

105TH CONGRESS
1ST SESSION

H. R. 2036

To amend chapter 443 of title 49, United States Code, to extend the authorization of the aviation insurance program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1997

Mr. SHUSTER (for himself, Mr. DUNCAN, Mr. OBERSTAR, and Mr. LIPINSKI) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend chapter 443 of title 49, United States Code, to extend the authorization of the aviation insurance program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. VALUATION OF AIRCRAFT.**

7 Section 44302(a)(2) of title 49, United States Code,
8 is amended by striking “as determined by the Secretary”
9 and inserting “as determined by the Secretary in accord-

1 ance with reasonable business practices in the commercial
2 aviation insurance industry”.

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

4 Section 44305(b) of title 49, United States Code, is
5 amended by adding at the end the following: “If such an
6 agreement is countersigned by the President, the agree-
7 ment shall constitute, for purposes of section 44302(b),
8 a determination that continuation of the aircraft oper-
9 ations to which the agreement applies is necessary to carry
10 out the foreign policy of the United States.”.

11 **SEC. 4. BORROWING AUTHORITY.**

12 (a) IN GENERAL.—Section 44307 of title 49, United
13 States Code, is amended by adding at the end the follow-
14 ing:

15 “(e) BORROWING.—

16 “(1) ISSUANCE OF OBLIGATIONS.—Subject to
17 the provisions of this subsection, the Administrator
18 of the Federal Aviation Administration may issue
19 and sell such notes or other obligations to the Sec-
20 retary of the Treasury as the Administrator deter-
21 mines are necessary to provide funds to carry out
22 this chapter.

23 “(2) TERMS AND CONDITIONS.—Obligations
24 under this subsection shall be issued in the forms
25 and denominations, bearing the maturities, and sub-

1 ject to the terms and conditions that the Secretary
2 of the Treasury may prescribe.

3 “(3) NOTIFICATION OF CONGRESS.—At least 25
4 days before the Administrator intends to issue and
5 sell a note or other obligation under paragraph (1),
6 the Administrator shall notify, in writing, the Senate
7 and House of Representatives of such intention and
8 the dollar amount of such note or obligation.

9 “(4) PURCHASE OF OBLIGATIONS.—The Sec-
10 retary of the Treasury shall purchase any obligations
11 issued under this subsection. For such purpose, the
12 Secretary of the Treasury may use as a public debt
13 transaction the proceeds from the sale of any securi-
14 ties issued under the Second Liberty Bond Act. The
15 purposes for which securities may be issued under
16 such Act are extended to include any purchase of ob-
17 ligations issued under this subsection.

18 “(5) RESALE AUTHORITY.—The Secretary of
19 the Treasury may sell any obligations issued under
20 this subsection at the times and prices and upon the
21 terms and conditions that the Secretary of the
22 Treasury shall determine.

23 “(6) TREATMENT.—All purchases, redemptions,
24 and sales of obligations under this subsection by the

1 Secretary of the Treasury shall be treated as public
2 debt transactions of the United States.”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
4 44307(a) of such title is amended by striking paragraph
5 (2) and inserting the following:

6 “(2) AUTHORIZATION OF APPROPRIATIONS.—
7 Necessary amounts to carry out this chapter, includ-
8 ing amounts required to pay the interest accrued on,
9 or to repay the principal of, obligations issued under
10 subsection (e), may be appropriated to the fund.

11 “(3) DEPOSIT IN FUND.—The amounts appro-
12 priated and other amounts received, including the
13 proceeds of the sale of obligations issued under sub-
14 section (e), shall be deposited in the fund.”.

15 (c) CONFORMING AMENDMENT.—Section 44307(d)
16 of such title is amended by adding at the end the follow-
17 ing: “This subsection does not apply to amounts appro-
18 priated for paying interest accrued on, or for repaying the
19 principal of, obligations issued under subsection (e).”.

20 **SEC. 5. ARBITRATION AUTHORITY.**

21 (a) AUTHORIZATION OF BINDING ARBITRATION.—
22 Section 44308(b)(1) of title 49, United States Code, is
23 amended by inserting after the second sentence the follow-
24 ing: “Any such policy may authorize the binding arbitra-
25 tion of claims made thereunder in such manner as may

1 be agreed to by the Secretary and any commercial insurer
2 that may be responsible for any part of a loss to which
3 such policy relates.”.

4 (b) **AUTHORITY TO PAY ARBITRATION AWARD.**—
5 Section 44308(b)(2) of such title is amended—

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

8 (2) by redesignating subparagraph (B) as sub-
9 paragraph (C); and

10 (3) by inserting after subparagraph (A) the fol-
11 lowing:

12 “(B) pay the amount of a binding arbitration
13 award made under paragraph (1); and”.

14 **SEC. 6. EXTENSION OF PROGRAM.**

15 Section 44310 of title 49, United States Code, is
16 amended by striking “1997” and inserting “2002”.

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