to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4622. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4623. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4624. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4625. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4626. Mr. NELSON, of Nebraska (for himself and Mr. HAGEL) submitted an amendment intended to be proposed by him to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4627. Mr. ROCKEFELLER proposed an amendment to the bill H.R. 2881, supra.

SA 4628. Mr. REID proposed an amendment to amendment SA 4627 proposed by Mr. ROCKEFELLER to the bill H.R. 2881, supra.

SA 4629. Mr. REID proposed an amendment to amendment SA 4628 proposed by Mr. REID to the amendment SA 4627 proposed by Mr. ROCKEFELLER to the bill H.R. 2881, supra.

SA 4630. Mr. REID proposed an amendment to the bill H.R. 2881, supra.

SA 4631. Mr. REID proposed an amendment to amendment SA 4630 proposed by Mr. REID to the bill H.R. 2881, supra.

SA 4632. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4633. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, supra; which was ordered to lie on the table.

SA 4634. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill H.R. 2881, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4587. Mr. DURBIN (for himself, Mrs. HUTCHISON, Mr. BROWN, Mr. INHOFE, Mr. LAUTENBERG, Mr. VOINOVICH, Mr. NELSON of Florida, Mr. CORNYN, Mr. MENENDEZ, Mr. HARKIN, Mr. BOND, and Mr. BIDEN) proposed an amendment to amendment SA 4585 proposed by Mr. ROCKEFELLER (for himself, Mr. INOUYE, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; as follows:

Strike section 808.

SA 4588. Mr. REID submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 24, strike line 22 and all that follows through page 25, line 10, and insert the following:

(2) in subsection (c)(2)(A)(i), by striking ''purpose'' and inserting the following: ''purpose, which includes serving as noise buffer land that may be—

''(I) undeveloped; or

''(II) developed in a way that is compatible with using such land for noise buffering purposes;''.

(3) in subsection (c)(2)(B)(iii), by striking ''paid to the Secretary for deposit in the Fund if another eligible project does not exist.'' and inserting ''reinvested in another project at the airport or transferred to another airport as the Secretary prescribes; and''; and

(4) in subsection (c)—

(A) by redesignating paragraph (3) as paragraph (5);

(B) by inserting after paragraph (2) the following:

''(3)(A) A lease by an airport owner or operator of land acquired for a noise compatibility purpose with a grant provided under this subchapter shall not be considered a disposal for purposes of paragraph (2).

''(B) The airport owner or operator may use revenues from such lease for ongoing airport operational and capital purposes.

''(C) The Administrator of the Federal Aviation Administration shall coordinate with each airport owner or operator to ensure that such leases are consistent with noise buffering purposes.

''(D) The provisions of this paragraph apply to all land acquired before, on, or after the date of the enactment of this paragraph.

''(4) In approving the reinvestment or transfer of

SA 4589. Mr. DORGAN (for himself, Mr. SCHUMER, Mr. BINGAMAN, Mr. BROWN, Mrs. CLINTON, Ms. COLLINS, Mr. DOMENICI, Mr. FEINGOLD, Mr. HARKIN, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Ms. LANDRIEU, Mr. LEVIN, Mrs. MCCASKILL, Mr. OBAMA, Mr. REED, Mr. SANDERS, Ms. STABENOW, and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title VII, insert the following:

SEC. 7___. SUSPENSION OF PETROLEUM ACQUISITION FOR STRATEGIC PETROLEUM RESERVE.

(a) IN GENERAL.—Except as provided in subsection (b) and notwithstanding any other provision of law, during calendar year 2008—

(1) the Secretary of the Interior shall suspend acquisition of petroleum for the Strategic Petroleum Reserve through the royalty-in-kind program; and

(2) the Secretary of Energy shall suspend acquisition of petroleum for the Strategic Petroleum Reserve through any other acquisition method.

(b) RESUMPTION.—Not earlier than 30 days after the date on which the President notifies Congress that the President has determined that the weighted average price of petroleum in the United States for the most recent 90-day period is $75 or less per barrel—

(1) the Secretary of the Interior may resume acquisition of petroleum for the Strategic Petroleum Reserve through the royalty-in-kind program; and

(2) the Secretary of Energy may resume acquisition of petroleum for the Strategic Petroleum Reserve through any other acquisition method.

SA 4590. Mrs. MCCASKILL (for herself, Mr. SPECTER, Mr. OBAMA, and Mrs. CLINTON) submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SECTION _____. ENHANCED OVERSIGHT AND INSPECTION OF REPAIR STATIONS.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Federal Aviation Administration.

(2) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102(a) of title 49, United States Code.

(3) AIR TRANSPORTATION.—The term ''air transportation'' has the meaning given that term in such section 40102(a).

(4) AIRCRAFT.—The term ''aircraft'' has the meaning given that term in such section 40102(a).

(5) COVERED MAINTENANCE WORK.—The term ''covered maintenance work'' means maintenance work that is substantial, scheduled, or a required inspection item, as determined by the Administrator.

(6) PART 121 AIR CARRIER.—The term ''part 121 air carrier'' means an air carrier that holds a certificate under part 121 of title 14, Code of Federal Regulations (or any successor regulation).

(7) PART 145 REPAIR STATION.—The term ''part 145 repair station'' means a repair station that holds a certificate under part 145 of title 14, Code of Federal Regulations (or any successor regulation).

(8) UNITED STATES COMMERCIAL AIRCRAFT.—The term ''United States commercial aircraft'' means an aircraft registered in the United States and owned or leased by a commercial air carrier.

(b) REGULATION OF REPAIR STATIONS FOR SAFETY.—

(1) IN GENERAL.—Chapter 447 is amended by adding at the end the following:

''SEC. 44730. REPAIR STATIONS.

''(a) DEFINITIONS.—In this section:

''(1) COVERED MAINTENANCE WORK.—The term 'covered maintenance work' means maintenance work that is substantial, scheduled, or a required inspection item, as determined by the Administrator.

''(2) PART 121 AIR CARRIER.—The term 'part 121 air carrier' means an air carrier that holds a certificate under part 121 of title 14, Code of Federal Regulations (or any successor regulation).

''(3) PART 145 REPAIR STATION.—The term 'part 145 repair station' means a repair station that holds a certificate under part 145 of title 14, Code of Federal Regulations (or any successor regulation).

''(4) UNITED STATES COMMERCIAL AIRCRAFT.—The term 'United States commercial aircraft' means an aircraft registered in the United States and owned or leased by a commercial air carrier.

''(b) REQUIREMENTS FOR MAINTENANCE PERSONNEL PROVIDING COVERED MAINTENANCE WORK.—Not later than 3 years after the date

of the enactment of this section, the Administrator shall prescribe regulations requiring all covered maintenance work on United States commercial aircraft to be performed by maintenance personnel employed by—

''(1) a part 145 repair station;

''(2) a part 121 air carrier; or

''(3) a person that provides contract maintenance personnel to a part 145 repair station or a part 121 air carrier, if such personnel—

''(A) meet the requirements of such repair station or air carrier, as the case may be;

''(B) work under the direct supervision and control of such repair station or air carrier, as the case may be; and

''(C) carry out their work in accordance with the quality control manuals of such repair station or the maintenance manual of such air carrier, as the case may be.

''(c) CERTIFICATION OF INSPECTION OF FOREIGN REPAIR STATIONS.—Not later than 2 years after the date of the enactment of this section, and annually thereafter, the Administrator shall certify to Congress that—

''(1) each certified foreign repair station that performs maintenance work on an aircraft or a component of an aircraft for a part 121 air carrier has been inspected not fewer than 2 times in the preceding calendar year by an aviation safety inspector of the Federal Aviation Administration; and

''(2) not fewer than 1 of the inspections required by paragraph (1) for each certified foreign repair station was carried out at such repair station without any advance notice to such foreign repair station.

''(d) DRUG AND ALCOHOL TESTING OF FOREIGN REPAIR STATION PERSONNEL.—Not later than 1 year after the date of the enactment of this section, the Administrator shall modify the certification requirements under part 145 of title 14, Code of Federal Regulations, to include testing for the use of alcohol or a controlled substance in accordance with section 45102 of this title of any individual employed by a foreign repair station and performing a safety-sensitive function on a United States commercial aircraft for a foreign repair station.''.

(2) TEMPORARY PROGRAM OF IDENTIFICATION AND OVERSIGHT OF NONCERTIFIED REPAIR FACILITIES.—

(A) DEVELOP PLAN.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall develop a plan for a program—

(i) to require each part 121 air carrier to identify and submit to the Administrator a complete list of all noncertificated maintenance providers that perform covered maintenance work on United States commercial aircraft used by such part 121 air carriers to provide air transportation;

(ii) to validate lists described in clause (i) that are submitted by a part 121 air carrier to the Administrator by sampling the records of part 121 air carriers, such as maintenance activity reports and general vendor listings; and

(iii) to carry out surveillance and oversight by field inspectors of the Federal Aviation Administration of all noncertificated maintenance providers that perform covered maintenance work on United States commercial aircraft for part 121 air carriers.

(B) REPORT ON PLAN FOR PROGRAM.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall submit to Congress a report that contains the plan required by subparagraph (A).

(C) IMPLEMENTATION OF PLANNED PROGRAM.—Not later than 1 year after the date of the enactment of this Act and until regulations are prescribed under section 44730(b) of title 49, United States Code, as added by paragraph (1), the Administrator shall carry out the plan required by subparagraph (A).

(D) ANNUAL REPORT ON IMPLEMENTATION.—Not later than 180 days after the commencement of the plan under subparagraph (C) and each year thereafter until the regulations described in such subparagraph are prescribed, the Administrator shall submit to Congress a report on the implementation of the plan carried out under such subparagraph.

(3) CLERICAL AMENDMENT.—The analysis for chapter 447 of title 49, United States Code, is amended by adding at the end the following:

''44730. Repairs stations.''.

(c) REGULATION OF FOREIGN REPAIR STATIONS FOR SECURITY.—Section 44924 is amended by adding at the end the following:

''(h) COMPLIANCE OF FOREIGN REPAIR STATIONS WITH SECURITY REGULATIONS.—

''(1) PROHIBITION ON CERTIFICATION OF FOREIGN REPAIR STATIONS THAT DO NOT COMPLY WITH SECURITY REGULATIONS.—The Administrator may not certify or recertify a foreign repair station under part 145 of title 14, Code of Federal Regulations, unless such foreign repair station is in compliance with all applicable final security regulations prescribed under subsection (f).

''(2) NOTIFICATION TO AIR CARRIERS OF NONCOMPLIANCE BY FOREIGN REPAIR STATIONS.—If the Under Secretary for Border and Transportation Security of the Department of Homeland Security is aware that a foreign repair station is not in compliance with a security regulation or that a security issue or vulnerability has been identified with respect to such foreign repair station in a security review or audit required under subsection (a) or any regulation prescribed under subsection (f), the Under Secretary shall provide notice to each air carrier that holds a certificate under part 121 of title 14, Code of Federal Regulations, of such noncompliance or security issue or vulnerability.''.

(d) UPDATE OF FOREIGN REPAIR FEE SCHEDULE.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall revise the methodology for computation of fees for certification services performed outside the United States under part 187 of title 14, Code of Federal Regulations, to cover fully the costs to the Federal Aviation Administration of such certification services, including—

(A) the costs of all related inspection services;

(B) all travel expenses, salary, and employment benefits of inspectors who provide such services; and

(C) any increased costs to the Administration resulting from requirements of this section.

(2) UPDATES.—The Administrator shall periodically revise such methodology to account for subsequent changes in such costs to the Administration.

(e) ANNUAL REPORT BY INSPECTOR GENERAL.—Not later than 1 year after the date of the enactment of this Act and annually thereafter, the Inspector General of the Department of Transportation shall submit to Congress a report on the implementation of—

(1) section 44730 of title 49, United States Code, as added by subsection (b)(1) of this section;

(2) subsection (b)(2) of this section;

(3) subsection (h) of section 44924 of such title, as added by subsection (c) of this section;

(4) subsection (d) of this section; and

(5) the regulations prescribed or amended under the provisions described in this subsection.

SA 4591. Mr. INOUYE submitted an amendment intended to be proposed to amendment SA 4585 proposed by Mr. ROCKEFELLER (for himself, Mr. INOUYE, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, insert the following:

SEC. 839. INCLUSION OF TRANSPORTATION BETWEEN HAWAII AND CALIFORNIA IN QUALIFIED ZONE DOMESTIC TRADE.

(a) IN GENERAL.—Subparagraph (B) of section 1355(g)(4) is amended to read as follows:

''(B) QUALIFIED ZONE.—The term 'qualified zone' means any of the following:

''(i) The Great Lakes Waterway and the St. Lawrence Seaway.

''(ii) The area between any port in Hawaii and any port in California.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1355(g)(4)(A) is amended by striking ''in the qualified zone'' and inserting ''in any one qualified zone''.

(2) The heading of subsection (g) of section 1355 is amended by striking ''GREAT LAKES'' and inserting ''CERTAIN''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 4592. Mr. DURBIN (for Mr. KENNEDY (for himself and Mr. ENZI)) proposed an amendment to the bill H.R. 5715, to ensure continued availability of access to the Federal student loan program for students and families; as follows:

Section 2 of the Ensuring Continued Access to Student Loans Act of 2008 is amended—

(1) in the section heading, by striking ''**AND GRADUATE**''; and

(2) in subsection (c), by striking ''issued'' and inserting ''first disbursed''.

Section 3(c) of the Ensuring Continued Access to Student Loans Act of 2008 is amended by striking ''issued'' and inserting ''first disbursed''.

In section 428B(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1078–2(a)(3)), as amended by section 4 of the Ensuring Continued Access to Student Loans Act of 2008, strike subparagraph (B) and insert the following:

''(B)(i) EXTENUATING CIRCUMSTANCES.—An eligible lender may determine that extenuating circumstances exist under the regulations promulgated pursuant to paragraph (1)(A) if, during the period beginning January 1, 2007, and ending December 31, 2009, an applicant for a loan under this section—

''(I) is or has been delinquent for 180 days or fewer on mortgage loan payments or on medical bill payments during such period; and

''(II) is not and has not been more than 89 days delinquent on the repayment of any other debt during such period.

''(ii) DEFINITION OF MORTGAGE LOAN.—In this subparagraph, the term 'mortgage loan' means an extension of credit to a borrower that is secured by the primary residence of the borrower.

''(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to limit an eligible lender's authority under the regulations promulgated pursuant to paragraph (1)(A) to determine that extenuating circumstances exist.''.

Section 428(j) of the Higher Education Act of 1965 (20 U.S.C. 1078(j)), as amended by section 5 of the Ensuring Continued Access to Student Loans Act of 2008, is amended—

(1) in paragraph (1), by inserting after the second sentence the following: ''No loan under section 428, 428B, or 428H that is made pursuant to this subsection shall be made with interest rates, origination or default fees, or other terms and conditions that are more favorable to the borrower than the maximum interest rates, origination or default fees, or other terms and conditions applicable to that type of loan under this part.'';

(2) in paragraph (5)(A), by striking ''lenders willing to make loans'' and inserting ''eligible lenders willing to make loans under this part''; and

(3) by adding at the end the following:

''(6) EXPIRATION OF AUTHORITY.—The Secretary's authority under paragraph (4) to designate institutions of higher education for participation in the program under this subsection shall expire on June 30, 2009.

''(7) EXPIRATION OF DESIGNATION.—The eligibility of an institution of higher education, or borrowers from such institution, to participate in the program under this subsection pursuant to a designation of the institution by the Secretary under paragraph (4) shall expire on June 30, 2009. After such date, borrowers from an institution designated under paragraph (4) shall be eligible to participate in the program under this subsection as such program existed on the day before the date of enactment of the Ensuring Continued Access to Student Loans Act of 2008.

''(8) PROHIBITION ON INDUCEMENTS AND MARKETING.—Each guaranty agency or eligible lender that serves as a lender-of-last-resort under this subsection—

''(A) shall be subject to the prohibitions on inducements contained in subsection (b)(3) and the requirements of section 435(d)(5); and

''(B) shall not advertise, market, or otherwise promote loans under this subsection, except that nothing in this paragraph shall prohibit a guaranty agency from fulfilling its responsibilities under paragraph (2)(C).

''(9) DISSEMINATION AND REPORTING.—

''(A) IN GENERAL.—The Secretary shall—

''(i) broadly disseminate information regarding the availability of loans made under this subsection;

''(ii) during the period beginning July 1, 2008 and ending June 30, 2010, provide to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives and make available to the public—

''(I) copies of any new or revised plans or agreements made by guaranty agencies or the Department related to the authorities under this subsection;

''(II) quarterly reports on—

''(aa) the number and amounts of loans originated or approved pursuant to this subsection by each guaranty agency and eligible lender; and

''(bb) any related payments by the Department, a guaranty agency, or an eligible lender; and

''(III) a budget estimate of the costs to the Federal Government (including subsidy and administrative costs) for each 100 dollars loaned, of loans made pursuant to this subsection between the date of enactment of the Ensuring Continued Access to Student Loans Act of 2008 and June 30, 2009, disaggregated by type of loan, compared to such costs to the Federal Government during such time period of comparable loans under this part and part D, disaggregated by part and by type of loan; and

''(iii) beginning July 1, 2010, provide to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives and make available to the public—

''(I) copies of any new or revised plans or agreements made by guaranty agencies or the Department related to the authorities under this subsection; and

''(II) annual reports on—

''(aa) the number and amounts of loans originated or approved pursuant to this subsection by each guaranty agency and eligible lender; and

''(bb) any related payments by the Department, a guaranty agency, or an eligible lender.

''(B) SEPARATE REPORTING.—The information required to be reported under subparagraph (A)(ii)(II) shall be reported separately for loans originated or approved pursuant to paragraph (4), or payments related to such loans, for the time period in which the Secretary is authorized to make designations under paragraph (4).''.

In section 5(c) of the Ensuring Continued Access to Student Loans Act of 2008, strike ''agency's'' and insert ''agencies''.

In section 6(a)(3) of the Ensuring Continued Access to Student Loans Act of 2008, strike ''adding at the end'' and insert ''inserting before the matter following paragraph (5)''.

Section 459A(a) of the Higher Education Act of 1965, as added by section 7(b) of the Ensuring Continued Access to Student Loans Act of 2008, is amended—

(1) in paragraph (1)—

(A) by striking ''loans originated'' and inserting ''loans first disbursed'';

(B) by inserting ''and before July 1, 2009,'' after ''October 1, 2003,''; and

(C) by inserting ''(including the cost of servicing the loans purchased)'' after ''Federal Government''; and

(2) by striking paragraphs (2) and (3) and inserting the following:

''(2) FEDERAL REGISTER NOTICE.—The Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, shall jointly publish a notice in the Federal Register prior to any purchase of loans under this section that—

''(A) establishes the terms and conditions governing the purchases authorized by paragraph (1);

''(B) includes an outline of the methodology and factors that the Secretary, the Secretary of the Treasury, and the Director of the Office of Management and Budget, will jointly consider in evaluating the price at which to purchase loans made under section 428, 428B, or 428H; and

''(C) describes how the use of such methodology and consideration of such factors used to determine purchase price will ensure that loan purchases do not result in any net cost to the Federal Government (including the cost of servicing the loans purchased).''.

The Ensuring Continued Access to Student Loans Act of 2008 is amended by adding at the end the following:

SEC. 10. ACADEMIC COMPETITIVENESS GRANTS.

(a) AMENDMENTS.—Section 401A of the Higher Education Act of 1965 (20 U.S.C. 1070a–1) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ACADEMIC COMPETITIVENESS GRANT PROGRAM AUTHORIZED.—The Secretary shall award grants, in the amounts specified in subsection (d)(1), to eligible students to assist the eligible students in paying their college education expenses.'';

(2) in subsection (b)—

(A) by striking ''academic year'' each place it appears and inserting ''year''; and

(B) in paragraph (2), by striking ''third or fourth'' and inserting ''third, fourth, or fifth'';

(3) in subsection (c)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''full–time'';

(ii) by striking ''academic'' and inserting ''award''; and

(iii) by striking ''is made'' and inserting ''is made for a grant under this section'';

(B) by striking paragraphs (1) and (2) and inserting the following:

''(1) is eligible for a Federal Pell Grant;

''(2) is enrolled or accepted for enrollment in an institution of higher education on not less than a half-time basis; and''; and

(C) in paragraph (3)—

(i) by striking ''academic'' each place the term appears;

(ii) in subparagraph (A)—

(I) by striking the matter preceding clause (i) and inserting the following:

''(A) the first year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education (including a program of not less than one year for which the institution awards a certificate)—'';

(II) by striking clause (i) and inserting the following:

''(i) has successfully completed, after January 1, 2006, a rigorous secondary school program of study that prepares students for college and is recognized as such by the State official designated for such recognition, or with respect to any private or home school, the school official designated for such recognition for such school, consistent with State law, which recognized program shall be reported to the Secretary; and''; and

(III) in clause (ii), by inserting '', except as part of a secondary school program of study'' before the semicolon;

(iii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking ''year of'' and all that follows through ''higher education'' and inserting ''year of a program of undergraduate education at a two- or four-year degree-granting institution of higher education (including a program of not less than two years for which the institution awards a certificate)''; and

(II) in clause (ii), by striking ''or'' after the semicolon at the end;

(iv) in subparagraph (C)—

(I) in the matter preceding subclause (I) of clause (i), by inserting ''certified by the institution to be'' after ''is'';

(II) by striking clause (i)(II) and inserting the following:

''(II) a critical foreign language; and''; and

(III) in clause (ii), by striking the period at the end and inserting a semicolon; and

(v) by adding at the end the following:

''(D) the third or fourth year of a program of undergraduate education at an institution of higher education (as defined in section 101(a)), is attending an institution that demonstrates, to the satisfaction of the Secretary, that the institution—

''(i) offers a single liberal arts curriculum leading to a baccalaureate degree, under which students are not permitted by the institution to declare a major in a particular subject area, and the student—

''(I)(aa) studies, in such years, a subject described in subparagraph (C)(i) that is at least equal to the requirements for an academic major at an institution of higher education that offers a baccalaureate degree in such subject, as certified by an appropriate official from the institution; and

''(bb) has obtained a cumulative grade point average of at least 3.0 (or the equivalent as determined under regulations prescribed by the Secretary) in the relevant coursework; or

''(II) is required, as part of the student's degree program, to undertake a rigorous course of study in mathematics, biology, chemistry, and physics, which consists of at least—

''(aa) 4 years of study in mathematics; and

''(bb) 3 years of study in the sciences, with a laboratory component in each of those years; and

''(ii) offered such curriculum prior to February 8, 2006; or

''(E) the fifth year of a program of undergraduate education that requires 5 full years of coursework, as certified by the appropriate official of the degree-granting institution of higher education, for which a baccalaureate degree is awarded by a degree-granting institution of higher education—

''(i) is certified by the institution of higher education to be pursuing a major in—

''(I) the physical, life, or computer sciences, mathematics, technology, or engineering (as determined by the Secretary pursuant to regulations); or

''(II) a critical foreign language; and

''(ii) has obtained a cumulative grade point average of at least 3.0 (or the equivalent, as determined under regulations prescribed by the Secretary) in the coursework required for the major described in clause (i).'';

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking ''The'' and inserting ''IN GENERAL.—The'';

(II) in clause (ii), by striking ''or'' after the semicolon at the end;

(III) in clause (iii), by striking ''subsection (c)(3)(C).'' and inserting ''subparagraph (C) or (D) of subsection (c)(3), for each of the two years described in such subparagraphs; or''; and

(IV) by adding at the end the following:

''(iv) $4,000 for an eligible student under subsection (c)(3)(E).''; and

(ii) in subparagraph (B)—

(I) by striking ''Notwithstanding'' and inserting ''LIMITATION; RATABLE REDUCTION.—Notwithstanding'';

(II) by redesignating clauses (i), (ii), and (iii), as clauses (ii), (iii), and (iv), respectively; and

(III) by inserting before clause (ii), as redesignated under subclause (II), the following:

''(i) in any case in which a student attends an institution of higher education on less than a full-time basis, the amount of the grant that such student may receive shall be reduced in the same manner as a Federal Pell Grant is reduced under section 401(b)(2)(B);'';

(B) by striking paragraph (2) and inserting the following:

''(2) LIMITATIONS.—

''(A) NO GRANTS FOR PREVIOUS CREDIT.—The Secretary may not award a grant under this section to any student for any year of a program of undergraduate education for which the student received credit before the date of enactment of the Higher Education Reconciliation Act of 2005.

''(B) NUMBER OF GRANTS.—The Secretary may not award more than one grant to a student described in subsection (c)(3) for each year of study described in such subsection.''; and

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

''(3) CALCULATION OF GRANT PAYMENTS.—An institution of higher education shall make payments of a grant awarded under this section in the same manner, using the same payment periods, as such institution makes payments for Federal Pell Grants under section 401.'';

(5) by striking subsection (e)(2) and inserting the following:

''(2) AVAILABILITY OF FUNDS.—Funds made available under paragraph (1) for a fiscal year shall remain available for the succeeding fiscal year.'';

(6) in subsection (f)—

(A) by striking ''at least one'' and inserting ''not less than one''; and

(B) by striking ''subsection (c)(3)(A) and (B)'' and inserting ''subparagraphs (A) and (B) of subsection (c)(3)''; and

(7) in subsection (g), by striking ''academic'' and inserting ''award''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 2009.

SEC. 11. INAPPLICABILITY OF MASTER CALENDAR AND NEGOTIATED RULEMAKING REQUIREMENTS.

Sections 482 and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089, 1098a) shall not apply to amendments made by sections 2 through 9 of this Act, or to any regulations promulgated under such amendments.

SA 4593. Mr. VITTER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VII, add the following:

SEC. 7_____. OIL AND GAS LEASING IN NEW PRODUCING AREAS.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PRODUCING STATE.—The term ''eligible producing State'' means—

(A) a new producing State; and

(B) any other producing State that has, within the offshore administrative boundaries beyond the submerged land of a State, areas available for oil and gas leasing.

(2) NEW PRODUCING AREA.—The term ''new producing area'' means an area that is—

(A) within the offshore administrative boundaries beyond the submerged land of a State; and

(B) not available for oil and gas leasing as of the date of enactment of this Act.

(3) NEW PRODUCING STATE.—The term ''new producing State'' means a State with respect to which a petition has been approved by the Secretary under subsection (b).

(4) QUALIFIED REVENUES.—The term ''qualified revenues'' means all rentals, royalties, bonus bids, and other sums due and payable to the United States from leases entered into on or after the date of enactment of this Act for new producing areas.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(b) PETITION FOR LEASING NEW PRODUCING AREAS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, during any period in which the West Texas Intermediate daily price of crude oil (in dollars per barrel) exceeds 190 percent of the annual price of crude oil (in dollars per barrel) for calendar year 2006, the Governor of a State, with the concurrence of the State legislature, may submit to the Secretary a petition requesting that the Secretary make a new producing area of the State eligible for oil and gas leasing in accordance with the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) and the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(2) ACTION BY SECRETARY.—As soon as practicable after the date on which the Secretary receives a petition under paragraph (1), the Secretary shall approve or disapprove the petition.

(c) DISPOSITION OF QUALIFIED OUTER CONTINENTAL SHELF REVENUES FROM ELIGIBLE PRODUCING STATES.—Notwithstanding section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338), for each applicable fiscal year, the Secretary of the Treasury shall deposit—

(1) 50 percent of qualified revenues in the general fund of the Treasury; and

(2) 50 percent of qualified revenues in a special account in the Treasury, from which the Secretary shall disburse—

(A) 37.5 percent to eligible producing States for new producing areas, to be allocated in accordance with subsection (d)(1); and

(B) 12.5 percent to provide financial assistance to States in accordance with section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8).

(d) ALLOCATION TO ELIGIBLE PRODUCING STATES.—

(1) IN GENERAL.—The amount made available under subsection (c)(2)(A) shall be allocated to eligible producing States in amounts (based on a formula established by the Secretary by regulation) that are inversely proportional to the respective distances between the point on the coastline of each eligible producing State that is closest to the geographic center of the applicable leased tract and the geographic center of the leased tract, as determined by the Secretary.

(2) USE.—Amounts allocated to an eligible producing State under subparagraph (A) shall be used to address the impacts of oil and gas exploration and production activities under this section.

(e) EFFECT.—Nothing in this section affects—

(1) the amount of funds otherwise dedicated to the land and water conservation fund established under section 2 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–5); or

(2) any authority that permits energy production under any other provision of law.

SA 4594. Ms. MURKOWSKI submitted an amendment intended to be proposed to amendment SA 4585 proposed by Mr. ROCKEFELLER (for himself, Mr. INOUYE, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. _____. INCOME AVERAGING FOR AMOUNTS RECEIVED IN CONNECTION WITH THE EXXON VALDEZ LITIGATION.

(a) INCOME AVERAGING OF AMOUNTS RECEIVED FROM THE EXXON VALDEZ LITIGATION.—For purposes of section 1301 of the Internal Revenue Code of 1986—

(1) any qualified taxpayer who receives any qualified settlement income in any taxable year shall be treated as engaged in a fishing business (determined without regard to the commercial nature of the business), and

(2) such qualified settlement income shall be treated as income attributable to such a fishing business for such taxable year.

(b) CONTRIBUTIONS OF AMOUNTS RECEIVED TO RETIREMENT ACCOUNTS.—

(1) IN GENERAL.—Any qualified taxpayer who receives qualified settlement income during the taxable year may, at any time before the end of the taxable year in which such income was received, make one or more contributions to an eligible retirement plan

of which such qualified taxpayer is a beneficiary in an aggregate amount not to exceed the lesser of—

(A) $100,000 (reduced by the amount of qualified settlement income contributed to an eligible retirement plan in prior taxable years pursuant to this subsection), or

(B) the amount of qualified settlement income received by the individual during the taxable year.

(2) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of paragraph (1), a qualified taxpayer shall be deemed to have made a contribution to an eligible retirement plan on the last day of the taxable year in which such income is received if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

(3) TREATMENT OF CONTRIBUTIONS TO ELIGIBLE RETIREMENT PLANS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to qualified settlement income, then—

(A) except as provided in paragraph (4)—

(i) to the extent of such contribution, the qualified settlement income shall not be included in gross income, and

(ii) for purposes of section 72 of such Code, such contribution shall not be considered to be investment in the contract,

(B) the qualified taxpayer shall, to the extent of the amount of the contribution, be treated—

(i) as having received the qualified settlement income—

(I) in the case of a contribution to an individual retirement plan (as defined under section 7701(a)(37) of such Code), in a distribution described in section 408(d)(3) of such Code, and

(II) in the case of any other eligible retirement plan, in an eligible rollover distribution (as defined under section 402(f)(2) of such Code), and

(ii) as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution,

(C) section 408(d)(3)(B) of the Internal Revenue Code of 1986 shall not apply with respect to amounts treated as a rollover under this paragraph, and

(D) section 408A(c)(3)(B) of the Internal Revenue Code of 1986 shall not apply with respect to amounts contributed to a Roth IRA (as defined under section 408A(b) of such Code) or a designated Roth contribution to an applicable retirement plan (within the meaning of section 402A of such Code) under this paragraph.

(4) SPECIAL RULE FOR ROTH IRAS AND ROTH 401(K)S.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to qualified settlement income to a Roth IRA (as defined under section 408A(b) of such Code) or as a designated Roth contribution to an applicable retirement plan (within the meaning of section 402A of such Code), then—

(A) the qualified settlement income shall be includible in gross income, and

(B) for purposes of section 72 of such Code, such contribution shall be considered to be investment in the contract.

(5) ELIGIBLE RETIREMENT PLAN.—For purpose of this subsection, the term ''eligible retirement plan'' has the meaning given such term under section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(c) TREATMENT OF QUALIFIED SETTLEMENT INCOME UNDER EMPLOYMENT TAXES.—

(1) SECA.—For purposes of chapter 2 of the Internal Revenue Code of 1986 and section 211 of the Social Security Act, no portion of qualified settlement income received by a qualified taxpayer shall be treated as self-employment income.

(2) FICA.—For purposes of chapter 21 of the Internal Revenue Code of 1986 and section 209 of the Social Security Act, no portion of qualified settlement income received by a qualified taxpayer shall be treated as wages.

(d) QUALIFIED TAXPAYER.—For purposes of this section, the term ''qualified taxpayer'' means—

(1) any individual who is a plaintiff in the civil action In re Exxon Valdez, No. 89–095–CV (HRH) (Consolidated) (D. Alaska); or

(2) any individual who is a beneficiary of the estate of such a plaintiff who—

(A) acquired the right to receive qualified settlement income from that plaintiff; and

(B) was the spouse or an immediate relative of that plaintiff.

(e) QUALIFIED SETTLEMENT INCOME.—For purposes of this section, the term ''qualified settlement income'' means any interest and punitive damage awards which are—

(1) otherwise includible in gross income (determined without regard to subsection (b)), and

(2) received (whether as lump sums or periodic payments) in connection with the civil action In re Exxon Valdez, No. 89–095–CV (HRH) (Consolidated) (D. Alaska) (whether pre- or post-judgment and whether related to a settlement or judgment).

SA 4595. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ———. NEXTGEN RESEARCH AND DEVELOPMENT CENTER OF EXCELLENCE.

(a) ESTABLISHMENT.—Of the amount appropriated under section 48101(a) of title 49, United States Code, the Administrator of the Federal Aviation Administration shall use such sums as may be necessary for each of fiscal years 2008 through 2011 to contribute to the establishment of a center of excellence for the research and development of Next Generation Air Transportation System technologies.

(b) FUNCTIONS.—The center established under subsection (a) shall—

(1) leverage the centers of excellence program of the Federal Aviation Administration, as well as other resources and partnerships, to enhance the development of Next Generation Air Transportation System technologies within academia and industry; and

(2) provide educational, technical, and analytical assistance to the Federal Aviation Administration and other Federal agencies with responsibilities to research and develop Next Generation Air Transportation System technologies.

SA 4596. Mr. WEBB (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 414.

SA 4597. Mr. BARRASSO submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. GOVERNMENT OIL ACQUISITION FINANCIAL ACCOUNTABILITY AND CONSUMER RELIEF.

(a) SUSPENSION OF PETROLEUM ACQUISITION FOR STRATEGIC PETROLEUM RESERVE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, during any period in which the conditions described in paragraph (2) are not met—

(A) the Secretary of the Interior shall suspend acquisition of petroleum for the Strategic Petroleum Reserve through the royalty-in-kind program; and

(B) the Secretary of Energy shall suspend acquisition of petroleum for the Strategic Petroleum Reserve through any other acquisition method.

(2) RESUMPTION.—

(A) IN GENERAL.—The Secretary of the Interior may resume acquisition of petroleum for the Strategic Petroleum Reserve through the royalty-in-kind program, and the Secretary of Energy may resume acquisition of petroleum for the Strategic Petroleum Reserve through any other acquisition method, not earlier than 30 days after the date on which the President notifies Congress that the President has determined that, for the most recent consecutive 4-week period—

(i) the weighted average price of retail, regular, all formulations gasoline in the United States is $2.50 or less per gallon (as adjusted under subparagraph (B)); or

(ii) the weighted average price of retail, No. 2 diesel in the United States is $2.75 or less per gallon (as adjusted under subparagraph (B)).

(B) ADJUSTMENT.—For fiscal year 2009 and each subsequent fiscal year, the prices specified in clauses (i) and (ii) of subparagraph (A) for the preceding fiscal year shall be adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(b) ADDITIONAL ACQUISITION REQUIREMENTS.—Section 160 of the Energy Policy and Conservation Act (42 U.S.C. 6240) is amended by inserting after subsection (c) the following:

''(d) ADDITIONAL ACQUISITION REQUIREMENTS.—

''(1) IN GENERAL.—To the maximum extent practicable, any acquisitions made by the Secretary of the Interior for the Strategic Petroleum Reserve through the royalty-in-kind program and any acquisitions made by the Secretary of Energy for the Reserve through any other acquisition method (referred to in this subsection as the 'respective Secretary') shall reflect a steady monthly dollar value of oil acquired through the royalty-in-kind program or any other acquisition method allowed by law.

''(2) PARTICULAR INCLUSION.—

''(A) DEFINITION OF HEAVY CRUDE OIL.—In this paragraph, the term 'heavy crude oil'

means oil with a gravity index of not more than 22 degrees.

''(B) REQUIREMENT.—To the extent technologically feasible, financially beneficial for the Treasury of the United States, and compatible with domestic refining requirements, the respective Secretary shall include at least 10 percent heavy crude oil in making any acquisitions of crude oil for the Reserve.

''(3) NEGOTIATION OF DELIVERY DATES.—Nothing in this subsection limits the ability of the respective Secretary to negotiate delivery dates for crude oil acquired for the Reserve.

''(4) NATIONAL SECURITY NEEDS.—The respective Secretary may waive any requirement under this subsection if the respective Secretary determines that the requirement is inconsistent with the national security needs of the United States.''.

SA 4598. Mr. ALEXANDER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VII, add the following:

SEC. 7___. OVERFLIGHTS OF NATIONAL PARKS.

Section 40128(b) of title 49, United States Code, is amended by adding at the end the following:

''(7) LIMITATION ON COMMERCIAL AIR TOUR OPERATIONS.—Notwithstanding any other provision of this section, beginning on the date that is 2 years after the date of enactment of this paragraph, no commercial air tour operations may be conducted over a national park unless an air tour management plan has been established for the national park in accordance with this subsection.''.

SA 4599. Mr. CARPER (for himself, Mr. SPECTER, and Mr. BIDEN) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 134, between lines 7 and 8, insert the following:

(d) NOISE MITIGATION STUDY.—The Administrator of the Federal Aviation Administration shall—

(1) conduct a study of the current laws and regulations governing the evaluation and mitigation of airport noise;

(2) identify ways to improve the reporting and mitigation of noise impacts from airports, including—

(A) using the 65 DNL (Day/Night Noise Level) as the threshold for Federal noise abatement programs and

(B) determining whether frequent spikes in noise level above 65 decibels should be tracked and mitigated, even if such mitigation results in an average noise level below 65 DNL; and

(3) not later than September 30, 2009, submit a report to Congress that describes—

(A) the current process for evaluating airport noise impacts on surrounding communities;

(B) possible alternatives to the existing process and benchmarks; and

(C) the implications of adopting such alternatives.

SA 4600. Mr. MENENDEZ (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 126, strike line 23 and all that follows through page 127, line 9, and insert the following:

(a) CONFLICT OF INTEREST.—

(1) MODIFICATION OF POST EMPLOYMENT GUIDANCE ON EMPLOYMENT BY INSPECTED AIR CARRIERS.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall initiate a rulemaking proceeding to revise the Administration's post employment guidance to prohibit an individual from representing an air carrier before the Federal Aviation Administration or participating in negotiations or other contacts with the Federal Aviation Administration on behalf of an air carrier for a period of 2 years beginning on the date of the termination of the employment of such individual with the Federal Aviation Administration if such individual—

(A) is employed by that air carrier and was the inspector responsible for inspecting that air carrier while employed by the Federal Aviation Administration;

(B) is employed by that air carrier and was a supervisor of inspectors responsible for inspecting that air carrier while employed by the Federal Aviation Administration; or

(C) is employed by that air carrier and was in a management position responsible for overseeing safety regulation of that air carrier while employed by the Federal Aviation Administration.

(2) LIMITATION ON EMPLOYMENT OF INDIVIDUALS WHO PREVIOUSLY WORKED FOR AN AIR CARRIER.—The Administrator of the Federal Aviation Administration shall prohibit any employee of the Administration who was employed by an air carrier before commencement of the employment of the individual with the Administration from personal and substantial involvement with the oversight of safety inspections or safety regulations of that air carrier for a period of 2 years beginning on the date of such commencement.

SA 4601. Mr. MENENDEZ (for himself, Mrs. CLINTON, Mr. SPECTER, Mr. CASEY, Mr. SCHUMER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. ON-GOING MONITORING OF AND REPORT ON THE NEW YORK/NEW JERSEY/PHILADELPHIA METROPOLITAN AREA AIRSPACE REDESIGN.

Not later than 270 days after the date of the enactment of this Act and every 180 days thereafter until the completion of the New York/New Jersey/Philadelphia Metropolitan Area Airspace Redesign, the Administrator of the Federal Aviation Administration shall, in conjunction with the Port Authority of New York and New Jersey and the Philadelphia International Airport—

(1) monitor the air noise impacts of the New York/New Jersey/Philadelphia Metropolitan Area Airspace Redesign; and

(2) submit to Congress a report on the findings of the Administrator with respect to the monitoring described in paragraph (1).

SA 4602. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, for other purposes; which was ordered to lie on the table; as follows:

On page 135, strike lines 8 through 11, and insert the following:

(b) MEMBERSHIP.—The Advisory Committee shall consist of—

(1) the Administrator of the Federal Aviation Administration or the Administrator's designee;

(2) the Administrator of the National Aeronautics and Space Administration or the Administrator's designee; and

(3) 7 members appointed by the President from a list of 15 candidates proposed by the Director of the National Academy of Sciences.

SA 4603. Mrs. HUTCHISON submitted an amendment intended to be proposed to by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 127, line 7, strike ''2'' and insert ''3''.

SA 4604. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SCHEDULE REDUCTION.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall convene a conference of air carriers to voluntarily reduce operations described in paragraphs (1) and (2), in accordance with section 41722 of title 49, United States Code, to less than the maximum departure and arrival rate established by the Administrator for such operations, if the Administrator determines that—

(1) the aircraft operations of air carriers during any hour at an airport exceeds such hourly maximum departure and arrival rate; and

(2) the operations in excess of such maximum departure and arrival rate for such

hour at such airport are likely to have a significant adverse effect on the national or regional airspace system.

(b) NO AGREEMENT.—If the air carriers participating in a conference convened under subsection (a) with respect to an airport are not able to agree to a reduction in the number of flights to and from the airport to less than the maximum departure and arrival rate, the Administrator, in consultation with representatives of the affected airport, shall take such action as is necessary to ensure that the reduction described in subsection (a) is implemented.

(c) QUARTERLY REPORTS.—Not later than 3 months after the date of the enactment of this Act and every 3 months thereafter, the Administrator shall submit to Congress a report that describes—

(1) scheduling at the 35 airports that have the greatest number of passenger enplanements; and

(2) each occurrence in which hourly scheduled aircraft operations of air carriers at any such airport exceeded the maximum departure and arrival rate for such airport.

SA 4605. Mr. SPECTER (for himself and Mr. CASEY) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON USE OF DISPERSAL DEPARTURE HEADINGS AT PHILADELPHIA INTERNATIONAL AIRPORT.

The Federal Aviation Administration may not use dispersal departure headings at Philadelphia International Airport unless 10 or more aircraft are waiting to depart.

SA 4606. Mr. INHOFE (for himself and Mr. VITTER) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIABILITY PROTECTION FOR VOLUNTEER PILOT NONPROFIT ORGANIZATIONS THAT FLY FOR PUBLIC BENEFIT AND TO PILOTS AND STAFF OF SUCH NONPROFIT ORGANIZATIONS.

Section 4 of the Volunteer Protection Act of 1997 (42 U.S.C. 14503) is amended—

(1) in subsection (a)(4)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by striking ''the harm'' and inserting ''(A) except in the case of subparagraph (B), the harm'';

(C) in subparagraph (A)(ii), as redesignated by this paragraph, by striking the period at the end and inserting ''; or''; and

(D) by adding at the end the following:

''(B) the volunteer—

''(i) was operating an aircraft in furtherance of the purpose of a volunteer pilot nonprofit organization that flies for public benefit; and

''(ii) was properly licensed and insured for the operation of such aircraft.''; and

(2) in subsection (c)—

(A) by striking ''Nothing in this section'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section''; and

(B) by adding at the end the following:

''(2) EXCEPTION.—A volunteer pilot nonprofit organization that flies for public benefit, the staff, mission coordinators, officers, and directors (whether volunteer or otherwise) of such nonprofit organization, and a referring agency of such nonprofit organization shall not be liable for harm caused to any person by a volunteer of such nonprofit organization while such volunteer—

''(A) is operating an aircraft in furtherance of the purpose of such nonprofit organization;

''(B) is properly licensed for the operation of such aircraft; and

''(C) has certified to such nonprofit organization that such volunteer has insurance covering the volunteer's operation of such aircraft.''.

SA 4607. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. AVIATION TRAVELER TASKFORCE.

(a) FINDINGS.—Congress makes the following findings:

(1) While the aircraft safety should be a top priority for the Federal Aviation Administration and air carriers, compliance with Federal safety regulations should not come at the expense of passenger convenience.

(2) One of the chief complaints of customers left stranded during April 2008 by massive cancellations was the lack of notification about the status of their flights.

(3) Commercial air flight cancellations were announced with little advance notice, causing many travelers to discover that their flight was cancelled after they arrived at the airport.

(4) Air carriers have also reduced the number of flights on their schedules, which has frustrated consumers' attempts to find replacement flights on other air carriers.

(b) ESTABLISHMENT.—The Administrator of the Federal Aviation Administration shall establish an Aviation Traveler Taskforce, comprised of Federal Aviation Administration employees and representatives of the commercial aviation industry.

(c) FUNCTIONS.—The Aviation Traveler Taskforce shall—

(1) clarify interpretations of safety directives issued by the Federal Aviation Administration with which air carriers will soon need to comply;

(2) develop contingency plans in the event that additional aircraft—

(A) are found to be out of compliance with such safety directives; and

(B) need to be grounded;

(3) generate ideas for the best way to notify passengers on a massive scale that their flights have been cancelled; and

(4) design a notification system to alert passengers of potential service disruptions.

(d) INSPECTION PLANS.—The Administrator of the Federal Aviation Administration shall ensure that any standardized plan to perform inspections of commercial aircraft includes a plan to reduce groundings and other consequences resulting from such inspections.

SA 4608. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. IMPLEMENTATION OF FAA RULE RELATING TO FUEL TANK FLAMMABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, not later 1 year after the date of the enactment of this Act, the Federal Aviation Administration shall finalize and implement, in accordance with paragraph (2), the rule proposed by the Federal Aviation Administration relating to the reduction of fuel tank flammability in transport category airplanes (70 Fed. Reg. 70922, dated November 23, 2005) and operators and manufacturers of airplanes shall take appropriate action to comply with the rule.

(b) MATCHING FUNDS.—For each of the fiscal years 2009 through 2018, the Administrator of the Federal Aviation Administration may provide financial assistance to operators and manufacturers of airplanes in an amount that does not exceed $1 for every $1 incurred by such operators and manufacturers for complying with the rule described in subsection (a).

(c) STUDY AND REPORT.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall conduct a study and report to Congress regarding ways to improve the safety and reduce the flammability of fuel tanks that are located on the wings of airplanes.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $40,000,000 for each of the fiscal years 2009 through 2018, to carry out the provisions of subsection (b).

SA 4609. Mr. SCHUMER (for himself, Mrs. CLINTON, Mr. MENENDEZ, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. NEW YORK INTEGRATION OFFICE.

(a) BUDGET AUTHORITY.—The Director of the New York Integration Office of the Federal Aviation Administration is authorized to transfer any amounts appropriated for the operations of such office to any function that the Director determines to be necessary to carry out any flight delay reduction project involving the airspace in the New York-New Jersey region.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Federal Aviation Administration such sums as may be necessary to carry out the

responsibilities of the New York Integration Office, including hiring necessary support staff.

SA 4610. Mr. SCHUMER (for himself and Mr. MARTINEZ) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PLAN FOR SHARING MILITARY AND SPECIAL USE AIRSPACE.

The Administrator of the Federal Aviation Administration, in consultation with the Secretary of Transportation and the Secretary of Defense, shall develop—

(1) a plan to open up special use airspace for additional lanes of air traffic at specific choke points during the summer of 2008; and

(2) a permanent plan to share the military airspace off the eastern coast of the United States, which—

(A) creates a corridor for commercial flights seeking to avoid inclement weather or excessive air traffic; and

(B) provides for immediate reclamation of such airspace by the Department of Defense in the event of a national emergency.

SA 4611. Mr. SCHUMER (for himself and Mr. MARTINEZ) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 99, line 9, strike ''28'' and insert ''68''.

On page 99, line 17, strike ''beyond-perimeter''.

On page 99, line 19, insert ''and'' after the semicolon.

On page 98, strike lines 20 through 25 and insert the following:

(2) in paragraph (3)—

(A) in subparagraph (B), strike ''and'' at the end;

(B) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(D) the remaining 48 exemptions shall be distributed in accordance with criteria developed by the Secretary in a manner that—

''(i) promotes air transportation by new entrant air carriers and limited incumbent air carriers;

''(ii) will produce the maximum competitive benefits, including low fares; or

''(iii) will increase the presence of new entrant and limited incumbent air carriers, particularly in hub markets dominated by large incumbent air carriers.''.

SA 4612. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ENHANCED PENALTIES FOR FLIGHT SCHOOLS THAT KNOWINGLY ACCEPT INELIGIBLE ALIENS.

(a) CIVIL PENALTIES.—Section 46301(a)(4) is amended—

(1) by striking ''Notwithstanding paragraph (1) of this subsection'' and inserting the following:

''(A) Notwithstanding paragraph (1) and except as provided under subparagraph (B)''; and

(2) by adding at the end the following:

''(B) The maximum civil penalty for knowingly providing flight training to an alien who is not eligible for such training in violation of section 44939 shall be—

''(i) $20,000; or

''(ii) $50,000 in the case of a person operating an aircraft for the transportation of passengers or property for compensation (except an individual serving as an airman).''.

(b) CRIMINAL PENALTIES.—Section 46317 is amended by adding at the end the following:

''(c) CRIMINAL PENALTY FOR PROVIDING FLIGHT TRAINING TO INELIGIBLE ALIENS.—In addition to any civil penalty imposed under section 46301(a)(4)(B), an individual shall be fined under title 18 if that individual knowingly provides flight training to an alien who is not eligible for such training in violation of section 44939.''.

SA 4613. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. AVAILABILITY OF FLIGHT DELAY INFORMATION.

(a) IN GENERAL.—Subchapter I of chapter 417, as amended by section 714 of this Act, is further amended by adding at the end the following:

''§ 41725. Availability of flight delay information

''(a) REQUIREMENT TO MAKE INFORMATION AVAILABLE.—The Secretary of Transportation shall require each air carrier, foreign air carrier, or intrastate air carrier that provides air transportation or intrastate air transportation to make available to the public information regarding the delay of a scheduled passenger flight not later than 10 minutes after such information is available.

''(b) MANNER OF AVAILABILITY.—An air carrier, foreign air carrier, or intrastate air carrier shall make the information referred to in subsection (a) available through—

''(1) any Internet website of such air carrier, foreign air carrier, or intrastate air carrier;

''(2) any automated recording related to flight departure or arrival times maintained by such air carrier, foreign air carrier, or intrastate air carrier;

''(3) announcements at appropriate airports; and

''(4) flight information screens at appropriate airports.''.

(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Transportation shall promulgate regulations to implement section 41725 of title 49, United States Code, as added by subsection (a).

(c) CONFORMING AMENDMENT.—The analysis for chapter 417 of title 49, United States Code, is amended by adding after the item relating to section 41724, as added by section 714 of this Act, the following:

''41725. Availability of flight delay information.''.

SA 4614. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. AIRPORT SCREENING.

(a) AIRPORT EMPLOYEE AND CONTRACTOR SCREENING.—

(1) SCREENING AIR CARRIER EMPLOYEES.—Section 44901 is amended—

(A) in subsection (a), by inserting '', air carrier employees,'' after ''passengers''; and

(B) in subsection (b), by inserting '', air carrier employees,'' after ''passengers''.

(2) SCREENING EMPLOYEES WITH ACCESS TO SECURED AREAS.—Section 44903(h)(4)(A) is amended by inserting ''(including airport and air carrier employees, contractors, and vendors)'' after ''individuals''.

(b) AIRPORT SCREENING PLANS.—Section 44903(h) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting after paragraph (6) the following:

''(7) AIRPORT SCREENING PLANS.—

''(A) LARGE HUB AIRPORTS.—Not later than 180 days after the date of the enactment of the Aviation Investment and Modernization Act of 2008, the head of each large hub airport shall submit a plan for comprehensive screening of all individuals entering the secure area of such airport to the Administrator of the Transportation Security Administration.

''(B) MEDIUM HUB AIRPORTS.—Not later than September 30, 2009, the head of each medium hub airport shall submit a plan for comprehensive screening of all individuals entering the secure area of such airport to the Administrator of the Transportation Security Administration.

''(C) SMALL HUB AIRPORTS.—Not later than September 30, 2010, the head of each small hub airport shall submit a plan for comprehensive screening of all individuals entering the secure area of such airport to the Administrator of the Transportation Security Administration.

''(D) NONHUB AIRPORTS.—Not later than September 30, 2011, the head of each nonhub airport shall submit a plan for comprehensive screening of all individuals entering the secure area of such airport to the Administrator of the Transportation Security Administration.

''(E) IMPLEMENTATION OF PLANS.—Not later than 60 days after the submission of a comprehensive screening plan for an airport under this paragraph, the plan shall be implemented at such airport.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section and the amendments made by this section.

SA 4615. Mr. DODD (for himself and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. FUNDING LIMITATION FOR INTEGRATED AIRSPACE ALTERNATIVE.

The Administrator of the Federal Aviation Administration may not expend any Federal funds to carry out the Integrated Airspace Alternative (IAA), the preferred alternative selected by the Federal Aviation Administration for the New York/New Jersey/Philadelphia Metropolitan Area Airspace Redesign Project, until all the lawsuits challenging the legality of the IAA that were filed in a Federal court before the date of the enactment of this Act have been dismissed or otherwise reached a final resolution in favor of the Federal Aviation Administration.

SA 4616. Mr. ENSIGN (for himself, Mrs. BOXER, Mr. MCCAIN, Mr. KYL and Mrs. DOLE) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 414, add the following:

(d) EXTENDING THE LENGTH OF FLIGHTS FROM RONALD REAGAN WASHINGTON NATIONAL AIRPORT.—Section 41718 is amended by adding at the end the following:

''(g) USE OF AIRPORT SLOTS FOR BEYOND PERIMETER FLIGHTS.—Notwithstanding section 49109 or any other provision of law, any air carrier that holds or operates air carrier slots at Ronald Reagan Washington National Airport as of January 1, 2008, pursuant to subparts K and S of part 93 of title 14, Code of Federal Regulations, which are being used as of that date for scheduled service between that airport and a large hub airport (as defined in section 40102(a)(29)), may use such slots for service between Ronald Reagan Washington National Airport and any airport located outside of the perimeter restriction described in section 49109.''.

SA 4617. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4585 proposed by Mr. ROCKEFELLER (for himself, Mr. INOUYE, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII add the following:

SEC. _____. CLARIFICATION OF APPLICABILITY OF INTEREST ON REFUNDS OF OVERPAYMENTS OF HARBOR MAINTENANCE TAX.

(a) IN GENERAL.—Paragraph (1) of section 4462(f) (relating to extension of provisions of law applicable to customs duty) is amended by inserting '', and any requirement to pay interest on refunds of excess moneys deposited as customs duties and fees shall be made applicable to a refund of the tax imposed by this subchapter and paid in respect of port use for cargo exported from the United States by deeming the refund of such tax to be a liquidation occurring on the date of such refund payment, and the persons who paid such tax to be importers'' after ''cargo''.

(b) EFFECTIVE DATE; TIMING OF ACTIONS FOR PAYMENT.—

(1) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the amendments made by section 11116(a) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.

(2) TIMING OF ACTIONS FOR PAYMENT.—Notwithstanding any other provision of law, claims for interest on refunds of the tax imposed under subchapter A of chapter 36 of the Internal Revenue Code of 1986 and paid in respect of port use for cargo exported from the United States may be enforced in an action brought in the Court of International Trade by or on behalf of persons entitled to receive such interest not later than 90 days after the date of the enactment of this Act.

SA 4618. Mr. SCHUMER (for himself and Mrs. DOLE) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON AUCTIONS AND CONGESTION PRICING AT COMMERCIAL AIRPORTS.

(a) FEDERAL AVIATION ADMINISTRATION.—Title I of the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2008 (division K of Public Law 110–161) is amended by inserting ''or to promulgate any regulation or take any action to regulate or influence airway operations at any commercial airport in the United States, which involves Federal allocation of such operations based on the Federal implementation or approval of auctions, leasing, peak-hour pricing, or congestion pricing, or encourage, require, or permit an airport to take such action'' after ''the date of the enactment of this Act''.

(b) DEPARTMENT OF TRANSPORTATION.—Notwithstanding any other provision of law, the Secretary of Transportation may not promulgate any regulation or take any action to regulate or influence airway operations at any commercial airport in the United States, which involves Federal allocation of such operations based on the Federal implementation or approval of auctions, leasing, peak-hour pricing, or congestion pricing, or encourage, require, or permit an airport to take such action.

SA 4619. Mr. CASEY (for himself, Mr. BIDEN, and Mr. CARPER) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 66, between lines 2 and 3, insert the following:

(5) The Administrator may not consolidate any additional approach control facilities into the Philadelphia TRACON and Tower, and may not realign, relocate or reorganize any functions at the approach control facilities at the Philadelphia International Airport until the Board's recommendations are completed.

SA 4620. Mr. LEVIN (for himself and Ms. STABENOW) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 65, line 24, insert ''consolidate any TRACON in Michigan or'' after ''may not''.

SA 4621. Mr. ISAKSON submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 149, strike lines 18 through 20 and insert the following:

(a) WAR RISK INSURANCE.—

(1) EXTENSION OF INSURANCE POLICIES.—Section 44302(f)(1) is amended by striking ''August 31, 2008, and may extend through December 31, 2008'' and inserting ''December 31, 2011''.

(2) THIRD PARTY CLAIMS ARISING FROM ACTS OF TERRORISM.—Section 44303(b) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2011''.

SA 4622. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 50, between lines 5 and 6, insert the following:

''(v) 1 representative that is a senior executive of an airframe manufacturer.

SA 4623. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation

safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 134, line 3, strike ''benefits.'' and insert the following: ''benefits. In making that determination, the research program shall include a life cycle analysis to assess the environmental benefits of using alternative fuels, including reductions of greenhouse gas emissions.''.

SA 4624. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 84, between lines 10 and 11, insert the following:

SEC. 317. NEXT GENERATION AIR TRANSPORTATION SYSTEM METRICS.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall develop metrics—

(1) to measure the progress, over the near, intermediate, and long terms, of the Next Generation Air Transportation System toward achieving the operational performance goals of the system by 2025; and

(2) to allow for a practical assessment of the performance of the system with respect to safety, capacity, efficiency, and cost reduction.

(b) METRICS.—The metrics developed under subsection (a) shall include the following:

(1) The number and rate of fatal accidents each year associated with commercial air carriers and with general aviation.

(2) The average actual and scheduled gate-to-gate travel times on a set of routes that the Administrator determines are nationally representative.

(3) The number of useable operations per hour on runways at Operational Evolution Partnership airports.

(4) The number of new runways at existing, secondary, and new airports where additional runway capacity is needed.

(5) The average cost per flight per year.

(c) REPORT.—The Administrator shall include in the annual report required under section 709(d) of Vision 100–Century of Aviation Reauthorization Act (49 U.S.C. 40101 note) an assessment of the progress of the system in the near, intermediate, and long terms based on the metrics developed under subsection (a).

(d) PUBLIC AVAILABILITY.—The Administrator shall post on the Internet website of the Federal Aviation Administration the metrics developed under subsection (a) and the assessment of the progress of the system required under subsection (c).

SA 4625. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 68, strike line 23 and all that follows through page 69, line 2, and insert the following:

''(5)(A) There is established the position of Associate Administrator for the Next Generation Air Transportation System, who shall be appointed by the Administrator of the Federal Aviation Administration and report to the Administrator.

''(B) The Associate Administrator for the Next Generation Air Transportation System shall—

''(i) be the head of the Office; and

''(ii) be a voting member of the Federal Aviation Administration's Joint Resources Council and the Air Traffic Organization's Executive Council.'';

SA 4626. Mr. NELSON of Nebraska (for himself and Mr. HAGEL) submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. CALCULATION OF HIGHWAY MILEAGE TO MEDIUM AND LARGE HUB AIRPORTS.

(a) IN GENERAL.—Section 41731 of title 49, United States Code, is amended by adding at the end the following:

''(c) CALCULATION OF HIGHWAY MILEAGE TO MEDIUM AND LARGE HUB AIRPORTS.—

''(1) IN GENERAL.—In any determination under this subchapter of compensation or eligibility for compensation for essential air service based on the highway mileage of an eligible place from the nearest medium hub airport or large hub airport, the highway mileage shall be that of the most commonly used route, as identified under paragraph (2).

''(2) MOST COMMONLY USED ROUTE.—The Secretary of Transportation shall identify the most commonly used route between an eligible place and the nearest medium hub airport or large hub airport by—

''(A) consulting with the Governor or a designee of the Governor in the State in which the eligible place is located; and

''(B) considering the certification of the Governor or a designee of the Governor as to the most commonly used route.

''(3) APPLICABILITY.—This subsection shall apply only to eligible places in the 48 contiguous States and the District of Columbia.''.

(b) CONFORMING AMENDMENT.—Section 409 of Vision 100—Century of Aviation Reauthorization Act (Public Law 108–176; 49 U.S.C. 41731 note) is repealed.

SA 4627. Mr. ROCKEFELLER proposed an amendment to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Aviation Investment and Modernization Act of 2008''.

(b) TABLE OF CONTENTS.—The table of contents for 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 AND FINANCING

Sec. 101. Operations.
Sec. 102. Air navigation facilities and equipment.
Sec. 103. Research and development.
Sec. 104. Airport planning and development and noise compatibility planning and programs.
Sec. 105. Other aviation programs.
Sec. 106. Delineation of next generation air transportation system projects.
Sec. 107. Funding for administrative expenses for airport programs.

TITLE II—AIRPORT IMPROVEMENTS

Sec. 201. Reform of passenger facility charge authority.
Sec. 202. Passenger facility charge pilot program.
Sec. 203. Amendments to grant assurances.
Sec. 204. Government share of project costs.
Sec. 205. Amendments to allowable costs.
Sec. 206. Sale of private airport to public sponsor.
Sec. 207. Pilot program for airport takeover of air navigation facilities.
Sec. 208. Government share of certain air project costs.
Sec. 209. Miscellaneous amendments.
Sec. 210. State block grant program.
Sec. 211. Airport funding of special studies or reviews.
Sec. 212. Grant eligibility for assessment of flight procedures.
Sec. 213. Safety-critical airports.
Sec. 214. Expanded passenger facility charge eligibility for noise compatibility projects.
Sec. 215. Environmental mitigation demonstration pilot program.
Sec. 216. Allowable project costs for airport development program.
Sec. 217. Glycol recovery vehicles.
Sec. 218. Research improvement for aircraft.

TITLE III—FAA ORGANIZATION AND REFORM

Sec. 301. Air Traffic Control Modernization Oversight Board.
Sec. 302. ADS–B support pilot program.
Sec. 303. Facilitation of next generation air traffic services.
Sec. 304. Clarification of authority to enter into reimbursable agreements.
Sec. 305. Clarification to acquisition reform authority.
Sec. 306. Assistance to other aviation authorities.
Sec. 307. Presidential rank award program.
Sec. 308. Next generation facilities needs assessment.
Sec. 309. Next generation air transportation system planning office.
Sec. 310. Definition of air navigation facility.
Sec. 311. Improved management of property inventory.
Sec. 312. Educational requirements.
Sec. 313. FAA personnel management system.
Sec. 314. Rulemaking and report on ADS-B implementation.
Sec. 315. FAA task force on air traffic control facility conditions.
Sec. 316. State ADS-B equipage bank pilot program.

TITLE IV—AIRLINE SERVICE AND SMALL COMMUNITY AIR SERVICE IMPROVEMENTS

Sec. 401. Airline contingency service requirements.
Sec. 402. Publication of customer service data and flight delay history.
Sec. 403. EAS connectivity program.
Sec. 404. Extension of final order establishing mileage adjustment eligibility.

Sec. 405. EAS contract guidelines.
Sec. 406. Conversion of former EAS airports.
Sec. 407. EAS reform.
Sec. 408. Clarification of air carrier fee disputes.
Sec. 409. Small community air service.
Sec. 410. Contract tower program.
Sec. 411. Airfares for members of the armed forces.
Sec. 412. Expansion of DOT airline consumer complaint investigations.
Sec. 413. EAS marketing.
Sec. 414. Extraperimetal and intraperimetal slots at Ronald Reagan Washington National Airport.
Sec. 415. Establishment of advisory committee for aviation consumer protection.
Sec. 416. Rural aviation improvement.

TITLE V—AVIATION SAFETY

Sec. 501. Runway safety equipment plan.
Sec. 502. Aircraft fuel tank safety improvement.
Sec. 503. Judicial review of denial of airman certificates.
Sec. 504. Release of data relating to abandoned type certificates and supplemental type certificates.
Sec. 505. Design organization certificates.
Sec. 506. FAA access to criminal history records or database systems.
Sec. 507. Flight crew fatigue.
Sec. 508. Increasing safety for helicopter emergency medical service operators.
Sec. 509. Cabin crew communication.
Sec. 510. Clarification of memorandum of understanding with osha.
Sec. 511. Acceleration of development and implementation of required navigation performance approach procedures.
Sec. 512. Enhanced safety for airport operations.
Sec. 513. Improved safety information.
Sec. 514. Voluntary disclosure reporting process improvements.
Sec. 515. Procedural improvements for inspections.
Sec. 516. Independent review of safety issues.
Sec. 517. National review team.
Sec. 518. FAA Academy improvements.
Sec. 519. Reduction of runway incursions and operational errors.

TITLE VI—AVIATION RESEARCH

Sec. 601. Airport cooperative research program.
Sec. 602. Reduction of noise, emissions, and energy consumption from civilian aircraft.
Sec. 603. Production of clean coal fuel technology for civilian aircraft.
Sec. 604. Advisory committee on future of aeronautics.
Sec. 605. Research program to improve airfield pavements.
Sec. 606. Wake turbulence, volcanic ash, and weather research.
Sec. 607. Incorporation of unmanned aerial systems into FAA plans and policies.
Sec. 608. Reauthorization of center of excellence in applied research and training in the use of advanced materials in transport aircraft.
Sec. 609. Pilot program for zero emission airport vehicles.
Sec. 610. Reduction of emissions from airport power sources.

TITLE VII—MISCELLANEOUS

Sec. 701. General authority.
Sec. 702. Human intervention management study.
Sec. 703. Airport program modifications.
Sec. 704. Miscellaneous program extensions.
Sec. 705. Extension of competitive access reports.
Sec. 706. Update on overflights.
Sec. 707. Technical corrections.
Sec. 708. FAA technical training and staffing.
Sec. 709. Commercial air tour operators in national parks.
Sec. 710. Phaseout of stage 1 and 2 aircraft.
Sec. 711. Weight restrictions at teterboro airport.
Sec. 712. Pilot program for redevelopment of airport properties.
Sec. 713. Air carriage of international mail.
Sec. 714. Transporting musical instruments.
Sec. 715. Recycling plans for airports.
Sec. 716. Consumer information pamphlet.

TITLE VIII—AMERICAN INFRASTRUCTURE INVESTMENT AND IMPROVEMENT

Sec. 800. Short title, etc.

Subtitle A—Airport and Airway Trust Fund Provisions and Related Taxes

Sec. 801. Extension of taxes funding Airport and Airway Trust Fund.
Sec. 802. Extension of Airport and Airway Trust Fund expenditure authority.
Sec. 803. Modification of excise tax on kerosene used in aviation .
Sec. 804. Air Traffic Control System Modernization Account.
Sec. 805. Treatment of fractional aircraft ownership programs.
Sec. 806. Termination of exemption for small aircraft on nonestablished lines.
Sec. 807. Transparency in passenger tax disclosures.ier pension plans.

Subtitle B—Increased Funding for Highway Trust Fund

Sec. 811. Replenish emergency spending from Highway Trust Fund.
Sec. 812. Suspension of transfers from highway trust fund for certain repayments and credit.
Sec. 813. Taxation of taxable fuels in foreign trade zones.
Sec. 814. Clarification of penalty for sale of fuel failing to meet EPA regulations.
Sec. 815. Treatment of qualified alcohol fuel mixtures and qualified biodiesel fuel mixtures as taxable fuels.
Sec. 816. Calculation of volume of alcohol for fuel credits.
Sec. 817. Bulk transfer exception not to apply to finished gasoline.
Sec. 818. Increase and extension of Oil Spill Liability Trust Fund tax.
Sec. 819. Application of rules treating inverted corporations as domestic corporations to certain transactions occurring after March 20, 2002.
Sec. 820. Denial of deduction for punitive damages.
Sec. 821. Motor fuel tax enforcement advisory commission.
Sec. 822. Highway Trust Fund conforming expenditure amendment.

Subtitle C—Additional Infrastructure Modifications and Revenue Provisions

Sec. 831. Restructuring of New York Liberty Zone tax credits.
Sec. 832. Participants in government section 457 plans allowed to treat elective deferrals as Roth contributions.
Sec. 833. Increased information return penalties.
Sec. 834. Exemption of certain commercial cargo from harbor maintenance tax.
Sec. 835. Credit to holders of qualified rail infrastructure bonds.
Sec. 836. Repeal of suspension of certain penalties and interest.
Sec. 837. Denial of deduction for certain fines, penalties, and other amounts.
Sec. 838. Revision of tax rules on expatriation.

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

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. EFFECTIVE DATE.

Except as otherwise expressly provided, this Act and the amendments made by this Act shall take effect on the date of enactment.

TITLE I—AUTHORIZATIONS AND FINANCING

SEC. 101. OPERATIONS.

(a) IN GENERAL.—Section 106(k)(1) is amended by striking subparagraphs (A) through (D) and inserting the following:

''(A) $8,726,000,000 for fiscal year 2008;

''(B) $8,990,000,000 for fiscal year 2009;

''(C) $9,330,000,000 for fiscal year 2010; and

''(D) $9,620,000,000 for fiscal year 2011.''.

(b) SAFETY PROJECT.—Section 106(k)(2)(F) is amended by striking ''2007'' and inserting ''2011''.

SEC. 102. AIR NAVIGATION FACILITIES AND EQUIPMENT.

Section 48101(a) is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) $2,572,000,000 for fiscal year 2008;

''(2) $2,923,000,000 for fiscal year 2009, of which $400,000,000 is derived from the Air Traffic Control System Modernization Account of the Airport and Airways Trust Fund;

''(3) $3,079,000,000 for fiscal year 2010, of which $400,000,000 is derived from the Air Traffic Control System Modernization Account of the Airport and Airways Trust Fund; and

''(4) $3,317,000,000 for fiscal year 2011, of which $400,000,000 is derived from the Air Traffic Control System Modernization Account of the Airport and Airways Trust Fund.''.

SEC. 103. RESEARCH AND DEVELOPMENT.

Section 48102 is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—Not more than the following amounts may be appropriated to the Secretary of Transportation out of the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 (26 U.S.C. 9502) for conducting civil aviation research and development under sections 44504, 44505, 44507, 44509, and 44511 through 44513 of this title:

''(1) $140,000,000 for fiscal year 2008.

''(2) $191,000,000 for fiscal year 2009.

''(3) $191,000,000 for fiscal year 2010.

''(4) $194,000,000 for fiscal year 2011.'';

(2) by striking subsections (c) through (h); and

(3) by adding at the end the following:

''(c) RESEARCH GRANTS PROGRAM INVOLVING UNDERGRADUATE STUDENTS.—The Administrator of the Federal Aviation Administration shall establish a program to utilize undergraduate and technical colleges, including Historically Black Colleges and Universities, Hispanic Serving Institutions, tribally controlled colleges and universities, and Alaska Native and Native Hawaiian serving institutions in research on subjects of relevance to the Federal Aviation Administration. Grants may be awarded under this subsection for—

''(1) research projects to be carried out at primarily undergraduate institutions and technical colleges;

''(2) research projects that combine research at primarily undergraduate institutions and technical colleges with other research supported by the Federal Aviation Administration;

''(3) research on future training requirements on projected changes in regulatory requirements for aircraft maintenance and power plant licensees; or

''(4) research on the impact of new technologies and procedures, particularly those related to aircraft flight deck and air traffic management functions, and on training requirements for pilots and air traffic controllers.''.

SEC. 104. AIRPORT PLANNING AND DEVELOPMENT AND NOISE COMPATIBILITY PLANNING AND PROGRAMS.

Section 48103 is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) $3,800,000,000 for fiscal year 2008;

''(2) $3,900,000,000 for fiscal year 2009;

''(3) $4,000,000,000 for fiscal year 2010; and

''(4) $4,100,000,000 for fiscal year 2011.''.

SEC. 105. OTHER AVIATION PROGRAMS.

Section 48114 is amended—

(1) by striking ''2007'' in subsection (a)(1)(A) and inserting ''2011'';

(2) by striking ''2007,'' in subsection (a)(2) and inserting ''2011,''; and

(3) by striking ''2007'' in subsection (c)(2) and inserting ''2011''.

SEC. 106. DELINEATION OF NEXT GENERATION AIR TRANSPORTATION SYSTEM PROJECTS.

Section 44501(b) is amended—

(1) by striking ''and'' after the semicolon in paragraph (3);

(2) by striking ''defense.'' in paragraph (4) and inserting ''defense; and''; and

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

''(5) a list of projects that are part of the Next Generation Air Transportation System and do not have as a primary purpose to operate or maintain the current air traffic control system.''.

SEC. 107. FUNDING FOR ADMINISTRATIVE EXPENSES FOR AIRPORT PROGRAMS.

(a) IN GENERAL.—Section 48105 is amended to read as follows:

''§ 48105. Airport programs administrative expenses

''Of the amount made available under section 48103 of this title, the following may be available for administrative expenses relating to the Airport Improvement Program, passenger facility charge approval and oversight, national airport system planning, airport standards development and enforcement, airport certification, airport-related environmental activities (including legal services), and other airport-related activities (including airport technology research), to remain available until expended—

''(1) for fiscal year 2008, $80,676,000;

''(2) for fiscal year 2009, $85,000,000;

''(3) for fiscal year 2010, $89,000,000; and

''(4) for fiscal year 2011, $93,000,000.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 481 is amended by striking the item relating to section 48105 and inserting the following:

''48105. Airport programs administrative expenses.''.

TITLE II—AIRPORT IMPROVEMENTS

SEC. 201. REFORM OF PASSENGER FACILITY CHARGE AUTHORITY.

(a) PASSENGER FACILITY CHARGE STREAMLINING.—Section 40117(c) is amended to read as follows:

''(c) PROCEDURAL REQUIREMENTS FOR IMPOSITION OF PASSENGER FACILITY CHARGE.—

''(1) IN GENERAL.—An eligible agency must submit to those air carriers and foreign air carriers operating at the airport with a significant business interest, as defined in paragraph (3), and to the Secretary and make available to the public annually a report, in the form required by the Secretary, on the status of the eligible agency's passenger facility charge program, including—

''(A) the total amount of program revenue held by the agency at the beginning of the 12 months covered by the report;

''(B) the total amount of program revenue collected by the agency during the period covered by the report;

''(C) the amount of expenditures with program revenue made by the agency on each eligible airport-related project during the period covered by the report;

''(D) each airport-related project for which the agency plans to collect and use program revenue during the next 12-month period covered by the report, including the amount of revenue projected to be used for such project;

''(E) the level of program revenue the agency plans to collect during the next 12-month period covered by the report;

''(F) a description of the notice and consultation process with air carriers and foreign air carriers under paragraph (3), and with the public under paragraph (4), including a copy of any adverse comments received and how the agency responded; and

''(G) any other information on the program that the Secretary may require.

''(2) IMPLEMENTATION.—Subject to the requirements of paragraphs (3), (4), (5), and (6), the eligible agency may implement the planned collection and use of passenger facility charges in accordance with its report upon filing the report as required in paragraph (1).

''(3) CONSULTATION WITH CARRIERS FOR NEW PROJECTS.—

''(A) An eligible agency proposing to collect or use passenger facility charge revenue for a project not previously approved by the Secretary or not included in a report required by paragraph (1) that was submitted in a prior year shall provide to air carriers and foreign air carriers operating at the airport reasonable notice, and an opportunity to comment on the planned collection and use of program revenue before providing the report required under paragraph (1). The Secretary shall prescribe by regulation what constitutes reasonable notice under this paragraph, which shall at a minimum include—

''(i) that the eligible agency provide to air carriers and foreign air carriers operating at the airport written notice of the planned collection and use of passenger facility charge revenue;

''(ii) that the notice include a full description and justification for a proposed project;

''(iii) that the notice include a detailed financial plan for the proposed project; and

''(iv) that the notice include the proposed level for the passenger facility charge.

''(B) An eligible agency providing notice and an opportunity for comment shall be deemed to have satisfied the requirements of this paragraph if the eligible agency provides such notice to air carriers and foreign air carriers that have a significant business interest at the airport. For purposes of this subparagraph, the term 'significant business interest' means an air carrier or foreign air carrier that—

''(i) had not less than 1.0 percent of passenger boardings at the airport in the prior calendar year;

''(ii) had at least 25,000 passenger boardings at the airport in the prior calendar year; or

''(iii) provides scheduled service at the airport.

''(C) Not later than 45 days after written notice is provided under subparagraph (A), each air carrier and foreign air carrier may provide written comments to the eligible agency indicating its agreement or disagreement with the project or, if applicable, the proposed level for a passenger facility charge.

''(D) The eligible agency may include, as part of the notice and comment process, a consultation meeting to discuss the proposed project or, if applicable, the proposed level for a passenger facility charge. If the agency provides a consultation meeting, the written comments specified in subparagraph (C) shall be due not later than 30 days after the meeting.

''(4) PUBLIC NOTICE AND COMMENT.—

''(A) An eligible agency proposing to collect or use passenger facility charge revenue for a project not previously approved by the Secretary or not included in a report required by paragraph (1) that was filed in a prior year shall provide reasonable notice and an opportunity for public comment on the planned collection and use of program revenue before providing the report required in paragraph (1).

''(B) The Secretary shall prescribe by regulation what constitutes reasonable notice under this paragraph, which shall at a minimum require—

''(i) that the eligible agency provide public notice of intent to collect a passenger facility charge so as to inform those interested persons and agencies that may be affected;

''(ii) appropriate methods of publication, which may include notice in local newspapers of general circulation or other local media, or posting of the notice on the agency's Internet website; and

''(iii) submission of public comments no later than 45 days after the date of the publication of the notice.

''(5) OBJECTIONS.—

''(A) Any interested person may file with the Secretary a written objection to a proposed project included in a notice under this paragraph provided that the filing is made within 30 days after submission of the report specified in paragraph (1).

''(B) The Secretary shall provide not less than 30 days for the eligible agency to respond to any filed objection.

''(C) Not later than 90 days after receiving the eligible agency's response to a filed objection, the Secretary shall make a determination whether or not to terminate authority to collect the passenger facility charge for the project, based on the filed objection. The Secretary shall state the reasons for any determination. The Secretary may only terminate authority if—

''(i) the project is not an eligible airport related project;

''(ii) the eligible agency has not complied with the requirements of this section or the Secretary's implementing regulations in proposing the project;

''(iii) the eligible agency has been found to be in violation of section 47107(b) of this title and has failed to take corrective action, prior to the filing of the objection; or

''(iv) in the case of a proposed increase in the passenger facility charge level, the level is not authorized by this section.

''(D) Upon issuance of a decision terminating authority, the public agency shall prepare an accounting of passenger facility revenue collected under the terminated authority and restore the funds for use on other authorized projects.

''(E) Except as provided in subparagraph (C), the eligible agency may implement the planned collection and use of a passenger facility charge in accordance with its report upon filing the report as specified in paragraph (1)(A).

''(6) APPROVAL REQUIREMENT FOR INCREASED PASSENGER FACILITY CHARGE OR INTERMODAL GROUND ACCESS PROJECT.—

''(A) An eligible agency may not collect or use a passenger facility charge to finance an intermodal ground access project, or increase a passenger facility charge, unless the project is first approved by the Secretary in accordance with this paragraph.

''(B) The eligible agency may submit to the Secretary an application for authority to impose a passenger facility charge for an intermodal ground access project or to increase a passenger facility charge. The application shall contain information and be in the form that the Secretary may require by regulation but, at a minimum, must include copies of any comments received by the agency during the comment period described by subparagraph (C).

''(C) Before submitting an application under this paragraph, an eligible agency must provide air carriers and foreign air carriers operating at the airport, and the public, reasonable notice of and an opportunity to comment on a proposed intermodal ground access project or the increased passenger facility charge. Such notice and opportunity to comment shall conform to the requirements of paragraphs (3) and (4).

''(D) After receiving an application, the Secretary may provide air carriers, foreign air carriers and other interested persons notice and an opportunity to comment on the application. The Secretary shall make a final decision on the application not later than 120 days after receiving it.''.

(b) CONFORMING AMENDMENTS.—

(1) REFERENCES.—

(A) Section 40117(a) is amended—

(i) by striking ''FEE'' in the heading for paragraph (5) and inserting ''CHARGE''; and

(ii) by striking ''fee'' each place it appears in paragraphs (5) and (6) and inserting ''charge''.

(B) Subsections (b), and subsections (d) through (m), of section 40117 are amended—

(i) by striking ''fee'' or ''fees'' each place either appears and inserting ''charge'' or ''charges'', respectively; and

(ii) by striking ''FEE'' in the subsection caption for subsection (l), and ''FEES'' in the subsection captions for subsections (e) and (m), and inserting ''CHARGE'' and ''CHARGES'', respectively.

(C) The caption for section 40117 is amended to read as follows:

''§ 40117. Passenger facility charges''.

(D) The chapter analysis for chapter 401 is amended by striking the item relating to section 40117 and inserting the following:

''40117. Passenger facility charges.''.

(2) LIMITATIONS ON APPROVING APPLICATIONS.—Section 40117(d) is amended—

(A) by striking ''subsection (c) of this section to finance a specific'' and inserting ''subsection (c)(6) of this section to finance an intermodal ground access'';

(B) by striking ''specific'' in paragraph (1);

(C) by striking paragraph (2) and inserting the following:

''(2) the project is an eligible airport-related project; and'';

(D) by striking ''each of the specific projects; and'' in paragraph (3) and inserting ''the project.''; and

(E) by striking paragraph (4).

(3) LIMITATIONS ON IMPOSING CHARGES.—Section 40117(e)(1) is amended to read as follows: ''(1) An eligible agency may impose a passenger facility charge only subject to terms the Secretary may prescribe to carry out the objectives of this section.''.

(4) LIMITATIONS ON CONTRACTS, LEASES, AND USE AGREEMENTS.—Section 40117(f)(2) is amended by striking ''long-term''.

(5) COMPLIANCE.—Section 40117(h) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

''(3) The Secretary may, on complaint of an interested person or on the Secretary's own initiative, conduct an investigation into an eligible agency's collection and use of passenger facility charge revenue to determine whether a passenger facility charge is excessive or that passenger facility revenue is not being used as provided in this section. The Secretary shall prescribe regulations establishing procedures for complaints and investigations. The regulations may provide for the issuance of a final agency decision without resort to an oral evidentiary hearing. The Secretary shall not accept complaints filed under this paragraph until after the issuance of regulations establishing complaint procedures.''.

(6) PILOT PROGRAM FOR PFC AT NONHUB AIRPORTS.—Section 40117(l) is amended—

(A) by striking ''(c)(2)'' in paragraph (2) and inserting ''(c)(3)''; and

(B) by striking ''date that is 3 years after the date of issuance of regulations to carry out this subsection.'' in paragraph (7) and inserting ''date of issuance of regulations to carry out subsection (c) of this section, as amended by the Aviation Investment and Modernization Act of 2008.''.

(7) PROHIBITION ON APPROVING PFC APPLICATIONS FOR AIRPORT REVENUE DIVERSION.—Section 47111(e) is amended by striking ''sponsor'' the second place it appears in the first sentence and all that follows and inserting ''sponsor. A sponsor shall not propose collection or use of passenger facility charges for any new projects under paragraphs (3) through (6) of section 40117(c) unless the Secretary determines that the sponsor has taken corrective action to address the violation and the violation no longer exists.''.

SEC. 202. PASSENGER FACILITY CHARGE PILOT PROGRAM.

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

''(n) ALTERNATIVE PASSENGER FACILITY CHARGE COLLECTION PILOT PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish and conduct a pilot program at not more than 6 airports under which an eligible agency may impose a passenger facility charge under this section without regard to the dollar amount limitations set forth in paragraph (1) or (4) of subsection (b) if the participating eligible agency meets the requirements of paragraph (2).

''(2) COLLECTION REQUIREMENTS.—

''(A) DIRECT COLLECTION.—An eligible agency participating in the pilot program—

''(i) may collect the charge from the passenger at the facility, via the Internet, or in any other reasonable manner; but

''(ii) may not require or permit the charge to be collected by an air carrier or foreign air carrier for the flight segment.

''(B) PFC COLLECTION REQUIREMENT NOT TO APPLY.—Subpart C of part 158 of title 14, Code of Federal Regulations, does not apply to the collection of the passenger facility charge imposed by an eligible agency participating in the pilot program.''.

SEC. 203. AMENDMENTS TO GRANT ASSURANCES.

Section 47107 is amended—

(1) by striking ''made;'' in subsection (a)(16)(D)(ii) and inserting ''made, except that, if there is a change in airport design standards that the Secretary determines is beyond the owner or operator's control that requires the relocation or replacement of an existing airport facility, the Secretary, upon the request of the owner or operator, may grant funds available under section 47114 to pay the cost of relocating or replacing such facility;'';

(2) by striking ''purpose;'' in subsection (c)(2)(A)(i) and inserting ''purpose, which includes serving as noise buffer land;'';

(3) by striking ''paid to the Secretary for deposit in the Fund if another eligible project does not exist.'' in subsection (c)(2)(B)(iii) and inserting ''reinvested in another project at the airport or transferred to another airport as the Secretary prescribes.''; and

(4) by redesignating paragraph (3) of subsection (c) as paragraph (4) and inserting after paragraph (2) the following:

''(3) In approving the reinvestment or transfer of proceeds under paragraph (2)(C)(iii), the Secretary shall give preference, in descending order, to—

''(i) reinvestment in an approved noise compatibility project;

''(ii) reinvestment in an approved project that is eligible for funding under section 47117(e);

''(iii) reinvestment in an airport development project that is eligible for funding under section 47114, 47115, or 47117 and meets the requirements of this chapter;

''(iv) transfer to the sponsor of another public airport to be reinvested in an approved noise compatibility project at such airport; and

''(v) payment to the Secretary for deposit in the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 (26 U.S.C. 9502).''.

SEC. 204. GOVERNMENT SHARE OF PROJECT COSTS.

(a) FEDERAL SHARE.—Section 47109 is amended—

(1) by striking ''subsection (b) or subsection (c)'' in subsection (a) and inserting ''subsection (b), (c), or (e)''; and

(2) by adding at the end the following:

''(e) SPECIAL RULE FOR TRANSITION FROM SMALL HUB TO MEDIUM HUB STATUS.—If the status of a small hub primary airport changes to a medium hub primary airport, the United States Government's share of allowable project costs for the airport may not exceed 95 percent for 2 fiscal years following such change in hub status.''.

(b) TRANSITIONING AIRPORTS.—Section 47114(f)(3)(B) is amended by striking ''year 2004.'' and inserting ''years 2008, 2009, 2010, and 2011.''.

SEC. 205. AMENDMENTS TO ALLOWABLE COSTS.

Section 47110 is amended—

(1) by striking subsection (d) and inserting the following:

''(d) RELOCATION OF AIRPORT-OWNED FACILITIES.—The Secretary may determine that the costs of relocating or replacing an airport-owned facility are allowable for an airport development project at an airport only if—

''(1) the Government's share of such costs is paid with funds apportioned to the airport sponsor under sections 47114(c)(1) or 47114(d)(2);

''(2) the Secretary determines that the relocation or replacement is required due to a change in the Secretary's design standards; and

''(3) the Secretary determines that the change is beyond the control of the airport sponsor.''; and

(2) by striking ''facilities, including fuel farms and hangars,'' in subsection (h) and inserting ''facilities, as defined by section 47102,''.

SEC. 206. SALE OF PRIVATE AIRPORT TO PUBLIC SPONSOR.

Section 47133(b) is amended—

(1) by resetting the text of the subsection as an indented paragraph 2 ems from the left margin;

(2) by inserting ''(1)'' before ''Subsection''; and

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

''(2) In the case of a privately owned airport, subsection (a) shall not apply to the proceeds from the sale of the airport to a public sponsor if—

''(A) the sale is approved by the Secretary;

''(B) funding is provided under this title for the public sponsor's acquisition; and

''(C) an amount equal to the remaining unamortized portion of the original grant, amortized over a 20-year period, is repaid to the Secretary by the private owner for deposit in the Trust Fund for airport acquisitions.

''(3) This subsection shall apply to grants issued on or after October 1, 1996.''.

SEC. 207. PILOT PROGRAM FOR AIRPORT TAKEOVER OF AIR NAVIGATION FACILITIES.

(a) IN GENERAL.—Chapter 445 is amended by adding at the end the following new section:

''§ 44518. Pilot program for airport takeover of terminal area air navigation equipment

''(a) IN GENERAL.—Subject to the requirements of this section, the Administrator of the Federal Aviation Administrator may carry out a pilot program under which the Administrator may transfer ownership, operating, and maintenance responsibilities for airport terminal area air navigation equipment to sponsors of not more than 10 airports.

''(b) TERMS AND CONDITIONS OF TRANSFER FOR AIRPORT SPONSORS.—As a condition of participating in this pilot program the sponsor shall agree that the sponsor will—

''(1) operate and maintain all of the air navigation equipment that is subject to this section at the airport in accordance with standards established by the Administrator;

''(2) permit the Administrator or a person designated by the Administrator to conduct inspections of the air navigation equipment under a schedule established by the Administrator; and

''(3) acquire and maintain new air navigation equipment as needed to replace facilities that have to be replaced at the end of their useful life or to meet new standards established by the Administrator.

''(c) TERMS AND CONDITIONS OF TRANSFER FOR THE ADMINISTRATOR.—When the Administrator approves a sponsor's participation in this pilot program, the Administrator shall—

''(1) transfer, at no cost to the sponsor, the title and ownership of the air navigation equipment facilities approved for transfer under this program; and

''(2) transfer, at no cost to the sponsor, the government's property interest in the land on which the air navigation facilities transferred under paragraph (1) are located.

''(d) TREATMENT OF AIRPORT COSTS UNDER PILOT PROGRAM.—Upon transfer by the Administrator, any costs incurred by the airport for ownership and maintenance of the equipment transferred under this section shall be considered a cost of providing airfield facilities and services under standards and guidelines issued by the Secretary under section 47129(b)(2) and may be recovered in rates and charges assessed for use of the airfield.

''(e) DEFINITIONS.—In this section:

''(1) SPONSOR.—The term 'sponsor' has the meaning given that term in section 40102.

''(2) TERMINAL AREA AIR NAVIGATION EQUIPMENT.—The term 'terminal area air navigation equipment' means an air navigation facility under section 40102, other than buildings used for air traffic control functions, that exists to provide approach and landing guidance to aircraft.

''(f) GUIDELINES.—The Administrator shall issue advisory guidelines on the implementation of the program. The guidelines shall not be subject to administrative rulemaking requirements under subchapter II of chapter 5 of title 5.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 445 is amended by inserting after the item relating to section 44517 the following:

''44518. Pilot program for airport takeover of terminal area air navigation equipment.''.

SEC. 208. GOVERNMENT SHARE OF CERTAIN AIR PROJECT COSTS.

Notwithstanding section 47109(a) of title 49, United States Code, the Federal government's share of allowable project costs for a grant made in fiscal year 2008, 2009, 2010, or 2011 under chapter 471 of that title for a project described in paragraph (2) or (3) of that section shall be 95 percent.

SEC. 209. MISCELLANEOUS AMENDMENTS.

(a) TECHNICAL CHANGES TO NATIONAL PLAN OF INTEGRATED AIRPORT SYSTEMS.—Section 47103 is amended—

(1) by striking ''each airport to—'' in subsection (a) and inserting ''the airport system to—'';

(2) by striking ''system in the particular area;'' in subsection (a)(1) and inserting ''system, including connection to the surface transportation network; and'';

(3) by striking ''aeronautics; and'' in subsection (a)(2) and inserting ''aeronautics.'';

(4) by striking subsection (a)(3);

(5) by striking paragraph (2) of subsection (b) and redesignating paragraph (3) as paragraph (2);

(6) by striking ''operations, Short Takeoff and Landing/Very Short Takeoff and Landing aircraft operations,'' in subsection (b)(2), as redesignated, and inserting ''operations''; and

(7) by striking ''status of the'' in subsection (d).

(b) UPDATE VETERANS PREFERENCE DEFINITION.—Section 47112(c) is amended—

(1) by striking ''separated from'' in paragraph (1)(B) and inserting ''discharged or released from active duty in'';

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

''(C) 'Afghanistan-Iraq war veteran' means an individual who served on active duty, as defined by section 101(21) of title 38, at any time in the armed forces for a period of more than 180 consecutive days, any part of which occurred during the period beginning on September 11, 2001, and ending on the date prescribed by Presidential proclamation or by law as the last date of Operation Iraqi Freedom.''; and

(3) by striking ''veterans and'' in paragraph (2) and inserting ''veterans, Afghanistan-Iraq war veterans, and''.

(c) ANNUAL REPORT.—Section 47131(a) is amended—

(1) by striking ''April 1'' and inserting ''June 1''; and

(2) by striking paragraphs (1) through (4) and inserting the following:

''(1) a summary of airport development and planning completed;

''(2) a summary of individual grants issued;

''(3) an accounting of discretionary and apportioned funds allocated;

''(4) the allocation of appropriations; and''.

(d) SUNSET OF PROGRAM.—Section 47137 is repealed effective September 30, 2008.

(e) CORRECTION TO EMISSION CREDITS PROVISION.—Section 47139 is amended—

(1) by striking ''47102(3)(F),'' in subsection (a);

(2) by striking ''47102(3)(F),'' in subsection (b);

(3) by striking ''47102(3)(L), or 47140'' in subsection (b) and inserting ''or 47102(3)(L),'';

(4) by striking ''47103(3)(F), in subsection (b);

(5) by striking ''47102(3)(L), or 47140,'' in subsection (b) and inserting ''or 47102(3)(L),''.

(f) CORRECTION TO SURPLUS PROPERTY AUTHORITY.—Section 47151(e) is amended by striking ''(other than real property that is subject to section 2687 of title 10, section 201 of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note), or section 2905 of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note),''.

(g) AIRPORT CAPACITY BENCHMARK REPORTS; DEFINITION OF JOINT USE AIRPORT.—Section 47175 is amended—

(1) by striking ''Airport Capacity Benchmark Report 2001.'' in paragraph (2) and inserting ''2001 and 2004 Airport Capacity Benchmark Reports or of the most recent Benchmark report.''; and

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

''(7) JOINT USE AIRPORT.—The term 'joint use airport' means an airport owned by the United States Department of Defense, at which both military and civilian aircraft make shared use of the airfield.''.

(h) CARGO AIRPORTS.—Section 47114(c)(2)(A) is amended by striking ''3.5 percent'' and inserting ''4.0 percent''.

(i) USE OF APPORTIONED AMOUNTS.—Section 47117(e)(1)(A) is amended—

(1) by striking ''35 percent'' in the first sentence and inserting ''$300,000,000'';

(2) by striking ''and'' after ''47141,'';

(3) by striking ''et seq.).'' and inserting ''et seq.), and for water quality mitigation projects to comply with the Act of June 30, 1948 (33 U.S.C. 1251 et seq.) approved in an environmental record of decision for an airport development project under this title.''; and

(4) by striking ''such 35 percent requirement is'' in the second sentence and inserting ''the requirements of the preceding sentence are''.

(j) USE OF APPORTIONED AMOUNTS.—An amount apportioned under section 47114 of title 49, United States Code, or made available under section 47115 of that title, to the sponsor of a reliever airport the crosswind runway of which was closed as a result of a Record of Decision dated September 3, 2004, shall be available for project costs associated with the establishment of a new crosswind runway.

(k) USE OF PREVIOUS FISCAL YEAR'S APPORTIONMENT.—Section 47114(c)(1) is amended—

(1) by striking ''airport due to an employment action, natural disaster, or other event unrelated to the demand for air transportation at the affected airport.'' in subparagraph (E)(iii) and inserting ''airport—

''(I) if it is included in the essential air service program in the calendar year in which the passenger boardings fall below 9,700;

''(II) if at the airport the total passenger boardings from large certificated air carriers (as defined in part 241 of title 14, Code of Federal Regulations) conducting scheduled plus nonscheduled service totals 10,000 or more in the calendar year in which the airport does not meet the criteria for a primary airport under section 47102 of this title; or

''(III) if the documented interruption to scheduled service at the airport was equal to 4 percent of the scheduled flights in calendar year 2006, exclusive of cancellations due to severe weather conditions, and the airport is served by a single air carrier.'';

(2) by redesignating subparagraphs (F) and (G) as (G) and (H), respectively, and inserting after subparagraph (E) the following:

''(F) For fiscal years 2009 through 2012, with regard to an airport that meets the criteria described in paragraph (E)(iii), if the calendar year passenger boardings for the

calculation of apportionments under this section fall below 10,000 passenger boardings, the Secretary may use the passenger boardings for the last fiscal year in which passenger boardings exceeded 10,000 for calculating apportionments.''.

(l) Section 47102(3) is amended by adding at the end the following:

''(M) construction of mobile refueler parking within a fuel farm at a nonprimary airport meeting the requirements of section 112.8 of title 40, Code of Federal Regulations.''.

(m) Section 47115(g)(1) is amended by striking ''of—'' and all that follows and inserting ''of $520,000,000. The amount credited is exclusive of amounts that have been apportioned in a prior fiscal year under section 47114 of this title and that remain available for obligation.''.

(n) Section 47114(c) is amended by adding at the end thereof the following:

''(3) AIRPORTS SERVED BY LARGE CERTIFICATED CARRIERS.—

''(A) APPORTIONMENT.—The Secretary shall apportion to the sponsor of an airport that received scheduled air service from a large certificated air carrier (as defined in part 241 of title 14, Code of Federal Regulations) an amount equal to the minimum apportionment specified in paragraph (1) of this subsection.

''(B) LIMITATION.—The apportionment under subparagraph (A) shall be made available to an airport sponsor only if—

''(i) the large certificated air carrier began scheduled air service at the airport in May 2006 and ceased scheduled air service at the airport in October 2006; and

''(ii) the Secretary determines that the airport had more than 10,000 passenger boardings in the preceding calendar year, based on data submitted to the Secretary under part 241 of title 14, Code of Federal Regulations.''.

(o) Subparagraph (H) of section 47114(c)(1), as redesignated by subsection (k)(2) of this section, is amended—

(1) by striking ''FISCAL YEAR 2006'' in the subparagraph heading and inserting ''FISCAL YEARS 2008 THROUGH 2011.—'';

(2) by striking ''fiscal year 2006'' and inserting ''each of fiscal years 2008 through 2011''; and

(3) by striking clause (i) and inserting the following:

''(i) the average annual passenger boardings at the airport for calendar years 2004 through 2006 were below 10,000 per year;''; and

(4) by striking ''2000 or 2001;'' in clause (ii) and inserting ''2003''.

(p) Section 47114 is amended by adding at the end thereof the following:

''(g) APPROACH LIGHTING SYSTEM.—Any amount apportioned for airport 03-02-0133 under the National Plan of Integrated Airport Systems may be utilized in any fiscal year for approach lighting systems including a medium intensity approach lighting system with runway alignment lights.''.

SEC. 210. STATE BLOCK GRANT PROGRAM.

Section 47128 is amended—

(1) by striking ''regulations'' each place it appears in subsection (a) and inserting ''guidance'';

(2) by striking ''grant;'' in subsection (b)(4) and inserting ''grant, including Federal environmental requirements or an agreed upon equivalent;'';

(3) by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following:

''(c) PROJECT ANALYSIS AND COORDINATION REQUIREMENTS.—Any Federal agency that must approve, license, or permit a proposed action by a participating State shall coordinate and consult with the State. The agency shall utilize the environmental analysis prepared by the State, provided it is adequate, or supplement that analysis as necessary to meet applicable Federal requirements.''; and

(4) by adding at the end the following:

''(e) PILOT PROGRAM.—The Secretary shall establish a pilot program for up to 3 States that do not participate in the program established under subsection (a) that is consistent with the program under subsection (a).''.

SEC. 211. AIRPORT FUNDING OF SPECIAL STUDIES OR REVIEWS.

Section 47173(a) is amended by striking ''project.'' and inserting ''project, or to conduct special environmental studies related to a federally funded airport project or for special studies or reviews to support approved noise compatibility measures in a Part 150 program or environmental mitigation in a Federal Aviation Administration Record of Decision or Finding of No Significant Impact.''.

SEC. 212. GRANT ELIGIBILITY FOR ASSESSMENT OF FLIGHT PROCEDURES.

Section 47504 is amended by adding at the end the following:

''(e) GRANTS FOR ASSESSMENT OF FLIGHT PROCEDURES.—

''(1) The Secretary is authorized in accordance with subsection (c)(1) to make a grant to an airport operator to assist in completing environmental review and assessment activities for proposals to implement flight procedures that have been approved for airport noise compatibility planning purposes under subsection (b).

''(2) The Administrator of the Federal Aviation Administration may accept funds from an airport sponsor, including funds provided to the sponsor under paragraph (1), to hire additional staff or obtain the services of consultants in order to facilitate the timely processing, review and completion of environmental activities associated with proposals to implement flight procedures submitted and approved for airport noise compatibility planning purposes in accordance with this section. Funds received under this authority shall not be subject to the procedures applicable to the receipt of gifts by the Administrator.''.

SEC. 213. SAFETY-CRITICAL AIRPORTS.

Section 47118(c) is amended—

(1) by striking ''or'' after the semicolon in paragraph (1);

(2) by striking ''delays.'' in paragraph (2) and inserting ''delays; or''; and

(3) by adding at the end the following:

''(3) be critical to the safety of commercial, military, or general aviation in transoceanic flights.''.

SEC. 214. EXPANDED PASSENGER FACILITY CHARGE ELIGIBILITY FOR NOISE COMPATIBILITY PROJECTS.

Section 40117(b) is amended by adding at the end the following:

''(7) NOISE MITIGATION FOR CERTAIN SCHOOLS.—

''(A) IN GENERAL.—In addition to the uses specified in paragraphs (1), (4), and (6), the Secretary may authorize a passenger facility charge imposed under paragraph (1) or (4) at a large hub airport that is the subject of an amended judgment and final order in condemnation filed on January 7, 1980, by the Superior Court of the State of California for the county of Los Angeles, to be used for a project to carry out noise mitigation for a building, or for the replacement of a relocatable building with a permanent building, in the noise impacted area surrounding the airport at which such building is used primarily for educational purposes, notwithstanding the air easement granted or any terms to the contrary in such judgment and final order, if—

''(i) the Secretary determines that the building is adversely affected by airport noise;

''(ii) the building is owned or chartered by the school district that was the plaintiff in case number 986,442 or 986,446, which was resolved by such judgment and final order;

''(iii) the project is for a school identified in 1 of the settlement agreements effective February 16, 2005, between the airport and each of the school districts;

''(iv) in the case of a project to replace a relocatable building with a permanent building, the eligible project costs are limited to the actual structural construction costs necessary to mitigate aircraft noise in instructional classrooms to an interior noise level meeting current standards of the Federal Aviation Administration; and

''(v) the project otherwise meets the requirements of this section for authorization of a passenger facility charge.

''(B) ELIGIBLE PROJECT COSTS.—In subparagraph (A)(iv), the term 'eligible project costs' means the difference between the cost of standard school construction and the cost of construction necessary to mitigate classroom noise to the standards of the Federal Aviation Administration.''.

SEC. 215. ENVIRONMENTAL MITIGATION DEMONSTRATION PILOT PROGRAM.

(a) PILOT PROGRAM.—Subchapter I of chapter 471 is amended by adding at the end thereof the following:

''§ 47143. Environmental mitigation demonstration pilot program

''(a) IN GENERAL.—The Secretary of Transportation shall carry out a pilot program involving not more than 6 projects at public-use airports under which the Secretary may make grants to sponsors of such airports from funds apportioned under paragraph 47117(e)(1)(A) for use at such airports for environmental mitigation demonstration projects that will measurably reduce or mitigate aviation impacts on noise, air quality or water quality in the vicinity of the airport. Notwithstanding any other provision of this subchapter, an environmental mitigation demonstration project approved under this section shall be treated as eligible for assistance under this subchapter.

''(b) PARTICIPATION IN PILOT PROGRAM.—A public-use airport shall be eligible for participation in the pilot.

''(c) SELECTION CRITERIA.—In selecting from among applicants for participation in the pilot program, the Secretary may give priority consideration to environmental mitigation demonstration projects that—

''(1) will achieve the greatest reductions in aircraft noise, airport emissions, or airport water quality impacts either on an absolute basis, or on a per-dollar-of-funds expended basis; and

''(2) will be implemented by an eligible consortium.

''(d) FEDERAL SHARE.—Notwithstanding any other provision of this subchapter, the United States Government's share of the costs of a project carried out under this section shall be 50 percent.

''(e) MAXIMUM AMOUNT.—Not more than $2,500,000 may be made available by the Secretary in grants under this section for any single project.

''(f) IDENTIFYING BEST PRACTICES.—The Administrator may develop and publish information identifying best practices for reducing or mitigating aviation impacts on noise, air quality, or water quality in the vicinity of airports, based on the projects carried out under the pilot program.

''(g) DEFINITIONS.—In this section:

''(1) ELIGIBLE CONSORTIUM.—The term 'eligible consortium' means a consortium that comprises 2 or more of the following entities:

''(A) Businesses incorporated in the United States.

''(B) Public or private educational or research organizations located in the United States.

''(C) Entities of State or local governments in the United States.

''(D) Federal laboratories.

''(2) ENVIRONMENTAL MITIGATION DEMONSTRATION PROJECT.—The term 'environmental mitigation demonstration project' means a project that—

''(A) introduces new conceptual environmental mitigation techniques or technology with associated benefits, which have already been proven in laboratory demonstrations;

''(B) proposes methods for efficient adaptation or integration of new concepts to airport operations; and

''(C) will demonstrate whether new techniques or technology for environmental mitigation identified in research are—

''(i) practical to implement at or near multiple public use airports; and

''(ii) capable of reducing noise, airport emissions, or water quality impacts in measurably significant amounts.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47142 the following:

''47143. Environmental mitigation demonstration pilot program''.

SEC. 216. ALLOWABLE PROJECT COSTS FOR AIRPORT DEVELOPMENT PROGRAM.

Section 47110(c) of title 49, United States Code, is amended—

(1) by striking ''; or'' in paragraph (1) and inserting a semicolon;

(2) by striking ''project.'' in paragraph (2) and inserting ''project; or''; and

(3) by adding at the end the following:

''(3) necessarily incurred in anticipation of severe weather.''.

SEC. 217. GLYCOL RECOVERY VEHICLES.

Section 47102(3)(G) is amended by inserting ''including acquiring glycol recovery vehicles,'' after ''aircraft,''.

SEC. 218. RESEARCH IMPROVEMENT FOR AIRCRAFT.

Section 44504(b) is amended—

(1) by striking ''and'' after the semicolon in paragraph (6);

(2) by striking ''aircraft.'' in paragraph (7) and inserting ''aircraft; and''; and

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

''(8) to conduct research to support programs designed to reduce gases and particulates emitted.''.

TITLE III—FAA ORGANIZATION AND REFORM

SEC. 301. AIR TRAFFIC CONTROL MODERNIZATION OVERSIGHT BOARD.

Section 106(p) is amended to read as follows:

''(p) AIR TRAFFIC CONTROL MODERNIZATION OVERSIGHT BOARD.—

''(1) ESTABLISHMENT.—Within 90 days after the date of enactment of the Aviation Investment and Modernization Act of 2008, the Secretary shall establish and appoint the members of an advisory Board which shall be known as the Air Traffic Control Modernization Oversight Board.

''(2) MEMBERSHIP.—The Board shall be comprised of 7 members, who shall consist of—

''(A) the Administrator of the Federal Aviation Administration and a representative from the Department of Defense;

''(B) 1 member who shall have a fiduciary responsibility to represent the public interest; and

''(C) 4 members representing aviation interests, as follows:

''(i) 1 representative that is the chief executive officer of an airport.

''(ii) 1 representative that is the chief executive officer of a passenger or cargo air carrier.

''(iii) 1 representative of a labor organization representing employees at the Federal Aviation Administration that are involved with the operation, maintenance or procurement of the air traffic control system.

''(iv) 1 representative with extensive operational experience in the general aviation community.

''(3) APPOINTMENT AND QUALIFICATIONS.—

''(A) Members of the Board appointed under paragraphs (2)(B) and (2)(C) shall be appointed by the President, by and with the advice and consent of the Senate.

''(B) Members of the Board appointed under paragraph (2)(B) shall be citizens of the United States and shall be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in one or more of the following areas and, in the aggregate, should collectively bring to bear expertise in—

''(i) management of large service organizations;

''(ii) customer service;

''(iii) management of large procurements;

''(iv) information and communications technology;

''(v) organizational development; and

''(vi) labor relations.

''(4) FUNCTIONS.—

''(A) IN GENERAL.—The Board shall—

''(i) review and provide advice on the Administration's modernization programs, budget, and cost accounting system;

''(ii) review the Administration's strategic plan and make recommendations on the nonsafety program portions of the plan, and provide advice on the safety programs of the plan;

''(iii) review the operational efficiency of the air traffic control system and make recommendations on the operational and performance metrics for that system;

''(iv) approve procurements of air traffic control equipment in excess of $100,000,000;

''(v) approve by July 31 of each year the Administrator's budget request for facilities and equipment prior to its submission to the Office of Management and budget, including which programs are proposed to be funded from the Air Traffic control system Modernization Account of the Airport and Airway Trust Fund;

''(vi) approve the Federal Aviation Administration's Capital Investment Plan prior to its submission to the Congress;

''(vii) annually approve the Operational Evolution Plan;

''(viii) approve the Administrator's selection of a Chief Operating Officer for the Air Traffic Organization and on the appointment and compensation of its managers; and

''(ix) approve the selection of the head of the Joint Planning Development Office.

''(B) MEETINGS.—The Board shall meet on a regular and periodic basis or at the call of the Chairman or of the Administrator.

''(C) ACCESS TO DOCUMENTS AND STAFF.—The Administration may give the Board appropriate access to relevant documents and personnel of the Administration, and the Administrator shall make available, consistent with the authority to withhold commercial and other proprietary information under section 552 of title 5, cost data associated with the acquisition and operation of air traffic control systems. Any member of the Board who receives commercial or other proprietary data from the Administrator shall be subject to the provisions of section 1905 of title 18, pertaining to unauthorized disclosure of such information.

''(5) FEDERAL ADVISORY COMMITTEE ACT NOT TO APPLY.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board or such rulemaking committees as the Administrator shall designate.

''(6) ADMINISTRATIVE MATTERS.—

''(A) TERMS OF MEMBERS.—Members of the Board appointed under paragraph (2)(B) and (2)(C) shall be appointed for a term of 4 years.

''(B) REAPPOINTMENT.—No individual may be appointed to the Board for more than 8 years total.

''(C) VACANCY.—Any vacancy on the Board shall be filled in the same manner as the original position. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed for a term of 4 years.

''(D) CONTINUATION IN OFFICE.—A member of the Board whose term expires shall continue to serve until the date on which the member's successor takes office.

''(E) REMOVAL.—Any member of the Board appointed under paragraph (2)(B) or (2)(C) may be removed by the President for cause.

''(F) CLAIMS AGAINST MEMBERS OF THE BOARD.—

''(i) IN GENERAL.—A member appointed to the Board shall have no personal liability under State or Federal law with respect to any claim arising out of or resulting from an act or omission by such member within the scope of service as a member of the Board.

''(ii) EFFECT ON OTHER LAW.—This subparagraph shall not be construed—

''(I) to affect any other immunity or protection that may be available to a member of the Board under applicable law with respect to such transactions;

''(II) to affect any other right or remedy against the United States under applicable law; or

''(III) to limit or alter in any way the immunities that are available under applicable law for Federal officers and employees.

''(G) ETHICAL CONSIDERATIONS.—Each member of the Board appointed under paragraph (2)(B) must certify that he or she—

''(i) does not have a pecuniary interest in, or own stock in or bonds of, an aviation or aeronautical enterprise, except an interest in a diversified mutual fund or an interest that is exempt from the application of section 208 of title 18;

''(ii) does not engage in another business related to aviation or aeronautics; and

''(iii) is not a member of any organization that engages, as a substantial part of its activities, in activities to influence aviation-related legislation.

''(H) CHAIRMAN; VICE CHAIRMAN.—The Board shall elect a chair and a vice chair from among its members, each of whom shall serve for a term of 2 years. The vice chair shall perform the duties of the chairman in the absence of the chairman.

''(I) COMPENSATON.—No member shall receive any compensation or other benefits from the Federal Government for serving on the Board, except for compensation benefits for injuries under subchapter I of chapter 81 of title 5 and except as provided under subparagraph (J).

''(J) EXPENSES.—Each member of the Board shall be paid actual travel expenses and per diem in lieu of subsistence expenses when away from his or her usual place of residence, in accordance with section 5703 of title 5.

''(K) BOARD RESOURCES.—From resources otherwise available to the Administrator, the Chairman shall appoint such staff to assist the board and provide impartial analysis, and the Administrator shall make available to the Board such information and administrative services and assistance, as may reasonably be required to enable the Board to carry out its responsibilities under this subsection.

''(L) QUORUM AND VOTING.—A simple majority of members of the Board duly appointed shall constitute a quorum. A majority vote of members present and voting shall be required for the Committee to take action.

''(7) AIR TRAFFIC CONTROL SYSTEM DEFINED.—In this subsection, the term 'air traffic control system' has the meaning given that term in section 40102(a).''.

SEC. 302. ADS–B SUPPORT PILOT PROGRAM.

(a) IN GENERAL.—Chapter 445, as amended by section 207, is amended by adding at the end the following:

''§ 44519. ADS–B support pilot program

''(a) IN GENERAL.—The Secretary may carry out a pilot program to support non-Federal acquisition of National Airspace System compliant Automatic Dependent Surveillance-Broadcast (ADS–B) ground stations if—

''(1) the Secretary determines that acquisition of the ground stations benefits the improvement of safety or capacity in the National Airspace System;

''(2) the ground stations provide the required transmit and receive data formats consistent with the National Airspace System architecture at the appropriate service delivery point; and

''(3) the ground stations acquired under this program are supplemental to ground stations established under programs administered by the Administrator of the Federal Aviation Administration.

''(b) PROJECT GRANTS.—

''(1) For purposes of carrying out the pilot program and notwithstanding the requirements of section 47114(d), the Secretary may make a project grant out of funds apportioned under section 47114(d)(2) to not more than 10 eligible sponsors to acquire and install ADS–B ground stations in order to serve any public-use airport.

''(2) The Secretary shall establish procurement procedures applicable to grants issued under this section. The procedures shall permit the sponsor to carry out the project using Federal Aviation Administration contracts. The procedures established by the Secretary may provide for the direct reimbursement (including administrative costs) of the Administrator by the sponsor using grant funds under this section, for the ordering of such equipment and its installation, or for the direct ordering of such equipment and its installation by the sponsor, using such grant funds, from the suppliers with which the Administrator has contracted.

''(c) MATCHING REQUIREMENT.—The amount of a grant to an eligible sponsor under subsection (b) may not exceed 90 percent of the costs of the acquisition and installation of the ground support equipment.

''(d) DEFINITIONS.—In this section:

''(1) ADS–B GROUND STATION.—The term 'ADS–B ground station' means electronic equipment that provides for ADS–B reception and broadcast services.

''(2) ELIGIBLE SPONSOR.—The term 'eligible sponsor' means a State or any consortium of 2 or more State or local governments meeting the definition of a sponsor under section 47102 of this title.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 445 is amended by inserting after the item relating to section 44518 the following:

''44519. ADS–B support pilot program.''.

SEC. 303. FACILITATION OF NEXT GENERATION AIR TRAFFIC SERVICES.

Section 106(l) is amended by adding at the end the following:

''(7) AIR TRAFFIC SERVICES.—In determining what actions to take, by rule or through an agreement or transaction under paragraph (6) or under section 44502, to permit non-government providers of communications, navigation, surveillance or other services to provide such services in the National Airspace System, or to require the usage of such services, the Administrator shall consider whether such actions would—

''(A) promote the safety of life and property;

''(B) improve the efficiency of the National Airspace System and reduce the regulatory burden upon National Airspace System users, based upon sound engineering principles, user operational requirements, and marketplace demands;

''(C) encourage competition and provide services to the largest feasible number of users; and

''(D) take into account the unique role served by general aviation.''.

SEC. 304. CLARIFICATION OF AUTHORITY TO ENTER INTO REIMBURSABLE AGREEMENTS.

Section 106(m) is amended by striking ''without'' in the last sentence and inserting ''with or without''.

SEC. 305. CLARIFICATION TO ACQUISITION REFORM AUTHORITY.

Section 40110(c) is amended—

(1) by inserting ''and'' after the semicolon in paragraph (3);

(2) by striking paragraph (4); and

(3) by redesignating paragraph (5) as paragraph (4).

SEC. 306. ASSISTANCE TO OTHER AVIATION AUTHORITIES.

Section 40113(e) is amended—

(1) by inserting ''(whether public or private)'' in paragraph (1) after ''authorities'';

(2) by striking ''safety.'' in paragraph (1) and inserting ''safety or efficiency. The Administrator is authorized to participate in, and submit offers in response to, competitions to provide these services, and to contract with foreign aviation authorities to provide these services consistent with the provisions under section 106(l)(6) of this title. The Administrator is also authorized, notwithstanding any other provision of law or policy, to accept payments in arrears.''; and

(3) by striking ''appropriation from which expenses were incurred in providing such services.'' in paragraph (3) and inserting ''appropriation current when the expenditures are or were paid, or the appropriation current when the amount is received.''.

SEC. 307. PRESIDENTIAL RANK AWARD PROGRAM.

Section 40122(g)(2) is amended—

(1) by striking ''and'' after the semicolon in subparagraph (G);

(2) by striking ''Board.'' in subparagraph (H) and inserting ''Board;''; and

(3) by inserting at the end the following new subparagraph:

''(I) subsections (b), (c), and (d) of section 4507 (relating to Meritorious Executive or Distinguished Executive rank awards), and section subsections (b) and (c) of section 4507a (relating to Meritorious Senior Professional or Distinguished Senior Professional rank-awards), except that—

''(i) for purposes of applying such provisions to the personnel management system—

''(I) the term 'agency' means the Department of Transportation;

''(II) the term 'senior executive' means an Federal Aviation Administration executive;

''(III) the term 'career appointee' means an Federal Aviation Administration career executive; and

''(IV) the term 'senior career employee' means an Federal Aviation Administration career senior professional;

''(ii) receipt by a career appointee of the rank of Meritorious Executive or Meritorious Senior Professional entitles such individual to a lump-sum payment of an amount equal to 20 percent of annual basic pay, which shall be in addition to the basic pay paid under the Federal Aviation Administration Executive Compensation Plan; and

''(iii) receipt by a career appointee of the rank of Distinguished Executive or Distinguished Senior Professional entitles the individual to a lump-sum payment of an amount equal to 35 percent of annual basic pay, which shall be in addition to the basic pay paid under the Federal Aviation Administration Executive Compensation Plan.''.

SEC. 308. NEXT GENERATION FACILITIES NEEDS ASSESSMENT.

(a) FAA CRITERIA FOR FACILITIES REALIGNMENT.—Within 9 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration, after providing an opportunity for public comment, shall publish final criteria to be used in making the Administrator's recommendations for the realignment of services and facilities to assist in the transition to next generation facilities and help reduce capital, operating, maintenance, and administrative costs with no adverse effect on safety.

(b) REALIGNMENT RECOMMENDATIONS.—Within 9 months after publication of the criteria, the Administrator shall publish a list of the services and facilities that the Administrator recommends for realignment, including a justification for each recommendation, and a description of the costs and savings of such transition.

(c) REALIGNMENT DEFINED.—As used in this section, the term ''realignment'' includes any action which relocates or reorganizes functions, services, and personnel positions but does not include a reduction in personnel resulting from workload adjustments.

(d) STUDY BY BOARD.—The Air Traffic Control Modernization Oversight Board established by section 106(p) of title 49, United States Code, shall study the Administrator's recommendations for realignment and the opportunities, risks, and benefits of realigning services and facilities of the Federal Aviation Administration to help reduce capital, operating, maintenance, and administrative costs with no adverse effect on safety.

(e) REVIEW AND RECOMMENDATIONS.—

(1) After receiving the recommendations from the Administrator pursuant to subsection (b), the Board shall provide opportunity for public comment on such recommendations.

(2) Based on its review and analysis of the Administrator's recommendations and any public comment it may receive, the Board shall make its independent recommendations for realignment of aviation services or facilities and submit its recommendations in a report to the President, the Senate Committee on Commerce, Science, and Transportation, and the House of Representatives Committee on Transportation and Infrastructure.

(3) The Board shall explain and justify in its report any recommendation made by the Board that is different from the recommendations made by the Administrator pursuant to subsection (b).

(4) The Administrator may not consolidate any additional approach control facilities into the Southern California TRACON, or the Memphis TRACON until the Board's recommendations are completed.

SEC. 309. NEXT GENERATION AIR TRANSPORTATION SYSTEM PLANNING OFFICE.

(a) IMPROVED COOPERATION AND COORDINATION AMONG PARTICIPATING AGENCIES.—Section 709 of the Vision 100—Century of Aviation Reauthorization Act (49 U.S.C. 40101 note) is amended—

(1) by inserting ''(A)'' after ''(3)'' in subsection (a)(3);

(2) by inserting after subsection (a)(3) the following:

''(B) The Administrator of the Federal Aviation Administration, the Secretary of Defense, the Administrator of the National Aeronautics and Space Administration, the Secretary of Commerce, the Secretary of Homeland Security, and the head of any other Department or Federal agency from which the Secretary of Transportation requests assistance under subparagraph (A) shall designate an implementation office to be responsible for—

''(i) carrying out the Department or agency's Next Generation Air Transportation System implementation activities with the Office; and

''(ii) liaison and coordination with other Departments and agencies involved in Next Generation Air Transportation System activities; and

''(iii) managing all Next Generation Air Transportation System programs for the Department or agency, including necessary budgetary and staff resources, including, for the Federal Aviation Administration, those projects described in section 44501(b)(5) of title 49, United States Code).

''(C) The head of any such Department or agency shall ensure that—

''(i) the Department's or agency's Next Generation Air Transportation System responsibilities are clearly communicated to the designated office; and

''(ii) the performance of supervisory personnel in that office in carrying out the Department's or agency's Next Generation Air Transportation System responsibilities is reflected in their annual performance evaluations and compensation decisions.

''(D)(i) Within 6 months after the date of enactment of the Aviation Investment and Modernization Act of 2008, the head of each such Department or agency shall execute a memorandum of understanding with the Office and with the other Departments and agencies participating in the Next Generation Air Transportation System project that—

''(I) describes the respective responsibilities of each such Department and agency, including budgetary commitments; and

''(II) the budgetary and staff resources committed to the project.

''(ii) The memorandum shall be revised as necessary to reflect any changes in such responsibilities or commitments and be reflected in each Department or agency's budget request.'';

(3) by adding at the end of subsection (a) the following:

''(5) The Director of the Office shall be a voting member of the Federal Aviation Administration's Joint Resources Council and the Air Traffic Organization's Executive Council.'';

(4) by striking ''beyond those currently included in the Federal Aviation Administration's Operational Evolution Plan'' in subsection (b);

(5) by striking ''research and development roadmap'' in subsection (b)(3) and inserting ''implementation plan'';

(6) by striking ''and'' after the semicolon in subsection (b)(3)(B);

(7) by inserting after subsection (b)(3)(C) the following:

''(D) a schedule of rulemakings required to issue regulations and guidelines for implementation of the Next Generation Air Transportation System within a timeframe consistent with the integrated plan; and'';

(8) by inserting ''and key technologies'' after ''concepts'' in subsection (b)(4);

(9) by striking ''users'' in subsection (b)(4) and inserting ''users, an implementation plan,'';

(10) by adding at the end of subsection (b) the following:

''Within 6 months after the date of enactment of the Aviation Investment and Modernization Act of 2008, the Administrator shall develop the implementation plan described in paragraph (3) of this subsection and shall update it annually thereafter.''; and

(11) by striking ''2010.'' in subsection (e) and inserting ''2011.''.

(b) SENIOR POLICY COMMITTEE MEETINGS.—Section 710(a) of such Act (49 U.S.C. 40101 note) is amended by striking ''Secretary.'' and inserting ''Secretary and shall meet at least once each quarter.''.

SEC. 310. DEFINITION OF AIR NAVIGATION FACILITY.

Section 40102(a)(4) is amended—

(1) by striking subparagraph (B) and inserting the following:

''(B) runway lighting and airport surface visual and other navigation aids;'';

(2) by striking ''weather information, signaling, radio-directional finding, or radio or other electromagnetic communication; and'' in subparagraph (C) and inserting ''aeronautical and meteorological information to air traffic control facilities or aircraft, supplying communication, navigation or surveillance equipment for air-to-ground or air-to-air applications;'';

(3) by striking ''another structure'' in subparagraph (D) and inserting ''any structure or equipment'';

(4) by striking ''aircraft.'' in subparagraph (D) and inserting ''aircraft; and''; and

(5) by adding at the end the following:

''(E) buildings, equipment and systems dedicated to the National Airspace System.''.

SEC. 311. IMPROVED MANAGEMENT OF PROPERTY INVENTORY.

Section 40110(a)(2) is amended by striking ''compensation; and'' and inserting ''compensation, and the amount received may be credited to the appropriation current when the amount is received; and''.

SEC. 312. EDUCATIONAL REQUIREMENTS.

The Administrator of the Federal Aviation Administration shall make payments to the Department of Defense for the education of dependent children of those Federal Aviation Administration employees in Puerto Rico and Guam as they are subject to transfer by policy and practice and meet the eligibility requirements of section 2164(c) of title 10, United States Code.

SEC. 313. FAA PERSONNEL MANAGEMENT SYSTEM.

Section 40122(a)(2) is amended to read as follows:

''(2) DISPUTE RESOLUTION.—

''(A) MEDIATION.—If the Administrator does not reach an agreement under paragraph (1) or subsection (g)(2)(C) with the exclusive bargaining representatives, the services of the Federal Mediation and Conciliation Service shall be used to attempt to reach such agreement in accordance with part 1425 of title 29, Code of Federal Regulations. The Administrator and bargaining representatives may by mutual agreement adopt procedures for the resolution of disputes or impasses arising in the negotiation of a collective-bargaining agreement.

''(B) BINDING ARBITRATION.—If the services of the Federal Mediation and Conciliation Service under subparagraph (A) does not lead to an agreement, the Administrator and the bargaining representatives shall submit their issues in controversy to the Federal Service Impasses Panel in accordance with section 7119 of title 5. The Panel shall assist the parties in resolving the impasse by asserting jurisdiction and ordering binding arbitration by a private arbitration board consisting of 3 members in accordance with section 2471.6(a)(2)(ii) of title 5, Code of Federal Regulations. The executive director of the Panel shall request a list of not less than 15 names of arbitrators with Federal sector experience from the director of the Federal Mediation and Conciliation Service to be provided to the Administrator and the bargaining representatives. Within 10 days after receiving the list, the parties shall each select 1 person. The 2 arbitrators shall then select a third person from the list within 7 days. If the 2 arbitrators are unable to agree on the third person, the parties shall select the third person by alternately striking names from the list until only 1 name remains. If the parties do not agree on the framing of the issues to be submitted, the arbitration board shall frame the issues. The arbitration board shall give the parties a full and fair hearing, including an opportunity to present evidence in support of their claims, and an opportunity to present their case in person, by counsel, or by other representative as they may elect. Decisions of the arbitration board shall be conclusive and binding upon the parties. The arbitration board shall render its decision within 90 days after its appointment. The Administrator and the bargaining representative shall share costs of the arbitration equally. The arbitration board shall take into consideration the effect of its arbitration decisions on the Federal Aviation Administration's ability to attract and retain a qualified workforce and the Federal Aviation Administration's budget.

''(C) EFFECT.—Upon reaching a voluntary agreement or at the conclusion of the binding arbitration under subparagraph (B) above, the final agreement, except for those matters decided by the arbitration board, shall be subject to ratification by the exclusive representative, if so requested by the exclusive representative, and approval by the head of the agency in accordance with subsection (g)(2)(C).

''(D) ENFORCEMENT.—Enforcement of the provisions of this paragraph, and any agreement hereunder, shall be in the United States District Court for the District of Columbia.''.

SEC. 314. RULEMAKING AND REPORT ON ADS-B IMPLEMENTATION.

(a) REPORT.—Within 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall submit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure detailing the Administration program and schedule for integrating ADS-B technology into the National Airspace System. The report shall include—

(1) Phase 1 and Phase 2 activity to purchase and install necessary ADS-B ground stations; and

(2) detailed plans and schedules for implementation of advanced operational procedures and ADS-B air-to-air applications.

(b) RULEMAKING.—Not later than 12 months after the date of enactment of this Act the Administrator shall issue guidelines and regulations required for the implementation of ADS-B, including—

(1) the type of avionics (e.g., ADS-B avionics) required of aircraft for all classes of airspace;

(2) a schedule outlining when aircraft will be required to be equipped with such avionics;

(3) the expected costs associated with the avionics; and

(4) the expected uses and benefits of the avionics.

SEC. 315. FAA TASK FORCE ON AIR TRAFFIC CONTROL FACILITY CONDITIONS.

(a) ESTABLISHMENT.—The Administrator of the Federal Aviation Administration shall

establish a special task force to be known as the ''FAA Task Force on Air Traffic Control Facility Conditions''.

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Task Force shall be composed of 11 members of whom—

(A) 7 members shall be appointed by the Administrator; and

(B) 4 members shall be appointed by labor unions representing employees who work at field facilities of the Administration.

(2) QUALIFICATIONS.—Of the members appointed by the Administrator under paragraph (1)(A)—

(A) 4 members shall be specialists on toxic mold abatement, ''sick building syndrome,'' and other hazardous building conditions that can lead to employee health concerns and shall be appointed by the Administrator in consultation with the Director of the National Institute for Occupational Safety and Health; and

(B) 2 members shall be specialists on the rehabilitation of aging buildings.

(3) TERMS.—Members shall be appointed for the life of the Task Force.

(4) VACANCIES.—A vacancy in the Task Force shall be filled in the manner in which the original appointment was made.

(5) TRAVEL EXPENSES.—Members shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(c) CHAIRPERSON.—The Administrator shall designate, from among the individuals appointed under subsection (b)(1), an individual to serve as chairperson of the Task Force.

(d) TASK FORCE PERSONNEL MATTERS.—

(1) STAFF.—The Task Force may appoint and fix the pay of such personnel as it considers appropriate.

(2) STAFF OF FEDERAL AGENCIES.—Upon request of the Chairperson of the Task Force, the head of any department or agency of the United States may detail, on a reimbursable basis, any of the personnel of that department or agency to the Task Force to assist it in carrying out its duties under this section.

(3) OTHER STAFF AND SUPPORT.—Upon request of the Task Force or a panel of the Task Force, the Administrator shall provide the Task Force or panel with professional and administrative staff and other support, on a reimbursable basis, to the Task Force to assist it in carrying out its duties under this section.

(e) OBTAINING OFFICIAL DATA.—The Task Force may secure directly from any department or agency of the United States information (other than information required by any statute of the United States to be kept confidential by such department or agency) necessary for the Task Force to carry out its duties under this section. Upon request of the chairperson of the Task Force, the head of that department or agency shall furnish such information to the Task Force.

(f) DUTIES.—

(1) STUDY.—The Task Force shall undertake a study of—

(A) the conditions of all air traffic control facilities across the Nation, including towers, centers, and terminal radar air control;

(B) reports from employees of the Administration relating to respiratory ailments and other health conditions resulting from exposure to mold, asbestos, poor air quality, radiation and facility-related hazards in facilities of the Administration;

(C) conditions of such facilities that could interfere with such employees' ability to effectively and safely perform their duties;

(D) the ability of managers and supervisors of such employees to promptly document and seek remediation for unsafe facility conditions;

(E) whether employees of the Administration who report facility-related illnesses are treated fairly;

(F) utilization of scientifically-approved remediation techniques in a timely fashion once hazardous conditions are identified in a facility of the Administration; and

(G) resources allocated to facility maintenance and renovation by the Administration.

(2) FACILITY CONDITION INDICES.—The Task Force shall review the facility condition indices of the Administration for inclusion in the recommendations under subsection (g).

(g) RECOMMENDATIONS.—Based on the results of the study and review of the facility condition indices under subsection (f), the Task Force shall make recommendations as it considers necessary to—

(1) prioritize those facilities needing the most immediate attention in order of the greatest risk to employee health and safety;

(2) ensure that the Administration is using scientifically approved remediation techniques in all facilities; and

(3) assist the Administration in making programmatic changes so that aging air traffic control facilities do not deteriorate to unsafe levels.

(h) REPORT.—Not later than 6 months after the date on which initial appointments of members to the Task Force are completed, the Task Force shall submit to the Administrator, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate a report on the activities of the Task Force, including the recommendations of the Task Force under subsection (g).

(i) IMPLEMENTATION.—Within 30 days after receipt of the Task Force report under subsection (h), the Administrator shall submit to the House of Representatives Committee on Transportation and Infrastructure and the Senate Committee on Commerce, Science, and Transportation a report that includes a plan and timeline to implement the recommendations of the Task Force and to align future budgets and priorities of the Administration accordingly.

(j) TERMINATION.—The Task Force shall terminate on the last day of the 30-day period beginning on the date on which the report under subsection (h) is submitted.

(k) APPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Task Force.

SEC. 316. STATE ADS-B EQUIPAGE BANK PILOT PROGRAM.

(a) IN GENERAL.—

(1) COOPERATIVE AGREEMENTS.—Subject to the provisions of this section, the Secretary of Transportation may enter into cooperative agreements with not to exceed 5 States for the establishment of State ADS-B equipage banks for making loans and providing other assistance to public entities for projects eligible for assistance under this section.

(b) FUNDING.—

(1) SEPARATE ACCOUNT.—An ADS-B equipage bank established under this section shall maintain a separate aviation trust fund account for Federal funds contributed to the bank under paragraph (2). No Federal funds contributed or credited to an account of an ADS-B equipage bank established under this section may be commingled with Federal funds contributed or credited to any other account of such bank.

(2) AUTHORIZATION.—There are authorized to be appropriated to the Secretary $25,000,000 for each of fiscal years 2009 through 2013.

(c) FORMS OF ASSISTANCE FROM ADS-B EQUIPAGE BANKS.—An ADS-B equipage bank established under this section may make loans or provide other assistance to a public entity in an amount equal to all or part of the cost of carrying out a project eligible for assistance under this section. The amount of any loan or other assistance provided for such project may be subordinated to any other debt financing for the project.

(d) QUALIFYING PROJECTS.—Federal funds in the ADS-B equipage account of an ADS-B equipage bank established under this section may be used only to provide assistance with respect to aircraft ADS-B avionics equipage.

(e) REQUIREMENTS.—In order to establish an ADS-B equipage bank under this section, each State establishing such a bank shall—

(1) contribute, at a minimum, in each account of the bank from non-Federal sources an amount equal to 50 percent of the amount of each capitalization grant made to the State and contributed to the bank;

(2) ensure that the bank maintains on a continuing basis an investment grade rating on its debt issuances or has a sufficient level of bond or debt financing instrument insurance to maintain the viability of the bank;

(3) ensure that investment income generated by funds contributed to an account of the bank will be—

(A) credited to the account;

(B) available for use in providing loans and other assistance to projects eligible for assistance from the account; and

(C) invested in United States Treasury securities, bank deposits, or such other financing instruments as the Secretary may approve to earn interest to enhance the leveraging of projects assisted by the bank;

(5) ensure that any loan from the bank will bear interest at or below market interest rates, as determined by the State, to make the project that is the subject of the loan feasible;

(6) ensure that the term for repaying any loan will not exceed 10 years after the date of the first payment on the loan; and

(7) require the bank to make an annual report to the Secretary on its status no later than September 30 of each year for which funds are made available under this section, and to make such other reports as the Secretary may require by guidelines.

TITLE IV—AIRLINE SERVICE AND SMALL COMMUNITY AIR SERVICE IMPROVEMENTS

SEC. 401. AIRLINE CONTINGENCY SERVICE REQUIREMENTS.

(a) IN GENERAL.—Chapter 417 is amended by adding at the end the following:

''SUBCHAPTER IV—AIRLINE CUSTOMER SERVICE

''§ 41781. AIRLINE CONTINGENCY SERVICE REQUIREMENTS.

''(a) IN GENERAL.—Not later than 60 days after the date of enactment of the Aviation Investment and Modernization Act of 2008, each air carrier shall submit a contingency service plan to the Secretary of Transportation for review and approval. The plan shall require the air carrier to implement, at a minimum, the following practices:

''(1) PROVISION OF FOOD AND WATER.—If the departure of a flight of an air carrier is substantially delayed, or disembarkation of passengers on an arriving flight that has landed is substantially delayed, the air carrier shall provide—

''(A) adequate food and potable water to passengers on such flight during such delay; and

''(B) adequate restroom facilities to passengers on such flight during such delay.

''(2) RIGHT TO DEPLANE.—

''(A) IN GENERAL.—An air carrier shall develop a plan, that incorporates medical considerations, to ensure that passengers are provided a clear timeframe under which they

will be permitted to deplane a delayed aircraft. The air carrier shall provide a copy of the plan to the Secretary of Transportation, who shall make the plan available to the public. In the absence of such a plan, except as provided in subparagraph (B), if more than 3 hours after passengers have boarded a flight, the aircraft doors are closed and the aircraft has not departed, the air carrier shall provide passengers with the option to deplane safely before the departure of such aircraft. Such option shall be provided to passengers not less often than once during each 3-hour period that the plane remains on the ground.

''(B) EXCEPTIONS.—Subparagraph (A) shall not apply—

''(i) if the pilot of such flight reasonably determines that such flight will depart not later than 30 minutes after the 3 hour delay; or

''(ii) if the pilot of such flight reasonably determines that permitting a passenger to deplane would jeopardize passenger safety or security.

''(C) APPLICATION TO DIVERTED FLIGHTS.—This section applies to aircraft without regard to whether they have been diverted to an airport other than the original destination.

''(b) POSTING CONSUMER RIGHTS ON WEBSITE.—An air carrier holding a certificate issued under section 41102 that conducts scheduled passenger air transportation shall publish conspicuously and update monthly on the Internet website of the air carrier a statement of the air carrier's customer service policy and of air carrier customers' consumer rights under Federal and State law.

''(c) REVIEW AND APPROVAL; MINIMUM STANDARDS.—The Secretary of Transportation shall review the contingency service plan submitted by an air carrier under subsection (a) and may approve it or disapprove it and return it to the carrier for modification and resubmittal. The Secretary may establish minimum standards for such plans and require air carriers to meet those standards.

''(d) AIR CARRIER.—In this section the term 'air carrier' means an air carrier holding a certificate issued under section 41102 that conducts scheduled passenger air transportation.''.

(b) REGULATIONS.—Not later than 60 days after the date of enactment of this Act, the Secretary of Transportation shall promulgate such regulations as the Secretary determines necessary to carry out the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by adding at the end the following:

SUBCHAPTER IV. AIRLINE CUSTOMER SERVICE

''41781. Airline contingency service requirements.''.

SEC. 402. PUBLICATION OF CUSTOMER SERVICE DATA AND FLIGHT DELAY HISTORY.

Section 41722 is amended by adding at the end the following:

''(f) CHRONICALLY DELAYED FLIGHTS.—

''(1) PUBLICATION OF LIST OF FLIGHTS.—An air carrier holding a certificate issued under section 41102 that conducts scheduled passenger air transportation shall publish and update monthly on the Internet website of the air carrier, or provide on request, a list of chronically delayed flights operated by the air carrier.

''(2) DISCLOSURE TO CUSTOMERS WHEN PURCHASING TICKETS.—An air carrier shall disclose the following information prominently to an individual before that individual books transportation on the air carrier's Internet website for any flight for which data is reported to the Department of Transportation under part 234 of title 14, Code of Federal Regulations, and for which the air carrier has primary responsibility for inventory control:

''(A) The on-time performance for the flight if it is a chronically delayed flight.

''(B) The cancellation rate for the flight if it is a chronically canceled flight.

''(3) CHRONICALLY DELAYED; CHRONICALLY CANCELED.—The Secretary of Transportation shall define the terms 'chronically delayed flight' and 'chronically canceled flight' for purposes of this subsection.''.

SEC. 403. EAS CONNECTIVITY PROGRAM.

Section 406(a) of the Vision 100—Century of Aviation Reauthorization Act (49 U.S.C. 40101 note) is amended by striking ''may'' and inserting ''shall''.

SEC. 404. EXTENSION OF FINAL ORDER ESTABLISHING MILEAGE ADJUSTMENT ELIGIBILITY.

Section 409(d) of the Vision 100—Century of Aviation Reauthorization Act (49 U.S.C. 40101 note) is amended by striking ''September 30, 2007.'' and inserting ''September 30, 2011.''.

SEC. 405. EAS CONTRACT GUIDELINES.

Section 41737(a)(1) is amended—

(1) by striking ''and'' after the semicolon in subparagraph (B);

(2) by striking ''provided.'' in subparagraph (C) and inserting ''provided;''; and

(3) by adding at the end the following:

''(D) include provisions under which the Secretary may encourage carriers to improve air service to small and rural communities by incorporating financial incentives in essential air service contracts based on specified performance goals; and

''(E) include provisions under which the Secretary may execute long-term essential air service contracts to encourage carriers to provide air service to small and rural communities where it would be in the public interest to do so.''.

SEC. 406. CONVERSION OF FORMER EAS AIRPORTS.

(a) IN GENERAL.—Section 41745 is amended—

(1) by redesignating subsections (c) through (g) as subsections (d) through (h), respectively; and

(2) by inserting after subsection (b) the following:

''(c) CONVERSION OF LOST ELIGIBILITY AIRPORTS.—

''(1) IN GENERAL.—The Secretary shall establish a program to provide general aviation conversion funding for airports serving eligible places that the Secretary has determined no longer qualify for a subsidy.

''(2) GRANTS.—A grant under this subsection—

''(A) may not exceed twice the compensation paid to provide essential air service to the airport in the fiscal year preceding the fiscal year in which the Secretary determines that the place served by the airport is no longer an eligible place; and

''(B) may be used—

''(i) for airport development (as defined in section 47102(3)) that will enhance general aviation capacity at the airport;

''(ii) to defray operating expenses, if such use is approved by the Secretary; or

''(iii) to develop innovative air service options, such as on-demand or air taxi operations, if such use is approved by the Secretary.

''(3) AIP REQUIREMENTS.—An airport sponsor that uses funds provided under this subsection for an airport development project shall comply with the requirements of subchapter I of chapter 471 applicable to airport development projects funded under that subchapter with respect to the project funded under this subsection.

''(4) LIMITATION.—The sponsor of an airport receiving funding under this subsection is not eligible for funding under section 41736.''.

(b) CONFORMING AMENDMENT.—Section 41745(f), as redesignated, is amended—

(1) by striking ''An eligible place'' and inserting ''Neither an eligible place, nor a place to which subsection (c) applies,''; and

(2) by striking ''not''.

SEC. 407. EAS REFORM.

Section 41742(a) is amended—

(1) by adding at the end of paragraph (1) ''Any amount in excess of $50,000,000 credited for any fiscal year to the account established under section 45303(c) shall be obligated for programs under section 406 of the Vision 100—Century of Aviation Reauthorization Act (49 U.S.C. 40101 note) and section 41745 of this title. Amounts appropriated pursuant to this section shall remain available until expended.''; and

(2) by striking ''$77,000,000'' in paragraph (2) and inserting ''$125,000,000''.

SEC. 408. CLARIFICATION OF AIR CARRIER FEE DISPUTES.

(a) IN GENERAL.—Section 47129 is amended—

(1) by striking the section heading and inserting the following:

''§ 47129. Resolution of airport-air carrier and foreign air carrier disputes concerning airport fees'' ;

(2) by inserting ''AND FOREIGN AIR CARRIER'' after ''CARRIER'' in the subsection caption for subsection (d);

(3) by inserting ''AND FOREIGN AIR CARRIER'' after ''CARRIER'' in the paragraph caption for subsection (d)(2);

(4) by striking ''air carrier'' each place it appears and inserting ''air carrier or foreign air carrier'';

(5) by striking ''air carrier's'' each place it appears and inserting ''air carrier's or foreign air carrier's'';

(6) by striking ''air carriers'' and inserting ''air carriers or foreign air carriers''; and

(7) by striking ''(as defined in section 40102 of this title)'' in subsection (a) and inserting ''(as those terms are defined in section 40102 of this title)''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by striking the item relating to section 47129 and inserting the following:

''47129. Resolution of airport-air carrier and foreign air carrier disputes concerning airport fees.''.

SEC. 409. SMALL COMMUNITY AIR SERVICE.

(a) PRIORITIES.—Section 41743(c)(5) is amended—

(1) by striking ''and'' after the semicolon in subparagraph (D);

(2) by striking ''fashion.'' in subparagraph (E) and inserting ''fashion; and''; and

(3) by adding at the end the following:

''(F) multiple communities cooperate to submit a region or multistate application to improve air service.''.

(b) EXTENSION OF AUTHORIZATION.—Section 41743(e)(2) is amended by striking ''2008'' and inserting ''2011''.

SEC. 410. CONTRACT TOWER PROGRAM.

(a) COST-BENEFIT REQUIREMENT.—Section 47124(b)(1) is amended—

(1) by inserting ''(A)'' after ''(1)''; and

(2) by adding at the end the following:

''(B) If the Secretary determines that a tower already operating under this program has a benefit to cost ratio of less than 1.0, the airport sponsor or State or local government having jurisdiction over the airport shall not be required to pay the portion of the costs that exceeds the benefit for a period of 18 months after such determination is made.

''(C) If the Secretary finds that all or part of an amount made available to carry out the program continued under this paragraph is not required during a fiscal year, the Secretary may use during such fiscal year the

amount not so required to carry out the program established under paragraph (3) of this section.''.

(b) FUNDING.—Subparagraph (E) of section 47124(b)(3) is amended—

(1) by striking ''and'' after ''2006,''; and

(2) by inserting ''$8,500,000 for fiscal year 2008, $9,000,000 for fiscal year 2009, $9,500,000 for fiscal year 2010, and $10,000,000 for fiscal year 2011'' after ''2007,''; and

(3) by inserting after ''paragraph.'' the following: ''If the Secretary finds that all or part of an amount made available under this subparagraph is not required during a fiscal year to carry out this paragraph, the Secretary may use during such fiscal year the amount not so required to carry out the program continued under paragraph (b)(1) of this section.''.

(c) FEDERAL SHARE.—Subparagraph (C) of section 47124(b)(4) is amended by striking ''$1,500,000.'' and inserting ''$2,000,000.''.

(d) SAFETY AUDITS.—Section 41724 is amended by adding at the end the following:

''(c) SAFETY AUDITS.—The Secretary shall establish uniform standards and requirements for safety assessments of air traffic control towers that receive funding under this section in accordance with the Administration's safety management system.''.

SEC. 411. AIRFARES FOR MEMBERS OF THE ARMED FORCES.

(a) FINDINGS.—The Congress finds that—

(1) the Armed Forces is comprised of approximately 1,400,000 members who are stationed on active duty at more than 6,000 military bases in 146 different countries;

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

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

(4) the unique demands of military service often preclude members of the Armed Forces from purchasing discounted advance airline tickets in order to visit their loved ones at home; and

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

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

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

(2) offer flexible terms that allow members of the Armed Forces on active duty to purchase, modify, or cancel tickets without time restrictions, fees, and penalties.

SEC. 412. EXPANSION OF DOT AIRLINE CONSUMER COMPLAINT INVESTIGATIONS.

(a) IN GENERAL.—The Secretary of Transportation shall investigate consumer complaints regarding—

(1) flight cancellations;

(2) compliance with Federal regulations concerning overbooking seats flights;

(3) lost, damaged, or delayed baggage, and difficulties with related airline claims procedures;

(4) problems in obtaining refunds for unused or lost tickets or fare adjustments;

(5) incorrect or incomplete information about fares, discount fare conditions and availability, overcharges, and fare increases;

(6) the rights of passengers who hold frequent flier miles, or equivalent redeemable awards earned through customer-loyalty programs; and

(7) deceptive or misleading advertising.

(b) BUDGET NEEDS REPORT.—The Secretary shall provide, as an annex to its annual budget request, an estimate of resources which would have been sufficient to investigate all such claims the Department of Transportation received in the previous fiscal year. The annex shall be transmitted to the Congress when the President submits the budget of the United States to the Congress under section 1105 of title 31, United States Code.

SEC. 413. EAS MARKETING.

The Secretary of Transportation shall require all applications to provide service under subchapter II of chapter 417 of title 49, United States Code, include a marketing plan.

SEC. 414. EXTRAPERIMETAL AND INTRAPERIMETAL SLOTS AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.

(a) BEYOND PERIMETER EXEMPTIONS.—Section 41718 (a) is amended by striking ''24'' and inserting ''36''.

(b) WITHIN PERIMETER EXEMPTIONS.—Section 41718 (b) is amended by striking ''20'' and inserting ''28''.

(c) LIMITATIONS.—Section 41718(c) is amended—

(1) by striking ''3 operations.'' in paragraph (2) and inserting ''5 operations. Operations conducted by new entrant and limited incumbent air carriers shall be afforded a scheduling priority over operations conducted by other air carriers granted exemptions pursuant to section 41718 with the highest scheduling priority afforded to beyond-perimeter operations conducted by new entrant and limited incumbent air carriers.'';

(2) by striking ''six'' in paragraph (3)(A) and inserting ''8'';

(3) by striking ''ten'' in paragraph (3)(B) and inserting ''12''; and

(4) by striking ''four'' in paragraph (3)(C) and inserting ''8''.

SEC. 415. ESTABLISHMENT OF ADVISORY COMMITTEE FOR AVIATION CONSUMER PROTECTION.

(a) IN GENERAL.—The Secretary of Transportation shall establish an advisory committee for aviation consumer protection to advise the Secretary in carrying out air passenger service improvements, including those required by chapter 423 of title 49, United States Code.

(b) MEMBERSHIP.—The Secretary shall appoint members of the advisory committee comprised of one representative each of—

(1) air carriers;

(2) airport operators;

(3) State or local governments who has expertise in consumer protection matters; and

(4) a nonprofit public interest group who has expertise in consumer protection matters.

(c) VACANCIES.—A vacancy in the advisory committee shall be filled in the manner in which the original appointment was made.

(d) TRAVEL EXPENSES.—Members of the advisory committee shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(e) CHAIRPERSON.—The Secretary shall designate, from among the individuals appointed under subsection (b), an individual to serve as chairperson of the advisory committee.

(f) DUTIES.—The duties of the advisory committee shall include—

(1) evaluating existing aviation consumer protection programs and providing recommendations for the improvement of such programs, if needed; and

(2) providing recommendations to establish additional aviation consumer protection programs, if needed.

(g) REPORT.—Not later than February 1 of each of the first 2 calendar years beginning after the date of enactment of this Act, the Secretary shall transmit to Congress a report containing—

(1) the recommendations made by the advisory committee during the preceding calendar year; and

(2) an explanation of how the Secretary has implemented each recommendation and, for each recommendation not implemented, the Secretary's reason for not implementing the recommendation.

SEC. 416. RURAL AVIATION IMPROVEMENT.

(a) COMMUNITIES ABOVE PER PASSENGER SUBSIDY CAP.—

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

''§ 41749. Essential air service for eligible places above per passenger subsidy cap

''(a) PROPOSALS.—A State or local government may submit a proposal to the Secretary of Transportation for compensation for an air carrier to provide air transportation to a place described in subsection (b).

''(b) PLACE DESCRIBED.—A place described in this subsection is a place—

''(1) that is otherwise an eligible place; and

''(2) for which the per passenger subsidy exceeds the dollar amount allowable under this subchapter.

''(c) DECISIONS.—Not later than 90 days after receiving a proposal under subsection (a) for compensation for an air carrier to provide air transportation to a place described in subsection (b), the Secretary shall—

''(1) decide whether to provide compensation for the air carrier to provide air transportation to the place; and

''(2) approve the proposal if the State or local government or a person is willing and able to pay the difference between—

''(A) the per passenger subsidy; and

''(B) the dollar amount allowable for such subsidy under this subchapter.

''(d) COMPENSATION PAYMENTS.—

''(1) IN GENERAL—The Secretary shall pay compensation under this section at such time and in such manner as the Secretary determines is appropriate.

''(2) DURATION OF PAYMENTS—The Secretary shall continue to pay compensation under this section only as long as—

''(A) the State or local government or person agreeing to pay compensation under subsection (c)(2) continues to pay such compensation; and

''(B) the Secretary decides the compensation is necessary to maintain air transportation to the place.

''(e) REVIEW—

''(1) IN GENERAL—The Secretary shall periodically review the type and level of air service provided under this section.

''(2) CONSULTATION—The Secretary may make appropriate adjustments in the type and level of air service to a place under this section based on the review under paragraph (1) and consultation with the affected community and the State or local government or person agreeing to pay compensation under subsection (c)(2).

''(f) ENDING, SUSPENDING, AND REDUCING AIR TRANSPORTATION—An air carrier providing air transportation to a place under this section may end, suspend, or reduce such air transportation if, not later than 30 days before ending, suspending, or reducing such air transportation, the air carrier provides notice of the intent of the air carrier to end, suspend, or reduce such air transportation to—

''(1) the Secretary;

''(2) the affected community; and

''(3) the State or local government or person agreeing to pay compensation under subsection (c)(2).''.

(2) CLERICAL AMENDMENT—The chapter analysis for chapter 417 is amended by adding after the item relating to section 41748 the following new item:

''41749. Essential air service for eligible places above per passenger subsidy cap.''.

(b) PREFERRED ESSENTIAL AIR SERVICE.—

(1) IN GENERAL.—Subchapter II of chapter 417, as amended by subsection (a), is further amended by adding after section 41749 the following:

''§ 41750. Preferred essential air service

''(a) PROPOSALS.—A State or local government may submit a proposal to the Secretary of Transportation for compensation for a preferred air carrier described in subsection (b) to provide air transportation to an eligible place.

''(b) PREFERRED AIR CARRIER DESCRIBED—A preferred air carrier described in this subsection is an air carrier that—

''(1) submits an application under section 41733(c) to provide air transportation to an eligible place;

''(2) is not the air carrier that submits the lowest cost bid to provide air transportation to the eligible place; and

''(3) is an air carrier that the affected community prefers to provide air transportation to the eligible place instead of the air carrier that submits the lowest cost bid.

''(c) DECISIONS—Not later than 90 days after receiving a proposal under subsection (a) for compensation for a preferred air carrier described in subsection (b) to provide air transportation to an eligible place, the Secretary shall—

''(1) decide whether to provide compensation for the preferred air carrier to provide air transportation to the eligible place; and

''(2) approve the proposal if the State or local government or a person is willing and able to pay the difference between—

''(A) the rate of compensation the Secretary would provide to the air carrier that submits the lowest cost bid to provide air transportation to the eligible place; and

''(B) the rate of compensation the preferred air carrier estimates to be necessary to provide air transportation to the eligible place.

''(d) COMPENSATION PAYMENTS—

''(1) IN GENERAL—The Secretary shall pay compensation under this section at such time and in such manner as the Secretary determines is appropriate.

''(2) DURATION OF PAYMENTS—The Secretary shall continue to pay compensation under this section only as long as—

''(A) the State or local government or person agreeing to pay compensation under subsection (c)(2) continues to pay such compensation; and

''(B) the Secretary decides the compensation is necessary to maintain air transportation to the eligible place.

''(e) REVIEW—

''(1) IN GENERAL—The Secretary shall periodically review the type and level of air service provided under this section.

''(2) CONSULTATION—The Secretary may make appropriate adjustments in the type and level of air service to an eligible place under this section based on the review under paragraph (1) and consultation with the affected community and the State or local government or person agreeing to pay compensation under subsection (c)(2).

''(f) ENDING, SUSPENDING, AND REDUCING AIR TRANSPORTATION—A preferred air carrier providing air transportation to an eligible place under this section may end, suspend, or reduce such air transportation if, not later than 30 days before ending, suspending, or reducing such air transportation, the preferred air carrier provides notice of the intent of the preferred air carrier to end, suspend, or reduce such air transportation to—

''(1) the Secretary;

''(2) the affected community; and

''(3) the State or local government or person agreeing to pay compensation under subsection (c)(2).''.

(2) CLERICAL AMENDMENT—The chapter analysis for chapter 417, as amended by subsection (a), is further amended by adding after the item relating to section 41749 the following new item:

''41750. Preferred essential air service.'.

(c) RESTORATION OF ELIGIBILITY TO A PLACE DETERMINED BY THE SECRETARY TO BE INELIGIBLE FOR SUBSIDIZED ESSENTIAL AIR SERVICE.——Section 41733 is amended by adding at the end the following new subsection:

''(f) RESTORATION OF ELIGIBILITY FOR SUBSIDIZED ESSENTIAL AIR SERVICE—

''(1) IN GENERAL—If the Secretary of Transportation terminates the eligibility of an otherwise eligible place to receive basic essential air service by an air carrier for compensation under subsection (c), a State or local government may submit to the Secretary a proposal for restoring such eligibility.

''(2) DETERMINATION BY SECRETARY—If the per passenger subsidy required by the proposal submitted by a State or local government under paragraph (1) does not exceed the per passenger subsidy cap provided under this subchapter, the Secretary shall issue an order restoring the eligibility of the otherwise eligible place to receive basic essential air service by an air carrier for compensation under subsection (c).'.

(d) OFFICE OF RURAL AVIATION.—

(1) ESTABLISHMENT—There is established within the Office of the Secretary of Transportation the Office of Rural Aviation.

(b) FUNCTIONS—The functions of the Office are—

(1) to develop a uniform 4-year contract for air carriers providing essential air service to communities under subchapter II of chapter 417 of title 49, United States Code;

(2) to develop a mechanism for comparing applications submitted by air carriers under section 41733(c) to provide essential air service to communities, including comparing—

(A) estimates from air carriers on—

(i) the cost of providing essential air service; and

(ii) the revenues air carriers expect to receive when providing essential air service; and

(B) estimated schedules for air transportation; and

(3) to select an air carrier from among air carriers applying to provide essential air service, based on the criteria described in paragraph (2).

(e) EXTENSION OF AUTHORITY TO MAKE AGREEMENTS UNDER THE ESSENTIAL AIR SERVICE PROGRAM.—Section 41743(e)(2) is amended by striking ''2008'' and inserting ''2011''.

(f) ADJUSTMENTS TO COMPENSATION FOR SIGNIFICANTLY INCREASED COSTS—Section 41737 is amended—

(1) by striking ''and'' after the semicolon in subsection (a)(1)(B);

(2) by striking ''provided.'' in subsection (a)(1)(C) and inserting ''provided; and'';

(3) by adding at the end of subsection (a)(1) the following:

''(D) provide for an adjustment in compensation, for service or transportation to a place that was an eligible place as of November 1, 2007, to account for significant increases in fuel costs, in accordance with subsection (e).''; and

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

''(f) FUEL COST SUBSIDY DISREGARD.—Any amount provided as an adjustment in compensation pursuant to subsection (a)(1)(D) shall be disregarded for the purpose of determining whether the amount of compensation provided under this subchapter with respect to an eligible place exceeds the per passenger subsidy exceeds the dollar amount allowable under this subchapter.''.

(f) CONTINUED ELIGIBILITY.—Notwithstanding any provision of subchapter II of chapter 417 of title 49, United States Code, to the contrary, a community that was receiving service or transportation under that subchapter as an eligible place (as defined in section 41731(a)(1) of such title) as of November 1, 2007, shall continue to be eligible to receive service or transportation under that subchapter without regard to whether the per passenger subsidy required exceeds the per passenger subsidy cap provided under that subchapter.

TITLE V—AVIATION SAFETY

SEC. 501. RUNWAY SAFETY EQUIPMENT PLAN.

Not later than December 31, 2008, the Administrator of the Federal Aviation Administration shall issue a plan to develop an installation and deployment schedule for systems the Administration is installing to alert controllers and flight crews to potential runway incursions. The plan shall be integrated into the annual Federal Aviation Administration operational evolution plan.

SEC. 502. AIRCRAFT FUEL TANK SAFETY IMPROVEMENT.

Not later than December 31, 2008, the Federal Aviation Administration shall issue a final rule regarding the reduction of fuel tank flammability in transport category aircraft.

SEC. 503. JUDICIAL REVIEW OF DENIAL OF AIRMAN CERTIFICATES.

(a) JUDICIAL REVIEW OF NTSB DECISIONS.—Section 44703(d) is amended by adding at the end the following:

''(3) JUDICIAL REVIEW.—A person substantially affected by an order of the Board under this subsection, or the Administrator when the Administrator decides that an order of the Board will have a significant adverse impact on carrying out this part, may obtain judicial review of the order under section 46110 of this title. The Administrator shall be made a party to the judicial review proceedings. The findings of fact of the Board in any such case are conclusive if supported by substantial evidence.''.

(b) CONFORMING AMENDMENT.—Section 1153(c) is amended by striking ''section 44709 or'' and inserting ''section 44703(d), 44709, or''.

SEC. 504. RELEASE OF DATA RELATING TO ABANDONED TYPE CERTIFICATES AND SUPPLEMENTAL TYPE CERTIFICATES.

Section 44704(a) is amended by adding at the end the following:

''(5) RELEASE OF DATA.—

''(A) Notwithstanding any other provision of law, the Administrator may designate, without the consent of the owner of record, engineering data in the agency's possession related to a type certificate or a supplemental type certificate for an aircraft, engine, propeller or appliance as public data, and therefore releasable, upon request, to a person seeking to maintain the airworthiness of such product, if the Administrator determines that—

''(i) the certificate containing the requested data has been inactive for 3 years;

''(ii) the owner of record, or the owner of record's heir, of the type certificate or supplemental certificate has not been located despite a search of due diligence by the agency; and

''(iii) the designation of such data as public data will enhance aviation safety.

''(B) In this section, the term 'engineering data' means type design drawings and specifications for the entire product or change to the product, including the original design data, and any associated supplier data for individual parts or components approved as part of the particular aeronautical product certificate.''.

SEC. 505. DESIGN ORGANIZATION CERTIFICATES.

Section 44704(e) is amended—

(1) by striking ''Beginning 7 years after the date of enactment of this subsection,'' in paragraph (1) and inserting ''Effective January 1, 2013,'';

(2) by striking ''testing'' in paragraph (2) and inserting ''production''; and

(3) by striking paragraph (3) and inserting the following:

''(3) ISSUANCE OF CERTIFICATE BASED ON DESIGN ORGANIZATION CERTIFICATION.—The Administrator may rely on the Design Organization for certification of compliance under this section.''.

SEC. 506. FAA ACCESS TO CRIMINAL HISTORY RECORDS OR DATABASE SYSTEMS.

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

''§ 40130. FAA access to criminal history records or databases systems

''(a) ACCESS TO RECORDS OR DATABASES SYSTEMS.—

''(1) Notwithstanding section 534 of title 28 and the implementing regulations for such section (28 C.F.R. part 20), the Administrator of the Federal Aviation Administration is authorized to access a system of documented criminal justice information maintained by the Department of Justice or by a State but may do so only for the purpose of carrying out its civil and administrative responsibilities to protect the safety and security of the National Airspace System or to support the missions of the Department of Justice, the Department of Homeland Security, and other law enforcement agencies. The Administrator shall be subject to the same conditions or procedures established by the Department of Justice or State for access to such an information system by other governmental agencies with access to the system.

''(2) The Administrator may not use the access authorized under paragraph (1) to conduct criminal investigations.

''(b) DESIGNATED EMPLOYEES.—The Administrator shall, by order, designate those employees of the Administration who shall carry out the authority described in subsection (a). Such designated employees may—

''(1) have access to and receive criminal history, driver, vehicle, and other law enforcement information contained in the law enforcement databases of the Department of Justice, or of any jurisdiction in a State in the same manner as a police officer employed by a State or local authority of that State who is certified or commissioned under the laws of that State;

''(2) use any radio, data link, or warning system of the Federal Government and of any jurisdiction in a State that provides information about wanted persons, be-on-the-lookout notices, or warrant status or other officer safety information to which a police officer employed by a State or local authority in that State who is certified or commission under the laws of that State has access and in the same manner as such police officer; or

''(3) receive Federal, State, or local government communications with a police officer employed by a State or local authority in that State in the same manner as a police officer employed by a State or local authority in that State who is commissioned under the laws of that State.

''(c) SYSTEM OF DOCUMENTED CRIMINAL JUSTICE INFORMATION DEFINED.—In this section the term 'system of documented criminal justice information' means any law enforcement databases, systems, or communications containing information concerning identification, criminal history, arrests, convictions, arrest warrants, or wanted or missing persons, including the National Crime Information Center and its incorporated criminal history databases and the National Law Enforcement Telecommunications System.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 401 is amended by inserting after the item relating to section 40129 the following:

''40130. FAA access to criminal history records or databases systems.''.

SEC. 507. FLIGHT CREW FATIGUE.

(a) IN GENERAL.—Within 3 months after the date of enactment of this Act the Administrator of the Federal Aviation Administration shall conclude arrangements with the National Academy of Sciences for a study of pilot fatigue.

(b) STUDY.—The study shall include consideration of—

(1) research on fatigue, sleep, and circadian rhythms;

(2) sleep and rest requirements recommended by the National Transportation Safety Board; and

(3) international standards.

(c) REPORT.—Within 18 months after initiating the study, the National Academy shall submit a report to the Administrator containing its findings and recommendations, including recommendations with respect to Federal Aviation Regulations governing flight limitation and rest requirements.

(d) RULEMAKING.—After the Administrator receives the National Academy's report, the Federal Aviation Administration shall consider the findings of the National Academy in its rulemaking proceeding on flight time limitations and rest requirements.

(e) IMPLEMENTATION OF FLIGHT ATTENDANT FATIGUE STUDY RECOMMENDATIONS.—Within 60 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall initiate a process to carry out the recommendations of the CAMI study on flight attendant fatigue.

SEC. 508. INCREASING SAFETY FOR HELICOPTER EMERGENCY MEDICAL SERVICE OPERATORS.

(a) COMPLIANCE WITH 14 CFR PART 135 REGULATIONS.—No later than 18 months after the date of enactment of this Act, all helicopter emergency medical service operators shall comply with the regulations in part 135 of title 14, Code of Federal Regulations whenever there is a medical crew on board, without regard to whether there are patients on board the helicopter.

(b) IMPLEMENTATION OF FLIGHT RISK EVALUATION PROGRAM.—Within 60 days after the date of enactment of this Act, the Federal Aviation Administration shall initiate, and complete within 18 months, a rulemaking—

(1) to create a standardized checklist of risk evaluation factors based on its Notice 8000.301, issued in August, 2005; and

(2) to require helicopter emergency medical service operators to use the checklist to determine whether a mission should be accepted.

(c) COMPREHENSIVE CONSISTENT FLIGHT DISPATCH PROCEDURES.—Within 60 days after the date of enactment of this Act, the Federal Aviation Administration shall initiate, and complete within 18 months, a rulemaking—

(1) to create standardized flight dispatch procedures for helicopter emergency medical service operators based on the regulations in part 121 of title 14, Code of Federal Regulations; and

(2) to require such operators to use those procedures for flights.

(d) IMPROVING SITUATIONAL AWARENESS.—Any helicopter used for helicopter emergency medical service operations that is ordered, purchased, or otherwise obtained after the date of enactment of this Act shall have on board an operational terrain awareness and warning system that meets the technical specifications of section 135.154 of the Federal Aviation Regulations (14 C.F.R. 135.154).

(e) IMPROVING THE DATA AVAILABLE TO NTSB INVESTIGATORS AT CRASH SITES.—

(1) STUDY.—Within 1 year after the date of enactment of this Act, the Federal Aviation Administration shall complete a feasibility study of requiring flight data and cockpit voice recorders on new and existing helicopters used for emergency medical service operations. The study shall address, at a minimum, issues related to survivability, weight, and financial considerations of such a requirement.

(2) RULEMAKING.—Within 2 years after the date of enactment of this Act, the Federal Aviation Administration shall complete a rulemaking to require flight data and cockpit voice recorders on board such helicopters.

SEC. 509. CABIN CREW COMMUNICATION.

(a) IN GENERAL.—Section 44728 is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following:

''(f) MINIMUM LANGUAGE SKILLS.—

''(1) IN GENERAL.—No certificate holder may use any person to serve, nor may any person serve, as a flight attendant under this part, unless that person has the ability to read, speak, and write English well enough to—

''(A) read material written in English and comprehend the information;

''(B) speak and understand English sufficiently to provide direction to, and understand and answer questions from, English-speaking individuals;

''(C) write incident reports and statements and log entries and statements; and

''(D) carry out written and oral instructions regarding the proper performance of their duties.

''(2) FOREIGN FLIGHTS.—The requirements of paragraph (1) do not apply to service as a flight attendant on a flight operated by a certificate holder solely between points outside the United States.''.

(b) ADMINISTRATION.—The Administrator of the Federal Aviation Administration shall work with certificate holders to which section 44728(f) of title 49, United States Code, applies to facilitate compliance with the requirements of section 44728(f)(1) of that title.

SEC. 510. CLARIFICATION OF MEMORANDUM OF UNDERSTANDING WITH OSHA.

(a) IN GENERAL.—Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall—

(1) establish milestones, in consultation with the Occupational Safety and Health Administration, through a report to Congress for the completion of work begun under the August 2000 memorandum of understanding between the 2 Administrations and to address issues needing further action in the Administrations' joint report in December 2000; and

(2) initiate development of a policy statement to set forth the circumstances in which Occupational Safety and Health Administration requirements may be applied to crewmembers while working in the aircraft cabin.

(b) POLICY STATEMENT.—The policy statement to be developed under subsection (a)(2) shall satisfy the following principles:

(1) The establishment of a coordinating body similar to the Aviation Safety and

Health Joint Team established by the August 2000 memorandum of understanding that includes representatives designated by both Administrations—

(A) to examine the applicability of current and future Occupational Safety and Health Administration regulations;

(B) to recommend policies for facilitating the training of Federal Aviation Administration inspectors; and

(C) to make recommendations that will govern the inspection and enforcement of safety and health standards on board aircraft in operation and all work-related environments.

(2) Any standards adopted by the Federal Aviation Administration shall set forth clearly—

(A) the circumstances under which an employer is required to take action to address occupational safety and health hazards;

(B) the measures required of an employer under the standard; and

(C) the compliance obligations of an employer under the standard.

SEC. 511. ACCELERATION OF DEVELOPMENT AND IMPLEMENTATION OF REQUIRED NAVIGATION PERFORMANCE APPROACH PROCEDURES.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall set a target of achieving a minimum of 200 Required Navigation Performance procedures each fiscal year through fiscal year 2012, with 25 percent of that target number meeting the low visibility approach criteria.

(b) USE OF THIRD PARTIES.—The Administrator is authorized to provide third parties the ability to design, flight check, and implement Required Navigation Performance approach procedures.

SEC. 512. ENHANCED SAFETY FOR AIRPORT OPERATIONS.

From amounts appropriated for fiscal years 2009 through 2011 pursuant to section 48101(a) of title 49, United States Code, the Secretary shall make available such sums as may be necessary for use in relocating the radar facility at National Plan of Integrated Airport Systems airport number 54–0026 to improve the safety, efficiency, and security of air traffic control, navigation, low altitude communications and surveillance, and weather. The Administrator of the Federal Aviation Administration shall ensure that the radar is relocated before September 30, 2011.

SEC. 513. IMPROVED SAFETY INFORMATION.

Not later than December 31, 2008, the Administrator of the Federal Aviation Administration shall issue a final rule in docket No. FAA–2008–0188, *Re-registration and Renewal of Aircraft Registration*. The final rule shall include—

(1) provision for the expiration of a certificate for an aircraft registered as of the date of enactment of this Act, with re-registration requirements for those aircraft that remain eligible for registration;

(2) provision for the periodic expiration of all certificates issued after the effective date of the rule with a registration renewal process; and

(3) other measures to promote the accuracy and efficient operation and value of the Administration's aircraft registry.

SEC. 514. VOLUNTARY DISCLOSURE REPORTING PROCESS IMPROVEMENTS.

Within 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall—

(1) take such action as may be necessary to ensure that the Voluntary Disclosure Reporting Process requires inspectors—

(A) to evaluate corrective action proposed by an air carrier with respect to a matter disclosed by that air carrier is sufficiently comprehensive in scope and application and applies to all affected aircraft operated by that air carrier before accepting the proposed voluntary disclosure; and

(B) to verify that corrective action so identified by an air carrier is completed within the timeframe proposed; and

(C) to verify by inspection that the carrier's corrective action adequately corrects the problem that was disclosed; and

(2) establish a second level supervisory review of disclosures under the Voluntary Disclosure Reporting Process before any proposed disclosure is accepted and closed that will ensure that a matter disclosed by an air carrier—

(A) has not been previously identified by a Federal Aviation Administration inspector; and

(B) has not been previously disclosed by the carrier in the preceding 5 years.

SEC. 515. PROCEDURAL IMPROVEMENTS FOR INSPECTIONS.

(a) EMPLOYMENT BY INSPECTED AIR CARRIERS.—Within 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall initiate a rulemaking proceeding to revise its post-employment guidance to prohibit an inspector employed by an air carrier the inspector was responsible for inspecting from representing that air carrier before the Federal Aviation Administration or participating in negotiations or other contacts with the Federal Aviation Administration on behalf of that air carrier for a period of 2 years after terminating employment by the Federal Aviation Administration.

(b) INSPECTION TRACKING.—Within 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall implement a process for tracking field office review of air carrier compliance with Federal Aviation Administration air worthiness directives. In tracking air worthiness directive compliance, the Administrator shall ensure that—

(1) each air carriers under the Administration's air transportation oversight system is reviewed for 100 percent compliance on a 5-year cycle;

(2) Compliance reviews include physical inspections at each applicable carrier of a sample of the aircraft to which the air worthiness certificate applies; and

(3) the appropriate local and regional offices, and the Administrator, are alerted whenever a carrier is no longer in compliance with an air worthiness directive.

SEC. 516. INDEPENDENT REVIEW OF SAFETY ISSUES.

Within 30 days after the date of enactment of this Act, the Comptroller General shall initate a review and investigation of air safety issues identified by Federal Aviation Administration employees and reported to the Administrator. The Comptroller General shall report the Government Accountability Office's findings and recommendations to the Administrator, the Senate Committee on Commerce, Science, and Transportation, and the House of Representatives Committee on Transportation and Infrastructure on an annual basis.

SEC. 517. NATIONAL REVIEW TEAM.

(a) IN GENERAL.—Within 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall establish a national review team within the Administration to conduct periodic, random reviews of the Administration's oversight of air carriers and report annually its findings and recommendations to the Administrator, the Senate Commerce, Science, and Transportation Committee, and the House of Representatives Committee on Transportation and Infrastructure.

(b) INSPECTOR GENERAL REPORTS.—The Inspector General of the Department of Transportation shall provide progress reports to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the review teams and their effectiveness.

(c) ADDITIONAL SAFETY INSPECTORS.—From amounts appropriated pursuant to section 106(k)(1) of title 49, United States Code, the Administrator of the Federal Aviation Administration may hire a net increase of 200 additional safety inspectors.

SEC. 518. FAA ACADEMY IMPROVEMENTS.

(a) REVIEW.—Within 1 year after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall conduct a comprehensive review and evaluation of its Academy and facility training efforts.

(b) FACILITY TRAINING PROGRAM.—The Administrator shall—

(1) clarify responsibility for oversight and direction of the Academy's facility training program at the national level;

(2) communicate information concerning that responsibility to facility managers; and

(3) establish standards to identify the number of developmental controllers that can be accommodated at each facility, based on—

(A) the number of available on-the-job-training instructors;

(B) available classroom space;

(C) the number of available simulators;

(D) training requirements; and

(E) the number of recently placed new personnel already in training.

SEC. 519. REDUCTION OF RUNWAY INCURSIONS AND OPERATIONAL ERRORS.

(a) PLAN.—The Administrator of the Federal Aviation Administration shall develop a plan for the reduction of runway incursions by reviewing every commercial service airport (as defined in section 47102 of title 49, United States Code) in the United States and initiating action to improve airport lighting, provide better signage, and improve runway and taxiway markings.

(b) PROCESS.—Within 1 year after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall develop a process for tracking and investigating operational errors and runway incursions that includes—

(1) identifying the office responsible for establishing regulations regarding operational errors and runway incursions;

(2) identifying who is responsible for tracking and investigating operational errors and runway incursions and taking remedial actions;

(3) identifying who is responsible for tracking operational errors and runway incursions, including a process for lower level employees to report to higher supervisory levels; and

(4) periodic random audits of the oversight process.

TITLE VI—AVIATION RESEARCH

SEC. 601. AIRPORT COOPERATIVE RESEARCH PROGRAM.

(a) IN GENERAL.—Section 44511(f) is amended—

(1) by striking ''establish a 4-year pilot'' in paragraph (1) and inserting ''maintain an''; and

(2) by inserting ''pilot'' in paragraph (4) before ''program'' the first time it appears; and

(3) by striking ''program, including recommendations as to the need for establishing a permanent airport cooperative research program.'' in paragraph (4) and inserting ''program.''.

(b) AIRPORT COOPERATIVE RESEARCH PROGRAM.—Not more than $15,000,000 per year for fiscal years 2008, 2009, 2010, and 2011 may be

appropriated to the Secretary of Transportation from the amounts made available each year under subsection (a) for the Airport Cooperative Research Program under section 44511 of this title, of which not less than $5,000,000 per year shall be for research activities related to the airport environment, including reduction of community exposure to civil aircraft noise, reduction of civil aviation emissions, or addressing water quality issues.

SEC. 602. REDUCTION OF NOISE, EMISSIONS, AND ENERGY CONSUMPTION FROM CIVILIAN AIRCRAFT.

(a) ESTABLISHMENT OF RESEARCH PROGRAM.—From amounts made available under section 48102(a) of title 49, United States Code, the Administrator of the Federal Aviation Administration shall establish a research program related to reducing civilian aircraft source noise and emissions through grants or other measures authorized under section 106(l)(6) of such title, including reimbursable agreements with other Federal agencies. The program shall include participation of educational and research institutions or private sector entities that have existing facilities and experience for developing and testing noise, emissions and energy reduction engine and aircraft technology, and developing alternative fuels.

(b) ESTABLISHING A CONSORTIUM.—Within 6 months after the date of enactment of this Act, the Administrator shall designate, using a competitive process, an institution, entity, or consortium described in subsection (a) as a Consortium for Aviation Noise, Emissions, and Energy Technology Research to perform research in accordance with this section. The Consortium shall conduct the research program in coordination with the National Aeronautics and Space Administration and other relevant agencies.

(c) PERFORMANCE OBJECTIVES.—By January 1, 2015, the research program shall accomplish the following objectives:

(1) Certifiable aircraft technology that increases aircraft fuel efficiency by 25 percent relative to 1997 subsonic aircraft technology.

(2) Certifiable engine technology that reduces landing and takeoff cycle nitrogen oxide emissions by 50 percent, without increasing other gaseous or particle emissions, over the International Civil Aviation Organization standard adopted in 2004.

(3) Certifiable aircraft technology that reduces noise levels by 10 dB (30 dB cumulative) relative to 1997 subsonic jet aircraft technology.

(4) Determination of the feasibility of use of alternative fuels in aircraft systems, including successful demonstration and quantification of benefits.

(5) Determination of the extent to which new engine and aircraft technologies may be used to retrofit or re-engine aircraft so as to increase the level of penetration into the commercial fleet.

SEC. 603. PRODUCTION OF CLEAN COAL FUEL TECHNOLOGY FOR CIVILIAN AIRCRAFT.

(a) ESTABLISHMENT OF RESEARCH PROGRAM.—From amounts made available under section 48102(a) of title 49, United States Code, the Secretary of Transportation shall establish a research program related to developing jet fuel from clean coal through grants or other measures authorized under section 106(l)(6) of such title, including reimbursable agreements with other Federal agencies. The program shall include participation by educational and research institutions that have existing facilities and experience in the development and deployment of technology that processes coal to aviation fuel.

(b) DESIGNATION OF INSTITUTION AS A CENTER OF EXCELLENCE.—Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall designate an institution described in subsection (a) as a Center of Excellence for Coal-to-Jet-Fuel Research.

SEC. 604. ADVISORY COMMITTEE ON FUTURE OF AERONAUTICS.

(a) ESTABLISHMENT.—There is established an advisory committee to be know as the ''Advisory Committee on the Future of Aeronautics''.

(b) MEMBERSHIP.—The Advisory Committee shall consist of 7 members appointed by the President from a list of 15 candidates proposed by the Director of the National Academy of Sciences.

(c) CHAIRPERSON.—The Advisory Committee members shall elect 1 member to serve as chairperson of the Advisory Committee.

(d) FUNCTIONS.—The Advisory Committee shall examine the best governmental and organizational structures for the conduct of civil aeronautics research and development, including options and recommendations for consolidating such research to ensure continued United States leadership in civil aeronautics. The Committee shall consider transferring responsibility for civil aeronautics research and development from the National Aeronautics and Space Administration to other existing departments or agencies of the Federal government or to a non-governmental organization such as academic consortia or not-for-profit organizations. In developing its recommendations, the Advisory Committee shall consider, as appropriate, the aeronautics research policies developed pursuant to section 101(d) of Public Law 109–155 and the requirements and priorities for aeronautics research established by title IV of Public Law 109–155.

(e) REPORT.—Not later than 12 months after the date on which the full membership of the Advisory Committee is appointed, the Advisory Committee shall submit a report to the Senate Committee on Commerce, Science, and Transportation and the House Committees on Science and Technology and on Transportation and Infrastructure on its findings and recommendations. The report may recommend a rank ordered list of acceptable solutions.

(f) TERMINATION.—The Advisory Committee shall terminate 60 days after the date on which it submits the report to the Congress.

SEC. 605. RESEARCH PROGRAM TO IMPROVE AIRFIELD PAVEMENTS.

(a) CONTINUATION OF PROGRAM.—The Administrator of the Federal Aviation Administration shall continue the program to consider awards to nonprofit concrete and asphalt pavement research foundations to improve the design, construction, rehabilitation, and repair of airfield pavements to aid in the development of safer, more cost effective, and more durable airfield pavements.

(b) USE OF GRANTS OR COOPERATIVE AGREEMENTS.—The Administrator may use grants or cooperative agreements in carrying out this section.

SEC. 606. WAKE TURBULENCE, VOLCANIC ASH, AND WEATHER RESEARCH.

Within 60 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall—

(1) initiate evaluation of proposals that would increase capacity throughout the air transportation system by reducing existing spacing requirements between aircraft of all sizes, including research on the nature of wake vortices;

(2) begin implementation of a system to improve volcanic ash avoidance options for aircraft, including the development of a volcanic ash warning and notification system for aviation; and

(3) establish research projects on—

(A) ground de-icing/anti-icing, ice pellets, and freezing drizzle;

(B) oceanic weather, including convective weather;

(C) en route turbulence prediction and detection; and

(D) all hazards during oceanic operations, where commercial traffic is high and only rudimentary satellite sensing is available, to reduce the hazards presented to commercial aviation.

SEC. 607. INCORPORATION OF UNMANNED AERIAL SYSTEMS INTO FAA PLANS AND POLICIES.

(a) RESEARCH.—

(1) EQUIPMENT.—Section 44504 is amended—

(A) by inserting ''unmanned and manned'' in subsection (a) after ''improve'';

(B) by striking ''and'' after the semicolon in subsection (b)(6);

(C) by striking ''aircraft.'' in subsection (b)(7) and inserting ''aircraft; and''; and

(D) by adding at the end of subsection (b) the following:

''(8) in conjunction with other Federal agencies as appropriate, to develop technologies and methods to assess the risk of and prevent defects, failures, and malfunctions of products, parts, and processes, for use in all classes of unmanned aerial systems that could result in a catastrophic failure.''.

(2) HUMAN FACTORS; SIMULATIONS.—Section 44505(b) is amended—

(A) by striking ''and'' after the semicolon in paragraph (4);

(B) by striking ''programs.'' in paragraph (5)(C) and inserting ''programs; and''; and

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

''(6) to develop a better understanding of the relationship between human factors and unmanned aerial systems air safety; and

''(7) to develop dynamic simulation models of integrating all classes of unmanned aerial systems into the National Air Space.''.

(b) NATIONAL ACADEMY OF SCIENCES ASSESSMENT.—

(1) IN GENERAL.—Within 3 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall enter into an arrangement with the National Academy of Science for an assessment of unmanned aerial systems that shall include consideration of—

(A) human factors regarding unmanned aerial systems operation;

(B) ''detect, sense and avoid technologies'' with respect to both cooperative and non-cooperative aircraft;

(C) spectrum issues and bandwidth requirements;

(D) operation in suboptimal winds and adverse weather conditions;

(E) mechanisms for letter others know where the unmanned aerial system is flying;

(F) airworthiness and system redundancy;

(G) flight termination systems for safety and security;

(H) privacy issues;

(I) technologies for unmanned aerial systems flight control;

(J) technologies for unmanned aerial systems propulsion;

(K) unmanned aerial systems operator qualifications, medical standards, and training requirements;

(L) unmanned aerial systems maintenance requirements and training requirements; and

(M) any other unmanned aerial systems-related issue the Administrator believes should be addressed.

(2) REPORT.—Within 12 months after initiating the study, the National Academy shall submit its report to the Administrator, the Senate Committee on Commerce, Science, and Transportation, and the House of Representatives Committee on Transportation

and Infrastructure containing its findings and recommendations.

(c) PILOT PROJECTS.—

(1) IN GENERAL.—The Administrator of the Federal Aviation Administration shall establish 3 2-year cost-shared pilot projects in sparsely populated, low-density Class G air traffic airspace to conduct experiments and collect data in order to accelerate the safe integration of unmanned aerial systems into the National Airspace System as follows:

(A) 1 project shall address operational issues required for integration of Category 1 unmanned aerial systems.

(B) 1 project shall address operational issues required for integration of Category 2 unmanned aerial systems.

(C) 1 project shall address operational issues required for integration of Category 3 unmanned aerial systems.

(2) USE OF CONSORTIA.—In conducting the pilot projects, the Administrator shall encourage the formation of consortia from the public and private sectors, educational institutions, and non-profit organization.

(3) REPORT.—Within 60 days after completing the pilot projects, the Administrator shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure setting forth the Administrator's findings and conclusions concerning the projects.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator for fiscal years 2008 and 2009 such sums as may be necessary to conduct the pilot projects.

(d) FAA TASK LIST.—

(1) STREAMLINE UNMANNED AERIAL SYSTEMS CERTIFICATION PROCESS.—Within 30 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall develop and transmit an unmanned aerial systems ''roadmap'' to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

(2) UPDATE POLICY STATEMENT.—Within 45 days after the date of enactment of this Act, the Administrator shall issue an updated policy statement on unmanned aerial systems under Docket No. FAA–2006–25714; Notice No. 07–01.

(3) ISSUE NPRM FOR CERTIFICATES.—Within 90 days after the date of enactment of this Act, the Administrator shall publish a notice of proposed rulemaking on issuing airworthiness certificates and experimental certificates to unmanned aerial systems operators for compensation or hire. The Administrator shall promulgate a final rule 90 days after the date on which the notice is published.

(4) NOTICE TO CONGRESS ON BASING UNMANNED AERIAL SYSTEMS REGULATIONS ON ULTRALIGHT REGULATIONS.—Within 90 days after the date of enactment of this Act, the Administrator shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the potential of using part 103 of title 14, Code of Federal Regulations (relating to Ultralight Aircraft), as the regulatory basis for regulations on lightweight unmanned aerial systems.

(e) CONSOLIDATED RULEMAKING DEADLINE.—No later than April 30, 2010, the Federal Aviation Administration and other affected Federal agencies shall have initiated all of the rule makings regarding vehicle design requirements, operational requirements, airworthiness requirements, and flight crew certifications requirements necessary for integrating all categories of unmanned aerial systems into the national air space, taking into consideration the recommendations the Administrator receives from the National Academy of Sciences report under subsection (b), the unmanned aerial systems ''roadmap'' developed by the Administrator under subsection (d)(1), the recommendations of the Radio Technical Committee Aeronautics Special Committee 203 (RTCA–SC 203), and the data generated from the 3 pilot projects conducted under subsection (c).

SEC. 608. REAUTHORIZATION OF CENTER OF EXCELLENCE IN APPLIED RESEARCH AND TRAINING IN THE USE OF ADVANCED MATERIALS IN TRANSPORT AIRCRAFT.

Section 708(b) of the Vision 100—Century of Aviation Reauthorization Act (49 U.S.C. 44504 note) is amended by striking ''$500,000 for fiscal year 2004'' and inserting ''$1,000,000 for each of fiscal years 2008 through 2012''.

SEC. 609. PILOT PROGRAM FOR ZERO EMISSION AIRPORT VEHICLES.

(a) IN GENERAL.—Subchapter I of chapter 471 is amended by inserting after section 47136 the following:

''§ 47136A. Zero emission airport vehicles and infrastructure

''(a) IN GENERAL.—The Secretary of Transportation shall establish a pilot program under which the sponsor of a public-use airport may use funds made available under section 47117 or section 48103 for use at such airports or passenger facility revenue (as defined in section 40117(a)(6)) to carry out activities associated with the acquisition and operation of zero emission vehicles (as defined in section 88.120–94 of title 40, Code of Federal Regulations), including the construction or modification of infrastructure to facilitate the delivery of fuel and services necessary for the use of such vehicles. Any use of funds authorized by the preceding sentence shall be considered to be an authorized use of funds under section 47117 or section 48103, or an authorized use of passenger facility revenue (as defined in section 40117(a)(6)), as the case may be.

''(b) LOCATION IN AIR QUALITY NONATTAINMENT AREAS.—

''(1) IN GENERAL.—A public-use airport shall be eligible for participation in the pilot program only if the airport is located in an air quality nonattainment area (as defined in section 171(2) of the Clean Air Act (42 U.S.C. 7501(2))).

''(2) SHORTAGE OF CANDIDATES.—If the Secretary receives an insufficient number of applications from public-use airports located in such areas, then the Secretary may consider applications from public-use airports that are not located in such areas.

''(c) SELECTION CRITERIA.—In selecting from among applicants for participation in the program, the Secretary shall give priority consideration to applicants that will achieve the greatest air quality benefits measured by the amount of emissions reduced per dollar of funds expended under the program.

''(d) FEDERAL SHARE.—Notwithstanding any other provision of this subchapter, the Federal share of the costs of a project carried out under the program shall be 50 percent.

''(e) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The sponsor of a public-use airport carrying out activities funded under the program may not use more than 10 percent of the amounts made available under the program in any fiscal year for technical assistance in carrying out such activities.

''(2) ELIGIBLE CONSORTIUM.—To the maximum extent practicable, participants in the program shall use an eligible consortium (as defined in section 5506 of this title) in the region of the airport to receive technical assistance described in paragraph (1).

''(f) MATERIALS IDENTIFYING BEST PRACTICES.—The Secretary may develop and make available materials identifying best practices for carrying out activities funded under the program based on projects carried out under section 47136 and other sources.''.

(b) REPORT ON EFFECTIVENESS OF PROGRAM.—Not later than 18 months after the date of enactment of this section, the Secretary of Transportation shall transmit a report to the Senate Committee on Commerce, Science, and Transportation the House of Representatives Committee on Transportation and Infrastructure containing—

(1) an evaluation of the effectiveness of the pilot program;

(2) an identification of all public-use airports that expressed an interest in participating in the program; and

(3) a description of the mechanisms used by the Secretary to ensure that the information and know-how gained by participants in the program is transferred among the participants and to other interested parties, including other public-use airports.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47136 the following:

''47136A. Zero emission airport vehicles and infrastructure''.

SEC. 610. REDUCTION OF EMISSIONS FROM AIRPORT POWER SOURCES.

(a) IN GENERAL.—Subchapter I of chapter 471 is amended by inserting after section 47140 the following:

''§ 47140A. Reduction of emissions from airport power sources

''(a) IN GENERAL.—The Secretary of Transportation shall establish a program under which the sponsor of each airport eligible to receive grants under section 48103 is encouraged to assess the airport's energy requirements, including heating and cooling, base load, back-up power, and power for on-road airport vehicles and ground support equipment, in order to identify opportunities to reduce harmful emissions and increase energy efficiency at the airport.

''(b) GRANTS.—The Secretary may make grants under section 48103 to assist airport sponsors that have completed the assessment described in subsection (a) to acquire or construct equipment, including hydrogen equipment and related infrastructure, that will reduce harmful emissions and increase energy efficiency at the airport. To be eligible for such a grant, the sponsor of such an airport shall submit an application to the Secretary, at such time, in such manner, and containing such information as the Secretary may require.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47140 the following:

''47140A. Reduction of emissions from airport power sources''.

TITLE VII—MISCELLANEOUS

SEC. 701. GENERAL AUTHORITY.

(a) THIRD PARTY LIABILITY.—Section 44303(b) is amended by striking ''December 31, 2006,'' and inserting ''December 31, 2012,''.

(b) EXTENSION OF PROGRAM AUTHORITY.—Section 44310 is amended by striking ''March 30, 2008.'' and inserting ''October 1, 2017.''.

SEC. 702. HUMAN INTERVENTION MANAGEMENT STUDY.

Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall develop a Human Intervention Management Study program for cabin crews employed by commercial air carriers in the United States.

SEC. 703. AIRPORT PROGRAM MODIFICATIONS.

The Administrator of the Federal Aviation Administration—

(1) shall establish a formal, structured certification training program for the airport concessions disadvantaged business enterprise program; and

(2) may appoint 3 additional staff to implement the programs of the airport concessions disadvantaged business enterprise initiative.

SEC. 704. MISCELLANEOUS PROGRAM EXTENSIONS.

(a) EXTENSION OF METROPOLITAN WASHINGTON AIRPORTS AUTHORITY.—Section 49108 is amended by striking ''2008,'' and inserting ''2011,''.

(b) MARSHALL ISLANDS, FEDERATED STATES OF MICRONESIA, AND PALAU.—Section 47115(j) is amended by striking ''2007,'' and inserting ''2011,''.

(c) MIDWAY ISLAND AIRPORT.—Section 186(d) of the Vision 100—Century of Aviation Reauthorization Act (17 Stat. 2518) is amended by striking ''October 1, 2007,'' and inserting ''October 1, 2011,''.

SEC. 705. EXTENSION OF COMPETITIVE ACCESS REPORTS.

Section 47107(s) is amended by striking paragraph (3).

SEC. 706. UPDATE ON OVERFLIGHTS.

(a) IN GENERAL.—Section 45301(b) is amended to read as follows:

''(b) LIMITATIONS.—

''(1) IN GENERAL.—In establishing fees under subsection (a), the Administrator shall ensure that the fees required by subsection (a) are reasonably related to the Administration's costs, as determined by the Administrator, of providing the services rendered. Services for which costs may be recovered include the costs of air traffic control, navigation, weather services, training, and emergency services which are available to facilitate safe transportation over the United States, and other services provided by the Administrator or by programs financed by the Administrator to flights that neither take off nor land in the United States. The determination of such costs by the Administrator is not subject to judicial review.

''(2) ADJUSTMENT OF FEES.—The Administrator shall adjust the overflight fees established by subsection (a)(1) by expedited rulemaking and begin collections under the adjusted fees by October 1, 2009. In developing the adjusted overflight fees, the Administrator shall seek and consider the recommendations, if any, offered by the Aviation Rulemaking Committee for Overflight Fees that are intended to ensure that overflight fees are reasonably related to the Administrator's costs of providing air traffic control and related services to overflights. In addition, the Administrator may periodically modify the fees established under this section either on the Administrator's own initiative or on a recommendation from the Air Traffic Control Modernization Board.

''(3) COST DATA.—The adjustment of overflight fees under paragraph (2) shall be based on the costs to the Administration of providing the air traffic control and related activities, services, facilities, and equipment using the available data derived from the Administration's cost accounting system and cost allocation system to users, as well as budget and operational data.

''(4) AIRCRAFT ALTITUDE.—Nothing in this section shall require the Administrator to take into account aircraft altitude in establishing any fee for aircraft operations in en route or oceanic airspace.

''(5) COSTS DEFINED.—In this subsection, the term 'costs' means those costs associated with the operation, maintenance, debt service, and overhead expenses of the services provided and the facilities and equipment used in such services, including the projected costs for the period during which the services will be provided.

''(6) PUBLICATION; COMMENT.—The Administrator shall publish in the Federal Register any fee schedule under this section, including any adjusted overflight fee schedule, and the associated collection process as a proposed rule, pursuant to which public comment will be sought and a final rule issued.''.

(b) ADMINISTRATIVE PROVISION.—Section 45303(c)(2) is amended to read as follows:

''(2) shall be available to the Administrator for expenditure for purposes authorized by Congress for the Federal Aviation Administration, however, fees established by section 45301(a)(1) of title 49 of the United States Code shall be available only to pay the cost of activities and services for which the fee is imposed, including the costs to determine, assess, review, and collect the fee; and''.

SEC. 707. TECHNICAL CORRECTIONS.

Section 40122(g), as amended by section 307 of this Act, is further amended—

(1) by striking ''2302(b), relating to whistleblower protection,'' in paragraph (2)(A) and inserting ''2302,'';

(2) by striking ''and'' after the semicolon in paragraph (2)(H).

(3) by striking ''Plan.'' in paragraph (2)(I)(iii) and inserting ''Plan; and'';

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

''(J) sections 6381 through 6387, relating to Family and Medical Leave.''; and

(5) by adding at the end of paragraph (3) ''Notwithstanding any other provision of law, retroactive to April 1, 1996, the Board shall have the same remedial authority over such employee appeals that it had as of March 31, 1996.''.

SEC. 708. FAA TECHNICAL TRAINING AND STAFFING.

(a) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a study of the training of airway transportation systems specialists of the Federal Aviation Administration that includes—

(A) an analysis of the type of training provided to such specialists;

(B) an analysis of the type of training that such specialists need to be proficient in the maintenance of the latest technologies;

(C) actions that the Administration has undertaken to ensure that such specialists receive up-to-date training on such technologies;

(D) the amount and cost of training provided by vendors for such specialists;

(E) the amount and cost of training provided by the Administration after developing in-house training courses for such specialists;

(F) the amount and cost of travel required of such specialists in receiving training; and

(G) a recommendation regarding the most cost-effective approach to providing such training.

(2) REPORT.—Within 1 year after the date of enactment of this Act, the Comptroller General shall transmit a report on the study containing the Comptroller General's findings and recommendations to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

(b) STUDY BY NATIONAL ACADEMY OF SCIENCES.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall contract with the National Academy of Sciences to conduct a study of the assumptions and methods used by the Federal Aviation Administration to estimate staffing needs for Federal Aviation Administration air traffic controllers, system specialists, and engineers to ensure proper maintenance, certification, and operation of the National Airspace System. The National Academy of Sciences shall consult with the Exclusive Bargaining Representative certified under section 7111 of title 5, United States Code, and the Administration (including the Civil Aeronautical Medical Institute) and examine data entailing human factors, traffic activity, and the technology at each facility.

(2) CONTENTS.—The study shall include—

(A) recommendations for objective staffing standards that maintain the safety of the National Airspace System; and

(B) the approximate length of time for developing such standards.

(3) REPORT.—Not later than 24 months after executing a contract under subsection (a), the National Academy of Sciences shall transmit a report containing its findings and recommendations to the Congress.

(c) SAFETY STAFFING MODEL.—Within 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall develop a staffing model for aviation safety inspectors. In developing the model, the Administrator shall consult with representatives of the aviation safety inspectors and other interested parties.

SEC. 709. COMMERCIAL AIR TOUR OPERATORS IN NATIONAL PARKS.

(a) SECRETARY OF THE INTERIOR AND OVERFLIGHTS OF NATIONAL PARKS.—

(1) Section 40128 is amended—

(A) by striking paragraph (8) of subsection (f);

(B) by striking ''Director'' each place it appears and inserting ''Secretary of the Interior'';

(C) by striking ''National Park Service'' in subsection (a)(2)(B)(vi) and inserting ''Department of the Interior''; and

(D) by striking ''National Park Service'' in subsection (b)(4)(C) and inserting ''Department of the Interior''.

(2) The National Parks Air Tour Management Act of 2000 (49 U.S.C. 40128 note) is amended—

(A) by striking ''Director'' in section 804(b) and inserting ''Secretary of the Interior'';

(B) in section 805—

(i) by striking ''Director of the National Park Service'' in subsection (a) and inserting ''Secretary of the Interior'';

(ii) by striking ''Director'' each place it appears and inserting ''Secretary of the Interior'';

(iii) by striking ''National Park Service'' each place it appears in subsection (b) and inserting ''Department of the Interior'';

(iv) by striking ''National Park Service'' in subsection (d)(2) and inserting ''Department of the Interior''; and

(C) in section 807—

(i) by striking ''National Park Service'' in subsection (a)(1) and inserting ''Department of the Interior''; and

(ii) by striking ''Director of the National Park Service'' in subsection (b) and inserting ''Secretary of the Interior''.

(b) ALLOWING OVERFLIGHTS IN CASE OF AGREEMENT.—Paragraph (1) of subsection (a) of section 40128 is amended—

(1) by striking ''and'' in subparagraph (B);

(2) by striking ''lands.'' in subparagraph (C) and inserting ''lands; and''; and

(3) by adding at the end the following:

''(D) in accordance with a voluntary agreement between the commercial air tour operator and appropriate representatives of the national park or tribal lands, as the case may be.''.

(c) ADDITIONAL EXEMPTIONS TO AIR TOUR MANAGEMENT PLANS.—Subsection (a) of section 40128 is further amended by adding at the end the following:

''(5) WAIVER FOR NATIONAL PARKS WITH 100 OR FEWER COMMERCIAL AIR TOUR OPERATIONS PER YEAR.—

''(A) IN GENERAL.—Subject to subparagraph (B), and without further administrative or environmental process, the Secretary may waive the requirements of this section with respect to a national park over which 100 or fewer commercial air tour operations are conducted in a year.

''(B) EXCEPTION TO WAIVER IF NECESSARY TO PROTECT PARK RESOURCES.—

''(i) IN GENERAL.—The Secretary may not waive the requirements of this section if the Secretary determines that an air tour management plan is necessary to protect park resources and values.

''(ii) NOTICE AND PUBLICATION.—The Secretary shall inform the Administrator in writing of the determinations under clause (i), and the Secretary and the Administrator shall publish in the Federal Register a list of the national parks that fall under this subparagraph.

''(6) WAIVER WITH RESPECT TO VOLUNTARY AGREEMENTS.—

''(A) IN GENERAL.—The Secretary may waive the requirements of this section if a commercial air tour operator enters into a voluntary agreement with a national park to manage commercial air tour operations over the national park.

''(B) PURPOSE OF VOLUNTARY AGREEMENTS.—A voluntary agreement described in subparagraph (A) shall seek to protect park resources and visitor experiences without compromising aviation safety, and may—

''(i) include provisions described in subparagraph (B) through (E) of subsection (b)(3);

''(ii) include provisions to ensure the stability of, and compliance with, the provisions of the voluntary agreement; and

''(iii) set forth a fee schedule for operating over the national park.

''(C) CONSULTATION.—Before entering into a voluntary agreement described in subparagraph (A), a national park shall consult with any Indian tribe over whose tribal lands a commercial air tour operator may conduct commercial air tour operations pursuant to the voluntary agreement.

''(D) REVIEW AND APPROVAL BY THE SECRETARY AND THE ADMINISTRATOR.—

''(i) REVIEW.—Before executing a voluntary agreement described in subparagraph (A), a national park shall submit the voluntary agreement to the Secretary and the Administrator for review and approval.

''(ii) APPROVAL.—Not later than 60 days after receiving the agreement from the national park, the Secretary and the Administrator shall inform the national park of the determination of the Secretary and the Administrator regarding the approval of the agreement.

''(E) RESCISSION OF VOLUNTARY AGREEMENT.—

''(i) BY THE SECRETARY.—The Secretary may rescind a voluntary agreement described in subparagraph (A) if the Secretary determines that the agreement does not adequately protect park resources or visitor experiences.

''(ii) BY THE ADMINISTRATOR.—The Administrator may rescind a voluntary agreement described in subparagraph (A) if the Administrator determines that the agreement adversely affects aviation safety or the management of the national airspace system.

''(iii) EFFECT OF RESCISSION.—If the Secretary or the Administrator rescinds a voluntary agreement described in subparagraph (A), the commercial air tour operator that was a party to the agreement shall operate under the requirements for interim operating authority of subsection (c) until an air tour management plan for the national park becomes effective.''.

(d) MODIFICATION OF INTERIM OPERATING AUTHORITY.—Subsection (c)(2)(I) of section 40128 is amended to read as follows:

''(I) may allow for modifications of the interim operating authority without further environmental process, if—

''(i) adequate information on the existing and proposed operations of the commercial air tour operator is provided to the Administrator and the Secretary by the operator seeking operating authority;

''(ii) the Administrator determines that the modifications would not adversely affect aviation safety or the management of the national airspace system; and

''(iii) the Secretary agrees that the modifications would not adversely affect park resources and visitor experiences.''.

(e) REPORTING REQUIREMENTS FOR COMMERCIAL AIR TOUR OPERATORS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and annually thereafter, each commercial air tour conducting commercial air tour operations over a national park shall report to the Administrator of the Federal Aviation Administration and the Secretary of the Interior on—

(A) the number of commercial air tour operations conducted by such operator over the national park each day;

(B) any relevant characteristics of commercial air tour operations, including the routes, altitudes, duration, and time of day of flights; and

(C) such other information as the Administrator and the Secretary may determine necessary to administer the provisions of the National Parks Air Tour Management Act of 2000 (49 U.S.C. 40128 note).

(2) FORMAT.—The report required by paragraph (1) shall be submitted in such form as the Administrator and the Secretary determine to be appropriate.

(3) EFFECT OF FAILURE TO REPORT.—The Administrator shall rescind the operating authority of a commercial air tour operator that fails to file a report not later than 180 days after the date for the submittal of the report described in paragraph (1).

(4) AUDIT OF REPORTS.—Not later than 2 years after the date of the enactment of this Act, and at such times thereafter as the Inspector General of the Department of Transportation determines necessary, the Inspector General shall audit the reports required by paragraph (1).

(f) COLLECTION OF FEES FROM AIR TOUR OPERATIONS.—

(1) IN GENERAL.—The Secretary of the Interior may assess a fee in an amount determined by the Secretary under paragraph (2) on a commercial air tour operator conducting commercial air tour operations over a national park.

(2) AMOUNT OF FEE.—In determining the amount of the fee assessed under paragraph (1), the Secretary shall consider the cost of developing air tour management plans for each national park.

(3) EFFECT OF FAILURE TO PAY FEE.—The Administrator of the Federal Aviation Administration shall revoke the operating authority of a commercial air tour operator conducting commercial air tour operations over any national park, including the Grand Canyon National Park, that has not paid the fee assessed by the Secretary under paragraph (1) by the date that is 180 days after the date on which the Secretary determines the fee shall be paid.

(g) AUTHORIZATION OF APPROPRIATIONS FOR AIR TOUR MANAGEMENT PLANS.—

(1) IN GENERAL.—There are authorized to be appropriated $10,000,000 to the Secretary of the Interior for the development of air tour management plans under section 40128(b) of title 49, United States Code.

(2) USE OF FUNDS.—The funds authorized to be appropriated by paragraph (1) shall be used to develop air tour management plans for the national parks the Secretary determines would most benefit from such a plan.

(h) GUIDANCE TO DISTRICT OFFICES ON COMMERCIAL AIR TOUR OPERATORS.—The Administrator of the Federal Aviation Administration shall provide to the Administration's district offices clear guidance on the ability of commercial air tour operators to obtain—

(1) increased safety certifications;

(2) exemptions from regulations requiring safety certifications; and

(3) other information regarding compliance with the requirements of this Act and other Federal and State laws and regulations.

(i) OPERATING AUTHORITY OF COMMERCIAL AIR TOUR OPERATORS.—

(1) TRANSFER OF OPERATING AUTHORITY.—

(A) IN GENERAL.—Subject to subparagraph (B), a commercial air tour operator that obtains operating authority from the Administrator under section 40128 of title 49, United States Code, to conduct commercial air tour operations may transfer such authority to another commercial air tour operator at any time.

(B) NOTICE.—Not later than 30 days before the date on which a commercial air tour operator transfers operating authority under subparagraph (A), the operator shall notify the Administrator and the Secretary of the intent of the operator to transfer such authority.

(C) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall prescribe regulations to allow transfers of operating authority described in subparagraph (A).

(2) TIME FOR DETERMINATION REGARDING OPERATING AUTHORITY.—Notwithstanding any other provision of law, the Administrator shall determine whether to grant a commercial air tour operator operating authority under section 40128 of title 49, United States Code, not later than 180 days after the earlier of the date on which—

(A) the operator submits an application; or

(B) an air tour management plan is completed for the national park over which the operator seeks to conduct commercial air tour operations.

(3) INCREASE IN INTERIM OPERATING AUTHORITY.—The Administrator and the Secretary may increase the interim operating authority while an air tour management plan is being developed for a park if—

(A) the Secretary determines that such an increase does not adversely impact park resources or visitor experiences; and

(B) the Administrator determines that granting interim operating authority does not adversely affect aviation safety or the management of the national airspace system.

(4) ENFORCEMENT OF OPERATING AUTHORITY.—The Administrator is authorized and directed to enforce the requirements of this Act and any agency rules or regulations related to operating authority.

SEC. 710. PHASEOUT OF STAGE 1 AND 2 AIRCRAFT.

(a) IN GENERAL.—Subchapter II of chapter 475 is amended by adding at the end the following:

''§ 47534. Prohibition on operating certain aircraft weighing 75,000 pounds or less not complying with Stage 3 noise levels

''(a) PROHIBITION.—Except as provided in subsection (b), (c), or (d), a person may not operate a civil subsonic turbojet with a maximum weight of 75,000 pounds or less to or from an airport in the United States unless the Secretary of Transportation finds that

the aircraft complies with stage 3 noise levels.

''(b) EXCEPTION.—Subsection (a) shall not apply to aircraft operated only outside the 48 contiguous States.

''(c) OPT-OUT.—Subsection (a) shall not apply at an airport where the airport operator has notified the Secretary that it wants to continue to permit the operation of civil subsonic turbojets with a maximum weight of 75,000 pounds or less that do not comply with stage 3 noise levels. The Secretary shall post the notices received under this subsection on its website or in another place easily accessible to the public.

''(d) LIMITATION.—The Secretary shall permit a person to operate Stage 1 and Stage 2 aircraft with a maximum weight of 75,000 pounds or less to or from an airport in the contiguous 48 States in order—

''(1) to sell, lease, or use the aircraft outside the 48 contiguous States;

''(2) to scrap the aircraft;

''(3) to obtain modifications to the aircraft to meet stage 3 noise levels;

''(4) to perform scheduled heavy maintenance or significant modifications on the aircraft at a maintenance facility located in the contiguous 48 states;

''(5) to deliver the aircraft to an operator leasing the aircraft from the owner or return the aircraft to the lessor;

''(6) to prepare or park or store the aircraft in anticipation of any of the activities described in paragraphs (1) through (5); or

''(7) to divert the aircraft to an alternative airport in the 48 contiguous States on account of weather, mechanical, fuel air traffic control or other safety reasons while conducting a flight in order to perform any of the activities described in paragraphs (1) through (6).

''(e) STATUTORY CONSTRUCTION.—Nothing in the section may be construed as interfering with, nullifying, or otherwise affecting determinations made by the Federal Aviation Administration, or to be made by the Administration, with respect to applications under part 161 of title 14, Code of Federal Regulations, that were pending on the date of enactment of the Aircraft Noise Reduction Act of 2006.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 47531 is amended by striking ''47529, or 47530'' and inserting ''47529, 47530, or 47534''.

(2) Section 47532 is amended by striking ''47528-47531'' and inserting ''47528 through 47531 or 47534''.

(3) The chapter analysis for chapter 475 is amended by inserting after the item relating to section 47533 the following:

''47534. Prohibition on operating certain aircraft weighing 75,000 pounds or less not complying with stage 3 noise levels''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 5 years after the date of enactment of this Act.

SEC. 711. WEIGHT RESTRICTIONS AT TETERBORO AIRPORT.

On and after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration is prohibited from taking actions designed to challenge or influence weight restrictions or prior permission rules at Teterboro Airport in Teterboro, New Jersey.

SEC. 712. PILOT PROGRAM FOR REDEVELOPMENT OF AIRPORT PROPERTIES.

(a) IN GENERAL.—Within 1 year after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall establish a pilot program at up to 4 public-use airports for airport sponsors that have submitted a noise compatibility program to the Federal Aviation Administration, from funds apportioned under section 47504 or section 40117 of title 49, United States Code, in partnership with affected neighboring local jurisdictions, to support joint planning, engineering design, and environmental permitting for the assembly and redevelopment of property purchased with noise mitigation funds or passenger facility charge funds, to encourage airport-compatible land uses and generate economic benefits to the local airport authority and adjacent community.

(b) NOISE COMPATABILITY MEASURES.—Section 47504(a)(2) is amended—

(1) by striking ''and'' after the semicolon in subparagraph (D);

(2) by striking ''operations.'' in subparagraph (E) and inserting ''operations;''; and

(3) by adding at the end the following:

''(F) joint comprehensive land use planning including master plans, traffic studies, environmental evaluation and economic and feasibility studies, with neighboring local jurisdictions undertaking community redevelopment in the area where the land or other property interests acquired by the airport operator pursuant to this subsection is located, to encourage and enhance redevelopment opportunities that reflect zoning and uses that will prevent the introduction of additional incompatible uses and enhance redevelopment potential; and

''(G) utility upgrades and other site preparation efforts.''.

(c) GRANT REQUIREMENTS.—The Administrator may not make a grant under subsection (a) unless the grant is made—

(1) to enable the airport operator and local jurisdictions undertaking the community redevelopment effort to expedite redevelopment efforts;

(2) subject to a requirement that the local jurisdiction governing the property interests in question has adopted zoning regulations that permit airport compatible redevelopment; and

(3) subject to a requirement that, in determining the part of the proceeds from disposing of the land that is subject to repayment or reinvestment under section 47107(c)(2)(A) of title 49, United States Code, the total amount of the grant issued under this section shall be added to the amount of any grants issued for acquisition of land.

(d) DEMONSTRATION GRANTS.—

(1) IN GENERAL.—The Administrator shall provide grants under subsection (a) for demonstration projects distributed geographically and targeted to airports that demonstrate—

(A) a readiness to implement cooperative land use management and redevelopment plans with the adjacent community; and

(B) the probability of clear economic benefit to the local community and financial return to the airport through the implementation of the redevelopment plan.

(2) FEDERAL SHARE.—

(A) Notwithstanding any other provision of law, the Federal share of the allowable costs of a project carried out under the pilot program shall be 80 percent.

(B) In determining the allowable costs, the Administrator shall deduct from the total costs of the activities described in subsection (a) that portion of the costs which is equal to that portion of the total property to be redeveloped under this section that is not owned or to be acquired by the airport operator pursuant to the noise compatibility program or that is not owned by the affected neighboring local jurisdictions or other public entities.

(3) MAXIMUM AMOUNT.—Not more than $5,000,000 in funds made available under section 47117(e) of title 49, United States Code, may be expended under the pilot program at any single public-use airport.

(4) EXCEPTION.—Amounts paid to the Administrator under subsection (c)(3)—

(A) shall be in addition to amounts authorized under section 48203 of title 49, United States Code;

(B) shall not be subject to any limitation on grant obligations for any fiscal year; and

(C) shall remain available until expended.

(e) USE OF PASSENGER REVENUE.—An airport sponsor that owns or operates an airport participating in the pilot program may use passenger facility revenue collected under section 40117 of title 49, United States Code, to pay any project cost described in subsection (a) that is not financed by a grant under the program.

(f) SUNSET.—This section, other than the amendments made by subsections (b), shall not be in effect after September 30, 2011.

(g) REPORT TO CONGRESS.—The Administrator shall report to Congress within 18 months after making the first grant under this section on the effectiveness of this program on returning Part 150 lands to productive use.

SEC. 713. AIR CARRIAGE OF INTERNATIONAL MAIL.

(a) CONTRACTING AUTHORITY.—Section 5402 of title 39, United States Code, is amended by striking subsections (b) and (c) and inserting the following:

''(b) INTERNATIONAL MAIL.—

''(1) IN GENERAL.—

''(A) Except as otherwise provided in this subsection, the Postal Service may contract for the transportation of mail by aircraft between any of the points in foreign air transportation only with certificated air carriers. A contract may be awarded to a certificated air carrier to transport mail by air between any of the points in foreign air transportation that the Secretary of Transportation has authorized the carrier to serve either directly or through a code-share relationship with one or more foreign air carriers.

''(B) If the Postal Service has sought offers or proposals from certificated air carriers to transport mail in foreign air transportation between points, or pairs of points within a geographic region or regions, and has not received offers or proposals that meet Postal Service requirements at a fair and reasonable price from at least 2 such carriers, the Postal Service may seek offers or proposals from foreign air carriers. Where service in foreign air transportation meeting the Postal Service's requirements is unavailable at a fair and reasonable price from at least 2 certificated air carriers, either directly or through a code-share relationship with one or more foreign air carriers, the Postal Service may contract with foreign air carriers to provide the service sought if, when the Postal Service seeks offers or proposals from foreign air carriers, it also seeks an offer or proposal to provide that service from any certificated air carrier providing service between those points, or pairs of points within a geographic region or regions, on the same terms and conditions that are being sought from foreign air carriers.

''(C) For purposes of this subsection, the Postal Service shall use a methodology for determining fair and reasonable prices for the Postal Service designated region or regions developed in consultation with, and with the concurrence of, certificated air carriers representing at least 51 percent of available ton miles in the markets of interest.

''(D) For purposes of this subsection, ceiling prices determined pursuant to the methodology used under subparagraph (C) shall be presumed to be fair and reasonable if they do not exceed the ceiling prices derived from—

''(i) a weighted average based on market rate data furnished by the International Air

Transport Association or a subsidiary unit thereof; or

''(ii) if such data are not available from those sources, such other neutral, regularly updated set of weighted average market rates as the Postal Service, with the concurrence of certificated air carriers representing at least 51 percent of available ton miles in the markets of interest, may designate.

''(E) If, for purposes of subparagraph (D)(ii), concurrence cannot be attained, then the most recently available market rate data described in this subparagraph shall continue to apply for the relevant market or markets.

''(2) CONTRACT PROCESS.—The Postal Service shall contract for foreign air transportation as set forth in paragraph (1) through an open procurement process that will provide—

''(A) potential offerors with timely notice of business opportunities in sufficient detail to allow them to make a proposal;

''(B) requirements, proposed terms and conditions, and evaluation criteria to potential offerors; and

''(C) an opportunity for unsuccessful offerors to receive prompt feedback upon request.

''(3) EMERGENCY OR UNANTICIPATED CONDITIONS; INADEQUATE LIFT SPACE.—The Postal Service may enter into contracts to transport mail by air in foreign air transportation with a certificated air carrier or a foreign air carrier without complying with the requirements of paragraphs (b)(1) and (2) if—

''(A) emergency or unanticipated conditions exist that make it impractical for the Postal Service to comply with such requirements; or

''(B) its demand for lift exceeds the space available to it under existing contracts and—

''(i) there is insufficient time available to seek additional lift using procedures that comply with those requirements without compromising the Postal Service's service commitments to its own customers; and

''(ii) the Postal Service first offers any certificated air carrier holding a contract to carry mail between the relevant points the opportunity to carry such excess volumes under the terms of its existing contract.

''(c) GOOD FAITH EFFORT REQUIRED.—The Postal Service and potential offerors shall put a good-faith effort into resolving disputes concerning the award of contracts made under subsection (b).''.

(b) CONFORMING AMENDMENTS TO TITLE 49.—

(1) Section 41901(a) is amended by striking ''39.'' and inserting ''39, and in foreign air transportation under section 5402(b) and (c) of title 39.''.

(2) Section 41901(b)(1) is amended by striking ''in foreign air transportation or''.

(3) Section 41902 is amended—

(A) by striking ''in foreign air transportation or'' in subsection (a);

(B) by striking subsection (b) and inserting the following:

''(b) STATEMENTS ON PLACES AND SCHEDULES.—Every air carrier shall file with the United States Postal Service a statement showing—

''(1) the places between which the carrier is authorized to transport mail in Alaska;

''(2) every schedule of aircraft regularly operated by the carrier between places described in paragraph (1) and every change in each schedule; and

''(3) for each schedule, the places served by the carrier and the time of arrival at, and departure from, each such place.'';

(C) by striking ''subsection (b)(3)'' each place it appears in subsections (c)(1) and (d) and inserting ''subsection (b)(2)''; and

(D) by striking subsections (e) and (f).

(4) Section 41903 is amended by striking ''in foreign air transportation or'' each place it appears.

(5) Section 41904 is amended—

(A) by striking ''**to or in foreign countries**'' in the section heading;

(B) by striking ''to or in a foreign country'' and inserting ''between two points outside the United States''; and

(C) by inserrting after ''transportation.'' the following: ''Nothing in this section shall affect the authority of the Postal Service to make arrangements with noncitizens for the carriage of mail in foreign air transportation under subsections 5402(b) and (c) of title 39.''.

(6) Section 41910 is amended by striking the first sentence and inserting ''The United States Postal Service may weigh mail transported by aircraft between places in Alaska and make statistical and –administrative computations necessary in the interest of mail service.''.

(7) Chapter 419 is amended—

(A) by striking sections 41905, 41907, 41908, and 41911; and

(B) redesignating sections 41906, 41909, 41910, and 49112 as sections 41905, 41906, 41907, and 41908, respectively.

(8) The chapter analysis for chapter 419 is amended by redesignating the items relating to sections 41906, 41909, 41910, and 49112 as relating to sections 41905, 41906, 41907, and 41908, respectively.

(9) Section 101(f) of title 39, United States Code, is amended by striking ''mail and shall make a fair and equitable distribution of mail business to carriers providing similar modes of transportation services to the Postal Service.'' and inserting ''mail.''.

(9) Subsections (b) and (c) of section 3401 of title 39, United States Code, are amended—

(A) by striking ''at rates fixed and determined by the Secretary of Transportation in accordance with section 41901 of title 49'' and inserting ''or, for carriage of mail in foreign air transportation, other air carriers, air taxi operators or foreign air carriers as permitted by section 5402 of this title'';

(B) by striking ''at rates not to exceed those so fixed and determined for scheduled United States air carriers'';

(C) by striking ''scheduled'' each place it appears and inserting ''certificated''; and

(D) by striking the last sentence in each such subsection.

(10) Section 5402(a) of title 39, United States Code, is amended—

(A) by inserting '' 'foreign air carrier'. '' after '' 'interstate air transportation', '' in paragraph (2);

(B) by redesignating paragraphs (7) through (23) as paragraphs (8) through (24) and inserting after paragraph (6) the following:

''(7) the term 'certificated air carrier' means an air carrier that holds a ——certificate of public convenience and necessity issued under section 41102(a) of ——title 49;''; and

(C) by redesignating paragraphs (9) through (24), as redesignated, as paragraphs (10) through (25), respectively, and inserting after paragraph (8) the following:

''(9) the term 'code-share relationship' means a relationship pursuant to which any certificated air carrier or foreign air carrier's designation code is used to identify a flight operated by another air carrier or foreign air carrier;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008.

SEC. 714. TRANSPORTING MUSICAL INSTRUMENTS.

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

''§ 41724. Musical instruments

''(a) IN GENERAL.—

''(1) SMALL INSTRUMENTS AS CARRY-ON BAGGAGE.—An air carrier providing air transportation shall permit a passenger to carry a violin, guitar, or other musical instrument in the aircraft cabin without charge if—

''(A) the instrument can be stowed safely in a suitable baggage compartment in the aircraft cabin or under a passenger seat; and

''(B) there is space for such stowage at the time the passenger boards the aircraft.

''(2) LARGER INSTRUMENTS AS CARRY-ON BAGGAGE.—An air carrier providing air transportation shall permit a passenger to carry a musical instrument that is too large to meet the requirements of paragraph (1) in the aircraft cabin without charge if—

''(A) the instrument is contained in a case or covered so as to avoid injury to other passengers;

''(B) the weight of the instrument, including the case or covering, does not exceed 165 pounds;

''(C) the instrument can be secured by a seat belt to avoid shifting during flight;

''(D) the instrument does not restrict access to, or use of, any required emergency exit, regular exit, or aisle;

''(E) the instrument does not obscure any passenger's view of any illuminated exit, warning, or other informational sign;

''(F) neither the instrument nor the case contains any object not otherwise permitted to be carried in an aircraft cabin because of a law or regulation of the United States; and

''(G) the passenger wishing to carry the instrument in the aircraft cabin has purchased an additional seat to accommodate the instrument.

''(3) LARGE INSTRUMENTS AS CHECKED BAGGAGE.—An air carrier shall transport as baggage, without charge, a musical instrument that is the property of a passenger traveling in air transportation that may not be carried in the aircraft cabin if—

''(A) the sum of the length, width, and height measured in inches of the outside linear dimensions of the instrument (including the case) does not exceed 120 inches; and

''(B) the weight of the instrument does not exceed 100 pounds.

''(b) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to implement subsection (a).''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by inserting after the item relating to section 41723 the following:

''41724. Musical instruments''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of enactment of this Act.

SEC. 715. RECYCLING PLANS FOR AIRPORTS.

(a) AIRPORT PLANNING.—section 47102(5) is amended by striking ''planning.'' and inserting ''planning and a plan for recycling and minimizing the generation of airport solid waste, consistent with applicable State and local recycling laws, including the cost of a waste audit.''.

(b) MASTER PLAN.—Section 47106(a) is amended—

(1) by striking ''and'' at the end of paragraph (4);

(2) by striking ''proposed.'' in paragraph (5) and inserting ''proposed; and''; and

(3) by adding at the end the following:

''(6) if the project is for an airport that has an airport master plan, the master plan addresses—

''(A) the feasibility of solid waste recycling at the airport;

''(B) minimizing the generation of solid waste at the airport;

''(C) operation and maintenance requirements;

''(D) the review of waste management contracts;

''(E) the potential for cost savings or the generation of revenue; and

''(F) training and education requirements.''.

SEC. 716. CONSUMER INFORMATION PAMPHLET.

Within 6 months after the date of enactment of this Act, the Secretary of Transportation shall develop and make available to the public in written and electronic form a consumer and parental information pamphlet that includes—

(1) a summary of the unaccompanied minor policies of major air carriers serving United States airports;

(2) a summary of such carriers' policies pertaining to passenger air travel by children aged 17 and under;

(3) recommendations to parents about who the appropriate authorities are to notify if a minor is traveling unsupervised and without parental consent on a major air carrier; and

(4) any additional recommendations the Secretary deems appropriate or necessary.

TITLE VIII—AMERICAN INFRASTRUCTURE INVESTMENT AND IMPROVEMENT

SECTION 800. SHORT TITLE, ETC.

(a) SHORT TITLE; AMENDMENT OF 1986 CODE.—This title may be cited as the ''American Infrastructure Investment and Improvement Act of 2008''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Airport and Airway Trust Fund Provisions and Related Taxes

SEC. 801. EXTENSION OF TAXES FUNDING AIRPORT AND AIRWAY TRUST FUND.

(a) FUEL TAXES.—Subparagraph (B) of section 4081(d)(2) is amended by striking ''June 30, 2008'' and inserting ''September 30, 2011''.

(b) TICKET TAXES.—

(1) PERSONS.—Clause (ii) of section 4261(j)(1)(A) is amended by striking ''June 30, 2008'' and inserting ''September 30, 2011''.

(2) PROPERTY.—Clause (ii) of section 4271(d)(1)(A) is amended by striking ''June 30, 2008'' and inserting ''September 30, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2008.

SEC. 802. EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY.

(a) IN GENERAL.—Paragraph (1) of section 9502(d) is amended—

(1) by striking ''July 1, 2008'' in the matter preceding subparagraph (A) and inserting ''October 1, 2011'', and

(2) by striking the semicolon at the end of subparagraph (A) and inserting ''or the Aviation Investment and Modernization Act of 2008;''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 9502(e) is amended by striking ''July 1, 2008'' and inserting ''October 1, 2011''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2008.

SEC. 803. MODIFICATION OF EXCISE TAX ON KEROSENE USED IN AVIATION.

(a) RATE OF TAX ON AVIATION-GRADE KEROSENE.—

(1) IN GENERAL.—Subparagraph (A) of section 4081(a)(2) (relating to rates of tax) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) in the case of aviation-grade kerosene, 35.9 cents per gallon.''.

(2) FUEL REMOVED DIRECTLY INTO FUEL TANK OF AIRPLANE USED IN NONCOMMERCIAL AVIATION.—Subparagraph (C) of section 4081(a)(2) is amended to read as follows:

''(C) TAXES IMPOSED ON FUEL USED IN COMMERCIAL AVIATION.—In the case of aviation-grade kerosene which is removed from any refinery or terminal directly into the fuel tank of an aircraft for use in commercial aviation by a person registered for such use under section 4101, the rate of tax under subparagraph (A)(iv) shall be 4.3 cents per gallon.''.

(3) EXEMPTION FOR AVIATION-GRADE KEROSENE REMOVED INTO AN AIRCRAFT.—Subsection (e) of section 4082 is amended—

(A) by striking ''kerosene'' and inserting ''aviation-grade kerosene'',

(B) by striking ''section 4081(a)(2)(A)(iii)'' and inserting ''section 4081(a)(2)(A)(iv)'', and

(C) by striking ''KEROSENE'' in the heading and inserting ''AVIATION-GRADE KEROSENE''.

(4) CONFORMING AMENDMENTS.—

(A) Clause (iii) of section 4081(a)(2)(A) is amended by inserting ''other than aviation-grade kerosene'' after ''kerosene''.

(B) The following provisions are each amended by striking ''kerosene'' and inserting ''aviation-grade kerosene'':

(i) Section 4081(a)(3)(A)(ii).

(ii) Section 4081(a)(3)(A)(iv).

(iii) Section 4081(a)(3)(D).

(C) Section 4081(a)(3)(D) is amended—

(i) by striking ''paragraph (2)(C)(i)'' in clause (i) and inserting ''paragraph (2)(C)'', and

(ii) by striking ''paragraph (2)(C)(ii)'' in clause (ii) and inserting ''paragraph (2)(A)(iv)''.

(D) Section 4081(a)(4) is amended—

(i) in the heading by striking ''KEROSENE'' and inserting ''AVIATION-GRADE KEROSENE'', and

(ii) by striking ''paragraph (2)(C)(i)'' and inserting ''paragraph (2)(C)''.

(E) Section 4081(d)(2) is amended by striking ''(a)(2)(C)(ii)'' and inserting ''(a)(2)(A)(iv)''.

(b) RETAIL TAX ON AVIATION FUEL.—

(1) EXEMPTION FOR PREVIOUSLY TAXED FUEL.—Paragraph (2) of section 4041(c) is amended by inserting ''at the rate specified in subsection (a)(2)(A)(iv) thereof'' after ''section 4081''.

(2) RATE OF TAX.—Paragraph (3) of section 4041(c) is amended to read as follows:

''(3) RATE OF TAX.—The rate of tax imposed by this subsection shall be the rate of tax in effect under section 4081(a)(2)(A)(iv) (4.3 cents per gallon with respect to any sale or use for commercial aviation).''.

(c) REFUNDS RELATING TO AVIATION-GRADE KEROSENE.—

(1) KEROSENE USED IN COMMERCIAL AVIATION.—Clause (ii) of section 6427(l)(4)(A) is amended by striking ''specified in section 4041(c) or 4081(a)(2)(A)(iii), as the case may be,'' and inserting ''so imposed''.

(2) KEROSENE USED IN AVIATION.—Paragraph (4) of section 6427(l) is amended—

(A) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B), and

(B) by amending subparagraph (B), as redesignated by subparagraph (A), to read as follows:

''(B) PAYMENTS TO ULTIMATE, REGISTERED VENDOR.—With respect to any kerosene used in aviation (other than kerosene to which paragraph (6) applies), if the ultimate purchaser of such kerosene waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary shall pay (without interest) the amount which would be paid under paragraph (1) to such ultimate vendor, but only if such ultimate vendor—

''(i) is registered under section 4101, and

''(ii) meets the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1).''.

(3) AVIATION-GRADE KEROSENE NOT USED IN AVIATION.—Subsection (l) of section 6427 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) REFUNDS FOR AVIATION-GRADE KEROSENE NOT USED IN AVIATION.—If tax has been imposed under section 4081 at the rate specified in section 4081(a)(2)(A)(iv) and the fuel is used other than in an aircraft, the Secretary shall pay (without interest) to the ultimate purchaser of such fuel an amount equal to the amount of tax imposed on such fuel reduced by the amount of tax that would be imposed under section 4041 if no tax under section 4081 had been imposed.''.

(4) CONFORMING AMENDMENTS.—

(A) Section 4082(d)(2)(B) is amended by striking ''6427(l)(5)(B)'' and inserting ''6427(l)(6)(B)''.

(B) Section 6427(i)(4) is amended—

(i) by striking ''(4)(C)'' the first two places it occurs and inserting ''(4)(B)'', and

(ii) by striking '', (l)(4)(C)(ii), and'' and inserting ''and''.

(C) The heading of section 6427(l) is amended by striking ''DIESEL FUEL AND KEROSENE'' and inserting ''DIESEL FUEL, KEROSENE, AND AVIATION FUEL''.

(D) Section 6427(l)(1) is amended by striking ''paragraph (4)(C)(i)'' and inserting ''paragraph (4)(B)''.

(E) Section 6427(l)(4) is amended—

(i) by striking ''KEROSENE USED IN AVIATION'' in the heading and inserting ''AVIATION-GRADE KEROSENE USED IN COMMERCIAL AVIATION'', and

(ii) in subparagraph (A)—

(I) by striking ''kerosene'' and inserting ''aviation-grade kerosene'',

(II) by striking ''KEROSENE USED IN COMMERCIAL AVIATION'' in the heading and inserting ''IN GENERAL''.

(d) TRANSFERS TO THE AIRPORT AND AIRWAY TRUST FUND.—

(1) IN GENERAL.—Subparagraph (C) of section 9502(b)(1) is amended to read as follows:

''(C) section 4081 with respect to aviation gasoline and aviation-grade kerosene, and''.

(2) TRANSFERS ON ACCOUNT OF CERTAIN REFUNDS.—

(A) IN GENERAL.—Subsection (d) of section 9502 is amended—

(i) in paragraph (2) by striking ''(other than subsection (l)(4) thereof)'', and

(ii) in paragraph (3) by striking ''(other than payments made by reason of paragraph (4) of section 6427(l))''.

(B) CONFORMING AMENDMENTS.—

(i) Section 9503(b)(4) is amended by striking ''or'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting a comma, and by inserting after subparagraph (D) the following:

''(E) section 4081 to the extent attributable to the rate specified in clause (ii) or (iv) of section 4081(a)(2)(A), or

''(F) section 4041(c).''.

(ii) Section 9503(c) is amended by striking the last paragraph (relating to transfers from the Trust Fund for certain aviation fuel taxes).

(iii) Section 9502(a) is amended—

(I) by striking ''appropriated, credited, or paid into'' and inserting ''appropriated or credited to'', and

(II) by striking '', section 9503(c)(7),''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels removed, entered, or sold after December 31, 2008.

(f) FLOOR STOCKS TAX.—

(1) IMPOSITION OF TAX.—In the case of aviation fuel which is held on January 1, 2009, by any person, there is hereby imposed a floor stocks tax on aviation fuel equal to—

(A) the tax which would have been imposed before such date on such fuel had the amendments made by this section been in effect at all times before such date, reduced by

(B) the sum of—

(i) the tax imposed before such date on such fuel under section 4081 of the Internal Revenue Code of 1986, as in effect on such date, and

(ii) in the case of kerosene held exclusively for such person's own use, the amount which such person would (but for this clause) reasonably expect (as of such date) to be paid as a refund under section 6427(l) of such Code with respect to such kerosene.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding aviation fuel on January 1, 2009, shall be liable for such tax.

(B) TIME AND METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid at such time and in such manner as the Secretary of the Treasury shall prescribe.

(3) TRANSFER OF FLOOR STOCK TAX REVENUES TO TRUST FUNDS.—For purposes of determining the amount transferred to the Airport and Airway Trust Fund, the tax imposed by this subsection shall be treated as imposed by section 4081(a)(2)(A)(iv) of the Internal Revenue Code of 1986.

(4) DEFINITIONS.—For purposes of this subsection—

(A) AVIATION FUEL.—The term ''aviation fuel'' means aviation-grade kerosene and aviation gasoline, as such terms are used within the meaning of section 4081 of the Internal Revenue Code of 1986.

(B) HELD BY A PERSON.—Aviation fuel shall be considered as held by a person if title thereto has passed to such person (whether or not delivery to the person has been made).

(C) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury or the Secretary's delegate.

(5) EXCEPTION FOR EXEMPT USES.—The tax imposed by paragraph (1) shall not apply to any aviation fuel held by any person exclusively for any use to the extent a credit or refund of the tax is allowable under the Internal Revenue Code of 1986 for such use.

(6) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

(A) IN GENERAL.—No tax shall be imposed by paragraph (1) on any aviation fuel held on January 1, 2009, by any person if the aggregate amount of such aviation fuel held by such person on such date does not exceed 2,000 gallons. The preceding sentence shall apply only if such person submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this subparagraph.

(B) EXEMPT FUEL.—For purposes of subparagraph (A), there shall not be taken into account any aviation fuel held by any person which is exempt from the tax imposed by paragraph (1) by reason of paragraph (6).

(C) CONTROLLED GROUPS.—For purposes of this subsection—

(i) CORPORATIONS.—

(I) IN GENERAL.—All persons treated as a controlled group shall be treated as 1 person.

(II) CONTROLLED GROUP.—The term ''controlled group'' has the meaning given to such term by subsection (a) of section 1563 of the Internal Revenue Code of 1986; except that for such purposes the phrase ''more than 50 percent'' shall be substituted for the phrase ''at least 80 percent'' each place it appears in such subsection.

(ii) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraph (A) shall apply to a group of persons under common control if 1 or more of such persons is not a corporation.

(7) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of the Internal Revenue Code of 1986 on the aviation fuel involved shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply with respect to the floor stock taxes imposed by paragraph (1) to the same extent as if such taxes were imposed by such section.

SEC. 804. AIR TRAFFIC CONTROL SYSTEM MODERNIZATION ACCOUNT.

(a) IN GENERAL.—Section 9502 (relating to the Airport and Airway Trust Fund) is amended by adding at the end the following new subsection:

''(g) ESTABLISHMENT OF AIR TRAFFIC CONTROL SYSTEM MODERNIZATION ACCOUNT.—

''(1) CREATION OF ACCOUNT.—There is established in the Airport and Airway Trust Fund a separate account to be known as the 'Air Traffic Control System Modernization Account' consisting of such amounts as may be transferred or credited to the Air Traffic Control System Modernization Account as provided in this subsection or section 9602(b).

''(2) TRANSFERS TO AIR TRAFFIC CONTROL SYSTEM MODERNIZATION ACCOUNT.—On October 1, 2008, and annually thereafter, the Secretary shall transfer to the Air Traffic Control System Modernization Account from amounts appropriated to the Airport and Airway Trust Fund under subsection (b) which are attributable to taxes on aviation-grade kerosene an amount equal to $400,000,000.

''(3) EXPENDITURES FROM ACCOUNT.—Amounts in the Air Traffic Control System Modernization Account shall be available subject to appropriation for expenditures relating to the modernization of the air traffic control system (including facility and equipment account expenditures).''.

(b) CONFORMING AMENDMENT.—Section 9502(d)(1) is amended by striking ''Amounts'' and inserting ''Except as provided in subsection (g), amounts''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 805. TREATMENT OF FRACTIONAL AIRCRAFT OWNERSHIP PROGRAMS.

(a) FUEL SURTAX.—

(1) IN GENERAL.—Subchapter B of chapter 31 is amended by adding at the end the following new section:

''SEC. 4043. SURTAX ON FUEL USED IN AIRCRAFT PART OF A FRACTIONAL OWNERSHIP PROGRAM.

''(a) IN GENERAL.—There is hereby imposed a tax on any liquid used during any calendar quarter by any person as a fuel in an aircraft which is—

''(1) registered in the United States, and

''(2) part of a fractional ownership aircraft program.

''(b) AMOUNT OF TAX.—The rate of tax imposed by subsection (a) is 14.1 cents per gallon.

''(c) FRACTIONAL OWNERSHIP AIRCRAFT PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—The term 'fractional ownership aircraft program' means a program under which—

''(A) a single fractional ownership program manager provides fractional ownership program management services on behalf of the fractional owners,

''(B) 2 or more airworthy aircraft are part of the program,

''(C) there are 1 or more fractional owners per program aircraft, with at least 1 program aircraft having more than 1 owner,

''(D) each fractional owner possesses at least a minimum fractional ownership interest in 1 or more program aircraft,

''(E) there exists a dry-lease exchange arrangement among all of the fractional owners, and

''(F) there are multi-year program agreements covering the fractional ownership, fractional ownership program management services, and dry-lease aircraft exchange aspects of the program.

''(2) MINIMUM FRACTIONAL OWNERSHIP INTEREST.—The term 'minimum fractional ownership interest' means, with respect to each type of aircraft—

''(A) a fractional ownership interest equal to or greater than 1/16 of at least 1 subsonic, fixed wing or powered lift program aircraft, or

''(B) a fractional ownership interest equal to or greater than 1/32 of a least 1 rotorcraft program aircraft.

''(3) DRY-LEASE EXCHANGE ARRANGEMENT.—A 'dry-lease aircraft exchange' means an agreement, documented by the written program agreements, under which the program aircraft are available, on an as needed basis without crew, to each fractional owner.

''(d) TERMINATION.—This section shall not apply to liquids used as a fuel in an aircraft after September 30, 2011.''.

(2) CONFORMING AMENDMENT.—Section 4082(e) is amended by inserting ''(other than an aircraft described in section 4043(a))'' after ''an aircraft''.

(3) TRANSFER OF REVENUES TO AIRPORT AND AIRWAY TRUST FUND.—Section 9502(b)(1) is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) section 4043 (relating to surtax on fuel used in aircraft part of a fractional ownership program),''.

(4) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 31 is amended by adding at the end the following new item:

''Sec. 4043. Surtax on fuel used in aircraft part of a fractional ownership program.''.

(b) FRACTIONAL OWNERSHIP PROGRAMS TREATED AS NON-COMMERCIAL AVIATION.—Subsection (b) of section 4083 is amended by adding at the end the following new sentence: ''Such term shall not include the use of any aircraft which is part of a fractional ownership aircraft program (as defined by section 4043(c)).''.

(c) EXEMPTION FROM TAX ON TRANSPORTATION OF PERSONS.—Section 4261, as amended by this Act, is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

''(j) EXEMPTION FOR AIRCRAFT IN FRACTIONAL OWNERSHIP AIRCRAFT PROGRAMS.—No tax shall be imposed by this section or section 4271 on any air transportation by an aircraft which is part of a fractional ownership aircraft program (as defined by section 4043(c)).''.

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsections (a) shall apply to fuel used after December 31, 2008.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to uses of aircraft after December 31, 2008.

(3) SUBSECTION (c).—The amendments made by subsection (c) shall apply to taxable transportation provided after December 31, 2008.

SEC. 806. TERMINATION OF EXEMPTION FOR SMALL AIRCRAFT ON NONESTABLISHED LINES.

(a) IN GENERAL.—Section 4281 is amended to read as follows:

"SEC. 4281. SMALL AIRCRAFT OPERATED SOLELY FOR SIGHTSEEING.

''The taxes imposed by sections 4261 and 4271 shall not apply to transportation by an aircraft having a maximum certificated takeoff weight of 6,000 pounds or less at any time during which such aircraft is being operated on a flight the sole purpose of which is sightseeing. For purposes of the preceding sentence, the term 'maximum certificated takeoff weight' means the maximum such weight contained in the type certificate or airworthiness certificate.''.

(b) CONFORMING AMENDMENT.—The item relating to section 4281 in the table of sections for part III of subchapter C of chapter 33 is amended by striking ''on nonestablished lines'' and inserting ''operated solely for sightseeing''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable transportation provided after December 31, 2008.

SEC. 807. TRANSPARENCY IN PASSENGER TAX DISCLOSURES.

(a) IN GENERAL.—Section 7275 (relating to penalty for offenses relating to certain airline tickets and advertising) is amended—

(1) by redesignating subsection (c) as subsection (d),

(2) by striking ''subsection (a) or (b)'' in subsection (d), as so redesignated, and inserting ''subsection (a), (b), or (c)'', and

(3) by inserting after subsection (b) the following new subsection:

''(c) NON-TAX CHARGES.—

''(1) IN GENERAL.—In the case of transportation by air for which disclosure on the ticket or advertising for such transportation of the amounts paid for passenger taxes is required by subsection (a)(2) or (b)(1)(B), it shall be unlawful for the disclosure of the amount of such taxes on such ticket or advertising to include any amounts not attributable to the taxes imposed by subsection (a), (b), or (c) of section 4261.

''(2) INCLUSION IN TRANSPORTATION COST.—Nothing in this subsection shall prohibit the inclusion of amounts not attributable to the taxes imposed by subsection (a), (b), or (c) of section 4261 in the disclosure of the amount paid for transportation as required by subsection (a)(1) or (b)(1)(A), or in a separate disclosure of amounts not attributable to such taxes.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable transportation provided after December 31, 2008.

Subtitle B—Increased Funding for Highway Trust Fund

SEC. 811. REPLENISH EMERGENCY SPENDING FROM HIGHWAY TRUST FUND.

(a) IN GENERAL.—Section 9503(b) is amended—

(1) by adding at the end the following new paragraph:

''(7) EMERGENCY SPENDING REPLENISHMENT.—There is hereby appropriated to the Highway Trust Fund $3,400,000,000.'', and

(2) by striking ''AMOUNTS EQUIVALENT TO CERTAIN TAXES AND PENALTIES'' in the heading and inserting ''CERTAIN AMOUNTS''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 812. SUSPENSION OF TRANSFERS FROM HIGHWAY TRUST FUND FOR CERTAIN REPAYMENTS AND CREDIT.

Section 9503(c)(2) is amended by adding at the end the following new subparagraph:

''(D) TEMPORARY SUSPENSION.—This paragraph shall not apply to 85 percent of the amounts estimated by the Secretary to be attributable to the 6-month period beginning on the date of the enactment of the American Infrastructure Investment and Improvement Act of 2008.''.

SEC. 813. TAXATION OF TAXABLE FUELS IN FOREIGN TRADE ZONES.

(a) TAX IMPOSED ON REMOVALS AND ENTRIES IN FOREIGN TRADE ZONES.—

(1) IN GENERAL.—Subsection (a) of section 4083 (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) UNITED STATES.—The term 'United States' includes any foreign trade zone or bonded warehouse located in the United States.''.

(2) CONFORMING AMENDMENT.—Section 4081(a)(1)(A) (relating to imposition of tax) is amended—

(A) in clause (i), by inserting ''in the United States'' after ''refinery''; and

(B) in clause (ii), by inserting ''in the United States'' after ''terminal''.

(b) TREATMENT OF TAXABLE FUEL IN FOREIGN TRADE ZONES.—Paragraph (2) of section 81c(a) of title 19, United States Code, is amended by inserting ''(other than the provisions relating to taxable fuel (as defined under section 4083(a) of the Internal Revenue Code of 1986))'' after ''thereunder''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to removals and entries after December 31, 2008.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall take effect on January 1, 2009.

SEC. 814. CLARIFICATION OF PENALTY FOR SALE OF FUEL FAILING TO MEET EPA REGULATIONS.

(a) IN GENERAL.—Subsection (a) of section 6720A (relating to penalty with respect to certain adulterated fuels) is amended by striking ''applicable EPA regulations (as defined in section 45H(c)(3))'' and inserting ''the requirements for diesel fuel under section 211 of the Clean Air Act, as determined by the Secretary,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any transfer, sale, or holding out for sale or resale occurring after the date of the enactment of this Act.

SEC. 815. TREATMENT OF QUALIFIED ALCOHOL FUEL MIXTURES AND QUALIFIED BIODIESEL FUEL MIXTURES AS TAXABLE FUELS.

(a) IN GENERAL.—

(1) QUALIFIED ALCOHOL FUEL MIXTURES.—Paragraph (2) of section 4083(a) (relating to gasoline) is amended—

(A) by striking ''and'' at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

''(B) includes any qualified mixture (as defined in section 40(b)(1)(B)) which is a mixture of alcohol and special fuel, and''.

(2) QUALIFIED BIODIESEL FUEL MIXTURES.—Subparagraph (A) of section 4083(a)(3) (relating to diesel fuel) is amended by striking ''and'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and inserting after clause (ii) the following new clause:

''(iii) any qualified biodiesel mixture (as defined in section 40A(b)(1)(B)), and''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fuels removed, entered, or sold after December 31, 2008.

SEC. 816. CALCULATION OF VOLUME OF ALCOHOL FOR FUEL CREDITS.

(a) IN GENERAL.—Paragraph (4) of section 40(d) (relating to volume of alcohol) is amended by striking ''5 percent'' and inserting ''2 percent''.

(b) CONFORMING AMENDMENT FOR EXCISE TAX CREDIT.—Section 6426(b) (relating to alcohol fuel mixture credit) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) VOLUME OF ALCOHOL.—For purposes of determining under subsection (a) the number of gallons of alcohol with respect to which a credit is allowable under subsection (a), the volume of alcohol shall include the volume of any denaturant (including gasoline) which is added under any formulas approved by the Secretary to the extent that such denaturants do not exceed 2 percent of the volume of such alcohol (including denaturants).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2008.

SEC. 817. BULK TRANSFER EXCEPTION NOT TO APPLY TO FINISHED GASOLINE.

(a) IN GENERAL.—Subparagraph (B) of section 4081(a)(1) (relating to tax on removal, entry, or sale) is amended by adding at the end the following new clause:

''(iii) EXCEPTION FOR FINISHED GASOLINE.—Clause (i) shall not apply to any finished gasoline.''.

(b) EXCEPTION TO TAX ON FINISHED GASOLINE FOR PRIOR TAXABLE REMOVALS.—Paragraph (1) of section 4081(a) is amended by adding at the end the following new subparagraph:

''(C) EXEMPTION FOR PREVIOUSLY TAXED FINISHED GASOLINE.—The tax imposed by this paragraph shall not apply to the removal of gasoline described in subparagraph (B)(iii) from any terminal if there was a prior taxable removal or entry of such fuel under clause (i), (ii), or (iii) of subparagraph (A). The preceding sentence shall not apply to the volume of any product added to such gasoline at the terminal unless there was a prior taxable removal or entry of such product under clause (i), (ii), or (iii) of subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to fuel removed, entered, or sold after December 31, 2008.

SEC. 818. INCREASE AND EXTENSION OF OIL SPILL LIABILITY TRUST FUND TAX.

(a) INCREASE IN RATE.—

(1) IN GENERAL.—Section 4611(c)(2)(B) (relating to rates) is amended by striking ''5 cents'' and inserting ''10 cents''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply on and after the first day of the first calendar quarter beginning more than 60 days after the date of the enactment of this Act.

(b) EXTENSION.—

(1) IN GENERAL.—Section 4611(f) (relating to application of Oil Spill Liability Trust Fund financing rate) is amended by striking paragraphs (2) and (3) and inserting the following new paragraph:

''(2) TERMINATION.—The Oil Spill Liability Trust Fund financing rate shall not apply after September 30, 2018.''.

(2) CONFORMING AMENDMENT.—Section 4611(f)(1) is amended by striking ''paragraphs (2) and (3)'' and inserting ''paragraph (2)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

SEC. 819. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection

(a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after the date of the enactment of the American Infrastructure Investment and Improvement Act of 2008.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its first taxable year ending after the date of the enactment of the American Infrastructure Investment and Improvement Act of 2008, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 820. DENIAL OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(C) by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(b) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.''.

(2) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

''(h) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

SEC. 821. MOTOR FUEL TAX ENFORCEMENT ADVISORY COMMISSION.

(a) IN GENERAL.—Section 11141 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users is amended to read as follows:

''SEC. 11141. MOTOR FUEL TAX ENFORCEMENT ADVISORY COMMISSION.

''(a) ESTABLISHMENT.—There is established a Motor Fuel Tax Enforcement Advisory Commission (in this section referred to as the 'Commission').

''(b) MEMBERSHIP.—

''(1) APPOINTMENT.—The Commission shall be composed of 14 members, of which—

''(A) 1 shall be appointed by the Administrator of the Federal Highway Administration as a representative of the Federal Highway Administration,

''(B) 1 shall be appointed by the Inspector General for the Department of Transportation as a representative the Office of Inspector General for the Department of Transportation,

''(C) 1 shall be appointed by the Secretary of Transportation as a representative of the Department of Transportation,

''(D) 1 shall be appointed by the Secretary of Homeland Security to be a representative of the Department of Homeland Security,

''(E) 1 shall be appointed by the Secretary of Defense to be a representative of the Department of Defense,

''(F) 1 shall be appointed by the Attorney General to be a representative of the Department of Justice,

''(G) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate,

''(H) 2 shall be appointed by the Ranking Member of the Committee on Finance of the Senate,

''(I) 2 shall be appointed by Chairman of the Committee on Ways and Means of the House of Representatives, and

''(J) 2 shall be appointed by Ranking Member of the Committee on Ways and Means of the House of Representatives.

''(2) QUALIFICATION FOR CERTAIN MEMBERS.—Of the members appointed under subparagraphs (G), (H), (I) and (J)—

''(A) at least 1 shall be representative from the Federation of State Tax Administrators,

''(B) at least 1 shall be a representative from any State department of transportation,

''(C) at least 1 shall be a representative from the retail fuel industry, and

''(D) at least 1 shall be a representative from industries relating to fuel distribution (such a refiners, distributors, pipeline operators, and terminal operators).

''(3) TERMS.—Members shall be appointed for the life of the Commission.

''(4) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

''(5) TRAVEL EXPENSES.—Members of the Commission shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

''(6) CHAIRMAN.—The Chairman of the Commission shall be elected by the members.

''(c) DUTIES.—

''(1) IN GENERAL.—The Commission shall—

''(A) review motor fuel revenue collections, historical and current;

''(B) review the progress of investigations;

''(C) develop and review legislative proposals with respect to motor fuel taxes;

''(D) monitor the progress of administrative regulation projects relating to motor fuel taxes;

''(E) evaluate and make recommendations to the President and Congress regarding—

''(i) the effectiveness of existing Federal enforcement programs regarding motor fuel taxes,

''(ii) enforcement personnel allocation, and

''(iii) proposals for regulatory projects, legislation, and funding.

''(2) REPORT.—Not later than September 30, 2009, the Commission shall submit to Congress a final report that contains a detailed statement on the findings and conclusions of the Commission, together with recommendations for such legislation and administrative action as the Commission considers appropriate or necessary.

''(d) POWERS.—

''(1) HEARINGS.—The Commission may hold such hearings for the purpose of carrying out this Act, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this Act. The Commission may administer oaths and affirmations to witnesses appearing before the Commission.

''(2) OBTAINING DATA.—The Commission may secure directly from any department or agency of the United States, information (other than information required by any law to be kept confidential by such department or agency) necessary for the Commission to carry out its duties under this section. Upon request of the Commission, the head of that department or agency shall furnish such nonconfidential information to the Commission. The Commission shall also gather evidence through such means as it may determine appropriate, including through holding hearings and soliciting comments by means of Federal Register notices.

''(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

''(4) GIFTS.—The Commission may accept, hold, administer, and utilize gifts, donations, and requests of property, both real and personal, for the purposes of aiding or facilitating the work of the Commission. Gifts and bequests of money, and the proceeds from the sale of any other property received as gifts or bequests, shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Commission. For purposes of Federal income, estate, and gift taxation, property accepted under this section shall be considered as a gift or bequest to or for the use of the United States.

''(e) SUPPORT SERVICES.—

''(1) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Secretary of Transportation shall provide to

the Commission administrative support services necessary to enable the Commission to carry out its duties under this Act.

''(2) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

''(3) VOLUNTARY SERVICES.—

''(A) IN GENERAL.—Notwithstanding the provisions of section 1342 of title 31, United States Code, the Commission is authorized to accept and utilize the services of volunteers serving without compensation. The Commission may reimburse such volunteers for local travel and office supplies, and for other travel expenses, including per diem in lieu of subsistence as authorized by section 5703, United States Code.

''(B) TREATMENT OF VOLUNTEERS.—A person providing volunteer services to the Commission shall be considered an employee of the Federal Government in the performance of those services for the purposes of the following provisions of law:

''(i) chapter 81 of title 5, United States Code, relating to compensation for work-related injuries;

''(ii) chapter 171 of title 28, United States Code, relating to tort claims; and

''(iii) chapter 11 of title 18, United States Code, relating to conflicts of interest.

''(4) CONSULTATION.—Upon request of the Commission, representatives of the Department of the Treasury and the Internal Revenue Service shall be available for consultation to assist the Commission in carrying out its duties under this section.

''(5) COOPERATION.—The staff of the Department of Transportation, the Department of Homeland Security, the Department of Justice, and the Department of Defense shall cooperate with the Commission as necessary.

''(f) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

''(g) TERMINATION.—

''(1) IN GENERAL.—The Commission shall terminate on the date that is 90 days after the date on which the Commission submits the report required under subsection (c)(2).

''(2) RECORDS.—Not later than the date on which the Commission terminates, the Commission shall transmit all records of the Commission to the National Archives.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 822. HIGHWAY TRUST FUND CONFORMING EXPENDITURE AMENDMENT.

(a) IN GENERAL.—Subsections (c)(1) and (e)(3) of section 9503 are each amended by inserting '', as amended by An Act to authorize additional funds for emergency repairs and reconstruction of the Interstate I-35 bridge located in Minneapolis, Minnesota, that collapsed on August 1, 2007, to waive the $100,000,000 limitation on emergency relief funds for those emergency repairs and reconstruction, and for other purposes,'' after ''Users''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of An Act to authorize additional funds for emergency repairs and reconstruction of the Interstate I-35 bridge located in Minneapolis, Minnesota, that collapsed on August 1, 2007, to waive the $100,000,000 limitation on emergency relief funds for those emergency repairs and reconstruction, and for other purposes.

Subtitle C—Additional Infrastructure Modifications and Revenue Provisions

SEC. 831. RESTRUCTURING OF NEW YORK LIBERTY ZONE TAX CREDITS.

(a) IN GENERAL.—Part I of subchapter Y of chapter 1 is amended by redesignating section 1400L as 1400K and by adding at the end the following new section:

''SEC. 1400L. NEW YORK LIBERTY ZONE TAX CREDITS.

''(a) IN GENERAL.—In the case of a New York Liberty Zone governmental unit, there shall be allowed as a credit against any taxes imposed for any payroll period by section 3402 for which such governmental unit is liable under section 3403 an amount equal to so much of the portion of the qualifying project expenditure amount allocated under subsection (b)(3) to such governmental unit for the calendar year as is allocated by such governmental unit to such period under subsection (b)(4).

''(b) QUALIFYING PROJECT EXPENDITURE AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualifying project expenditure amount' means, with respect to any calendar year, the sum of—

''(A) the total expenditures paid or incurred during such calendar year by all New York Liberty Zone governmental units and the Port Authority of New York and New Jersey for any portion of qualifying projects located wholly within the City of New York, New York, and

''(B) any such expenditures—

''(i) paid or incurred in any preceding calendar year which begins after the date of enactment of this section, and

''(ii) not previously allocated under paragraph (3).

''(2) QUALIFYING PROJECT.—The term 'qualifying project' means any transportation infrastructure project, including highways, mass transit systems, railroads, airports, ports, and waterways, in or connecting with the New York Liberty Zone (as defined in section 1400K(h)), which is designated as a qualifying project under this section jointly by the Governor of the State of New York and the Mayor of the City of New York, New York.

''(3) GENERAL ALLOCATION.—

''(A) IN GENERAL.—The Governor of the State of New York and the Mayor of the City of New York, New York, shall jointly allocate to each New York Liberty Zone governmental unit the portion of the qualifying project expenditure amount which may be taken into account by such governmental unit under subsection (a) for any calendar year in the credit period.

''(B) AGGREGATE LIMIT.—The aggregate amount which may be allocated under subparagraph (A) for all calendar years in the credit period shall not exceed $2,000,000,000.

''(C) ANNUAL LIMIT.—

''(i) IN GENERAL.—The aggregate amount which may be allocated under subparagraph (A) for any calendar year in the credit period shall not exceed the sum of—

''(I) the applicable limit, plus

''(II) the aggregate amount authorized to be allocated under this paragraph for all preceding calendar years in the credit period which was not so allocated.

''(ii) APPLICABLE LIMIT.—For purposes of clause (i), the applicable limit for any calendar year in the credit period is $169,000,000 and in the case of any calendar year after 2020, zero.

''(D) UNALLOCATED AMOUNTS AT END OF CREDIT PERIOD.—If, as of the close of the credit period, the amount under subparagraph (B) exceeds the aggregate amount allocated under subparagraph (A) for all calendar years in the credit period, the Governor of the State of New York and the Mayor of the City of New York, New York, may jointly allocate to New York Liberty Zone governmental units for any calendar year in the 5-year period following the credit period an amount equal to—

''(i) the lesser of—

''(I) such excess, or

''(II) the qualifying project expenditure amount for such calendar year, reduced by

''(ii) the aggregate amount allocated under this subparagraph for all preceding calendar years.

''(4) ALLOCATION TO PAYROLL PERIODS.—Each New York Liberty Zone governmental unit which has been allocated a portion of the qualifying project expenditure amount under paragraph (3) for a calendar year may allocate such portion to payroll periods beginning in such calendar year as such governmental unit determines appropriate.

''(c) CARRYOVER OF UNUSED ALLOCATIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if the amount allocated under subsection (b)(3) to a New York Liberty Zone governmental unit for any calendar year exceeds the aggregate taxes imposed by section 3402 for which such governmental unit is liable under section 3403 for periods beginning in such year, such excess shall be carried to the succeeding calendar year and added to the allocation of such governmental unit for such succeeding calendar year. No amount may be carried under the preceding sentence to a calendar year after 2025.

''(2) REALLOCATION.—If a New York Liberty Zone governmental unit does not use an amount allocated to it under subsection (b)(3) within the time prescribed by the Governor of the State of New York and the Mayor of the City of New York, New York, then such amount shall after such time be treated for purposes of subsection (b)(3) in the same manner as if it had never been allocated.

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) CREDIT PERIOD.—The term 'credit period' means the 12-year period beginning on January 1, 2009.

''(2) NEW YORK LIBERTY ZONE GOVERNMENTAL UNIT.—The term 'New York Liberty Zone governmental unit' means—

''(A) the State of New York,

''(B) the City of New York, New York, and

''(C) any agency or instrumentality of such State or City.

''(3) TREATMENT OF FUNDS.—Any expenditure for a qualifying project taken into account for purposes of the credit under this section shall be considered State and local funds for the purpose of any Federal program.

''(4) TREATMENT OF CREDIT AMOUNTS FOR PURPOSES OF WITHHOLDING TAXES.—For purposes of this title, a New York Liberty Zone governmental unit shall be treated as having paid to the Secretary, on the day on which wages are paid to employees, an amount equal to the amount of the credit allowed to such entity under subsection (a) with respect to such wages, but only if such governmental unit deducts and withholds wages for such payroll period under section 3401 (relating to wage withholding).

''(e) REPORTING.—The Governor of the State of New York and the Mayor of the City of New York, New York, shall jointly submit to the Secretary an annual report—

''(1) which certifies—

''(A) the qualifying project expenditure amount for the calendar year, and

''(B) the amount allocated to each New York Liberty Zone governmental unit under subsection (b)(3) for the calendar year, and

''(2) includes such other information as the Secretary may require to carry out this section.

''(f) GUIDANCE.—The Secretary may prescribe such guidance as may be necessary or appropriate to ensure compliance with the purposes of this section.

''(g) TERMINATION.—No credit shall be allowed under subsection (a) for any calender year after 2025.''.

(b) TERMINATION OF SPECIAL ALLOWANCE AND EXPENSING.—Section 1400K(b)(2)(A)(v), as redesignated by subsection (a), is amended by striking ''the termination date'' and inserting ''the date of the enactment of the American Infrastructure Investment and Improvement Act of 2008 or the termination date if pursuant to a binding contract in effect on such enactment date''.

(c) CONFORMING AMENDMENTS.—

(1) Section 38(c)(3)(B) is amended by striking ''section 1400L(a)'' and inserting ''section 1400K(a)''.

(2) Section 168(k)(2)(D)(ii) is amended by striking ''section 1400L(c)(2)'' and inserting ''1400K(c)(2)''.

(3) The table of sections for part I of subchapter Y of chapter 1 is amended by striking ''1400L'' and inserting ''1400K''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to periods beginning after December 31, 2008.

(2) TERMINATION OF SPECIAL ALLOWANCE AND EXPENSING.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 832. PARTICIPANTS IN GOVERNMENT SECTION 457 PLANS ALLOWED TO TREAT ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

(a) IN GENERAL.—Section 402A(e)(1) (defining applicable retirement plan) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(b) ELECTIVE DEFERRALS.—Section 402A(e)(2) (defining elective deferral) is amended to read as follows:

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means—

''(A) any elective deferral described in subparagraph (A) or (C) of section 402(g)(3), and

''(B) any elective deferral of compensation by an individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 833. INCREASED INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Section 6721(a)(1) (relating to imposition of penalty) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$250,000'' and inserting ''$3,000,000''.

(2) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

(A) CORRECTION WITHIN 30 DAYS.—Section 6721(b)(1) is amended—

(i) by striking ''$15'' and inserting ''$50'',

(ii) by striking ''in lieu of $50'' and inserting ''in lieu of $250'', and

(iii) by striking ''$75,000'' and inserting ''$500,000''.

(B) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—Section 6721(b)(2) is amended—

(i) by striking ''$30'' and inserting ''$100'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$150,000'' and inserting ''$1,500,000''.

(3) LOWER LIMITATION FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Section 6721(d)(1) is amended—

(A) in subparagraph (A)—

(i) by striking ''$100,000'' and inserting ''$1,000,000'', and

(ii) by striking ''$250,000'' and inserting ''$3,000,000'',

(B) in subparagraph (B)—

(i) by striking ''$25,000'' and inserting ''$175,000'', and

(ii) by striking ''$75,000'' and inserting ''$500,000'', and

(C) in subparagraph (C)—

(i) by striking ''$50,000'' and inserting ''$500,000'', and

(ii) by striking ''$150,000'' and inserting ''$1,500,000''.

(4) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6721(e) is amended—

(A) by striking ''$100'' in paragraph (2) and inserting ''$500'',

(B) by striking ''$250,000'' in paragraph (3)(A) and inserting ''$3,000,000''.

(b) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Section 6722(a) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$100,000'' and inserting ''$1,000,000''.

(2) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) is amended—

(A) by striking ''$100'' in paragraph (1) and inserting ''$500'', and

(B) by striking ''$100,000'' in paragraph (2)(A) and inserting ''$1,000,000''.

(c) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$250'', and

(2) by striking ''$100,000'' and inserting ''$1,000,000''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2009.

SEC. 834. EXEMPTION OF CERTAIN COMMERCIAL CARGO FROM HARBOR MAINTENANCE TAX.

(a) IN GENERAL.—Section 4462 is amended—

(1) by redesignating subsection (i) as subsection (j), and

(2) by inserting after subsection (h) the following new subsection:

''(i) EXEMPTION FOR CERTAIN CARGO TRANSPORTED ON THE GREAT LAKES SAINT LAWRENCE SEAWAY SYSTEM.—

''(1) IN GENERAL.—No tax shall be imposed under section 4461(a) with respect to—

''(A) commercial cargo (other than bulk cargo) loaded at a port in the United States located in the Great Lakes Saint Lawrence Seaway System and unloaded at another port in the United States located in such system, and

''(B) commercial cargo (other than bulk cargo) unloaded at a port in the United States located in the Great Lakes Saint Lawrence Seaway System which was loaded at a port in Canada located in such system.

''(2) BULK CARGO.—For purposes of this subsection, the term 'bulk cargo' shall have the meaning given such term by section 53101(1) of title 46, United States Code (as in effect on the date of the enactment of this section).

''(3) GREAT LAKES SAINT LAWRENCE SEAWAY SYSTEM.—For purposes of this subsection, the term 'Great Lakes Saint Lawrence Seaway System' means the waterway between Duluth, Minnesota and Sept. Iles, Quebec, encompassing the five Great Lakes, their connecting channels, and the Saint Lawrence River.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 835. CREDIT TO HOLDERS OF QUALIFIED RAIL INFRASTRUCTURE BONDS.

(a) IN GENERAL.—Subpart H of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new section:

''SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED RAIL INFRASTRUCTURE BONDS.

''(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a qualified rail infrastructure bond on 1 or more credit allowance dates of the bond occurring during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified rail infrastructure bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified rail infrastructure bond is the product of—

''(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

''(B) the outstanding face amount of the bond.

''(3) DETERMINATION.—For purposes of paragraph (2), with respect to any qualified rail infrastructure bond, the Secretary shall determine daily or cause to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of qualified rail infrastructure bonds with a specified maturity or redemption date, without discount and without interest cost to the qualified issuer.

''(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term also includes the last day on which the bond is outstanding.

''(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than this subpart, subpart C, and section 1400N(l)).

''(d) QUALIFIED RAIL INFRASTRUCTURE BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified rail infrastructure bond' means any bond issued as part of an issue if—

''(A) the bond is issued by a qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national qualified rail infrastructure bond annual limitation under subsection (f)(2) by not later than the end of the calendar year following the year of such allocation,

''(B) 95 percent or more of the proceeds of such issue are to be used for capital expenditures incurred for 1 or more qualified projects,

''(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

''(D) the issue meets the requirements of subsection (h).

''(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(A) IN GENERAL.—The term 'qualified project' means a project eligible under section 26101(b) of title 49, United States Code (determined without regard to paragraph (2) thereof), which the Secretary determines was selected using the criteria of subsection (c) of such section 26101 by the Secretary of Transportation, that makes a substantial contribution to improving a rail transportation corridor for intercity passenger rail use.

''(B) CERTIFICATION REQUIRED REGARDING CERTAIN PROJECTS.—The Secretary shall not consider a project to be a qualified project unless an applicant certifies to the Secretary that—

''(i) if a project involves a rail transportation corridor which includes the use of rights-of-way owned by a freight railroad, the applicant has entered into a written agreement with such freight railroad regarding the use of the rights-of-way and has received assurances that collective bargaining agreements between such freight railroad and its employees (including terms regarding the contracting of work performed on such corridor) shall remain in full force and effect during the term of such written agreement,

''(ii) any person which provides railroad transportation over infrastructure improved or acquired pursuant to this section, is a rail carrier as defined by section 10102 of title 49, United States Code, and

''(iii) the applicant shall, with respect to improvements to rail infrastructure made pursuant to this section, comply with the standards applicable to construction work in such title 49, in the same manner in which the National Railroad Passenger Corporation is required to comply with such standards.

''(C) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a qualified rail infrastructure bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred after the date of the enactment of this section.

''(D) REIMBURSEMENT.—For purposes of paragraph (1)(B), a qualified rail infrastructure bond may be issued to reimburse for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(i) prior to the payment of the original expenditure, the issuer declared its intent to reimburse such expenditure with the proceeds of a qualified rail infrastructure bond,

''(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(E) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a qualified issuer takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a qualified rail infrastructure bond.

''(e) MATURITY LIMITATIONS.—

''(1) DURATION OF TERM.—A bond shall not be treated as a qualified rail infrastructure bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

''(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of paragraph (3) and using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(3) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a qualified rail infrastructure bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each 12-month period that the issue is outstanding (other than the first 12-month period).

''(f) ANNUAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL ANNUAL LIMITATION.—There is a national qualified rail infrastructure bond annual limitation for each calendar year. Such limitation is $900,000,000 for 2009, 2010, and 2011, and, except as provided in paragraph (3), zero thereafter.

''(2) ALLOCATION BY SECRETARY.—The national qualified rail infrastructure bond annual limitation for a calendar year shall be allocated by the Secretary among qualified projects in such manner as the Secretary determines appropriate.

''(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year, the national qualified rail infrastructure bond annual limitation for such year exceeds the amount of bonds allocated during such year, such limitation for the following calendar year shall be increased by the amount of such excess. Any carryforward of a limitation may be carried only to the first 2 years following the unused limitation year. For purposes of the preceding sentence, a limitation shall be treated as used on a first-in first-out basis.

''(g) CREDIT TREATED AS INTEREST.—For purposes of this title, the credit determined under subsection (a) shall be treated as interest which is includible in gross income.

''(h) SPECIAL RULES RELATING TO EXPENDITURES.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

''(A) at least 95 percent of the proceeds of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the qualified rail infrastructure bond,

''(B) a binding commitment with a third party to spend at least 10 percent of the proceeds of the issue will be incurred within the 6-month period beginning on the date of issuance of the qualified rail infrastructure bond, and

''(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

''(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

''(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue shall not be treated as a qualified rail infrastructure bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

''(j) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(k) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(3) QUALIFIED ISSUER.—The term 'qualified issuer' means 1 or more States or an interstate compact of States.

''(4) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(5) S CORPORATIONS AND PARTNERSHIPS.—In the case of a qualified rail infrastructure bond held by an S corporation or partnership, the allocation of the credit allowed by this section to the shareholders of the corporation or partners of such partnership shall be treated as a distribution.

''(6) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified rail infrastructure bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(7) REPORTING.—Issuers of qualified rail infrastructure bonds shall submit reports similar to the reports required under section 149(e).

''(8) TERMINATION.—This section shall not apply with respect to any bond issued after December 31, 2013.''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(9) REPORTING OF CREDIT ON QUALIFIED RAIL INFRASTRUCTURE BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54A(g) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54A(b)(4)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the

purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(c) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart H of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 54A. Credit to holders of qualified rail infrastructure bonds.''.

(2) Section 54(c)(2) is amended by inserting '', section 54A,'' after ''subpart C''.

(d) ISSUANCE OF REGULATIONS.—The Secretary of Treasury shall issue regulations required under section 54A of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 836. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Section 6404 is amended by striking subsection (g).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

(2) EXCEPTION FOR CERTAIN TAXPAYERS.—The amendments made by this section shall not apply to any taxpayer with respect to whom a suspension of any interest, penalty, addition to tax, or other amount is in effect on the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

SEC. 837. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) IN GENERAL.—Subsection (f) of section 162 (relating to trade or business expenses) is amended to read as follows:

''(f) FINES, PENALTIES, AND OTHER AMOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or entity described in paragraph (4) in relation to—

''(A) the violation of any law, or

''(B) an investigation or inquiry into the potential violation of any law which is initiated by such government or entity.

''(2) EXCEPTION FOR AMOUNTS CONSTITUTING RESTITUTION OR PAID TO COME INTO COMPLIANCE WITH LAW.—Paragraph (1) shall not apply to any amount which—

''(A) the taxpayer establishes—

''(i) constitutes restitution (or remediation of property) for damage or harm caused by, or which may be caused by, the violation of any law or the potential violation of any law, or

''(ii) is paid to come into compliance with any law which was violated or involved in the investigation or inquiry, and

''(B) is identified as an amount described in clause (i) or (ii) of subparagraph (A), as the case may be, in the court order or settlement agreement, except that the requirement of this subparagraph shall not apply in the case of any settlement agreement which requires the taxpayer to pay or incur an amount not greater than $1,000,000.

A taxpayer shall not meet the requirements of subparagraph (A) solely by reason an identification under subparagraph (B). This paragraph shall not apply to any amount paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation unless such amount is paid or incurred for a cost or fee regularly charged for any routine audit or other customary review performed by the government or entity.

''(3) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.—Paragraph (1) shall not apply to any amount paid or incurred by order of a court in a suit in which no government or entity described in paragraph (4) is a party.

''(4) CERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—An entity is described in this paragraph if it is—

''(A) a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(g)(7)), or

''(B) to the extent provided in regulations, a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.

''(5) EXCEPTION FOR TAXES DUE.—Paragraph (1) shall not apply to any amount paid or incurred as taxes due.''.

(b) REPORTING OF DEDUCTIBLE AMOUNTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6050V the following new section:

''SEC. 6050W. INFORMATION WITH RESPECT TO CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

''(a) REQUIREMENT OF REPORTING.—

''(1) IN GENERAL.—The appropriate official of any government or entity which is described in section 162(f)(4) which is involved in a suit or agreement described in paragraph (2) shall make a return in such form as determined by the Secretary setting forth—

''(A) the amount required to be paid as a result of the suit or agreement to which paragraph (1) of section 162(f) applies,

''(B) any amount required to be paid as a result of the suit or agreement which constitutes restitution or remediation of property, and

''(C) any amount required to be paid as a result of the suit or agreement for the purpose of coming into compliance with any law which was violated or involved in the investigation or inquiry.

''(2) SUIT OR AGREEMENT DESCRIBED.—

''(A) IN GENERAL.—A suit or agreement is described in this paragraph if—

''(i) it is—

''(I) a suit with respect to a violation of any law over which the government or entity has authority and with respect to which there has been a court order, or

''(II) an agreement which is entered into with respect to a violation of any law over which the government or entity has authority, or with respect to an investigation or inquiry by the government or entity into the potential violation of any law over which such government or entity has authority, and

''(ii) the aggregate amount involved in all court orders and agreements with respect to the violation, investigation, or inquiry is $600 or more.

''(B) ADJUSTMENT OF REPORTING THRESHOLD.—The Secretary may adjust the $600 amount in subparagraph (A)(ii) as necessary in order to ensure the efficient administration of the internal revenue laws.

''(3) TIME OF FILING.—The return required under this subsection shall be filed not later than—

''(A) 30 days after the date on which a court order is issued with respect to the suit or the date the agreement is entered into, as the case may be, or

''(B) the date specified by the Secretary.

''(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS INVOLVED IN THE SETTLEMENT.—Every person required to make a return under subsection (a) shall furnish to each person who is a party to the suit or agreement a written statement showing—

''(1) the name of the government or entity, and

''(2) the information supplied to the Secretary under subsection (a)(1).

The written statement required under the preceding sentence shall be furnished to the person at the same time the government or entity provides the Secretary with the information required under subsection (a).

''(c) APPROPRIATE OFFICIAL DEFINED.—For purposes of this section, the term 'appropriate official' means the officer or employee having control of the suit, investigation, or inquiry or the person appropriately designated for purposes of this section.''.

(2) CONFORMING AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050V the following new item:

''Sec. 6050W. Information with respect to certain fines, penalties, and other amounts.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 838. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by $600,000.

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $1,000,

such amount shall be rounded to the nearest multiple of $1,000.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond which is furnished to, and accepted by, the Secretary, which is conditioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

''(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

''(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

''(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

''(1) any deferred compensation item (as defined in subsection (d)(4)),

''(2) any specified tax deferred account (as defined in subsection (e)(2)), and

''(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

''(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

''(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

''(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

''(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term 'taxable payment' means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States. A deferred compensation item shall be taken into account as a payment under the preceding sentence when such item would be so includible.

''(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

''(A)(i) with respect to any deferred compensation item to which clause (ii) does not apply, an amount equal to the present value of the covered expatriate's accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan, and

''(ii) with respect to any deferred compensation item referred to in paragraph (4)(D), the rights of the covered expatriate to such item shall be treated as becoming transferable and not subject to a substantial risk of forfeiture on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

''(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term 'eligible deferred compensation item' means any deferred compensation item with respect to which—

''(A) the payor of such item is—

''(i) a United States person, or

''(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the payor will meet the requirements of paragraph (1), and

''(B) the covered expatriate—

''(i) notifies the payor of his status as a covered expatriate, and

''(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

''(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term 'deferred compensation item' means—

''(A) any interest in a plan or arrangement described in section 219(g)(5),

''(B) any interest in a foreign pension plan or similar retirement arrangement or program,

''(C) any item of deferred compensation, and

''(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83 or in accordance with section 83.

''(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

''(6) SPECIAL RULES.—

''(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply for purposes of this subsection.

''(B) APPLICATION OF TAX.—Any item subject to the withholding tax imposed under paragraph (1) shall be subject to tax under section 871.

''(C) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

''(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

''(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

''(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on the day before the expatriation date,

''(B) no early distribution tax shall apply by reason of such treatment, and

''(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

''(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term 'specified tax deferred account' means an individual retirement plan (as defined in section 7701(a)(37)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

''(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

''(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

''(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

''(B) if the fair market value of such property exceeds its adjusted basis in the hands of the trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

''(2) TAXABLE PORTION.—For purposes of this subsection, the term 'taxable portion' means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States.

''(3) NONGRANTOR TRUST.—For purposes of this subsection, the term 'nongrantor trust' means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

''(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

''(A) rules similar to the rules of subsection (d)(6) shall apply, and

''(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

''(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

''(1) COVERED EXPATRIATE.—

''(A) IN GENERAL.—The term 'covered expatriate' means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

''(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

''(i) the individual—

''(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

''(ii)(I) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

''(C) COVERED EXPATRIATES ALSO SUBJECT TO TAX AS CITIZENS OR RESIDENTS.—In the case of any covered expatriate who is subject to tax as a citizen or resident of the United States for any period beginning after the expatriation date, such individual shall not be treated as a covered expatriate during such period for purposes of subsections (d)(1) and (f) and section 2801.

''(2) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes his citizenship, and

''(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(3) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

''(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

''(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(5) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(6) EARLY DISTRIBUTION TAX.—The term 'early distribution tax' means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

''(h) OTHER RULES.—

''(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

''(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

''(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

''CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES

''Sec. 2801. Imposition of tax.

''SEC. 2801. IMPOSITION OF TAX.

''(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

''(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

''(2) the value of such covered gift or bequest.

''(b) TAX TO BE PAID BY RECIPIENT.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

''(c) EXCEPTION FOR CERTAIN GIFTS.—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds $10,000.

''(d) TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.—The tax imposed by subsection (a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

''(e) COVERED GIFT OR BEQUEST.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'covered gift or bequest' means—

''(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, is a covered expatriate, and

''(B) any property acquired directly or indirectly by reason of the death of an individual who, immediately before such death, was a covered expatriate.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Such term shall not include—

''(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

''(B) any property included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

''(3) TRANSFERS IN TRUST.—

''(A) DOMESTIC TRUSTS.—In the case of a covered gift or bequest made to a domestic trust—

''(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

''(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

''(B) FOREIGN TRUSTS.—

''(i) IN GENERAL.—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

''(ii) DEDUCTION FOR TAX PAID BY RECIPIENT.—There shall be allowed as a deduction under section 164 the amount of tax imposed by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

''(iii) ELECTION TO BE TREATED AS DOMESTIC TRUST.—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

''(f) COVERED EXPATRIATE.—For purposes of this section, the term 'covered expatriate' has the meaning given to such term by section 877A(g)(1).''.

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 14 the following new item:

''CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(50) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(g)(4).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 877(e) is amended to read as follows:

''(1) IN GENERAL.—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.''.

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

''An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty

applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.''.

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) INFORMATION RETURNS.—Section 6039G is amended—

(1) by inserting ''or 877A'' after ''section 877(b)'' in subsection (a), and

(2) by inserting ''or 877A'' after ''section 877(a)'' in subsection (d).

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

SA 4628. Mr. REID proposed an amendment to amendment SA 4627 proposed by Mr. ROCKEFELLER to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; as follows:

At the end add the following:

The provisions shall become effective 5 days after enactment.

SA 4629. Mr. REID proposed an amendment to amendment SA 4628 proposed by Mr. REID to the amendment SA 4627 proposed by Mr. ROCKEFELLER to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; as follows:

In the amendment, strike ''5'' and insert ''4''.

SA 4630. Mr. REID proposed an amendment to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; as follows:

At the end of the bill, add the following:

The provision shall become effective 3 days upon enactment.

SA 4631. Mr. REID proposed an amendment to amendment SA 4630 proposed by Mr. REID to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; as follows:

In the amendment, strike ''3'' and insert ''2''.

SA 4632. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 141, strike lines 16 through 24, and insert the following:

(A) 1 project shall address operational issues required for integration of Category 1 unmanned aerial systems, which are analogous to RC models covered in AC 91-57).

(B) 1 project shall address operational issues required for integration of Category 2 unmanned aerial systems, which are nonstandard aircraft that perform special purpose operations and for which operators have provided evidence of airworthiness and operator qualifications.

(C) 1 project shall address operational issues required for integration of Category 3 unmanned aerial systems, which are capable of flying throughout all categories of airspace and conforms to part 91 of title 14, Code of Federal Regulations.

SA 4633. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 124, strike lines 1 through 13, and insert the following:

SEC. 511. ACCELERATION OF DEVELOPMENT AND IMPLEMENTATION OF REQUIRED NAVIGATION PERFORMANCE PROCEDURES.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall set a target of implementing at least 200 Required Navigation Performance (RNP) procedures for each of the fiscal years 2009 through 2012.

(b) DEVELOPMENT OF STANDARDS AND GUIDANCE.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall develop standards and issue guidance under sections 91, 121, 135, and 129 of title 14, Code of Federal Regulations, to accelerate and streamline the development and implementation of RNP procedures.

(c) DEMONSTRATION PROJECT.—The Administrator shall authorize an air carrier to demonstrate the benefits of implementing RNP procedures in gate-to-gate operations through a project that includes not fewer than 75 daily flights between 2 airports which are more than 275 miles apart.

(d) USE OF THIRD PARTIES.—The Administrator is authorized to provide third parties the ability to design, flight check, and implement RNP procedures.

(e) PROTECTION OF PROPRIETARY DATA.—Notwithstanding any other provision of law, the Administrator shall not require the disclosure of proprietary data used in the development, implementation, or maintenance of RNP procedures, except as required for flight safety.

(f) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Administrator shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that describes the progress made by the Federal Aviation Administration in implementing subsection (b).

SA 4634. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. REVIEW OF DE-ICING AND ANTI-ICING PROGRAMS.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall conduct a review of the de-icing and anti-icing programs of each air carrier (as that term is defined in section 40102(a)(2) of title 49, United States Code) to ensure that those programs comply with the policies of the Federal Aviation Administration.

(b) DE-ICING AND ANTI-ICING PROGRAMS DEFINED.—For purposes of this section, the term ''de-icing and anti-icing program'' includes—

(1) the procedures of an air carrier or a contractor of an air carrier for removing ice from aircraft and preventing the formation of ice on aircraft; and

(2) the training of—

(A) employees of the air carrier with respect to the procedures described in paragraph (1); and

(B) contractors of the air carrier or any other persons providing de-icing or anti-icing services for aircraft of the air carrier with respect to such procedures.

(c) CONSEQUENCES OF NONCOMPLIANCE.—If the Administrator determines that the de-icing and anti-icing programs of an air carrier do not comply with the policies of the Federal Aviation Administration, the Administrator shall require the air carrier to submit a plan, as soon as practicable—

(1) to ensure that the de-icing and anti-icing programs of the air carrier comply with the policies of the Administration—

(A) in the case of a program being carried out in the United States, by not later than 90 days after the Administrator determines that the program is not in compliance; and

(B) in the case of a program being carried out outside of the United States, by not later than October 1, 2008; and

(2) to ensure the safe de-icing and anti-icing of the aircraft of the air carrier in the period before the de-icing and anti-icing programs of the air carrier can be brought into compliance.

(d) REPORT.—Not later than October 1, 2008, the Administrator shall submit to Congress a report setting forth the results of the review required under subsection (a).