

**Calendar No. 134**

108<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 2115**

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IN THE SENATE OF THE UNITED STATES

JUNE 12, 2003

Received; read twice and placed on the calendar

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**AN ACT**

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

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

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

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

4 (b) **TABLE OF CONTENTS.**—The table of contents for  
 5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Amendments to title 49, United States Code.
- Sec. 3. Effective date.

**TITLE I—AUTHORIZATIONS**

- Sec. 101. Federal Aviation Administration operations.
- Sec. 102. Air navigation facilities and equipment.
- Sec. 103. Airport planning and development and noise compatibility planning and programs.
- Sec. 104. Additional reauthorizations.
- Sec. 105. Insurance.
- Sec. 106. Pilot program for innovative financing for terminal automation replacement systems.

**TITLE II—AIRPORT PROJECT STREAMLINING**

- Sec. 201. Short title.
- Sec. 202. Findings.
- Sec. 203. Promotion of new runways.
- Sec. 204. Airport project streamlining.
- Sec. 205. Governor’s certificate.
- Sec. 206. Construction of certain airport capacity projects.
- Sec. 207. Limitations.
- Sec. 208. Relationship to other requirements.

**TITLE III—FEDERAL AVIATION REFORM**

- Sec. 301. Management advisory committee members.
- Sec. 302. Reorganization of the Air Traffic Services Subcommittee.
- Sec. 303. Clarification of the responsibilities of the Chief Operating Officer.
- Sec. 304. Small Business Ombudsman.
- Sec. 305. FAA purchase cards.

**TITLE IV—AIRLINE SERVICE IMPROVEMENTS**

- Sec. 401. Improvement of aviation information collection.
- Sec. 402. Data on incidents and complaints involving passenger and baggage security screening.
- Sec. 403. Definitions.
- Sec. 404. Clarifications to procurement authority.
- Sec. 405. Low-emission airport vehicles and ground support equipment.
- Sec. 406. Streamlining of the passenger facility fee program.
- Sec. 407. Financial management of passenger facility fees.
- Sec. 408. Government contracting for air transportation.
- Sec. 409. Overflights of national parks.

- Sec. 410. Collaborative decisionmaking pilot program.
- Sec. 411. Availability of aircraft accident site information.
- Sec. 412. Slot exemptions at Ronald Reagan Washington National Airport.
- Sec. 413. Notice concerning aircraft assembly.
- Sec. 414. Special rule to promote air service to small communities.
- Sec. 415. Small community air service.
- Sec. 416. Type certificates.
- Sec. 417. Design organization certificates.
- Sec. 418. Counterfeit or fraudulently represented parts violations.
- Sec. 419. Runway safety standards.
- Sec. 420. Availability of maintenance information.
- Sec. 421. Certificate actions in response to a security threat.
- Sec. 422. Flight attendant certification.
- Sec. 423. Civil penalty for closure of an airport without providing sufficient notice.
- Sec. 424. Noise exposure maps.
- Sec. 425. Amendment of general fee schedule provision.
- Sec. 426. Improvement of curriculum standards for aviation maintenance technicians.
- Sec. 427. Task force on future of air transportation system.
- Sec. 428. Air quality in aircraft cabins.
- Sec. 429. Recommendations concerning travel agents.
- Sec. 430. Task force on enhanced transfer of applications of technology for military aircraft to civilian aircraft.
- Sec. 431. Reimbursement for losses incurred by general aviation entities.
- Sec. 432. Impasse procedures for National Association of Air Traffic Specialists.
- Sec. 433. FAA inspector training.
- Sec. 434. Prohibition on air traffic control privatization.
- Sec. 435. Airfares for members of the Armed Forces.
- Sec. 436. Air carriers required to honor tickets for suspended air service.
- Sec. 437. International air show.
- Sec. 438. Definition of air traffic controller.
- Sec. 439. Justification for air defense identification zone.
- Sec. 440. International air transportation.
- Sec. 441. Reimbursement of air carriers for certain screening and related activities.
- Sec. 442. General aviation flights at Ronald Reagan Washington National Airport.
- Sec. 443. Charter airlines.
- Sec. 444. Implementation of chapter 4 noise standards.
- Sec. 445. Crew training.
- Sec. 446. Review of compensation criteria.
- Sec. 447. Review of certain aircraft operations in Alaska.

#### TITLE V—AIRPORT DEVELOPMENT

- Sec. 501. Definitions.
- Sec. 502. Replacement of baggage conveyor systems.
- Sec. 503. Security costs at small airports.
- Sec. 504. Withholding of program application approval.
- Sec. 505. Runway safety areas.
- Sec. 506. Disposition of land acquired for noise compatibility purposes.
- Sec. 507. Grant assurances.
- Sec. 508. Allowable project costs.

- Sec. 509. Apportionments to primary airports.
- Sec. 510. Cargo airports.
- Sec. 511. Considerations in making discretionary grants.
- Sec. 512. Flexible funding for nonprimary airport apportionments.
- Sec. 513. Use of apportioned amounts.
- Sec. 514. Military airport program.
- Sec. 515. Terminal development costs.
- Sec. 516. Contract towers.
- Sec. 517. Airport safety data collection.
- Sec. 518. Airport privatization pilot program.
- Sec. 519. Innovative financing techniques.
- Sec. 520. Airport security program.
- Sec. 521. Low-emission airport vehicles and infrastructure.
- Sec. 522. Compatible land use planning and projects by State and local governments.
- Sec. 523. Prohibition on requiring airports to provide rent-free space for Federal Aviation Administration.
- Sec. 524. Midway Island Airport.
- Sec. 525. Intermodal planning.
- Sec. 526. Status review of Marshall Islands airport.
- Sec. 527. Report on waivers of preference for buying goods produced in the United States.

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

- Sec. 601. Extension of expenditure authority.

**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 SEC. 3. EFFECTIVE DATE.**

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

1           **TITLE I—AUTHORIZATIONS**

2   **SEC. 101. FEDERAL AVIATION ADMINISTRATION OPER-**  
3                   **ATIONS.**

4           (a) IN GENERAL.—Section 106(k) is amended to  
5 read as follows:

6           “(k) AUTHORIZATION OF APPROPRIATIONS.—

7                   “(1) SALARIES, OPERATIONS, AND MAINTEN-

8                   NANCE.—There is authorized to be appropriated to

9                   the Secretary of Transportation for salaries, oper-

10                  ations, and maintenance of the Administration—

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

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

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

14                           and

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

16           Such sums shall remain available until expended.

17                   “(2) OPERATION OF CENTER FOR MANAGE-

18                   MENT AND DEVELOPMENT.—Out of amounts appro-

19                   priated under paragraph (1), such sums as may be

20                   necessary may be expended by the Center for Man-

21                   agement Development of the Federal Aviation Ad-

22                   ministration to operate at least 200 courses each

23                   year and to support associated student travel for

24                   both residential and field courses.

1           “(3) AIR TRAFFIC MANAGEMENT SYSTEM.—Out  
2 of amounts appropriated under paragraph (1), such  
3 sums as may be necessary may be expended by the  
4 Federal Aviation Administration for the establish-  
5 ment and operation of a new office to develop, in co-  
6 ordination with the Department of Defense, the Na-  
7 tional Aeronautics and Space Administration, and  
8 the Department of Homeland Security, the next gen-  
9 eration air traffic management system and a transi-  
10 tion plan for the implementation of that system. The  
11 office shall be known as the ‘Next Generation Air  
12 Transportation System Joint Program Office’.

13           “(4) HELICOPTER AND TILTROTOR PROCE-  
14 DURES.—Out of amounts appropriated under para-  
15 graph (1), such sums as may be necessary may be  
16 expended by the Federal Aviation Administration for  
17 the establishment of helicopter and tiltrotor ap-  
18 proach and departure procedures using advanced  
19 technologies, such as the Global Positioning System  
20 and automatic dependent surveillance, to permit op-  
21 erations in adverse weather conditions to meet the  
22 needs of air ambulance services.

23           “(5) ADDITIONAL AIR TRAFFIC CONTROL-  
24 LERS.—Out of amounts appropriated under para-  
25 graph (1), such sums as may be necessary may be

1       expended to hire additional air traffic controllers in  
2       order to meet increasing air traffic demands and to  
3       address the anticipated increase in the retirement of  
4       experienced air traffic controllers.

5               “(6) COMPLETION OF ALASKA AVIATION SAFE-  
6       TY PROJECT.—Out of amounts appropriated under  
7       paragraph (1), \$6,000,000 may be expended for the  
8       completion of the Alaska aviation safety project with  
9       respect to the 3 dimensional mapping of Alaska’s  
10      main aviation corridors.

11              “(7) AVIATION SAFETY REPORTING SYSTEM.—  
12      Out of amounts appropriated under paragraph (1),  
13      \$3,400,000 may be expended on the Aviation Safety  
14      Reporting System.”.

15              (b) AIRLINE DATA AND ANALYSIS.—There is author-  
16      ized to be appropriated to the Secretary of Transportation,  
17      out of the Airport and Airway Trust Fund established by  
18      section 9502 of the Internal Revenue Code of 1986 (26  
19      U.S.C. 9502), \$3,971,000 for fiscal year 2004,  
20      \$4,045,000 for fiscal year 2005, \$4,127,000 for fiscal year  
21      2006, and \$4,219,000 for fiscal year 2007 to gather air-  
22      line data and conduct analyses of such data in the Bureau  
23      of Transportation Statistics of the Department of Trans-  
24      portation.

25              (c) HUMAN CAPITAL WORKFORCE STRATEGY.—

1           (1) DEVELOPMENT.—The Administrator of the  
2 Federal Aviation Administration shall develop a  
3 comprehensive human capital workforce strategy to  
4 determine the most effective method for addressing  
5 the need for more air traffic controllers that is called  
6 for in the June 2002 report of the General Account-  
7 ing Office.

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

11           (3) REPORT.—Not later than 30 days after the  
12 date on which the strategy is completed, the Admin-  
13 istrator shall transmit to Congress a report describ-  
14 ing the strategy.

15           (d) GOALS AND OBJECTIVES OF AVIATION SAFETY  
16 REPORTING SYSTEM.—Not later than 90 days after the  
17 date of enactment of this Act, the Administrator shall  
18 transmit to Congress a report on the long-term goals and  
19 objectives of the Aviation Safety Reporting System and  
20 how such system interrelates with other safety reporting  
21 systems of the Federal Government.

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

23           Section 48101 is amended—

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

1 “(1) \$3,138,000,000 for fiscal year 2004;  
2 “(2) \$2,993,000,000 for fiscal year 2005;  
3 “(3) \$3,053,000,000 for fiscal year 2006; and  
4 “(4) \$3,110,000,000 for fiscal year 2007.”;

5 (2) by striking subsection (b);

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

7 (4) by striking subsections (d) and (e) and in-  
8 serting the following:

9 “(c) ENHANCED SAFETY AND SECURITY FOR AIR-  
10 CRAFT OPERATIONS IN THE GULF OF MEXICO.—Of  
11 amounts appropriated under subsection (a), such sums as  
12 may be necessary for fiscal years 2004 through 2007 may  
13 be used to expand and improve the safety, efficiency, and  
14 security of air traffic control, navigation, low altitude com-  
15 munications and surveillance, and weather services in the  
16 Gulf of Mexico.

17 “(d) OPERATIONAL BENEFITS OF WAKE VORTEX  
18 ADVISORY SYSTEM.—Of amounts appropriated under sub-  
19 section (a), \$20,000,000 for each of fiscal years 2004  
20 through 2007 may be used to document and demonstrate  
21 the operational benefits of a wake vortex advisory system.

22 “(e) GROUND-BASED PRECISION NAVIGATIONAL  
23 AIDS.—Of amounts appropriated under subsection (a),  
24 \$20,000,000 for each of fiscal years 2004 to 2007 may  
25 be used to establish a program for the installation, oper-

1 ation, and maintenance of a closed-loop precision approach  
2 aid designed to improve aircraft accessibility at moun-  
3 tainous airports with limited land if the approach aid is  
4 able to provide curved and segmented approach guidance  
5 for noise abatement purposes and has been certified or  
6 approved by the Administrator.”; and

7 (5) in subsection (f)—

8 (A) by striking “for fiscal years beginning  
9 after September 30, 2000”; and

10 (B) by inserting “may be used” after “nec-  
11 essary”.

12 **SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND**  
13 **NOISE COMPATIBILITY PLANNING AND PRO-**  
14 **GRAMS.**

15 (a) AUTHORIZATION.—Section 48103 is amended—

16 (1) by striking “September 30, 1998” and in-  
17 serting “September 30, 2003”; and

18 (2) by striking paragraphs (1) through (5) and  
19 inserting:

20 “(1) \$3,400,000,000 for fiscal year 2004;

21 “(2) \$3,600,000,000 for fiscal year 2005;

22 “(3) \$3,800,000,000 for fiscal year 2006; and

23 “(4) \$4,000,000,000 for fiscal year 2007.”.

1 (b) OBLIGATIONAL AUTHORITY.—Section 47104(c)  
2 is amended by striking “September 30, 2003” and insert-  
3 ing “September 30, 2007”.

4 **SEC. 104. ADDITIONAL REAUTHORIZATIONS.**

5 (a) CONTRACT AIR TRAFFIC CONTROL TOWER PILOT  
6 PROGRAM.—Section 47124(b)(3)(E) is amended by strik-  
7 ing “\$6,000,000 per fiscal year” and inserting  
8 “\$6,500,000 for fiscal year 2004, \$7,000,000 for fiscal  
9 year 2005, \$7,500,000 for fiscal year 2006, and  
10 \$8,000,000 for fiscal year 2007”.

11 (b) SMALL COMMUNITY AIR SERVICE.—Section  
12 41743(e)(2) is amended—

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

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

18 (c) REGIONAL AIR SERVICE INCENTIVE PROGRAM.—  
19 Section 41766 is amended by striking “2003” and insert-  
20 ing “2007”.

21 (d) FUNDING FOR AVIATION PROGRAMS.—Section  
22 106 of the Wendell H. Ford Aviation Investment and Re-  
23 form Act for the 21st Century (49 U.S.C. 48101 note)  
24 is amended by striking “2003” each place it appears and  
25 inserting “2007”.

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

5 (f) METROPOLITAN WASHINGTON AIRPORTS AU-  
6 THORITY.—Section 49108 is amended by striking “2004”  
7 and inserting “2007”.

8 **SEC. 105. INSURANCE.**

9 (a) TERMINATION.—Section 44310 is amended to  
10 read as follows:

11 **“§ 44310. Termination date**

12 “Effective December 31, 2007, the authority of the  
13 Secretary of Transportation to provide insurance and rein-  
14 surance under this chapter shall be limited to—

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

19 “(2) insurance obtained by a department, agen-  
20 cy, or instrumentality of the United States under  
21 section 44305.”.

22 (b) EXTENSION OF POLICIES.—Section 44302(f)(1)  
23 is amended by striking “through December 31, 2004,”  
24 and inserting “thereafter”.

1           (c) AIRCRAFT MANUFACTURER LIABILITY FOR  
2 THIRD PARTY CLAIMS ARISING OUT OF ACTS OF TER-  
3 RORISM.—Section 44303(b) is amended by adding at the  
4 end the following: “The Secretary may extend the provi-  
5 sions of this subsection to the United States manufacturer  
6 (as defined in section 44310) of the aircraft of the air  
7 carrier involved.”.

8           (d) VENDORS, AGENTS, SUBCONTRACTORS, AND  
9 MANUFACTURERS.—

10           (1) IN GENERAL.—Chapter 443 is amended—

11                   (A) by redesignating section 44310 (as  
12 amended by subsection (a) of this section) as  
13 section 44311; and

14                   (B) by inserting after section 44309 the  
15 following:

16 **“§ 44310. Vendors, agents, subcontractors, and manu-  
17 facturers**

18           “(a) IN GENERAL.—The Secretary of Transportation  
19 may extend the application of any provision of this chapter  
20 to a loss by a vendor, agent, and subcontractor of an air  
21 carrier and a United States manufacturer of an aircraft  
22 used by an air carrier but only to the extent that the loss  
23 involved an aircraft of an air carrier.

24           “(b) UNITED STATES MANUFACTURER DEFINED.—  
25 In this section, the term ‘United States manufacturer’

1 means a manufacturer incorporated under the laws of a  
2 State of the United States and having its principal place  
3 of business in the United States.”.

4 (2) CONFORMING AMENDMENT.—The analysis  
5 for chapter 443 is amended by striking the item re-  
6 lating to section 44310 and inserting the following:

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

7 (e) TECHNICAL CORRECTIONS.—Effective November  
8 19, 2001, section 124(b) of the Aviation and Transpor-  
9 tation Security Act (115 Stat. 631) is amended by striking  
10 “to carry out foreign policy” and inserting “to carry out  
11 the foreign policy”.

12 **SEC. 106. PILOT PROGRAM FOR INNOVATIVE FINANCING**  
13 **FOR TERMINAL AUTOMATION REPLACEMENT**  
14 **SYSTEMS.**

15 (a) IN GENERAL.—In order to test the cost-effective-  
16 ness and feasibility of long-term financing of moderniza-  
17 tion of major air traffic control systems, the Administrator  
18 of the Federal Aviation Administration may establish a  
19 pilot program to test innovative financing techniques  
20 through amending a contract, subject to section 1341 of  
21 title 31, United States Code, of more than one, but not  
22 more than 20, fiscal years to purchase and install terminal  
23 automation replacement systems for the Administration.

1 Such amendments may be for more than one, but not  
2 more than 10 fiscal years.

3 (b) CANCELLATION.—A contract described in sub-  
4 section (a) may include a cancellation provision if the Ad-  
5 ministrator determines that such a provision is necessary  
6 and in the best interest of the United States. Any such  
7 provision shall include a cancellation liability schedule that  
8 covers reasonable and allocable costs incurred by the con-  
9 tractor through the date of cancellation plus reasonable  
10 profit, if any, on those costs. Any such provision shall not  
11 apply if the contract is terminated by default of the con-  
12 tractor.

13 (c) CONTRACT PROVISIONS.—If feasible and prac-  
14 ticable for the pilot program, the Administrator may make  
15 an advance contract provision to achieve economic-lot pur-  
16 chases and more efficient production rates.

17 (d) LIMITATION.—The Administrator may not amend  
18 a contract under this section until the program for the  
19 terminal automation replacement systems has been  
20 rebaselined in accordance with the acquisition manage-  
21 ment system of the Administration.

22 (e) ANNUAL REPORTS.—At the end of each fiscal  
23 year during the term of the pilot program, the Adminis-  
24 trator shall transmit to the Committee on Commerce,  
25 Science, and Transportation of the Senate and the Com-

1 mittee on Transportation and Infrastructure of the House  
2 of Representatives a report on how the Administrator has  
3 implemented in such fiscal year the pilot program, the  
4 number and types of contracts or contract amendments  
5 that are entered into under the program, and the pro-  
6 gram’s cost-effectiveness.

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

## 10 **TITLE II—AIRPORT PROJECT** 11 **STREAMLINING**

### 12 **SEC. 201. SHORT TITLE.**

13 This title may be cited as the “Airport Streamlining  
14 Approval Process Act of 2003”.

### 15 **SEC. 202. FINDINGS.**

16 Congress finds that—

17 (1) airports play a major role in interstate and  
18 foreign commerce;

19 (2) congestion and delays at our Nation’s major  
20 airports have a significant negative impact on our  
21 Nation’s economy;

22 (3) airport capacity enhancement projects at  
23 congested airports are a national priority and should  
24 be constructed on an expedited basis;

1           (4) airport capacity enhancement projects must  
2 include an environmental review process that pro-  
3 vides local citizenry an opportunity for consideration  
4 of and appropriate action to address environmental  
5 concerns; and

6           (5) the Federal Aviation Administration, airport  
7 authorities, communities, and other Federal, State,  
8 and local government agencies must work together  
9 to develop a plan, set and honor milestones and  
10 deadlines, and work to protect the environment while  
11 sustaining the economic vitality that will result from  
12 the continued growth of aviation.

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

14       Section 40104 is amended by adding at the end the  
15 following:

16       “(c) AIRPORT CAPACITY ENHANCEMENT PROJECTS  
17 AT CONGESTED AIRPORTS.—In carrying out subsection  
18 (a), the Administrator shall take action to encourage the  
19 construction of airport capacity enhancement projects at  
20 congested airports as those terms are defined in section  
21 47178.”.

22 **SEC. 204. AIRPORT PROJECT STREAMLINING.**

23       (a) IN GENERAL.—Chapter 471 is amended by in-  
24 serting after section 47153 the following:



1 paragraph (1) in a timely and environmentally re-  
2 sponsible manner.

3 “(c) IDENTIFICATION OF JURISDICTIONAL AGEN-  
4 CIES.—With respect to each airport capacity enhancement  
5 project at a congested airport, the Secretary shall identify,  
6 as soon as practicable, all Federal and State agencies that  
7 may have jurisdiction over environmental-related matters  
8 that may be affected by the project or may be required  
9 by law to conduct an environmental-related review or anal-  
10 ysis of the project or determine whether to issue an envi-  
11 ronmental-related permit, license, or approval for the  
12 project.

13 “(d) STATE AUTHORITY.—If a coordinated review  
14 process is being implemented under this section by the  
15 Secretary with respect to a project at an airport within  
16 the boundaries of a State, the State, consistent with State  
17 law, may choose to participate in such process and provide  
18 that all State agencies that have jurisdiction over environ-  
19 mental-related matters that may be affected by the project  
20 or may be required by law to conduct an environmental-  
21 related review or analysis of the project or determine  
22 whether to issue an environmental-related permit, license,  
23 or approval for the project, be subject to the process.

24 “(e) MEMORANDUM OF UNDERSTANDING.—The co-  
25 ordinated review process developed under this section may

1 be incorporated into a memorandum of understanding for  
2 a project between the Secretary and the heads of other  
3 Federal and State agencies identified under subsection (c)  
4 with respect to the project and the airport sponsor.

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

6 “(1) NOTIFICATION OF CONGRESS AND CEQ.—

7 If the Secretary determines that a Federal agency,  
8 State agency, or airport sponsor that is participating  
9 in a coordinated review process under this section  
10 with respect to a project has not met a deadline es-  
11 tablished under subsection (b) for the project, the  
12 Secretary shall notify, within 30 days of the date of  
13 such determination, the Committee on Transpor-  
14 tation and Infrastructure of the House of Represent-  
15 atives, the Committee on Commerce, Science, and  
16 Transportation of the Senate, the Council on Envi-  
17 ronmental Quality, and the agency or sponsor in-  
18 volved about the failure to meet the deadline.

19 “(2) AGENCY REPORT.—Not later than 30 days  
20 after date of receipt of a notice under paragraph (1),  
21 the agency or sponsor involved shall submit a report  
22 to the Secretary, the Committee on Transportation  
23 and Infrastructure of the House of Representatives,  
24 the Committee on Commerce, Science, and Trans-  
25 portation of the Senate, and the Council on Environ-

1 mental Quality explaining why the agency or sponsor  
2 did not meet the deadline and what actions it in-  
3 tends to take to complete or issue the required re-  
4 view, analysis, opinion, permit, license, or approval.

5 “(g) PURPOSE AND NEED.—For any environmental  
6 review, analysis, opinion, permit, license, or approval that  
7 must be issued or made by a Federal or State agency that  
8 is participating in a coordinated review process under this  
9 section with respect to an airport capacity enhancement  
10 project at a congested airport and that requires an anal-  
11 ysis of purpose and need for the project, the agency, not-  
12 withstanding any other provision of law, shall be bound  
13 by the project purpose and need as defined by the Sec-  
14 retary.

15 “(h) ALTERNATIVES ANALYSIS.—The Secretary shall  
16 determine the reasonable alternatives to an airport capac-  
17 ity enhancement project at a congested airport. Any other  
18 Federal or State agency that is participating in a coordi-  
19 nated review process under this section with respect to the  
20 project shall consider only those alternatives to the project  
21 that the Secretary has determined are reasonable.

22 “(i) SOLICITATION AND CONSIDERATION OF COM-  
23 MENTS.—In applying subsections (g) and (h), the Sec-  
24 retary shall solicit and consider comments from interested  
25 persons and governmental entities.

1           “(j) MONITORING BY TASK FORCE.—The Transpor-  
2           tation Infrastructure Streamlining Task Force, estab-  
3           lished by Executive Order 13274 (67 Fed. Reg. 59449;  
4           relating to environmental stewardship and transportation  
5           infrastructure project reviews), may monitor airport  
6           projects that are subject to the coordinated review process  
7           under this section.

8           “**§ 47172. Categorical exclusions**

9           “Not later than 120 days after the date of enactment  
10          of this section, the Secretary of Transportation shall de-  
11          velop and publish a list of categorical exclusions from the  
12          requirement that an environmental assessment or an envi-  
13          ronmental impact statement be prepared under the Na-  
14          tional Environmental Policy Act of 1969 (42 U.S.C. 4321  
15          et seq.) for projects at airports.

16          “**§ 47173. Access restrictions to ease construction**

17          “At the request of an airport sponsor for a congested  
18          airport, the Secretary of Transportation may approve a  
19          restriction on use of a runway to be constructed at the  
20          airport to minimize potentially significant adverse noise  
21          impacts from the runway only if the Secretary determines  
22          that imposition of the restriction—

23                         “(1) is necessary to mitigate those impacts and  
24                         expedite construction of the runway;

1           “(2) is the most appropriate and a cost-effective  
2           measure to mitigate those impacts, taking into con-  
3           sideration any environmental tradeoffs associated  
4           with the restriction; and

5           “(3) would not adversely affect service to small  
6           communities, adversely affect safety or efficiency of  
7           the national airspace system, unjustly discriminate  
8           against any class of user of the airport, or impose  
9           an undue burden on interstate or foreign commerce.

10   **“§ 47174. Airport revenue to pay for mitigation**

11           “(a) IN GENERAL.—Notwithstanding section  
12   47107(b), section 47133, or any other provision of this  
13   title, the Secretary of Transportation may allow an airport  
14   sponsor carrying out an airport capacity enhancement  
15   project at a congested airport to make payments, out of  
16   revenues generated at the airport (including local taxes on  
17   aviation fuel), for measures to mitigate the environmental  
18   impacts of the project if the Secretary finds that—

19           “(1) the mitigation measures are included as  
20           part of, or support, the preferred alternative for the  
21           project in the documentation prepared pursuant to  
22           the National Environmental Policy Act of 1969 (42  
23           U.S.C. 4321 et seq.);

24           “(2) the use of such revenues will provide a sig-  
25           nificant incentive for, or remove an impediment to,

1 approval of the project by a State or local govern-  
2 ment; and

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

6 “(b) MITIGATION OF AIRCRAFT NOISE.—Mitigation  
7 measures described in subsection (a) may include the insu-  
8 lation of residential buildings and buildings used primarily  
9 for educational or medical purposes to mitigate the effects  
10 of aircraft noise and the improvement of such buildings  
11 as required for the insulation of the buildings under local  
12 building codes.

13 **“§ 47175. Airport funding of FAA staff**

14 “(a) ACCEPTANCE OF SPONSOR-PROVIDED  
15 FUNDS.—Notwithstanding any other provision of law, the  
16 Administrator of the Federal Aviation Administration may  
17 accept funds from an airport sponsor, including funds pro-  
18 vided to the sponsor under section 47114(c), to hire addi-  
19 tional staff or obtain the services of consultants in order  
20 to facilitate the timely processing, review, and completion  
21 of environmental activities associated with an airport de-  
22 velopment project.

23 “(b) ADMINISTRATIVE PROVISION.—Instead of pay-  
24 ment from an airport sponsor from funds apportioned to  
25 the sponsor under section 47114, the Administrator, with

1 agreement of the sponsor, may transfer funds that would  
2 otherwise be apportioned to the sponsor under section  
3 47114 to the account used by the Administrator for activi-  
4 ties described in subsection (a).

5       “(c) RECEIPTS CREDITED AS OFFSETTING COLLEC-  
6 TIONS.—Notwithstanding section 3302 of title 31, any  
7 funds accepted under this section, except funds trans-  
8 ferred pursuant to subsection (b)—

9               “(1) shall be credited as offsetting collections to  
10       the account that finances the activities and services  
11       for which the funds are accepted;

12               “(2) shall be available for expenditure only to  
13       pay the costs of activities and services for which the  
14       funds are accepted; and

15               “(3) shall remain available until expended.

16       “(d) MAINTENANCE OF EFFORT.—No funds may be  
17 accepted pursuant to subsection (a), or transferred pursu-  
18 ant to subsection (b), in any fiscal year in which the Fed-  
19 eral Aviation Administration does not allocate at least the  
20 amount it expended in fiscal year 2002, excluding  
21 amounts accepted pursuant to section 337 of the Depart-  
22 ment of Transportation and Related Agencies Appropria-  
23 tions Act, 2002 (115 Stat. 862), for the activities de-  
24 scribed in subsection (a).

1 **“§ 47176. Authorization of appropriations**

2 “In addition to the amounts authorized to be appro-  
3 priated under section 106(k), there is authorized to be ap-  
4 propriated to the Secretary of Transportation, out of the  
5 Airport and Airway Trust Fund established under section  
6 9502 of the Internal Revenue Code of 1986 (26 U.S.C.  
7 9502), \$4,200,000 for fiscal year 2004 and for each fiscal  
8 year thereafter to facilitate the timely processing, review,  
9 and completion of environmental activities associated with  
10 airport capacity enhancement projects at congested air-  
11 ports.

12 **“§ 47177. Designation of aviation safety and aviation**  
13 **security projects for priority environ-**  
14 **mental review**

15 “(a) IN GENERAL.—The Administrator of the Fed-  
16 eral Aviation Administration may designate an aviation  
17 safety or aviation security project for priority environ-  
18 mental review. The Administrator may not delegate this  
19 designation authority.

20 “(b) PROJECT DESIGNATION CRITERIA.—The Ad-  
21 ministrator shall establish guidelines for the designation  
22 of an aviation safety or aviation security project for pri-  
23 ority environmental review. Such guidelines shall include  
24 consideration of—

25 “(1) the importance or urgency of the project;

1           “(2) the potential for undertaking the environ-  
2           mental review under existing emergency procedures  
3           under the National Environmental Policy Act of  
4           1969 (42 U.S.C. 4321 et seq.);

5           “(3) the need for cooperation and concurrent  
6           reviews by other Federal or State agencies; and

7           “(4) the prospect for undue delay if the project  
8           is not designated for priority review.

9           “(c) COORDINATED ENVIRONMENTAL REVIEWS.—

10           “(1) TIMELINES AND HIGH PRIORITY FOR CO-  
11           ORDINATED ENVIRONMENTAL REVIEWS.—The Ad-  
12           ministrators, in consultation with the heads of af-  
13           fected agencies, shall establish specific timelines for  
14           the coordinated environmental review of an aviation  
15           safety or aviation security project designated under  
16           subsection (a). Such timelines shall be consistent  
17           with the timelines established in existing laws and  
18           regulations. Each Federal agency with responsibility  
19           for project environmental reviews, analyses, opinions,  
20           permits, licenses, and approvals shall accord any  
21           such review a high priority and shall conduct the re-  
22           view expeditiously and, to the maximum extent pos-  
23           sible, concurrently with other such reviews.

24           “(2) AGENCY PARTICIPATION.—Each Federal  
25           agency identified under subsection (c) shall formu-

1 late and implement administrative, policy, and pro-  
2 cedural mechanisms to enable the agency to ensure  
3 completion of environmental reviews, analyses, opin-  
4 ions, permits, licenses, and approvals described in  
5 paragraph (1) in a timely and environmentally re-  
6 sponsible manner.

7 “(d) STATE PARTICIPATION.—

8 “(1) INVITATION TO PARTICIPATE.—If a pri-  
9 ority environmental review process is being imple-  
10 mented under this section with respect to a project  
11 within the boundaries of a State with applicable  
12 State environmental requirements and approvals, the  
13 Administrator shall invite the State to participate in  
14 the process.

15 “(2) STATE CHOICE.—A State invited to par-  
16 ticipate in a priority environmental review process,  
17 consistent with State law, may choose to participate  
18 in such process and direct that all State agencies,  
19 which have jurisdiction by law to conduct an envi-  
20 ronmental review or analysis of the project to deter-  
21 mine whether to issue an environmentally related  
22 permit, license, or approval for the project, be sub-  
23 ject to the process.

24 “(e) FAILURE TO GIVE PRIORITY REVIEW.—

1           “(1) NOTICE.—If the Secretary of Transpor-  
2           tation determines that a Federal agency or a partici-  
3           pating State is not complying with the requirements  
4           of this section and that such noncompliance is un-  
5           dermining the environmental review process, the  
6           Secretary shall notify, within 30 days of such deter-  
7           mination, the head of the Federal agency or, with  
8           respect to a State agency, the Governor of the State.

9           “(2) REPORT TO SECRETARY.—A Federal agen-  
10          cy that receives a copy of a notification relating to  
11          that agency made by the Secretary under paragraph  
12          (1) shall submit, within 30 days after receiving such  
13          copy, a written report to the Secretary explaining  
14          the reasons for the situation described in the notifi-  
15          cation and what remedial actions the agency intends  
16          to take.

17          “(3) NOTIFICATION OF CEQ AND COMMIT-  
18          TEES.—If the Secretary determines that a Federal  
19          agency has not satisfactorily addressed the problems  
20          within a reasonable period of time following a notifi-  
21          cation under paragraph (1), the Secretary shall no-  
22          tify the Committee on Transportation and Infra-  
23          structure of the House of Representatives, the Com-  
24          mittee on Commerce, Science and Transportation of

1 the Senate, and the Council on Environmental Qual-  
2 ity.

3 “(f) PROCEDURAL PROVISIONS.—The procedures set  
4 forth in subsections (c), (e), (g), (h), and (i) of section  
5 47171 shall apply with respect to an aviation safety or  
6 aviation security project under this section in the same  
7 manner and to the same extent as such procedures apply  
8 to an airport capacity enhancement project at a congested  
9 airport under section 47171.

10 “(g) DEFINITIONS.—In this section, the following  
11 definitions apply:

12 “(1) AVIATION SAFETY PROJECT.—The term  
13 ‘aviation safety project’ means an aviation project  
14 that—

15 “(A) has as its primary purpose reducing  
16 the risk of injury to persons or damage to air-  
17 craft and property, as determined by the Ad-  
18 ministrator; and

19 “(B)(i) is needed to respond to a rec-  
20 ommendation from the National Transportation  
21 Safety Board; or

22 “(ii) is necessary for an airport to comply  
23 with part 139 of title 14, Code of Federal Reg-  
24 ulations (relating to airport certification).

1           “(2) AVIATION SECURITY PROJECT.—The term  
2           ‘aviation security project’ means a security project  
3           at an airport required by the Department of Home-  
4           land Security.

5           “(3) FEDERAL AGENCY.—The term ‘Federal  
6           agency’ means a department or agency of the United  
7           States Government.

8   **“§ 47178. Definitions**

9           “‘In this subchapter, the following definitions apply:

10           “(1) AIRPORT SPONSOR.—The term ‘airport  
11           sponsor’ has the meaning given the term ‘sponsor’  
12           under section 47102.

13           “(2) CONGESTED AIRPORT.—The term ‘con-  
14           gested airport’ means an airport that accounted for  
15           at least 1 percent of all delayed aircraft operations  
16           in the United States in the most recent year for  
17           which such data is available and an airport listed in  
18           table 1 of the Federal Aviation Administration’s Air-  
19           port Capacity Benchmark Report 2001.

20           “(3) AIRPORT CAPACITY ENHANCEMENT  
21           PROJECT.—The term ‘airport capacity enhancement  
22           project’ means—

23                   “(A) a project for construction or exten-  
24                   sion of a runway, including any land acquisi-

1           tion, taxiway, or safety area associated with the  
2           runway or runway extension; and

3                   “(B) such other airport development  
4           projects as the Secretary may designate as fa-  
5           cilitating a reduction in air traffic congestion  
6           and delays.”.

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

          “SUBCHAPTER III—AIRPORT PROJECT STREAMLINING

          “47171. DOT as lead agency.

          “47172. Categorical exclusions.

          “47173. Access restrictions to ease construction.

          “47174. Airport revenue to pay for mitigation.

          “47175. Airport funding of FAA staff.

          “47176. Authorization of appropriations.

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

          “47178. Definitions.”.

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

11           Section 47106(c) of title 49, United States Code, is  
12           amended—

13                   (1) in paragraph (1)—

14                           (A) by inserting “and” after the semicolon  
15                           at the end of subparagraph (A)(ii);

16                           (B) by striking subparagraph (B); and

17                           (C) by redesignating subparagraph (C) as  
18                           subparagraph (B);

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

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

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

4 **SEC. 206. CONSTRUCTION OF CERTAIN AIRPORT CAPACITY**  
5 **PROJECTS.**

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

8 (1) by moving subparagraphs (C) and (D) 2  
9 ems to the right;

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

12 (3) by striking the period at the end of sub-  
13 paragraph (D) and inserting “; and”; and

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

15 “(E) to an airport operator of a congested  
16 airport (as defined in section 47178) and a unit  
17 of local government referred to in paragraph  
18 (1)(B) of this subsection to carry out a project  
19 to mitigate noise in the area surrounding the  
20 airport if the project is included as a commit-  
21 ment in a record of decision of the Federal  
22 Aviation Administration for an airport capacity  
23 enhancement project (as defined in section  
24 47178) even if that airport has not met the re-

1            requirements of part 150 of title 14, Code of Fed-  
2            eral Regulations.”.

3 **SEC. 207. LIMITATIONS.**

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

6            (1) any practice of seeking public comment;

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

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

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

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

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

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

4         Section 106(p) is amended—

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

8             (2) in paragraph (2)—

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

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

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

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

23     **SEC. 302. REORGANIZATION OF THE AIR TRAFFIC SERV-**  
24                     **ICES SUBCOMMITTEE.**

25         Section 106(p) is amended—

1 (1) in paragraph (3)—

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

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

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

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

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

13 (4) in paragraph (6)(C)—

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

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

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

21 (D) by striking “of the members first” and  
22 all that follows through the period at the end  
23 and inserting “the first members of the Board  
24 shall be the members of the Air Traffic Services  
25 Subcommittee of the Council on the day before

1 the date of enactment of the Flight 100—Cen-  
2 tury of Aviation Reauthorization Act who shall  
3 serve as members of the Board until their re-  
4 spective terms as members of the Subcommittee  
5 would have ended under this subparagraph, as  
6 in effect on such day.”;

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

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

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

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

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

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

19 (9) in paragraph (6)(H)—

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

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

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

1 (10) in paragraph (6)(I)(i)—

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

5 (B) by striking “Subcommittee” and in-  
6 serting “Board”;

7 (11) in paragraph (6)(I)(ii)—

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

11 (B) by striking “Subcommittee” and in-  
12 serting “Board”;

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

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

17 (14) in paragraph (7)—

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

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

22 “(A) ESTABLISHMENT.—The Adminis-  
23 trator shall establish a board that is inde-  
24 pendent of the Council by converting the Air  
25 Traffic Services Subcommittee of the Council,

1 as in effect on the day before the date of enact-  
2 ment of the Flight 100—Century of Aviation  
3 Reauthorization Act, into such board. The  
4 board shall be known as the Air Traffic Serv-  
5 ices Board (in this subsection referred to as the  
6 ‘Board’).”;

7 (C) by redesignating subparagraphs (B)  
8 through (F) as subparagraphs (D) through  
9 (H), respectively;

10 (D) by inserting after subparagraph (A)  
11 the following:

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

19 “(i) shall have a fiduciary responsi-  
20 bility to represent the public interest;

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

23 “(iii) shall be appointed without re-  
24 gard to political affiliation and solely on  
25 the basis of their professional experience

1 and expertise in one or more of the fol-  
2 lowing areas and, in the aggregate, should  
3 collectively bring to bear expertise in all of  
4 the following areas:

5 “(I) Management of large service  
6 organizations.

7 “(II) Customer service.

8 “(III) Management of large pro-  
9 curements.

10 “(IV) Information and commu-  
11 nications technology.

12 “(V) Organizational development.

13 “(VI) Labor relations.

14 “(C) PROHIBITIONS ON MEMBERS OF  
15 BOARD.—No member of the Board may—

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

22 “(ii) engage in another business re-  
23 lated to aviation or aeronautics; or

24 “(iii) be a member of any organization  
25 that engages, as a substantial part of its

1 activities, in activities to influence aviation-  
2 related legislation.”;

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

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

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

13 (H) by striking “ensure that the budget  
14 request supports” in subparagraph (E)(v)(III)  
15 (as so redesignated) and inserting “base such  
16 budget recommendations on”;

17 (I) by striking “The Secretary shall sub-  
18 mit” in subparagraph (E) (as so redesignated)  
19 and all that follows through the period at the  
20 end of such subparagraph (E) and inserting  
21 “The Secretary shall submit the budget rec-  
22 ommendations referred to in clause (v) to the  
23 President who shall transmit such recommenda-  
24 tions to the Committee on Transportation and  
25 Infrastructure and the Committee on Appro-

1           priations of the House of Representatives and  
2           the Committee on Commerce, Science, and  
3           Transportation and the Committee on Appro-  
4           priations of the Senate together with the annual  
5           budget request of the Federal Aviation Admin-  
6           istration.”;

7           (J) by striking subparagraph (F) (as so re-  
8           designated) and inserting the following:

9           “(F) BOARD PERSONNEL MATTERS.—The  
10          Board may appoint and terminate any per-  
11          sonnel that may be necessary to enable the  
12          Board to perform its duties, and may procure  
13          temporary and intermittent services under sec-  
14          tion 40122.”;

15          (K) in subparagraph (G) (as so redesign-  
16          ated)—

17                 (i) by striking clause (i);

18                 (ii) by redesignating clauses (ii), (iii),  
19                 and (iv) as clauses (i), (ii), and (iii), re-  
20                 spectively; and

21                 (iii) by striking “Subcommittee” each  
22                 place it appears in clauses (i), (ii), and (iii)  
23                 (as so redesignated) and inserting  
24                 “Board”;

1 (L) in subparagraph (H) (as so redesignated)—  
2

3 (i) by striking “Subcommittee” each  
4 place it appears and inserting “Board”;

5 (ii) by striking “Administrator, the  
6 Council” each place it appears in clauses  
7 (i) and (ii) and inserting “Secretary”; and

8 (iii) in clause (ii) by striking “(B)(i)”  
9 and inserting “(D)(i)”; and

10 (M) by adding at the end the following:

11 “(I) AUTHORIZATION.—There are author-  
12 ized to be appropriated to the Board such sums  
13 as may be necessary for the Board to carry out  
14 its activities.”.

15 **SEC. 303. CLARIFICATION OF THE RESPONSIBILITIES OF**  
16 **THE CHIEF OPERATING OFFICER.**

17 Section 106(r) is amended—

18 (1) in each of paragraphs (1)(A) and (2)(A) by  
19 striking “Air Traffic Services Subcommittee of the  
20 Aviation Management Advisory Council” and insert-  
21 ing “Air Traffic Services Board”;

22 (2) in paragraph (2)(B) by inserting “in” be-  
23 fore “paragraph (3).”;

24 (3) in paragraph (3) by striking “Air Traffic  
25 Control Subcommittee of the Aviation Management

1 Advisory Committee” and inserting “Air Traffic  
2 Services Board”;

3 (4) in paragraph (4) by striking “Transportation and Congress” and inserting “Transportation,  
4 the Committee on Transportation and Infrastructure  
5 of the House of Representatives, and the Committee  
6 on Commerce, Science, and Transportation of the  
7 Senate”;

8  
9 (5) in paragraph (5)(A)—

10 (A) by striking “develop a” and inserting  
11 “implement the”; and

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

14 (6) in paragraph (5)(B)—

15 (A) by striking “review” and all that fol-  
16 lows through “Administration,” and inserting  
17 “oversee the day-to-day operational functions of  
18 the Administration for air traffic control,”;

19 (B) by striking “and” at the end of clause  
20 (ii);

21 (C) by striking the period at the end of  
22 clause (iii) and inserting “; and”; and

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

24 “(iv) the management of cost-reim-  
25 bursable contracts.”;

1           (7) in paragraph (5)(C)(i) by striking “pre-  
2       pared by the Administrator”;

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

6           (9) in paragraph (5)(C)(iii)—

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

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

12 **SEC. 304. SMALL BUSINESS OMBUDSMAN.**

13       Section 106 is amended by adding at the end the fol-  
14       lowing:

15       “(s) SMALL BUSINESS OMBUDSMAN.—

16                 “(1) ESTABLISHMENT.—There shall be in the  
17       Administration a Small Business Ombudsman.

18                 “(2) GENERAL DUTIES AND RESPONSIBIL-  
19       ITIES.—The Ombudsman shall—

20                         “(A) be appointed by the Administrator;

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

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

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

4           “(E) report directly to the Adminis-  
5           trator.”.

6 **SEC. 305. FAA PURCHASE CARDS.**

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

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

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

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

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

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall take effect on the date of the issuance  
3 of a final rule to modernize the Origin and Destination  
4 Survey of Airline Passenger Traffic, pursuant to the Ad-  
5 vance Notice of Proposed Rulemaking published July 15,  
6 1998 (Regulation Identifier Number 2105–AC71), that  
7 reduces the reporting burden for air carriers through elec-  
8 tronic filing of the survey data collected under section  
9 329(b)(1) of title 49, United States Code.

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

13 Section 329 is amended by adding at the end the fol-  
14 lowing:

15 “(e) INCIDENTS AND COMPLAINTS INVOLVING PAS-  
16 Senger and Baggage Security Screening.—

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

22 “(2) MONTHLY REPORTS FROM SECRETARY OF  
23 HOMELAND SECURITY.—To assist in the publication  
24 of data under paragraph (1), the Secretary of  
25 Transportation may request the Secretary of Home-

1 land Security to periodically report on the number of  
2 complaints about security screening received by the  
3 Secretary of Homeland Security.”.

4 **SEC. 403. DEFINITIONS.**

5 (a) IN GENERAL.—Section 40102(a) is amended—

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

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

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

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

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

18 “(36) ‘passenger boardings’—

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

1           “(B) includes passengers who continue on  
2           an aircraft in international flight that stops at  
3           an airport in the 48 contiguous States, Alaska,  
4           or Hawaii for a nontraffic purpose.”;

5           (5) by redesignating paragraph (32) as para-  
6           graph (35);

7           (6) by inserting after paragraph (31) the fol-  
8           lowing:

9           “(34) ‘nonhub airport’ means a commercial  
10          service airport (as defined in section 47102) that  
11          has less than 0.05 percent of the passenger  
12          boardings.”;

13          (7) by redesignating paragraphs (30) and (31)  
14          as paragraphs (32) and (33), respectively;

15          (8) by inserting after paragraph (29) the fol-  
16          lowing:

17          “(31) ‘medium hub airport’ means a commer-  
18          cial service airport (as defined in section 47102)  
19          that has at least 0.25 percent but less than 1.0 per-  
20          cent of the passenger boardings.”;

21          (9) by redesignating paragraph (29) as para-  
22          graph (30); and

23          (10) by inserting after paragraph (28) the fol-  
24          lowing:

1           “(29) ‘large hub airport’ means a commercial  
2           service airport (as defined in section 47102) that  
3           has at least 1.0 percent of the passenger  
4           boardings.”.

5           (b) CONFORMING AMENDMENTS.—

6           (1) AIR SERVICE TERMINATION NOTICE.—Sec-  
7           tion 41719(d) is amended—

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

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

12           (2) SMALL COMMUNITY AIR SERVICE.—Section  
13           41731(a) is amended by striking paragraphs (3)  
14           through (5).

15           (3) AIRPORTS NOT RECEIVING SUFFICIENT  
16           SERVICE.—Section 41743 is amended—

17                   (A) in subsection (c)(1) by striking “(as  
18                  that term is defined in section 41731(a)(5))”;

19                  and

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

22           (4) PRESERVATION OF BASIC ESSENTIAL AIR  
23           SERVICE AT SINGLE CARRIER DOMINATED HUB AIR-  
24           PORTS.—Section 41744(b) is amended by striking  
25           “(as defined in section 41731)”.

1           (5) REGIONAL AIR SERVICE INCENTIVE PRO-  
2           GRAM.—Section 41762 is amended—

3                   (A) by striking paragraphs (11) and (15);

4                   and

5                   (B) by redesignating paragraphs (12),

6                   (13), (14), and (16) as paragraphs (11), (12),

7                   (13), and (14), respectively.

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

9           (a) DUTIES AND POWERS.—Section 40110(c) is  
10           amended—

11                   (1) by striking “Administration—” and all that  
12                   follows through “(2) may—” and inserting “Admin-  
13                   istration may—”;

14                   (2) by striking subparagraph (D);

15                   (3) by redesignating subparagraphs (A), (B),  
16                   (C), (E), and (F) as paragraphs (1), (2), (3), (4),  
17                   and (5) respectively; and

18                   (4) by moving such paragraphs (1) through (5)  
19                   2 ems to the left.

20           (b) ACQUISITION MANAGEMENT SYSTEM.—Section  
21           40110(d) is amended—

22                   (1) in paragraph (1)—

23                           (A) by striking “, not later than January  
24                           1, 1996,”; and

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

4 “provides for—

5 “(A) more timely and cost-effective acqui-  
6 sitions of equipment, services, property, and  
7 materials; and

8 “(B) the resolution of bid protests and  
9 contract disputes related thereto, using consen-  
10 sual alternative dispute resolution techniques to  
11 the maximum extent practicable.”; and

12 (2) by striking paragraph (4), relating to the  
13 effective date, and inserting the following:

14 “(4) ADJUDICATION OF CERTAIN BID PROTESTS  
15 AND CONTRACT DISPUTES.—A bid protest or con-  
16 tract dispute that is not addressed or resolved  
17 through alternative dispute resolution shall be adju-  
18 dicated by the Administrator through Dispute Reso-  
19 lution Officers or Special Masters of the Federal  
20 Aviation Administration Office of Dispute Resolution  
21 for Acquisition, acting pursuant to sections 46102,  
22 46104, 46105, 46106 and 46107.”.

23 (c) AUTHORITY OF ADMINISTRATOR TO ACQUIRE  
24 SERVICES.—Section 106(f)(2)(A)(ii) is amended by in-  
25 serting “, services,” after “property”.

1 **SEC. 405. LOW-EMISSION AIRPORT VEHICLES AND GROUND**  
2 **SUPPORT EQUIPMENT.**

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

5 “(G) A project for the acquisition or con-  
6 version of ground support equipment or airport-  
7 owned vehicles used at a commercial service air-  
8 port with, or to, low-emission technology (as de-  
9 fined in section 47102) or cleaner burning con-  
10 ventional fuels, or the retrofitting of such  
11 equipment or vehicles that are powered by a  
12 diesel or gasoline engine with emission control  
13 technologies certified or verified by the Environ-  
14 mental Protection Agency to reduce emissions,  
15 if the airport is located in an air quality non-  
16 attainment area (as defined in section 171(2) of  
17 the Clean Air Act (42 U.S.C. 7501(2)) or a  
18 maintenance area referred to in section 175A of  
19 such Act (42 U.S.C. 7505a), and if such project  
20 will result in an airport receiving appropriate  
21 emission credits as described in section  
22 47138.”.

23 (b) MAXIMUM COST FOR CERTAIN LOW-EMISSION  
24 TECHNOLOGY PROJECTS.—Section 40117(b) is amended  
25 by adding at the end the following:

1           “(5) MAXIMUM COST FOR CERTAIN LOW-EMIS-  
2           SION TECHNOLOGY PROJECTS.—The maximum cost  
3           that may be financed by imposition of a passenger  
4           facility fee under this section for a project described  
5           in subsection (a)(3)(G) with respect to vehicle or  
6           ground support equipment may not exceed the incre-  
7           mental amount of the project cost that is greater  
8           than the cost of acquiring a vehicle or equipment  
9           that is not low-emission and would be used for the  
10          same purpose, or the cost of low-emission retro-  
11          fitting, as determined by the Secretary.”.

12          (c) GROUND SUPPORT EQUIPMENT DEFINED.—Sec-  
13          tion 40117(a) is amended—

14                 (1) by redesignating paragraphs (4) and (5) as  
15                 paragraphs (5) and (6), respectively;

16                 (2) by inserting after paragraph (3) the fol-  
17                 lowing:

18                 “(4) GROUND SUPPORT EQUIPMENT.—The  
19                 term ‘ground support equipment’ means service and  
20                 maintenance equipment used at an airport to sup-  
21                 port aeronautical operations and related activities.”.

22          **SEC. 406. STREAMLINING OF THE PASSENGER FACILITY**  
23                         **FEE PROGRAM.**

24          (a) APPLICATION REQUIREMENTS.—Section  
25          40117(c) is amended—

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

3           “(E) The agency will include in its application  
4 or notice submitted under subparagraph (A) copies  
5 of all certifications of agreement or disagreement re-  
6 ceived under subparagraph (D).

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

21           (2) by redesignating paragraph (3) as para-  
22 graph (4);

23           (3) by inserting after paragraph (2) the fol-  
24 lowing:

1       “(3) Before submitting an application, the eligible  
2 agency must provide reasonable notice and an opportunity  
3 for public comment. The Secretary shall prescribe regula-  
4 tions that define reasonable notice and provide for at least  
5 the following under this paragraph:

6           “(A) A requirement that the eligible agency  
7 provide public notice of intent to collect a passenger  
8 facility fee so as to inform those interested persons  
9 and agencies who may be affected, which public no-  
10 tice may include—

11               “(i) publication in local newspapers of gen-  
12 eral circulation;

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

14               “(iii) posting the notice on the agency’s  
15 Web site.

16           “(B) A requirement for submission of public  
17 comments no sooner than 30 days, and no later than  
18 45 days, after the date of the publication of the no-  
19 tice.

20           “(C) A requirement that the agency include in  
21 its application or notice submitted under subpara-  
22 graph (A) copies of all comments received under  
23 subparagraph (B).”; and

1           (4) in the first sentence of paragraph (4) (as  
2           redesignated by paragraph (2) of this subsection) by  
3           striking “shall” and inserting “may”.

4           (b) PILOT PROGRAM FOR PASSENGER FACILITY FEE  
5 AUTHORIZATIONS AT NONHUB AIRPORTS.—Section  
6 40117 is amended by adding at the end the following:

7           “(1) PILOT PROGRAM FOR PASSENGER FACILITY FEE  
8 AUTHORIZATIONS AT NONHUB AIRPORTS.—

9           “(1) IN GENERAL.—The Secretary shall estab-  
10          lish a pilot program to test alternative procedures  
11          for authorizing eligible agencies for nonhub airports  
12          to impose passenger facility fees. An eligible agency  
13          may impose in accordance with the provisions of this  
14          subsection a passenger facility fee under this section.  
15          For purposes of the pilot program, the procedures in  
16          this subsection shall apply instead of the procedures  
17          otherwise provided in this section.

18          “(2) NOTICE AND OPPORTUNITY FOR CON-  
19          SULTATION.—The eligible agency must provide rea-  
20          sonable notice and an opportunity for consultation to  
21          air carriers and foreign air carriers in accordance  
22          with subsection (c)(2) and must provide reasonable  
23          notice and opportunity for public comment in ac-  
24          cordance with subsection (c)(3).

1           “(3) NOTICE OF INTENTION.—The eligible  
2 agency must submit to the Secretary a notice of in-  
3 tention to impose a passenger facility fee under this  
4 subsection. This shall include—

5           “(A) information that the Secretary may  
6 require by regulation on each project for which  
7 authority to impose a passenger facility fee is  
8 sought;

9           “(B) the amount of revenue from pas-  
10 senger facility fees that is proposed to be col-  
11 lected for each project; and

12           “(C) the level of the passenger facility fee  
13 that is proposed.

14           “(4) ACKNOWLEDGEMENT OF RECEIPT AND IN-  
15 DICATION OF OBJECTION.—The Secretary shall ac-  
16 knowledge receipt of the notice and indicate any ob-  
17 jection to the imposition of a passenger facility fee  
18 under this subsection for any project identified in  
19 the notice within 30 days after receipt of the eligible  
20 agency’s notice.

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

1           “(6) DEADLINE.—Not later than 180 days  
2 after the date of enactment of this subsection, the  
3 Secretary shall propose such regulations as may be  
4 necessary to carry out this subsection.

5           “(7) SUNSET.—This subsection shall not be in  
6 effect 3 years after the date of issuance of regula-  
7 tions to carry out this subsection.

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

12       (c) CLARIFICATION OF APPLICABILITY OF PFCS TO  
13 MILITARY CHARTERS.—Section 40117(e)(2) is amend-  
14 ed—

15           (1) by striking the period at the end of sub-  
16 paragraph (C) and inserting a semicolon;

17           (2) by striking “and” at the end of subpara-  
18 graph (D);

19           (3) by striking the period at the end of sub-  
20 paragraph (E) and inserting “; and”; and

21           (4) by inserting after subparagraph (E) the fol-  
22 lowing:

23           “(F) enplaning at an airport if the passenger  
24 did not pay for the air transportation which resulted

1 in such enplanement due to charter arrangements  
2 and payment by the Department of Defense.”.

3 (d) TECHNICAL AMENDMENTS.—Section  
4 40117(a)(3)(C) is amended—

5 (1) by striking “for costs” and inserting “A  
6 project”; and

7 (2) by striking the semicolon and inserting a  
8 period.

9 (e) ELIGIBILITY OF AIRPORT GROUND ACCESS  
10 TRANSPORTATION PROJECTS.—Not later than 60 days  
11 after the enactment of this Act, the Administrator of the  
12 Federal Aviation Administration shall publish in the Fed-  
13 eral Register the current policy of the Administration with  
14 respect to the eligibility of airport ground access transpor-  
15 tation projects for the use of passenger facility fees under  
16 section 40117 of title 49, United States Code.

17 **SEC. 407. FINANCIAL MANAGEMENT OF PASSENGER FACIL-**  
18 **ITY FEES.**

19 (a) IN GENERAL.—Section 40117 is further amended  
20 by adding at the end the following:

21 “(m) FINANCIAL MANAGEMENT OF FEES.—

22 “(1) HANDLING OF FEES.—

23 “(A) PLACEMENT OF FEES IN ESCROW AC-  
24 COUNT.—Subject to subparagraph (B), pas-  
25 senger facility revenue held by an air carrier or

1 any of its agents shall be segregated from the  
2 carrier's cash and other assets and placed in an  
3 escrow account for the benefit of the eligible  
4 agencies entitled to such revenue.

5 “(B) ALTERNATIVE METHOD OF COMPLI-  
6 ANCE.—Instead of placing amounts in an es-  
7 crow account under subparagraph (A), an air  
8 carrier may provide to the eligible agency a let-  
9 ter of credit, bond, or other form of adequate  
10 and immediately available security in an  
11 amount equal to estimated remittable passenger  
12 facility fees for 180 days, to be assessed against  
13 later audit, upon which security the eligible  
14 agency shall be entitled to draw automatically,  
15 without necessity of any further legal or judicial  
16 action to effectuate foreclosure.

17 “(2) TRUST FUND STATUS.—If an air carrier or  
18 its agent commingles passenger facility revenue in  
19 violation of the subsection, the trust fund status of  
20 such revenue shall not be defeated by an inability of  
21 any party to identify and trace the precise funds in  
22 the accounts of the air carrier.

23 “(3) PROHIBITION.—An air carrier and its  
24 agents may not grant to any third party any secu-  
25 rity or other interest in passenger facility revenue.

1           “(4) COMPENSATION TO ELIGIBLE ENTITIES.—  
2           An air carrier that fails to comply with any require-  
3           ment of this subsection, or otherwise unnecessarily  
4           causes an eligible entity to expend funds, through  
5           litigation or otherwise, to recover or retain payment  
6           of passenger facility revenue to which the eligible en-  
7           tity is otherwise entitled shall be required to com-  
8           pensate the eligible agency for the costs so incurred.

9           “(5) INTEREST ON AMOUNTS.—An air carrier  
10          that collects passenger facility fees is entitled to re-  
11          ceive the interest on passenger facility fee accounts,  
12          if the accounts are established and maintained in  
13          compliance with this subsection.”.

14          (b) EFFECTIVE DATE.—

15               (1) IN GENERAL.—The amendment made by  
16               subsection (a) shall take effect 60 days after the  
17               date of enactment of this Act.

18               (2) EXISTING REGULATIONS.—Beginning 60  
19               days after the date of enactment of this Act, the  
20               provisions of section 158.49 of title 14, Code of Fed-  
21               eral Regulations, that permit the commingling of  
22               passenger facility fees with other air carrier revenue  
23               shall have no force or effect.

1 **SEC. 408. GOVERNMENT CONTRACTING FOR AIR TRANS-**  
2 **PORTATION.**

3 (a) **GOVERNMENT-FINANCED AIR TRANSPOR-**  
4 **TATION.**—Section 40118(f)(2) is amended by inserting be-  
5 fore the period at the end the following: “, except that  
6 it shall not include a contract for the transportation by  
7 air of passengers”.

8 (b) **AIRLIFT SERVICE.**—Subsections (a)(1), (b), and  
9 (c) of section 41106 are each amended—

10 (1) by striking “through a contract for airlift  
11 service” and inserting “, or by a person that has  
12 contracted with the Secretary of Defense or the Sec-  
13 retary of a military department,”; and

14 (2) by inserting “through a contract for airlift  
15 service” after “obtained”.

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

17 (a) **AIR TOUR MANAGEMENT ACT CLARIFICA-**  
18 **TIONS.**—Section 40128 is amended—

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

22 (2) in subsections (b)(3)(A) and (b)(3)(B) by  
23 inserting “over a national park” after “operations”;

24 (3) in subsection (b)(3)(C) by inserting “over a  
25 national park that are also” after “operations”;

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

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

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

8 (7) in subsection (f)(1) by inserting “over a na-  
9 tional park” after “operation”;

10 (8) in subsection (f)(4)(A)—

11 (A) by striking “commercial air tour oper-  
12 ation” and inserting “commercial air tour oper-  
13 ation over a national park”; and

14 (B) by striking “park, or over tribal  
15 lands,” and inserting “park (except the Grand  
16 Canyon National Park), or over tribal lands  
17 (except those within or abutting the Grand  
18 Canyon National Park),”;

19 (9) in subsection (f)(4)(B) by inserting “over a  
20 national park” after “operation”; and

21 (10) in the heading for paragraph (4) of sub-  
22 section (f) by inserting “OVER A NATIONAL PARK”  
23 after “OPERATION”.

24 (b) GRAND CANYON NATIONAL PARK SPECIAL  
25 FLIGHT RULES AREA OPERATION CURFEW.—

1           (1) IN GENERAL.—The Administrator of the  
2           Federal Aviation Administration may not restrict  
3           commercial Special Flight Rules Area operations in  
4           the Dragon and Zuni Point corridors of the Grand  
5           Canyon National Park during the period beginning  
6           1 hour after sunrise and ending 1 hour before sun-  
7           set, unless required for aviation safety purposes.  
8           Commercial Special Flight Rules Area operations in  
9           the Dragon and Zuni Point corridors of the Grand  
10          Canyon National Park may not take place during  
11          the period beginning 1 hour before sunset and end-  
12          ing 1 hour after sunrise.

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

17 **SEC. 410. COLLABORATIVE DECISIONMAKING PILOT PRO-**  
18 **GRAM.**

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

21 **“§ 40129. Collaborative decisionmaking pilot program**

22          “(a) ESTABLISHMENT.—Not later than 90 days after  
23          the date of enactment of this section, the Administrator  
24          of the Federal Aviation Administration shall establish a

1 collaborative decisionmaking pilot program in accordance  
2 with this section.

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

6 “(c) GUIDELINES.—

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

16 “(2) VIEWS.—The Administrator may obtain  
17 the views of interested parties in issuing the guide-  
18 lines.

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

1 in their respective flight schedules in order to use air traf-  
2 fic capacity most effectively. The Administration shall fa-  
3 cilitate and monitor such communication.

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

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

24       “(g) MODIFICATION OR TERMINATION OF PILOT  
25 PROGRAM AT AN AIRPORT.—The Administrator may mod-

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

11 “(h) EVALUATION.—

12 “(1) IN GENERAL.—Before the expiration of  
13 the 2-year period for which the pilot program is au-  
14 thORIZED under subsection (b), the Administrator  
15 shall determine whether the pilot program has facili-  
16 tated more effective use of air traffic capacity and  
17 the Secretary shall determine whether the pilot pro-  
18 gram has had an adverse effect on airline competi-  
19 tion or the availability of air services to commu-  
20 nities. The Administrator shall also examine whether  
21 capacity benefits resulting from the participation in  
22 the pilot program of an airport resulted in capacity  
23 benefits to other parts of the national airspace sys-  
24 tem.



1           (1) in paragraph (16) by striking “the air car-  
2           rier” the third place it appears; and

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

4           “(17)(A) An assurance that, in the case of an  
5           accident that results in significant damage to a man-  
6           made structure or other property on the ground that  
7           is not government-owned, the air carrier will  
8           promptly provide notice, in writing, to the extent  
9           practicable, directly to the owner of the structure or  
10          other property about liability for any property dam-  
11          age and means for obtaining compensation.

12          “(B) At a minimum, the written notice shall  
13          advise an owner (i) to contact the insurer of the  
14          property as the authoritative source for information  
15          about coverage and compensation; (ii) to not rely on  
16          unofficial information offered by air carrier rep-  
17          resentatives about compensation by the air carrier  
18          for accident-site property damage; and (iii) to obtain  
19          photographic or other detailed evidence of property  
20          damage as soon as possible after the accident, con-  
21          sistent with restrictions on access to the accident  
22          site.

23          “(18) An assurance that, in the case of an acci-  
24          dent in which the National Transportation Safety  
25          Board conducts a public hearing or comparable pro-

1 ceeding at a location greater than 80 miles from the  
2 accident site, the air carrier will ensure that the pro-  
3 ceeding is made available simultaneously by elec-  
4 tronic means at a location open to the public at both  
5 the origin city and destination city of the air car-  
6 rier’s flight if that city is located in the United  
7 States.”.

8 (b) FOREIGN AIR TRANSPORTATION.—Section  
9 41313(c) is amended by adding at the end the following:

10 “(17) NOTICE CONCERNING LIABILITY FOR  
11 MAN-MADE STRUCTURES.—

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

21 “(B) MINIMUM CONTENTS.—At a min-  
22 imum, the written notice shall advise an owner  
23 (i) to contact the insurer of the property as the  
24 authoritative source for information about cov-  
25 erage and compensation; (ii) to not rely on un-

1 official information offered by foreign air car-  
2 rier representatives about compensation by the  
3 foreign air carrier for accident-site property  
4 damage; and (iii) to obtain photographic or  
5 other detailed evidence of property damage as  
6 soon as possible after the accident, consistent  
7 with restrictions on access to the accident site.

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

19 (c) UPDATE PLANS.—Air carriers and foreign air  
20 carriers shall update their plans under sections 41113 and  
21 41313 of title 49, United States Code, respectively, to re-  
22 flect the amendments made by subsections (a) and (b) of  
23 this section not later than 90 days after the date of enact-  
24 ment of this Act.

1 **SEC. 412. SLOT EXEMPTIONS AT RONALD REAGAN WASH-**  
2 **INGTON NATIONAL AIRPORT.**

3 (a) **BEYOND-PERIMETER EXEMPTIONS.**—Section  
4 41718(a) is amended by striking “12” and inserting “24”.

5 (b) **WITHIN-PERIMETER EXEMPTIONS.**—Section  
6 41718(b) is amended—

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

8 (2) by striking “that were designated as me-  
9 dium hub or smaller airports”.

10 (c) **LIMITATIONS.**—

11 (1) **GENERAL EXEMPTIONS.**—Section  
12 41718(c)(2) is amended by striking “two” and in-  
13 sserting “3”.

14 (2) **ALLOCATION OF WITHIN-PERIMETER EX-**  
15 **EMPTIONS.**—Section 41718(c)(3) is amended—

16 (A) in subparagraph (A)—

17 (i) by striking “four” and inserting  
18 “without regard to the criteria contained  
19 in subsection (b)(1), six”; and

20 (ii) by striking “and” at the end;

21 (B) in subparagraph (B)—

22 (i) by striking “eight” and inserting  
23 “ten”; and

24 (ii) by striking the period at the end  
25 and inserting “; and”; and

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

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

3           (d) APPLICATION PROCEDURES.—Section 41718(d)  
4 is amended to read as follows:

5           “(d) APPLICATION PROCEDURES.—The Secretary  
6 shall establish procedures to ensure that all requests for  
7 exemptions under this section are granted or denied within  
8 90 days after the date on which the request is made.”.

9           (e) EFFECT OF PERIMETER RULES ON COMPETITION  
10 AND AIR SERVICE.—

11           (1) IDENTIFICATION OF OTHER AIRPORTS.—

12           The Secretary of Transportation shall identify air-  
13 ports (other than Ronald Reagan Washington Na-  
14 tional Airport) that have imposed perimeter rules  
15 like those in effect with respect to Ronald Reagan  
16 Washington National Airport.

17           (2) LIMITATION ON APPLICABILITY.—This sub-  
18 section does not apply to perimeter rules imposed by  
19 Federal law.

20           (3) STUDY.—The Secretary shall conduct a  
21 study of the effect that perimeter rules for airports  
22 identified under paragraph (1) have on competition  
23 and on air service to communities outside the perim-  
24 eter.

1           (4) REPORT.—Not later than 120 days after  
2           the date of enactment of this Act, the Secretary  
3           shall transmit to Congress a report on the results of  
4           the study.

5           (f) COMMUTERS DEFINED.—

6           (1) IN GENERAL.—Section 41718 is amended  
7           by adding at the end the following:

8           “(f) COMMUTERS DEFINED.—For purposes of air-  
9           craft operations at Ronald Reagan Washington National  
10          Airport under subpart K of part 93 of title 14, Code of  
11          Federal Regulations, the term ‘commuters’ means aircraft  
12          operations using aircraft having a certificated maximum  
13          seating capacity of 76 or less.”.

14          (2) REGULATIONS.—The Administrator of the  
15          Federal Aviation Administration shall revise regula-  
16          tions to take into account the amendment made by  
17          paragraph (1).

18          (g) REMOVAL OF CERTAIN LIMITATIONS ON METRO-  
19          POLITAN WASHINGTON AIRPORTS AUTHORITY.—Section  
20          49108 and the item relating to such section in the analysis  
21          of chapter 491 are repealed.

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

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

1 **“§ 41722. Notice concerning aircraft assembly**

2       “The Secretary of Transportation shall require, be-  
3 ginning after the last day of the 1-year period following  
4 the date of enactment of this section, an air carrier using  
5 an aircraft to provide scheduled passenger air transpor-  
6 tation to display a notice, on an information placard avail-  
7 able to each passenger on the aircraft, that informs the  
8 passengers of the nation in which the aircraft was finally  
9 assembled.”.

10       (b) CONFORMING AMENDMENT.—The analysis for  
11 chapter 417 is amended by striking the item relating to  
12 section 41721 and inserting the following:

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

13 **SEC. 414. SPECIAL RULE TO PROMOTE AIR SERVICE TO**  
14 **SMALL COMMUNITIES.**

15       (a) IN GENERAL.—Subchapter I of chapter 417 is  
16 further amended by adding at the end the following:

17 **“§ 41723. Special rule to promote air service to small**  
18 **communities**

19       “In order to promote air service to small commu-  
20 nities, the Secretary of Transportation shall permit an op-  
21 erator of a turbine powered or multiengine piston powered  
22 aircraft with 10 passenger seats or less (1) to provide air  
23 transportation between an airport that is a nonhub airport  
24 and another airport or between an airport that is not a

1 commercial service airport and another airport, and (2)  
2 to sell individual seats on that aircraft at a negotiated  
3 price, if the aircraft is otherwise operated in accordance  
4 with parts 119 and 135 of title 14, Code of Federal Regu-  
5 lations, and the air transportation is otherwise provided  
6 in accordance with part 298 of such title 14.”.

7 (b) CONFORMING AMENDMENT.—The analysis for  
8 chapter 417 is further amended by adding at the end the  
9 following:

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

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

11 (a) COMPENSATION GUIDELINES, LIMITATION, AND  
12 CLAIMS.—

13 (1) PAYMENT OF PROMOTIONAL AMOUNTS.—

14 Section 41737(a)(2) is amended by inserting before  
15 the period at the end “or may be paid directly to the  
16 unit of local government having jurisdiction over the  
17 eligible place served by the air carrier”.

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

21 (A) by striking “(1) The Secretary” and  
22 inserting the “The Secretary”; and

23 (B) by striking paragraph (2).

24 (3) ADJUSTMENTS.—Section 41737 is amended  
25 by adding at the end the following:

1       “(e) ADJUSTMENTS TO ACCOUNT FOR SIGNIFI-  
2 CANTLY INCREASED COSTS.—

3           “(1) IN GENERAL.—If the Secretary determines  
4 that air carriers are experiencing significantly in-  
5 creased costs in providing air service or air transpor-  
6 tation under this subchapter, the Secretary may in-  
7 crease the rates of compensation payable under this  
8 subchapter without regard to any agreement or re-  
9 quirement relating to the renegotiation of contracts  
10 or any notice requirement under section 41734.

11           “(2) SIGNIFICANTLY INCREASED COSTS DE-  
12 FINED.—In this subsection, the term ‘significantly  
13 increased costs’ means an average monthly cost in-  
14 crease of 10 percent or more.”.

15       (b) AIRPORTS NOT RECEIVING SUFFICIENT SERV-  
16 ICE.—Section 41743 is amended—

17           (1) in the heading of subsection (a) by striking  
18 “PILOT”;

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

20           (3) in subsection (c)—

21               (A) by striking paragraph (3);

22               (B) by redesignating paragraphs (4) and  
23 (5) as paragraphs (3) and (4), respectively; and

24               (C) in paragraph (4) (as so redesign-  
25 nated)—

1 (i) by striking “and” at the end of  
2 subparagraph (C);

3 (ii) by striking the period at the end  
4 of subparagraph (D) and inserting “;  
5 and”; and

6 (iii) by adding at the end the fol-  
7 lowing:

8 “(E) the assistance can be used in the fis-  
9 cal year in which it is received.”; and

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

11 (c) ESSENTIAL AIR SERVICE AUTHORIZATION.—Sec-  
12 tion 41742 is amended—

13 (1) in subsection (a)(2) by striking  
14 “\$15,000,000” and inserting “\$65,000,000”;

15 (2) by adding at the end of subsection (a) the  
16 following:

17 “(3) AUTHORIZATION FOR ADDITIONAL EM-  
18 PLOYEES.—In addition to amounts authorized under  
19 paragraphs (1) and (2), there are authorized to be  
20 appropriated such sums as may be necessary for the  
21 Secretary of Transportation to hire and employ 4  
22 additional employees for the office responsible for  
23 carrying out the essential air service program.”; and

24 (3) by striking subsection (c).

1 (d) PROCESS FOR DISCONTINUING CERTAIN SUB-  
2 SIDIES.—Section 41734 is amended by adding at the end  
3 the following:

4 “(i) PROCESS FOR DISCONTINUING CERTAIN SUB-  
5 SIDIES.—If the Secretary determines that no subsidy will  
6 be provided to a carrier to provide essential air service  
7 to an eligible place because the eligible place does not meet  
8 the requirements of section 332 of the Department of  
9 Transportation and Related Agencies Appropriations Act,  
10 2000 (49 U.S.C. 41731 note; 113 Stat. 1022) or require-  
11 ments contained in a subsequent appropriations Act, the  
12 Secretary shall notify the affected community that the  
13 subsidy will cease but shall continue to provide the subsidy  
14 for 90 days after providing the notice to the community.”.

15 (e) EXEMPTION FROM HOLD-IN REQUIREMENTS.—  
16 Section 41734 is further amended by adding at the end  
17 the following:

18 “(j) EXEMPTION FROM HOLD-IN REQUIREMENTS.—  
19 If, after the date of enactment of this subsection, an air  
20 carrier commences air transportation to an eligible place  
21 that is not receiving essential air service as a result of  
22 the failure of the eligible place to meet requirements con-  
23 tained in an appropriations Act, the air carrier shall not  
24 be subject to the requirements of subsections (b) and (c)  
25 with respect to such air transportation.”.

1 (f) JOINT PROPOSALS.—Section 41740 is amended  
2 by inserting “, including joint fares,” after “joint pro-  
3 posals”.

4 (g) COMMUNITY AND REGIONAL CHOICE PRO-  
5 GRAM.—

6 (1) IN GENERAL.—Subchapter II of chapter  
7 417 is amended by adding at the end the following:

8 **“§ 41745. Community and regional choice program**

9 “(a) ESTABLISHMENT.—The Secretary of Transpor-  
10 tation shall establish an alternate essential air service pilot  
11 program in accordance with the requirements of this sec-  
12 tion.

13 “(b) COMPENSATION TO ELIGIBLE PLACES.—In car-  
14 rying out the program, the Secretary, instead of paying  
15 compensation to an air carrier to provide essential air  
16 service to an eligible place, may pay compensation directly  
17 to a unit of local government having jurisdiction over the  
18 eligible place or a State within the boundaries of which  
19 the eligible place is located.

20 “(c) USE OF COMPENSATION.—A unit of local gov-  
21 ernment or State receiving compensation for an eligible  
22 place under the program shall use the compensation for  
23 any of the following purposes:

24 “(1) To provide assistance to an air carrier to  
25 provide scheduled air service to and from the eligible

1 place, without being subject to the requirements of  
2 41732(b).

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

6 “(3) To provide assistance to a person to pro-  
7 vide scheduled or on-demand surface transportation  
8 to and from the eligible place and an airport in an-  
9 other place.

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

16 “(5) To purchase aircraft, or a fractional share  
17 in aircraft, to provide transportation to and from the  
18 eligible place.

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

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

1 used to provide transportation described in subsection  
2 (c)(5).

3 “(e) APPLICATIONS.—

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

9 “(2) REQUIRED INFORMATION.—At a min-  
10 imum, the application shall include—

11 “(A) a statement of the amount of com-  
12 pensation required; and

13 “(B) a description of how the compensa-  
14 tion will be used.

15 “(f) PARTICIPATION REQUIREMENTS.—An eligible  
16 place for which compensation is received under the pro-  
17 gram in a fiscal year shall not be eligible to receive in  
18 that fiscal year the essential air service that it would oth-  
19 erwise be entitled to under this subchapter.

20 “(g) SUBSEQUENT PARTICIPATION.—A unit of local  
21 government participating in the program under this sec-  
22 tion in a fiscal year shall not be prohibited from partici-  
23 pating in the basic essential air service program under this  
24 chapter in a subsequent fiscal year if such unit is other-  
25 wise eligible to participate in such program.

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

5 (2) CONFORMING AMENDMENT.—The analysis  
 6 for chapter 417 is amended by inserting after the  
 7 item relating to section 41744 the following:

“41745. Community and regional choice program.”.

8 (h) MEASUREMENT OF HIGHWAY MILEAGE FOR  
 9 PURPOSES OF DETERMINING ELIGIBILITY FOR ESSEN-  
 10 TIAL AIR SERVICE SUBSIDIES.—

11 (1) DETERMINATION OF ELIGIBILITY.—Sub-  
 12 chapter II of Chapter 417 of title 49, United States  
 13 Code, (as amended by subsection (f) of this bill) is  
 14 further amended by adding at the end the following  
 15 new section:

16 **“§ 41746. Distance requirement applicable to eligi-**  
 17 **bility for essential air service subsidies**

18 “(a) IN GENERAL.—The Secretary shall not provide  
 19 assistance under this subchapter with respect to a place  
 20 in the 48 contiguous States that—

21 “(1) is less than 70 highway miles from the  
 22 nearest hub airport; or

23 “(2) requires a rate of subsidy per passenger in  
 24 excess of \$200, unless such place is greater than  
 25 210 highway miles from the nearest hub airport.

1       “(b) DETERMINATION OF MILEAGE.—For purposes  
2 of this section, the highway mileage between a place and  
3 the nearest hub airport is the highway mileage of the most  
4 commonly used route between the place and the hub air-  
5 port. In identifying such route, the Secretary shall—

6           “(1) promulgate by regulation a standard for  
7 calculating the mileage between an eligible place and  
8 a hub airport; and

9           “(2) identify the most commonly used route for  
10 a community by—

11           “(A) consulting with the Governor of a  
12 State or the Governor’s designee; and

13           “(B) considering the certification of the  
14 Governor of a State or the Governor’s designee  
15 as to the most commonly used route.”.

16       (2) CONFORMING AMENDMENT.—The analysis  
17 for subchapter II of chapter 417 of title 49, United  
18 States Code, (as amended by subsection (f) of this  
19 bill) is further amended by inserting after the item  
20 relating to section 41745 the following new item:

“41746. Distance requirement applicable to eligibility for essential air serv-  
ice subsidies.”.

21       (i) REPEAL.—The following provisions of law are re-  
22 pealed:

1           (1) Section 332 of the Department of Trans-  
2           portation and Related Agencies Appropriations Act,  
3           2000 (49 U.S.C. 41731 note).

4           (2) Section 205 of the Wendell H. Ford Avia-  
5           tion Investment and Reform Act for the 21st Cen-  
6           tury (49 U.S.C. 41731 note).

7           (3) Section 334 of the Department of Trans-  
8           portation and Related Agencies Appropriations Act,  
9           1999 (section 101(g) of division A of the Omnibus  
10          Consolidated and Emergency Supplemental Appro-  
11          priations Act, 1999) (Public Law 105–277; 112  
12          Stat. 2681–471).

13          (j) SECRETARIAL REVIEW.—

14           (1) REQUEST FOR REVIEW.—Any community  
15          with respect to which the Secretary has, between  
16          September 30, 1993, and the date of the enactment  
17          of this Act, eliminated subsidies or terminated sub-  
18          sidy eligibility under section 332 of the Department  
19          of Transportation and Related Agencies Appropria-  
20          tions Act, 2000 (49 U.S.C. 41731 note), Section  
21          205 of the Wendell H. Ford Aviation Investment  
22          and Reform Act for the 21st Century (49 U.S.C.  
23          41731 note), or any prior law of similar effect, may  
24          request the Secretary to review such action.

1           (2) ELIGIBILITY DETERMINATION.—Not later  
2 than 60 days after receiving a request under sub-  
3 section (i), the Secretary shall—

4           (A) determine whether the community  
5 would have been subject to such elimination of  
6 subsidies or termination of eligibility under the  
7 distance requirement enacted by the amend-  
8 ment made by subsection (g) of this bill to sub-  
9 chapter II of chapter 417 of title 49, United  
10 States Code; and

11           (B) issue a final order with respect to the  
12 eligibility of such community for essential air  
13 service subsidies under subchapter II of chapter  
14 417 of title 49, United States Code, as amend-  
15 ed by this Act.

16 **SEC. 416. TYPE CERTIFICATES.**

17           (a) AGREEMENTS TO PERMIT USE OF CERTIFICATES  
18 BY OTHER PERSONS.—Section 44704(a) is amended by  
19 adding at the end the following:

20           “(3) If the holder of a type certificate agrees to per-  
21 mit another person to use the certificate to manufacture  
22 a new aircraft, aircraft engine, propeller, or appliance, the  
23 holder shall provide the other person with written evi-  
24 dence, in a form acceptable to the Administrator, of that  
25 agreement. A person may manufacture a new aircraft, air-

1 craft engine, propeller, or appliance based on a type cer-  
2 tificate only if the person is the holder of the type certifi-  
3 cate or has permission from the holder.”.

4 (b) CERTIFICATION OF PRODUCTS MANUFACTURED  
5 IN FOREIGN NATIONS.—Section 44704 is further amend-  
6 ed by adding at the end the following:

7 “(e) CERTIFICATION OF PRODUCTS MANUFACTURED  
8 IN FOREIGN NATIONS.—In order to ensure safety, the Ad-  
9 ministrator shall spend at least the same amount of time  
10 and perform a no-less-thorough review in certifying, or  
11 validating the certification of, an aircraft, aircraft engine,  
12 propeller, or appliance manufactured in a foreign nation  
13 as the regulatory authorities of that nation employ when  
14 the authorities certify, or validate the certification of, an  
15 aircraft, aircraft engine, propeller, or appliance manufac-  
16 tured in the United States.”.

17 **SEC. 417. DESIGN ORGANIZATION CERTIFICATES.**

18 (a) GENERAL AUTHORITY TO ISSUE CERTIFI-  
19 CATES.—Effective on the last day of the 7-year period be-  
20 ginning on the date of enactment of this Act, section  
21 44702(a) is amended by inserting “design organization  
22 certificates,” after “airman certificates,”.

23 (b) DESIGN ORGANIZATION CERTIFICATES.—

24 (1) PLAN.—Not later than 4 years after the  
25 date of enactment of this Act, the Administrator of

1 the Federal Aviation Administration shall transmit  
2 to the Committee on Transportation and Infrastruc-  
3 ture of the House of Representatives and the Com-  
4 mittee on Commerce, Science, and Transportation of  
5 the Senate a plan for the development and oversight  
6 of a system for certification of design organizations  
7 to certify compliance with the requirements and min-  
8 imum standards prescribed under section 44701(a)  
9 of title 49, United States Code, for the type certifi-  
10 cation of aircraft, aircraft engines, propellers, or ap-  
11 pliances.

12 (2) ISSUANCE OF CERTIFICATES.—Section  
13 44704 is further amended by adding at the end the  
14 following:

15 “(f) DESIGN ORGANIZATION CERTIFICATES.—

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

24 “(2) APPLICATIONS.—On receiving an applica-  
25 tion for a design organization certificate, the Admin-

1        administrator shall examine and rate the design organiza-  
2        tion submitting the application, in accordance with  
3        regulations to be prescribed by the Administrator, to  
4        determine whether the design organization has ade-  
5        quate engineering, design, and testing capabilities,  
6        standards, and safeguards to ensure that the prod-  
7        uct being certificated is properly designed and man-  
8        ufactured, performs properly, and meets the regula-  
9        tions and minimum standards prescribed under sec-  
10        tion 44701(a).

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

20                “(4) PUBLIC SAFETY.—The Administrator shall  
21        include in a design organization certificate issued  
22        under this subsection terms required in the interest  
23        of safety.”.

1 (c) REINSPECTION AND REEXAMINATION.—Section  
2 44709(a) is amended by inserting “design organization,  
3 production certificate holder,” after “appliance,”.

4 (d) PROHIBITIONS.—Section 44711(a)(7) is amended  
5 by striking “agency” and inserting “agency, design orga-  
6 nization certificate, ”.

7 (e) CONFORMING AMENDMENTS.—

8 (1) SECTION HEADING.—Section 44704 is  
9 amended by striking the section designation and  
10 heading and inserting the following:

11 “§ 44704. **Type certificates, production certificates,**  
12 **airworthiness certificates, and design or-**  
13 **ganization certificates”.**

14 (2) CHAPTER ANALYSIS.—The analysis for  
15 chapter 447 is amended by striking the item relating  
16 to section 44704 and inserting the following:

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

17 **SEC. 418. COUNTERFEIT OR FRAUDULENTLY REP-**  
18 **RESENTED PARTS VIOLATIONS.**

19 Section 44726(a)(1) is amended—

20 (1) by striking “or” at the end of subparagraph  
21 (A);

22 (2) by redesignating subparagraph (B) as sub-  
23 paragraph (C);

1 (3) by inserting after subparagraph (A) the fol-  
2 lowing:

3 “(B) whose certificate is revoked under  
4 subsection (b); or”; and

5 (4) in subparagraph (C) (as redesignated by  
6 paragraph (2) of this section) by striking “convicted  
7 of such a violation.” and inserting “described in sub-  
8 paragraph (A) or (B).”.

9 **SEC. 419. RUNWAY SAFETY STANDARDS.**

10 (a) IN GENERAL.—Chapter 447 is amended by add-  
11 ing at the end the following:

12 **“§ 44727. Runway safety areas**

13 “An airport owner or operator shall not be required  
14 to reduce the length of a runway or declare the length  
15 of a runway to be less than the actual pavement length  
16 in order to meet standards of the Federal Aviation Admin-  
17 istration applicable to runway safety areas.”.

18 (b) CONFORMING AMENDMENT.—The analysis for  
19 chapter 447 is amended by adding at the end the fol-  
20 lowing:

“44727. Runway safety areas.”.

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

22 (a) IN GENERAL.—Chapter 447 is further amended  
23 by adding at the end the following:

1 **“§ 44728. Availability of maintenance information**

2 “(a) IN GENERAL.—The Administrator of the Fed-  
3 eral Aviation Administration shall continue in effect the  
4 requirement of section 21.50(b) of title 14, Code of Fed-  
5 eral Regulations, that the holder of a design approval—

6 “(1) shall prepare and furnish at least one set  
7 of complete instructions for continued airworthiness  
8 as prescribed in such section to the owner of each  
9 type of aircraft, aircraft engine, or propeller upon its  
10 delivery or upon the issuance of the first standard  
11 airworthiness certificate for the affected aircraft,  
12 whichever occurs later; and

13 “(2) thereafter shall make the instructions, and  
14 any changes thereto, available to any other person  
15 required by parts 1 through 199 of title 14, Code of  
16 Federal Regulations, to comply with any of the  
17 terms of the instructions.

18 “(b) DEFINITIONS.—In this section, the following  
19 definitions apply:

20 “(1) MAKE AVAILABLE.—The term ‘make avail-  
21 able’ means providing at a fair and reasonable price.  
22 Such price may include recurring and non-recurring  
23 costs associated with post-certification development,  
24 preparation, and distribution. Such price may not  
25 include the initial product development costs related  
26 to the issuance of a design approval.

1           “(2) DESIGN APPROVAL.—The term ‘design ap-  
2           proval’ means a type certificate, supplemental type  
3           certificate, amended type certificate, parts manufac-  
4           turer approval, technical standard order authoriza-  
5           tion, and any other action as determined by the Ad-  
6           ministrator pursuant to subsection (c)(2).

7           “(3) INSTRUCTIONS FOR CONTINUED AIR-  
8           WORTHINESS.—The term ‘instructions for continued  
9           airworthiness’ means any information (and any  
10          changes to such information) considered essential to  
11          continued airworthiness that sets forth instructions  
12          and requirements for performing maintenance and  
13          alteration.

14          “(c) RULEMAKING.—The Administrator shall con-  
15          duct a rulemaking proceeding for the following purposes:

16                 “(1) To determine the meaning of the phrase  
17                 ‘essential to continued airworthiness’ of the applica-  
18                 ble aircraft, aircraft engine, and propeller as that  
19                 term is used in parts 23 through 35 of title 14,  
20                 Code of Federal Regulations.

21                 “(2) To determine if a design approval should  
22                 include, in addition to those approvals specified in  
23                 subsection (b)(2), any other activity in which per-  
24                 sons are required to have technical data approved by  
25                 the Administrator.

1           “(3) To determine if design approval holders  
2           for aircraft, aircraft engines, and propellers that are  
3           in production on the date of enactment of this sec-  
4           tion and for which application for a type certificate  
5           or supplemental type certificate was made before  
6           January 29, 1981, should be required to make in-  
7           structions for continued airworthiness or mainte-  
8           nance manuals available (including any changes  
9           thereto) to any person required by Federal Aviation  
10          Administration rules to comply with any of the  
11          terms of the instructions or manuals.

12           “(4) To revise its rules to reflect the changes  
13          made by this section.

14          “(d) DEADLINES FOR RULEMAKING.—

15           “(1) NOTICE OF PROPOSED RULEMAKING.—  
16          The Administrator shall issue a notice of proposed  
17          rulemaking to carry out subsection (c) not later than  
18          one year after the date of enactment of this section.

19           “(2) FINAL RULE.—The Administrator shall  
20          issue a final rule with respect to subsection (c) not  
21          later than one year after the final date for the sub-  
22          mission of comments with respect to the proposed  
23          rulemaking.

24          “(e) ENFORCEMENT OF CURRENT REGULATION.—  
25          The Administrator shall review design approval holders

1 that were required to produce instructions for continued  
 2 airworthiness under section 21.50(b) of title 14, Code of  
 3 Federal Regulations. If the Administrator determines that  
 4 a design approval holder has not produced such instruc-  
 5 tions, the Administrator shall require the design approval  
 6 holder to prepare such instructions and make them avail-  
 7 able as required by this section not later than 1 year after  
 8 the design approval holder is notified by the Administrator  
 9 of the determination.

10 “(f) LIMITATION ON STATUTORY CONSTRUCTION.—  
 11 Nothing in this section shall be construed as requiring the  
 12 holder of a design approval to make available proprietary  
 13 information unless it is deemed essential to continued air-  
 14 worthiness.”.

15 (b) CONFORMING AMENDMENT.—The analysis for  
 16 chapter 447 is further amended by adding at the end the  
 17 following:

“44728. Availability of maintenance information.”.

18 **SEC. 421. CERTIFICATE ACTIONS IN RESPONSE TO A SECUR-**  
 19 **RITY THREAT.**

20 (a) IN GENERAL.—Chapter 461 is amended by add-  
 21 ing at the end the following:

22 **“§ 46111. Certificate actions in response to a security**  
 23 **threat**

24 “(a) ORDERS.—The Administrator of Federal Avia-  
 25 tion Administration shall issue an order amending, modi-

1 fying, suspending, or revoking any part of a certificate  
2 issued under this title if the Administrator is notified by  
3 the Under Secretary for Border and Transportation Secu-  
4 rity of the Department of Homeland Security that the  
5 holder of the certificate poses, or is suspected of posing,  
6 a risk of air piracy or terrorism or a threat to airline or  
7 passenger safety. If requested by the Under Secretary, the  
8 order shall be effective immediately.

9       “(b) HEARINGS FOR CITIZENS.—An individual who  
10 is a citizen of the United States who is adversely affected  
11 by an order of the Administrator under subsection (a) is  
12 entitled to a hearing on the record.

13       “(c) HEARINGS.—When conducting a hearing under  
14 this section, the administrative law judge shall not be  
15 bound by findings of fact or interpretations of laws and  
16 regulations of the Administrator or the Under Secretary.

17       “(d) APPEALS.—An appeal from a decision of an ad-  
18 ministrative law judge as the result of a hearing under  
19 subsection (b) shall be made to the Transportation Secu-  
20 rity Oversight Board established by section 115. The  
21 Board shall establish a panel to review the decision. The  
22 members of this panel (1) shall not be employees of the  
23 Transportation Security Administration, (2) shall have the  
24 level of security clearance needed to review the determina-  
25 tion made under this section, and (3) shall be given access

1 to all relevant documents that support that determination.

2 The panel may affirm, modify, or reverse the decision.

3 “(e) REVIEW.—A person substantially affected by an  
4 action of a panel under subsection (d), or the Under Sec-  
5 retary when the Under Secretary decides that the action  
6 of the panel under this section will have a significant ad-  
7 verse impact on carrying out this part, may obtain review  
8 of the order under section 46110. The Under Secretary  
9 and the Administrator shall be made a party to the review  
10 proceedings. Findings of fact of the panel are conclusive  
11 if supported by substantial evidence.

12 “(f) EXPLANATION OF DECISIONS.—An individual  
13 who commences an appeal under this section shall receive  
14 a written explanation of the basis for the determination  
15 or decision and all relevant documents that support that  
16 determination to the maximum extent that the national  
17 security interests of the United States and other applica-  
18 ble laws permit.

19 “(g) CLASSIFIED EVIDENCE.—

20 “(1) IN GENERAL.—The Under Secretary, in  
21 consultation with the Administrator, shall issue reg-  
22 ulations to establish procedures by which the Under  
23 Secretary, as part of a hearing conducting under  
24 this section, may substitute an unclassified summary

1 of classified evidence upon the approval of the ad-  
2 ministrative law judge.

3 “(2) APPROVAL AND DISAPPROVAL OF SUM-  
4 MARIES.—Under the procedures, an administrative  
5 law judge shall—

6 “(A) approve a summary if the judge finds  
7 that it is sufficient to enable the certificate  
8 holder to appeal an order issued under sub-  
9 section (a); or

10 “(B) disapprove a summary if the judge  
11 finds that it is not sufficient to enable the cer-  
12 tificate holder to appeal such an order.

13 “(3) MODIFICATIONS.—If an administrative law  
14 judge disapproves a summary under paragraph  
15 (2)(B), the judge shall direct the Under Secretary to  
16 modify the summary and resubmit the summary for  
17 approval.

18 “(4) INSUFFICIENT MODIFICATIONS.—If an ad-  
19 ministrative law judge is unable to approve a modi-  
20 fied summary, the order issued under subsection (a)  
21 that is the subject of the hearing shall be set aside  
22 unless the judge finds that such a result—

23 “(A) would likely cause serious and irrep-  
24 arable harm to the national security; or

1           “(B) would likely cause death or serious  
2           bodily injury to any person.

3           “(5) SPECIAL PROCEDURES.—If an administra-  
4           tive law judge makes a finding under subparagraph  
5           (A) or (B) of paragraph (4), the hearing shall pro-  
6           ceed without an unclassified summary provided to  
7           the certificate holder. In such a case, subject to pro-  
8           cedures established by regulation by the Under Sec-  
9           retary in consultation with the Administrator, the  
10          administrative law judge shall appoint a special at-  
11          torney to assist the accused by—

12                   “(A) reviewing in camera the classified evi-  
13                   dence; and

14                   “(B) challenging, through an in camera  
15                   proceeding, the veracity of the evidence con-  
16                   tained in the classified information.”.

17          (b) CONFORMING AMENDMENT.—The analysis for  
18          chapter 461 is amended by adding at the end the fol-  
19          lowing:

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

20          (c) REVIEW.—The first sentence of section 46110(a)  
21          is amended by striking “part” and inserting “subtitle”.

22          **SEC. 422. FLIGHT ATTENDANT CERTIFICATION.**

23          (a) IN GENERAL.—Chapter 447 is further amended  
24          by adding at the end the following:

1 **“§ 44729. Flight attendant certification**

2 “(a) CERTIFICATE REQUIRED.—

3 “(1) IN GENERAL.—No person may serve as a  
4 flight attendant aboard an aircraft of an air carrier  
5 unless that person holds a certificate of dem-  
6 onstrated proficiency from the Administrator of the  
7 Federal Aviation Administration. Upon the request  
8 of the Administrator or an authorized representative  
9 of the National Transportation Safety Board or an-  
10 other Federal agency, a person who holds such a  
11 certificate shall present the certificate for inspection  
12 within a reasonable period of time after the date of  
13 the request.

14 “(2) SPECIAL RULE FOR CURRENT FLIGHT AT-  
15 TENDANTS.—An individual serving as a flight at-  
16 tendant on the effective date of this section may  
17 continue to serve aboard an aircraft as a flight at-  
18 tendant until completion by that individual of the re-  
19 quired recurrent or requalification training and sub-  
20 sequent certification under this section.

21 “(3) TREATMENT OF FLIGHT ATTENDANT  
22 AFTER NOTIFICATION.—On the date that the Ad-  
23 ministrator is notified by an air carrier that an indi-  
24 vidual has the demonstrated proficiency to be a  
25 flight attendant, the individual shall be treated for

1 purposes of this section as holding a certificate  
2 issued under the section.

3 “(b) ISSUANCE OF CERTIFICATE.—The Adminis-  
4 trator shall issue a certificate of demonstrated proficiency  
5 under this section to an individual after the Administrator  
6 is notified by the air carrier that the individual has suc-  
7 cessfully completed all the training requirements for flight  
8 attendants approved by the Administrator.

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

16 “(d) SPECIFICATIONS RELATING TO CERTIFI-  
17 CATES.—Each certificate issued under this section shall—

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

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

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

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

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

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

11          “(e) APPROVAL OF TRAINING PROGRAMS.—Air car-  
12          rier flight attendant training programs shall be subject to  
13          approval by the Administrator. All flight attendant train-  
14          ing programs approved by the Administrator in the 1-year  
15          period ending on the date of enactment of this section  
16          shall be treated as providing a demonstrated proficiency  
17          for purposes of meeting the certification requirements of  
18          this section.

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

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

“44729. Flight attendant certification.”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 subsections (a) and (b) shall take effect on the 365th day  
6 following the date of enactment of this Act.

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

9 (a) IN GENERAL.—Chapter 463 is amended by add-  
10 ing at the end the following:

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

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

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

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

1 (b) CONFORMING AMENDMENT.—The analysis for  
2 chapter 463 is amended by adding at the end the fol-  
3 lowing:

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

4 **SEC. 424. NOISE EXPOSURE MAPS.**

5 Section 47503 is amended—

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

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

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

20 **SEC. 425. AMENDMENT OF GENERAL FEE SCHEDULE PRO-**  
21 **VISION.**

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

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

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

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

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

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

24 (e) **COMPLETION.**—The revised and updated training  
25 standards required by subsection (a) shall be completed

1 not later than 12 months after the date of enactment of  
2 this Act.

3 (f) PERIODIC REVIEWS AND UPDATES.—The Admin-  
4 istrator shall review the content of the curriculum stand-  
5 ards for training airframe and powerplant mechanics re-  
6 ferred to in subsection (a) every 3 years after completion  
7 of the revised and updated training standards required  
8 under subsection (a) as necessary to reflect current tech-  
9 nology and maintenance practices.

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

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

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

20 (1) The Federal Aviation Administration.

21 (2) The National Aeronautics and Space Ad-  
22 ministration.

23 (3) The Department of Defense.

24 (4) The Department of Homeland Security.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

1 Congress on the methods looked at by the task force for  
2 ensuring the transfer of applications described in sub-  
3 section (a).

4 **SEC. 431. REIMBURSEMENT FOR LOSSES INCURRED BY**  
5 **GENERAL AVIATION ENTITIES.**

6 (a) IN GENERAL.—The Secretary of Transportation  
7 may make grants to reimburse the following general avia-  
8 tion entities for the security costs incurred and revenue  
9 foregone as a result of the restrictions imposed by the  
10 Federal Government following the terrorist attacks on the  
11 United States that occurred on September 11, 2001, or  
12 the military action to free the people of Iraq that com-  
13 menced in March 2003:

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

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

21 (3) General aviation entities that were affected  
22 by Federal Aviation Administration Notices to Air-  
23 men FDC 2/0199 and 3/1862 and section 352 of the  
24 Department of Transportation and Related Agencies

1 Appropriations Act, 2003 (Public Law 108–7, divi-  
2 sion I).

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

6 (5) Any other general aviation entity that is  
7 prevented from doing business or operating by an  
8 action of the Federal Government prohibiting access  
9 to airspace by that entity.

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

15 (c) GENERAL AVIATION ENTITY DEFINED.—In this  
16 section, the term “general aviation entity” means any per-  
17 son (other than a scheduled air carrier or foreign air car-  
18 rier, as such terms are defined in section 40102 of title  
19 49, United States Code) that—

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

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

1           (3) provides services necessary for nonmilitary  
2 operations under such part 91; or

3           (4) operates an airport, other than a primary  
4 airport (as such terms are defined in such section  
5 40102), that—

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

10           (B) is normally open to the public, is lo-  
11 cated within the confines of enhanced class B  
12 airspace (as defined by the Federal Aviation  
13 Administration in Notice to Airmen FDC 1/  
14 0618), and was closed as a result of an order  
15 issued by the Federal Aviation Administration  
16 in the period beginning September 11, 2001,  
17 and ending January 1, 2002, and remained  
18 closed as a result of that order on January 1,  
19 2002.

20 Such term includes fixed based operators, flight schools,  
21 manufacturers of general aviation aircraft and products,  
22 persons engaged in nonscheduled aviation enterprises, and  
23 general aviation independent contractors.

24           (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
25 authorized to be appropriated to carry out this section

1 \$100,000,000. Such sums shall remain available until ex-  
2 pended.

3 **SEC. 432. IMPASSE PROCEDURES FOR NATIONAL ASSOCIA-**  
4 **TION OF AIR TRAFFIC SPECIALISTS.**

5 (a) FAILURE OF CURRENT NEGOTIATIONS.—If, with-  
6 in 30 days after the date of enactment of this Act, the  
7 Federal Aviation Administration and the exclusive bar-  
8 gaining representative of the National Association of Air  
9 Traffic Specialists have failed to achieve agreement  
10 through a mediation process of the Federal Mediation and  
11 Conciliation Service, the current labor negotiation shall be  
12 treated for purposes of this section to have failed.

13 (b) SUBMISSION TO IMPASSE PANEL.—Not later  
14 than 30 days after the negotiation has failed under sub-  
15 section (a), the parties to the negotiation shall submit un-  
16 resolved issues to the Federal Service Impasses Panel de-  
17 scribed in section 7119(c) of title 5, United States Code,  
18 for final and binding resolution.

19 (c) ASSISTANCE.—The Panel shall render assistance  
20 to the parties in resolving their dispute in accordance with  
21 section 7119 of title 5, United States Code, and parts  
22 2470 and 2471 of title 5, Code of Federal Regulations.

23 (d) DETERMINATION.—The Panel shall make a just  
24 and reasonable determination of the matters in dispute.  
25 In arriving at such determination, the Panel shall specify

1 the basis for its findings, taking into consideration such  
2 relevant factors as are normally and customarily consid-  
3 ered in the determination of wages or impasse Panel pro-  
4 ceedings. The Panel shall also take into consideration the  
5 financial ability of the Administration to pay.

6 (e) EFFECT OF PANEL DETERMINATION.—The de-  
7 termination of the Panel shall be final and binding upon  
8 the parties for the period prescribed by the Panel or a  
9 period otherwise agreed to by the parties.

10 (f) REVIEW.—The determination of the Panel shall  
11 be subject to review in the manner prescribed in chapter  
12 71 of title 5, United States Code.

13 **SEC. 433. FAA INSPECTOR TRAINING.**

14 (a) STUDY.—

15 (1) IN GENERAL.—The Comptroller General  
16 shall conduct a study of the training of the aviation  
17 safety inspectors of the Federal Aviation Adminis-  
18 tration (in this section referred to as “FAA inspec-  
19 tors”).

20 (2) CONTENTS.—The study shall include—

21 (A) an analysis of the type of training pro-  
22 vided to FAA inspectors;

23 (B) actions that the Federal Aviation Ad-  
24 ministration has undertaken to ensure that

1            FAA inspectors receive up-to-date training on  
2            the latest technologies;

3            (C) the extent of FAA inspector training  
4            provided by the aviation industry and whether  
5            such training is provided without charge or on  
6            a quid-pro-quo basis; and

7            (D) the amount of travel that is required  
8            of FAA inspectors in receiving training.

9            (3) REPORT.—Not later than 1 year after the  
10          date of enactment of this Act, the Comptroller Gen-  
11          eral shall transmit to the Committee on Transpor-  
12          tation and Infrastructure of the House of Represent-  
13          atives and the Committee on Commerce, Science,  
14          and Transportation of the Senate a report on the re-  
15          sults of the study.

16          (b) SENSE OF THE HOUSE.—It is the sense of the  
17          House of Representatives that—

18            (1) FAA inspectors should be encouraged to  
19            take the most up-to-date initial and recurrent train-  
20            ing on the latest aviation technologies;

21            (2) FAA inspector training should have a direct  
22            relation to an individual’s job requirements; and

23            (3) if possible, a FAA inspector should be al-  
24            lowed to take training at the location most conven-  
25            ient for the inspector.

1 (c) WORKLOAD OF INSPECTORS.—

2 (1) STUDY BY NATIONAL ACADEMY OF  
3 SCIENCES.—Not later than 90 days after the date of  
4 enactment of this Act, the Administrator of the Fed-  
5 eral Aviation Administration shall make appropriate  
6 arrangements for the National Academy of Sciences  
7 to conduct a study of the assumptions and methods  
8 used by the Federal Aviation Administration to esti-  
9 mate staffing standards for FAA inspectors to en-  
10 sure proper oversight over the aviation industry, in-  
11 cluding the designee program.

12 (2) CONTENTS.—The study shall include the  
13 following:

14 (A) A suggested method of modifying FAA  
15 inspectors staffing models for application to  
16 current local conditions or applying some other  
17 approach to developing an objective staffing  
18 standard.

19 (B) The approximate cost and length of  
20 time for developing such models.

21 (3) REPORT.—Not later than 12 months after  
22 the initiation of the arrangements under subsection  
23 (a), the National Academy of Sciences shall transmit  
24 to Congress a report on the results of the study.

1 **SEC. 434. PROHIBITION ON AIR TRAFFIC CONTROL PRIVAT-**  
2 **IZATION.**

3 (a) IN GENERAL.—The Secretary of Transportation  
4 may not authorize the transfer of the air traffic separation  
5 and control functions operated by the Federal Aviation  
6 Administration on the date of enactment of this Act to  
7 a private entity or to a public entity other than the United  
8 States Government.

9 (b) LIMITATION.—Subsection (a) shall not apply to  
10 a Federal Aviation Administration air traffic control tower  
11 operated under the contract tower program on the date  
12 of enactment of this Act or to any expansion of that pro-  
13 gram under section 47124(b)(3) or 47124(b)(4) of title  
14 49, United States Code.

15 **SEC. 435. AIRFARES FOR MEMBERS OF THE ARMED**  
16 **FORCES.**

17 (a) FINDINGS.—Congress finds that—

18 (1) the Armed Forces is comprised of approxi-  
19 mately 1,400,000 members who are stationed on ac-  
20 tive duty at more than 6,000 military bases in 146  
21 different countries;

22 (2) the United States is indebted to the mem-  
23 bers of the Armed Forces, many of whom are in  
24 grave danger due to their engagement in, or expo-  
25 sure to, combat;

1           (3) military service, especially in the current  
2 war against terrorism, often requires members of the  
3 Armed Forces to be separated from their families on  
4 short notice, for long periods of time, and under  
5 very stressful conditions;

6           (4) the unique demands of military service often  
7 preclude members of the Armed Forces from pur-  
8 chasing discounted advance airline tickets in order  
9 to visit their loved ones at home; and

10           (5) it is the patriotic duty of the people of the  
11 United States to support the members of the Armed  
12 Forces who are defending the Nation's interests  
13 around the world at great personal sacrifice.

14           (b) SENSE OF CONGRESS.—It is the sense of Con-  
15 gress that each United States air carrier should—

16           (1) establish for all members of the Armed  
17 Forces on active duty reduced air fares that are  
18 comparable to the lowest airfare for ticketed flights;  
19 and

20           (2) offer flexible terms that allow members of  
21 the Armed Forces on active duty to purchase, mod-  
22 ify, or cancel tickets without time restrictions, fees,  
23 and penalties.

1 **SEC. 436. AIR CARRIERS REQUIRED TO HONOR TICKETS**  
2 **FOR SUSPENDED AIR SERVICE.**

3 Section 145(e) of the Aviation and Transportation  
4 Security Act (49 U.S.C. 40101 note; 115 stat. 645) is  
5 amended by striking “more than” and all that follows  
6 through “after” and inserting “more than 36 months  
7 after”.

8 **SEC. 437. INTERNATIONAL AIR SHOW.**

9 (a) STUDY.—The Secretary of Transportation, in  
10 consultation with the Secretary of Defense, shall study the  
11 feasibility of the United States hosting a world-class inter-  
12 national air show.

13 (b) REPORT.—Not later than September 30, 2004,  
14 the Secretary shall transmit to Congress a report on the  
15 results of the study conducted under subsection (a) to-  
16 gether with recommendations concerning potential loca-  
17 tions at which the air show could be held.

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

19 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section  
20 8331 of title 5, United States Code, is amended—

21 (1) by striking “and” at the end of paragraph  
22 (27);

23 (2) by striking the period at the end of para-  
24 graph (28) and inserting “; and”; and

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

1           “(29) ‘air traffic controller’ or ‘controller’  
2       means—

3           “(A) a controller within the meaning of  
4       section 2109(1); and

5           “(B) a civilian employee of the Depart-  
6       ment of Transportation or the Department of  
7       Defense holding a supervisory, managerial, ex-  
8       ecutive, technical, semiprofessional, or profes-  
9       sional position for which experience as a con-  
10      troller (within the meaning of section 2109(1))  
11      is a prerequisite.”.

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

14           (1) by striking “and” at the end of paragraph  
15       (33);

16           (2) by striking the period at the end of para-  
17       graph (34) and inserting “; and”; and

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

19           “(35) ‘air traffic controller’ or ‘controller’  
20       means—

21           “(A) a controller within the meaning of  
22       section 2109(1); and

23           “(B) a civilian employee of the Depart-  
24       ment of Transportation or the Department of  
25       Defense holding a supervisory, managerial, ex-

1           ecutive, technical, semiprofessional, or profes-  
2           sional position for which experience as a con-  
3           troller (within the meaning of section 2109(1))  
4           is a prerequisite.”.

5           (c) MANDATORY SEPARATION TREATMENT NOT AF-  
6           FECTED.—

7           (1) CIVIL SERVICE RETIREMENT SYSTEM.—Sec-  
8           tion 8335(a) of title 5, United States Code, is  
9           amended by adding at the end the following: “For  
10          purposes of this subsection, the term ‘air traffic con-  
11          troller’ or ‘controller’ has the meaning given to it  
12          under section 8331(29)(A).”.

13          (2) FEDERAL EMPLOYEES’ RETIREMENT SYS-  
14          TEM.—Section 8425(a) of title 5, United States  
15          Code, is amended by adding at the end the fol-  
16          lowing: “For purposes of this subsection, the term  
17          ‘air traffic controller’ or ‘controller’ has the meaning  
18          given to it under section 8401(35)(A).”.

19          (d) EFFECTIVE DATE.—This section and the amend-  
20          ments made by this section—

21                 (1) shall take effect on the 60th day after the  
22                 date of enactment of this Act; and

23                 (2) shall apply with respect to—

1           (A) any annuity entitlement to which is  
2           based on an individual's separation from service  
3           occurring on or after that 60th day; and

4           (B) any service performed by any such in-  
5           dividual before, on, or after that 60th day, sub-  
6           ject to subsection (e).

7           (e) DEPOSIT REQUIRED FOR CERTAIN PRIOR SERV-  
8           ICE TO BE CREDITABLE AS CONTROLLER SERVICE.—

9           (1) DEPOSIT REQUIREMENT.—For purposes of  
10          determining eligibility for immediate retirement  
11          under section 8412(e) of title 5, United States Code,  
12          the amendment made by subsection (b) shall, with  
13          respect to any service described in paragraph (2), be  
14          disregarded unless there is deposited into the Civil  
15          Service Retirement and Disability Fund, with re-  
16          spect to such service, in such time, form, and man-  
17          ner as the Office of Personnel Management by regu-  
18          lation requires, an amount equal to the amount by  
19          which—

20                 (A) the deductions from pay which would  
21                 have been required for such service if the  
22                 amendments made by this section had been in  
23                 effect when such service was performed, exceeds

1 (B) the unrefunded deductions or deposits  
2 actually made under subchapter II of chapter  
3 84 of such title 5 with respect to such service.

4 The amount under the preceding sentence shall in-  
5 clude interest, computed under paragraphs (2) and  
6 (3) of section 8334(e) of such title 5.

7 (2) PRIOR SERVICE DESCRIBED.—This sub-  
8 section applies with respect to any service performed  
9 by an individual, before the 60th day following the  
10 date of enactment of this Act, as an employee de-  
11 scribed in section 8401(35)(B) of such title 5 (as set  
12 forth in subsection (b)).

13 **SEC. 439. JUSTIFICATION FOR AIR DEFENSE IDENTIFICA-**  
14 **TION ZONE.**

15 (a) IN GENERAL.—If the Administrator of the Fed-  
16 eral Aviation Administration establishes an Air Defense  
17 Identification Zone (in this section referred as an  
18 “ADIZ”), the Administrator shall transmit, not later than  
19 60 days after the date of establishing the ADIZ, to the  
20 Committee on Transportation and Infrastructure of the  
21 House of Representatives and the Committee on Com-  
22 merce, Science, and Transportation of the Senate a report  
23 containing an explanation of the need for the ADIZ. The  
24 Administrator also shall transmit to the Committees up-  
25 dates of the report every 60 days until the ADIZ is re-

1 scinded. The reports and updates shall be transmitted in  
2 classified form.

3 (b) EXISTING ADIZ.—If an ADIZ is in effect on the  
4 date of enactment of this Act, the Administrator shall  
5 transmit an initial report under subsection (a) not later  
6 than 30 days after such date of enactment.

7 (c) DESCRIPTION OF CHANGES TO IMPROVE OPER-  
8 ATIONS.—A report transmitted by the Administrator  
9 under this section shall include a description of any  
10 changes in procedures or requirements that could improve  
11 operational efficiency or minimize operational impacts of  
12 the ADIZ on pilots and controllers. This portion of the  
13 report may be transmitted in classified or unclassified  
14 form.

15 (d) DEFINITION.—In this section, the terms “Air De-  
16 fense Identification Zone” and “ADIZ” each mean a zone  
17 established by the Administrator with respect to airspace  
18 under 18,000 feet in approximately a 15- to 38-mile ra-  
19 dius around Washington, District of Columbia, for which  
20 security measures are extended beyond the existing 15-  
21 mile no-fly zone around Washington and in which general  
22 aviation aircraft are required to adhere to certain proce-  
23 dures issued by the Administrator.

1 **SEC. 440. INTERNATIONAL AIR TRANSPORTATION.**

2 It is the sense of Congress that, in an effort to mod-  
3 ernize its regulations, the Department of Transportation  
4 should formally define “Fifth Freedom” and “Seventh  
5 Freedom” consistently for both scheduled and charter pas-  
6 senger and cargo traffic.

7 **SEC. 441. REIMBURSEMENT OF AIR CARRIERS FOR CER-**  
8 **TAIN SCREENING AND RELATED ACTIVITIES.**

9 The Secretary of Transportation, subject to the avail-  
10 ability of funds (other than amounts in the Aviation Trust  
11 Fund) provided for this purpose, shall reimburse air car-  
12 riers and airports for the following:

13 (1) All screening and related activities that the  
14 air carriers or airports are still performing or con-  
15 tinuing to be responsible for, including—

16 (A) the screening of catering supplies;

17 (B) checking documents at security check-  
18 points;

19 (C) screening of passengers; and

20 (D) screening of persons with access to  
21 aircraft.

22 (2) The provision of space and facilities used to  
23 perform screening functions if such space and facili-  
24 ties have been previously used, or were intended to  
25 be used, for revenue-producing purposes.

1 **SEC. 442. GENERAL AVIATION FLIGHTS AT RONALD**  
2 **REAGAN WASHINGTON NATIONAL AIRPORT.**

3 It is the sense of Congress that Ronald Reagan  
4 Washington National Airport should be open to general  
5 aviation flights as soon as possible.

6 **SEC. 443. CHARTER AIRLINES.**

7 (a) IN GENERAL.—Section 41104(b)(1) is amend-  
8 ed—

9 (1) by striking “paragraph (3)” and inserting  
10 “paragraphs (3) and (4)”;

11 (2) by inserting a comma after “regularly  
12 scheduled charter air transportation”; and

13 (3) by striking “flight unless such air transpor-  
14 tation” and all that follows through the period at  
15 the end and inserting the following: “flight, to or  
16 from an airport that—

17 “(A) does not have an airport operating  
18 certificate issued under part 139 of title 14,  
19 Code of Federal Regulations (or any subsequent  
20 similar regulation); or

21 “(B) has an airport operating certificate  
22 issued under part 139 of title 14, Code of Fed-  
23 eral Regulations (or any subsequent similar reg-  
24 ulation) if the airport—

25 “(i) is a reliever airport (as defined in  
26 section 47102) and is designated as such

1 in the national plan of integrated airports  
2 maintained under section 47103; and

3 “(ii) is located within 20 nautical  
4 miles (22 statute miles) of 3 or more air-  
5 ports that annually account for at least 1  
6 percent of the total United States pas-  
7 senger enplanements and at least 2 of  
8 which are operated by the sponsor of the  
9 reliever airport.”.

10 (b) WAIVERS.—Section 41104(b) is amended by add-  
11 ing at the end the following:

12 “(4) WAIVERS.—The Secretary may waive the  
13 application of paragraph (1)(B) in cases in which  
14 the Secretary determines that the public interest so  
15 requires.”.

16 **SEC. 444. IMPLEMENTATION OF CHAPTER 4 NOISE STAND-**  
17 **ARDS.**

18 Not later than July 1, 2004, the Secretary of Trans-  
19 portation shall issue regulations to implement Chapter 4  
20 noise standards, consistent with the recommendations  
21 adopted by the International Civil Aviation Organization.

22 **SEC. 445. CREW TRAINING.**

23 Section 44918 is amended to read as follows:

24 **“§ 44918. Crew training**

25 **“(a) BASIC SECURITY TRAINING.—**

1           “(1) IN GENERAL.—Each air carrier providing  
2           scheduled passenger air transportation shall carry  
3           out a training program for flight and cabin crew  
4           members to prepare the crew members for potential  
5           threat conditions.

6           “(2) PROGRAM ELEMENTS.—An air carrier  
7           training program under this subsection shall include,  
8           at a minimum, elements that address each of the fol-  
9           lowing:

10                   “(A) Recognizing suspicious activities and  
11                   determining the seriousness of any occurrence.

12                   “(B) Crew communication and coordina-  
13                   tion.

14                   “(C) The proper commands to give pas-  
15                   sengers and attackers.

16                   “(D) Appropriate responses to defend one-  
17                   self.

18                   “(E) Use of protective devices assigned to  
19                   crew members (to the extent such devices are  
20                   required by the Administrator of the Federal  
21                   Aviation Administration or the Under Secretary  
22                   for Border and Transportation Security of the  
23                   Department of Homeland Security).

24                   “(F) Psychology of terrorists to cope with  
25                   hijacker behavior and passenger responses.

1           “(G) Situational training exercises regard-  
2           ing various threat conditions.

3           “(H) Flight deck procedures or aircraft  
4           maneuvers to defend the aircraft and cabin  
5           crew responses to such procedures and maneu-  
6           vers.

7           “(I) The proper conduct of a cabin search.

8           “(J) Any other subject matter considered  
9           appropriate by the Under Secretary.

10          “(3) APPROVAL.—An air carrier training pro-  
11          gram under this subsection shall be subject to ap-  
12          proval by the Under Secretary.

13          “(4) MINIMUM STANDARDS.—Not later than  
14          one year after the date of enactment of the Flight  
15          100—Century of Aviation Reauthorization Act, the  
16          Under Secretary shall establish minimum standards  
17          for the training provided under this subsection and  
18          for recurrent training.

19          “(5) EXISTING PROGRAMS.—Notwithstanding  
20          paragraph (3), any training program of an air car-  
21          rier to prepare flight and cabin crew members for  
22          potential threat conditions that was approved by the  
23          Administrator or the Under Secretary before the  
24          date of enactment of the Flight 100—Century of  
25          Aviation Reauthorization Act may continue in effect

1 until disapproved or ordered modified by the Under  
2 Secretary.

3 “(6) MONITORING.—The Under Secretary, in  
4 consultation with the Administrator, shall monitor  
5 air carrier training programs under this subsection  
6 and periodically shall review an air carrier’s training  
7 program to ensure that the program is adequately  
8 preparing crew members for potential threat condi-  
9 tions. In determining when an air carrier’s training  
10 program should be reviewed under this paragraph,  
11 the Under Secretary shall consider complaints from  
12 crew members. The Under Secretary shall ensure  
13 that employees responsible for monitoring the train-  
14 ing programs have the necessary resources and  
15 knowledge.

16 “(7) UPDATES.—The Under Secretary, in con-  
17 sultation with the Administrator, shall order air car-  
18 riers to modify training programs under this sub-  
19 section to reflect new or different security threats.

20 “(b) ADVANCED SELF DEFENSE TRAINING.—

21 “(1) IN GENERAL.—Not later than one year  
22 after the date of enactment of the Flight 100—Cen-  
23 tury of Aviation Reauthorization Act, the Under  
24 Secretary shall develop and provide a voluntary  
25 training program for flight and cabin crew members

1 of air carriers providing scheduled passenger air  
2 transportation.

3 “(2) PROGRAM ELEMENTS.—The training pro-  
4 gram under this subsection shall include both class-  
5 room and effective hands-on training in the following  
6 elements of self-defense:

7 “(A) Deterring a passenger who might  
8 present a threat.

9 “(B) Advanced control, striking, and re-  
10 straint techniques.

11 “(C) Training to defend oneself against  
12 edged or contact weapons.

13 “(D) Methods to subdue and restrain an  
14 attacker.

15 “(E) Use of available items aboard the air-  
16 craft for self-defense.

17 “(F) Appropriate and effective responses  
18 to defend oneself, including the use of force  
19 against an attacker.

20 “(G) Explosive device recognition.

21 “(H) Any other element of training that  
22 the Under Secretary considers appropriate.

23 “(3) PARTICIPATION NOT REQUIRED.—A crew  
24 member shall not be required to participate in the  
25 training program under this subsection.

1           “(4) COMPENSATION.—Neither the Federal  
2 Government nor an air carrier shall be required to  
3 compensate a crew member for participating in the  
4 training program under this subsection.

5           “(5) FEES.—A crew member shall not be re-  
6 quired to pay a fee for the training program under  
7 this subsection.

8           “(6) CONSULTATION.—In developing the train-  
9 ing program under this subsection, the Under Sec-  
10 retary shall consult with law enforcement personnel  
11 and security experts who have expertise in self-de-  
12 fense training, terrorism experts, representatives of  
13 air carriers, the director of self-defense training in  
14 the Federal Air Marshals Service, flight attendants,  
15 labor organizations representing flight attendants,  
16 and educational institutions offering law enforce-  
17 ment training programs.

18           “(7) DESIGNATION OF TSA OFFICIAL.—The  
19 Under Secretary shall designate an official in the  
20 Transportation Security Administration to be re-  
21 sponsible for implementing the training program  
22 under this subsection. The official shall consult with  
23 air carriers and labor organizations representing  
24 crew members before implementing the program to

1 ensure that it is appropriate for situations that may  
2 arise on board an aircraft during a flight.

3 “(c) LIMITATION.—Actions by crew members under  
4 this section shall be subject to the provisions of section  
5 44903(k).”.

6 **SEC. 446. REVIEW OF COMPENSATION CRITERIA.**

7 Not later than 6 months after the date of enactment  
8 of this Act, the Comptroller General shall review the cri-  
9 teria used by the Air Transportation Stabilization Board  
10 to compensate air carriers following the terrorist attack  
11 of September 11, 2001, with a particular focus on whether  
12 it is appropriate to compensate air carriers for the de-  
13 crease in value of their aircraft after September 11th.

14 **SEC. 447. REVIEW OF CERTAIN AIRCRAFT OPERATIONS IN**  
15 **ALASKA.**

16 Not later than 6 months after the date of enactment  
17 of this Act, the Administrator of the Federal Aviation Ad-  
18 ministration shall report to Congress on whether, in light  
19 of the demands of business within Alaska, it would be ap-  
20 propriate to permit an aircraft to be operated under part  
21 91 of title 14, Code of Federal Regulations, where com-  
22 mon carriage is not involved but (1) the operator of the  
23 aircraft organizes an entity where the only purpose of such  
24 entity is to provide transportation by air of persons and  
25 property to related business entities, individuals, and em-

1 ployees of such entities, and (2) the charge for such trans-  
2 portation does not to exceed the cost of owning, operating,  
3 and maintaining the aircraft.

## 4 **TITLE V—AIRPORT** 5 **DEVELOPMENT**

### 6 **SEC. 501. DEFINITIONS.**

7 (a) IN GENERAL.—Section 47102 is amended—

8 (1) by redesignating paragraphs (19) and (20)  
9 as paragraphs (24) and (25), respectively;

10 (2) by inserting after paragraph (18) the fol-  
11 lowing:

12 “(23) ‘small hub airport’ means a commercial  
13 service airport that has at least 0.05 percent but less  
14 than 0.25 percent of the passenger boardings.”;

15 (3) in paragraph (10) by striking subpara-  
16 graphs (A) and (B) and inserting following:

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

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

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

3 (4) by redesignating paragraphs (10) through  
4 (18) as paragraphs (14) through (22), respectively;

5 (5) by inserting after paragraph (9) the fol-  
6 lowing:

7 “(10) ‘large hub airport’ means a commercial  
8 service airport that has at least 1.0 percent of the  
9 passenger boardings.

10 “(12) ‘medium hub airport’ means a commer-  
11 cial service airport that has at least 0.25 percent but  
12 less than 1.0 percent of the passenger boardings.

13 “(13) ‘nonhub airport’ means a commercial  
14 service airport that has less than 0.05 percent of the  
15 passenger boardings.”; and

16 (6) by striking paragraph (6) and inserting the  
17 following:

18 “(6) ‘amount made available under section  
19 48103’ or ‘amount newly made available’ means the  
20 amount authorized for grants under section 48103  
21 as that amount may be limited in that year by a  
22 subsequent law, but as determined without regard to  
23 grant obligation recoveries made in that year or  
24 amounts covered by section 47107(f).”.

1 (b) CONFORMING AMENDMENT.—Section  
2 47116(b)(1) is amended by striking “(as defined in section  
3 41731 of this title)”.

4 **SEC. 502. REPLACEMENT OF BAGGAGE CONVEYOR SYS-**  
5 **TEMS.**

6 Section 47102(3)(B)(x) is amended by striking the  
7 period at the end and inserting the following: “; except  
8 that such activities shall be eligible for funding under this  
9 subchapter only using amounts apportioned under section  
10 47114.”.

11 **SEC. 503. SECURITY COSTS AT SMALL AIRPORTS.**

12 (a) SECURITY COSTS.—Section 47102(3)(J) is  
13 amended to read as follows:

14 “(J) in the case of a nonhub airport or an  
15 airport that is not a primary airport in fiscal  
16 year 2004, direct costs associated with new, ad-  
17 ditional, or revised security requirements im-  
18 posed on airport operators by law, regulation,  
19 or order on or after September 11, 2001, if the  
20 Government’s share is paid only from amounts  
21 apportioned to a sponsor under section  
22 47114(c), 47114(d)(3)(A), or 47114(e)”.

23 (b) CONFORMING AMENDMENT.—Section  
24 47110(b)(2) is amended—

1           (1) in subparagraph (D) by striking “,  
2           47102(3)(K), or 47102(3)(L)”; and

3           (2) by aligning the margin of subparagraph (D)  
4           with the margin of subparagraph (B).

5 **SEC. 504. WITHHOLDING OF PROGRAM APPLICATION AP-**  
6           **PROVAL.**

7           Section 47106(d) is amended—

8           (1) in paragraph (1) by striking “section  
9           47114(c) and (e) of this title” and inserting “sub-  
10          sections (c), (d), and (e) of section 47114”; and

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

12          “(4) If the Secretary withholds a grant to an airport  
13          from the discretionary fund under section 47115 or from  
14          the small airport fund under section 47116 on the grounds  
15          that the sponsor has violated an assurance or requirement  
16          of this subchapter, the Secretary shall follow the proce-  
17          dures of this subsection.”.

18 **SEC. 505. RUNWAY SAFETY AREAS.**

19          Section 47106 is amended by adding at the end the  
20          following:

21          “(h) **RUNWAY SAFETY AREAS.**—The Secretary may  
22          approve an application under this chapter for a project  
23          grant to construct, reconstruct, repair, or improve a run-  
24          way only if the Secretary receives written assurances, sat-  
25          isfactory to the Secretary, that the sponsor will undertake,

1 to the maximum extent practical, improvement of the run-  
2 way's safety area to meet the standards of the Federal  
3 Aviation Administration.”.

4 **SEC. 506. DISPOSITION OF LAND ACQUIRED FOR NOISE**  
5 **COMPATIBILITY PURPOSES.**

6 Section 47107(c)(2)(A)(iii) is amended by inserting  
7 before the semicolon at the end the following: “, including  
8 the purchase of nonresidential buildings or property in the  
9 vicinity of residential buildings or property previously pur-  
10 chased by the airport as part of a noise compatibility pro-  
11 gram”.

12 **SEC. 507. GRANT ASSURANCES.**

13 (a) HANGAR CONSTRUCTION.—Section 47107(a) is  
14 amended—

15 (1) by striking “and” at the end of paragraph  
16 (19);

17 (2) by striking the period at the end of para-  
18 graph (20) and inserting “; and”; and

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

20 “(21) if the airport owner or operator and a  
21 person who owns an aircraft agree that a hangar is  
22 to be constructed at the airport for the aircraft at  
23 the aircraft owner's expense, the airport owner or  
24 operator will grant to the aircraft owner for the  
25 hangar a long-term lease (of not less than 50 years)

1 that is subject to such terms and conditions on the  
2 hangar as the airport owner or operator may im-  
3 pose.”.

4 (b) STATUTE OF LIMITATIONS.—Section  
5 47107(1)(5)(A) is amended by inserting “or any other gov-  
6 ernmental entity” after “sponsor”.

7 (c) AUDIT CERTIFICATION.—Section 47107(m) is  
8 amended—

9 (1) in paragraph (1) by striking “promulgate  
10 regulations that” and inserting “include a provision  
11 in the compliance supplement provisions to”;

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

14 (3) by striking paragraph (3).

15 **SEC. 508. ALLOWABLE PROJECT COSTS.**

16 (a) CONSTRUCTION OR MODIFICATION OF PUBLIC  
17 PARKING FACILITIES FOR SECURITY PURPOSES.—Section  
18 47110 is amended—

19 (1) in subsection (f) by striking “subsection  
20 (d)” and inserting “subsections (d) and (h)”; and

21 (2) by adding at the end the following:

22 “(h) CONSTRUCTION OR MODIFICATION OF PUBLIC  
23 PARKING FACILITIES FOR SECURITY PURPOSES.—Not-  
24 withstanding subsection (f)(1), a cost of constructing or  
25 modifying a public parking facility for passenger auto-

1 mobiles to comply with a regulation or directive of the De-  
2 partment of Homeland Security shall be treated as an al-  
3 lowable airport development project cost.”.

4 (b) DEBT FINANCING.—Section 47110 is further  
5 amended by adding at the end the following:

6 “(i) DEBT FINANCING.—In the case of an airport  
7 that is not a medium hub airport or large hub airport,  
8 the Secretary may determine that allowable airport devel-  
9 opment project costs include payments of interest, com-  
10 mercial bond insurance, and other credit enhancement  
11 costs associated with a bond issue to finance the project.”.

12 (c) CLARIFICATION OF ALLOWABLE COSTS.—Sec-  
13 tion 47110(b)(1) is amended by inserting before the semi-  
14 colon at the end “and any cost of moving a Federal facility  
15 impeding the project if the rebuilt facility is of an equiva-  
16 lent size and type”.

17 (d) TECHNICAL AMENDMENTS.—Section 47110(e) is  
18 amended by aligning the margin of paragraph (6) with  
19 the margin of paragraph (5).

20 **SEC. 509. APPORTIONMENTS TO PRIMARY AIRPORTS.**

21 (a) FORMULA CHANGES.—Section 47114(c)(1)(A) is  
22 amended by striking clauses (iv) and (v) and by inserting  
23 the following:

1           “(iv) \$.65 for each of the next  
2           500,000 passenger boardings at the airport  
3           during the prior calendar year;

4           “(v) \$.50 cents for each of the next  
5           2,500,000 passenger boardings at the air-  
6           port during the prior calendar year; and

7           “(vi) \$.45 cents for each additional  
8           passenger boarding at the airport during  
9           the prior calendar year.”.

10       (b) SPECIAL RULE FOR FISCAL YEARS 2004 AND  
11 2005.—Section 47114(c)(1) is amended by adding at the  
12 end the following:

13           “(F) SPECIAL RULE FOR FISCAL YEARS  
14           2004 AND 2005.—Notwithstanding subparagraph  
15           (A) and the absence of scheduled passenger air-  
16           craft service at an airport, the Secretary may  
17           apportion in fiscal years 2004 and 2005 to the  
18           sponsor of the airport an amount equal to the  
19           amount apportioned to that sponsor in fiscal  
20           year 2002 or 2003, whichever amount is great-  
21           er, if the Secretary finds that—

22           “(i) the passenger boardings at the  
23           airport were below 10,000 in calendar year  
24           2002 or 2003;

1           “(ii) the airport had at least 10,000  
2           passenger boardings and scheduled pas-  
3           senger aircraft service in either calendar  
4           year 2000 or 2001; and

5           “(iii) the reason that passenger  
6           boardings described in clause (i) were  
7           below 10,000 was the decrease in pas-  
8           sengers following the terrorist attacks of  
9           September 11, 2001.”.

10 **SEC. 510. CARGO AIRPORTS.**

11       Section 47114(c)(2) is amended—

12           (1) in the paragraph heading by striking  
13       “ONLY”; and

14           (2) in subparagraph (A) by striking “3 per-  
15       cent” and inserting “3.5 percent”.

16 **SEC. 511. CONSIDERATIONS IN MAKING DISCRETIONARY**  
17 **GRANTS.**

18       Section 47115(d) is amended to read as follows:

19       “(d) CONSIDERATIONS.—

20           “(1) FOR CAPACITY ENHANCEMENT  
21       PROJECTS.—In selecting a project for a grant to  
22       preserve and improve capacity funded in whole or in  
23       part from the fund, the Secretary shall consider—

1           “(A) the effect that the project will have  
2           on overall national transportation system capac-  
3           ity;

4           “(B) the benefit and cost of the project,  
5           including, in the case of a project at a reliever  
6           airport, the number of operations projected to  
7           be diverted from a primary airport to the re-  
8           liever airport as a result of the project, as well  
9           as the cost savings projected to be realized by  
10          users of the local airport system;

11          “(C) the financial commitment from non-  
12          United States Government sources to preserve  
13          or improve airport capacity;

14          “(D) the airport improvement priorities of  
15          the States to the extent such priorities are not  
16          in conflict with subparagraphs (A) and (B); and

17          “(E) the projected growth in the number  
18          of passengers or aircraft that will be using the  
19          airport at which the project will be carried out.

20          “(2) FOR ALL PROJECTS.—In selecting a  
21          project for a grant described in paragraph (1), the  
22          Secretary shall consider whether—

23                 “(A) funding has been provided for all  
24                 other projects qualifying for funding during the  
25                 fiscal year under this chapter that have at-

1           tained a higher score under the numerical pri-  
2           ority system employed by the Secretary in ad-  
3           ministering the fund; and

4                   “(B) the sponsor will be able to commence  
5           the work identified in the project application in  
6           the fiscal year in which the grant is made or  
7           within 6 months after the grant is made, which-  
8           ever is later.”.

9   **SEC. 512. FLEXIBLE FUNDING FOR NONPRIMARY AIRPORT**  
10                   **APPORTIONMENTS.**

11           (a) **IN GENERAL.**—Section 47117(c) is amended to  
12   read as follows:

13                   “(c) **USE OF SPONSOR’S APPORTIONED AMOUNTS AT**  
14   **PUBLIC USE AIRPORTS.**—

15                           “(1) **OF SPONSOR.**—An amount apportioned to  
16   a sponsor of an airport under section 47114(c) or  
17   47114(d)(3)(A) is available for grants for any pub-  
18   lic-use airport of the sponsor included in the na-  
19   tional plan of integrated airport systems.

20                           “(2) **IN SAME STATE OR AREA.**—A sponsor of  
21   an airport may make an agreement with the Sec-  
22   retary of Transportation waiving the sponsor’s claim  
23   to any part of the amount apportioned for the air-  
24   port under section 47114(c) or 47114(d)(3)(A) if  
25   the Secretary agrees to make the waived amount

1 available for a grant for another public-use airport  
2 in the same State or geographical area as the air-  
3 port, as determined by the Secretary.”.

4 (b) PROJECT GRANT AGREEMENTS.—Section  
5 47108(a) is amended by inserting “or 47114(d)(3)(A)”  
6 after “under section 47114(c)”.

7 (c) ALLOWABLE PROJECT COSTS.—Section 47110 is  
8 further amended—

9 (1) in subsection (b)(2)(C) by striking “of this  
10 title” and inserting “or section 47114(d)(3)(A)”;

11 (2) in subsection (g)—

12 (A) by inserting “or section  
13 47114(d)(3)(A)” after “of section 47114(c)”;  
14 and

15 (B) by striking “of project” and inserting  
16 “of the project”; and

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

18 “(j) NONPRIMARY AIRPORTS.—The Secretary may  
19 decide that the costs of revenue producing aeronautical  
20 support facilities, including fuel farms and hangars, are  
21 allowable for an airport development project at a nonpri-  
22 mary airport if the Government’s share of such costs is  
23 paid only with funds apportioned to the airport sponsor  
24 under section 47114(d)(3)(A) and if the Secretary deter-

1 mines that the sponsor has made adequate provision for  
2 financing airside needs of the airport.”.

3 (d) **TERMINAL DEVELOPMENT COSTS.**—Section  
4 47119(b) is amended—

5 (1) by striking “or” at the end of paragraph  
6 (3);

7 (2) by striking the period at the end of para-  
8 graph (4) and inserting “; or”; and

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

10 “(5) to a sponsor of a nonprimary airport, any  
11 part of amounts apportioned to the sponsor for the  
12 fiscal year under section 47114(d)(3)(A) for project  
13 costs allowable under section 47110(d).”.

14 **SEC. 513. USE OF APPORTIONED AMOUNTS.**

15 (a) **PERIOD OF AVAILABILITY.**—Section 47117(b) is  
16 amended by striking “primary airport” and all that fol-  
17 lows through “calendar year” and inserting “nonhub air-  
18 port or any airport that is not a commercial service air-  
19 port”.

20 (b) **SPECIAL APPORTIONMENT CATEGORIES.**—Sec-  
21 tion 47117(e)(1)(A) is amended—

22 (1) by striking “of this title” the first place it  
23 appears and inserting a comma; and

24 (2) by striking “of this title” the second place  
25 it appears and inserting “, for noise mitigation

1 projects approved in an environmental record of de-  
2 cision for an airport development project under this  
3 title, for compatible land use planning and projects  
4 carried out by State and local governments under  
5 section 47140, and for airport development de-  
6 scribed in section 47102(3)(F) or 47102(3)(K) to  
7 comply with the Clean Air Act (42 U.S.C. 7401 et  
8 seq.)”.

9 (c) ELIMINATION OF SUPER RELIEVER SET-  
10 ASIDE.—Section 47117(e)(1)(C) is repealed.

11 (d) RECOVERED FUNDS.—Section 47117 is further  
12 amended by adding at the end the following:

13 “(h) TREATMENT OF CANCELED OR REDUCED  
14 GRANT OBLIGATIONS.—For the purpose of determining  
15 compliance with a limitation, enacted in an appropriations  
16 Act, on the amount of grant obligations of funds made  
17 available by section 48103 that may be incurred in a fiscal  
18 year, an amount that is recovered by canceling or reducing  
19 a grant obligation of funds made available by section  
20 48103 shall be treated as a negative obligation that is to  
21 be netted against the obligation limitation as enacted and  
22 thus may permit the obligation limitation to be exceeded  
23 by an equal amount.”.

1 **SEC. 514. MILITARY AIRPORT PROGRAM.**

2 (a) INCREASED FUNDING LEVELS.—Subsections (e)  
3 and (f) of section 47118 are each amended by striking  
4 “\$7,000,000” and inserting “\$10,000,000”.

5 (b) REIMBURSEMENT FOR CERTAIN CONSTRUCTION  
6 COSTS.—Section 47118(f) is amended—

7 (1) by striking “Not more than” and inserting  
8 the following:

9 “(1) CONSTRUCTION.—Not more than”; and

10 (2) by adding at the end the following:

11 “(2) REIMBURSEMENT.—Upon approval of the  
12 Secretary, the sponsor of a current or former mili-  
13 tary airport the Secretary designates under this sec-  
14 tion may use an amount apportioned under section  
15 47114, or made available under section 47119(b), to  
16 the airport for reimbursement of costs incurred by  
17 the airport in fiscal years 2003 and 2004 for con-  
18 struction, improvement, or repair described in para-  
19 graph (1).”.

20 **SEC. 515. TERMINAL DEVELOPMENT COSTS.**

21 Section 47119(a) is amended to read as follows:

22 “(a) REPAYING BORROWED MONEY.—

23 “(1) TERMINAL DEVELOPMENT COSTS IN-  
24 CURRED AFTER JUNE 30, 1970, AND BEFORE JULY  
25 12, 1976.—An amount apportioned under section  
26 47114 and made available to the sponsor of a com-

1       mercial service airport at which terminal develop-  
2       ment was carried out after June 30, 1970, and be-  
3       fore July 12, 1976, is available to repay immediately  
4       money borrowed and used to pay the costs for such  
5       terminal development if those costs would be allow-  
6       able project costs under section 47110(d) if they had  
7       been incurred after September 3, 1982.

8               “(2) TERMINAL DEVELOPMENT COSTS IN-  
9       CURRED BETWEEN JANUARY 1, 1992, AND OCTOBER  
10       31, 1992.—An amount apportioned under section  
11       47114 and made available to the sponsor of a  
12       nonhub airport at which terminal development was  
13       carried out between January 1, 1992, and October  
14       31, 1992, is available to repay immediately money  
15       borrowed and to pay the costs for such terminal de-  
16       velopment if those costs would be allowable project  
17       costs under section 47110(d).

18               “(3) TERMINAL DEVELOPMENT COSTS AT PRI-  
19       MARY AIRPORTS.—An amount apportioned under  
20       section 47114 or available under subsection (b)(3) to  
21       a primary airport—

22                       “(A) that was a nonhub airport in the  
23                       most recent year used to calculate apportion-  
24                       ments under section 47114;

1           “(B) that is a designated airport under  
2 section 47118 in fiscal year 2003; and

3           “(C) at which terminal development is car-  
4 ried out between January 2003 and August  
5 2004,

6 is available to repay immediately money borrowed  
7 and used to pay the costs for such terminal develop-  
8 ment if those costs would be allowable project costs  
9 under section 47110(d).

10           “(4) CONDITIONS FOR GRANT.—An amount is  
11 available for a grant under this subsection only if—

12           “(A) the sponsor submits the certification  
13 required under section 47110(d);

14           “(B) the Secretary of Transportation de-  
15 cides that using the amount to repay the bor-  
16 rowed money will not defer an airport develop-  
17 ment project outside the terminal area at that  
18 airport; and

19           “(C) amounts available for airport develop-  
20 ment under this subchapter will not be used for  
21 additional terminal development projects at the  
22 airport for at least 3 years beginning on the  
23 date the grant is used to repay the borrowed  
24 money.

1           “(5) APPLICABILITY OF CERTAIN LIMITA-  
2           TIONS.—A grant under this subsection shall be sub-  
3           ject to the limitations in subsection (b)(1) and (2).”.

4 **SEC. 516. CONTRACT TOWERS.**

5           Section 47124(b) is amended—

6           (1) in paragraph (1) by striking “on December  
7           30, 1987,” and inserting “on date of enactment of  
8           the Flight 100—Century of Aviation Reauthoriza-  
9           tion Act”;

10          (2) in the heading for paragraph (3) by striking  
11          “PILOT”;

12          (3) in paragraph (4)(C) by striking  
13          “\$1,100,000” and inserting “\$1,500,000”; and

14          (4) by striking “pilot” each place it appears.

15 **SEC. 517. AIRPORT SAFETY DATA COLLECTION.**

16          Section 47130 is amended to read as follows:

17 **“§ 47130. Airport safety data collection**

18          “Notwithstanding any other provision of law, the Ad-  
19          ministrators of the Federal Aviation Administration may  
20          award a contract, using sole source or limited source au-  
21          thority, or enter into a cooperative agreement with, or pro-  
22          vide a grant from amounts made available under section  
23          48103 to, a private company or entity for the collection  
24          of airport safety data. In the event that a grant is provided

1 under this section, the United States Government's share  
2 of the cost of the data collection shall be 100 percent.”.

3 **SEC. 518. AIRPORT PRIVATIZATION PILOT PROGRAM.**

4 (a) IN GENERAL.—Section 47134(b)(1) is amend-  
5 ed—

6 (1) in subparagraph (A) by striking clauses (i)  
7 and (ii) and inserting the following:

8 “(i) in the case of a primary airport,  
9 by at least 65 percent of the scheduled air  
10 carriers serving the airport and by sched-  
11 uled and nonscheduled air carriers whose  
12 aircraft landing at the airport during the  
13 preceding calendar year, had a total landed  
14 weight during the preceding calendar year  
15 of at least 65 percent of the total landed  
16 weight of all aircraft landing at the airport  
17 during such year; or

18 “(ii) by the Secretary at any nonpri-  
19 mary airport after the airport has con-  
20 sulted with at least 65 percent of the own-  
21 ers of aircraft based at that airport, as de-  
22 termined by the Secretary.”;

23 (2) by redesignating subparagraph (B) as sub-  
24 paragraph (C); and

1           (3) by inserting after subparagraph (A) the fol-  
2           lowing:

3                   “(B) OBJECTION TO EXEMPTION.—An air  
4           carrier shall be deemed to have approved a  
5           sponsor’s application for an exemption under  
6           subparagraph (A) unless the air carrier has  
7           submitted an objection, in writing, to the spon-  
8           sor within 60 days of the filing of the sponsor’s  
9           application with the Secretary, or within 60  
10          days of the service of the application upon that  
11          air carrier, whichever is later.”.

12          (b) FEDERAL SHARE.—Section 47109(a) is amend-  
13          ed—

14                  (1) by inserting “and” at the end of paragraph  
15          (3);

16                  (2) by striking paragraph (4); and

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

19          **SEC. 519. INNOVATIVE FINANCING TECHNIQUES.**

20          (a) ELIGIBLE PROJECTS.—Section 47135(a) is  
21          amended—

22                  (1) in the first sentence by inserting after “ap-  
23          prove” the following: “after the date of enactment of  
24          the Flight 100—Century of Aviation Reauthoriza-  
25          tion Act”;

1           (2) in the first sentence by striking “20” and  
2           inserting “12”; and

3           (3) by striking the second sentence and insert-  
4           ing the following: “A project using an innovative fi-  
5           nancing technique described in subsection (c)(2)(A)  
6           or (c)(2)(B) shall be located at an airport that is not  
7           a medium or large hub airport. A project using the  
8           innovative financing technique described in sub-  
9           section (c)(2)(C) shall be located at an airport that  
10          is a medium or large hub airport.”.

11          (b) INNOVATIVE FINANCING TECHNIQUES.—Section  
12          47135(c)(2) is amended—

13                 (1) by striking subparagraphs (A) and (B);

14                 (2) by redesignating subparagraphs (C) and  
15                 (D) as subparagraphs (A) and (B), respectively;

16                 (3) in subparagraph (A) (as so redesignated) by  
17                 striking “and” at the end;

18                 (4) in subparagraph (B) (as so redesignated) by  
19                 striking the period at the end and inserting “; and”;  
20                 and

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

22                         “(C) payment of interest on indebtedness  
23                         incurred to carry out a project for airport devel-  
24                         opment.”.



1           “(1) The provision of credits is consistent with  
2 the Clean Air Act (42 U.S.C. 7402 et seq.).

3           “(2) Credits generated by the emissions reduc-  
4 tions are kept by the airport sponsor and may only  
5 be used for purposes of any current or future gen-  
6 eral conformity determination under the Clean Air  
7 Act or as offsets under the Environmental Protec-  
8 tion Agency’s new source review program for  
9 projects on the airport or associated with the air-  
10 port.

11           “(3) Credits are calculated and provided to air-  
12 ports on a consistent basis nationwide.

13           “(4) Credits are provided to airport sponsors in  
14 a timely manner.

15           “(5) The establishment of a method to assure  
16 the Secretary that, for any specific airport project  
17 for which funding is being requested, the appro-  
18 priate credits will be granted.

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

20           “(1) IN GENERAL.—As a condition for making  
21 a grant for a project described in section  
22 47102(3)(K), 47102(3)(L), or 47139 or as a condi-  
23 tion for granting approval to collect or use a pas-  
24 senger facility fee for a project described in section  
25 40117(a)(3)(G), 47102(3)(K), 47102(3)(L), or

1 47139, the Secretary must receive assurance from  
2 the State in which the project is located, or from the  
3 Administrator of the Environmental Protection  
4 Agency where there is a Federal implementation  
5 plan, that the airport sponsor will receive appro-  
6 priate emission credits in accordance with the condi-  
7 tions of this section.

8 “(2) AGREEMENT ON PREVIOUSLY APPROVED  
9 PROJECTS.—The Secretary and the Administrator of  
10 the Environmental Protection Agency shall jointly  
11 agree on how to provide emission credits to airport  
12 projects previously approved under section 47136  
13 under terms consistent with the conditions enumer-  
14 ated in this section.”.

15 (b) AIRPORT GROUND SUPPORT EQUIPMENT EMIS-  
16 SIONS RETROFIT PILOT PROGRAM.—Subchapter I of  
17 chapter 471 is further amended by adding at the end the  
18 following:

19 “§47139. **Airport ground support equipment emis-**  
20 **sions retrofit pilot program**

21 “(a) IN GENERAL.—The Secretary of Transportation  
22 shall carry out a pilot program at not more than 10 com-  
23 mercial service airports under which the sponsors of such  
24 airports may use an amount made available under section  
25 48103 to retrofit existing eligible airport ground support

1 equipment that burns conventional fuels to achieve lower  
2 emissions utilizing emission control technologies certified  
3 or verified by the Environmental Protection Agency.

4       “(b) LOCATION IN AIR QUALITY NONATTAINMENT  
5 OR MAINTENANCE AREAS.—A commercial service airport  
6 shall be eligible for participation in the pilot program only  
7 if the airport is located in an air quality nonattainment  
8 area (as defined in section 171(2) of the Clean Air Act  
9 (42 U.S.C. 7501(2)) or a maintenance area referred to  
10 in section 175A of such Act (42 U.S.C. 7505a).

11       “(c) SELECTION CRITERIA.—In selecting from  
12 among applicants for participation in the pilot program,  
13 the Secretary shall give priority consideration to appli-  
14 cants that will achieve the greatest air quality benefits  
15 measured by the amount of emissions reduced per dollar  
16 of funds expended under the pilot program.

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

20       “(e) GUIDELINES.—The Secretary, in consultation  
21 with the Administrator of the Environmental Protection  
22 Agency, shall establish guidelines regarding the types of  
23 retrofit projects eligible under the pilot program by consid-  
24 ering remaining equipment useful life, amounts of emis-  
25 sion reduction in relation to the cost of projects, and other

1 factors necessary to carry out this section. The Secretary  
2 may give priority to ground support equipment owned by  
3 the airport and used for airport purposes.

4 “(f) ELIGIBLE EQUIPMENT DEFINED.—In this sec-  
5 tion, the term ‘eligible equipment’ means ground service  
6 or maintenance equipment that is located at the airport,  
7 is used to support aeronautical and related activities at  
8 the airport, and will remain in operation at the airport  
9 for the life or useful life of the equipment, whichever is  
10 earlier.”.

11 (c) ADDITION TO AIRPORT DEVELOPMENT.—Section  
12 47102(3) is further amended by striking subparagraphs  
13 (K) and (L) and inserting the following:

14 “(K) work necessary to construct or mod-  
15 ify airport facilities to provide low-emission fuel  
16 systems, gate electrification, and other related  
17 air quality improvements at a commercial serv-  
18 ice airport if the airport is located in an air  
19 quality nonattainment or maintenance area (as  
20 defined in sections 171(2) and 175A of the  
21 Clean Air Act (42 U.S.C. 7501(2), 7505a) and  
22 if such project will result in an airport receiving  
23 appropriate emission credits, as described in  
24 section 47138.

1           “(L) converting vehicles and ground sup-  
2           port equipment owned by a commercial service  
3           airport to low-emission technology or acquiring  
4           for use at a commercial service airport vehicles  
5           and ground support equipment that include  
6           low-emission technology if the airport is located  
7           in an air quality nonattainment area (as de-  
8           fined in section 171(2) of the Clean Air Act (42  
9           U.S.C. 7501(2)) or a maintenance area referred  
10          to in section 175A of such Act (42 U.S.C.  
11          7505a) and if such project will result in an air-  
12          port receiving appropriate emission credits as  
13          described in section 47138.”.

14          (d) ALLOWABLE PROJECT COST.—Section 47110(b)  
15 is further amended—

16           (1) by striking “and” at the end of paragraph  
17           (4);

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

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

21           “(6) in the case of a project for acquiring for  
22           use at a commercial service airport vehicles and  
23           ground support equipment owned by an airport that  
24           is not described in section 47102(3) and that include  
25           low-emission technology, if the total costs allowed for

1 the project are not more than the incremental cost  
2 of equipping such vehicles or equipment with low-  
3 emission technology, as determined by the Sec-  
4 retary.”.

5 (e) LOW-EMISSION TECHNOLOGY EQUIPMENT.—Sec-  
6 tion 47102 (as amended by section 501 of this Act) is  
7 further amended by inserting after paragraph (10) the fol-  
8 lowing:

9 “(11) ‘low-emission technology’ means tech-  
10 nology for vehicles and equipment whose emission  
11 performance is the best achievable under emission  
12 standards established by the Environmental Protec-  
13 tion Agency and that relies exclusively on alternative  
14 fuels that are substantially non-petroleum based, as  
15 defined by the Department of Energy, but not ex-  
16 cluding hybrid systems or natural gas powered vehi-  
17 cles.”.

18 (f) CONFORMING AMENDMENTS.—The analysis of  
19 subchapter I of chapter 471 is amended by adding at the  
20 end the following:

“47138. Emission credits for air quality projects.

“47139. Airport ground support equipment emissions retrofit pilot program.”.

1 **SEC. 522. COMPATIBLE LAND USE PLANNING AND**  
2 **PROJECTS BY STATE AND LOCAL GOVERN-**  
3 **MENTS.**

4 (a) IN GENERAL.—Subchapter I of chapter 471 is  
5 further amended by adding at the end the following:

6 **“§ 47140. Compatible land use planning and projects**  
7 **by State and local governments**

8 “(a) IN GENERAL.—The Secretary of Transportation  
9 may make grants from amounts set aside under section  
10 47117(e)(1)(A) to States and units of local government  
11 for land use compatibility plans or projects resulting from  
12 those plans for the purposes of making the use of land  
13 areas around large hub airports and medium hub airports  
14 compatible with aircraft operations if—

15 “(1) the airport operator has not submitted a  
16 noise compatibility program to the Secretary under  
17 section 47504 or has not updated such program  
18 within the past 10 years; and

19 “(2) the land use plan meets the requirements  
20 of this section and any project resulting from the  
21 plan meets such requirements.

22 “(b) ELIGIBILITY.—In order to receive a grant under  
23 this section, a State or unit of local government must—

24 “(1) have the authority to plan and adopt land  
25 use control measures, including zoning, in the plan-

1       ning area in and around a large or medium hub air-  
2       port;

3               “(2) provide written assurance to the Secretary  
4       that it will work with the affected airport to identify  
5       and adopt such measures; and

6               “(3) provide written assurance to the Secretary  
7       that it will achieve, to the maximum extent possible,  
8       compatible land uses consistent with Federal land  
9       use compatibility criteria under section 47502(3)  
10      and that those compatible land uses will be main-  
11      tained.

12      “(c) ASSURANCES.—The Secretary shall require a  
13      State or unit of local government to which a grant may  
14      be awarded under this section for a land use plan or a  
15      project resulting from such a plan to provide—

16              “(1) assurances satisfactory to the Secretary  
17      that the plan—

18                      “(A) is reasonably consistent with the goal  
19                      of reducing existing noncompatible land uses  
20                      and preventing the introduction of additional  
21                      noncompatible land uses;

22                      “(B) addresses ways to achieve and main-  
23                      tain compatible land uses, including zoning,  
24                      building codes, and any other projects under  
25                      section 47504(a)(2) that are within the author-

1           ity of the State or unit of local government to  
2           implement;

3           “(C) uses noise contours provided by the  
4           airport operator that are consistent with the  
5           airport operation and planning, including any  
6           noise abatement measures adopted by the air-  
7           port operator as part of its own noise mitiga-  
8           tion efforts;

9           “(D) does not duplicate, and is not incon-  
10          sistent with, the airport operator’s noise com-  
11          patibility measures for the same area; and

12          “(E) has received concurrence by the air-  
13          port operator prior to adoption by the State or  
14          unit of local government; and

15          “(2) such other assurances as the Secretary de-  
16          termines to be necessary to carry out this section.

17          “(d) GUIDELINES.—The Secretary shall establish  
18          guidelines to administer this section in accordance with  
19          the purposes and conditions described in this section. The  
20          Secretary may require the State or unit of local govern-  
21          ment to which a grant may be awarded under this section  
22          to provide progress reports and other information as the  
23          Secretary determines to be necessary to carry out this sec-  
24          tion.



1 **“§ 47141. Prohibition on rent-free space requirements**  
2 **for Federal Aviation Administration**

3 “(a) IN GENERAL.—The Secretary of Transportation  
4 may not require an airport sponsor to provide to the Fed-  
5 eral Aviation Administration, without compensation, space  
6 in a building owned by the sponsor and costs associated  
7 with such space for building construction, maintenance,  
8 utilities, and other expenses.

9 “(b) NEGOTIATED AGREEMENTS.—Subsection (a)  
10 does not prohibit—

11 “(1) the negotiation of agreements between the  
12 Secretary and an airport sponsor to provide building  
13 construction, maintenance, utilities and expenses, or  
14 space in airport sponsor-owned buildings to the Fed-  
15 eral Aviation Administration without cost or at  
16 below-market rates; or

17 “(2) the Secretary of Transportation from re-  
18 quiring airport sponsors to provide land without cost  
19 to the Federal Aviation Administration for air traffic  
20 control facilities.”.

21 (b) CONFORMING AMENDMENT.—The analysis for  
22 subchapter I of chapter 471 is further amended by adding  
23 at the end the following:

“47141. Prohibition on rent-free space requirements for Federal Aviation Ad-  
ministration.”.

1 **SEC. 524. MIDWAY ISLAND AIRPORT.**

2 (a) FINDINGS.—Congress finds that the continued  
3 operation of the Midway Island Airport in accordance with  
4 the standards of the Federal Aviation Administration ap-  
5 plicable to commercial airports is critical to the safety of  
6 commercial, military, and general aviation in the mid-Pa-  
7 cific Ocean region.

8 (b) MEMORANDUM OF UNDERSTANDING ON SALE OF  
9 AIRCRAFT FUEL.—The Secretary of Transportation shall  
10 enter into a memorandum of understanding with the Sec-  
11 retaries of Defense, Interior, and Homeland Security to  
12 facilitate the sale of aircraft fuel on Midway Island at a  
13 price that will generate sufficient revenue to improve the  
14 ability of the airport to operate on a self-sustaining basis  
15 in accordance with the standards of the Federal Aviation  
16 Administration applicable to commercial airports. The  
17 memorandum shall also address the long-range potential  
18 of promoting tourism as a means to generate revenue to  
19 operate the airport.

20 (c) TRANSFER OF NAVIGATION AIDS AT MIDWAY IS-  
21 LAND AIRPORT.—The Midway Island Airport may trans-  
22 fer, without consideration, to the Administrator the navi-  
23 gation aids at the airport. The Administrator shall accept  
24 the navigation aids and operate and maintain the naviga-  
25 tion aids under criteria of the Administrator.

1 (d) FUNDING TO THE SECRETARY OF INTERIOR FOR  
2 MIDWAY ISLAND AIRPORT.—

3 (1) IN GENERAL.—Chapter 481 is amended by  
4 adding at the end the following:

5 **“§48114. Funding to the Secretary of Interior for**  
6 **Midway Island Airport**

7 “The following amounts shall be available (and shall  
8 remain available until expended) to the Secretary of Inte-  
9 rior, out of the Airport and Airway Trust Fund estab-  
10 lished under section 9502 of the Internal Revenue Code  
11 of 1986 (26 U.S.C. 9502), for airport capital projects at  
12 the Midway Island Airport:

13 “(1) \$750,000 for fiscal year 2004.

14 “(2) \$2,500,000 for fiscal year 2005.

15 “(3) \$1,000,000 for fiscal year 2006.

16 “(4) \$1,000,000 for fiscal year 2007.”.

17 (2) CONFORMING AMENDMENT.—The analysis  
18 for chapter 481 is amended by adding at the end the  
19 following:

“48114. Funding to the Secretary of Interior for Midway Island Airport.”.

20 **SEC. 525. INTERMODAL PLANNING.**

21 Section 47106(c)(1)(A) is amended—

22 (1) by striking “and” at the end of clause (i);

23 (2) by adding “and” at the end of clause (ii);

24 and

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

1           “(iii) with respect to an airport develop-  
2           ment project involving the location of an airport  
3           or runway or major runway extension at a me-  
4           dium or large hub airport, the airport sponsor  
5           has made available to and has provided upon  
6           request to the metropolitan planning organiza-  
7           tion in the area in which the airport is located,  
8           if any, a copy of the proposed amendment to  
9           the airport layout plan to depict the project and  
10          a copy of any airport master plan in which the  
11          project is described or depicted;”.

12 **SEC. 526. STATUS REVIEW OF MARSHALL ISLANDS AIR-**  
13 **PORT.**

14          Not later than 6 months after the date of enactment  
15 of this Act, the Secretary of Transportation shall review  
16 the status of the airport on the Marshall Islands and re-  
17 port to Congress on whether it is appropriate and nec-  
18 essary for that airport to receive grants under the airport  
19 improvement program.

20 **SEC. 527. REPORT ON WAIVERS OF PREFERENCE FOR BUY-**  
21 **ING GOODS PRODUCED IN THE UNITED**  
22 **STATES.**

23          Not later than 90 days after the date of the enact-  
24 ment of this Act, the Secretary of Transportation shall  
25 submit to Congress a report on the waiver contained in

1 section 50101(b) of title 49, United States Code (relating  
2 to buying goods produced in the United States). The re-  
3 port shall, at a minimum, include—

4 (1) a list of all waivers granted pursuant to  
5 that section since the date of enactment of that sec-  
6 tion; and

7 (2) for each such waiver—

8 (A) the specific authority under such sec-  
9 tion 50101(b) for granting the waiver; and

10 (B) the rationale for granting the waiver.

11 **TITLE VI—EXTENSION OF AIR-**  
12 **PORT AND AIRWAY TRUST**  
13 **FUND EXPENDITURE AU-**  
14 **THORITY**

15 **SEC. 601. EXTENSION OF EXPENDITURE AUTHORITY.**

16 Paragraph (1) of section 9502(d) of the Internal Rev-  
17 enue Code of 1986 (relating to expenditures from Airport  
18 and Airway Trust Fund) is amended—

19 (1) by striking “October 1, 2003” and inserting  
20 “October 1, 2007”, and

