that financial resources, facilities, and admin-
20 istrative arrangements made under this chapter are
21 used to carry out the purposes of the Air Service
22 Restoration Title; and

23 “(5) shall work with the Federal Aviation Ad-
24 ministration on airport and air traffic control needs
25 of communities in program.

1 **“§ 41747. Air traffic control services pilot program**

2 “(a) IN GENERAL.—To further facilitate the use of,
3 and improve the safety at, small airports, the Adminis-
4 trator of the Federal Aviation Administration shall estab-
5 lish a pilot program to contract for Level I air traffic con-
6 trol services at 20 facilities not eligible for participation
7 in the Federal Contract Tower Program.

8 “(b) PROGRAM COMPONENTS.—In carrying out the
9 pilot program established under subsection (a), the Ad-
10 ministrator may—

11 “(1) utilize current, actual, site-specific data,
12 forecast estimates, or airport system plan data pro-
13 vided by a facility owner or operator;

14 “(2) take into consideration unique aviation
15 safety, weather, strategic national interest, disaster
16 relief, medical and other emergency management re-
17 lief services, status of regional airline service, and
18 related factors at the facility;

19 “(3) approve for participation any facility will-
20 ing to fund a pro rata share of the operating costs
21 used by the Federal Aviation Administration to cal-
22 culate, and, as necessary, a 1:1 benefit-to-cost ratio,
23 as required for eligibility under the Federal Contract
24 Tower Program; and

25 “(4) approve for participation no more than 3
26 facilities willing to fund a pro rata share of con-

1 construction costs for an air traffic control tower so as
 2 to achieve, at a minimum, a 1:1 benefit-to-cost ratio,
 3 as required for eligibility under the Federal Contract
 4 Tower Program, and for each of such facilities the
 5 Federal share of construction costs does not exceed
 6 \$1,000,000.

7 “(c) REPORT.—One year before the pilot program es-
 8 tablished under subsection (a) terminates, the Adminis-
 9 trator shall report to the Congress on the effectiveness of
 10 the program, with particular emphasis on the safety and
 11 economic benefits provided to program participants and
 12 the national air transportation system.”.

13 (b) CONFORMING AMENDMENT.—The chapter analy-
 14 sis for chapter 417 is amended by inserting after the item
 15 relating to section 41742 the following:

“41743: Air service program for small communities

“41744: Pilot program project authority

“41745: Assistance to communities for service

“41746: Additional authority

“41747: Air traffic control services pilot program”.

16 (c) WAIVER OF LOCAL CONTRIBUTION.—Section
 17 41736(b) is amended by inserting after paragraph (4) the
 18 following:

19 “Paragraph (4) does not apply to any community ap-
 20 proved for service under this section during the period be-
 21 ginning October 1, 1991, and ending December 31,
 22 1997.”.

1 **SEC. 604. FUNDING AUTHORITY.**

2 The Secretary of Transportation may obligate not
3 more than \$20,000,000 for the 5 fiscal year period begin-
4 ning with fiscal year 1999 to carry out sections 41743
5 through 41746 of chapter 417 of title 49, United States
6 Code, out of the account established under section 45303.

7 **SEC. 605. MARKETING PRACTICES.**

8 Section 41712 is amended by—

9 (1) inserting “(a) IN GENERAL.—” before
10 “On”; and

11 (2) adding at the end thereof the following:

12 “(b) MARKETING PRACTICES THAT ADVERSELY AF-
13 FECT SERVICE TO SMALL OR MEDIUM COMMUNITIES.—

14 Within 180 days after the date of enactment of the Na-
15 tional Air Transportation System Improvement Act of
16 1998, the Secretary shall review the marketing practices
17 of air carriers that may inhibit the availability of quality,
18 affordable air transportation services to small and me-
19 dium-sized communities, including—

20 “(1) marketing arrangements between airlines
21 and travel agents;

22 “(2) code-sharing partnerships;

23 “(3) computer reservation system displays;

24 “(4) gate arrangements at airports; and

25 “(5) any other marketing practice that may
26 have the same effect.

1 the Secretary shall grant or deny the exemption in
2 accordance with established principles of safety and
3 the promotion of competition.

4 “(2) EXISTING SLOTS TAKEN IN ACCOUNT.—In
5 deciding to grant or deny the exemption, the Sec-
6 retary may take into consideration the slots already
7 used by the applicant.

8 “(3) CONDITIONS.—The Secretary may grant
9 an exemption to an air carrier under paragraph
10 (1)—

11 “(A) for a period of not less than 12
12 months;

13 “(B) for a minimum of 2 daily roundtrip
14 flights; and

15 “(C) for a maximum of 3 daily roundtrip
16 flights.

17 “(4) CHANGE OF NONHUB OR SMALL HUB AIR-
18 PORT; JET AIRCRAFT.—The Secretary may, upon ap-
19 plication made by an air carrier operating under an
20 exemption granted under paragraph (1)—

21 “(A) authorize the air carrier to upgrade
22 its service under the exemption to a larger jet
23 aircraft; and

24 “(B) authorize an air carrier operating
25 under such an exemption to change the nonhub

1 airport or small hub airport for which the ex-
 2 emption was granted to provide the same serv-
 3 ice to a different nonhub or small hub airport
 4 if—

5 “(i) the air carrier has been operating
 6 under the exemption for a period of not
 7 less than 12 months; and

8 “(ii) the air carrier can demonstrate
 9 unmitigatable losses.

10 ~~“(5) FOREFEITURE FOR MISUSE.—Any exemp-~~
 11 ~~tion granted under paragraph (1) shall be termi-~~
 12 ~~nated immediately by the Secretary if the air carrier~~
 13 ~~to which it was granted uses the slot for any pur-~~
 14 ~~pose other than the purpose for which it was grant-~~
 15 ~~ed or in violation of the conditions under which it~~
 16 ~~was granted.~~

17 ~~“(6) RESTORATION OF AIR SERVICE.—To the~~
 18 ~~extent that—~~

19 ~~“(A) slots were withdrawn from an air car-~~
 20 ~~rier under subsection (b) of this section;~~

21 ~~“(B) the withdrawal of slots under that~~
 22 ~~subsection resulted in a net loss of slots; and~~

23 ~~“(C) the net loss of slots resulting from~~
 24 ~~the withdrawal had an adverse effect on service~~

1 to nonhub airports and in other domestic mar-
 2 kets,
 3 the Secretary shall give priority consideration to the
 4 request of any air carrier from which slots were
 5 withdrawn under that section for an equivalent num-
 6 ber of slots at the airport where the slots were with-
 7 drawn.

8 “(7) PRIORITY TO NEW ENTRANTS AND LIM-
 9 ITED INCUMBENT CARRIERS.—In assigning slots
 10 under this subsection the Secretary shall, in conjunc-
 11 tion with paragraph (5), give priority consideration
 12 to an application from an air carrier that, as of July
 13 1, 1998, held fewer than 20 slots at the high density
 14 airport for which it filed an exemption application.”.

15 (b) DEFINITIONS.—Subsection (i) of section 41714
 16 as redesignated by subsection (a), is amended by—

17 (1) by striking “The term” in paragraph (1)
 18 and inserting “Except as provided in paragraph (5),
 19 the term”; and

20 (2) adding at the end thereof the following:

21 “(5) NONSTOP JET EXEMPTION DEFINI-
 22 TIONS.—Any term used in subsection (h) that is de-
 23 fined in section 41762 has the meaning given that
 24 term by section 41762.”.

1 (e) ~~SLOT WITHDRAWAL NOT TO AFFECT NONHUB~~
 2 ~~SERVICE.~~—Section 41714, as amended by subsection (a),
 3 is amended—

4 (1) by redesignating subsection (i) as subsection
 5 (j); and

6 (2) by inserting after subsection (h) the follow-
 7 ing:

8 “(i) ~~SLOT WITHDRAWAL MAY NOT AFFECT NONHUB~~
 9 ~~SERVICE.~~—The Secretary may not withdraw a slot from
 10 a United States air carrier under this section in order to
 11 provide a slot to a foreign air carrier for purposes of inter-
 12 national air transportation unless the Secretary finds
 13 that—

14 “(1) the withdrawal of that slot from the
 15 United States air carrier will not adversely affect air
 16 service to nonhub airports; and

17 “(2) United States air carriers seeking slots for
 18 purposes of international air transportation at an
 19 airport in the home country of that foreign air car-
 20 rier receive reciprocal treatment by the government
 21 of that country.”.

22 **SEC. 607. SECRETARY SHALL GRANT EXEMPTIONS TO PE-**
 23 **RIMETER RULE.**

24 (a) ~~IN GENERAL.~~—The Secretary of Transportation
 25 shall by order grant exemptions from the application of

1 section 49109 of title 49, United States Code, to air car-
2 riers to operate limited frequencies and aircraft on select
3 routes between Ronald Reagan Washington National Air-
4 port and other airports if the Secretary finds that the ex-
5 emption will—

6 (1) provide air transportation service with do-
7 mestic network benefits in areas beyond the perim-
8 eter described in that section; and

9 (2) increase competition in multiple markets.

10 (b) LIMITATIONS.—

11 (1) AIRCRAFT.—An exemption granted under
12 subsection (a) may not be granted with respect to
13 any aircraft that is not a Stage 3 aircraft (as de-
14 fined by the Secretary).

15 (2) NUMBER AND TYPE OF OPERATION.—An
16 exemption granted under subsection (a) may not—

17 (A) result in more than 12 new daily air
18 carrier slots at such airport for long-haul serv-
19 ice beyond the perimeter;

20 (B) result in more than 12 new daily com-
21 muter slots at such airport; or

22 (C) result in new daily commuter slots for
23 service to any within-the-perimeter market that
24 is not an underserved market.

1 (3) HOURS OF OPERATION.—In granting ex-
2 emptions under subsection (a), the Secretary shall
3 distribute the 24 new daily slots fairly evenly across
4 the hours between 7:00 a.m. and 9:59 p.m., except
5 that—

6 (A) 2 slots per hour shall be added during
7 9 of the hours beginning during that period;
8 and

9 (B) 1 slot per hour shall be added during
10 6 of the hours beginning during that period.

11 (4) PROTECTION OF INCUMBENT CARRIERS.—
12 An exemption granted under subsection (a) may not
13 result in the withdrawal of a slot from any incum-
14 bent air carrier at that airport.

15 (c) WITHIN-PERIMETER SLOT DISTRIBUTION.—The
16 Secretary shall develop criteria for distributing slots for
17 flights within the perimeter to airports other than large
18 hubs (as defined in section 47134(d)(2) of title 49, United
19 States Code) in a manner consistent with promoting com-
20 petition.

21 (d) REPORT.—Within 1 year after the date of enact-
22 ment of this Act, and biannually thereafter, the Secretary
23 shall certify to the United States Senate Committee on
24 Commerce, Science, and Transportation, the United
25 States House of Representatives Committee on Transpor-

1 tation and Infrastructure, and the Governments of Mary-
 2 land and Virginia that noise standards, air traffic conges-
 3 tion, airport-related vehicular congestion, safety stand-
 4 ards, and adequate air service to communities served by
 5 small hub airports and medium hub airports within the
 6 perimeter described in section 49109 of title 49, United
 7 States Code, have been maintained at appropriate levels.

8 (d) FORFEITURE FOR MISUSE.—The Secretary shall
 9 terminate an exemption granted under subsection (a) if
 10 the air carrier to which it was granted violates subsection
 11 (b)(5), and reallocate the exemption under subsection (a)
 12 to another air carrier.

13 (f) CERTAIN TITLE 49 DEFINITIONS APPLY.—Any
 14 term used in this section that is defined in chapter 417
 15 of title 49, United States Code, has the meaning given
 16 that term in that chapter.

17 **SEC. 608. ADDITIONAL SLOTS AT CHICAGO'S O'HARE AIR-**
 18 **PORT.**

19 (a) IN GENERAL.—The Secretary of Transportation
 20 may grant 100 additional slots under section 41714 of
 21 title 49, United States Code, over a 3-year period to air
 22 carriers to operate limited frequencies and aircraft on se-
 23 lect routes between O'Hare Airport in Chicago, Illinois,
 24 and other airports if the Secretary—

1 **TITLE VII—PARK OVERFLIGHTS**

2 **SEC. 701. FINDINGS.**

3 The Congress finds that—

4 (1) the Federal Aviation Administration has
5 sole authority to control airspace over the United
6 States;

7 (2) the Federal Aviation Administration has the
8 authority to preserve, protect, and enhance the envi-
9 ronment by minimizing, mitigating, or preventing
10 the adverse effects of aircraft overflights on the pub-
11 lic and tribal lands;

12 (3) the National Park Service has the respon-
13 sibility of conserving the scenery and natural and
14 historic objects and wildlife in national parks and of
15 providing for the enjoyment of the national parks in
16 ways that leave the national parks unimpaired for
17 future generations;

18 (4) the protection of tribal lands from aircraft
19 overflights is consistent with protecting the public
20 health and welfare and is essential to the mainte-
21 nance of the natural and cultural resources of In-
22 dian tribes;

23 (5) the National Parks Overflights Working
24 Group, composed of general aviation, air tour, envi-
25 ronmental, and Native American representatives,

1 recommended that the Congress enact legislation
2 based on its consensus work product; and

3 (6) this title reflects the recommendations made
4 by that Group.

5 **SEC. 702. AIR TOUR MANAGEMENT PLANS FOR NATIONAL**
6 **PARKS.**

7 (a) IN GENERAL.—Chapter 401 is amended by add-
8 ing at the end the following:

9 **“§ 40125. Overflights of national parks**

10 **“(a) IN GENERAL.—**

11 **“(1) GENERAL REQUIREMENTS.—**A commercial
12 air tour operator may not conduct commercial air
13 tour operations over a national park or tribal lands
14 except—

15 **“(A) in accordance with this section;**

16 **“(B) in accordance with conditions and**
17 **limitations prescribed for that operator by the**
18 **Administrator; and**

19 **“(C) in accordance with any effective air**
20 **tour management plan for that park or those**
21 **tribal lands.**

22 **“(2) APPLICATION FOR OPERATING AUTHOR-**
23 **ITY.—**

24 **“(A) APPLICATION REQUIRED.—**Before
25 commencing commercial air tour operations

1 over a national park or tribal lands, a commer-
2 cial air tour operator shall apply to the Admin-
3 istrator for authority to conduct the operations
4 over that park or those tribal lands.

5 “(B) COMPETITIVE BIDDING FOR LIMITED
6 CAPACITY PARKS.—Whenever a commercial air
7 tour management plan limits the number of
8 commercial air tour flights over a national park
9 area during a specified time frame, the Admin-
10 istrator, in cooperation with the Director, shall
11 authorize commercial air tour operators to pro-
12 vide such service. The authorization shall speci-
13 fy such terms and conditions as the Adminis-
14 trator and the Director find necessary for man-
15 agement of commercial air tour operations over
16 the national park. The Administrator, in co-
17 operation with the Director, shall develop an
18 open competitive process for evaluating propos-
19 als from persons interested in providing com-
20 mercial air tour services over the national park.
21 In making a selection from among various pro-
22 posals submitted, the Administrator, in co-
23 operation with the Director, shall consider rel-
24 evant factors, including—

1 “(i) the safety record of the company
2 or pilots;

3 “(ii) any quiet aircraft technology pro-
4 posed for use;

5 “(iii) the experience in commercial air
6 tour operations over other national parks
7 or scenic areas;

8 “(iv) the financial capability of the
9 company;

10 “(v) any training programs for pilots;
11 and

12 “(vi) responsiveness to any criteria de-
13 veloped by the National Park Service or
14 the affected national park.

15 “(C) NUMBER OF OPERATIONS AUTHOR-
16 IZED.—In determining the number of author-
17 izations to issue to provide commercial air tour
18 service over a national park, the Administrator,
19 in cooperation with the Director, shall take into
20 consideration the provisions of the air tour
21 management plan, the number of existing com-
22 mercial air tour operators and current level of
23 service and equipment provided by any such
24 companies, and the financial viability of each
25 commercial air tour operation.

1 “(D) COOPERATION WITH NPS.—Before
2 granting an application under this paragraph,
3 the Administrator shall, in cooperation with the
4 Director, develop a air tour management plan
5 in accordance with subsection (b) and imple-
6 ment such plan.

7 “(E) TIME LIMIT ON RESPONSE TO ATMP
8 APPLICATIONS.—The Administrator shall act on
9 any such application and issue a decision on the
10 application not later than 24 months after it is
11 received or amended.

12 “(3) EXCEPTION.—Notwithstanding paragraph
13 (1), commercial air tour operators may conduct com-
14 mercial air tour operations over a national park
15 under part 91 of the Federal Aviation Regulations
16 (14 CFR 91.1 et seq.) if—

17 “(A) such activity is permitted under part
18 119 (14 CFR 119.1(c)(2));

19 “(B) the operator secures a letter of agree-
20 ment from the Administrator and the national
21 park superintendent for that national park de-
22 scribing the conditions under which the flight
23 operations will be conducted; and

24 “(C) the total number of operations under
25 this exception is limited to not more than 5

1 flights in any 30-day period over a particular
2 park.

3 ~~“(4) SPECIAL RULE FOR SAFETY REQUIRE-~~
4 ~~MENTS.—~~Notwithstanding subsection (c), an exist-
5 ing commercial air tour operator shall, not later
6 than 90 days after the date of enactment of the Na-
7 tional Air Transportation System Improvement Act
8 of 1998, apply for operating authority under part
9 119, 121, or 135 of the Federal Aviation Regula-
10 tions (14 CFR Pt. 119, 121, or 135). A new entrant
11 commercial air tour operator shall apply for such au-
12 thority before conducting commercial air tour oper-
13 ations over a national park or tribal lands.

14 ~~“(b) AIR TOUR MANAGEMENT PLANS.—~~

15 ~~“(1) ESTABLISHMENT OF ATMPS.—~~

16 ~~“(A) IN GENERAL.—~~The Administrator
17 shall, in cooperation with the Director, establish
18 an air tour management plan for any national
19 park or tribal land for which such a plan is not
20 already in effect whenever a person applies for
21 authority to operate a commercial air tour over
22 the park. The development of the air tour man-
23 agement plan is to be a cooperative undertaking
24 between the Federal Aviation Administration
25 and the National Park Service. The air tour

1 management plan shall be developed by means
2 of a public process, and the agencies shall de-
3 velop information and analysis that explains the
4 conclusions that the agencies make in the appli-
5 cation of the respective criteria. Such expla-
6 nations shall be included in the Record of Deci-
7 sion and may be subject to judicial review.

8 “(B) OBJECTIVE.—The objective of any
9 air tour management plan shall be to develop
10 acceptable and effective measures to mitigate or
11 prevent the significant adverse impacts, if any,
12 of commercial air tours upon the natural and
13 cultural resources and visitor experiences and
14 tribal lands.

15 “(2) ENVIRONMENTAL DETERMINATION.—In
16 establishing an air tour management plan under this
17 subsection, the Administrator and the Director shall
18 each sign the environmental decision document re-
19 quired by section 102 of the National Environmental
20 Policy Act of 1969 (42 U.S.C. 4332) which may in-
21 clude a finding of no significant impact, an environ-
22 mental assessment, or an environmental impact
23 statement, and the Record of Decision for the air
24 tour management plan.

1 “(3) CONTENTS.—An air tour management
2 plan for a national park—

3 “(A) may prohibit commercial air tour op-
4 erations in whole or in part;

5 “(B) may establish conditions for the con-
6 duct of commercial air tour operations, includ-
7 ing commercial air tour routes, maximum or
8 minimum altitudes, time-of-day restrictions, re-
9 strictions for particular events, maximum num-
10 ber of flights per unit of time, intrusions on pri-
11 vacy on tribal lands, and mitigation of noise,
12 visual, or other impacts;

13 “(C) may apply to all commercial air tours
14 within ½ mile outside the boundary of a na-
15 tional park;

16 “(D) shall include incentives (such as pre-
17 ferred commercial air tour routes and altitudes,
18 relief from caps and curfews) for the adoption
19 of quieter aircraft technology by commercial air
20 tour operators conducting commercial air tour
21 operations at the park;

22 “(E) shall provide for the initial allocation
23 of opportunities to conduct commercial air
24 tours if the plan includes a limitation on the

1 number of commercial air tour flights for any
2 time period; and

3 “(F) shall justify and document the need
4 for measures taken pursuant to subparagraphs
5 (A) through (E).

6 “(4) PROCEDURE.—In establishing a commer-
7 cial air tour management plan for a national park,
8 the Administrator and the Director shall—

9 “(A) initiate at least one public meeting
10 with interested parties to develop a commercial
11 air tour management plan for the park;

12 “(B) publish the proposed plan in the Fed-
13 eral Register for notice and comment and make
14 copies of the proposed plan available to the
15 public;

16 “(C) comply with the regulations set forth
17 in sections 1501.3 and 1501.5 through 1501.8
18 of title 40, Code of Federal Regulations (for
19 purposes of complying with those regulations,
20 the Federal Aviation Administration is the lead
21 agency and the National Park Service is a co-
22 operating agency); and

23 “(D) solicit the participation of any Indian
24 tribe whose tribal lands are, or may be,
25 overflowed by aircraft involved in commercial air

1 tour operations over a national park or tribal
2 lands, as a cooperating agency under the regu-
3 lations referred to in paragraph (4)(C).

4 “(5) AMENDMENTS.—Any amendment of an air
5 tour management plan shall be published in the
6 Federal Register for notice and comment. A request
7 for amendment of an air tour management plan
8 shall be made in such form and manner as the Ad-
9 ministrators may prescribe.

10 “(e) INTERIM OPERATING AUTHORITY.—

11 “(1) IN GENERAL.—Upon application for oper-
12 ating authority, the Administrator shall grant in-
13 terim operating authority under this paragraph to a
14 commercial air tour operator for a national park or
15 tribal lands for which the operator is an existing
16 commercial air tour operator.

17 “(2) REQUIREMENTS AND LIMITATIONS.—In-
18 terim operating authority granted under this para-
19 graph—

20 “(A) shall provide annual authorization
21 only for the greater of—

22 “(i) the number of flights used by the
23 operator to provide such tours within the
24 12-month period prior to the date of enact-

1 ment of the National Air Transportation
2 System Improvement Act of 1998; or

3 “(ii) the average number of flights per
4 12-month period used by the operator to
5 provide such tours within the 36-month pe-
6 riod prior to such date of enactment; and,
7 for seasonal operations; the number of
8 flights so used during the season or sea-
9 sons covered by that 12-month period;

10 “(B) may not provide for an increase in
11 the number of operations conducted during any
12 time period by the commercial air tour operator
13 to which it is granted unless the increase is
14 agreed to by the Administrator and the Direc-
15 tor;

16 “(C) shall be published in the Federal Reg-
17 ister to provide notice and opportunity for com-
18 ment;

19 “(D) may be revoked by the Administrator
20 for cause;

21 “(E) shall terminate 180 days after the
22 date on which an air tour management plan is
23 established for that park or those tribal lands;
24 and

25 “(F) shall—

1 “(i) promote protection of national
2 park resources, visitor experiences, and
3 tribal lands;

4 “(ii) promote safe operations of the
5 commercial air tour;

6 “(iii) promote the adoption of quiet
7 technology, as appropriate; and

8 “(iv) allow for modifications of the op-
9 eration based on experience if the modi-
10 fication improves protection of national
11 park resources and values and of tribal
12 lands.

13 “(3) NEW ENTRANT AIR TOUR OPERATORS.—

14 “(A) IN GENERAL.—The Administrator, in
15 cooperation with the Director, may grant in-
16 terim operating authority under this paragraph
17 to an air tour operator for a national park for
18 which that operator is a new entrant air tour
19 operator if the Administrator determines the
20 authority is necessary to ensure competition in
21 the provision of commercial air tours over that
22 national park or those tribal lands.

23 “(B) SAFETY LIMITATION.—The Adminis-
24 trator may not grant interim operating author-
25 ity under subparagraph (A) if the Adminis-

1 trator determines that it would create a safety
2 problem at that park or on tribal lands, or the
3 Director determines that it would create a noise
4 problem at that park or on tribal lands.

5 “(C) ATMP LIMITATION.—The Adminis-
6 trator may grant interim operating authority
7 under subparagraph (A) of this paragraph only
8 if the air tour management plan for the park or
9 tribal lands to which the application relates has
10 not been developed within 24 months after the
11 date of enactment of the National Air Trans-
12 portation System Improvement Act of 1998.

13 “(d) DEFINITIONS.—In this section, the following
14 definitions apply:

15 “(1) COMMERCIAL AIR TOUR.—The term ‘com-
16 mercial air tour’ means any flight conducted for
17 compensation or hire in a powered aircraft where a
18 purpose of the flight is sightseeing. If the operator
19 of a flight asserts that the flight is not a commercial
20 air tour, factors that can be considered by the Ad-
21 ministrators in making a determination of whether
22 the flight is a commercial air tour, include, but are
23 not limited to—

1 “(A) whether there was a holding out to
2 the public of willingness to conduct a sightsee-
3 ing flight for compensation or hire;

4 “(B) whether a narrative was provided
5 that referred to areas or points of interest on
6 the surface;

7 “(C) the area of operation;

8 “(D) the frequency of flights;

9 “(E) the route of flight;

10 “(F) the inclusion of sightseeing flights as
11 part of any travel arrangement package; or

12 “(G) whether the flight or flights in ques-
13 tion would or would not have been canceled
14 based on poor visibility of the surface.

15 “(2) ~~COMMERCIAL AIR TOUR OPERATOR.~~—The
16 term ‘commercial air tour operator’ means any per-
17 son who conducts a commercial air tour.

18 “(3) ~~EXISTING COMMERCIAL AIR TOUR OPERA-~~
19 ~~TOR.~~—The term ‘existing commercial air tour opera-
20 tor’ means a commercial air tour operator that was
21 actively engaged in the business of providing com-
22 mercial air tours over a national park at any time
23 during the 12-month period ending on the date of
24 enactment of the National Air Transportation Sys-
25 tem Improvement Act of 1998.

1 “(4) NEW ENTRANT COMMERCIAL AIR TOUR
2 OPERATOR.—The term ‘new entrant commercial air
3 tour operator’ means a commercial air tour operator
4 that—

5 “(A) applies for operating authority as a
6 commercial air tour operator for a national
7 park; and

8 “(B) has not engaged in the business of
9 providing commercial air tours over that na-
10 tional park or those tribal lands in the 12-
11 month period preceding the application.

12 “(5) COMMERCIAL AIR TOUR OPERATIONS.—
13 The term ‘commercial air tour operations’ means
14 commercial air tour flight operations conducted—

15 “(A) over a national park or within ½ mile
16 outside the boundary of any national park;

17 “(B) below a minimum altitude, deter-
18 mined by the Administrator in cooperation with
19 the Director, above ground level (except solely
20 for purposes of takeoff or landing, or necessary
21 for safe operation of an aircraft as determined
22 under the rules and regulations of the Federal
23 Aviation Administration requiring the pilot-in-
24 command to take action to ensure the safe op-
25 eration of the aircraft); and

1 “(C) less than 1 mile laterally from any
2 geographic feature within the park (unless more
3 than 1/2 mile outside the boundary).

4 “(6) NATIONAL PARK.—The term ‘national
5 park’ means any unit of the National Park System.

6 “(7) TRIBAL LANDS.—The term ‘tribal lands’
7 means ‘Indian country’, as defined by section 1151
8 of title 18, United States Code, that is within or
9 abutting a national park.

10 “(8) ADMINISTRATOR.—The term ‘Adminis-
11 trator’ means the Administrator of the Federal Avia-
12 tion Administration.

13 “(9) DIRECTOR.—The term ‘Director’ means
14 the Director of the National Park Service.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 for chapter 401 is amended by adding at the end thereof
17 the following:

 “40125. Overflights of national parks”.

18 **SEC. 703. ADVISORY GROUP.**

19 (a) ESTABLISHMENT.—Not later than 1 year after
20 the date of enactment of this Act, the Administrator of
21 the Federal Aviation Administration and the Director of
22 the National Park Service shall jointly establish an advi-
23 sory group to provide continuing advice and counsel with
24 respect to the operation of commercial air tours over and
25 near national parks.

1 (b) MEMBERSHIP.—

2 (1) IN GENERAL.—The advisory group shall be
3 composed of—

4 (A) a balanced group of —

5 (i) representatives of general aviation;

6 (ii) representatives of commercial air
7 tour operators;

8 (iii) representatives of environmental
9 concerns; and

10 (iv) representatives of Indian tribes;

11 (B) a representative of the Federal Avia-
12 tion Administration; and

13 (C) a representative of the National Park
14 Service.

15 (2) EX-OFFICIO MEMBERS.—The Administrator
16 and the Director shall serve as ex-officio members.

17 (3) CHAIRPERSON.—The representative of the
18 Federal Aviation Administration and the representa-
19 tive of the National Park Service shall serve alter-
20 nating 1-year terms as chairman of the advisory
21 group, with the representative of the Federal Avia-
22 tion Administration serving initially until the end of
23 the calendar year following the year in which the ad-
24 visory group is first appointed.

1 (e) DUTIES.—The advisory group shall provide ad-
 2 vice, information, and recommendations to the Adminis-
 3 trator and the Director—

4 (1) on the implementation of this title;

5 (2) on the designation of commonly accepted
 6 quiet aircraft technology for use in commercial air
 7 tours of national parks or tribal lands, which will re-
 8 ceive preferential treatment in a given air tour man-
 9 agement plan;

10 (3) on other measures that might be taken to
 11 accommodate the interests of visitors to national
 12 parks; and

13 (4) on such other national park or tribal lands-
 14 related safety, environmental, and air touring issues
 15 as the Administrator and the Director may request.

16 (d) COMPENSATION; SUPPORT; FACA.—

17 (1) COMPENSATION AND TRAVEL.—Members of
 18 the advisory group who are not officers or employees
 19 of the United States, while attending conferences or
 20 meetings of the group or otherwise engaged in its
 21 business, or while serving away from their homes or
 22 regular places of business, each member may be at-
 23 lowed travel expenses, including per diem in lieu of
 24 subsistence, as authorized by section 5703 of title 5,

1 United States Code, for persons in the Government
2 service employed intermittently.

3 ~~(2) ADMINISTRATIVE SUPPORT.~~—The Federal
4 Aviation Administration and the National Park
5 Service shall jointly furnish to the advisory group
6 clerical and other assistance.

7 ~~(3) NONAPPLICATION OF FACCA.~~—Section 14 of
8 the Federal Advisory Committee Act (5 U.S.C.
9 App.) does not apply to the advisory group.

10 ~~(e) REPORT.~~—The Administrator and the Director
11 shall jointly report to the Congress within 24 months after
12 the date of enactment of this Act on the success of this
13 title in providing incentives for quiet aircraft technology.

14 **SEC. 704. EXEMPTION.**

15 Section 40125 of title 49, United States Code, as
16 added by section 702 of this Act, does not apply to—

17 (1) the Grand Canyon National Park;

18 (2) Indian country within or abutting the
19 Grand Canyon National Park;

20 (3) any unit of the National Park System lo-
21 cated in Alaska; or

22 (4) Indian country located in Alaska.

23 **SEC. 705. OVERFLIGHT FEE REPORT.**

24 Not later than 180 days after the date of enactment
25 of this Act, the Administrator of the Federal Aviation Ad-

1 ministration shall transmit to Congress a report on the
 2 effects proposed overflight fees are likely to have on the
 3 commercial air tour industry. The report shall include, but
 4 shall not be limited to—

5 (1) the viability of a tax credit for the commer-
 6 cial air tour operators equal to the amount of the
 7 proposed fee charged by the National Park Service;
 8 and

9 (2) the financial effects proposed offsets are
 10 likely to have on Federal Aviation Administration
 11 budgets and appropriations.

12 **TITLE VIII—AVIATION TRUST**

13 **FUND AMENDMENTS**

14 **SEC. 801. AMENDMENTS TO THE AIRPORT AND AIRWAY** 15 **TRUST FUND.**

16 Section 9502(d)(1) of the Internal Revenue Code of
 17 1986 (relating to expenditures from Airport and Airway
 18 Trust Fund) is amended—

19 (1) by striking “1998,” and inserting “2002,”;

20 (2) by striking “1996,” in subparagraph (A)
 21 and inserting “1996, or the National Air Transpor-
 22 tation System Improvement Act of 1998,”;

23 (3) by striking “or” at the end of subparagraph
 24 (B); and

1 (4) by striking “(B).” in subparagraph (C) and
 2 inserting “(B); or”.

3 **SECTION 1. SHORT TITLE; TABLE OF SECTIONS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Wendell H. Ford National Air Transportation System Im-*
 6 *provement Act of 1998”.*

7 (b) *TABLE OF SECTIONS.*—*The table of sections for this*
 8 *Act is as follows:*

Sec. 1. Short title; table of sections.

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

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. Reprogramming notification requirement.

Sec. 105. Airport security program.

Sec. 106. Contract tower program.

TITLE II—AIRPORT IMPROVEMENT PROGRAM AMENDMENTS

Sec. 201. Removal of the cap on discretionary fund.

Sec. 202. Innovative use of airport grant funds.

Sec. 203. Matching share.

*Sec. 204. Increase in apportionment for noise compatibility planning and pro-
 grams.*

Sec. 205. Technical amendments.

Sec. 206. Repeal of period of applicability.

Sec. 207. Report on efforts to implement capacity enhancements.

Sec. 208. Prioritization of discretionary projects.

Sec. 209. Public notice before grant assurance requirement waived.

Sec. 210. Definition of public aircraft.

Sec. 211. Terminal development costs.

TITLE III—AMENDMENTS TO AVIATION LAW

Sec. 301. Severable services contracts for periods crossing fiscal years.

*Sec. 302. Foreign carriers eligible for waiver under Airport Noise and Capacity
 Act.*

Sec. 303. Government and industry consortia.

Sec. 304. Implementation of Article 83 Bis of the Chicago Convention.

Sec. 305. Foreign aviation services authority.

*Sec. 306. Flexibility to perform criminal history record checks; technical amend-
 ments to Pilot Records Improvement Act.*

Sec. 307. Aviation insurance program amendments.

Sec. 308. Technical corrections to civil penalty provisions.

TITLE IV—TITLE 49 TECHNICAL CORRECTIONS

Sec. 401. Restatement of 49 U.S.C. 106(g).

Sec. 402. Restatement of 49 U.S.C. 44909.

Sec. 403. Typographical errors.

TITLE V—MISCELLANEOUS

Sec. 501. Oversight of FAA response to year 2000 problem.

Sec. 502. Cargo collision avoidance systems deadline.

Sec. 503. Runway safety areas.

Sec. 504. Airplane emergency locators.

Sec. 505. Counterfeit aircraft parts.

Sec. 506. FAA may fine unruly passengers.

Sec. 507. Higher international standards for handicapped access.

Sec. 508. Conveyances of United States Government land.

Sec. 509. Flight operations quality assurance rules.

Sec. 510. Wide area augmentation system.

Sec. 511. Regulation of Alaska air guides.

Sec. 512. Application of FAA regulations.

Sec. 513. Human factors program.

Sec. 514. Independent validation of FAA costs and allocations.

Sec. 515. Whistleblower protection for FAA employees.

Sec. 516. Report on modernization of oceanic ATC system.

Sec. 517. Report on air transportation oversight system.

Sec. 518. Recycling of EIS.

Sec. 519. Protection of employees providing air safety information.

TITLE VI—AVIATION COMPETITION PROMOTION

Sec. 601. Purpose.

Sec. 602. Establishment of small community aviation development program.

Sec. 603. Community-carrier air service program.

Sec. 604. Authorization of appropriations.

Sec. 605. Marketing practices.

Sec. 606. Slot exemptions for nonstop regional jet service.

Sec. 607. Secretary shall grant exemptions to perimeter rule.

Sec. 608. Additional slots at Chicago's O'Hare Airport.

Sec. 609. Consumer notification of e-ticket expiration dates.

Sec. 610. Joint venture agreements.

Sec. 611. Regional air service incentive options.

Sec. 612. GAO study of rural air transportation needs.

TITLE VII—NATIONAL PARK OVERFLIGHTS

Sec. 701. Findings.

Sec. 702. Air tour management plans for national parks.

Sec. 703. Advisory group.

Sec. 704. Overflight fee report.

TITLE VIII—AVIATION TRUST FUND AMENDMENTS

Sec. 801. Amendments to the Airport and Airway Trust Fund.

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 **TITLE I—AUTHORIZATIONS**

8 **SEC. 101. FEDERAL AVIATION ADMINISTRATION OPER-**
 9 **ATIONS.**

10 *Section 106(k) is amended to read as follows:*

11 *“(k) AUTHORIZATION OF APPROPRIATIONS FOR OPER-*
 12 *ATIONS.—*

13 *“(1) IN GENERAL.—There are authorized to be*
 14 *appropriated to the Secretary of Transportation for*
 15 *operations of the Administration \$5,631,000,000 for*
 16 *fiscal year 1999, \$5,784,000,000 for fiscal year 2000,*
 17 *\$5,946,000,000 for fiscal year 2001, and*
 18 *\$6,112,000,000 for fiscal year 2002. Of the amounts*
 19 *authorized to be appropriated for fiscal year 1999,*
 20 *not more than \$9,100,000 shall be used to support air*
 21 *safety efforts through payment of United States mem-*
 22 *bership obligations, to be paid as soon as practicable.*

23 *“(2) AUTHORIZED EXPENDITURES.—Of the*
 24 *amounts appropriated under paragraph (1) \$450,000*
 25 *may be used for wildlife hazard mitigation measures*

1 *and management of the wildlife strike database of the*
 2 *Federal Aviation Administration.*

3 “(3) *UNIVERSITY CONSORTIUM.*—*There are au-*
 4 *thorized to be appropriated not more than \$9,100,000*
 5 *for the 3 fiscal year period beginning with fiscal year*
 6 *1999 to support a university consortium established*
 7 *to provide an air safety and security management*
 8 *certificate program, working cooperatively with the*
 9 *Federal Aviation Administration and United States*
 10 *air carriers. Funds authorized under this para-*
 11 *graph—*

12 “(A) *may not be used for the construction*
 13 *of a building or other facility; and*

14 “(B) *shall be awarded on the basis of open*
 15 *competition.*”.

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

17 “(a) *IN GENERAL.*—*Section 48101(a) is amended by*
 18 *striking paragraphs (1) and (2) and inserting the following:*

19 “(1) *for fiscal year 1999—*

20 “(A) *\$222,800,000 for engineering, develop-*
 21 *ment, test, and evaluation: en route programs;*

22 “(B) *\$74,700,000 for engineering, develop-*
 23 *ment, test, and evaluation: terminal programs;*

1 “(C) \$108,000,000 for engineering, develop-
2 ment, test, and evaluation: landing and naviga-
3 tional aids;

4 “(D) \$17,790,000 for engineering, develop-
5 ment, test, and evaluation: research, test, and
6 evaluation equipment and facilities programs;

7 “(E) \$391,358,300 for air traffic control fa-
8 cilities and equipment: en route programs;

9 “(F) \$492,315,500 for air traffic control fa-
10 cilities and equipment: terminal programs;

11 “(G) \$38,764,400 for air traffic control fa-
12 cilities and equipment: flight services programs;

13 “(H) \$50,500,000 for air traffic control fa-
14 cilities and equipment: other ATC facilities pro-
15 grams;

16 “(I) \$162,400,000 for non-ATC facilities
17 and equipment programs;

18 “(J) \$14,500,000 for training and equip-
19 ment facilities programs;

20 “(K) \$280,800,000 for mission support pro-
21 grams;

22 “(L) \$235,210,000 for personnel and related
23 expenses;

24 “(2) \$2,189,000,000 for fiscal year 2000;

25 “(3) \$2,250,000,000 for fiscal year 2001; and

1 “(4) \$2,313,000,000 for fiscal year 2002.”.

2 (b) *CONTINUATION OF ILS INVENTORY PROGRAM.*—

3 *Section 44502(a)(4)(B) is amended—*

4 (1) *by striking “fiscal years 1995 and 1996” and*
5 *inserting “fiscal years 1999, 2000, 2001, and 2002”;*
6 *and*

7 (2) *by striking “acquisition,” and inserting “ac-*
8 *quisition under new or existing contracts,”.*

9 (c) *LIFE-CYCLE COST ESTIMATES.*—*The Adminis-*
10 *trator of the Federal Aviation Administration shall estab-*
11 *lish life-cycle cost estimates for any air traffic control mod-*
12 *ernization project the total life-cycle costs of which equal*
13 *or exceed \$50,000,000.*

14 **SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND**
15 **NOISE COMPATIBILITY PLANNING AND PRO-**
16 **GRAMS.**

17 (a) *EXTENSION AND AUTHORIZATION.*—*Section 48103*
18 *is amended by—*

19 (1) *striking “September 30, 1996,” and inserting*
20 *“September 30, 1998,”; and*

21 (2) *striking “\$2,280,000,000 for fiscal years end-*
22 *ing before October 1, 1997, and \$4,627,000,000 for fis-*
23 *cal years ending before October 1, 1998.” and insert-*
24 *ing “\$2,410,000,000 for fiscal years ending before Oc-*
25 *tober 1, 1999, \$4,885,000,000 for fiscal years ending*

1 *before October 1, 2000, \$7,427,000,000 for fiscal years*
2 *ending before October 1, 2001, and \$10,038,000,000*
3 *for fiscal years ending before October 1, 2002.”.*

4 **(b) PROJECT GRANT AUTHORITY.**—Section 47104(c) is
5 *amended by striking “1998,” and inserting “2002,”.*

6 **SEC. 104. REPROGRAMMING NOTIFICATION REQUIREMENT.**

7 *Before reprogramming any amounts appropriated*
8 *under section 106(k), 48101(a), or 48103 of title 49, United*
9 *States Code, for which notification of the Committees on*
10 *Appropriations of the Senate and the House of Representa-*
11 *tives is required, the Secretary of Transportation shall sub-*
12 *mit a written explanation of the proposed reprogramming*
13 *to the Committee on Commerce, Science, and Transpor-*
14 *tation of the Senate and the Committee on Transportation*
15 *and Infrastructure of the House of Representatives.*

16 **SEC. 105. AIRPORT SECURITY PROGRAM.**

17 **(a) IN GENERAL.**—Chapter 471 (as amended by sec-
18 *tion 202(a) of this Act) is amended by adding the following*
19 *new section:*

20 **“§ 47136. Airport security program**

21 **“(a) GENERAL AUTHORITY.**—*To improve security at*
22 *public airports in the United States, the Secretary of*
23 *Transportation shall carry out not less than 1 project to*
24 *test and evaluate innovative airport security systems and*
25 *related technology.*

1 “(b) *PRIORITY.*—*In carrying out this section, the Sec-*
2 *retary shall give the highest priority to a request from an*
3 *eligible sponsor for a grant to undertake a project that—*

4 “(1) *evaluates and tests the benefits of innovative*
5 *airport security systems or related technology, includ-*
6 *ing explosives detection systems, for the purpose of*
7 *improving airport and aircraft physical security and*
8 *access control; and*

9 “(2) *provides testing and evaluation of airport*
10 *security systems and technology in an operational,*
11 *test bed environment.*

12 “(c) *MATCHING SHARE.*—*Notwithstanding section*
13 *47109, the United States Government’s share of allowable*
14 *project costs for a project under this section is 100 percent.*

15 “(d) *TERMS AND CONDITIONS.*—*The Secretary may es-*
16 *tablish such terms and conditions as the Secretary deter-*
17 *mines appropriate for carrying out a project under this sec-*
18 *tion, including terms and conditions relating to the form*
19 *and content of a proposal for a project, project assurances,*
20 *and schedule of payments.*

21 “(e) *ELIGIBLE SPONSOR DEFINED.*—*In this section,*
22 *the term ‘eligible sponsor’ means a nonprofit corporation*
23 *composed of a consortium of public and private persons,*
24 *including a sponsor of a primary airport, with the nec-*
25 *essary engineering and technical expertise to successfully*

1 *conduct the testing and evaluation of airport and aircraft*
 2 *related security systems.*

3 “(f) *AUTHORIZATION OF APPROPRIATIONS.—Of the*
 4 *amounts made available to the Secretary under section*
 5 *47115 in a fiscal year, the Secretary shall make available*
 6 *not less than \$5,000,000 for the purpose of carrying out*
 7 *this section.*”.

8 (b) *CONFORMING AMENDMENT.—The analysis for sub-*
 9 *chapter I of such chapter (as amended by section 202(b)*
 10 *of this Act) is amended by adding at the end the following:*
 “47136. Airport security program.”.

11 **SEC. 106. CONTRACT TOWER PROGRAM.**

12 *There are authorized to be appropriated to the Sec-*
 13 *retary of Transportation such sums as may be necessary*
 14 *to carry out the Federal Contract Tower Program under*
 15 *title 49, United States Code.*

16 **TITLE II—AIRPORT IMPROVE-**
 17 **MENT PROGRAM AMEND-**
 18 **MENTS**

19 **SEC. 201. REMOVAL OF THE CAP ON DISCRETIONARY FUND.**

20 *Section 47115(g) is amended by striking paragraph*
 21 *(4).*

22 **SEC. 202. INNOVATIVE USE OF AIRPORT GRANT FUNDS.**

23 (a) *CODIFICATION AND IMPROVEMENT OF 1996 PRO-*
 24 *GRAM.—Subchapter I of chapter 471 is amended by adding*
 25 *at the end thereof the following:*

1 **“§ 47135. Innovative financing techniques**

2 “(a) *IN GENERAL.*—*The Secretary of Transportation*
3 *is authorized to carry out a demonstration program under*
4 *which the Secretary may approve applications under this*
5 *subchapter for not more than 20 projects for which grants*
6 *received under the subchapter may be used to implement*
7 *innovative financing techniques.*

8 “(b) *PURPOSE.*—*The purpose of the demonstration*
9 *program shall be to provide information on the use of inno-*
10 *vative financing techniques for airport development*
11 *projects.*

12 “(c) *LIMITATION.*—*In no case shall the implementation*
13 *of an innovative financing technique under the demonstra-*
14 *tion program result in a direct or indirect guarantee of any*
15 *airport debt instrument by the United States Government.*

16 “(d) *INNOVATIVE FINANCING TECHNIQUE DEFINED.*—
17 *In this section, the term ‘innovative financing technique’*
18 *includes methods of financing projects that the Secretary*
19 *determines may be beneficial to airport development, in-*
20 *cluding—*

21 “(1) *payment of interest;*

22 “(2) *commercial bond insurance and other credit*
23 *enhancement associated with airport bonds for eligible*
24 *airport development; and*

25 “(3) *flexible non-Federal matching require-*
26 *ments.’’.*

1 (b) *CONFORMING AMENDMENT.*—*The chapter analysis*
 2 *for chapter 471 is amended by inserting after the item relat-*
 3 *ing to section 47134 the following:*

 “47135. *Innovative financing techniques.*”.

4 **SEC. 203. MATCHING SHARE.**

5 Section 47109(a)(2) is amended by inserting “not
 6 more than” before “90 percent”.

7 **SEC. 204. INCREASE IN APPORTIONMENT FOR NOISE COM-**
 8 **PATIBILITY PLANNING AND PROGRAMS.**

9 Section 47117(e)(1)(A) is amended by striking “31”
 10 each time it appears and substituting “35”.

11 **SEC. 205. TECHNICAL AMENDMENTS.**

12 (a) *USE OF APPORTIONMENTS FOR ALASKA, PUERTO*
 13 *RICO, AND HAWAII.*—Section 47114(d)(3) is amended to
 14 read as follows:

15 “(3) *An amount apportioned under paragraph*
 16 *(2) of this subsection for airports in Alaska, Hawaii,*
 17 *or Puerto Rico may be made available by the Sec-*
 18 *retary for any public airport in those respective juris-*
 19 *dictions.*”.

20 (b) *SUPPLEMENTAL APPORTIONMENT FOR ALASKA.*—
 21 Section 47114(e) is amended—

22 (1) by striking “*ALTERNATIVE*” in the subsection
 23 caption and inserting “*SUPPLEMENTAL*”;

24 (2) in paragraph (1) by—

1 (A) striking “Instead of apportioning
2 amounts for airports in Alaska under” and in-
3 serting “Notwithstanding”; and

4 (B) striking “those airports” and inserting
5 “airports in Alaska”; and

6 (3) striking paragraph (3) and inserting the fol-
7 lowing:

8 “(3) An amount apportioned under this sub-
9 section may be used for any public airport in Alas-
10 ka.”.

11 (c) *REPEAL OF APPORTIONMENT LIMITATION ON COM-*
12 *MERCIAL SERVICE AIRPORTS IN ALASKA.*—Section 47117
13 *is amended by striking subsection (f) and redesignating sub-*
14 *sections (g) and (h) as subsections (f) and (g), respectively.*

15 (d) *DISCRETIONARY FUND DEFINITION.*—

16 (1) *Section 47115 is amended—*

17 (A) *by striking “25” in subsection (a) and*
18 *inserting “12.5”; and*

19 (B) *by striking the second sentence in sub-*
20 *section (b).*

21 (2) *Section 47116 is amended—*

22 (A) *by striking “75” in subsection (a) and*
23 *inserting “87.5”;*

24 (B) *by redesignating paragraphs (1) and*
25 (2) *in subsection (b) as subparagraphs (A) and*

1 (B), respectively, and inserting before subpara-
2 graph (A), as so redesignated, the following:

3 “(1) one-seventh for grants for projects at small
4 hub airports (as defined in section 41731 of this
5 title); and

6 “(2) the remaining amounts based on the follow-
7 ing.”.

8 (e) *CONTINUATION OF PROJECT FUNDING.*—Section
9 47108 is amended by adding at the end thereof the follow-
10 ing:

11 “(e) *CHANGE IN AIRPORT STATUS.*—If the status of
12 a primary airport changes to a non-primary airport at a
13 time when a development project under a multiyear agree-
14 ment under subsection (a) is not yet completed, the project
15 shall remain eligible for funding from discretionary funds
16 under section 47115 of this title at the funding level and
17 under the terms provided by the agreement, subject to the
18 availability of funds.”.

19 (f) *GRANT ELIGIBILITY FOR PRIVATE RELIEVER AIR-*
20 *PORTS.*—Section 47102(17)(B) is amended by—

21 (1) striking “or” at the end of clause (i) and re-
22 designating clause (ii) as clause (iii); and

23 (2) inserting after clause (i) the following:

24 “(ii) a privately-owned airport that, as
25 a reliever airport, received Federal aid for

1 *airport development prior to October 9,*
 2 *1996, but only if the Administrator issues*
 3 *revised administrative guidance after July*
 4 *1, 1998, for the designation of reliever air-*
 5 *ports; or”.*

6 *(g) RELIEVER AIRPORTS NOT ELIGIBLE FOR LETTERS*
 7 *OF INTENT.—Section 47110(e)(1) is amended by striking*
 8 *“or reliever”.*

9 *(h) PASSENGER FACILITY FEE WAIVER FOR CERTAIN*
 10 *CLASS OF CARRIERS.—Section 40117(e)(2) is amended—*

11 *(1) by striking “and” after the semicolon in sub-*
 12 *paragraph (B);*

13 *(2) by striking “payment.” in subparagraph (C)*
 14 *and inserting “payment; and”; and*

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

16 *“(D) in Alaska aboard an aircraft having a*
 17 *seating capacity of less than 20 passengers.”.*

18 *(i) PASSENGER FACILITY FEE WAIVER FOR CERTAIN*
 19 *CLASS OF CARRIERS OR FOR SERVICE TO AIRPORTS IN ISO-*
 20 *LATED COMMUNITIES.—Section 40117(i) is amended—*

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

22 *(1);*

23 *(2) by striking “transportation.” in paragraph*
 24 *(2)(D) and inserting “transportation; and”; and*

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

1 “(3) may permit a public agency to request that
2 collection of a passenger facility fee be waived for—

3 “(A) passengers enplaned by any class of
4 air carrier or foreign air carrier if the number
5 of passengers enplaned by the carriers in the
6 class constitutes not more than one percent of the
7 total number of passengers enplaned annually at
8 the airport at which the fee is imposed; or

9 “(B) passengers enplaned on a flight to an
10 airport—

11 “(i) that has fewer than 2,500 pas-
12 senger boardings each year and receives
13 scheduled passenger service; or

14 “(ii) in a community which has a pop-
15 ulation of less than 10,000 and is not con-
16 nected by a land highway or vehicular way
17 to the land-connected National Highway
18 System within a State.”.

19 (j) *USE OF THE WORD “GIFT” AND PRIORITY FOR AIR-*
20 *PORTS IN SURPLUS PROPERTY DISPOSAL.—*

21 (1) *Section 47151 is amended—*

22 (A) *by striking “give” in subsection (a) and*
23 *inserting “convey to”;*

24 (B) *by striking “gift” in subsection (a)(2)*
25 *and inserting “conveyance”;*

1 (C) by striking “giving” in subsection (b)
2 and inserting “conveying”;

3 (D) by striking “gift” in subsection (b) and
4 inserting “conveyance”; and

5 (E) by adding at the end thereof the follow-
6 ing:

7 “(d) *PRIORITY FOR PUBLIC AIRPORTS.*—Except for re-
8 quests from another Federal agency, a department, agency,
9 or instrumentality of the Executive Branch of the United
10 States Government shall give priority to a request by a pub-
11 lic agency (as defined in section 47102 of this title) for sur-
12 plus property described in subsection (a) of this section for
13 use at a public airport.”.

14 (2) Section 47152 is amended—

15 (A) by striking “**gifts**” in the section cap-
16 tion and inserting “**conveyances**”; and

17 (B) by striking “gift” in the first sentence
18 and inserting “conveyance”.

19 (3) The chapter analysis for subchapter 471 is
20 amended by striking the item relating to section
21 47152 and inserting the following:

“47152. *Terms of conveyances.*”.

22 (4) Section 47153(a) is amended—

23 (A) by striking “gift” in paragraph (1) and
24 inserting “conveyance”;

1 (B) by striking “given” in paragraph
2 (1)(A) and inserting “conveyed”; and
3 (C) by striking “gift” in paragraph (1)(B)
4 and inserting “conveyance”.

5 (k) *APPORTIONMENT FOR CARGO ONLY AIRPORTS.*—
6 Section 47114(c)(2)(A) is amended by striking “2.5 per-
7 cent” and inserting “3 percent”.

8 (l) *FLEXIBILITY IN PAVEMENT DESIGN STANDARDS.*—
9 Section 47114(d) is amended by adding at the end thereof
10 the following:

11 “(4) The Secretary may permit the use of State
12 highway specifications for airfield pavement construc-
13 tion using funds made available under this subsection
14 at non-primary airports with runways of 5,000 feet
15 or shorter serving aircraft that do not exceed 60,000
16 pounds gross weight, if the Secretary determines
17 that—

18 “(A) safety will not be negatively affected;
19 and

20 “(B) the life of the pavement will not be
21 shorter than it would be if constructed using Ad-
22 ministration standards.

23 An airport may not seek funds under this subchapter
24 for runway rehabilitation or reconstruction of any
25 such airfield pavement constructed using State high-

1 *lower priority projects by giving lower priority to discre-*
 2 *tionary projects submitted by airport sponsors and airports*
 3 *that have used entitlement funds for projects that have a*
 4 *lower priority than the projects for which discretionary*
 5 *funds are being requested.”.*

6 **SEC. 209. PUBLIC NOTICE BEFORE GRANT ASSURANCE RE-**
 7 **QUIREMENT WAIVED.**

8 *Notwithstanding any other provision of law to the con-*
 9 *trary, the Secretary of Transportation may not waive any*
 10 *assurance required under section 47107 of title 49, United*
 11 *States Code, that requires property to be used for aeronauti-*
 12 *cal purposes unless the Secretary provides notice to the pub-*
 13 *lic not less than 30 days before issuing any such waiver.*
 14 *Nothing in this section shall be construed to authorize the*
 15 *Secretary to issue a waiver of any assurance required under*
 16 *that section.*

17 **SEC. 210. DEFINITION OF PUBLIC AIRCRAFT.**

18 *Section 40102(a)(37)(B)(ii) is amended—*

19 *(1) by striking “or” at the end of subclause (I);*

20 *(2) by striking the “States.” in subclause (II)*

21 *and inserting “States; or”; and*

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

23 *“(III) transporting persons*
 24 *aboard the aircraft if the aircraft is*

1 operated for the purpose of prisoner
2 transport.”.

3 **SEC. 211. TERMINAL DEVELOPMENT COSTS.**

4 Section 40117 is amended by adding at the end thereof
5 the following:

6 “(j) *SHELL OF TERMINAL BUILDING.*—In order to en-
7 able additional air service by an air carrier with less than
8 50 percent of the scheduled passenger traffic at an airport,
9 the Secretary may consider the shell of a terminal building
10 (including heating, ventilation, and air conditioning) to be
11 an eligible airport-related project under subsection
12 (a)(3)(E).”.

13 **TITLE III—AMENDMENTS TO**
14 **AVIATION LAW**

15 **SEC. 301. SEVERABLE SERVICES CONTRACTS FOR PERIODS**
16 **CROSSING FISCAL YEARS.**

17 (a) Chapter 401 is amended by adding at the end
18 thereof the following:

19 **“§40125. Severable services contracts for periods**
20 **crossing fiscal years**

21 “(a) *IN GENERAL.*—The Administrator of the Federal
22 Aviation Administration may enter into a contract for pro-
23 curement of severable services for a period that begins in
24 one fiscal year and ends in the next fiscal year if (without

1 *regard to any option to extend the period of the contract)*
 2 *the contract period does not exceed one year.*

3 “(b) *OBLIGATION OF FUNDS.—Funds made available*
 4 *for a fiscal year may be obligated for the total amount of*
 5 *a contract entered into under the authority of subsection*
 6 *(a) of this section.”.*

7 “(b) *CONFORMING AMENDMENT.—The chapter analysis*
 8 *for chapter 401 is amended by adding at the end thereof*
 9 *the following:*

“40125. Severable services contracts for periods crossing fiscal years.”.

10 **SEC. 302. FOREIGN CARRIERS ELIGIBLE FOR WAIVER**
 11 **UNDER AIRPORT NOISE AND CAPACITY ACT.**

12 *The first sentence of section 47528(b)(1) is amended*
 13 *by inserting “or foreign air carrier” after “air carrier” the*
 14 *first place it appears and after “carrier” the first place it*
 15 *appears.*

16 **SEC. 303. GOVERNMENT AND INDUSTRY CONSORTIA.**

17 *Section 44903 is amended by adding at the end thereof*
 18 *the following:*

19 “(f) *GOVERNMENT AND INDUSTRY CONSORTIA.—The*
 20 *Administrator may establish at airports such consortia of*
 21 *government and aviation industry representatives as the*
 22 *Administrator may designate to provide advice on matters*
 23 *related to aviation security and safety. Such consortia shall*
 24 *not be considered federal advisory committees for purposes*
 25 *of the Federal Advisory Committee Act (5 U.S.C. App.).”.*

1 **SEC. 304. IMPLEMENTATION OF ARTICLE 83 BIS OF THE**
2 **CHICAGO CONVENTION.**

3 *Section 44701 is amended—*

4 *(1) by redesignating subsection (e) as subsection*
5 *(f); and*

6 *(2) by inserting after subsection (d) the follow-*
7 *ing:*

8 *“(e) BILATERAL EXCHANGES OF SAFETY OVERSIGHT*
9 *RESPONSIBILITIES.—*

10 *“(1) Notwithstanding the provisions of this chap-*
11 *ter, and pursuant to Article 83 bis of the Convention*
12 *on International Civil Aviation, the Administrator*
13 *may, by a bilateral agreement with the aeronautical*
14 *authorities of another country, exchange with that*
15 *country all or part of their respective functions and*
16 *duties with respect to aircraft described in subpara-*
17 *graphs (A) and (B), under the following articles of the*
18 *Convention:*

19 *“(A) Article 12 (Rules of the Air).*

20 *“(B) Article 31 (Certificates of Airworthi-*
21 *ness).*

22 *“(C) Article 32a (Licenses of Personnel).*

23 *“(2) The agreement under paragraph (1) may apply*
24 *to—*

25 *“(A) aircraft registered in the United States*
26 *operated pursuant to an agreement for the lease,*

1 *charter, or interchange of the aircraft or any*
2 *similar arrangement by an operator that has its*
3 *principal place of business or, if it has no such*
4 *place of business, its permanent residence in an-*
5 *other country; or*

6 *“(B) aircraft registered in a foreign country*
7 *operated under an agreement for the lease, char-*
8 *ter, or interchange of the aircraft or any similar*
9 *arrangement by an operator that has its prin-*
10 *cipal place of business or, if it has no such place*
11 *of business, its permanent residence in the*
12 *United States.*

13 *“(3) The Administrator relinquishes responsibil-*
14 *ity with respect to the functions and duties trans-*
15 *ferred by the Administrator as specified in the bilat-*
16 *eral agreement, under the Articles listed in paragraph*
17 *(1) of this subsection for United States-registered air-*
18 *craft transferred abroad as described in subparagraph*
19 *(A) of that paragraph, and accepts responsibility*
20 *with respect to the functions and duties under those*
21 *Articles for aircraft registered abroad that are trans-*
22 *ferred to the United States as described in subpara-*
23 *graph (B) of that paragraph.*

24 *“(4) The Administrator may, in the agreement*
25 *under paragraph (1), predicate the transfer of these*

1 *functions and duties on any conditions the Adminis-*
 2 *trator deems necessary and prudent.”.*

3 **SEC. 305. FOREIGN AVIATION SERVICES AUTHORITY.**

4 (a) *RECIPROCAL WAIVER OF OVERFLIGHT FEES.—*

5 *Section 45301(a)(1) is amended to read as follows:*

6 *“(1) Air traffic control and related services pro-*
 7 *vided to aircraft that neither take off from, nor land*
 8 *in, the United States, other than military and civil-*
 9 *ian aircraft of the United States Government or of a*
 10 *foreign government, except that such fees shall not be*
 11 *imposed on overflights that take off and land in a*
 12 *country contiguous to the United States if—*

13 *“(A) both the origin and destination of such*
 14 *flights are within that other country;*

15 *“(B) that country exempts similar cat-*
 16 *egories of flights operated by citizens of the*
 17 *United States from such fees; and*

18 *“(C) that country exchanges responsibility*
 19 *for air traffic control services with the United*
 20 *States.”.*

21 (b) *TECHNICAL CORRECTIONS.—Section 45301 is*
 22 *amended—*

23 (1) *by striking “government.” in subsection*
 24 (a)(2) *and inserting “government or to any entity ob-*
 25 *taining services outside the United States.”;*

1 (2) by striking “directly” in subsection
2 (b)(1)(B); and

3 (3) by striking “rendered.” in subsection
4 (b)(1)(B) and inserting “rendered, including value to
5 the recipient and both direct and indirect costs of
6 overflight-related services, as determined by the Ad-
7 ministrator, using generally accepted accounting
8 principles and internationally accepted principles of
9 setting fees for overflight-related services.”.

10 **SEC. 306. FLEXIBILITY TO PERFORM CRIMINAL HISTORY**

11 **RECORD CHECKS; TECHNICAL AMENDMENTS**

12 **TO PILOT RECORDS IMPROVEMENT ACT.**

13 Section 44936 is amended—

14 (1) by striking “subparagraph (C))” in sub-
15 section (a)(1)(B) and inserting “subparagraph (C), or
16 in the case of passenger, baggage, or property screen-
17 ing at airports, the Administrator decides it is nec-
18 essary to ensure air transportation security)”;

19 (2) by striking “individual” in subsection
20 (f)(1)(B)(ii) and inserting “individual’s performance
21 as a pilot”; and

22 (3) by inserting “or from a foreign government
23 or entity that employed the individual,” in subsection
24 (f)(14)(B) after “exists,”.

1 **SEC. 307. AVIATION INSURANCE PROGRAM AMENDMENTS.**

2 (a) REIMBURSEMENT OF INSURED PARTY'S
3 SUBROGEE.—Subsection (a) of 44309 is amended—

4 (1) by striking the subsection caption and the
5 first sentence, and inserting the following:

6 “(a) LOSSES.—

7 “(1) A person may bring a civil action in a dis-
8 trict court of the United States or in the United
9 States Court of Federal Claims against the United
10 States Government when—

11 “(A) a loss insured under this chapter is in
12 dispute; or

13 “(B)(i) the person is subrogated to the
14 rights against the United States Government of
15 a party insured under this chapter (other than
16 under subsection 44305(b) of this title), under a
17 contract between the person and such insured
18 party; and

19 “(ii) the person has paid to such insured
20 party, with the approval of the Secretary of
21 Transportation, an amount for a physical dam-
22 age loss that the Secretary of Transportation has
23 determined is a loss covered under insurance
24 issued under this chapter (other than insurance
25 issued under subsection 44305(b) of this title).”;
26 and

1 *and inserting “40113(a), (c)–(e), 40114(a), and 40119, and*
 2 *chapter 445 (except sections 44501(b), 44502(a)(2)–(4),*
 3 *44503, 44506, 44509, 44510, 44514, and 44515), chapter*
 4 *447 (except sections 44717, 44718(a) and (b), 44719, 44720,*
 5 *44721(b), 44722, and 44723), chapter 449 (except sections*
 6 *44903(d), 44904, 44905, 44907–44911, 44913, 44915, and*
 7 *44931–44934), chapter 451, chapter 453, sections”.*

8 **(b) TECHNICAL CORRECTION.**—*The amendment made*
 9 *by this section may not be construed as making a sub-*
 10 *stantive change in the language replaced.*

11 **SEC. 402. RESTATEMENT OF 49 U.S.C. 44909.**

12 *Section 44909(a)(2) is amended by striking “shall”*
 13 *and inserting “should”.*

14 **SEC. 403. TYPOGRAPHICAL ERRORS.**

15 **(a) SECTION 15904.**—*Section 15904(c)(1) is amended*
 16 *by inserting “section” before “15901(b)”.*

17 **(b) CHAPTER 491.**—*Chapter 491 is amended—*

18 **(1)** *by striking “1996” in section 49106(b)(1)(F)*
 19 *and inserting “1986”;*

20 **(2)** *by striking “by the board” in section*
 21 *49106(c)(3) and inserting “to the board”;*

22 **(3)** *by striking “subchapter II” in section*
 23 *49107(b) and inserting “subchapter III”; and*

24 **(4)** *by striking “retention of” in section*
 25 *49111(b) and inserting “retention by”.*

1 (c) *SCHEDULE OF REPEALED LAWS.*—*The Schedule of*
 2 *Laws Repealed in section 5(b) of the Act of November 20,*
 3 *1997 (Public Law 105–102; 111 Stat. 2217), is amended*
 4 *by striking “1996” the first place it appears and inserting*
 5 *“1986”.*

6 (d) *AMENDMENTS EFFECTIVE AS OF EARLIER DATE*
 7 *OF ENACTMENT.*—*The amendments made by subsections*
 8 *(a), (b), and (c) are effective as of November 20, 1997.*

9 (e) *CORRECTION OF ERROR IN TECHNICAL CORREC-*
 10 *TIONS ACT.*—*Effective October 11, 1996, section 5(45)(A)*
 11 *of the Act of October 11, 1996 (Public Law 104–287, 110*
 12 *Stat. 3393), is amended by striking “ENFORCEMENT;”*
 13 *and inserting “ENFORCEMENT:”.*

14 **TITLE V—MISCELLANEOUS**

15 **SEC. 501. OVERSIGHT OF FAA RESPONSE TO YEAR 2000**

16 **PROBLEM.**

17 *The Administrator of the Federal Aviation Adminis-*
 18 *tration shall report to the Senate Committee on Commerce,*
 19 *Science, and Transportation and the House Committee on*
 20 *Transportation and Infrastructure every 3 months, in oral*
 21 *or written form, on electronic data processing problems as-*
 22 *sociated with the year 2000 within the Administration.*

1 **SEC. 502. CARGO COLLISION AVOIDANCE SYSTEMS DEAD-**
2 **LINE.**

3 (a) *IN GENERAL.*—*The Administrator of the Federal*
4 *Aviation Administration shall require by regulation that,*
5 *not later than December 31, 2002, collision avoidance*
6 *equipment be installed on each cargo aircraft with a pay-*
7 *load capacity of 15,000 kilograms or more.*

8 (b) *EXTENSION.*—*The Administrator may extend the*
9 *deadline imposed by subsection (a) for not more than 2*
10 *years if the Administrator finds that the extension is needed*
11 *to promote—*

12 (1) *a safe and orderly transition to the operation*
13 *of a fleet of cargo aircraft equipped with collision*
14 *avoidance equipment; or*

15 (2) *other safety or public interest objectives.*

16 (c) *COLLISION AVOIDANCE EQUIPMENT.*—*For pur-*
17 *poses of this section, the term “collision avoidance equip-*
18 *ment” means TCAS II equipment (as defined by the Ad-*
19 *ministrator), or any other similar system approved by the*
20 *Administration for collision avoidance purposes.*

21 **SEC. 503. RUNWAY SAFETY AREAS.**

22 *Within 6 months after the date of enactment of this*
23 *Act, the Administrator of the Federal Aviation Administra-*
24 *tion shall initiate rulemaking to amend the regulations in*
25 *part 139 of title 14, Code of Federal Regulation—*

26 (1) *to improve runway safety areas; and*

1 (2) to require the installation of precision ap-
2 proach path indicators.

3 **SEC. 504. AIRPLANE EMERGENCY LOCATORS.**

4 (a) *REQUIREMENT.*—Section 44712(b) is amended to
5 read as follows:

6 “(b) *NONAPPLICATION.*—Subsection (a) does not apply
7 to aircraft when used in—

8 “(1) flight operations related to the design and
9 testing, manufacture, preparation, and delivery of
10 aircraft; or

11 “(2) the aerial application of a substance for an
12 agricultural purpose.”.

13 (b) *EFFECTIVE DATE; REGULATIONS.*—

14 (1) *REGULATIONS.*—The Secretary of Transpor-
15 tation shall promulgate regulations under section
16 44712(b) of title 49, United States Code, as amended
17 by subsection (a) not later than January 1, 2002.

18 (2) *EFFECTIVE DATE.*—The amendment made by
19 subsection (a) shall take effect on January 1, 2002.

20 **SEC. 505. COUNTERFEIT AIRCRAFT PARTS.**

21 (a) *DENIAL OF CERTIFICATE.*—Section 44703 is
22 amended by adding at the end thereof the following:

23 “(g) *CERTIFICATE DENIED FOR DEALING IN COUN-*
24 *TERFEIT PARTS.*—The Administrator may not issue a cer-
25 tificate to anyone convicted of a violation of any Federal

1 *or State law relating to the installation, production, repair,*
2 *or sale of a counterfeit or falsely-represented aviation part*
3 *or material.”.*

4 *(b) REVOCATION OF CERTIFICATE.—Section 44710 is*
5 *amended by adding at the end thereof the following:*

6 *“(g) REVOCATION FOR DEALING IN COUNTERFEIT*
7 *PARTS.—The Administrator shall revoke a certificate issued*
8 *to anyone convicted of a violation of any Federal or State*
9 *law relating to the installation, production, repair, or sale*
10 *of a counterfeit or falsely-represented aviation part or mate-*
11 *rial.”.*

12 *(c) PROHIBITION ON EMPLOYMENT.—Section 44711 is*
13 *amended by adding at the end thereof the following:*

14 *“(c) PROHIBITION ON EMPLOYMENT OF CONVICTED*
15 *COUNTERFEIT PART DEALERS.—No person subject to this*
16 *chapter may employ anyone to perform a function related*
17 *to the procurement, sale, production, or repair of a part*
18 *or material, or the installation of a part into a civil air-*
19 *craft, who has been convicted of a violation of any Federal*
20 *or State law relating to the installation, production, repair,*
21 *or sale of a counterfeit or falsely-represented aviation part*
22 *or material.”.*

1 **SEC. 506. FAA MAY FINE UNRULY PASSENGERS.**

2 (a) *IN GENERAL.*—Chapter 463 is amended by redesignig-
3 nating section 46316 as section 46317, and by inserting
4 after section 46315 the following:

5 **“§ 46316. Interference with cabin or flight crew**

6 “(a) *IN GENERAL.*—An individual who interferes with
7 the duties or responsibilities of the flight crew or cabin crew
8 of a civil aircraft, or who poses an imminent threat to the
9 safety of the aircraft or other individuals on the aircraft,
10 is liable to the United States Government for a civil penalty
11 of not more than \$10,000, which shall be paid to the Federal
12 Aviation Administration and deposited in the account es-
13 tablished by section 45303(c).

14 “(b) *COMPROMISE AND SETOFF.*—

15 “(1) *The Secretary of Transportation or the Ad-*
16 *ministrator may compromise the amount of a civil*
17 *penalty imposed under subsection (a).*

18 “(2) *The Government may deduct the amount of*
19 *a civil penalty imposed or compromised under this*
20 *section from amounts it owes the individual liable for*
21 *the penalty.”.*

22 (b) *CONFORMING CHANGE.*—The chapter analysis for
23 chapter 463 is amended by striking the item relating to sec-
24 tion 46316 and inserting after the item relating to section
25 46315 the following:

“46316. Interference with cabin or flight crew.

“46317. General criminal penalty when specific penalty not provided.”.

1 **SEC. 507. HIGHER INTERNATIONAL STANDARDS FOR**
 2 **HANDICAPPED ACCESS.**

3 *The Secretary of Transportation shall work with ap-*
 4 *propriate international organizations and the aviation au-*
 5 *thorities of other nations to bring about their establishment*
 6 *of higher standards for accommodating handicapped pas-*
 7 *sengers in air transportation, particularly with respect to*
 8 *foreign air carriers that code-share with domestic air car-*
 9 *riers.*

10 **SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT**
 11 **LAND.**

12 *(a) IN GENERAL.—Section 47125(a) is amended to*
 13 *read as follows:*

14 *“(a) CONVEYANCES TO PUBLIC AGENCIES.—Except as*
 15 *provided in subsection (b) of this section, the Secretary of*
 16 *Transportation—*

17 *“(1) shall request the head of the department,*
 18 *agency, or instrumentality owning or controlling land*
 19 *or airspace to convey a property interest in the land*
 20 *or airspace to the public agency sponsoring the*
 21 *project or owning or controlling the airport when nec-*
 22 *essary to carry out a project under this subchapter at*
 23 *a public airport, to operate a public airport, or for*

1 *the future development of an airport under the na-*
2 *tional plan of integrated airport systems; and*

3 *“(2) may request the head of such a department,*
4 *agency, or instrumentality to convey a property in-*
5 *terest in the land or airspace to a public agency for*
6 *a use that will complement, facilitate, or augment*
7 *airport development, including the development of ad-*
8 *ditional revenue from both aviation and nonaviation*
9 *sources if the Secretary—*

10 *“(A) determines that the property is no*
11 *longer needed for aeronautical purposes;*

12 *“(B) determines that the property will be*
13 *used to generate revenue for the public airport;*

14 *“(C) provides preliminary notice to the*
15 *head of such department, agency, or instrumen-*
16 *tality at least 30 days before making the request;*

17 *“(D) provides an opportunity for notice to*
18 *the public on the request; and*

19 *“(E) includes in the request a written jus-*
20 *tification for the conveyance.”.*

21 *(b) APPLICATION TO EXISTING CONVEYANCES.—The*
22 *provisions of section 47125(a)(2), as amended by subsection*
23 *(a) apply to property interests conveyed under section*
24 *47125 of that title before, on, or after the date of enactment*
25 *of this Act, section 516 of the Airport and Airway Improve-*

1 *ment Act of 1982, section 23 of the Airport and Airway*
 2 *Development Act of 1970, or section 16 of the Federal Air-*
 3 *port Act. For purposes of this section, the Secretary of*
 4 *Transportation (or the predecessor of the Secretary) shall*
 5 *be deemed to have met the requirements of subparagraphs*
 6 *(C), (D), and (E) of section 47125(a)(2) of such title, as*
 7 *so amended, for any such conveyance before the date of en-*
 8 *actment of this Act.*

9 **SEC. 509. FLIGHT OPERATIONS QUALITY ASSURANCE**
 10 **RULES.**

11 *Not later than 90 days after the date of enactment of*
 12 *this Act, the Administrator shall issue a notice of proposed*
 13 *rulemaking to develop procedures to protect air carriers and*
 14 *their employees from civil enforcement action under the*
 15 *program known as Flight Operations Quality Assurance.*
 16 *Not later than 1 year after the last day of the period for*
 17 *public comment provided for in the notice of proposed rule-*
 18 *making, the Administrator shall issue a final rule establish-*
 19 *ing those procedures.*

20 **SEC. 510. WIDE AREA AUGMENTATION SYSTEM.**

21 *(a) PLAN.—The Administrator shall identify or de-*
 22 *velop a plan to implement WAAS to provide navigation*
 23 *and landing approach capabilities for civilian use and*
 24 *make a determination as to whether a backup system is nec-*
 25 *essary. Until the Administrator determines that WAAS is*

1 *the sole means of navigation, the Administration shall con-*
2 *tinue to develop and maintain a backup system.”.*

3 (b) *REPORT.*—*Within 6 months after the date of enact-*
4 *ment of this Act, the Administrator shall—*

5 (1) *report to the Senate Committee on Com-*
6 *merce, Science, and Transportation and the House of*
7 *Representatives Committee on Transportation and*
8 *Infrastructure, on the plan developed under subsection*
9 *(a);*

10 (2) *submit a timetable for implementing WAAS;*
11 *and*

12 (3) *make a determination as to whether WAAS*
13 *will ultimately become a primary or sole means of*
14 *navigation and landing approach capabilities.*

15 (c) *WAAS DEFINED.*—*For purposes of this section, the*
16 *term “WAAS” means wide area augmentation system.*

17 (d) *FUNDING AUTHORIZATION.*—*There are authorized*
18 *to be appropriated to the Secretary of Transportation such*
19 *sums as may be necessary to carry out this subsection.*

20 **SEC. 511. REGULATION OF ALASKA AIR GUIDES.**

21 *The Administrator shall reissue the notice to operators*
22 *originally published in the Federal Register on January 2,*
23 *1998, which advised Alaska guide pilots of the applicability*
24 *of part 135 of title 14, Code of Federal Regulations, to guide*
25 *pilot operations. In reissuing the notice, the Administrator*

1 *shall provide for not less than 60 days of public comment*
 2 *on the Federal Aviation Administration action. If, notwith-*
 3 *standing the public comments, the Administrator decides to*
 4 *proceed with the action, the Administrator shall publish in*
 5 *the Federal Register a notice justifying the Administrator's*
 6 *decision and providing at least 90 days for compliance.*

7 **SEC. 512. APPLICATION OF FAA REGULATIONS.**

8 *Section 40113 is amended by adding at the end thereof*
 9 *the following:*

10 *“(f) APPLICATION OF CERTAIN REGULATIONS TO*
 11 *ALASKA.—In amending title 14, Code of Federal Regula-*
 12 *tions, in a manner affecting intrastate aviation in Alaska,*
 13 *the Administrator of the Federal Aviation Administration*
 14 *shall consider the extent to which Alaska is not served by*
 15 *transportation modes other than aviation, and shall estab-*
 16 *lish such regulatory distinctions as the Administrator con-*
 17 *siders appropriate.”.*

18 **SEC. 513. HUMAN FACTORS PROGRAM.**

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

21 **“§ 44516. Human factors program**

22 *“(a) OVERSIGHT COMMITTEE.—The Administrator of*
 23 *the Federal Aviation Administration shall establish an ad-*
 24 *vanced qualification program oversight committee to advise*
 25 *the Administrator on the development and execution of Ad-*

1 *vanced Qualification Programs for air carriers under this*
2 *section, and to encourage their adoption and implementa-*
3 *tion.*

4 “(b) *HUMAN FACTORS TRAINING.*—

5 “(1) *AIR TRAFFIC CONTROLLERS.*—*The Adminis-*
6 *trator shall—*

7 “(A) *address the problems and concerns*
8 *raised by the National Research Council in its*
9 *report ‘The Future of Air Traffic Control’ on air*
10 *traffic control automation; and*

11 “(B) *respond to the recommendations made*
12 *by the National Research Council.*

13 “(2) *PILOTS AND FLIGHT CREWS.*—*The Adminis-*
14 *trator shall work with the aviation industry to de-*
15 *velop specific training curricula, within 12 months*
16 *after the date of enactment of the Wendell H. Ford*
17 *National Air Transportation System Improvement*
18 *Act of 1998, to address critical safety problems, in-*
19 *cluding problems of pilots—*

20 “(A) *in recovering from loss of control of the*
21 *aircraft, including handling unusual attitudes*
22 *and mechanical malfunctions;*

23 “(B) *in deviating from standard operating*
24 *procedures, including inappropriate responses to*
25 *emergencies and hazardous weather;*

1 “(C) *in awareness of altitude and location*
2 *relative to terrain to prevent controlled flight*
3 *into terrain; and*

4 “(D) *in landing and approaches, including*
5 *nonprecision approaches and go-around proce-*
6 *dures.*

7 “(c) *ACCIDENT INVESTIGATIONS.—The Administrator,*
8 *working with the National Transportation Safety Board*
9 *and representatives of the aviation industry, shall establish*
10 *a process to assess human factors training as part of acci-*
11 *dent and incident investigations.*

12 “(d) *TEST PROGRAM.—The Administrator shall estab-*
13 *lish a test program in cooperation with United States air*
14 *carriers to use model Jeppesen approach plates or other*
15 *similar tools to improve nonprecision landing approaches*
16 *for aircraft.*

17 “(e) *ADVANCED QUALIFICATION PROGRAM DE-*
18 *FINED.—For purposes of this section, the term ‘advanced*
19 *qualification program’ means an alternative method for*
20 *qualifying, training, certifying, and ensuring the com-*
21 *petency of flight crews and other commercial aviation oper-*
22 *ations personnel subject to the training and evaluation re-*
23 *quirements of Parts 121 and 135 of title 14, Code of Federal*
24 *Regulations.’.*”

1 overall costs of the Federal Aviation Administration
2 is appropriate and reasonable, the Inspector General
3 shall conduct an assessment that includes the follow-
4 ing:

5 (A)(i) Validation of Federal Aviation Ad-
6 ministration cost input data, including an audit
7 of the reliability of Federal Aviation Adminis-
8 tration source documents and the integrity and
9 reliability of the Federal Aviation Administra-
10 tion's data collection process.

11 (ii) An assessment of the reliability of the
12 Federal Aviation Administration's system for
13 tracking assets.

14 (iii) An assessment of the reasonableness of
15 the Federal Aviation Administration's bases for
16 establishing asset values and depreciation rates.

17 (iv) An assessment of the Federal Aviation
18 Administration's system of internal controls for
19 ensuring the consistency and reliability of re-
20 ported data to begin immediately after full oper-
21 ational capability of the cost accounting system.

22 (B) A review and validation of the Federal
23 Aviation Administration's definition of the serv-
24 ices to which the Federal Aviation Administra-
25 tion ultimately attributes its costs, and the meth-

1 ods used to identify direct costs associated with
2 the services.

3 (C) An assessment and validation of the
4 general cost pools used by the Federal Aviation
5 Administration, including the rationale for and
6 reliability of the bases on which the Federal
7 Aviation Administration proposes to allocate
8 costs of services to users and the integrity of the
9 cost pools as well as any other factors considered
10 important by the Inspector General. Appropriate
11 statistical tests shall be performed to assess rela-
12 tionships between costs in the various cost pools
13 and activities and services to which the costs are
14 attributed by the Federal Aviation Administra-
15 tion.

16 (b) *DEADLINE.*—The independent analyses described
17 in this section shall be completed no later than 270 days
18 after the contracts are awarded to the outside independent
19 contractors. The Inspector General shall submit a final re-
20 port combining the analyses done by its staff with those
21 of the outside independent contractors to the Secretary of
22 Transportation, the Administrator, the Committee on Com-
23 merce, Science, and Transportation of the Senate, and the
24 Committee on Transportation and Infrastructure of the
25 House of Representatives. The final report shall be submit-

1 *ted by the Inspector General not later than 300 days after*
2 *the award of contracts.*

3 (c) *FUNDING.—There are authorized to be appro-*
4 *priated such sums as may be necessary for the cost of the*
5 *contracted audit services authorized by this section.*

6 **SEC. 515. WHISTLEBLOWER PROTECTION FOR FAA EMPLOY-**
7 **EES.**

8 *Section 347(b)(1) of Public Law 104–50 (49 U.S.C.*
9 *106, note) is amended by striking “protection;” and insert-*
10 *ing “protection, including the provisions for investigations*
11 *and enforcement as provided in chapter 12 of title 5, United*
12 *States Code;”.*

13 **SEC. 516. REPORT ON MODERNIZATION OF OCEANIC ATC**
14 **SYSTEM.**

15 *The Administrator of the Federal Aviation Adminis-*
16 *tration shall report to the Congress on plans to modernize*
17 *the oceanic air traffic control system, including a budget*
18 *for the program, a determination of the requirements for*
19 *modernization, and, if necessary, a proposal to fund the*
20 *program.*

21 **SEC. 517. REPORT ON AIR TRANSPORTATION OVERSIGHT**
22 **SYSTEM.**

23 *Beginning in 1999, the Administrator of the Federal*
24 *Aviation Administration shall report biannually to the*
25 *Congress on the air transportation oversight system pro-*

1 gram announced by the Administration on May 13, 1998,
2 in detail on the training of inspectors, the number of inspec-
3 tors using the system, air carriers subject to the system, and
4 the budget for the system.

5 **SEC. 518. RECYCLING OF EIS.**

6 Notwithstanding any other provision of law to the con-
7 trary, the Secretary of Transportation may authorize the
8 use, in whole or in part, of a completed environmental as-
9 sessment or environmental impact study for a new airport
10 construction project that is substantially similar in nature
11 to one previously constructed pursuant to the completed en-
12 vironmental assessment or environmental impact study in
13 order to avoid unnecessary duplication of expense and ef-
14 fort, and any such authorized use shall meet all require-
15 ments of Federal law for the completion of such an assess-
16 ment or study.

17 **SEC. 519. PROTECTION OF EMPLOYEES PROVIDING AIR**
18 **SAFETY INFORMATION.**

19 (a) *GENERAL RULE.*—Chapter 421 of title 49, United
20 States Code, is amended by adding at the end the following
21 new subchapter:

1 “SUBCHAPTER III—WHISTLEBLOWER
2 PROTECTION PROGRAM
3 **“§ 42121. Protection of employees providing air safety**
4 **information**

5 “(a) *DISCRIMINATION AGAINST AIRLINE EMPLOY-*
6 *EES.—No air carrier or contractor or subcontractor of an*
7 *air carrier may discharge an employee of the air carrier*
8 *or the contractor or subcontractor of an air carrier or other-*
9 *wise discriminate against any such employee with respect*
10 *to compensation, terms, conditions, or privileges of employ-*
11 *ment because the employee (or any person acting pursuant*
12 *to a request of the employee)—*

13 “(1) *provided, caused to be provided, or is about*
14 *to provide or cause to be provided to the Federal Gov-*
15 *ernment information relating to any violation or al-*
16 *leged violation of any order, regulation, or standard*
17 *of the Federal Aviation Administration or any other*
18 *provision of Federal law relating to air carrier safety*
19 *under this subtitle or any other law of the United*
20 *States;*

21 “(2) *has filed, caused to be filed, or is about to*
22 *file or cause to be filed a proceeding relating to any*
23 *violation or alleged violation of any order, regulation,*
24 *or standard of the Federal Aviation Administration*
25 *or any other provision of Federal law relating to air*

1 *carrier safety under this subtitle or any other law of*
2 *the United States;*

3 *“(3) testified or will testify in such a proceeding;*

4 *or*

5 *“(4) assisted or participated or is about to assist*
6 *or participate in such a proceeding.*

7 *“(b) DEPARTMENT OF LABOR COMPLAINT PROCE-*
8 *DURE.—*

9 *“(1) FILING AND NOTIFICATION.—*

10 *“(A) IN GENERAL.—In accordance with this*
11 *paragraph, a person may file (or have a person*
12 *file on behalf of that person) a complaint with*
13 *the Secretary of Labor if that person believes*
14 *that an air carrier or contractor or subcontract-*
15 *tor of an air carrier discharged or otherwise dis-*
16 *criminated against that person in violation of*
17 *subsection (a).*

18 *“(B) REQUIREMENTS FOR FILING COM-*
19 *PLAINTS.—A complaint referred to in subpara-*
20 *graph (A) may be filed not later than 90 days*
21 *after an alleged violation occurs. The complaint*
22 *shall state the alleged violation.*

23 *“(C) NOTIFICATION.—Upon receipt of a*
24 *complaint submitted under subparagraph (A),*
25 *the Secretary of Labor shall notify the air car-*

1 *rier, contractor, or subcontractor named in the*
2 *complaint and the Administrator of the Federal*
3 *Aviation Administration of the—*

4 *“(i) filing of the complaint;*

5 *“(ii) allegations contained in the com-*
6 *plaint;*

7 *“(iii) substance of evidence supporting*
8 *the complaint; and*

9 *“(iv) opportunities that are afforded to*
10 *the air carrier, contractor, or subcontractor*
11 *under paragraph (2).*

12 *“(2) INVESTIGATION; PRELIMINARY ORDER.—*

13 *“(A) IN GENERAL.—*

14 *“(i) INVESTIGATION.—Not later than*
15 *60 days after receipt of a complaint filed*
16 *under paragraph (1) and after affording the*
17 *person named in the complaint an oppor-*
18 *tunity to submit to the Secretary of Labor*
19 *a written response to the complaint and an*
20 *opportunity to meet with a representative of*
21 *the Secretary to present statements from*
22 *witnesses, the Secretary of Labor shall con-*
23 *duct an investigation and determine wheth-*
24 *er there is reasonable cause to believe that*
25 *the complaint has merit and notify in writ-*

1 *ing the complainant and the person alleged*
2 *to have committed a violation of subsection*
3 *(a) of the Secretary's findings.*

4 “(ii) *ORDER.—Except as provided in*
5 *subparagraph (B), if the Secretary of Labor*
6 *concludes that there is reasonable cause to*
7 *believe that a violation of subsection (a) has*
8 *occurred, the Secretary shall accompany the*
9 *findings referred to in clause (i) with a pre-*
10 *liminary order providing the relief pre-*
11 *scribed under paragraph (3)(B).*

12 “(iii) *OBJECTIONS.—Not later than 30*
13 *days after the date of notification of find-*
14 *ings under this paragraph, the person al-*
15 *leged to have committed the violation or the*
16 *complainant may file objections to the find-*
17 *ings or preliminary order and request a*
18 *hearing on the record.*

19 “(iv) *EFFECT OF FILING.—The filing*
20 *of objections under clause (iii) shall not op-*
21 *erate to stay any reinstatement remedy con-*
22 *tained in the preliminary order.*

23 “(v) *HEARINGS.—Hearings conducted*
24 *pursuant to a request made under clause*
25 *(iii) shall be conducted expeditiously. If a*

1 *hearing is not requested during the 30-day*
2 *period prescribed in clause (iii), the pre-*
3 *liminary order shall be deemed a final*
4 *order that is not subject to judicial review.*

5 “(B) *REQUIREMENTS.*—

6 “(i) *REQUIRED SHOWING BY COM-*
7 *PLAINANT.*—*The Secretary of Labor shall*
8 *dismiss a complaint filed under this sub-*
9 *section and shall not conduct an investiga-*
10 *tion otherwise required under subparagraph*
11 *(A) unless the complainant makes a prima*
12 *facie showing that any behavior described*
13 *in paragraphs (1) through (4) of subsection*
14 *(a) was a contributing factor in the unfa-*
15 *vorable personnel action alleged in the com-*
16 *plaint.*

17 “(ii) *SHOWING BY EMPLOYER.*—*Not-*
18 *withstanding a finding by the Secretary*
19 *that the complainant has made the showing*
20 *required under clause (i), no investigation*
21 *otherwise required under subparagraph (A)*
22 *shall be conducted if the employer dem-*
23 *onstrates, by clear and convincing evidence,*
24 *that the employer would have taken the*

1 *same unfavorable personnel action in the*
 2 *absence of that behavior.*

3 “(iii) *CRITERIA FOR DETERMINATION*
 4 *BY SECRETARY.—The Secretary may deter-*
 5 *mine that a violation of subsection (a) has*
 6 *occurred only if the complainant dem-*
 7 *onstrates that any behavior described in*
 8 *paragraphs (1) through (4) of subsection (a)*
 9 *was a contributing factor in the unfavorable*
 10 *personnel action alleged in the complaint.*

11 “(iv) *PROHIBITION.—Relief may not*
 12 *be ordered under subparagraph (A) if the*
 13 *employer demonstrates by clear and con-*
 14 *vincing evidence that the employer would*
 15 *have taken the same unfavorable personnel*
 16 *action in the absence of that behavior.*

17 “(3) *FINAL ORDER.—*

18 “(A) *DEADLINE FOR ISSUANCE; SETTLE-*
 19 *MENT AGREEMENTS.—*

20 “(i) *IN GENERAL.—Not later than 120*
 21 *days after conclusion of a hearing under*
 22 *paragraph (2), the Secretary of Labor shall*
 23 *issue a final order that—*

24 “(I) *provides relief in accordance*
 25 *with this paragraph; or*

1 “(II) *denies the complaint.*

2 “(ii) *SETTLEMENT AGREEMENT.—At*
3 *any time before issuance of a final order*
4 *under this paragraph, a proceeding under*
5 *this subsection may be terminated on the*
6 *basis of a settlement agreement entered into*
7 *by the Secretary of Labor, the complainant,*
8 *and the air carrier, contractor, or sub-*
9 *contractor alleged to have committed the*
10 *violation.*

11 “(B) *REMEDY.—If, in response to a com-*
12 *plaint filed under paragraph (1), the Secretary*
13 *of Labor determines that a violation of sub-*
14 *section (a) has occurred, the Secretary of Labor*
15 *shall order the air carrier, contractor, or sub-*
16 *contractor that the Secretary of Labor deter-*
17 *mines to have committed the violation to—*

18 “(i) *take action to abate the violation;*

19 “(ii) *reinstate the complainant to the*
20 *former position of the complainant and en-*
21 *sure the payment of compensation (includ-*
22 *ing back pay) and the restoration of terms,*
23 *conditions, and privileges associated with*
24 *the employment; and*

1 “(iii) provide compensatory damages
2 to the complainant.

3 “(C) COSTS OF COMPLAINT.—If the Sec-
4 retary of Labor issues a final order that provides
5 for relief in accordance with this paragraph, the
6 Secretary of Labor, at the request of the com-
7 plainant, shall assess against the air carrier,
8 contractor, or subcontractor named in the order
9 an amount equal to the aggregate amount of all
10 costs and expenses (including attorney and ex-
11 pert witness fees) reasonably incurred by the
12 complainant (as determined by the Secretary of
13 Labor) for, or in connection with, the bringing
14 of the complaint that resulted in the issuance of
15 the order.

16 “(D) FRIVOLOUS COMPLAINTS.—If the Sec-
17 retary of Labor finds that a complaint brought
18 under paragraph (1) is frivolous or was brought
19 in bad faith, the Secretary of Labor may award
20 to the prevailing employer a reasonable attorney
21 fee in an amount not to exceed \$5,000.

22 “(4) REVIEW.—

23 “(A) APPEAL TO COURT OF APPEALS.—

24 “(i) IN GENERAL.—Not later than 60
25 days after a final order is issued under

1 *paragraph (3), a person adversely affected*
2 *or aggrieved by that order may obtain re-*
3 *view of the order in the United States court*
4 *of appeals for the circuit in which the viola-*
5 *tion allegedly occurred or the circuit in*
6 *which the complainant resided on the date*
7 *of that violation.*

8 “(ii) *REQUIREMENTS FOR JUDICIAL*
9 *REVIEW.—A review conducted under this*
10 *paragraph shall be conducted in accordance*
11 *with chapter 7 of title 5. The commence-*
12 *ment of proceedings under this subpara-*
13 *graph shall not, unless ordered by the court,*
14 *operate as a stay of the order that is the*
15 *subject of the review.*

16 “(B) *LIMITATION ON COLLATERAL AT-*
17 *TACK.—An order referred to in subparagraph*
18 *(A) shall not be subject to judicial review in any*
19 *criminal or other civil proceeding.*

20 “(5) *ENFORCEMENT OF ORDER BY SECRETARY*
21 *OF LABOR.—*

22 “(A) *IN GENERAL.—If an air carrier, con-*
23 *tractor, or subcontractor named in an order*
24 *issued under paragraph (3) fails to comply with*
25 *the order, the Secretary of Labor may file a civil*

1 *action in the United States district court for the*
2 *district in which the violation occurred to en-*
3 *force that order.*

4 “(B) *RELIEF.*—*In any action brought*
5 *under this paragraph, the district court shall*
6 *have jurisdiction to grant any appropriate form*
7 *of relief, including injunctive relief and compen-*
8 *satory damages.*

9 “(6) *ENFORCEMENT OF ORDER BY PARTIES.*—

10 “(A) *COMMENCEMENT OF ACTION.*—*A per-*
11 *son on whose behalf an order is issued under*
12 *paragraph (3) may commence a civil action*
13 *against the air carrier, contractor, or sub-*
14 *contractor named in the order to require compli-*
15 *ance with the order. The appropriate United*
16 *States district court shall have jurisdiction,*
17 *without regard to the amount in controversy or*
18 *the citizenship of the parties, to enforce the order.*

19 “(B) *ATTORNEY FEES.*—*In issuing any*
20 *final order under this paragraph, the court may*
21 *award costs of litigation (including reasonable*
22 *attorney and expert witness fees) to any party if*
23 *the court determines that the awarding of those*
24 *costs is appropriate.*

1 “(c) *MANDAMUS*.—Any nondiscretionary duty im-
 2 posed by this section shall be enforceable in a mandamus
 3 proceeding brought under section 1361 of title 28.

4 “(d) *NONAPPLICABILITY TO DELIBERATE VIOLA-*
 5 *TIONS*.—Subsection (a) shall not apply with respect to an
 6 employee of an air carrier, or contractor or subcontractor
 7 of an air carrier who, acting without direction from the
 8 air carrier (or an agent, contractor, or subcontractor of the
 9 air carrier), deliberately causes a violation of any require-
 10 ment relating to air carrier safety under this subtitle or
 11 any other law of the United States.”.

12 (b) *CONFORMING AMENDMENT*.—The chapter analysis
 13 for chapter 421 of title 49, United States Code, is amended
 14 by adding at the end the following:

“SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

“42121. Protection of employees providing air safety information.”.

15 (c) *CIVIL PENALTY*.—Section 46301(a)(1)(A) of title
 16 49, United States Code, is amended by striking “subchapter
 17 II of chapter 421,” and inserting “subchapter II or III of
 18 chapter 421,”.

19 **TITLE VI—AVIATION**

20 **COMPETITION PROMOTION**

21 **SEC. 601. PURPOSE.**

22 The purpose of this title is to facilitate, through a 4-
 23 year pilot program, incentives and projects that will help

1 “(D) ensure that the Bureau of Transpor-
2 tation Statistics collects data on passenger infor-
3 mation to assess the service needs of small com-
4 munities;

5 “(E) work with and coordinate efforts with
6 other Federal, State, and local agencies to in-
7 crease the viability of service to small commu-
8 nities and the creation of aviation development
9 zones; and

10 “(F) provide policy recommendations to the
11 Secretary and the Congress that will ensure that
12 small communities have access to quality, afford-
13 able air transportation services.

14 “(3) *REPORTS.*—The program director shall pro-
15 vide an annual report to the Secretary and the Con-
16 gress beginning in 1999 that—

17 “(A) analyzes the availability of air trans-
18 portation services in small communities, includ-
19 ing, but not limited to, an assessment of the air
20 fares charged for air transportation services in
21 small communities compared to air fares charged
22 for air transportation services in larger metro-
23 politan areas and an assessment of the levels of
24 service, measured by types of aircraft used, the

1 *availability of seats, and scheduling of flights,*
2 *provided to small communities;*

3 “(B) *identifies the policy, economic, geo-*
4 *graphic and marketplace factors that inhibit the*
5 *availability of quality, affordable air transpor-*
6 *tation services to small communities; and*

7 “(C) *provides policy recommendations to*
8 *address the policy, economic, geographic, and*
9 *marketplace factors inhibiting the availability of*
10 *quality, affordable air transportation services to*
11 *small communities.”.*

12 **SEC. 603. COMMUNITY-CARRIER AIR SERVICE PROGRAM.**

13 *(a) IN GENERAL.—Subchapter II is amended by add-*
14 *ing at the end thereof the following:*

15 **“§ 41743. Air service program for small communities**

16 “(a) *COMMUNITIES PROGRAM.—Under advisory*
17 *guidelines prescribed by the Secretary of Transportation,*
18 *a small community or a consortia of small communities*
19 *or a State may develop an assessment of its air service re-*
20 *quirements, in such form as the program director des-*
21 *ignated by the Secretary under section 102(g) may require,*
22 *and submit the assessment and service proposal to the pro-*
23 *gram director.*

24 “(b) *SELECTION OF PARTICIPANTS.—In selecting com-*
25 *munity programs for participation in the communities pro-*

1 *gram under subsection (a), the program director shall apply*
2 *criteria, including geographical diversity and the presen-*
3 *tation of unique circumstances, that will demonstrate the*
4 *feasibility of the program.*

5 “(c) *CARRIERS PROGRAM.—The program director*
6 *shall invite part 121 air carriers and regional/commuter*
7 *carriers (as such terms are defined in section 41715(d) of*
8 *this title) to offer service proposals in response to, or in*
9 *conjunction with, community aircraft service assessments*
10 *submitted to the office under subsection (a). A service pro-*
11 *posal under this paragraph shall include—*

12 “(1) *an assessment of potential daily passenger*
13 *traffic, revenues, and costs necessary for the carrier to*
14 *offer the service;*

15 “(2) *a forecast of the minimum percentage of*
16 *that traffic the carrier would require the community*
17 *to garner in order for the carrier to start up and*
18 *maintain the service; and*

19 “(3) *the costs and benefits of providing jet service*
20 *by regional or other jet aircraft.*

21 “(d) *PROGRAM SUPPORT FUNCTION.—The program*
22 *director shall work with small communities and air car-*
23 *riers, taking into account their proposals and needs, to fa-*
24 *cilitate the initiation of service. The program director—*

1 “(1) may work with communities to develop in-
2 novative means and incentives for the initiation of
3 service;

4 “(2) may obligate funds appropriated under sec-
5 tion 604 of the Wendell H. Ford National Air Trans-
6 portation System Improvement Act of 1998 to carry
7 out this section;

8 “(3) shall continue to work with both the carriers
9 and the communities to develop a combination of
10 community incentives and carrier service levels
11 that—

12 “(A) are acceptable to communities and
13 carriers; and

14 “(B) do not conflict with other Federal or
15 State programs to facilitate air transportation to
16 the communities;

17 “(4) designate an airport in the program as an
18 Air Service Development Zone and work with the
19 community on means to attract business to the area
20 surrounding the airport, to develop land use options
21 for the area, and provide data, working with the De-
22 partment of Commerce and other agencies;

23 “(5) take such other action under this chapter as
24 may be appropriate.

25 “(e) LIMITATIONS.—

1 “(1) *COMMUNITY SUPPORT.*—*The program direc-*
2 *tor may not provide financial assistance under sub-*
3 *section (c)(2) to any community unless the program*
4 *director determines that—*

5 “(A) *a public-private partnership exists at*
6 *the community level to carry out the commu-*
7 *nity’s proposal;*

8 “(B) *the community will make a substan-*
9 *tial financial contribution that is appropriate*
10 *for that community’s resources, but of not less*
11 *than 25 percent of the cost of the project in any*
12 *event;*

13 “(C) *the community has established an open*
14 *process for soliciting air service proposals; and*

15 “(D) *the community will accord similar*
16 *benefits to air carriers that are similarly situ-*
17 *ated.*

18 “(2) *AMOUNT.*—*The program director may not*
19 *obligate more than \$30,000,000 of the amounts appro-*
20 *priated under 604 of the Wendell H. Ford National*
21 *Air Transportation System Improvement Act of 1998*
22 *over the 4 years of the program.*

23 “(3) *NUMBER OF PARTICIPANTS.*—*The program*
24 *established under subsection (a) shall not involve*

1 *more than 40 communities or consortia of commu-*
2 *nities.*

3 “(f) *REPORT.*—*The program director shall report*
4 *through the Secretary to the Congress annually on the*
5 *progress made under this section during the preceding year*
6 *in expanding commercial aviation service to smaller com-*
7 *munities.*

8 **“§ 41744. Pilot program project authority**

9 “(a) *IN GENERAL.*—*The program director designated*
10 *by the Secretary of Transportation under section 102(g)(1)*
11 *shall establish a 4-year pilot program—*

12 “(1) *to assist communities and States with inad-*
13 *equately access to the national transportation system to*
14 *improve their access to that system; and*

15 “(2) *to facilitate better air service link-ups to*
16 *support the improved access.*

17 “(b) *PROJECT AUTHORITY.*—*Under the pilot program*
18 *established pursuant to subsection (a), the program director*
19 *may—*

20 “(1) *out of amounts appropriated under section*
21 *604 of the Wendell H. Ford National Air Transpor-*
22 *tation System Improvement Act of 1998, provide fi-*
23 *nancial assistance by way of grants to small commu-*
24 *nities or consortia of small communities under section*
25 *41743 of up to \$500,000 per year; and*

1 “(2) take such other action as may be appro-
2 priate.

3 “(c) *OTHER ACTION.*—Under the pilot program estab-
4 lished pursuant to subsection (a), the program director may
5 facilitate service by—

6 “(1) working with airports and air carriers to
7 ensure that appropriate facilities are made available
8 at essential airports;

9 “(2) collecting data on air carrier service to
10 small communities; and

11 “(3) providing policy recommendations to the
12 Secretary to stimulate air service and competition to
13 small communities.

14 **“§ 41745. Assistance to communities for service**

15 “(a) *IN GENERAL.*—Financial assistance provided
16 under section 41743 during any fiscal year as part of the
17 pilot program established under section 41744(a) shall be
18 implemented for not more than—

19 “(1) 4 communities within any State at any
20 given time; and

21 “(2) 40 communities in the entire program at
22 any time.

23 For purposes of this subsection, a consortium of commu-
24 nities shall be treated as a single community.

1 “(b) *ELIGIBILITY.*—*In order to participate in a pilot*
2 *project under this subchapter, a State, community, or group*
3 *of communities shall apply to the Secretary in such form*
4 *and at such time, and shall supply such information, as*
5 *the Secretary may require, and shall demonstrate to the sat-*
6 *isfaction of the Secretary that—*

7 “(1) *the applicant has an identifiable need for*
8 *access, or improved access, to the national air trans-*
9 *portation system that would benefit the public;*

10 “(2) *the pilot project will provide material bene-*
11 *fits to a broad section of the travelling public, busi-*
12 *nesses, educational institutions, and other enterprises*
13 *whose access to the national air transportation system*
14 *is limited;*

15 “(3) *the pilot project will not impede competi-*
16 *tion; and*

17 “(4) *the applicant has established, or will estab-*
18 *lish, public-private partnerships in connection with*
19 *the pilot project to facilitate service to the public.*

20 “(c) *COORDINATION WITH OTHER PROVISIONS OF*
21 *SUBCHAPTER.*—*The Secretary shall carry out the 4-year*
22 *pilot program authorized by this subchapter in such a man-*
23 *ner as to complement action taken under the other provi-*
24 *sions of this subchapter. To the extent the Secretary deter-*
25 *mines to be appropriate, the Secretary may adopt criteria*

1 *for implementation of the 4-year pilot program that are the*
2 *same as, or similar to, the criteria developed under the pre-*
3 *ceding sections of this subchapter for determining which*
4 *airports are eligible under those sections. The Secretary*
5 *shall also, to the extent possible, provide incentives where*
6 *no direct, viable, and feasible alternative service exists, tak-*
7 *ing into account geographical diversity and appropriate*
8 *market definitions.*

9 “(d) *MAXIMIZATION OF PARTICIPATION.*—*The Sec-*
10 *retary shall structure the program established pursuant to*
11 *section 41744(a) in a way designed to—*

12 “(1) *permit the participation of the maximum*
13 *feasible number of communities and States over a 4-*
14 *year period by limiting the number of years of par-*
15 *ticipation or otherwise; and*

16 “(2) *obtain the greatest possible leverage from the*
17 *financial resources available to the Secretary and the*
18 *applicant by—*

19 “(A) *progressively decreasing, on a project-*
20 *by-project basis, any Federal financial incentives*
21 *provided under this chapter over the 4-year pe-*
22 *riod; and*

23 “(B) *terminating as early as feasible Fed-*
24 *eral financial incentives for any project deter-*

1 *mined by the Secretary after its implementation*
2 *to be—*

3 “(i) *viable without further support*
4 *under this subchapter; or*

5 “(ii) *failing to meet the purposes of*
6 *this chapter or criteria established by the*
7 *Secretary under the pilot program.*

8 “(e) *SUCCESS BONUS.—If Federal financial incentives*
9 *to a community are terminated under subsection (d)(2)(B)*
10 *because of the success of the program in that community,*
11 *then that community may receive a one-time incentive*
12 *grant to ensure the continued success of that program.*

13 “(f) *PROGRAM TO TERMINATE IN 4 YEARS.—No new*
14 *financial assistance may be provided under this subchapter*
15 *for any fiscal year beginning more than 4 years after the*
16 *date of enactment of the Wendell H. Ford National Air*
17 *Transportation System Improvement Act of 1998.*

18 “§ **41746. Additional authority**

19 *“In carrying out this chapter, the Secretary—*

20 “(1) *may provide assistance to States and com-*
21 *munities in the design and application phase of any*
22 *project under this chapter, and oversee the implemen-*
23 *tation of any such project;*

24 “(2) *may assist States and communities in put-*
25 *ting together projects under this chapter to utilize pri-*

1 *vate sector resources, other Federal resources, or a*
 2 *combination of public and private resources;*

3 *“(3) may accord priority to service by jet air-*
 4 *craft;*

5 *“(4) take such action as may be necessary to en-*
 6 *sure that financial resources, facilities, and adminis-*
 7 *trative arrangements made under this chapter are*
 8 *used to carry out the purposes of title VI of the Wen-*
 9 *dell H. Ford National Air Transportation System*
 10 *Improvement Act of 1998; and*

11 *“(5) shall work with the Federal Aviation Ad-*
 12 *ministration on airport and air traffic control needs*
 13 *of communities in the program.*

14 **“§ 41747. Air traffic control services pilot program**

15 *“(a) IN GENERAL.—To further facilitate the use of,*
 16 *and improve the safety at, small airports, the Adminis-*
 17 *trator of the Federal Aviation Administration shall estab-*
 18 *lish a pilot program to contract for Level I air traffic con-*
 19 *trol services at 20 facilities not eligible for participation*
 20 *in the Federal Contract Tower Program.*

21 *“(b) PROGRAM COMPONENTS.—In carrying out the*
 22 *pilot program established under subsection (a), the Admin-*
 23 *istrator may—*

1 “(1) utilize current, actual, site-specific data,
2 forecast estimates, or airport system plan data pro-
3 vided by a facility owner or operator;

4 “(2) take into consideration unique aviation
5 safety, weather, strategic national interest, disaster
6 relief, medical and other emergency management re-
7 lief services, status of regional airline service, and re-
8 lated factors at the facility;

9 “(3) approve for participation any facility will-
10 ing to fund a pro rata share of the operating costs
11 used by the Federal Aviation Administration to cal-
12 culate, and, as necessary, a 1:1 benefit-to-cost ratio,
13 as required for eligibility under the Federal Contract
14 Tower Program; and

15 “(4) approve for participation no more than 3
16 facilities willing to fund a pro rata share of construc-
17 tion costs for an air traffic control tower so as to
18 achieve, at a minimum, a 1:1 benefit-to-cost ratio, as
19 required for eligibility under the Federal Contract
20 Tower Program, and for each of such facilities the
21 Federal share of construction costs does not exceed
22 \$1,000,000.

23 “(c) REPORT.—One year before the pilot program es-
24 tablished under subsection (a) terminates, the Adminis-
25 trator shall report to the Congress on the effectiveness of

1 *the program, with particular emphasis on the safety and*
 2 *economic benefits provided to program participants and the*
 3 *national air transportation system.”.*

4 (b) *CONFORMING AMENDMENT.—The chapter analysis*
 5 *for chapter 417 is amended by inserting after the item relat-*
 6 *ing to section 41742 the following:*

“41743. Air service program for small communities.

“41744. Pilot program project authority.

“41745. Assistance to communities for service.

“41746. Additional authority.

“41747. Air traffic control services pilot program.”.

7 (c) *WAIVER OF LOCAL CONTRIBUTION.—Section*
 8 *41736(b) is amended by inserting after paragraph (4) the*
 9 *following:*

10 *“Paragraph (4) does not apply to any community approved*
 11 *for service under this section during the period beginning*
 12 *October 1, 1991, and ending December 31, 1997.”.*

13 **SEC. 604. AUTHORIZATION OF APPROPRIATIONS.**

14 *To carry out sections 41743 through 41746 of title 49,*
 15 *United States Code, for the 4 fiscal year period beginning*
 16 *with fiscal year 1999, there are authorized to be appro-*
 17 *priated to the Secretary of Transportation not more than*
 18 *\$10,000,000. To carry out such sections for the 4 fiscal year*
 19 *period beginning with fiscal year 1999, not more than*
 20 *\$20,000,000 shall be made available to the Secretary for ob-*
 21 *ligation and expenditure out of the account established*
 22 *under section 45303(a) in addition to the amounts author-*
 23 *ized to be appropriated under the preceding sentence.*

1 **SEC. 605. MARKETING PRACTICES.**

2 *Section 41712 is amended by—*

3 *(1) inserting “(a) IN GENERAL.—” before “On”;*

4 *and*

5 *(2) adding at the end thereof the following:*

6 *“(b) MARKETING PRACTICES THAT ADVERSELY AF-*
7 *FECT SERVICE TO SMALL OR MEDIUM COMMUNITIES.—*

8 *Within 180 days after the date of enactment of the Wendell*
9 *H. Ford National Air Transportation System Improvement*
10 *Act of 1998, the Secretary shall review the marketing prac-*
11 *tices of air carriers that may inhibit the availability of*
12 *quality, affordable air transportation services to small and*
13 *medium-sized communities, including—*

14 *“(1) marketing arrangements between airlines*
15 *and travel agents;*

16 *“(2) code-sharing partnerships;*

17 *“(3) computer reservation system displays;*

18 *“(4) gate arrangements at airports;*

19 *“(5) exclusive dealing arrangements; and*

20 *“(6) any other marketing practice that may have*
21 *the same effect.*

22 *“(c) REGULATIONS.—If the Secretary finds, after con-*
23 *ducting the review required by subsection (b), that market-*
24 *ing practices inhibit the availability of such service to such*
25 *communities, then, after public notice and an opportunity*

1 *for comment, the Secretary shall promulgate regulations*
 2 *that address the problem.”.*

3 **SEC. 606. SLOT EXEMPTIONS FOR NONSTOP REGIONAL JET**
 4 **SERVICE.**

5 (a) *IN GENERAL.*—Section 41714 is amended by add-
 6 *ing at the end thereof the following:*

7 “(j) *SLOTS FOR NONSTOP JET SERVICE EXEMP-*
 8 *TION.*—

9 “(1) *IN GENERAL.*—*Within 90 days after receiv-*
 10 *ing an application for an exemption to provide non-*
 11 *stop regional jet air service between—*

12 “(A) *an airport that is smaller than a large*
 13 *hub airport (as defined in section 47134(d)(2));*
 14 *and*

15 “(B) *a high density airport subject to the*
 16 *exemption authority under subsection (a),*
 17 *the Secretary shall grant or deny the exemption in*
 18 *accordance with established principles of safety and*
 19 *the promotion of competition.*

20 “(2) *EXISTING SLOTS TAKEN INTO ACCOUNT.*—*In*
 21 *deciding to grant or deny the exemption, the Sec-*
 22 *retary may take into consideration the slots already*
 23 *used by the applicant.*

24 “(3) *CONDITIONS.*—*The Secretary may grant an*
 25 *exemption to an air carrier under paragraph (1)—*

1 “(A) for a period of not less than 12
2 months;

3 “(B) for a minimum of 2 daily roundtrip
4 flights; and

5 “(C) for a maximum of 3 daily roundtrip
6 flights.

7 “(4) CHANGE OF NONHUB, SMALL HUB, OR ME-
8 DIUM HUB AIRPORT; JET AIRCRAFT.—The Secretary
9 may, upon application made by an air carrier oper-
10 ating under an exemption granted under paragraph
11 (1)—

12 “(A) authorize the air carrier to upgrade its
13 service under the exemption to a larger jet air-
14 craft; and

15 “(B) authorize an air carrier operating
16 under such an exemption to change the nonhub
17 airport or small hub airport for which the ex-
18 emption was granted to provide the same service
19 to a different airport that is smaller than a large
20 hub airport (as defined in section 47134(d)(2))
21 if—

22 “(i) the air carrier has been operating
23 under the exemption for a period of not less
24 than 12 months; and

1 “(ii) the air carrier can demonstrate
2 unmitigatable losses.

3 “(5) *FOREFEITURE FOR MISUSE.*—Any exemp-
4 tion granted under paragraph (1) shall be terminated
5 immediately by the Secretary if the air carrier to
6 which it was granted uses the slot for any purpose
7 other than the purpose for which it was granted or
8 in violation of the conditions under which it was
9 granted.

10 “(6) *RESTORATION OF AIR SERVICE.*—To the ex-
11 tent that—

12 “(A) slots were withdrawn from an air car-
13 rier under subsection (b) of this section;

14 “(B) the withdrawal of slots under that sub-
15 section resulted in a net loss of slots; and

16 “(C) the net loss of slots resulting from the
17 withdrawal had an adverse effect on service to
18 nonhub airports and in other domestic markets,
19 the Secretary shall give priority consideration to the
20 request of any air carrier from which slots were with-
21 drawn under that section for an equivalent number of
22 slots at the airport where the slots were withdrawn.

23 “(7) *PRIORITY TO NEW ENTRANTS AND LIMITED*
24 *INCUMBENT CARRIERS.*—In assigning slots under this
25 subsection the Secretary shall, in conjunction with

1 *paragraph (5), give priority consideration to an ap-*
2 *plication from an air carrier that, as of July 1, 1998,*
3 *held fewer than 20 slots at the high density airport*
4 *for which it filed an exemption application.”.*

5 *(b) DEFINITIONS.—Subsection (h) of section 41714 is*
6 *amended by—*

7 *(1) by striking “The term” in paragraph (1) and*
8 *inserting “Except as provided in paragraph (5), the*
9 *term”; and*

10 *(2) adding at the end thereof the following:*

11 *“(5) NONSTOP JET EXEMPTION DEFINITIONS.—*
12 *Any term used in subsection (j) that is defined in sec-*
13 *tion 41762 has the meaning given that term by sec-*
14 *tion 41762.”.*

15 *(c) SLOT WITHDRAWAL NOT TO AFFECT NONHUB*
16 *SERVICE.—Section 41714, as amended by subsection (a),*
17 *is amended by adding at the end thereof the following:*

18 *“(k) SLOT WITHDRAWAL MAY NOT AFFECT NONHUB*
19 *SERVICE.—The Secretary may not withdraw a slot from*
20 *a United States air carrier under this section in order to*
21 *provide a slot to a foreign air carrier for purposes of inter-*
22 *national air transportation unless the Secretary finds*
23 *that—*

1 “(1) the withdrawal of that slot from the United
2 States air carrier will not adversely affect air service
3 to nonhub airports; and

4 “(2) United States air carriers seeking slots for
5 purposes of international air transportation at an
6 airport in the home country of that foreign air car-
7 rier receive reciprocal treatment by the government of
8 that country.”.

9 **SEC. 607. SECRETARY SHALL GRANT EXEMPTIONS TO PE-**
10 **PERIMETER RULE.**

11 (a) *IN GENERAL.*—Section 41714(d) is amended by
12 adding at the end thereof the following:

13 “(3) *BEYOND-PERIMETER EXEMPTIONS.*—The
14 Secretary of Transportation shall by order grant ex-
15 emptions from the application of sections 49109 and
16 49111(e) to air carriers to operate limited frequencies
17 and aircraft on select routes between Ronald Reagan
18 Washington National Airport and domestic hub air-
19 ports of such carriers and exemptions from the re-
20 quirements of subparts K and S of part 93, Code of
21 Federal Regulations, if the Secretary finds that the
22 exemptions will—

23 “(A) provide air transportation service with
24 domestic network benefits in areas beyond the pe-
25 rimeter described in that section; and

1 “(B) *increase competition in multiple mar-*
2 *kets.*

3 “(4) *WITHIN-PERIMETER EXEMPTIONS.—The*
4 *Secretary of Transportation shall by order grant ex-*
5 *emptions from the requirements of section 49111(e)*
6 *and subparts K and S of part 93 of title 14, Code of*
7 *Federal Regulations, to commuter air carriers for*
8 *service to airports smaller than large hub airports (as*
9 *defined in section 47134(d)(2)) within the perimeter*
10 *established for civil aircraft operations at Ronald*
11 *Reagan Washington National Airport. The Secretary*
12 *shall develop criteria for distributing slots for flights*
13 *within the perimeter to airports other than large hubs*
14 *under this paragraph in a manner consistent with*
15 *the promotion of air transportation.*

16 “(5) *LIMITATIONS.—*

17 “(A) *AIRCRAFT.—An exemption granted*
18 *under paragraph (3) or (4) may not be granted*
19 *with respect to any aircraft that is not a Stage*
20 *3 aircraft (as defined by the Secretary).*

21 “(B) *NUMBER AND TYPE OF OPERATIONS.—*
22 *The Secretary shall grant exemptions under*
23 *paragraph (3) and (4) that—*

1 “(i) will result in 12 new daily air
2 carrier slots at such airport for long-haul
3 service beyond the perimeter;

4 “(ii) will result in 12 new daily com-
5 muter slots at such airport; and

6 “(iii) will not result in new daily com-
7 muter slots for service to any within-the-pe-
8 rimeter airport that is not smaller than a
9 large hub airport (as defined in section
10 47134(d)(2)).

11 “(C) HOURS OF OPERATION.—In granting
12 exemptions under paragraphs (3) and (4), the
13 Secretary shall distribute the 24 new daily slots
14 fairly evenly across the hours between 7:00 a.m.
15 and 9:59 p.m., so that—

16 “(i) not more than 2 slots per hour
17 shall be added during 9 of the hours begin-
18 ning during that period; and

19 “(ii) 1 slot per hour shall be added
20 during 6 of the hours beginning during that
21 period.

22 “(6) PROTECTION OF INCUMBENT CARRIERS.—
23 An exemption granted under paragraph (3) or (4)
24 may not result in the withdrawal of a slot from any
25 incumbent air carrier at that airport.

1 “(7) *REVIEW OF SAFETY, ENVIRONMENTAL, AND*
2 *NOISE IMPACT.*—*The Secretary*—

3 “(A) *shall assess the impact of granting ex-*
4 *emptions under paragraphs (3) and (4) on the*
5 *environment (including noise levels) and safety*
6 *during the first 90 days after the date of enact-*
7 *ment of the Wendell H. Ford National Air*
8 *Transportation System Improvement Act of*
9 *1998; and*

10 “(B) *may not grant an exemption under*
11 *paragraph (3) or (4) or issue the additional slots*
12 *during that 90-day period unless the Secretary*
13 *has conducted such an assessment.*”.

14 (b) *REPORT.*—*Within 1 year after the date of enact-*
15 *ment of this Act, and biannually thereafter, the Secretary*
16 *shall certify to the United States Senate Committee on*
17 *Commerce, Science, and Transportation, the United States*
18 *House of Representatives Committee on Transportation and*
19 *Infrastructure, and the Governments of Maryland and Vir-*
20 *ginia that noise standards, air traffic congestion, airport-*
21 *related vehicular congestion, safety standards, and adequate*
22 *air service to communities served by small hub airports and*
23 *medium hub airports within the perimeter described in sec-*
24 *tion 49109 of title 49, United States Code, have been main-*
25 *tained at appropriate levels.*

1 **SEC. 608. ADDITIONAL SLOTS AT CHICAGO'S O'HARE AIR-**
 2 **PORT.**

3 (a) *IN GENERAL.*—*The Secretary of Transportation*
 4 *may grant 100 additional slots under section 41714 of title*
 5 *49, United States Code, over a 3-year period to air carriers*
 6 *to operate limited frequencies and aircraft on select routes*
 7 *between O'Hare Airport in Chicago, Illinois, and other air-*
 8 *ports if the Secretary—*

9 (1) *first converts unused military slots at that*
 10 *airport to air carrier slots;*

11 (2) *before granting the additional slots, finds*
 12 *that the additional capacity—*

13 (A) *is available; and*

14 (B) *can be used safely;*

15 (3) *before granting the additional slots, con-*
 16 *ducts an environmental review; and*

17 (4) *limits the use of the additional slots to Stage*
 18 *3 aircraft (as defined by the Secretary).*

19 (b) *CERTAIN TITLE 49 DEFINITIONS APPLY.*—*Any*
 20 *term used in this section that is defined in chapter 417 of*
 21 *title 49, United States Code, has the meaning given that*
 22 *term in that chapter.*

23 **SEC. 609. CONSUMER NOTIFICATION OF E-TICKET EXPIRA-**
 24 **TION DATES.**

25 *Section 41712, as amended by section 605 of this Act,*
 26 *is amended by adding at the end thereof the following:*

1 “(d) *E-TICKET EXPIRATION NOTICE.*—*It shall be an*
 2 *unfair or deceptive practice under subsection (a) for any*
 3 *air carrier utilizing electronically transmitted tickets to fail*
 4 *to notify the purchaser of such a ticket of its expiration*
 5 *date, if any.*”.

6 **SEC. 610. JOINT VENTURE AGREEMENTS.**

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

9 **“§41716. Joint venture agreements**

10 “(a) *DEFINITIONS.*—*In this section—*

11 “(1) *JOINT VENTURE AGREEMENT.*—*The term*
 12 *‘joint venture agreement’ means an agreement entered*
 13 *into by a major air carrier on or after January 1,*
 14 *1998, with regard to (A) code-sharing, blocked-space*
 15 *arrangements, long-term wet leases (as defined in sec-*
 16 *tion 207.1 of title 14, Code of Federal Regulations)*
 17 *of a substantial number (as defined by the Secretary*
 18 *by regulation) of aircraft, or frequent flyer programs,*
 19 *or (B) any other cooperative working arrangement*
 20 *(as defined by the Secretary by regulation) between*
 21 *2 or more major air carriers that affects more than*
 22 *15 percent of the total number of available seat miles*
 23 *offered by the major air carriers.*

24 “(2) *MAJOR AIR CARRIER.*—*The term ‘major air*
 25 *carrier’ means a passenger air carrier that is certifi-*

1 *cated under chapter 411 of this title and included in*
2 *Carrier Group III under criteria contained in section*
3 *04 of part 241 of title 14, Code of Federal Regula-*
4 *tions.*

5 *“(b) SUBMISSION OF JOINT VENTURE AGREEMENT.—*
6 *At least 30 days before a joint venture agreement may take*
7 *effect, each of the major air carriers that entered into the*
8 *agreement shall submit to the Secretary—*

9 *“(1) a complete copy of the joint venture agree-*
10 *ment and all related agreements; and*

11 *“(2) other information and documentary mate-*
12 *rial that the Secretary may require by regulation.*

13 *“(c) EXTENSION OF WAITING PERIOD.—*

14 *“(1) IN GENERAL.—The Secretary may extend*
15 *the 30-day period referred to in subsection (b) until—*

16 *“(A) in the case of a joint venture agree-*
17 *ment with regard to code-sharing, the 150th day*
18 *following the last day of such period; and*

19 *“(B) in the case of any other joint venture*
20 *agreement, the 60th day following the last day of*
21 *such period.*

22 *“(2) PUBLICATION OF REASONS FOR EXTEN-*
23 *SION.—If the Secretary extends the 30-day period re-*
24 *ferred to in subsection (b), the Secretary shall publish*

1 *in the Federal Register the reasons of the Secretary*
2 *for making the extension.*

3 “(d) *TERMINATION OF WAITING PERIOD.*—*At any*
4 *time after the date of submission of a joint venture agree-*
5 *ment under subsection (b), the Secretary may terminate the*
6 *waiting periods referred to in subsections (b) and (c) with*
7 *respect to the agreement.*

8 “(e) *REGULATIONS.*—*The effectiveness of a joint ven-*
9 *ture agreement may not be delayed due to any failure of*
10 *the Secretary to issue regulations to carry out this sub-*
11 *section.*

12 “(f) *MEMORANDUM TO PREVENT DUPLICATIVE RE-*
13 *VIEWS.*—*Promptly after the date of enactment of this sec-*
14 *tion, the Secretary shall consult with the Assistant Attorney*
15 *General of the Antitrust Division of the Department of Jus-*
16 *tice in order to establish, through a written memorandum*
17 *of understanding, preclearance procedures to prevent unnec-*
18 *essary duplication of effort by the Secretary and the Assist-*
19 *ant Attorney General under this section and the United*
20 *States antitrust laws, respectively.*

21 “(g) *PRIOR AGREEMENTS.*—*With respect to a joint*
22 *venture agreement entered into before the date of enactment*
23 *of this section as to which the Secretary finds that—*

24 “(1) *the parties have submitted the agreement to*
25 *the Secretary before such date of enactment; and*

1 “(2) the parties have submitted any information
2 on the agreement requested by the Secretary,
3 the waiting period described in paragraphs (2) and (3)
4 shall begin on the date, as determined by the Secretary, on
5 which all such information was submitted and end on the
6 last day to which the period could be extended under this
7 section.

8 “(h) *LIMITATION ON STATUTORY CONSTRUCTION.*—
9 The authority granted to the Secretary under this sub-
10 section shall not in any way limit the authority of the At-
11 torney General to enforce the antitrust laws as defined in
12 the first section of the Clayton Act (15 U.S.C. 12).”.

13 (b) *CONFORMING AMENDMENT.*—The analysis for sub-
14 chapter I of such chapter is amended by adding at the end
15 the following:

“41716. Joint venture agreements.”.

16 **SEC. 611. REGIONAL AIR SERVICE INCENTIVE OPTIONS.**

17 (a) *PURPOSE.*—The purpose of this section is to pro-
18 vide the Congress with an analysis of means to improve
19 service by jet aircraft to underserved markets by authoriz-
20 ing a review of different programs of Federal financial as-
21 sistance, including loan guarantees like those that would
22 have been provided for by section 2 of S. 1353, 105th Con-
23 gress, as introduced, to commuter air carriers that would
24 purchase regional jet aircraft for use in serving those mar-
25 kets.

1 (b) *STUDY.*—*The Secretary of Transportation shall*
2 *study the efficacy of a program of Federal loan guarantees*
3 *for the purchase of regional jets by commuter air carriers.*
4 *The Secretary shall include in the study a review of options*
5 *for funding, including alternatives to Federal funding. In*
6 *the study, the Secretary shall analyze—*

7 (1) *the need for such a program;*

8 (2) *its potential benefit to small communities;*

9 (3) *the trade implications of such a program;*

10 (4) *market implications of such a program for*
11 *the sale of regional jets;*

12 (5) *the types of markets that would benefit the*
13 *most from such a program;*

14 (6) *the competitive implications of such a pro-*
15 *gram; and*

16 (7) *the cost of such a program.*

17 (c) *REPORT.*—*The Secretary shall submit a report of*
18 *the results of the study to the Senate Committee on Com-*
19 *merce, Science, and Transportation and the House of Rep-*
20 *resentatives Committee on Transportation and Infrastruc-*
21 *ture not later than 24 months after the date of enactment*
22 *of this Act.*

1 **SEC. 612. GAO STUDY OF RURAL AIR TRANSPORTATION**
2 **NEEDS.**

3 *The General Accounting Office, in conjunction with*
4 *the Federal Aviation Administration, shall conduct a study*
5 *of the effectiveness of the national air transportation system*
6 *and its ability to meet the air transportation needs of the*
7 *United States over the next 15 years. The study shall in-*
8 *clude airports located in remote communities and reliever*
9 *airports, and shall assess the effectiveness of the system by*
10 *reference to criteria that include whether, under the system,*
11 *each resident of the United States is within a 1-hour drive*
12 *on primary roads of an airport that has at least one run-*
13 *way of at least 5,500 feet in length at sea-level, or the equiv-*
14 *alent altitude-adjusted length.*

15 **TITLE VII—NATIONAL PARKS**
16 **OVERFLIGHTS**

17 **SEC. 701. FINDINGS.**

18 *The Congress finds that—*

19 *(1) the Federal Aviation Administration has sole*
20 *authority to control airspace over the United States;*

21 *(2) the Federal Aviation Administration has the*
22 *authority to preserve, protect, and enhance the envi-*
23 *ronment by minimizing, mitigating, or preventing*
24 *the adverse effects of aircraft overflights on the public*
25 *and tribal lands;*

1 “(1) *GENERAL REQUIREMENTS.*—A commercial
2 *air tour operator may not conduct commercial air*
3 *tour operations over a national park or tribal lands*
4 *except—*

5 “(A) *in accordance with this section;*

6 “(B) *in accordance with conditions and*
7 *limitations prescribed for that operator by the*
8 *Administrator; and*

9 “(C) *in accordance with any effective air*
10 *tour management plan for that park or those*
11 *tribal lands.*

12 “(2) *APPLICATION FOR OPERATING AUTHOR-*
13 *ITY.*—

14 “(A) *APPLICATION REQUIRED.*—*Before com-*
15 *mencing commercial air tour operations over a*
16 *national park or tribal lands, a commercial air*
17 *tour operator shall apply to the Administrator*
18 *for authority to conduct the operations over that*
19 *park or those tribal lands.*

20 “(B) *COMPETITIVE BIDDING FOR LIMITED*
21 *CAPACITY PARKS.*—*Whenever a commercial air*
22 *tour management plan limits the number of*
23 *commercial air tour flights over a national park*
24 *area during a specified time frame, the Adminis-*
25 *trator, in cooperation with the Director, shall*

1 *authorize commercial air tour operators to pro-*
2 *vide such service. The authorization shall specify*
3 *such terms and conditions as the Administrator*
4 *and the Director find necessary for management*
5 *of commercial air tour operations over the na-*
6 *tional park. The Administrator, in cooperation*
7 *with the Director, shall develop an open competi-*
8 *tive process for evaluating proposals from per-*
9 *sons interested in providing commercial air tour*
10 *services over the national park. In making a se-*
11 *lection from among various proposals submitted,*
12 *the Administrator, in cooperation with the Di-*
13 *rector, shall consider relevant factors, includ-*
14 *ing—*

15 *“(i) the safety record of the company*
16 *or pilots;*

17 *“(ii) any quiet aircraft technology pro-*
18 *posed for use;*

19 *“(iii) the experience in commercial air*
20 *tour operations over other national parks or*
21 *scenic areas;*

22 *“(iv) the financial capability of the*
23 *company;*

24 *“(v) any training programs for pilots;*
25 *and*

1 “(vi) responsiveness to any criteria de-
2 veloped by the National Park Service or the
3 affected national park.

4 “(C) NUMBER OF OPERATIONS AUTHOR-
5 IZED.—In determining the number of authoriza-
6 tions to issue to provide commercial air tour
7 service over a national park, the Administrator,
8 in cooperation with the Director, shall take into
9 consideration the provisions of the air tour man-
10 agement plan, the number of existing commercial
11 air tour operators and current level of service
12 and equipment provided by any such companies,
13 and the financial viability of each commercial
14 air tour operation.

15 “(D) COOPERATION WITH NPS.—Before
16 granting an application under this paragraph,
17 the Administrator shall, in cooperation with the
18 Director, develop an air tour management plan
19 in accordance with subsection (b) and implement
20 such plan.

21 “(E) TIME LIMIT ON RESPONSE TO ATMP
22 APPLICATIONS.—The Administrator shall act on
23 any such application and issue a decision on the
24 application not later than 24 months after it is
25 received or amended.

1 “(3) *EXCEPTION.*—*Notwithstanding paragraph*
2 *(1), commercial air tour operators may conduct com-*
3 *mercial air tour operations over a national park*
4 *under part 91 of the Federal Aviation Regulations*
5 *(14 CFR 91.1 et seq.) if—*

6 “(A) *such activity is permitted under part*
7 *119 (14 CFR 119.1(e)(2));*

8 “(B) *the operator secures a letter of agree-*
9 *ment from the Administrator and the national*
10 *park superintendent for that national park de-*
11 *scribing the conditions under which the flight op-*
12 *erations will be conducted; and*

13 “(C) *the total number of operations under*
14 *this exception is limited to not more than 5*
15 *flights in any 30-day period over a particular*
16 *park.*

17 “(4) *SPECIAL RULE FOR SAFETY REQUIRE-*
18 *MENTS.*—*Notwithstanding subsection (c), an existing*
19 *commercial air tour operator shall, not later than 90*
20 *days after the date of enactment of the Wendell H.*
21 *Ford National Air Transportation System Improve-*
22 *ment Act of 1998, apply for operating authority*
23 *under part 119, 121, or 135 of the Federal Aviation*
24 *Regulations (14 CFR Pt. 119, 121, or 135). A new*
25 *entrant commercial air tour operator shall apply for*

1 *such authority before conducting commercial air tour*
2 *operations over a national park or tribal lands.*

3 “(b) *AIR TOUR MANAGEMENT PLANS.*—

4 “(1) *ESTABLISHMENT OF ATMPS.*—

5 “(A) *IN GENERAL.*—*The Administrator*
6 *shall, in cooperation with the Director, establish*
7 *an air tour management plan for any national*
8 *park or tribal land for which such a plan is not*
9 *already in effect whenever a person applies for*
10 *authority to operate a commercial air tour over*
11 *the park. The development of the air tour man-*
12 *agement plan is to be a cooperative undertaking*
13 *between the Federal Aviation Administration*
14 *and the National Park Service. The air tour*
15 *management plan shall be developed by means of*
16 *a public process, and the agencies shall develop*
17 *information and analysis that explains the con-*
18 *clusions that the agencies make in the applica-*
19 *tion of the respective criteria. Such explanations*
20 *shall be included in the Record of Decision and*
21 *may be subject to judicial review.*

22 “(B) *OBJECTIVE.*—*The objective of any air*
23 *tour management plan shall be to develop accept-*
24 *able and effective measures to mitigate or pre-*
25 *vent the significant adverse impacts, if any, of*

1 *commercial air tours upon the natural and cul-*
2 *tural resources and visitor experiences and tribal*
3 *lands.*

4 “(2) *ENVIRONMENTAL DETERMINATION.*—*In es-*
5 *tablishing an air tour management plan under this*
6 *subsection, the Administrator and the Director shall*
7 *each sign the environmental decision document re-*
8 *quired by section 102 of the National Environmental*
9 *Policy Act of 1969 (42 U.S.C. 4332) which may in-*
10 *clude a finding of no significant impact, an environ-*
11 *mental assessment, or an environmental impact state-*
12 *ment, and the Record of Decision for the air tour*
13 *management plan.*

14 “(3) *CONTENTS.*—*An air tour management plan*
15 *for a national park—*

16 “(A) *may prohibit commercial air tour op-*
17 *erations in whole or in part;*

18 “(B) *may establish conditions for the con-*
19 *duct of commercial air tour operations, includ-*
20 *ing commercial air tour routes, maximum or*
21 *minimum altitudes, time-of-day restrictions, re-*
22 *strictions for particular events, maximum num-*
23 *ber of flights per unit of time, intrusions on pri-*
24 *vacy on tribal lands, and mitigation of noise,*
25 *visual, or other impacts;*

1 “(C) shall apply to all commercial air tours
2 within 1/2 mile outside the boundary of a na-
3 tional park;

4 “(D) shall include incentives (such as pre-
5 ferred commercial air tour routes and altitudes,
6 relief from caps and curfews) for the adoption of
7 quiet aircraft technology by commercial air tour
8 operators conducting commercial air tour oper-
9 ations at the park;

10 “(E) shall provide for the initial allocation
11 of opportunities to conduct commercial air tours
12 if the plan includes a limitation on the number
13 of commercial air tour flights for any time pe-
14 riod; and

15 “(F) shall justify and document the need for
16 measures taken pursuant to subparagraphs (A)
17 through (E).

18 “(4) PROCEDURE.—In establishing a commercial
19 air tour management plan for a national park, the
20 Administrator and the Director shall—

21 “(A) initiate at least one public meeting
22 with interested parties to develop a commercial
23 air tour management plan for the park;

24 “(B) publish the proposed plan in the Fed-
25 eral Register for notice and comment and make

1 *copies of the proposed plan available to the pub-*
2 *lic;*

3 “(C) *comply with the regulations set forth*
4 *in sections 1501.3 and 1501.5 through 1501.8 of*
5 *title 40, Code of Federal Regulations (for pur-*
6 *poses of complying with those regulations, the*
7 *Federal Aviation Administration is the lead*
8 *agency and the National Park Service is a co-*
9 *operating agency); and*

10 “(D) *solicit the participation of any Indian*
11 *tribe whose tribal lands are, or may be,*
12 *overflown by aircraft involved in commercial air*
13 *tour operations over a national park or tribal*
14 *lands, as a cooperating agency under the regula-*
15 *tions referred to in paragraph (4)(C).*

16 “(5) *AMENDMENTS.—Any amendment of an air*
17 *tour management plan shall be published in the Fed-*
18 *eral Register for notice and comment. A request for*
19 *amendment of an air tour management plan shall be*
20 *made in such form and manner as the Administrator*
21 *may prescribe.*

22 “(c) *INTERIM OPERATING AUTHORITY.—*

23 “(1) *IN GENERAL.—Upon application for operat-*
24 *ing authority, the Administrator shall grant interim*
25 *operating authority under this paragraph to a com-*

1 *mercial air tour operator for a national park or trib-*
2 *al lands for which the operator is an existing com-*
3 *mercial air tour operator.*

4 “(2) *REQUIREMENTS AND LIMITATIONS.—In-*
5 *terim operating authority granted under this sub-*
6 *section—*

7 “(A) *shall provide annual authorization*
8 *only for the greater of—*

9 “(i) *the number of flights used by the*
10 *operator to provide such tours within the*
11 *12-month period prior to the date of enact-*
12 *ment of the Wendell H. Ford National Air*
13 *Transportation System Improvement Act of*
14 *1998; or*

15 “(ii) *the average number of flights per*
16 *12-month period used by the operator to*
17 *provide such tours within the 36-month pe-*
18 *riod prior to such date of enactment, and,*
19 *for seasonal operations, the number of*
20 *flights so used during the season or seasons*
21 *covered by that 12-month period;*

22 “(B) *may not provide for an increase in the*
23 *number of operations conducted during any time*
24 *period by the commercial air tour operator to*

1 *which it is granted unless the increase is agreed*
2 *to by the Administrator and the Director;*

3 “(C) *shall be published in the Federal Reg-*
4 *ister to provide notice and opportunity for com-*
5 *ment;*

6 “(D) *may be revoked by the Administrator*
7 *for cause;*

8 “(E) *shall terminate 180 days after the date*
9 *on which an air tour management plan is estab-*
10 *lished for that park or those tribal lands; and*

11 “(F) *shall—*

12 “(i) *promote protection of national*
13 *park resources, visitor experiences, and trib-*
14 *al lands;*

15 “(ii) *promote safe operations of the*
16 *commercial air tour;*

17 “(iii) *promote the adoption of quiet*
18 *technology, as appropriate; and*

19 “(iv) *allow for modifications of the op-*
20 *eration based on experience if the modifica-*
21 *tion improves protection of national park*
22 *resources and values and of tribal lands.*

23 “(3) *NEW ENTRANT AIR TOUR OPERATORS.—*

24 “(A) *IN GENERAL.—The Administrator, in*
25 *cooperation with the Director, may grant in-*

1 *terim operating authority under this paragraph*
2 *to an air tour operator for a national park for*
3 *which that operator is a new entrant air tour*
4 *operator if the Administrator determines the au-*
5 *thority is necessary to ensure competition in the*
6 *provision of commercial air tours over that na-*
7 *tional park or those tribal lands.*

8 “(B) *SAFETY LIMITATION.*—*The Adminis-*
9 *trator may not grant interim operating author-*
10 *ity under subparagraph (A) if the Administrator*
11 *determines that it would create a safety problem*
12 *at that park or on tribal lands, or the Director*
13 *determines that it would create a noise problem*
14 *at that park or on tribal lands.*

15 “(C) *ATMP LIMITATION.*—*The Adminis-*
16 *trator may grant interim operating authority*
17 *under subparagraph (A) of this paragraph only*
18 *if the air tour management plan for the park or*
19 *tribal lands to which the application relates has*
20 *not been developed within 24 months after the*
21 *date of enactment of the Wendell H. Ford Na-*
22 *tional Air Transportation System Improvement*
23 *Act of 1998.*

24 “(d) *DEFINITIONS.*—*In this section, the following defi-*
25 *nitions apply:*

1 “(1) *COMMERCIAL AIR TOUR.*—The term ‘com-
2 mercial air tour’ means any flight conducted for com-
3 pensation or hire in a powered aircraft where a pur-
4 pose of the flight is sightseeing. If the operator of a
5 flight asserts that the flight is not a commercial air
6 tour, factors that can be considered by the Adminis-
7 trator in making a determination of whether the
8 flight is a commercial air tour, include, but are not
9 limited to—

10 “(A) whether there was a holding out to the
11 public of willingness to conduct a sightseeing
12 flight for compensation or hire;

13 “(B) whether a narrative was provided that
14 referred to areas or points of interest on the sur-
15 face;

16 “(C) the area of operation;

17 “(D) the frequency of flights;

18 “(E) the route of flight;

19 “(F) the inclusion of sightseeing flights as
20 part of any travel arrangement package; or

21 “(G) whether the flight or flights in question
22 would or would not have been canceled based on
23 poor visibility of the surface.

1 “(2) *COMMERCIAL AIR TOUR OPERATOR.*—*The*
2 *term ‘commercial air tour operator’ means any per-*
3 *son who conducts a commercial air tour.*

4 “(3) *EXISTING COMMERCIAL AIR TOUR OPERA-*
5 *TOR.*—*The term ‘existing commercial air tour opera-*
6 *tor’ means a commercial air tour operator that was*
7 *actively engaged in the business of providing commer-*
8 *cial air tours over a national park at any time dur-*
9 *ing the 12-month period ending on the date of enact-*
10 *ment of the Wendell H. Ford National Air Transpor-*
11 *tation System Improvement Act of 1998.*

12 “(4) *NEW ENTRANT COMMERCIAL AIR TOUR OP-*
13 *ERATOR.*—*The term ‘new entrant commercial air tour*
14 *operator’ means a commercial air tour operator*
15 *that—*

16 “(A) *applies for operating authority as a*
17 *commercial air tour operator for a national*
18 *park; and*

19 “(B) *has not engaged in the business of pro-*
20 *viding commercial air tours over that national*
21 *park or those tribal lands in the 12-month pe-*
22 *riod preceding the application.*

23 “(5) *COMMERCIAL AIR TOUR OPERATIONS.*—*The*
24 *term ‘commercial air tour operations’ means commer-*
25 *cial air tour flight operations conducted—*

1 “(A) over a national park or within 1/2 mile
2 outside the boundary of any national park;

3 “(B) below a minimum altitude, determined
4 by the Administrator in cooperation with the Di-
5 rector, above ground level (except solely for pur-
6 poses of takeoff or landing, or necessary for safe
7 operation of an aircraft as determined under the
8 rules and regulations of the Federal Aviation
9 Administration requiring the pilot-in-command
10 to take action to ensure the safe operation of the
11 aircraft); and

12 “(C) less than 1 mile laterally from any ge-
13 ographic feature within the park (unless more
14 than 1/2 mile outside the boundary).

15 “(6) NATIONAL PARK.—The term ‘national park’
16 means any unit of the National Park System.

17 “(7) TRIBAL LANDS.—The term ‘tribal lands’
18 means ‘Indian country’, as defined by section 1151 of
19 title 18, United States Code, that is within or abut-
20 ting a national park.

21 “(8) ADMINISTRATOR.—The term ‘Adminis-
22 trator’ means the Administrator of the Federal Avia-
23 tion Administration.

24 “(9) DIRECTOR.—The term ‘Director’ means the
25 Director of the National Park Service.”.

1 (b) *EXEMPTIONS.*—

2 (1) *GRAND CANYON.*—Section 40125 of title 49,
3 *United States Code, as added by subsection (a), does*
4 *not apply to—*

5 (A) *the Grand Canyon National Park; or*

6 (B) *Indian country within or abutting the*
7 *Grand Canyon National Park.*

8 (2) *ALASKA.*—*The provisions of this title and*
9 *section 40125 of title 49, United States Code, as*
10 *added by subsection (a), do not apply to any land or*
11 *waters located in Alaska.*

12 (c) *CLERICAL AMENDMENT.*—*The table of sections for*
13 *chapter 401 is amended by adding at the end thereof the*
14 *following:*

 “40126. *Overflights of national parks.*”.

15 **SEC. 703. ADVISORY GROUP.**

16 (a) *ESTABLISHMENT.*—*Not later than 1 year after the*
17 *date of enactment of this Act, the Administrator of the Fed-*
18 *eral Aviation Administration and the Director of the Na-*
19 *tional Park Service shall jointly establish an advisory*
20 *group to provide continuing advice and counsel with respect*
21 *to the operation of commercial air tours over and near na-*
22 *tional parks.*

23 (b) *MEMBERSHIP.*—

24 (1) *IN GENERAL.*—*The advisory group shall be*
25 *composed of—*

1 (A) a balanced group of —

2 (i) representatives of general aviation;

3 (ii) representatives of commercial air

4 tour operators;

5 (iii) representatives of environmental

6 concerns; and

7 (iv) representatives of Indian tribes;

8 (B) a representative of the Federal Aviation

9 Administration; and

10 (C) a representative of the National Park

11 Service.

12 (2) *EX-OFFICIO MEMBERS.*—The Administrator

13 and the Director shall serve as *ex-officio* members.

14 (3) *CHAIRPERSON.*—The representative of the

15 Federal Aviation Administration and the representa-

16 tive of the National Park Service shall serve alternat-

17 ing 1-year terms as chairman of the advisory group,

18 with the representative of the Federal Aviation Ad-

19 ministration serving initially until the end of the cal-

20 endar year following the year in which the advisory

21 group is first appointed.

22 (c) *DUTIES.*—The advisory group shall provide advice,

23 information, and recommendations to the Administrator

24 and the Director—

25 (1) on the implementation of this title;

1 (2) *on the designation of commonly accepted*
2 *quiet aircraft technology for use in commercial air*
3 *tours of national parks or tribal lands, which will re-*
4 *ceive preferential treatment in a given air tour man-*
5 *agement plan;*

6 (3) *on other measures that might be taken to ac-*
7 *commodate the interests of visitors to national parks;*
8 *and*

9 (4) *on such other national park or tribal lands-*
10 *related safety, environmental, and air touring issues*
11 *as the Administrator and the Director may request.*

12 *(d) COMPENSATION; SUPPORT; FACA.—*

13 (1) *COMPENSATION AND TRAVEL.—Members of*
14 *the advisory group who are not officers or employees*
15 *of the United States, while attending conferences or*
16 *meetings of the group or otherwise engaged in its*
17 *business, or while serving away from their homes or*
18 *regular places of business, each member may be al-*
19 *lowed travel expenses, including per diem in lieu of*
20 *subsistence, as authorized by section 5703 of title 5,*
21 *United States Code, for persons in the Government*
22 *service employed intermittently.*

23 (2) *ADMINISTRATIVE SUPPORT.—The Federal*
24 *Aviation Administration and the National Park*

1 *Service shall jointly furnish to the advisory group*
2 *clerical and other assistance.*

3 (3) *NONAPPLICATION OF FACA.—Section 14 of*
4 *the Federal Advisory Committee Act (5 U.S.C. App.)*
5 *does not apply to the advisory group.*

6 (e) *REPORT.—The Administrator and the Director*
7 *shall jointly report to the Congress within 24 months after*
8 *the date of enactment of this Act on the success of this title*
9 *in providing incentives for quiet aircraft technology.*

10 **SEC. 704. OVERFLIGHT FEE REPORT.**

11 *Not later than 180 days after the date of enactment*
12 *of this Act, the Administrator of the Federal Aviation Ad-*
13 *ministration shall transmit to Congress a report on the ef-*
14 *fects proposed overflight fees are likely to have on the com-*
15 *mercial air tour industry. The report shall include, but*
16 *shall not be limited to—*

17 (1) *the viability of a tax credit for the commer-*
18 *cial air tour operators equal to the amount of the pro-*
19 *posed fee charged by the National Park Service; and*

20 (2) *the financial effects proposed offsets are likely*
21 *to have on Federal Aviation Administration budgets*
22 *and appropriations.*

1 **TITLE VIII—AVIATION TRUST**
2 **FUND AMENDMENTS**

3 **SEC. 801. AMENDMENTS TO THE AIRPORT AND AIRWAY**
4 **TRUST FUND.**

5 *Section 9502(d)(1) of the Internal Revenue Code of*
6 *1986 (relating to expenditures from Airport and Airway*
7 *Trust Fund) is amended—*

8 (1) *by striking “1998,” and inserting “2002,”;*

9 *and*

10 (2) *by striking “1996;” in subparagraph (A) and*
11 *inserting “1996, or the Wendell H. Ford National Air*
12 *Transportation System Improvement Act of 1998;”.*