

Union Calendar No. 140

105TH CONGRESS
1ST Session

H. R. 2036

[Report No. 105-244]

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.

SEPTEMBER 4, 1997

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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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

SEPTEMBER 4, 1997

Additional sponsors: Mr. DUNCAN, Mr. OBERSTAR, and Mr. LIPINSKI

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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,*

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. VALUATION OF AIRCRAFT.**

5 Section 44302(a)(2) of title 49, United States Code,
6 is amended by striking “as determined by the Secretary”
7 and inserting “as determined by the Secretary in accord-
8 ance with reasonable business practices in the commercial
9 aviation insurance industry”.

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

11 Section 44305(b) of title 49, United States Code, is
12 amended by adding at the end the following: “If such an
13 agreement is countersigned by the President, the agree-
14 ment shall constitute, for purposes of section 44302(b),
15 a determination that continuation of the aircraft oper-
16 ations to which the agreement applies is necessary to carry
17 out the foreign policy of the United States.”.

18 **SEC. 4. BORROWING AUTHORITY.**

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

22 “(e) BORROWING.—

23 “(1) ISSUANCE OF OBLIGATIONS.—Subject to
24 the provisions of this subsection, the Administrator
25 of the Federal Aviation Administration may issue
26 and sell such notes or other obligations to the Sec-

1 retary of the Treasury as the Administrator deter-
2 mines are necessary to provide funds to carry out
3 this chapter.

4 “(2) TERMS AND CONDITIONS.—Obligations
5 under this subsection shall be issued in the forms
6 and denominations, bearing the maturities, and sub-
7 ject to the terms and conditions that the Secretary
8 of the Treasury may prescribe.

9 “(3) NOTIFICATION OF CONGRESS.—At least 25
10 days before the Administrator intends to issue and
11 sell a note or other obligation under paragraph (1),
12 the Administrator shall notify, in writing, the Senate
13 and House of Representatives of such intention and
14 the dollar amount of such note or obligation.

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

24 “(5) RESALE AUTHORITY.—The Secretary of
25 the Treasury may sell any obligations issued under

1 this subsection at the times and prices and upon the
2 terms and conditions that the Secretary of the
3 Treasury shall determine.

4 “(6) TREATMENT.—All purchases, redemptions,
5 and sales of obligations under this subsection by the
6 Secretary of the Treasury shall be treated as public
7 debt transactions of the United States.”.

8 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
9 44307(a) of such title is amended by striking paragraph
10 (2) and inserting the following:

11 “(2) AUTHORIZATION OF APPROPRIATIONS.—
12 Necessary amounts to carry out this chapter, includ-
13 ing amounts required to pay the interest accrued on,
14 or to repay the principal of, obligations issued under
15 subsection (e), may be appropriated to the fund.

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

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

1 **SEC. 5. ARBITRATION AUTHORITY.**

2 (a) AUTHORIZATION OF BINDING ARBITRATION.—
3 Section 44308(b)(1) of title 49, United States Code, is
4 amended by inserting after the second sentence the follow-
5 ing: “Any such policy may authorize the binding arbitra-
6 tion of claims made thereunder in such manner as may
7 be agreed to by the Secretary and any commercial insurer
8 that may be responsible for any part of a loss to which
9 such policy relates.”.

10 (b) AUTHORITY TO PAY ARBITRATION AWARD.—
11 Section 44308(b)(2) of such title is amended—

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

14 (2) by redesignating subparagraph (B) as sub-
15 paragraph (C); and

16 (3) by inserting after subparagraph (A) the fol-
17 lowing:

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

20 **SEC. 6. EXTENSION OF PROGRAM.**

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