

## Calendar No. 726

110TH CONGRESS  
2D SESSION**S. 2972**

To reauthorize and modernize the Federal Aviation Administration.

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## IN THE SENATE OF THE UNITED STATES

MAY 2, 2008

Mrs. HUTCHISON (for herself and Mr. STEVENS) introduced the following bill;  
which was read the first time

MAY 6, 2008

Read the second time and placed on the calendar

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**A BILL**

To reauthorize and modernize the Federal Aviation  
Administration.

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; TABLE OF CONTENTS.**

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

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 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.
- 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.

### 1 **SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.**

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

1 **SEC. 3. EFFECTIVE DATE.**

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

5 **TITLE I—AUTHORIZATIONS AND**  
6 **FINANCING**

7 **SEC. 101. OPERATIONS.**

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

11 “(A) \$8,726,000,000 for fiscal year 2008;

12 “(B) \$8,990,000,000 for fiscal year 2009;

13 “(C) \$9,330,000,000 for fiscal year 2010;

14 and

15 “(D) \$9,620,000,000 for fiscal year

16 2011.”.

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

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

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

22 “(1) \$2,572,000,000 for fiscal year 2008;

23 “(2) \$2,923,000,000 for fiscal year 2009, of

24 which \$400,000,000 is derived from the Air Traffic

25 Control System Modernization Account of the Air-

26 port and Airways Trust Fund;

1           “(3) \$3,079,000,000 for fiscal year 2010, of  
2           which \$400,000,000 is derived from the Air Traffic  
3           Control System Modernization Account of the Air-  
4           port and Airways Trust Fund; and

5           “(4) \$3,317,000,000 for fiscal year 2011, of  
6           which \$400,000,000 is derived from the Air Traffic  
7           Control System Modernization Account of the Air-  
8           port and Airways Trust Fund.”.

9   **SEC. 103. RESEARCH AND DEVELOPMENT.**

10          Section 48102 is amended—

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

13                 “(a) IN GENERAL.—Not more than the following  
14          amounts may be appropriated to the Secretary of Trans-  
15          portation out of the Airport and Airway Trust Fund es-  
16          tablished under section 9502 of the Internal Revenue Code  
17          of 1986 (26 U.S.C. 9502) for conducting civil aviation re-  
18          search and development under sections 44504, 44505,  
19          44507, 44509, and 44511 through 44513 of this title:

20                         “(1) \$140,000,000 for fiscal year 2008.

21                         “(2) \$191,000,000 for fiscal year 2009.

22                         “(3) \$191,000,000 for fiscal year 2010.

23                         “(4) \$194,000,000 for fiscal year 2011.”;

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

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

1           “(c) RESEARCH GRANTS PROGRAM INVOLVING UN-  
2 DERGRADUATE STUDENTS.—The Administrator of the  
3 Federal Aviation Administration shall establish a program  
4 to utilize undergraduate and technical colleges, including  
5 Historically Black Colleges and Universities, Hispanic  
6 Serving Institutions, tribally controlled colleges and uni-  
7 versities, and Alaska Native and Native Hawaiian serving  
8 institutions in research on subjects of relevance to the  
9 Federal Aviation Administration. Grants may be awarded  
10 under this subsection for—

11                   “(1) research projects to be carried out at pri-  
12 marily undergraduate institutions and technical col-  
13 leges;

14                   “(2) research projects that combine research at  
15 primarily undergraduate institutions and technical  
16 colleges with other research supported by the Fed-  
17 eral Aviation Administration;

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

21                   “(4) research on the impact of new technologies  
22 and procedures, particularly those related to aircraft  
23 flight deck and air traffic management functions,  
24 and on training requirements for pilots and air traf-  
25 fic controllers.”.

1 **SEC. 104. AIRPORT PLANNING AND DEVELOPMENT AND**  
2 **NOISE COMPATIBILITY PLANNING AND PRO-**  
3 **GRAMS.**

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

6 “(1) \$3,800,000,000 for fiscal year 2008;

7 “(2) \$3,900,000,000 for fiscal year 2009;

8 “(3) \$4,000,000,000 for fiscal year 2010; and

9 “(4) \$4,100,000,000 for fiscal year 2011.”.

10 **SEC. 105. OTHER AVIATION PROGRAMS.**

11 Section 48114 is amended—

12 (1) by striking “2007” in subsection (a)(1)(A)  
13 and inserting “2011”;

14 (2) by striking “2007,” in subsection (a)(2) and  
15 inserting “2011,”; and

16 (3) by striking “2007” in subsection (c)(2) and  
17 inserting “2011”.

18 **SEC. 106. DELINEATION OF NEXT GENERATION AIR TRANS-**  
19 **PORTATION SYSTEM PROJECTS.**

20 Section 44501(b) is amended—

21 (1) by striking “and” after the semicolon in  
22 paragraph (3);

23 (2) by striking “defense.” in paragraph (4) and  
24 inserting “defense; and”; and

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

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

5   **SEC. 107. FUNDING FOR ADMINISTRATIVE EXPENSES FOR**  
6                                   **AIRPORT PROGRAMS.**

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

9   **“§ 48105. Airport programs administrative expenses**

10           “Of the amount made available under section 48103  
11 of this title, the following may be available for administra-  
12 tive expenses relating to the Airport Improvement Pro-  
13 gram, passenger facility charge approval and oversight,  
14 national airport system planning, airport standards devel-  
15 opment and enforcement, airport certification, airport-re-  
16 lated environmental activities (including legal services),  
17 and other airport-related activities (including airport tech-  
18 nology research), to remain available until expended—

19                   “(1) for fiscal year 2008, \$80,676,000;

20                   “(2) for fiscal year 2009, \$85,000,000;

21                   “(3) for fiscal year 2010, \$89,000,000; and

22                   “(4) for fiscal year 2011, \$93,000,000.”.

23           (b) CONFORMING AMENDMENT.—The chapter anal-  
24 ysis for chapter 481 is amended by striking the item relat-  
25 ing to section 48105 and inserting the following:

“48105. Airport programs administrative expenses.”.

1                   **TITLE II—AIRPORT**  
2                   **IMPROVEMENTS**

3 **SEC. 201. REFORM OF PASSENGER FACILITY CHARGE AU-**  
4                   **THORITY.**

5           (a) PASSENGER FACILITY CHARGE STREAM-  
6 LINING.—Section 40117(e) is amended to read as follows:

7           “(c) PROCEDURAL REQUIREMENTS FOR IMPOSITION  
8 OF PASSENGER FACILITY CHARGE.—

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

17                           “(A) the total amount of program revenue  
18                           held by the agency at the beginning of the 12  
19                           months covered by the report;

20                           “(B) the total amount of program revenue  
21                           collected by the agency during the period cov-  
22                           ered by the report;

23                           “(C) the amount of expenditures with pro-  
24                           gram revenue made by the agency on each eligi-

1 ble airport-related project during the period  
2 covered by the report;

3 “(D) each airport-related project for which  
4 the agency plans to collect and use program  
5 revenue during the next 12-month period cov-  
6 ered by the report, including the amount of rev-  
7 enue projected to be used for such project;

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

11 “(F) a description of the notice and con-  
12 sultation process with air carriers and foreign  
13 air carriers under paragraph (3), and with the  
14 public under paragraph (4), including a copy of  
15 any adverse comments received and how the  
16 agency responded; and

17 “(G) any other information on the pro-  
18 gram that the Secretary may require.

19 “(2) IMPLEMENTATION.—Subject to the re-  
20 quirements of paragraphs (3), (4), (5), and (6), the  
21 eligible agency may implement the planned collection  
22 and use of passenger facility charges in accordance  
23 with its report upon filing the report as required in  
24 paragraph (1).

1           “(3) CONSULTATION WITH CARRIERS FOR NEW  
2 PROJECTS.—

3           “(A) An eligible agency proposing to col-  
4 lect or use passenger facility charge revenue for  
5 a project not previously approved by the Sec-  
6 retary or not included in a report required by  
7 paragraph (1) that was submitted in a prior  
8 year shall provide to air carriers and foreign air  
9 carriers operating at the airport reasonable no-  
10 tice, and an opportunity to comment on the  
11 planned collection and use of program revenue  
12 before providing the report required under  
13 paragraph (1). The Secretary shall prescribe by  
14 regulation what constitutes reasonable notice  
15 under this paragraph, which shall at a min-  
16 imum include—

17           “(i) that the eligible agency provide to  
18 air carriers and foreign air carriers oper-  
19 ating at the airport written notice of the  
20 planned collection and use of passenger fa-  
21 cility charge revenue;

22           “(ii) that the notice include a full de-  
23 scription and justification for a proposed  
24 project;

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

3           “(iv) that the notice include the pro-  
4           posed level for the passenger facility  
5           charge.

6           “(B) An eligible agency providing notice  
7           and an opportunity for comment shall be  
8           deemed to have satisfied the requirements of  
9           this paragraph if the eligible agency provides  
10          such notice to air carriers and foreign air car-  
11          riers that have a significant business interest at  
12          the airport. For purposes of this subparagraph,  
13          the term ‘significant business interest’ means  
14          an air carrier or foreign air carrier that—

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

18                 “(ii) had at least 25,000 passenger  
19                 boardings at the airport in the prior cal-  
20                 endar year; or

21                 “(iii) provides scheduled service at the  
22                 airport.

23          “(C) Not later than 45 days after written  
24          notice is provided under subparagraph (A),  
25          each air carrier and foreign air carrier may pro-

1           vide written comments to the eligible agency in-  
2           dicating its agreement or disagreement with the  
3           project or, if applicable, the proposed level for  
4           a passenger facility charge.

5           “(D) The eligible agency may include, as  
6           part of the notice and comment process, a con-  
7           sultation meeting to discuss the proposed  
8           project or, if applicable, the proposed level for  
9           a passenger facility charge. If the agency pro-  
10          vides a consultation meeting, the written com-  
11          ments specified in subparagraph (C) shall be  
12          due not later than 30 days after the meeting.

13          “(4) PUBLIC NOTICE AND COMMENT.—

14                 “(A) An eligible agency proposing to col-  
15                 lect or use passenger facility charge revenue for  
16                 a project not previously approved by the Sec-  
17                 retary or not included in a report required by  
18                 paragraph (1) that was filed in a prior year  
19                 shall provide reasonable notice and an oppor-  
20                 tunity for public comment on the planned col-  
21                 lection and use of program revenue before pro-  
22                 viding the report required in paragraph (1).

23                 “(B) The Secretary shall prescribe by reg-  
24                 ulation what constitutes reasonable notice under

1 this paragraph, which shall at a minimum re-  
2 quire—

3 “(i) that the eligible agency provide  
4 public notice of intent to collect a pas-  
5 senger facility charge so as to inform those  
6 interested persons and agencies that may  
7 be affected;

8 “(ii) appropriate methods of publica-  
9 tion, which may include notice in local  
10 newspapers of general circulation or other  
11 local media, or posting of the notice on the  
12 agency’s Internet website; and

13 “(iii) submission of public comments  
14 no later than 45 days after the date of the  
15 publication of the notice.

16 “(5) OBJECTIONS.—

17 “(A) Any interested person may file with  
18 the Secretary a written objection to a proposed  
19 project included in a notice under this para-  
20 graph provided that the filing is made within 30  
21 days after submission of the report specified in  
22 paragraph (1).

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

1           “(C) Not later than 90 days after receiving  
2 the eligible agency’s response to a filed objec-  
3 tion, the Secretary shall make a determination  
4 whether or not to terminate authority to collect  
5 the passenger facility charge for the project,  
6 based on the filed objection. The Secretary shall  
7 state the reasons for any determination. The  
8 Secretary may only terminate authority if—

9           “(i) the project is not an eligible air-  
10 port related project;

11           “(ii) the eligible agency has not com-  
12 plied with the requirements of this section  
13 or the Secretary’s implementing regula-  
14 tions in proposing the project;

15           “(iii) the eligible agency has been  
16 found to be in violation of section  
17 47107(b) of this title and has failed to  
18 take corrective action, prior to the filing of  
19 the objection; or

20           “(iv) in the case of a proposed in-  
21 crease in the passenger facility charge  
22 level, the level is not authorized by this  
23 section.

24           “(D) Upon issuance of a decision termi-  
25 nating authority, the public agency shall pre-

1           pare an accounting of passenger facility revenue  
2           collected under the terminated authority and re-  
3           store the funds for use on other authorized  
4           projects.

5           “(E) Except as provided in subparagraph  
6           (C), the eligible agency may implement the  
7           planned collection and use of a passenger facil-  
8           ity charge in accordance with its report upon  
9           filing the report as specified in paragraph  
10          (1)(A).

11          “(6) APPROVAL REQUIREMENT FOR INCREASED  
12          PASSENGER FACILITY CHARGE OR INTERMODAL  
13          GROUND ACCESS PROJECT.—

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

20                 “(B) The eligible agency may submit to  
21                 the Secretary an application for authority to  
22                 impose a passenger facility charge for an inter-  
23                 modal ground access project or to increase a  
24                 passenger facility charge. The application shall  
25                 contain information and be in the form that the

1 Secretary may require by regulation but, at a  
2 minimum, must include copies of any comments  
3 received by the agency during the comment pe-  
4 riod described by subparagraph (C).

5 “(C) Before submitting an application  
6 under this paragraph, an eligible agency must  
7 provide air carriers and foreign air carriers op-  
8 erating at the airport, and the public, reason-  
9 able notice of and an opportunity to comment  
10 on a proposed intermodal ground access project  
11 or the increased passenger facility charge. Such  
12 notice and opportunity to comment shall con-  
13 form to the requirements of paragraphs (3) and  
14 (4).

15 “(D) After receiving an application, the  
16 Secretary may provide air carriers, foreign air  
17 carriers and other interested persons notice and  
18 an opportunity to comment on the application.  
19 The Secretary shall make a final decision on  
20 the application not later than 120 days after re-  
21 ceiving it.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) REFERENCES.—

24 (A) Section 40117(a) is amended—

1 (i) by striking “FEE” in the heading  
 2 for paragraph (5) and inserting  
 3 “CHARGE”; and

4 (ii) by striking “fee” each place it ap-  
 5 pears in paragraphs (5) and (6) and in-  
 6 serting “charge”.

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

9 (i) by striking “fee” or “fees” each  
 10 place either appears and inserting  
 11 “charge” or “charges”, respectively; and

12 (ii) by striking “FEE” in the sub-  
 13 section caption for subsection (l), and  
 14 “FEES” in the subsection captions for sub-  
 15 sections (e) and (m), and inserting  
 16 “CHARGE” and “CHARGES”, respectively.

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

19 **“§ 40117. Passenger facility charges”.**

20 (D) The chapter analysis for chapter 401  
 21 is amended by striking the item relating to sec-  
 22 tion 40117 and inserting the following:

“40117. Passenger facility charges.”.

23 (2) LIMITATIONS ON APPROVING APPLICA-  
 24 TIONS.—Section 40117(d) is amended—

1 (A) by striking “subsection (c) of this sec-  
2 tion to finance a specific” and inserting “sub-  
3 section (c)(6) of this section to finance an inter-  
4 modal ground access”;

5 (B) by striking “specific” in paragraph  
6 (1);

7 (C) by striking paragraph (2) and insert-  
8 ing the following:

9 “(2) the project is an eligible airport-related  
10 project; and”;

11 (D) by striking “each of the specific  
12 projects; and” in paragraph (3) and inserting  
13 “the project.”; and

14 (E) by striking paragraph (4).

15 (3) LIMITATIONS ON IMPOSING CHARGES.—Sec-  
16 tion 40117(e)(1) is amended to read as follows: “(1)  
17 An eligible agency may impose a passenger facility  
18 charge only subject to terms the Secretary may pre-  
19 scribe to carry out the objectives of this section.”.

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

23 (5) COMPLIANCE.—Section 40117(h) is amend-  
24 ed—

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

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

5 “(3) The Secretary may, on complaint of an in-  
6 terested person or on the Secretary’s own initiative,  
7 conduct an investigation into an eligible agency’s col-  
8 lection and use of passenger facility charge revenue  
9 to determine whether a passenger facility charge is  
10 excessive or that passenger facility revenue is not  
11 being used as provided in this section. The Secretary  
12 shall prescribe regulations establishing procedures  
13 for complaints and investigations. The regulations  
14 may provide for the issuance of a final agency deci-  
15 sion without resort to an oral evidentiary hearing.  
16 The Secretary shall not accept complaints filed  
17 under this paragraph until after the issuance of reg-  
18 ulations establishing complaint procedures.”.

19 (6) PILOT PROGRAM FOR PFC AT NONHUB AIR-  
20 PORTS.—Section 40117(l) is amended—

21 (A) by striking “(c)(2)” in paragraph (2)  
22 and inserting “(c)(3)”; and

23 (B) by striking “date that is 3 years after  
24 the date of issuance of regulations to carry out  
25 this subsection.” in paragraph (7) and inserting

1 “date of issuance of regulations to carry out  
2 subsection (e) of this section, as amended by  
3 the Aviation Investment and Modernization Act  
4 of 2008.”.

5 (7) PROHIBITION ON APPROVING PFC APPLICA-  
6 TIONS FOR AIRPORT REVENUE DIVERSION.—Section  
7 47111(e) is amended by striking “sponsor” the sec-  
8 ond place it appears in the first sentence and all  
9 that follows and inserting “sponsor. A sponsor shall  
10 not propose collection or use of passenger facility  
11 charges for any new projects under paragraphs (3)  
12 through (6) of section 40117(c) unless the Secretary  
13 determines that the sponsor has taken corrective ac-  
14 tion to address the violation and the violation no  
15 longer exists.”.

16 **SEC. 202. PASSENGER FACILITY CHARGE PILOT PROGRAM.**

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

19 “(n) ALTERNATIVE PASSENGER FACILITY CHARGE  
20 COLLECTION PILOT PROGRAM.—

21 “(1) IN GENERAL.—The Secretary shall estab-  
22 lish and conduct a pilot program at not more than  
23 6 airports under which an eligible agency may im-  
24 pose a passenger facility charge under this section  
25 without regard to the dollar amount limitations set

1       forth in paragraph (1) or (4) of subsection (b) if the  
 2       participating eligible agency meets the requirements  
 3       of paragraph (2).

4               “(2) COLLECTION REQUIREMENTS.—

5                       “(A) DIRECT COLLECTION.—An eligible  
 6       agency participating in the pilot program—

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

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

13                       “(B) PFC COLLECTION REQUIREMENT  
 14       NOT TO APPLY.—Subpart C of part 158 of title  
 15       14, Code of Federal Regulations, does not apply  
 16       to the collection of the passenger facility charge  
 17       imposed by an eligible agency participating in  
 18       the pilot program.”.

19   **SEC. 203. AMENDMENTS TO GRANT ASSURANCES.**

20       Section 47107 is amended—

21               (1) by striking “made;” in subsection  
 22       (a)(16)(D)(ii) and inserting “made, except that, if  
 23       there is a change in airport design standards that  
 24       the Secretary determines is beyond the owner or op-  
 25       erator’s control that requires the relocation or re-

1 placement of an existing airport facility, the Sec-  
2 retary, upon the request of the owner or operator,  
3 may grant funds available under section 47114 to  
4 pay the cost of relocating or replacing such facil-  
5 ity;”;

6 (2) by striking “purpose;” in subsection  
7 (c)(2)(A)(i) and inserting “purpose, which includes  
8 serving as noise buffer land;”;

9 (3) by striking “paid to the Secretary for de-  
10 posit in the Fund if another eligible project does not  
11 exist.” in subsection (c)(2)(B)(iii) and inserting “re-  
12 invested in another project at the airport or trans-  
13 ferred to another airport as the Secretary pre-  
14 scribes.”; and

15 (4) by redesignating paragraph (3) of sub-  
16 section (c) as paragraph (4) and inserting after  
17 paragraph (2) the following:

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

21 “(i) reinvestment in an approved noise compat-  
22 ibility project;

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

1           “(iii) reinvestment in an airport development  
2 project that is eligible for funding under section  
3 47114, 47115, or 47117 and meets the requirements  
4 of this chapter;

5           “(iv) transfer to the sponsor of another public  
6 airport to be reinvested in an approved noise com-  
7 patibility project at such airport; and

8           “(v) payment to the Secretary for deposit in the  
9 Airport and Airway Trust Fund established under  
10 section 9502 of the Internal Revenue Code of 1986  
11 (26 U.S.C. 9502).”.

12 **SEC. 204. GOVERNMENT SHARE OF PROJECT COSTS.**

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

14           (1) by striking “subsection (b) or subsection  
15 (c)” in subsection (a) and inserting “subsection (b),  
16 (c), or (e)”; and

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

18           “(e) SPECIAL RULE FOR TRANSITION FROM SMALL  
19 HUB TO MEDIUM HUB STATUS.—If the status of a small  
20 hub primary airport changes to a medium hub primary  
21 airport, the United States Government’s share of allow-  
22 able project costs for the airport may not exceed 95 per-  
23 cent for 2 fiscal years following such change in hub sta-  
24 tus.”.

1 (b) TRANSITIONING AIRPORTS.—Section  
2 47114(f)(3)(B) is amended by striking “year 2004.” and  
3 inserting “years 2008, 2009, 2010, and 2011.”.

4 **SEC. 205. AMENDMENTS TO ALLOWABLE COSTS.**

5 Section 47110 is amended—

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

8 “(d) RELOCATION OF AIRPORT-OWNED FACILI-  
9 TIES.—The Secretary may determine that the costs of re-  
10 locating or replacing an airport-owned facility are allow-  
11 able for an airport development project at an airport only  
12 if—

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

16 “(2) the Secretary determines that the reloca-  
17 tion or replacement is required due to a change in  
18 the Secretary’s design standards; and

19 “(3) the Secretary determines that the change  
20 is beyond the control of the airport sponsor.”; and

21 (2) by striking “facilities, including fuel farms  
22 and hangars,” in subsection (h) and inserting “fa-  
23 cilities, as defined by section 47102,”.

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

25 Section 47133(b) is amended—

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

3 (2) by inserting “(1)” before “Subsection”; and

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

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

8 “(A) the sale is approved by the Secretary;

9 “(B) funding is provided under this title  
10 for the public sponsor’s acquisition; and

11 “(C) an amount equal to the remaining  
12 unamortized portion of the original grant, am-  
13 ortized over a 20-year period, is repaid to the  
14 Secretary by the private owner for deposit in  
15 the Trust Fund for airport acquisitions.

16 “(3) This subsection shall apply to grants  
17 issued on or after October 1, 1996.”.

18 **SEC. 207. PILOT PROGRAM FOR AIRPORT TAKEOVER OF**

19 **AIR NAVIGATION FACILITIES.**

20 (a) IN GENERAL.—Chapter 445 is amended by add-  
21 ing at the end the following new section:

22 **“§44518. Pilot program for airport takeover of ter-  
23 minal area air navigation equipment**

24 “(a) IN GENERAL.—Subject to the requirements of  
25 this section, the Administrator of the Federal Aviation Ad-

1   ministrator may carry out a pilot program under which  
2   the Administrator may transfer ownership, operating, and  
3   maintenance responsibilities for airport terminal area air  
4   navigation equipment to sponsors of not more than 10 air-  
5   ports.

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

10           “(1) operate and maintain all of the air naviga-  
11          tion equipment that is subject to this section at the  
12          airport in accordance with standards established by  
13          the Administrator;

14           “(2) permit the Administrator or a person des-  
15          ignated by the Administrator to conduct inspections  
16          of the air navigation equipment under a schedule es-  
17          tablished by the Administrator; and

18           “(3) acquire and maintain new air navigation  
19          equipment as needed to replace facilities that have  
20          to be replaced at the end of their useful life or to  
21          meet new standards established by the Adminis-  
22          trator.

23       “(c) TERMS AND CONDITIONS OF TRANSFER FOR  
24   THE ADMINISTRATOR.—When the Administrator approves

1 a sponsor's participation in this pilot program, the Admin-  
2 istrator shall—

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

7           “(2) transfer, at no cost to the sponsor, the  
8 government's property interest in the land on which  
9 the air navigation facilities transferred under para-  
10 graph (1) are located.

11       “(d) TREATMENT OF AIRPORT COSTS UNDER PILOT  
12 PROGRAM.—Upon transfer by the Administrator, any  
13 costs incurred by the airport for ownership and mainte-  
14 nance of the equipment transferred under this section  
15 shall be considered a cost of providing airfield facilities  
16 and services under standards and guidelines issued by the  
17 Secretary under section 47129(b)(2) and may be recov-  
18 ered in rates and charges assessed for use of the airfield.

19       “(e) DEFINITIONS.—In this section:

20           “(1) SPONSOR.—The term ‘sponsor’ has the  
21 meaning given that term in section 40102.

22           “(2) TERMINAL AREA AIR NAVIGATION EQUIP-  
23 MENT.—The term ‘terminal area air navigation  
24 equipment’ means an air navigation facility under  
25 section 40102, other than buildings used for air

1 traffic control functions, that exists to provide ap-  
 2 proach and landing guidance to aircraft.

3 “(f) GUIDELINES.—The Administrator shall issue ad-  
 4 visory guidelines on the implementation of the program.  
 5 The guidelines shall not be subject to administrative rule-  
 6 making requirements under subchapter II of chapter 5 of  
 7 title 5.”.

8 (b) CONFORMING AMENDMENT.—The chapter anal-  
 9 ysis for chapter 445 is amended by inserting after the item  
 10 relating to section 44517 the following:

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

11 **SEC. 208. GOVERNMENT SHARE OF CERTAIN AIR PROJECT**  
 12 **COSTS.**

13 Notwithstanding section 47109(a) of title 49, United  
 14 States Code, the Federal Government’s share of allowable  
 15 project costs for a grant made in fiscal year 2008, 2009,  
 16 2010, or 2011 under chapter 471 of that title for a project  
 17 described in paragraph (2) or (3) of that section shall be  
 18 95 percent.

19 **SEC. 209. MISCELLANEOUS AMENDMENTS.**

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

23 (1) by striking “each airport to—” in sub-  
 24 section (a) and inserting “the airport system to—”;

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

5           (3) by striking “aeronautics; and” in subsection  
6           (a)(2) and inserting “aeronautics.”;

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

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

10          (6) by striking “operations, Short Takeoff and  
11          Landing/Very Short Takeoff and Landing aircraft  
12          operations,” in subsection (b)(2), as redesignated,  
13          and inserting “operations”; and

14          (7) by striking “status of the” in subsection  
15          (d).

16          (b) UPDATE VETERANS PREFERENCE DEFINI-  
17          TION.—Section 47112(c) is amended—

18               (1) by striking “separated from” in paragraph  
19               (1)(B) and inserting “discharged or released from  
20               active duty in”;

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

23                       “(C) ‘Afghanistan-Iraq war veteran’ means an  
24                       individual who served on active duty, as defined by  
25                       section 101(21) of title 38, at any time in the armed

1 forces for a period of more than 180 consecutive  
2 days, any part of which occurred during the period  
3 beginning on September 11, 2001, and ending on  
4 the date prescribed by Presidential proclamation or  
5 by law as the last date of Operation Iraqi Free-  
6 dom.”; and

7 (3) by striking “veterans and” in paragraph (2)  
8 and inserting “veterans, Afghanistan-Iraq war vet-  
9 erans, and”.

10 (c) ANNUAL REPORT.—Section 47131(a) is amend-  
11 ed—

12 (1) by striking “April 1” and inserting “June  
13 1”; and

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

16 “(1) a summary of airport development and  
17 planning completed;

18 “(2) a summary of individual grants issued;

19 “(3) an accounting of discretionary and appor-  
20 tioned funds allocated;

21 “(4) the allocation of appropriations; and”.

22 (d) SUNSET OF PROGRAM.—Section 47137 is re-  
23 pealed effective September 30, 2008.

24 (e) CORRECTION TO EMISSION CREDITS PROVI-  
25 SION.—Section 47139 is amended—

1           (1) by striking “47102(3)(F),” in subsection  
2           (a);

3           (2) by striking “47102(3)(F),” in subsection  
4           (b);

5           (3) by striking “47102(3)(L), or 47140” in  
6           subsection (b) and inserting “or 47102(3)(L),”;

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

8           (5) by striking “47102(3)(L), or 47140,” in  
9           subsection (b) and inserting “or 47102(3)(L),”.

10          (f) CORRECTION TO SURPLUS PROPERTY AUTHOR-  
11          ITY.—Section 47151(e) is amended by striking “(other  
12          than real property that is subject to section 2687 of title  
13          10, section 201 of the Defense Authorization Amendments  
14          and Base Closure and Realignment Act (10 U.S.C. 2687  
15          note), or section 2905 of the Defense Base Closure and  
16          Realignment Act of 1990 (10 U.S.C. 2687 note),”.

17          (g) AIRPORT CAPACITY BENCHMARK REPORTS; DEF-  
18          INITION OF JOINT USE AIRPORT.—Section 47175 is  
19          amended—

20                 (1) by striking “Airport Capacity Benchmark  
21                 Report 2001.” in paragraph (2) and inserting “2001  
22                 and 2004 Airport Capacity Benchmark Reports or  
23                 of the most recent Benchmark report.”; and

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

1           “(7) JOINT USE AIRPORT.—The term ‘joint use  
2           airport’ means an airport owned by the United  
3           States Department of Defense, at which both mili-  
4           tary and civilian aircraft make shared use of the air-  
5           field.”.

6           (h) CARGO AIRPORTS.—Section 47114(c)(2)(A) is  
7           amended by striking “3.5 percent” and inserting “4.0 per-  
8           cent”.

9           (i) USE OF APPORTIONED AMOUNTS.—Section  
10          47117(e)(1)(A) is amended—

11           (1) by striking “35 percent” in the first sen-  
12           tence and inserting “\$300,000,000”;

13           (2) by striking “and” after “47141,”;

14           (3) by striking “et seq.)” and inserting “et  
15           seq.), and for water quality mitigation projects to  
16           comply with the Act of June 30, 1948 (33 U.S.C.  
17           1251 et seq.) approved in an environmental record  
18           of decision for an airport development project under  
19           this title.”; and

20           (4) by striking “such 35 percent requirement  
21           is” in the second sentence and inserting “the re-  
22           quirements of the preceding sentence are”.

23           (j) USE OF APPORTIONED AMOUNTS.—An amount  
24           apportioned under section 47114 of title 49, United States  
25           Code, or made available under section 47115 of that title,

1 to the sponsor of a reliever airport the crosswind runway  
2 of which was closed as a result of a Record of Decision  
3 dated September 3, 2004, shall be available for project  
4 costs associated with the establishment of a new crosswind  
5 runway.

6 (k) USE OF PREVIOUS FISCAL YEAR'S APPORTION-  
7 MENT.—Section 47114(c)(1) is amended—

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

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

16 “(II) if at the airport the total passenger  
17 boardings from large certificated air carriers  
18 (as defined in part 241 of title 14, Code of Fed-  
19 eral Regulations) conducting scheduled plus  
20 nonscheduled service totals 10,000 or more in  
21 the calendar year in which the airport does not  
22 meet the criteria for a primary airport under  
23 section 47102 of this title; or

24 “(III) if the documented interruption to  
25 scheduled service at the airport was equal to 4

1           percent of the scheduled flights in calendar year  
2           2006, exclusive of cancellations due to severe  
3           weather conditions, and the airport is served by  
4           a single air carrier.”;

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

8           “(F) For fiscal years 2009 through 2012, with  
9           regard to an airport that meets the criteria de-  
10          scribed in paragraph (E)(iii), if the calendar year  
11          passenger boardings for the calculation of apportion-  
12          ments under this section fall below 10,000 passenger  
13          boardings, the Secretary may use the passenger  
14          boardings for the last fiscal year in which passenger  
15          boardings exceeded 10,000 for calculating apportion-  
16          ments.”.

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

19                 “(M) construction of mobile refueler park-  
20                 ing within a fuel farm at a nonprimary airport  
21                 meeting the requirements of section 112.8 of  
22                 title 40, Code of Federal Regulations.”.

23          (m) Section 47115(g)(1) is amended by striking  
24          “of—” and all that follows and inserting “of  
25          \$520,000,000. The amount credited is exclusive of

1 amounts that have been apportioned in a prior fiscal year  
2 under section 47114 of this title and that remain available  
3 for obligation.”.

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

6 “(3) AIRPORTS SERVED BY LARGE CERTIFI-  
7 CATED CARRIERS.—

8 “(A) APPORTIONMENT.—The Secretary  
9 shall apportion to the sponsor of an airport that  
10 received scheduled air service from a large cer-  
11 tificated air carrier (as defined in part 241 of  
12 title 14, Code of Federal Regulations) an  
13 amount equal to the minimum apportionment  
14 specified in paragraph (1) of this subsection.

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

18 “(i) the large certificated air carrier  
19 began scheduled air service at the airport  
20 in May 2006 and ceased scheduled air  
21 service at the airport in October 2006; and

22 “(ii) the Secretary determines that  
23 the airport had more than 10,000 pas-  
24 senger boardings in the preceding calendar  
25 year, based on data submitted to the Sec-

1                   retary under part 241 of title 14, Code of  
2                   Federal Regulations.”.

3           (o) Subparagraph (H) of section 47114(c)(1), as re-  
4 designated by subsection (k)(2) of this section, is amend-  
5 ed—

6                   (1) by striking “FISCAL YEAR 2006” in the sub-  
7 paragraph heading and inserting “FISCAL YEARS  
8 2008 THROUGH 2011.—”;

9                   (2) by striking “fiscal year 2006” and inserting  
10 “each of fiscal years 2008 through 2011”; and

11                   (3) by striking clause (i) and inserting the fol-  
12 lowing:

13                                 “(i) the average annual passenger  
14 boardings at the airport for calendar years  
15 2004 through 2006 were below 10,000 per  
16 year;”; and

17                   (4) by striking “2000 or 2001;” in clause (ii)  
18 and inserting “2003”.

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

21                   “(g) APPROACH LIGHTING SYSTEM.—Any amount  
22 apportioned for airport 03–02–0133 under the National  
23 Plan of Integrated Airport Systems may be utilized in any  
24 fiscal year for approach lighting systems including a me-

1 dium intensity approach lighting system with runway  
2 alignment lights.”.

3 **SEC. 210. STATE BLOCK GRANT PROGRAM.**

4 Section 47128 is amended—

5 (1) by striking “regulations” each place it ap-  
6 pears in subsection (a) and inserting “guidance”;

7 (2) by striking “grant;” in subsection (b)(4)  
8 and inserting “grant, including Federal environ-  
9 mental requirements or an agreed upon equivalent;”;

10 (3) by redesignating subsection (c) as sub-  
11 section (d) and inserting after subsection (b) the fol-  
12 lowing:

13 “(c) PROJECT ANALYSIS AND COORDINATION RE-  
14 QUIREMENTS.—Any Federal agency that must approve, li-  
15 cense, or permit a proposed action by a participating State  
16 shall coordinate and consult with the State. The agency  
17 shall utilize the environmental analysis prepared by the  
18 State, provided it is adequate, or supplement that analysis  
19 as necessary to meet applicable Federal requirements.”;  
20 and

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

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



1       tain the services of consultants in order to facilitate  
2       the timely processing, review and completion of envi-  
3       ronmental activities associated with proposals to im-  
4       plement flight procedures submitted and approved  
5       for airport noise compatibility planning purposes in  
6       accordance with this section. Funds received under  
7       this authority shall not be subject to the procedures  
8       applicable to the receipt of gifts by the Adminis-  
9       trator.”.

10 **SEC. 213. SAFETY-CRITICAL AIRPORTS.**

11       Section 47118(c) is amended—

12             (1) by striking “or” after the semicolon in  
13       paragraph (1);

14             (2) by striking “delays.” in paragraph (2) and  
15       inserting “delays; or”; and

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

17             “(3) be critical to the safety of commercial,  
18       military, or general aviation in trans-oceanic  
19       flights.”.

20 **SEC. 214. EXPANDED PASSENGER FACILITY CHARGE ELIGI-**  
21                   **BILITY     FOR     NOISE     COMPATIBILITY**  
22                   **PROJECTS.**

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

1           “(7) NOISE MITIGATION FOR CERTAIN  
2 SCHOOLS.—

3           “(A) IN GENERAL.—In addition to the  
4 uses specified in paragraphs (1), (4), and (6),  
5 the Secretary may authorize a passenger facility  
6 charge imposed under paragraph (1) or (4) at  
7 a large hub airport that is the subject of an  
8 amended judgment and final order in con-  
9 demnation filed on January 7, 1980, by the Su-  
10 perior Court of the State of California for the  
11 county of Los Angeles, to be used for a project  
12 to carry out noise mitigation for a building, or  
13 for the replacement of a relocatable building  
14 with a permanent building, in the noise im-  
15 pacted area surrounding the airport at which  
16 such building is used primarily for educational  
17 purposes, notwithstanding the air easement  
18 granted or any terms to the contrary in such  
19 judgment and final order, if—

20           “(i) the Secretary determines that the  
21 building is adversely affected by airport  
22 noise;

23           “(ii) the building is owned or char-  
24 tered by the school district that was the  
25 plaintiff in case number 986,442 or

1 986,446, which was resolved by such judg-  
2 ment and final order;

3 “(iii) the project is for a school identi-  
4 fied in 1 of the settlement agreements ef-  
5 fective February 16, 2005, between the  
6 airport and each of the school districts;

7 “(iv) in the case of a project to re-  
8 place a relocatable building with a perma-  
9 nent building, the eligible project costs are  
10 limited to the actual structural construc-  
11 tion costs necessary to mitigate aircraft  
12 noise in instructional classrooms to an in-  
13 terior noise level meeting current stand-  
14 ards of the Federal Aviation Administra-  
15 tion; and

16 “(v) the project otherwise meets the  
17 requirements of this section for authoriza-  
18 tion of a passenger facility charge.

19 “(B) ELIGIBLE PROJECT COSTS.—In sub-  
20 paragraph (A)(iv), the term ‘eligible project  
21 costs’ means the difference between the cost of  
22 standard school construction and the cost of  
23 construction necessary to mitigate classroom  
24 noise to the standards of the Federal Aviation  
25 Administration.”.

1 **SEC. 215. ENVIRONMENTAL MITIGATION DEMONSTRATION**  
2 **PILOT PROGRAM.**

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

5 **“§ 47143. Environmental mitigation demonstration**  
6 **pilot program**

7 “(a) IN GENERAL.—The Secretary of Transportation  
8 shall carry out a pilot program involving not more than  
9 6 projects at public-use airports under which the Secretary  
10 may make grants to sponsors of such airports from funds  
11 apportioned under paragraph 47117(e)(1)(A) for use at  
12 such airports for environmental mitigation demonstration  
13 projects that will measurably reduce or mitigate aviation  
14 impacts on noise, air quality or water quality in the vicin-  
15 ity of the airport. Notwithstanding any other provision of  
16 this subchapter, an environmental mitigation demonstra-  
17 tion project approved under this section shall be treated  
18 as eligible for assistance under this subchapter.

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

21 “(c) SELECTION CRITERIA.—In selecting from  
22 among applicants for participation in the pilot program,  
23 the Secretary may give priority consideration to environ-  
24 mental mitigation demonstration projects that—

25 “(1) will achieve the greatest reductions in air-  
26 craft noise, airport emissions, or airport water qual-

1       ity impacts either on an absolute basis, or on a per-  
2       dollar-of-funds expended basis; and

3               “(2) will be implemented by an eligible consor-  
4       tium.

5       “(d) FEDERAL SHARE.—Notwithstanding any other  
6       provision of this subchapter, the United States Govern-  
7       ment’s share of the costs of a project carried out under  
8       this section shall be 50 percent.

9       “(e) MAXIMUM AMOUNT.—Not more than  
10      \$2,500,000 may be made available by the Secretary in  
11      grants under this section for any single project.

12      “(f) IDENTIFYING BEST PRACTICES.—The Adminis-  
13      trator may develop and publish information identifying  
14      best practices for reducing or mitigating aviation impacts  
15      on noise, air quality, or water quality in the vicinity of  
16      airports, based on the projects carried out under the pilot  
17      program.

18      “(g) DEFINITIONS.—In this section:

19               “(1) ELIGIBLE CONSORTIUM.—The term ‘eligi-  
20      ble consortium’ means a consortium that comprises  
21      2 or more of the following entities:

22                       “(A) Businesses incorporated in the  
23                       United States.

1           “(B) Public or private educational or re-  
2           search organizations located in the United  
3           States.

4           “(C) Entities of State or local governments  
5           in the United States.

6           “(D) Federal laboratories.

7           “(2) ENVIRONMENTAL MITIGATION DEM-  
8           ONSTRATION PROJECT.—The term ‘environmental  
9           mitigation demonstration project’ means a project  
10          that—

11           “(A) introduces new conceptual environ-  
12           mental mitigation techniques or technology with  
13           associated benefits, which have already been  
14           proven in laboratory demonstrations;

15           “(B) proposes methods for efficient adap-  
16           tation or integration of new concepts to airport  
17           operations; and

18           “(C) will demonstrate whether new tech-  
19           niques or technology for environmental mitiga-  
20           tion identified in research are—

21           “(i) practical to implement at or near  
22           multiple public use airports; and

23           “(ii) capable of reducing noise, airport  
24           emissions, or water quality impacts in  
25           measurably significant amounts.”.

1 (b) CONFORMING AMENDMENT.—The chapter anal-  
 2 ysis for chapter 471 is amended by inserting after the item  
 3 relating to section 47142 the following:

“47143. Environmental mitigation demonstration pilot program.”.

4 **SEC. 216. ALLOWABLE PROJECT COSTS FOR AIRPORT DE-**  
 5 **VELOPMENT PROGRAM.**

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

8 (1) by striking “; or” in paragraph (1) and in-  
 9 serting a semicolon;

10 (2) by striking “project.” in paragraph (2) and  
 11 inserting “project; or”; and

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

13 “(3) necessarily incurred in anticipation of se-  
 14 vere weather.”.

15 **SEC. 217. GLYCOL RECOVERY VEHICLES.**

16 Section 47102(3)(G) is amended by inserting “in-  
 17 cluding acquiring glycol recovery vehicles,” after “air-  
 18 craft,”.

19 **SEC. 218. RESEARCH IMPROVEMENT FOR AIRCRAFT.**

20 Section 44504(b) is amended—

21 (1) by striking “and” after the semicolon in  
 22 paragraph (6);

23 (2) by striking “aircraft.” in paragraph (7) and  
 24 inserting “aircraft; and”; and

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

1           “(8) to conduct research to support programs  
2           designed to reduce gases and particulates emitted.”.

3           **TITLE III—FAA ORGANIZATION**  
4           **AND REFORM**

5           **SEC. 301. AIR TRAFFIC CONTROL MODERNIZATION OVER-**  
6           **SIGHT BOARD.**

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

8           “(p) AIR TRAFFIC CONTROL MODERNIZATION OVER-  
9           SIGHT BOARD.—

10           “(1) ESTABLISHMENT.—Within 90 days after  
11           the date of enactment of the Aviation Investment  
12           and Modernization Act of 2008, the Secretary shall  
13           establish and appoint the members of an advisory  
14           Board which shall be known as the Air Traffic Con-  
15           trol Modernization Oversight Board.

16           “(2) MEMBERSHIP.—The Board shall be com-  
17           prised of 7 members, who shall consist of—

18           “(A) the Administrator of the Federal  
19           Aviation Administration and a representative  
20           from the Department of Defense;

21           “(B) 1 member who shall have a fiduciary  
22           responsibility to represent the public interest;  
23           and

24           “(C) 4 members representing aviation in-  
25           terests, as follows:

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

3           “(ii) 1 representative that is the chief  
4 executive officer of a passenger or cargo  
5 air carrier.

6           “(iii) 1 representative of a labor orga-  
7 nization representing employees at the  
8 Federal Aviation Administration that are  
9 involved with the operation, maintenance  
10 or procurement of the air traffic control  
11 system.

12           “(iv) 1 representative with extensive  
13 operational experience in the general avia-  
14 tion community.

15           “(3) APPOINTMENT AND QUALIFICATIONS.—

16           “(A) Members of the Board appointed  
17 under paragraphs (2)(B) and (2)(C) shall be  
18 appointed by the President, by and with the ad-  
19 vice and consent of the Senate.

20           “(B) Members of the Board appointed  
21 under paragraph (2)(B) shall be citizens of the  
22 United States and shall be appointed without  
23 regard to political affiliation and solely on the  
24 basis of their professional experience and exper-  
25 tise in one or more of the following areas and,

1 in the aggregate, should collectively bring to  
2 bear expertise in—

3 “(i) management of large service or-  
4 ganizations;

5 “(ii) customer service;

6 “(iii) management of large procure-  
7 ments;

8 “(iv) information and communications  
9 technology;

10 “(v) organizational development; and

11 “(vi) labor relations.

12 “(4) FUNCTIONS.—

13 “(A) IN GENERAL.—The Board shall—

14 “(i) review and provide advice on the  
15 Administration’s modernization programs,  
16 budget, and cost accounting system;

17 “(ii) review the Administration’s stra-  
18 tegic plan and make recommendations on  
19 the non-safety program portions of the  
20 plan, and provide advice on the safety pro-  
21 grams of the plan;

22 “(iii) review the operational efficiency  
23 of the air traffic control system and make  
24 recommendations on the operational and  
25 performance metrics for that system;

1           “(iv) approve procurements of air  
2 traffic control equipment in excess of  
3 \$100,000,000;

4           “(v) approve by July 31 of each year  
5 the Administrator’s budget request for fa-  
6 cilities and equipment prior to its submis-  
7 sion to the Office of Management and  
8 budget, including which programs are pro-  
9 posed to be funded from the Air Traffic  
10 control system Modernization Account of  
11 the Airport and Airway Trust Fund;

12           “(vi) approve the Federal Aviation  
13 Administration’s Capital Investment Plan  
14 prior to its submission to the Congress;

15           “(vii) annually approve the Oper-  
16 ational Evolution Plan;

17           “(viii) approve the Administrator’s se-  
18 lection of a Chief Operating Officer for the  
19 Air Traffic Organization and on the ap-  
20 pointment and compensation of its man-  
21 agers; and

22           “(ix) approve the selection of the head  
23 of the Joint Planning Development Office.

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

4           “(C) ACCESS TO DOCUMENTS AND  
5           STAFF.—The Administration may give the  
6           Board appropriate access to relevant documents  
7           and personnel of the Administration, and the  
8           Administrator shall make available, consistent  
9           with the authority to withhold commercial and  
10          other proprietary information under section 552  
11          of title 5, cost data associated with the acqui-  
12          sition and operation of air traffic control systems.  
13          Any member of the Board who receives com-  
14          mercial or other proprietary data from the Ad-  
15          ministrator shall be subject to the provisions of  
16          section 1905 of title 18, pertaining to unauthor-  
17          ized disclosure of such information.

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

23          “(6) ADMINISTRATIVE MATTERS.—

24                  “(A) TERMS OF MEMBERS.—Members of  
25          the Board appointed under paragraph (2)(B)

1 and (2)(C) shall be appointed for a term of 4  
2 years.

3 “(B) REAPPOINTMENT.—No individual  
4 may be appointed to the Board for more than  
5 8 years total.

6 “(C) VACANCY.—Any vacancy on the  
7 Board shall be filled in the same manner as the  
8 original position. Any member appointed to fill  
9 a vacancy occurring before the expiration of the  
10 term for which the member’s predecessor was  
11 appointed shall be appointed for a term of 4  
12 years.

13 “(D) CONTINUATION IN OFFICE.—A mem-  
14 ber of the Board whose term expires shall con-  
15 tinue to serve until the date on which the mem-  
16 ber’s successor takes office.

17 “(E) REMOVAL.—Any member of the  
18 Board appointed under paragraph (2)(B) or  
19 (2)(C) may be removed by the President for  
20 cause.

21 “(F) CLAIMS AGAINST MEMBERS OF THE  
22 BOARD.—

23 “(i) IN GENERAL.—A member ap-  
24 pointed to the Board shall have no per-  
25 sonal liability under State or Federal law

1 with respect to any claim arising out of or  
2 resulting from an act or omission by such  
3 member within the scope of service as a  
4 member of the Board.

5 “(ii) EFFECT ON OTHER LAW.—This  
6 subparagraph shall not be construed—

7 “(I) to affect any other immunity  
8 or protection that may be available to  
9 a member of the Board under applica-  
10 ble law with respect to such trans-  
11 actions;

12 “(II) to affect any other right or  
13 remedy against the United States  
14 under applicable law; or

15 “(III) to limit or alter in any way  
16 the immunities that are available  
17 under applicable law for Federal offi-  
18 cers and employees.

19 “(G) ETHICAL CONSIDERATIONS.—Each  
20 member of the Board appointed under para-  
21 graph (2)(B) must certify that he or she—

22 “(i) does not have a pecuniary interest  
23 in, or own stock in or bonds of, an aviation  
24 or aeronautical enterprise, except an inter-  
25 est in a diversified mutual fund or an in-

1           terest that is exempt from the application  
2           of section 208 of title 18;

3           “(ii) does not engage in another busi-  
4           ness related to aviation or aeronautics; and

5           “(iii) is not a member of any organi-  
6           zation that engages, as a substantial part  
7           of its activities, in activities to influence  
8           aviation-related legislation.

9           “(H) CHAIRMAN; VICE CHAIRMAN.—The  
10          Board shall elect a chair and a vice chair from  
11          among its members, each of whom shall serve  
12          for a term of 2 years. The vice chair shall per-  
13          form the duties of the chairman in the absence  
14          of the chairman.

15          “(I) COMPENSATION.—No member shall re-  
16          ceive any compensation or other benefits from  
17          the Federal Government for serving on the  
18          Board, except for compensation benefits for in-  
19          juries under subchapter I of chapter 81 of title  
20          5 and except as provided under subparagraph  
21          (J).

22          “(J) EXPENSES.—Each member of the  
23          Board shall be paid actual travel expenses and  
24          per diem in lieu of subsistence expenses when

1 away from his or her usual place of residence,  
2 in accordance with section 5703 of title 5.

3 “(K) BOARD RESOURCES.—From re-  
4 sources otherwise available to the Adminis-  
5 trator, the Chairman shall appoint such staff to  
6 assist the board and provide impartial analysis,  
7 and the Administrator shall make available to  
8 the Board such information and administrative  
9 services and assistance, as may reasonably be  
10 required to enable the Board to carry out its re-  
11 sponsibilities under this subsection.

12 “(L) QUORUM AND VOTING.—A simple  
13 majority of members of the Board duly ap-  
14 pointed shall constitute a quorum. A majority  
15 vote of members present and voting shall be re-  
16 quired for the Committee to take action.

17 “(7) AIR TRAFFIC CONTROL SYSTEM DE-  
18 FINED.—In this subsection, the term ‘air traffic con-  
19 trol system’ has the meaning given that term in sec-  
20 tion 40102(a).”.

21 **SEC. 302. ADS-B SUPPORT PILOT PROGRAM.**

22 (a) IN GENERAL.—Chapter 445, as amended by sec-  
23 tion 207, is amended by adding at the end the following:

1 **“§ 44519. ADS–B support pilot program**

2       “(a) IN GENERAL.—The Secretary may carry out a  
3 pilot program to support non-Federal acquisition of Na-  
4 tional Airspace System compliant Automatic Dependent  
5 Surveillance-Broadcast (ADS–B) ground stations if—

6           “(1) the Secretary determines that acquisition  
7 of the ground stations benefits the improvement of  
8 safety or capacity in the National Airspace System;

9           “(2) the ground stations provide the required  
10 transmit and receive data formats consistent with  
11 the National Airspace System architecture at the ap-  
12 propriate service delivery point; and

13           “(3) the ground stations acquired under this  
14 program are supplemental to ground stations estab-  
15 lished under programs administered by the Adminis-  
16 trator of the Federal Aviation Administration.

17       “(b) PROJECT GRANTS.—

18           “(1) For purposes of carrying out the pilot pro-  
19 gram and notwithstanding the requirements of sec-  
20 tion 47114(d), the Secretary may make a project  
21 grant out of funds apportioned under section  
22 47114(d)(2) to not more than 10 eligible sponsors to  
23 acquire and install ADS–B ground stations in order  
24 to serve any public-use airport.

25           “(2) The Secretary shall establish procurement  
26 procedures applicable to grants issued under this

1 section. The procedures shall permit the sponsor to  
2 carry out the project using Federal Aviation Admin-  
3 istration contracts. The procedures established by  
4 the Secretary may provide for the direct reimburse-  
5 ment (including administrative costs) of the Admin-  
6 istrator by the sponsor using grant funds under this  
7 section, for the ordering of such equipment and its  
8 installation, or for the direct ordering of such equip-  
9 ment and its installation by the sponsor, using such  
10 grant funds, from the suppliers with which the Ad-  
11 ministrator has contracted.

12 “(c) MATCHING REQUIREMENT.—The amount of a  
13 grant to an eligible sponsor under subsection (b) may not  
14 exceed 90 percent of the costs of the acquisition and in-  
15 stallation of the ground support equipment.

16 “(d) DEFINITIONS.—In this section:

17 “(1) ADS–B GROUND STATION.—The term  
18 ‘ADS–B ground station’ means electronic equipment  
19 that provides for ADS–B reception and broadcast  
20 services.

21 “(2) ELIGIBLE SPONSOR.—The term ‘eligible  
22 sponsor’ means a State or any consortium of 2 or  
23 more State or local governments meeting the defini-  
24 tion of a sponsor under section 47102 of this title.”.

1 (b) CONFORMING AMENDMENT.—The chapter anal-  
2 ysis for chapter 445 is amended by inserting after the item  
3 relating to section 44518 the following:

“44519. ADS–B support pilot program.”.

4 **SEC. 303. FACILITATION OF NEXT GENERATION AIR TRAF-**  
5 **FIC SERVICES.**

6 Section 106(l) is amended by adding at the end the  
7 following:

8 “(7) AIR TRAFFIC SERVICES.—In determining  
9 what actions to take, by rule or through an agree-  
10 ment or transaction under paragraph (6) or under  
11 section 44502, to permit non-government providers  
12 of communications, navigation, surveillance or other  
13 services to provide such services in the National Air-  
14 space System, or to require the usage of such serv-  
15 ices, the Administrator shall consider whether such  
16 actions would—

17 “(A) promote the safety of life and prop-  
18 erty;

19 “(B) improve the efficiency of the National  
20 Airspace System and reduce the regulatory bur-  
21 den upon National Airspace System users,  
22 based upon sound engineering principles, user  
23 operational requirements, and marketplace de-  
24 mands;

1           “(C) encourage competition and provide  
2           services to the largest feasible number of users;  
3           and

4           “(D) take into account the unique role  
5           served by general aviation.”.

6 **SEC. 304. CLARIFICATION OF AUTHORITY TO ENTER INTO**  
7           **REIMBURSABLE AGREEMENTS.**

8           Section 106(m) is amended by striking “without” in  
9           the last sentence and inserting “with or without”.

10 **SEC. 305. CLARIFICATION TO ACQUISITION REFORM AU-**  
11           **THORITY.**

12           Section 40110(c) is amended—

13           (1) by inserting “and” after the semicolon in  
14           paragraph (3);

15           (2) by striking paragraph (4); and

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

18 **SEC. 306. ASSISTANCE TO OTHER AVIATION AUTHORITIES.**

19           Section 40113(e) is amended—

20           (1) by inserting “(whether public or private)”  
21           in paragraph (1) after “authorities”;

22           (2) by striking “safety.” in paragraph (1) and  
23           inserting “safety or efficiency. The Administrator is  
24           authorized to participate in, and submit offers in re-  
25           sponse to, competitions to provide these services,

1 and to contract with foreign aviation authorities to  
2 provide these services consistent with the provisions  
3 under section 106(l)(6) of this title. The Adminis-  
4 trator is also authorized, notwithstanding any other  
5 provision of law or policy, to accept payments in ar-  
6 rears.”; and

7 (3) by striking “appropriation from which ex-  
8 penses were incurred in providing such services.” in  
9 paragraph (3) and inserting “appropriation current  
10 when the expenditures are or were paid, or the ap-  
11 propriation current when the amount is received.”.

12 **SEC. 307. PRESIDENTIAL RANK AWARD PROGRAM.**

13 Section 40122(g)(2) is amended—

14 (1) by striking “and” after the semicolon in  
15 subparagraph (G);

16 (2) by striking “Board.” in subparagraph (H)  
17 and inserting “Board;”; and

18 (3) by inserting at the end the following new  
19 subparagraph:

20 “(I) subsections (b), (c), and (d) of section  
21 4507 (relating to Meritorious Executive or Dis-  
22 tinguished Executive rank awards), and section  
23 subsections (b) and (c) of section 4507a (relat-  
24 ing to Meritorious Senior Professional or Dis-

1           tinguished Senior Professional rank-awards),  
2           except that—

3                   “(i) for purposes of applying such  
4                   provisions to the personnel management  
5                   system—

6                           “(I) the term ‘agency’ means the  
7                           Department of Transportation;

8                           “(II) the term ‘senior executive’  
9                           means an Federal Aviation Adminis-  
10                          tration executive;

11                          “(III) the term ‘career appointee’  
12                          means an Federal Aviation Adminis-  
13                          tration career executive; and

14                          “(IV) the term ‘senior career em-  
15                          ployee’ means an Federal Aviation  
16                          Administration career senior profes-  
17                          sional;

18                          “(ii) receipt by a career appointee of  
19                          the rank of Meritorious Executive or Meri-  
20                          torious Senior Professional entitles such  
21                          individual to a lump-sum payment of an  
22                          amount equal to 20 percent of annual  
23                          basic pay, which shall be in addition to the  
24                          basic pay paid under the Federal Aviation

1 Administration Executive Compensation  
2 Plan; and

3 “(iii) receipt by a career appointee of  
4 the rank of Distinguished Executive or  
5 Distinguished Senior Professional entitles  
6 the individual to a lump-sum payment of  
7 an amount equal to 35 percent of annual  
8 basic pay, which shall be in addition to the  
9 basic pay paid under the Federal Aviation  
10 Administration Executive Compensation  
11 Plan.”.

12 **SEC. 308. NEXT GENERATION FACILITIES NEEDS ASSESS-**  
13 **MENT.**

14 (a) **FAA CRITERIA FOR FACILITIES REALIGN-**  
15 **MENT.**—Within 9 months after the date of enactment of  
16 this Act, the Administrator of the Federal Aviation Ad-  
17 ministration, after providing an opportunity for public  
18 comment, shall publish final criteria to be used in making  
19 the Administrator’s recommendations for the realignment  
20 of services and facilities to assist in the transition to next  
21 generation facilities and help reduce capital, operating,  
22 maintenance, and administrative costs with no adverse ef-  
23 fect on safety.

24 (b) **REALIGNMENT RECOMMENDATIONS.**—Within 9  
25 months after publication of the criteria, the Administrator

1 shall publish a list of the services and facilities that the  
2 Administrator recommends for realignment, including a  
3 justification for each recommendation, and a description  
4 of the costs and savings of such transition.

5 (c) REALIGNMENT DEFINED.—As used in this sec-  
6 tion, the term “realignment” includes any action which  
7 relocates or reorganizes functions, services, and personnel  
8 positions but does not include a reduction in personnel re-  
9 sulting from workload adjustments.

10 (d) STUDY BY BOARD.—The Air Traffic Control  
11 Modernization Oversight Board established by section  
12 106(p) of title 49, United States Code, shall study the Ad-  
13 ministrators’ recommendations for realignment and the  
14 opportunities, risks, and benefits of realigning services and  
15 facilities of the Federal Aviation Administration to help  
16 reduce capital, operating, maintenance, and administrative  
17 costs with no adverse effect on safety.

18 (e) REVIEW AND RECOMMENDATIONS.—

19 (1) After receiving the recommendations from  
20 the Administrator pursuant to subsection (b), the  
21 Board shall provide opportunity for public comment  
22 on such recommendations.

23 (2) Based on its review and analysis of the Ad-  
24 ministrators’ recommendations and any public com-  
25 ment it may receive, the Board shall make its inde-

1       pendent recommendations for realignment of avia-  
2       tion services or facilities and submit its rec-  
3       ommendations in a report to the President, the Sen-  
4       ate Committee on Commerce, Science, and Trans-  
5       portation, and the House of Representatives Com-  
6       mittee on Transportation and Infrastructure.

7               (3) The Board shall explain and justify in its  
8       report any recommendation made by the Board that  
9       is different from the recommendations made by the  
10      Administrator pursuant to subsection (b).

11              (4) The Administrator may not consolidate any  
12      additional approach control facilities into the South-  
13      ern California TRACON, or the Memphis TRACON  
14      until the Board's recommendations are completed.

15 **SEC. 309. NEXT GENERATION AIR TRANSPORTATION SYS-**  
16 **TEM PLANNING OFFICE.**

17      (a) IMPROVED COOPERATION AND COORDINATION  
18      AMONG PARTICIPATING AGENCIES.—Section 709 of the  
19      Vision 100—Century of Aviation Reauthorization Act (49  
20      U.S.C. 40101 note) is amended—

21              (1) by inserting “(A)” after “(3)” in subsection  
22      (a)(3);

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

1           “(B) The Administrator of the Federal  
2           Aviation Administration, the Secretary of De-  
3           fense, the Administrator of the National Aero-  
4           nautics and Space Administration, the Sec-  
5           retary of Commerce, the Secretary of Homeland  
6           Security, and the head of any other Department  
7           or Federal agency from which the Secretary of  
8           Transportation requests assistance under sub-  
9           paragraph (A) shall designate an implementa-  
10          tion office to be responsible for—

11                   “(i) carrying out the Department or  
12                   agency’s Next Generation Air Transpor-  
13                   tation System implementation activities  
14                   with the Office; and

15                   “(ii) liaison and coordination with  
16                   other Departments and agencies involved  
17                   in Next Generation Air Transportation  
18                   System activities; and

19                   “(iii) managing all Next Generation  
20                   Air Transportation System programs for  
21                   the Department or agency, including nec-  
22                   essary budgetary and staff resources, in-  
23                   cluding, for the Federal Aviation Adminis-  
24                   tration, those projects described in section

1           44501(b)(5) of title 49, United States  
2           Code).

3           “(C) The head of any such Department or  
4           agency shall ensure that—

5                   “(i) the Department’s or agency’s  
6                   Next Generation Air Transportation Sys-  
7                   tem responsibilities are clearly commu-  
8                   nicated to the designated office; and

9                   “(ii) the performance of supervisory  
10                  personnel in that office in carrying out the  
11                  Department’s or agency’s Next Generation  
12                  Air Transportation System responsibilities  
13                  is reflected in their annual performance  
14                  evaluations and compensation decisions.

15           “(D)(i) Within 6 months after the date of  
16           enactment of the Aviation Investment and Mod-  
17           ernization Act of 2008, the head of each such  
18           Department or agency shall execute a memo-  
19           randum of understanding with the Office and  
20           with the other Departments and agencies par-  
21           ticipating in the Next Generation Air Transpor-  
22           tation System project that—

23                   “(I) describes the respective respon-  
24                   sibilities of each such Department and

1 agency, including budgetary commitments;  
2 and

3 “(II) the budgetary and staff re-  
4 sources committed to the project.

5 “(ii) The memorandum shall be revised as  
6 necessary to reflect any changes in such respon-  
7 sibilities or commitments and be reflected in  
8 each Department or agency’s budget request.”;

9 (3) by adding at the end of subsection (a) the  
10 following:

11 “(5) The Director of the Office shall be a voting  
12 member of the Federal Aviation Administration’s Joint  
13 Resources Council and the Air Traffic Organization’s Ex-  
14 ecutive Council.”;

15 (4) by striking “beyond those currently included  
16 in the Federal Aviation Administration’s Operational  
17 Evolution Plan” in subsection (b);

18 (5) by striking “research and development road-  
19 map” in subsection (b)(3) and inserting “implemen-  
20 tation plan”;

21 (6) by striking “and” after the semicolon in  
22 subsection (b)(3)(B);

23 (7) by inserting after subsection (b)(3)(C) the  
24 following:

1           “(D) a schedule of rulemakings required to  
2           issue regulations and guidelines for implementa-  
3           tion of the Next Generation Air Transportation  
4           System within a timeframe consistent with the  
5           integrated plan; and”;

6           (8) by inserting “and key technologies” after  
7           “concepts” in subsection (b)(4);

8           (9) by striking “users” in subsection (b)(4) and  
9           inserting “users, an implementation plan,”;

10          (10) by adding at the end of subsection (b) the  
11          following:

12          “Within 6 months after the date of enactment of the Avia-  
13          tion Investment and Modernization Act of 2008, the Ad-  
14          ministrators shall develop the implementation plan de-  
15          scribed in paragraph (3) of this subsection and shall up-  
16          date it annually thereafter.”; and

17          (11) by striking “2010.” in subsection (e) and  
18          inserting “2011.”.

19          (b) SENIOR POLICY COMMITTEE MEETINGS.—Sec-  
20          tion 710(a) of such Act (49 U.S.C. 40101 note) is amend-  
21          ed by striking “Secretary.” and inserting “Secretary and  
22          shall meet at least once each quarter.”.

23          **SEC. 310. DEFINITION OF AIR NAVIGATION FACILITY.**

24          Section 40102(a)(4) is amended—

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

3                   “(B) runway lighting and airport surface  
4 visual and other navigation aids;”;

5           (2) by striking “weather information, signaling,  
6 radio-directional finding, or radio or other electro-  
7 magnetic communication; and” in subparagraph (C)  
8 and inserting “aeronautical and meteorological infor-  
9 mation to air traffic control facilities or aircraft,  
10 supplying communication, navigation or surveillance  
11 equipment for air-to-ground or air-to-air applica-  
12 tions;”;

13           (3) by striking “another structure” in subpara-  
14 graph (D) and inserting “any structure or equip-  
15 ment”;

16           (4) by striking “aircraft.” in subparagraph (D)  
17 and inserting “aircraft; and”; and

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

19                   “(E) buildings, equipment and systems  
20 dedicated to the National Airspace System.”.

21 **SEC. 311. IMPROVED MANAGEMENT OF PROPERTY INVEN-**  
22 **TORY.**

23           Section 40110(a)(2) is amended by striking “com-  
24 pensation; and” and inserting “compensation, and the

1 amount received may be credited to the appropriation cur-  
2 rent when the amount is received; and”.

3 **SEC. 312. EDUCATIONAL REQUIREMENTS.**

4 The Administrator of the Federal Aviation Adminis-  
5 tration shall make payments to the Department of De-  
6 fense for the education of dependent children of those  
7 Federal Aviation Administration employees in Puerto Rico  
8 and Guam as they are subject to transfer by policy and  
9 practice and meet the eligibility requirements of section  
10 2164(c) of title 10, United States Code.

11 **SEC. 313. FAA PERSONNEL MANAGEMENT SYSTEM.**

12 Section 40122(a)(2) is amended to read as follows:

13 “(2) DISPUTE RESOLUTION.—

14 “(A) MEDIATION.—If the Administrator  
15 does not reach an agreement under paragraph  
16 (1) or subsection (g)(2)(C) with the exclusive  
17 bargaining representatives, the services of the  
18 Federal Mediation and Conciliation Service  
19 shall be used to attempt to reach such agree-  
20 ment in accordance with part 1425 of title 29,  
21 Code of Federal Regulations. The Adminis-  
22 trator and bargaining representatives may by  
23 mutual agreement adopt procedures for the res-  
24 olution of disputes or impasses arising in the

1 negotiation of a collective-bargaining agree-  
2 ment.

3 “(B) BINDING ARBITRATION.—If the serv-  
4 ices of the Federal Mediation and Conciliation  
5 Service under subparagraph (A) does not lead  
6 to an agreement, the Administrator and the  
7 bargaining representatives shall submit their  
8 issues in controversy to the Federal Service Im-  
9 passes Panel in accordance with section 7119 of  
10 title 5. The Panel shall assist the parties in re-  
11 solving the impasse by asserting jurisdiction  
12 and ordering binding arbitration by a private  
13 arbitration board consisting of 3 members in  
14 accordance with section 2471.6(a)(2)(ii) of title  
15 5, Code of Federal Regulations. The executive  
16 director of the Panel shall request a list of not  
17 less than 15 names of arbitrators with Federal  
18 sector experience from the director of the Fed-  
19 eral Mediation and Conciliation Service to be  
20 provided to the Administrator and the bar-  
21 gaining representatives. Within 10 days after  
22 receiving the list, the parties shall each select 1  
23 person. The 2 arbitrators shall then select a  
24 third person from the list within 7 days. If the  
25 2 arbitrators are unable to agree on the third

1 person, the parties shall select the third person  
2 by alternately striking names from the list until  
3 only 1 name remains. If the parties do not  
4 agree on the framing of the issues to be sub-  
5 mitted, the arbitration board shall frame the  
6 issues. The arbitration board shall give the par-  
7 ties a full and fair hearing, including an oppor-  
8 tunity to present evidence in support of their  
9 claims, and an opportunity to present their case  
10 in person, by counsel, or by other representative  
11 as they may elect. Decisions of the arbitration  
12 board shall be conclusive and binding upon the  
13 parties. The arbitration board shall render its  
14 decision within 90 days after its appointment.  
15 The Administrator and the bargaining rep-  
16 resentative shall share costs of the arbitration  
17 equally. The arbitration board shall take into  
18 consideration the effect of its arbitration deci-  
19 sions on the Federal Aviation Administration's  
20 ability to attract and retain a qualified work-  
21 force and the Federal Aviation Administration's  
22 budget.

23 “(C) EFFECT.—Upon reaching a voluntary  
24 agreement or at the conclusion of the binding  
25 arbitration under subparagraph (B) above, the

1 final agreement, except for those matters de-  
2 cided by the arbitration board, shall be subject  
3 to ratification by the exclusive representative, if  
4 so requested by the exclusive representative,  
5 and approval by the head of the agency in ac-  
6 cordance with subsection (g)(2)(C).

7 “(D) ENFORCEMENT.—Enforcement of the  
8 provisions of this paragraph, and any agree-  
9 ment hereunder, shall be in the United States  
10 District Court for the District of Columbia.”.

11 **SEC. 314. RULEMAKING AND REPORT ON ADS-B IMPLEMEN-**  
12 **TATION.**

13 (a) REPORT.—Within 90 days after the date of enact-  
14 ment of this Act, the Administrator of the Federal Avia-  
15 tion Administration shall submit a report to the Senate  
16 Committee on Commerce, Science, and Transportation  
17 and the House of Representatives Committee on Trans-  
18 portation and Infrastructure detailing the Administration  
19 program and schedule for integrating ADS-B technology  
20 into the National Airspace System. The report shall in-  
21 clude—

22 (1) Phase 1 and Phase 2 activity to purchase  
23 and install necessary ADS-B ground stations; and

1           (2) detailed plans and schedules for implemen-  
2           tation of advanced operational procedures and ADS-  
3           B air-to-air applications.

4           (b) RULEMAKING.—Not later than 12 months after  
5           the date of enactment of this Act the Administrator shall  
6           issue guidelines and regulations required for the imple-  
7           mentation of ADS-B, including—

8           (1) the type of avionics (e.g., ADS-B avionics)  
9           required of aircraft for all classes of airspace;

10          (2) a schedule outlining when aircraft will be  
11          required to be equipped with such avionics;

12          (3) the expected costs associated with the avi-  
13          onics; and

14          (4) the expected uses and benefits of the avi-  
15          onics.

16 **SEC. 315. FAA TASK FORCE ON AIR TRAFFIC CONTROL FA-**  
17 **CILITY CONDITIONS.**

18          (a) ESTABLISHMENT.—The Administrator of the  
19          Federal Aviation Administration shall establish a special  
20          task force to be known as the “FAA Task Force on Air  
21          Traffic Control Facility Conditions”.

22          (b) MEMBERSHIP.—

23                 (1) COMPOSITION.—The Task Force shall be  
24                 composed of 11 members of whom—

1           (A) 7 members shall be appointed by the  
2 Administrator; and

3           (B) 4 members shall be appointed by labor  
4 unions representing employees who work at  
5 field facilities of the Administration.

6           (2) QUALIFICATIONS.—Of the members ap-  
7 pointed by the Administrator under paragraph  
8 (1)(A)—

9           (A) 4 members shall be specialists on toxic  
10 mold abatement, “sick building syndrome,” and  
11 other hazardous building conditions that can  
12 lead to employee health concerns and shall be  
13 appointed by the Administrator in consultation  
14 with the Director of the National Institute for  
15 Occupational Safety and Health; and

16           (B) 2 members shall be specialists on the  
17 rehabilitation of aging buildings.

18           (3) TERMS.—Members shall be appointed for  
19 the life of the Task Force.

20           (4) VACANCIES.—A vacancy in the Task Force  
21 shall be filled in the manner in which the original  
22 appointment was made.

23           (5) TRAVEL EXPENSES.—Members shall serve  
24 without pay but shall receive travel expenses, includ-  
25 ing per diem in lieu of subsistence, in accordance

1 with subchapter I of chapter 57 of title 5, United  
2 States Code.

3 (c) CHAIRPERSON.—The Administrator shall des-  
4 ignate, from among the individuals appointed under sub-  
5 section (b)(1), an individual to serve as chairperson of the  
6 Task Force.

7 (d) TASK FORCE PERSONNEL MATTERS.—

8 (1) STAFF.—The Task Force may appoint and  
9 fix the pay of such personnel as it considers appro-  
10 priate.

11 (2) STAFF OF FEDERAL AGENCIES.—Upon re-  
12 quest of the Chairperson of the Task Force, the  
13 head of any department or agency of the United  
14 States may detail, on a reimbursable basis, any of  
15 the personnel of that department or agency to the  
16 Task Force to assist it in carrying out its duties  
17 under this section.

18 (3) OTHER STAFF AND SUPPORT.—Upon re-  
19 quest of the Task Force or a panel of the Task  
20 Force, the Administrator shall provide the Task  
21 Force or panel with professional and administrative  
22 staff and other support, on a reimbursable basis, to  
23 the Task Force to assist it in carrying out its duties  
24 under this section.

1 (e) OBTAINING OFFICIAL DATA.—The Task Force  
2 may secure directly from any department or agency of the  
3 United States information (other than information re-  
4 quired by any statute of the United States to be kept con-  
5 fidential by such department or agency) necessary for the  
6 Task Force to carry out its duties under this section.  
7 Upon request of the chairperson of the Task Force, the  
8 head of that department or agency shall furnish such in-  
9 formation to the Task Force.

10 (f) DUTIES.—

11 (1) STUDY.—The Task Force shall undertake a  
12 study of—

13 (A) the conditions of all air traffic control  
14 facilities across the Nation, including towers,  
15 centers, and terminal radar air control;

16 (B) reports from employees of the Admin-  
17 istration relating to respiratory ailments and  
18 other health conditions resulting from exposure  
19 to mold, asbestos, poor air quality, radiation  
20 and facility-related hazards in facilities of the  
21 Administration;

22 (C) conditions of such facilities that could  
23 interfere with such employees' ability to effec-  
24 tively and safely perform their duties;

1 (D) the ability of managers and super-  
2 visors of such employees to promptly document  
3 and seek remediation for unsafe facility condi-  
4 tions;

5 (E) whether employees of the Administra-  
6 tion who report facility-related illnesses are  
7 treated fairly;

8 (F) utilization of scientifically-approved re-  
9 mediation techniques in a timely fashion once  
10 hazardous conditions are identified in a facility  
11 of the Administration; and

12 (G) resources allocated to facility mainte-  
13 nance and renovation by the Administration.

14 (2) FACILITY CONDITION INDICES.—The Task  
15 Force shall review the facility condition indices of  
16 the Administration for inclusion in the recommenda-  
17 tions under subsection (g).

18 (g) RECOMMENDATIONS.—Based on the results of  
19 the study and review of the facility condition indices under  
20 subsection (f), the Task Force shall make recommenda-  
21 tions as it considers necessary to—

22 (1) prioritize those facilities needing the most  
23 immediate attention in order of the greatest risk to  
24 employee health and safety;

1           (2) ensure that the Administration is using sci-  
2           entifically approved remediation techniques in all fa-  
3           cilities; and

4           (3) assist the Administration in making pro-  
5           grammatic changes so that aging air traffic control  
6           facilities do not deteriorate to unsafe levels.

7           (h) REPORT.—Not later than 6 months after the date  
8           on which initial appointments of members to the Task  
9           Force are completed, the Task Force shall submit to the  
10          Administrator, the Committee on Transportation and In-  
11          frastructure of the House of Representatives, and the  
12          Committee on Commerce, Science, and Transportation of  
13          the Senate a report on the activities of the Task Force,  
14          including the recommendations of the Task Force under  
15          subsection (g).

16          (i) IMPLEMENTATION.—Within 30 days after receipt  
17          of the Task Force report under subsection (h), the Admin-  
18          istrator shall submit to the House of Representatives  
19          Committee on Transportation and Infrastructure and the  
20          Senate Committee on Commerce, Science, and Transpor-  
21          tation a report that includes a plan and timeline to imple-  
22          ment the recommendations of the Task Force and to align  
23          future budgets and priorities of the Administration ac-  
24          cordingly.

1 (j) TERMINATION.—The Task Force shall terminate  
2 on the last day of the 30-day period beginning on the date  
3 on which the report under subsection (h) is submitted.

4 (k) APPLICABILITY OF THE FEDERAL ADVISORY  
5 COMMITTEE ACT.—The Federal Advisory Committee Act  
6 (5 U.S.C. App.) shall not apply to the Task Force.

7 **SEC. 316. STATE ADS-B EQUIPAGE BANK PILOT PROGRAM.**

8 (a) IN GENERAL.—

9 (1) COOPERATIVE AGREEMENTS.—Subject to  
10 the provisions of this section, the Secretary of  
11 Transportation may enter into cooperative agree-  
12 ments with not to exceed 5 States for the establish-  
13 ment of State ADS-B equipage banks for making  
14 loans and providing other assistance to public enti-  
15 ties for projects eligible for assistance under this  
16 section.

17 (b) FUNDING.—

18 (1) SEPARATE ACCOUNT.—An ADS-B equipage  
19 bank established under this section shall maintain a  
20 separate aviation trust fund account for Federal  
21 funds contributed to the bank under paragraph (2).  
22 No Federal funds contributed or credited to an ac-  
23 count of an ADS-B equipage bank established under  
24 this section may be commingled with Federal funds

1        contributed or credited to any other account of such  
2        bank.

3            (2) AUTHORIZATION.—There are authorized to  
4        be appropriated to the Secretary \$25,000,000 for  
5        each of fiscal years 2009 through 2013.

6        (c) FORMS OF ASSISTANCE FROM ADS–B EQUIPAGE  
7        BANKS.—An ADS–B equipage bank established under  
8        this section may make loans or provide other assistance  
9        to a public entity in an amount equal to all or part of  
10       the cost of carrying out a project eligible for assistance  
11       under this section. The amount of any loan or other assist-  
12       ance provided for such project may be subordinated to any  
13       other debt financing for the project.

14       (d) QUALIFYING PROJECTS.—Federal funds in the  
15       ADS–B equipage account of an ADS–B equipage bank es-  
16       tablished under this section may be used only to provide  
17       assistance with respect to aircraft ADS–B avionics equi-  
18       page.

19       (e) REQUIREMENTS.—In order to establish an ADS–  
20       B equipage bank under this section, each State estab-  
21       lishing such a bank shall—

22            (1) contribute, at a minimum, in each account  
23        of the bank from non-Federal sources an amount  
24        equal to 50 percent of the amount of each capitaliza-

1       tion grant made to the State and contributed to the  
2       bank;

3           (2) ensure that the bank maintains on a con-  
4       tinuing basis an investment grade rating on its debt  
5       issuances or has a sufficient level of bond or debt fi-  
6       nancing instrument insurance to maintain the viabil-  
7       ity of the bank;

8           (3) ensure that investment income generated by  
9       funds contributed to an account of the bank will  
10      be—

11           (A) credited to the account;

12           (B) available for use in providing loans  
13       and other assistance to projects eligible for as-  
14       sistance from the account; and

15           (C) invested in United States Treasury se-  
16       curities, bank deposits, or such other financing  
17       instruments as the Secretary may approve to  
18       earn interest to enhance the leveraging of  
19       projects assisted by the bank;

20           (5) ensure that any loan from the bank will  
21       bear interest at or below market interest rates, as  
22       determined by the State, to make the project that is  
23       the subject of the loan feasible;



1 carrier to implement, at a minimum, the following prac-  
2 tices:

3           “(1) PROVISION OF FOOD AND WATER.—If the  
4 departure of a flight of an air carrier is substantially  
5 delayed, or disembarkation of passengers on an ar-  
6 riving flight that has landed is substantially delayed,  
7 the air carrier shall provide—

8           “(A) adequate food and potable water to  
9 passengers on such flight during such delay;  
10 and

11           “(B) adequate restroom facilities to pas-  
12 sengers on such flight during such delay.

13           “(2) RIGHT TO DEPLANE.—

14           “(A) IN GENERAL.—An air carrier shall  
15 develop a plan, that incorporates medical con-  
16 siderations, to ensure that passengers are pro-  
17 vided a clear timeframe under which they will  
18 be permitted to deplane a delayed aircraft. The  
19 air carrier shall provide a copy of the plan to  
20 the Secretary of Transportation, who shall  
21 make the plan available to the public. In the ab-  
22 sence of such a plan, except as provided in sub-  
23 paragraph (B), if more than 3 hours after pas-  
24 sengers have boarded a flight, the aircraft doors  
25 are closed and the aircraft has not departed,

1 the air carrier shall provide passengers with the  
2 option to deplane safely before the departure of  
3 such aircraft. Such option shall be provided to  
4 passengers not less often than once during each  
5 3-hour period that the plane remains on the  
6 ground.

7 “(B) EXCEPTIONS.—Subparagraph (A)  
8 shall not apply—

9 “(i) if the pilot of such flight reason-  
10 ably determines that such flight will depart  
11 not later than 30 minutes after the 3 hour  
12 delay; or

13 “(ii) if the pilot of such flight reason-  
14 ably determines that permitting a pas-  
15 senger to deplane would jeopardize pas-  
16 senger safety or security.

17 “(C) APPLICATION TO DIVERTED  
18 FLIGHTS.—This section applies to aircraft with-  
19 out regard to whether they have been diverted  
20 to an airport other than the original destina-  
21 tion.

22 “(b) POSTING CONSUMER RIGHTS ON WEBSITE.—  
23 An air carrier holding a certificate issued under section  
24 41102 that conducts scheduled passenger air transpor-  
25 tation shall publish conspicuously and update monthly on

1 the Internet website of the air carrier a statement of the  
 2 air carrier's customer service policy and of air carrier cus-  
 3 tomers' consumer rights under Federal and State law.

4       “(c) REVIEW AND APPROVAL; MINIMUM STAND-  
 5 ARDS.—The Secretary of Transportation shall review the  
 6 contingency service plan submitted by an air carrier under  
 7 subsection (a) and may approve it or disapprove it and  
 8 return it to the carrier for modification and resubmittal.  
 9 The Secretary may establish minimum standards for such  
 10 plans and require air carriers to meet those standards.

11       “(d) AIR CARRIER.—In this section the term ‘air car-  
 12 rier’ means an air carrier holding a certificate issued  
 13 under section 41102 that conducts scheduled passenger  
 14 air transportation.”.

15       (b) REGULATIONS.—Not later than 60 days after the  
 16 date of enactment of this Act, the Secretary of Transpor-  
 17 tation shall promulgate such regulations as the Secretary  
 18 determines necessary to carry out the amendment made  
 19 by subsection (a).

20       (c) CONFORMING AMENDMENT.—The chapter anal-  
 21 ysis for chapter 417 is amended by adding at the end the  
 22 following:

SUBCHAPTER IV. AIRLINE CUSTOMER SERVICE

“41781. Airline contingency service requirements.”.

1 **SEC. 402. PUBLICATION OF CUSTOMER SERVICE DATA AND**  
2 **FLIGHT DELAY HISTORY.**

3 Section 41722 is amended by adding at the end the  
4 following:

5 “(f) CHRONICALLY DELAYED FLIGHTS.—

6 “(1) PUBLICATION OF LIST OF FLIGHTS.—An  
7 air carrier holding a certificate issued under section  
8 41102 that conducts scheduled passenger air trans-  
9 portation shall publish and update monthly on the  
10 Internet website of the air carrier, or provide on re-  
11 quest, a list of chronically delayed flights operated  
12 by the air carrier.

13 “(2) DISCLOSURE TO CUSTOMERS WHEN PUR-  
14 CHASING TICKETS.—An air carrier shall disclose the  
15 following information prominently to an individual  
16 before that individual books transportation on the  
17 air carrier’s Internet website for any flight for which  
18 data is reported to the Department of Transpor-  
19 tation under part 234 of title 14, Code of Federal  
20 Regulations, and for which the air carrier has pri-  
21 mary responsibility for inventory control:

22 “(A) The on-time performance for the  
23 flight if it is a chronically delayed flight.

24 “(B) The cancellation rate for the flight if  
25 it is a chronically canceled flight.

1           “(3) CHRONICALLY DELAYED; CHRONICALLY  
2           CANCELED.—The Secretary of Transportation shall  
3           define the terms ‘chronically delayed flight’ and  
4           ‘chronically canceled flight’ for purposes of this sub-  
5           section.”.

6   **SEC. 403. EAS CONNECTIVITY PROGRAM.**

7           Section 406(a) of the Vision 100—Century of Avia-  
8           tion Reauthorization Act (49 U.S.C. 40101 note) is  
9           amended by striking “may” and inserting “shall”.

10   **SEC. 404. EXTENSION OF FINAL ORDER ESTABLISHING**  
11                           **MILEAGE ADJUSTMENT ELIGIBILITY.**

12           Section 409(d) of the Vision 100—Century of Avia-  
13           tion Reauthorization Act (49 U.S.C. 40101 note) is  
14           amended by striking “September 30, 2007.” and inserting  
15           “September 30, 2011.”.

16   **SEC. 405. EAS CONTRACT GUIDELINES.**

17           Section 41737(a)(1) is amended—

18           (1) by striking “and” after the semicolon in  
19           subparagraph (B);

20           (2) by striking “provided.” in subparagraph (C)  
21           and inserting “provided;”; and

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

23           “(D) include provisions under which the Sec-  
24           retary may encourage carriers to improve air service  
25           to small and rural communities by incorporating fi-

1 nancial incentives in essential air service contracts  
 2 based on specified performance goals; and

3 “(E) include provisions under which the Sec-  
 4 retary may execute long-term essential air service  
 5 contracts to encourage carriers to provide air service  
 6 to small and rural communities where it would be in  
 7 the public interest to do so.”.

8 **SEC. 406. CONVERSION OF FORMER EAS AIRPORTS.**

9 (a) IN GENERAL.—Section 41745 is amended—

10 (1) by redesignating subsections (c) through (g)  
 11 as subsections (d) through (h), respectively; and

12 (2) by inserting after subsection (b) the fol-  
 13 lowing:

14 “(c) CONVERSION OF LOST ELIGIBILITY AIR-  
 15 PORTS.—

16 “(1) IN GENERAL.—The Secretary shall estab-  
 17 lish a program to provide general aviation conversion  
 18 funding for airports serving eligible places that the  
 19 Secretary has determined no longer qualify for a  
 20 subsidy.

21 “(2) GRANTS.—A grant under this sub-  
 22 section—

23 “(A) may not exceed twice the compensa-  
 24 tion paid to provide essential air service to the  
 25 airport in the fiscal year preceding the fiscal

1 year in which the Secretary determines that the  
2 place served by the airport is no longer an eligi-  
3 ble place; and

4 “(B) may be used—

5 “(i) for airport development (as de-  
6 fined in section 47102(3)) that will en-  
7 hance general aviation capacity at the air-  
8 port;

9 “(ii) to defray operating expenses, if  
10 such use is approved by the Secretary; or

11 “(iii) to develop innovative air service  
12 options, such as on-demand or air taxi op-  
13 erations, if such use is approved by the  
14 Secretary.

15 “(3) AIP REQUIREMENTS.—An airport sponsor  
16 that uses funds provided under this subsection for  
17 an airport development project shall comply with the  
18 requirements of subchapter I of chapter 471 applica-  
19 ble to airport development projects funded under  
20 that subchapter with respect to the project funded  
21 under this subsection.

22 “(4) LIMITATION.—The sponsor of an airport  
23 receiving funding under this subsection is not eligi-  
24 ble for funding under section 41736.”.

1 (b) CONFORMING AMENDMENT.—Section 41745(f),  
2 as redesignated, is amended—

3 (1) by striking “An eligible place” and inserting  
4 “Neither an eligible place, nor a place to which sub-  
5 section (c) applies,”; and

6 (2) by striking “not”.

7 **SEC. 407. EAS REFORM.**

8 Section 41742(a) is amended—

9 (1) by adding at the end of paragraph (1) “Any  
10 amount in excess of \$50,000,000 credited for any  
11 fiscal year to the account established under section  
12 45303(c) shall be obligated for programs under sec-  
13 tion 406 of the Vision 100—Century of Aviation Re-  
14 authorization Act (49 U.S.C. 40101 note) and sec-  
15 tion 41745 of this title. Amounts appropriated pur-  
16 suant to this section shall remain available until ex-  
17 pended.”; and

18 (2) by striking “\$77,000,000” in paragraph (2)  
19 and inserting “\$125,000,000”.

20 **SEC. 408. CLARIFICATION OF AIR CARRIER FEE DISPUTES.**

21 (a) IN GENERAL.—Section 47129 is amended—

22 (1) by striking the section heading and insert-  
23 ing the following:

1 **“§ 47129. Resolution of airport-air carrier and foreign**  
 2 **air carrier disputes concerning airport**  
 3 **fees” ;**

4 (2) by inserting “AND FOREIGN AIR CARRIER”  
 5 after “CARRIER” in the subsection caption for sub-  
 6 section (d);

7 (3) by inserting “AND FOREIGN AIR CARRIER”  
 8 after “CARRIER” in the paragraph caption for sub-  
 9 section (d)(2);

10 (4) by striking “air carrier” each place it ap-  
 11 pears and inserting “air carrier or foreign air car-  
 12 rier”;

13 (5) by striking “air carrier’s” each place it ap-  
 14 pears and inserting “air carrier’s or foreign air car-  
 15 rier’s”;

16 (6) by striking “air carriers” and inserting “air  
 17 carriers or foreign air carriers”; and

18 (7) by striking “(as defined in section 40102 of  
 19 this title)” in subsection (a) and inserting “(as those  
 20 terms are defined in section 40102 of this title)”.

21 (b) CONFORMING AMENDMENT.—The chapter anal-  
 22 ysis for chapter 471 is amended by striking the item relat-  
 23 ing to section 47129 and inserting the following:

“47129. Resolution of airport-air carrier and foreign air carrier disputes con-  
 cerning airport fees.”.

1 **SEC. 409. SMALL COMMUNITY AIR SERVICE.**

2 (a) PRIORITIES.—Section 41743(c)(5) is amended—

3 (1) by striking “and” after the semicolon in  
4 subparagraph (D);

5 (2) by striking “fashion.” in subparagraph (E)  
6 and inserting “fashion; and”; and

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

8 “(F) multiple communities cooperate to  
9 submit a region or multistate application to im-  
10 prove air service.”.

11 (b) EXTENSION OF AUTHORIZATION.—Section  
12 41743(e)(2) is amended by striking “2008” and inserting  
13 “2011”.

14 **SEC. 410. CONTRACT TOWER PROGRAM.**

15 (a) COST-BENEFIT REQUIREMENT.—Section  
16 47124(b)(1) is amended—

17 (1) by inserting “(A)” after “(1)”; and

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

19 “(B) If the Secretary determines that a tower already  
20 operating under this program has a benefit to cost ratio  
21 of less than 1.0, the airport sponsor or State or local gov-  
22 ernment having jurisdiction over the airport shall not be  
23 required to pay the portion of the costs that exceeds the  
24 benefit for a period of 18 months after such determination  
25 is made.

1       “(C) If the Secretary finds that all or part of an  
2 amount made available to carry out the program contin-  
3 ued under this paragraph is not required during a fiscal  
4 year, the Secretary may use during such fiscal year the  
5 amount not so required to carry out the program estab-  
6 lished under paragraph (3) of this section.”.

7       (b) FUNDING.—Subparagraph (E) of section  
8 47124(b)(3) is amended—

9           (1) by striking “and” after “2006,”; and

10           (2) by inserting “\$8,500,000 for fiscal year  
11 2008, \$9,000,000 for fiscal year 2009, \$9,500,000  
12 for fiscal year 2010, and \$10,000,000 for fiscal year  
13 2011” after “2007,”; and

14           (3) by inserting after “paragraph.” the fol-  
15 lowing: “If the Secretary finds that all or part of an  
16 amount made available under this subparagraph is  
17 not required during a fiscal year to carry out this  
18 paragraph, the Secretary may use during such fiscal  
19 year the amount not so required to carry out the  
20 program continued under paragraph (b)(1) of this  
21 section.”.

22       (c) FEDERAL SHARE.—Subparagraph (C) of section  
23 47124(b)(4) is amended by striking “\$1,500,000.” and in-  
24 serting “\$2,000,000.”.

1 (d) SAFETY AUDITS.—Section 41724 is amended by  
2 adding at the end the following:

3 “(c) SAFETY AUDITS.—The Secretary shall establish  
4 uniform standards and requirements for safety assess-  
5 ments of air traffic control towers that receive funding  
6 under this section in accordance with the Administration’s  
7 safety management system.”.

8 **SEC. 411. AIRFARES FOR MEMBERS OF THE ARMED**  
9 **FORCES.**

10 (a) FINDINGS.—The Congress finds that—

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

15 (2) the United States is indebted to the mem-  
16 bers of the Armed Forces, many of whom are in  
17 grave danger due to their engagement in, or expo-  
18 sure to, combat;

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

24 (4) the unique demands of military service often  
25 preclude members of the Armed Forces from pur-

1 chasing discounted advance airline tickets in order  
2 to visit their loved ones at home; and

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

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

9 (1) establish for all members of the Armed  
10 Forces on active duty reduced air fares that are  
11 comparable to the lowest airfare for ticketed flights;  
12 and

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

17 **SEC. 412. EXPANSION OF DOT AIRLINE CONSUMER COM-**  
18 **PLAINT INVESTIGATIONS.**

19 (a) IN GENERAL.—Subject to the availability of ap-  
20 propriations, the Secretary of Transportation shall inves-  
21 tigate consumer complaints regarding—

22 (1) flight cancellations;

23 (2) compliance with Federal regulations con-  
24 cerning overbooking seats flights;

1           (3) lost, damaged, or delayed baggage, and dif-  
2           ficulties with related airline claims procedures;

3           (4) problems in obtaining refunds for unused or  
4           lost tickets or fare adjustments;

5           (5) incorrect or incomplete information about  
6           fares, discount fare conditions and availability, over-  
7           charges, and fare increases;

8           (6) the rights of passengers who hold frequent  
9           flier miles, or equivalent redeemable awards earned  
10          through customer-loyalty programs; and

11          (7) deceptive or misleading advertising.

12          (b) BUDGET NEEDS REPORT.—The Secretary shall  
13          provide, as an annex to its annual budget request, an esti-  
14          mate of resources which would have been sufficient to in-  
15          vestigate all such claims the Department of Transpor-  
16          tation received in the previous fiscal year. The annex shall  
17          be transmitted to the Congress when the President sub-  
18          mits the budget of the United States to the Congress  
19          under section 1105 of title 31, United States Code.

20          **SEC. 413. EAS MARKETING.**

21          The Secretary of Transportation shall require all ap-  
22          plications to provide service under subchapter II of chap-  
23          ter 417 of title 49, United States Code, include a mar-  
24          keting plan.

1 **SEC. 414. EXTRAPERIMETAL AND INTRAPERIMETAL SLOTS**  
2 **AT RONALD REAGAN WASHINGTON NA-**  
3 **TIONAL AIRPORT.**

4 (a) **BEYOND PERIMETER EXEMPTIONS.**—Section  
5 41718 (a) is amended by striking “24” and inserting  
6 “36”.

7 (b) **WITHIN PERIMETER EXEMPTIONS.**—Section  
8 41718 (b) is amended by striking “20” and inserting  
9 “28”.

10 (c) **LIMITATIONS.**—Section 41718(c) is amended—

11 (1) by striking “3 operations.” in paragraph (2)  
12 and inserting “5 operations. Operations conducted  
13 by new entrant and limited incumbent air carriers  
14 shall be afforded a scheduling priority over oper-  
15 ations conducted by other air carriers granted ex-  
16 emptions pursuant to section 41718 with the highest  
17 scheduling priority afforded to beyond-perimeter op-  
18 erations conducted by new entrant and limited in-  
19 cumbent air carriers.”;

20 (2) by striking “six” in paragraph (3)(A) and  
21 inserting “8”;

22 (3) by striking “ten” in paragraph (3)(B) and  
23 inserting “12”; and

24 (4) by striking “four” in paragraph (3)(C) and  
25 inserting “8”.

1 **SEC. 415. ESTABLISHMENT OF ADVISORY COMMITTEE FOR**  
2 **AVIATION CONSUMER PROTECTION.**

3 (a) **IN GENERAL.**—The Secretary of Transportation  
4 shall establish an advisory committee for aviation con-  
5 sumer protection to advise the Secretary in carrying out  
6 air passenger service improvements, including those re-  
7 quired by chapter 423 of title 49, United States Code.

8 (b) **MEMBERSHIP.**—The Secretary shall appoint  
9 members of the advisory committee comprised of one rep-  
10 resentative each of—

11 (1) air carriers;

12 (2) airport operators;

13 (3) State or local governments who has exper-  
14 tise in consumer protection matters; and

15 (4) a nonprofit public interest group who has  
16 expertise in consumer protection matters.

17 (c) **VACANCIES.**—A vacancy in the advisory com-  
18 mittee shall be filled in the manner in which the original  
19 appointment was made.

20 (d) **TRAVEL EXPENSES.**—Members of the advisory  
21 committee shall serve without pay but shall receive travel  
22 expenses, including per diem in lieu of subsistence, in ac-  
23 cordance with subchapter I of chapter 57 of title 5, United  
24 States Code.

25 (e) **CHAIRPERSON.**—The Secretary shall designate,  
26 from among the individuals appointed under subsection

1 (b), an individual to serve as chairperson of the advisory  
2 committee.

3 (f) DUTIES.—The duties of the advisory committee  
4 shall include—

5 (1) evaluating existing aviation consumer pro-  
6 tection programs and providing recommendations for  
7 the improvement of such programs, if needed; and

8 (2) providing recommendations to establish ad-  
9 ditional aviation consumer protection programs, if  
10 needed.

11 (g) REPORT.—Not later than February 1 of each of  
12 the first 2 calendar years beginning after the date of en-  
13 actment of this Act, the Secretary shall transmit to Con-  
14 gress a report containing—

15 (1) the recommendations made by the advisory  
16 committee during the preceding calendar year; and

17 (2) an explanation of how the Secretary has im-  
18 plemented each recommendation and, for each rec-  
19 ommendation not implemented, the Secretary's rea-  
20 son for not implementing the recommendation.

21 **SEC. 416. RURAL AVIATION IMPROVEMENT.**

22 (a) COMMUNITIES ABOVE PER PASSENGER SUBSIDY  
23 CAP.—

24 (1) IN GENERAL.—Subchapter II of chapter  
25 417 is amended by adding at the end the following:

1 **“§ 41749. Essential air service for eligible places**  
2 **above per passenger subsidy cap**

3 “(a) PROPOSALS.—A State or local government may  
4 submit a proposal to the Secretary of Transportation for  
5 compensation for an air carrier to provide air transpor-  
6 tation to a place described in subsection (b).

7 “(b) PLACE DESCRIBED.—A place described in this  
8 subsection is a place—

9 “(1) that is otherwise an eligible place; and

10 “(2) for which the per passenger subsidy ex-  
11 ceeds the dollar amount allowable under this sub-  
12 chapter.

13 “(c) DECISIONS.—Not later than 90 days after re-  
14 ceiving a proposal under subsection (a) for compensation  
15 for an air carrier to provide air transportation to a place  
16 described in subsection (b), the Secretary shall—

17 “(1) decide whether to provide compensation  
18 for the air carrier to provide air transportation to  
19 the place; and

20 “(2) approve the proposal if the State or local  
21 government or a person is willing and able to pay  
22 the difference between—

23 “(A) the per passenger subsidy; and

24 “(B) the dollar amount allowable for such  
25 subsidy under this subchapter.

26 “(d) COMPENSATION PAYMENTS.—

1           “(1) IN GENERAL.—The Secretary shall pay  
2           compensation under this section at such time and in  
3           such manner as the Secretary determines is appro-  
4           priate.

5           “(2) DURATION OF PAYMENTS.—The Secretary  
6           shall continue to pay compensation under this sec-  
7           tion only as long as—

8                   “(A) the State or local government or per-  
9                   son agreeing to pay compensation under sub-  
10                  section (c)(2) continues to pay such compensa-  
11                  tion; and

12                   “(B) the Secretary decides the compensa-  
13                  tion is necessary to maintain air transportation  
14                  to the place.

15           “(e) REVIEW.—

16                   “(1) IN GENERAL.—The Secretary shall peri-  
17                  odically review the type and level of air service pro-  
18                  vided under this section.

19                   “(2) CONSULTATION.—The Secretary may  
20                  make appropriate adjustments in the type and level  
21                  of air service to a place under this section based on  
22                  the review under paragraph (1) and consultation  
23                  with the affected community and the State or local  
24                  government or person agreeing to pay compensation  
25                  under subsection (c)(2).

1       “(f) ENDING, SUSPENDING, AND REDUCING AIR  
 2 TRANSPORTATION.—An air carrier providing air transpor-  
 3 tation to a place under this section may end, suspend, or  
 4 reduce such air transportation if, not later than 30 days  
 5 before ending, suspending, or reducing such air transpor-  
 6 tation, the air carrier provides notice of the intent of the  
 7 air carrier to end, suspend, or reduce such air transpor-  
 8 tation to—

9               “(1) the Secretary;

10              “(2) the affected community; and

11              “(3) the State or local government or person  
 12 agreeing to pay compensation under subsection  
 13 (c)(2).”.

14              (2) CLERICAL AMENDMENT.—The chapter anal-  
 15 ysis for chapter 417 is amended by adding after the  
 16 item relating to section 41748 the following new  
 17 item:

“41749. Essential air service for eligible places above per passenger subsidy  
 cap.”.

18              (b) PREFERRED ESSENTIAL AIR SERVICE.—

19              (1) IN GENERAL.—Subchapter II of chapter  
 20 417, as amended by subsection (a), is further  
 21 amended by adding after section 41749 the fol-  
 22 lowing:

1 **“§ 41750. Preferred essential air service**

2       “(a) PROPOSALS.—A State or local government may  
3 submit a proposal to the Secretary of Transportation for  
4 compensation for a preferred air carrier described in sub-  
5 section (b) to provide air transportation to an eligible  
6 place.

7       “(b) PREFERRED AIR CARRIER DESCRIBED.—A pre-  
8 ferred air carrier described in this subsection is an air car-  
9 rier that—

10           “(1) submits an application under section  
11 41733(c) to provide air transportation to an eligible  
12 place;

13           “(2) is not the air carrier that submits the low-  
14 est cost bid to provide air transportation to the eligi-  
15 ble place; and

16           “(3) is an air carrier that the affected commu-  
17 nity prefers to provide air transportation to the eligi-  
18 ble place instead of the air carrier that submits the  
19 lowest cost bid.

20       “(c) DECISIONS.—Not later than 90 days after re-  
21 ceiving a proposal under subsection (a) for compensation  
22 for a preferred air carrier described in subsection (b) to  
23 provide air transportation to an eligible place, the Sec-  
24 retary shall—

1           “(1) decide whether to provide compensation  
2 for the preferred air carrier to provide air transpor-  
3 tation to the eligible place; and

4           “(2) approve the proposal if the State or local  
5 government or a person is willing and able to pay  
6 the difference between—

7                   “(A) the rate of compensation the Sec-  
8 retary would provide to the air carrier that sub-  
9 mits the lowest cost bid to provide air transpor-  
10 tation to the eligible place; and

11                   “(B) the rate of compensation the pre-  
12 ferred air carrier estimates to be necessary to  
13 provide air transportation to the eligible place.

14           “(d) COMPENSATION PAYMENTS.—

15                   “(1) IN GENERAL.—The Secretary shall pay  
16 compensation under this section at such time and in  
17 such manner as the Secretary determines is appro-  
18 priate.

19                   “(2) DURATION OF PAYMENTS.—The Secretary  
20 shall continue to pay compensation under this sec-  
21 tion only as long as—

22                           “(A) the State or local government or per-  
23 son agreeing to pay compensation under sub-  
24 section (c)(2) continues to pay such compensa-  
25 tion; and

1           “(B) the Secretary decides the compensa-  
2           tion is necessary to maintain air transportation  
3           to the eligible place.

4           “(e) REVIEW.—

5           “(1) IN GENERAL.—The Secretary shall peri-  
6           odically review the type and level of air service pro-  
7           vided under this section.

8           “(2) CONSULTATION.—The Secretary may  
9           make appropriate adjustments in the type and level  
10          of air service to an eligible place under this section  
11          based on the review under paragraph (1) and con-  
12          sultation with the affected community and the State  
13          or local government or person agreeing to pay com-  
14          pensation under subsection (e)(2).

15          “(f) ENDING, SUSPENDING, AND REDUCING AIR  
16          TRANSPORTATION.—A preferred air carrier providing air  
17          transportation to an eligible place under this section may  
18          end, suspend, or reduce such air transportation if, not  
19          later than 30 days before ending, suspending, or reducing  
20          such air transportation, the preferred air carrier provides  
21          notice of the intent of the preferred air carrier to end,  
22          suspend, or reduce such air transportation to—

23                  “(1) the Secretary;

24                  “(2) the affected community; and

1           “(3) the State or local government or person  
2           agreeing to pay compensation under subsection  
3           (c)(2).”.

4           (2) CLERICAL AMENDMENT.—The chapter anal-  
5           ysis for chapter 417, as amended by subsection (a),  
6           is further amended by adding after the item relating  
7           to section 41749 the following new item:

“41750. Preferred essential air service.”.

8           (c) RESTORATION OF ELIGIBILITY TO A PLACE DE-  
9           TERMINED BY THE SECRETARY TO BE INELIGIBLE FOR  
10          SUBSIDIZED ESSENTIAL AIR SERVICE.—Section 41733 is  
11          amended by adding at the end the following new sub-  
12          section:

13          “(f) RESTORATION OF ELIGIBILITY FOR SUBSIDIZED  
14          ESSENTIAL AIR SERVICE.—

15                 “(1) IN GENERAL.—If the Secretary of Trans-  
16                 portation terminates the eligibility of an otherwise  
17                 eligible place to receive basic essential air service by  
18                 an air carrier for compensation under subsection (c),  
19                 a State or local government may submit to the Sec-  
20                 retary a proposal for restoring such eligibility.

21                 “(2) DETERMINATION BY SECRETARY.—If the  
22                 per passenger subsidy required by the proposal sub-  
23                 mitted by a State or local government under para-  
24                 graph (1) does not exceed the per passenger subsidy  
25                 cap provided under this subchapter, the Secretary

1 shall issue an order restoring the eligibility of the  
2 otherwise eligible place to receive basic essential air  
3 service by an air carrier for compensation under  
4 subsection (c).”.

5 (d) OFFICE OF RURAL AVIATION.—

6 (1) ESTABLISHMENT.—There is established  
7 within the Office of the Secretary of Transportation  
8 the Office of Rural Aviation.

9 (b) FUNCTIONS.—The functions of the Office are—

10 (1) to develop a uniform 4-year contract for air  
11 carriers providing essential air service to commu-  
12 nities under subchapter II of chapter 417 of title 49,  
13 United States Code;

14 (2) to develop a mechanism for comparing ap-  
15 plications submitted by air carriers under section  
16 41733(c) to provide essential air service to commu-  
17 nities, including comparing—

18 (A) estimates from air carriers on—

19 (i) the cost of providing essential air  
20 service; and

21 (ii) the revenues air carriers expect to  
22 receive when providing essential air service;  
23 and

24 (B) estimated schedules for air transpor-  
25 tation; and

1           (3) to select an air carrier from among air car-  
2 riers applying to provide essential air service, based  
3 on the criteria described in paragraph (2).

4           (e) EXTENSION OF AUTHORITY TO MAKE AGREE-  
5 MENTS UNDER THE ESSENTIAL AIR SERVICE PRO-  
6 GRAM.—Section 41743(e)(2) is amended by striking  
7 “2008” and inserting “2011”.

8           (f) ADJUSTMENTS TO COMPENSATION FOR SIGNIFI-  
9 CANTLY INCREASED COSTS.—Section 41737 is amend-  
10 ed—

11           (1) by striking “and” after the semicolon in  
12 subsection (a)(1)(B);

13           (2) by striking “provided.” in subsection  
14 (a)(1)(C) and inserting “provided; and”;

15           (3) by adding at the end of subsection (a)(1)  
16 the following:

17           “(D) provide for an adjustment in com-  
18 pensation, for service or transportation to a  
19 place that was an eligible place as of November  
20 1, 2007, to account for significant increases in  
21 fuel costs, in accordance with subsection (e).”;

22           and

23           (4) by adding at the end thereof the following:

24           “(f) FUEL COST SUBSIDY DISREGARD.—Any amount  
25 provided as an adjustment in compensation pursuant to

1 subsection (a)(1)(D) shall be disregarded for the purpose  
2 of determining whether the amount of compensation pro-  
3 vided under this subchapter with respect to an eligible  
4 place exceeds the per passenger subsidy exceeds the dollar  
5 amount allowable under this subchapter.”.

6 (f) CONTINUED ELIGIBILITY.—Notwithstanding any  
7 provision of subchapter II of chapter 417 of title 49,  
8 United States Code, to the contrary, a community that  
9 was receiving service or transportation under that sub-  
10 chapter as an eligible place (as defined in section  
11 41731(a)(1) of such title) as of November 1, 2007, shall  
12 continue to be eligible to receive service or transportation  
13 under that subchapter without regard to whether the per  
14 passenger subsidy required exceeds the per passenger sub-  
15 sidy cap provided under that subchapter.

## 16 **TITLE V—AVIATION SAFETY**

### 17 **SEC. 501. RUNWAY SAFETY EQUIPMENT PLAN.**

18 Not later than December 31, 2008, the Administrator  
19 of the Federal Aviation Administration shall issue a plan  
20 to develop an installation and deployment schedule for sys-  
21 tems the Administration is installing to alert controllers  
22 and flight crews to potential runway incursions. The plan  
23 shall be integrated into the annual Federal Aviation Ad-  
24 ministration operational evolution plan.

1 **SEC. 502. AIRCRAFT FUEL TANK SAFETY IMPROVEMENT.**

2 Not later than December 31, 2008, the Federal Avia-  
3 tion Administration shall issue a final rule regarding the  
4 reduction of fuel tank flammability in transport category  
5 aircraft.

6 **SEC. 503. JUDICIAL REVIEW OF DENIAL OF AIRMAN CER-**  
7 **TIFICATES.**

8 (a) JUDICIAL REVIEW OF NTSB DECISIONS.—Sec-  
9 tion 44703(d) is amended by adding at the end the fol-  
10 lowing:

11 “(3) JUDICIAL REVIEW.—A person substantially af-  
12 fected by an order of the Board under this subsection, or  
13 the Administrator when the Administrator decides that an  
14 order of the Board will have a significant adverse impact  
15 on carrying out this part, may obtain judicial review of  
16 the order under section 46110 of this title. The Adminis-  
17 trator shall be made a party to the judicial review pro-  
18 ceedings. The findings of fact of the Board in any such  
19 case are conclusive if supported by substantial evidence.”.

20 (b) CONFORMING AMENDMENT.—Section 1153(c) is  
21 amended by striking “section 44709 or” and inserting  
22 “section 44703(d), 44709, or”.

1 **SEC. 504. RELEASE OF DATA RELATING TO ABANDONED**  
2 **TYPE CERTIFICATES AND SUPPLEMENTAL**  
3 **TYPE CERTIFICATES.**

4 Section 44704(a) is amended by adding at the end  
5 the following:

6 “(5) RELEASE OF DATA.—

7 “(A) Notwithstanding any other provision of  
8 law, the Administrator may designate, without the  
9 consent of the owner of record, engineering data in  
10 the agency’s possession related to a type certificate  
11 or a supplemental type certificate for an aircraft, en-  
12 gine, propeller or appliance as public data, and  
13 therefore releasable, upon request, to a person seek-  
14 ing to maintain the airworthiness of such product, if  
15 the Administrator determines that—

16 “(i) the certificate containing the requested  
17 data has been inactive for 3 years;

18 “(ii) the owner of record, or the owner of  
19 record’s heir, of the type certificate or supple-  
20 mental certificate has not been located despite  
21 a search of due diligence by the agency; and

22 “(iii) the designation of such data as pub-  
23 lic data will enhance aviation safety.

24 “(B) In this section, the term ‘engineering  
25 data’ means type design drawings and specifications  
26 for the entire product or change to the product, in-

1 including the original design data, and any associated  
 2 supplier data for individual parts or components ap-  
 3 proved as part of the particular aeronautical product  
 4 certificate.”.

5 **SEC. 505. DESIGN ORGANIZATION CERTIFICATES.**

6 Section 44704(e) is amended—

7 (1) by striking “Beginning 7 years after the  
 8 date of enactment of this subsection,” in paragraph  
 9 (1) and inserting “Effective January 1, 2013,”;

10 (2) by striking “testing” in paragraph (2) and  
 11 inserting “production”; and

12 (3) by striking paragraph (3) and inserting the  
 13 following:

14 “(3) ISSUANCE OF CERTIFICATE BASED ON DESIGN  
 15 ORGANIZATION CERTIFICATION.—The Administrator may  
 16 rely on the Design Organization for certification of compli-  
 17 ance under this section.”.

18 **SEC. 506. FAA ACCESS TO CRIMINAL HISTORY RECORDS OR**

19 **DATABASE SYSTEMS.**

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

22 **“§ 40130. FAA access to criminal history records or**  
 23 **databases systems**

24 “(a) ACCESS TO RECORDS OR DATABASES SYS-  
 25 TEMS.—

1           “(1) Notwithstanding section 534 of title 28  
2           and the implementing regulations for such section  
3           (28 C.F.R. part 20), the Administrator of the Fed-  
4           eral Aviation Administration is authorized to access  
5           a system of documented criminal justice information  
6           maintained by the Department of Justice or by a  
7           State but may do so only for the purpose of carrying  
8           out its civil and administrative responsibilities to  
9           protect the safety and security of the National Air-  
10          space System or to support the missions of the De-  
11          partment of Justice, the Department of Homeland  
12          Security, and other law enforcement agencies. The  
13          Administrator shall be subject to the same condi-  
14          tions or procedures established by the Department  
15          of Justice or State for access to such an information  
16          system by other governmental agencies with access  
17          to the system.

18           “(2) The Administrator may not use the access  
19          authorized under paragraph (1) to conduct criminal  
20          investigations.

21          “(b) DESIGNATED EMPLOYEES.—The Administrator  
22          shall, by order, designate those employees of the Adminis-  
23          tration who shall carry out the authority described in sub-  
24          section (a). Such designated employees may—

1           “(1) have access to and receive criminal history,  
2 driver, vehicle, and other law enforcement informa-  
3 tion contained in the law enforcement databases of  
4 the Department of Justice, or of any jurisdiction in  
5 a State in the same manner as a police officer em-  
6 ployed by a State or local authority of that State  
7 who is certified or commissioned under the laws of  
8 that State;

9           “(2) use any radio, data link, or warning sys-  
10 tem of the Federal Government and of any jurisdic-  
11 tion in a State that provides information about  
12 wanted persons, be-on-the-lookout notices, or war-  
13 rant status or other officer safety information to  
14 which a police officer employed by a State or local  
15 authority in that State who is certified or commis-  
16 sion under the laws of that State has access and in  
17 the same manner as such police officer; or

18           “(3) receive Federal, State, or local government  
19 communications with a police officer employed by a  
20 State or local authority in that State in the same  
21 manner as a police officer employed by a State or  
22 local authority in that State who is commissioned  
23 under the laws of that State.

24           “(c) SYSTEM OF DOCUMENTED CRIMINAL JUSTICE  
25 INFORMATION DEFINED.—In this section the term ‘sys-

1 tem of documented criminal justice information’ means  
2 any law enforcement databases, systems, or communica-  
3 tions containing information concerning identification,  
4 criminal history, arrests, convictions, arrest warrants, or  
5 wanted or missing persons, including the National Crime  
6 Information Center and its incorporated criminal history  
7 databases and the National Law Enforcement Tele-  
8 communications System.”.

9 (b) CONFORMING AMENDMENT.—The chapter anal-  
10 ysis for chapter 401 is amended by inserting after the item  
11 relating to section 40129 the following:

“40130. FAA access to criminal history records or databases systems.”.

12 **SEC. 507. FLIGHT CREW FATIGUE.**

13 (a) IN GENERAL.—Within 3 months after the date  
14 of enactment of this Act the Administrator of the Federal  
15 Aviation Administration shall conclude arrangements with  
16 the National Academy of Sciences for a study of pilot fa-  
17 tigue.

18 (b) STUDY.—The study shall include consideration  
19 of—

20 (1) research on fatigue, sleep, and circadian  
21 rhythms;

22 (2) sleep and rest requirements recommended  
23 by the National Transportation Safety Board; and

24 (3) international standards.

1 (c) REPORT.—Within 18 months after initiating the  
2 study, the National Academy shall submit a report to the  
3 Administrator containing its findings and recommenda-  
4 tions, including recommendations with respect to Federal  
5 Aviation Regulations governing flight limitation and rest  
6 requirements.

7 (d) RULEMAKING.—After the Administrator receives  
8 the National Academy’s report, the Federal Aviation Ad-  
9 ministration shall consider the findings of the National  
10 Academy in its rulemaking proceeding on flight time limi-  
11 tations and rest requirements.

12 (e) IMPLEMENTATION OF FLIGHT ATTENDANT FA-  
13 TIGUE STUDY RECOMMENDATIONS.—Within 60 days  
14 after the date of enactment of this Act, the Administrator  
15 of the Federal Aviation Administration shall initiate a  
16 process to carry out the recommendations of the CAMI  
17 study on flight attendant fatigue.

18 **SEC. 508. INCREASING SAFETY FOR HELICOPTER EMER-**  
19 **GENCY MEDICAL SERVICE OPERATORS.**

20 (a) COMPLIANCE WITH 14 CFR PART 135 REGULA-  
21 TIONS.—No later than 18 months after the date of enact-  
22 ment of this Act, all helicopter emergency medical service  
23 operators shall comply with the regulations in part 135  
24 of title 14, Code of Federal Regulations whenever there

1 is a medical crew on board, without regard to whether  
2 there are patients on board the helicopter.

3 (b) IMPLEMENTATION OF FLIGHT RISK EVALUATION  
4 PROGRAM.—Within 60 days after the date of enactment  
5 of this Act, the Federal Aviation Administration shall ini-  
6 tiate, and complete within 18 months, a rulemaking—

7 (1) to create a standardized checklist of risk  
8 evaluation factors based on its Notice 8000.301,  
9 issued in August, 2005; and

10 (2) to require helicopter emergency medical  
11 service operators to use the checklist to determine  
12 whether a mission should be accepted.

13 (c) COMPREHENSIVE CONSISTENT FLIGHT DIS-  
14 PATCH PROCEDURES.—Within 60 days after the date of  
15 enactment of this Act, the Federal Aviation Administra-  
16 tion shall initiate, and complete within 18 months, a rule-  
17 making—

18 (1) to create standardized flight dispatch proce-  
19 dures for helicopter emergency medical service oper-  
20 ators based on the regulations in part 121 of title  
21 14, Code of Federal Regulations; and

22 (2) to require such operators to use those pro-  
23 cedures for flights.

24 (d) IMPROVING SITUATIONAL AWARENESS.—Any  
25 helicopter used for helicopter emergency medical service

1 operations that is ordered, purchased, or otherwise ob-  
2 tained after the date of enactment of this Act shall have  
3 on board an operational terrain awareness and warning  
4 system that meets the technical specifications of section  
5 135.154 of the Federal Aviation Regulations (14 C.F.R.  
6 135.154).

7 (e) IMPROVING THE DATA AVAILABLE TO NTSB IN-  
8 VESTIGATORS AT CRASH SITES.—

9 (1) STUDY.—Within 1 year after the date of  
10 enactment of this Act, the Federal Aviation Admin-  
11 istration shall complete a feasibility study of requir-  
12 ing flight data and cockpit voice recorders on new  
13 and existing helicopters used for emergency medical  
14 service operations. The study shall address, at a  
15 minimum, issues related to survivability, weight, and  
16 financial considerations of such a requirement.

17 (2) RULEMAKING.—Within 2 years after the  
18 date of enactment of this Act, the Federal Aviation  
19 Administration shall complete a rulemaking to re-  
20 quire flight data and cockpit voice recorders on  
21 board such helicopters.

22 **SEC. 509. CABIN CREW COMMUNICATION.**

23 (a) IN GENERAL.—Section 44728 is amended—

24 (1) by redesignating subsection (f) as sub-  
25 section (g); and

1           (2) by inserting after subsection (e) the fol-  
2           lowing:

3           “(f) MINIMUM LANGUAGE SKILLS.—

4           “(1) IN GENERAL.—No certificate holder may  
5           use any person to serve, nor may any person serve,  
6           as a flight attendant under this part, unless that  
7           person has the ability to read, speak, and write  
8           English well enough to—

9           “(A) read material written in English and  
10           comprehend the information;

11           “(B) speak and understand English suffi-  
12           ciently to provide direction to, and understand  
13           and answer questions from, English-speaking  
14           individuals;

15           “(C) write incident reports and statements  
16           and log entries and statements; and

17           “(D) carry out written and oral instruc-  
18           tions regarding the proper performance of their  
19           duties.

20           “(2) FOREIGN FLIGHTS.—The requirements of  
21           paragraph (1) do not apply to service as a flight at-  
22           tendant on a flight operated by a certificate holder  
23           solely between points outside the United States.”.

24           (b) ADMINISTRATION.—The Administrator of the  
25           Federal Aviation Administration shall work with certifi-

1 cate holders to which section 44728(f) of title 49, United  
2 States Code, applies to facilitate compliance with the re-  
3 quirements of section 44728(f)(1) of that title.

4 **SEC. 510. CLARIFICATION OF MEMORANDUM OF UNDER-**  
5 **STANDING WITH OSHA.**

6 (a) IN GENERAL.—Within 6 months after the date  
7 of enactment of this Act, the Administrator of the Federal  
8 Aviation Administration shall—

9 (1) establish milestones, in consultation with  
10 the Occupational Safety and Health Administration,  
11 through a report to Congress for the completion of  
12 work begun under the August 2000 memorandum of  
13 understanding between the 2 Administrations and to  
14 address issues needing further action in the Admin-  
15 istrations' joint report in December 2000; and

16 (2) initiate development of a policy statement to  
17 set forth the circumstances in which Occupational  
18 Safety and Health Administration requirements may  
19 be applied to crewmembers while working in the air-  
20 craft cabin.

21 (b) POLICY STATEMENT.—The policy statement to be  
22 developed under subsection (a)(2) shall satisfy the fol-  
23 lowing principles:

24 (1) The establishment of a coordinating body  
25 similar to the Aviation Safety and Health Joint

1 Team established by the August 2000 memorandum  
2 of understanding that includes representatives des-  
3 ignated by both Administrations—

4 (A) to examine the applicability of current  
5 and future Occupational Safety and Health Ad-  
6 ministration regulations;

7 (B) to recommend policies for facilitating  
8 the training of Federal Aviation Administration  
9 inspectors; and

10 (C) to make recommendations that will  
11 govern the inspection and enforcement of safety  
12 and health standards on board aircraft in oper-  
13 ation and all work-related environments.

14 (2) Any standards adopted by the Federal Avia-  
15 tion Administration shall set forth clearly—

16 (A) the circumstances under which an em-  
17 ployer is required to take action to address oc-  
18 cupational safety and health hazards;

19 (B) the measures required of an employer  
20 under the standard; and

21 (C) the compliance obligations of an em-  
22 ployer under the standard.

1 **SEC. 511. ACCELERATION OF DEVELOPMENT AND IMPLE-**  
2 **MENTATION OF REQUIRED NAVIGATION PER-**  
3 **FORMANCE APPROACH PROCEDURES.**

4 (a) IN GENERAL.—The Administrator of the Federal  
5 Aviation Administration shall set a target of achieving a  
6 minimum of 200 Required Navigation Performance proce-  
7 dures each fiscal year through fiscal year 2012, with 25  
8 percent of that target number meeting the low visibility  
9 approach criteria.

10 (b) USE OF THIRD PARTIES.—The Administrator is  
11 authorized to provide third parties the ability to design,  
12 flight check, and implement Required Navigation Per-  
13 formance approach procedures.

14 **SEC. 512. ENHANCED SAFETY FOR AIRPORT OPERATIONS.**

15 From amounts appropriated for fiscal years 2009  
16 through 2011 pursuant to section 48101(a) of title 49,  
17 United States Code, the Secretary shall make available  
18 such sums as may be necessary for use in relocating the  
19 radar facility at National Plan of Integrated Airport Sys-  
20 tems airport number 54–0026 to improve the safety, effi-  
21 ciency, and security of air traffic control, navigation, low  
22 altitude communications and surveillance, and weather.  
23 The Administrator of the Federal Aviation Administration  
24 shall ensure that the radar is relocated before September  
25 30, 2011.

1 **SEC. 513. IMPROVED SAFETY INFORMATION.**

2 Not later than December 31, 2008, the Administrator  
3 of the Federal Aviation Administration shall issue a final  
4 rule in docket No. FAA–2008–0188, Re-registration and  
5 Renewal of Aircraft Registration. The final rule shall in-  
6 clude—

7 (1) provision for the expiration of a certificate  
8 for an aircraft registered as of the date of enactment  
9 of this Act, with re-registration requirements for  
10 those aircraft that remain eligible for registration;

11 (2) provision for the periodic expiration of all  
12 certificates issued after the effective date of the rule  
13 with a registration renewal process; and

14 (3) other measures to promote the accuracy and  
15 efficient operation and value of the Administration’s  
16 aircraft registry.

17 **SEC. 514. VOLUNTARY DISCLOSURE REPORTING PROCESS**  
18 **IMPROVEMENTS.**

19 Within 180 days after the date of enactment of this  
20 Act, the Administrator of the Federal Aviation Adminis-  
21 tration shall—

22 (1) take such action as may be necessary to en-  
23 sure that the Voluntary Disclosure Reporting Proc-  
24 ess requires inspectors—

25 (A) to evaluate corrective action proposed  
26 by an air carrier with respect to a matter dis-

1 closed by that air carrier is sufficiently com-  
2 prehensive in scope and application and applies  
3 to all affected aircraft operated by that air car-  
4 rier before accepting the proposed voluntary  
5 disclosure; and

6 (B) to verify that corrective action so iden-  
7 tified by an air carrier is completed within the  
8 timeframe proposed; and

9 (C) to verify by inspection that the car-  
10 rier's corrective action adequately corrects the  
11 problem that was disclosed; and

12 (2) establish a second level supervisory review  
13 of disclosures under the Voluntary Disclosure Re-  
14 porting Process before any proposed disclosure is ac-  
15 cepted and closed that will ensure that a matter dis-  
16 closed by an air carrier—

17 (A) has not been previously identified by a  
18 Federal Aviation Administration inspector; and

19 (B) has not been previously disclosed by  
20 the carrier in the preceding 5 years.

21 **SEC. 515. PROCEDURAL IMPROVEMENTS FOR INSPEC-**  
22 **TIONS.**

23 (a) **EMPLOYMENT BY INSPECTED AIR CARRIERS.—**

24 Within 90 days after the date of enactment of this Act,  
25 the Administrator of the Federal Aviation Administration

1 shall initiate a rulemaking proceeding to revise its post-  
2 employment guidance to prohibit an inspector employed  
3 by an air carrier the inspector was responsible for inspect-  
4 ing from representing that air carrier before the Federal  
5 Aviation Administration or participating in negotiations or  
6 other contacts with the Federal Aviation Administration  
7 on behalf of that air carrier for a period of 2 years after  
8 terminating employment by the Federal Aviation Adminis-  
9 tration.

10 (b) INSPECTION TRACKING.—Within 90 days after  
11 the date of enactment of this Act, the Administrator of  
12 the Federal Aviation Administration shall implement a  
13 process for tracking field office review of air carrier com-  
14 pliance with Federal Aviation Administration air worthi-  
15 ness directives. In tracking air worthiness directive compli-  
16 ance, the Administrator shall ensure that—

17 (1) each air carriers under the Administration’s  
18 air transportation oversight system is reviewed for  
19 100 percent compliance on a 5-year cycle;

20 (2) Compliance reviews include physical inspec-  
21 tions at each applicable carrier of a sample of the  
22 aircraft to which the air worthiness certificate ap-  
23 plies; and

24 (3) the appropriate local and regional offices,  
25 and the Administrator, are alerted whenever a car-

1 rier is no longer in compliance with an air worthi-  
2 ness directive.

3 **SEC. 516. INDEPENDENT REVIEW OF SAFETY ISSUES.**

4 Within 30 days after the date of enactment of this  
5 Act, the Comptroller General shall initiate a review and  
6 investigation of air safety issues identified by Federal  
7 Aviation Administration employees and reported to the  
8 Administrator. The Comptroller General shall report the  
9 Government Accountability Office's findings and rec-  
10 ommendations to the Administrator, the Senate Com-  
11 mittee on Commerce, Science, and Transportation, and  
12 the House of Representatives Committee on Transpor-  
13 tation and Infrastructure on an annual basis.

14 **SEC. 517. NATIONAL REVIEW TEAM.**

15 (a) IN GENERAL.—Within 180 days after the date  
16 of enactment of this Act, the Administrator of the Federal  
17 Aviation Administration shall establish a national review  
18 team within the Administration to conduct periodic, ran-  
19 dom reviews of the Administration's oversight of air car-  
20 riers and report annually its findings and recommenda-  
21 tions to the Administrator, the Senate Commerce, Science,  
22 and Transportation Committee, and the House of Rep-  
23 resentatives Committee on Transportation and Infrastruc-  
24 ture.

1           (b) INSPECTOR GENERAL REPORTS.—The Inspector  
2 General of the Department of Transportation shall provide  
3 progress reports to the Senate Committee on Commerce,  
4 Science, and Transportation and the House of Represent-  
5 atives Committee on Transportation and Infrastructure on  
6 the review teams and their effectiveness.

7           (c) ADDITIONAL SAFETY INSPECTORS.—From  
8 amounts appropriated pursuant to section 106(k)(1) of  
9 title 49, United States Code, the Administrator of the  
10 Federal Aviation Administration may hire a net increase  
11 of 200 additional safety inspectors.

12 **SEC. 518. FAA ACADEMY IMPROVEMENTS.**

13           (a) REVIEW.—Within 1 year after the date of enact-  
14 ment of this Act, the Administrator of the Federal Avia-  
15 tion Administration shall conduct a comprehensive review  
16 and evaluation of its Academy and facility training efforts.

17           (b) FACILITY TRAINING PROGRAM.—The Adminis-  
18 trator shall—

19               (1) clarify responsibility for oversight and direc-  
20 tion of the Academy’s facility training program at  
21 the national level;

22               (2) communicate information concerning that  
23 responsibility to facility managers; and

1           (3) establish standards to identify the number  
2 of developmental controllers that can be accommo-  
3 dated at each facility, based on—

4           (A) the number of available on-the-job-  
5 training instructors;

6           (B) available classroom space;

7           (C) the number of available simulators;

8           (D) training requirements; and

9           (E) the number of recently placed new per-  
10 sonnel already in training.

11 **SEC. 519. REDUCTION OF RUNWAY INCURSIONS AND OPER-**  
12 **ATIONAL ERRORS.**

13       (a) PLAN.—The Administrator of the Federal Avia-  
14 tion Administration shall develop a plan for the reduction  
15 of runway incursions by reviewing every commercial serv-  
16 ice airport (as defined in section 47102 of title 49, United  
17 States Code) in the United States and initiating action  
18 to improve airport lighting, provide better signage, and  
19 improve runway and taxiway markings.

20       (b) PROCESS.—Within 1 year after the date of enact-  
21 ment of this Act, the Administrator of the Federal Avia-  
22 tion Administration shall develop a process for tracking  
23 and investigating operational errors and runway incur-  
24 sions that includes—

1 (1) identifying the office responsible for estab-  
2 lishing regulations regarding operational errors and  
3 runway incursions;

4 (2) identifying who is responsible for tracking  
5 and investigating operational errors and runway in-  
6 cursions and taking remedial actions;

7 (3) identifying who is responsible for tracking  
8 operational errors and runway incursions, including  
9 a process for lower level employees to report to high-  
10 er supervisory levels; and

11 (4) periodic random audits of the oversight  
12 process.

## 13 **TITLE VI—AVIATION RESEARCH**

### 14 **SEC. 601. AIRPORT COOPERATIVE RESEARCH PROGRAM.**

15 (a) IN GENERAL.—Section 44511(f) is amended—

16 (1) by striking “establish a 4-year pilot” in  
17 paragraph (1) and inserting “maintain an”; and

18 (2) by inserting “pilot” in paragraph (4) before  
19 “program” the first time it appears; and

20 (3) by striking “program, including rec-  
21 ommendations as to the need for establishing a per-  
22 manent airport cooperative research program.” in  
23 paragraph (4) and inserting “program.”.

24 (b) AIRPORT COOPERATIVE RESEARCH PROGRAM.—

25 Not more than \$15,000,000 per year for fiscal years 2008,

1 2009, 2010, and 2011 may be appropriated to the Sec-  
2 retary of Transportation from the amounts made available  
3 each year under subsection (a) for the Airport Cooperative  
4 Research Program under section 44511 of this title, of  
5 which not less than \$5,000,000 per year shall be for re-  
6 search activities related to the airport environment, includ-  
7 ing reduction of community exposure to civil aircraft  
8 noise, reduction of civil aviation emissions, or addressing  
9 water quality issues.

10 **SEC. 602. REDUCTION OF NOISE, EMISSIONS, AND ENERGY**  
11 **CONSUMPTION FROM CIVILIAN AIRCRAFT.**

12 (a) ESTABLISHMENT OF RESEARCH PROGRAM.—  
13 From amounts made available under section 48102(a) of  
14 title 49, United States Code, the Administrator of the  
15 Federal Aviation Administration shall establish a research  
16 program related to reducing civilian aircraft source noise  
17 and emissions through grants or other measures author-  
18 ized under section 106(l)(6) of such title, including reim-  
19 bursable agreements with other Federal agencies. The pro-  
20 gram shall include participation of educational and re-  
21 search institutions or private sector entities that have ex-  
22 isting facilities and experience for developing and testing  
23 noise, emissions and energy reduction engine and aircraft  
24 technology, and developing alternative fuels.

1           (b) ESTABLISHING A CONSORTIUM.—Within 6  
2 months after the date of enactment of this Act, the Ad-  
3 ministrator shall designate, using a competitive process,  
4 an institution, entity, or consortium described in sub-  
5 section (a) as a Consortium for Aviation Noise, Emissions,  
6 and Energy Technology Research to perform research in  
7 accordance with this section. The Consortium shall con-  
8 duct the research program in coordination with the Na-  
9 tional Aeronautics and Space Administration and other  
10 relevant agencies.

11           (c) PERFORMANCE OBJECTIVES.—By January 1,  
12 2015, the research program shall accomplish the following  
13 objectives:

14           (1) Certifiable aircraft technology that increases  
15 aircraft fuel efficiency by 25 percent relative to 1997  
16 subsonic aircraft technology.

17           (2) Certifiable engine technology that reduces  
18 landing and takeoff cycle nitrogen oxide emissions  
19 by 50 percent, without increasing other gaseous or  
20 particle emissions, over the International Civil Avia-  
21 tion Organization standard adopted in 2004.

22           (3) Certifiable aircraft technology that reduces  
23 noise levels by 10 dB (30 dB cumulative) relative to  
24 1997 subsonic jet aircraft technology.



1 scribed in subsection (a) as a Center of Excellence for  
2 Coal-to-Jet-Fuel Research.

3 **SEC. 604. ADVISORY COMMITTEE ON FUTURE OF AERO-**  
4 **NAUTICS.**

5 (a) ESTABLISHMENT.—There is established an advi-  
6 sory committee to be know as the “Advisory Committee  
7 on the Future of Aeronautics”.

8 (b) MEMBERSHIP.—The Advisory Committee shall  
9 consist of 7 members appointed by the President from a  
10 list of 15 candidates proposed by the Director of the Na-  
11 tional Academy of Sciences.

12 (c) CHAIRPERSON.—The Advisory Committee mem-  
13 bers shall elect 1 member to serve as chairperson of the  
14 Advisory Committee.

15 (d) FUNCTIONS.—The Advisory Committee shall ex-  
16 amine the best governmental and organizational struc-  
17 tures for the conduct of civil aeronautics research and de-  
18 velopment, including options and recommendations for  
19 consolidating such research to ensure continued United  
20 States leadership in civil aeronautics. The Committee shall  
21 consider transferring responsibility for civil aeronautics re-  
22 search and development from the National Aeronautics  
23 and Space Administration to other existing departments  
24 or agencies of the Federal Government or to a non-govern-  
25 mental organization such as academic consortia or not-

1 for-profit organizations. In developing its recommenda-  
2 tions, the Advisory Committee shall consider, as appro-  
3 priate, the aeronautics research policies developed pursu-  
4 ant to section 101(d) of Public Law 109–155 and the re-  
5 quirements and priorities for aeronautics research estab-  
6 lished by title IV of Public Law 109–155.

7 (e) REPORT.—Not later than 12 months after the  
8 date on which the full membership of the Advisory Com-  
9 mittee is appointed, the Advisory Committee shall submit  
10 a report to the Senate Committee on Commerce, Science,  
11 and Transportation and the House Committees on Science  
12 and Technology and on Transportation and Infrastructure  
13 on its findings and recommendations. The report may rec-  
14 ommend a rank ordered list of acceptable solutions.

15 (f) TERMINATION.—The Advisory Committee shall  
16 terminate 60 days after the date on which it submits the  
17 report to the Congress.

18 **SEC. 605. RESEARCH PROGRAM TO IMPROVE AIRFIELD**

19 **PAVEMENTS.**

20 (a) CONTINUATION OF PROGRAM.—The Adminis-  
21 trator of the Federal Aviation Administration shall con-  
22 tinue the program to consider awards to nonprofit con-  
23 crete and asphalt pavement research foundations to im-  
24 prove the design, construction, rehabilitation, and repair

1 of airfield pavements to aid in the development of safer,  
2 more cost effective, and more durable airfield pavements.

3 (b) USE OF GRANTS OR COOPERATIVE AGREE-  
4 MENTS.—The Administrator may use grants or coopera-  
5 tive agreements in carrying out this section.

6 **SEC. 606. WAKE TURBULENCE, VOLCANIC ASH, AND WEATH-**  
7 **ER RESEARCH.**

8 Within 60 days after the date of enactment of this  
9 Act, the Administrator of the Federal Aviation Adminis-  
10 tration shall—

11 (1) initiate evaluation of proposals that would  
12 increase capacity throughout the air transportation  
13 system by reducing existing spacing requirements  
14 between aircraft of all sizes, including research on  
15 the nature of wake vortices;

16 (2) begin implementation of a system to im-  
17 prove volcanic ash avoidance options for aircraft, in-  
18 cluding the development of a volcanic ash warning  
19 and notification system for aviation; and

20 (3) establish research projects on—

21 (A) ground de-icing/anti-icing, ice pellets,  
22 and freezing drizzle;

23 (B) oceanic weather, including convective  
24 weather;

1 (C) en route turbulence prediction and de-  
2 tection; and

3 (D) all hazards during oceanic operations,  
4 where commercial traffic is high and only rudi-  
5 mentary satellite sensing is available, to reduce  
6 the hazards presented to commercial aviation.

7 **SEC. 607. INCORPORATION OF UNMANNED AERIAL SYS-**  
8 **TEMS INTO FAA PLANS AND POLICIES.**

9 (a) RESEARCH.—

10 (1) EQUIPMENT.—Section 44504 is amended—

11 (A) by inserting “unmanned and manned”  
12 in subsection (a) after “improve”;

13 (B) by striking “and” after the semicolon  
14 in subsection (b)(6);

15 (C) by striking “aircraft.” in subsection  
16 (b)(7) and inserting “aircraft; and”; and

17 (D) by adding at the end of subsection (b)  
18 the following:

19 “(8) in conjunction with other Federal agencies  
20 as appropriate, to develop technologies and methods  
21 to assess the risk of and prevent defects, failures,  
22 and malfunctions of products, parts, and processes,  
23 for use in all classes of unmanned aerial systems  
24 that could result in a catastrophic failure.”.

1           (2) HUMAN FACTORS; SIMULATIONS.—Section  
2     44505(b) is amended—

3           (A) by striking “and” after the semicolon  
4     in paragraph (4);

5           (B) by striking “programs.” in paragraph  
6     (5)(C) and inserting “programs; and”; and

7           (C) by adding at the end thereof the fol-  
8     lowing:

9           “(6) to develop a better understanding of the  
10    relationship between human factors and unmanned  
11    aerial systems air safety; and

12           “(7) to develop dynamic simulation models of  
13    integrating all classes of unmanned aerial systems  
14    into the National Air Space.”.

15    (b) NATIONAL ACADEMY OF SCIENCES ASSESS-  
16    MENT.—

17           (1) IN GENERAL.—Within 3 months after the  
18    date of enactment of this Act, the Administrator of  
19    the Federal Aviation Administration shall enter into  
20    an arrangement with the National Academy of  
21    Science for an assessment of unmanned aerial sys-  
22    tems that shall include consideration of—

23           (A) human factors regarding unmanned  
24    aerial systems operation;

1 (B) “detect, sense and avoid technologies”  
2 with respect to both cooperative and non-coop-  
3 erative aircraft;

4 (C) spectrum issues and bandwidth re-  
5 quirements;

6 (D) operation in suboptimal winds and ad-  
7 verse weather conditions;

8 (E) mechanisms for letter others know  
9 where the unmanned aerial system is flying;

10 (F) airworthiness and system redundancy;

11 (G) flight termination systems for safety  
12 and security;

13 (H) privacy issues;

14 (I) technologies for unmanned aerial sys-  
15 tems flight control;

16 (J) technologies for unmanned aerial sys-  
17 tems propulsion;

18 (K) unmanned aerial systems operator  
19 qualifications, medical standards, and training  
20 requirements;

21 (L) unmanned aerial systems maintenance  
22 requirements and training requirements; and

23 (M) any other unmanned aerial systems-re-  
24 lated issue the Administrator believes should be  
25 addressed.

1           (2) REPORT.—Within 12 months after initi-  
2           ating the study, the National Academy shall submit  
3           its report to the Administrator, the Senate Com-  
4           mittee on Commerce, Science, and Transportation,  
5           and the House of Representatives Committee on  
6           Transportation and Infrastructure containing its  
7           findings and recommendations.

8           (c) PILOT PROJECTS.—

9           (1) IN GENERAL.—The Administrator of the  
10          Federal Aviation Administration shall establish 3 2-  
11          year cost-shared pilot projects in sparsely populated,  
12          low-density Class G air traffic airspace to conduct  
13          experiments and collect data in order to accelerate  
14          the safe integration of unmanned aerial systems into  
15          the National Airspace System as follows:

16                 (A) 1 project shall address operational  
17                 issues required for integration of Category 1  
18                 unmanned aerial systems.

19                 (B) 1 project shall address operational  
20                 issues required for integration of Category 2  
21                 unmanned aerial systems.

22                 (C) 1 project shall address operational  
23                 issues required for integration of Category 3  
24                 unmanned aerial systems.

1           (2) USE OF CONSORTIA.—In conducting the  
2 pilot projects, the Administrator shall encourage the  
3 formation of consortia from the public and private  
4 sectors, educational institutions, and non-profit or-  
5 ganization.

6           (3) REPORT.—Within 60 days after completing  
7 the pilot projects, the Administrator shall transmit  
8 a report to the Senate Committee on Commerce,  
9 Science, and Transportation and the House of Rep-  
10 resentatives Committee on Transportation and In-  
11 frastructure setting forth the Administrator’s find-  
12 ings and conclusions concerning the projects.

13           (4) AUTHORIZATION OF APPROPRIATIONS.—  
14 There are authorized to be appropriated to the Ad-  
15 ministrator for fiscal years 2008 and 2009 such  
16 sums as may be necessary to conduct the pilot  
17 projects.

18           (d) FAA TASK LIST.—

19           (1) STREAMLINE UNMANNED AERIAL SYSTEMS  
20 CERTIFICATION PROCESS.—Within 30 days after the  
21 date of enactment of this Act, the Administrator of  
22 the Federal Aviation Administration shall develop  
23 and transmit an unmanned aerial systems “road-  
24 map” to the Senate Committee on Commerce,  
25 Science, and Transportation and the House of Rep-

1 representatives Committee on Transportation and In-  
2 frastructure.

3 (2) UPDATE POLICY STATEMENT.—Within 45  
4 days after the date of enactment of this Act, the Ad-  
5 ministrator shall issue an updated policy statement  
6 on unmanned aerial systems under Docket No.  
7 FAA–2006–25714; Notice No. 07–01.

8 (3) ISSUE NPRM FOR CERTIFICATES.—Within  
9 90 days after the date of enactment of this Act, the  
10 Administrator shall publish a notice of proposed  
11 rulemaking on issuing airworthiness certificates and  
12 experimental certificates to unmanned aerial systems  
13 operators for compensation or hire. The Adminis-  
14 trator shall promulgate a final rule 90 days after the  
15 date on which the notice is published.

16 (4) NOTICE TO CONGRESS ON BASING UN-  
17 MANNED AERIAL SYSTEMS REGULATIONS ON ULTRA-  
18 LIGHT REGULATIONS.—Within 90 days after the  
19 date of enactment of this Act, the Administrator  
20 shall transmit a report to the Senate Committee on  
21 Commerce, Science, and Transportation and the  
22 House of Representatives Committee on Transpor-  
23 tation and Infrastructure on the potential of using  
24 part 103 of title 14, Code of Federal Regulations  
25 (relating to Ultralight Aircraft), as the regulatory

1 basis for regulations on lightweight unmanned aerial  
2 systems.

3 (e) CONSOLIDATED RULEMAKING DEADLINE.—No  
4 later than April 30, 2010, the Federal Aviation Adminis-  
5 tration and other affected Federal agencies shall have ini-  
6 tiated all of the rule makings regarding vehicle design re-  
7 quirements, operational requirements, airworthiness re-  
8 quirements, and flight crew certifications requirements  
9 necessary for integrating all categories of unmanned aerial  
10 systems into the national air space, taking into consider-  
11 ation the recommendations the Administrator receives  
12 from the National Academy of Sciences report under sub-  
13 section (b), the unmanned aerial systems “roadmap” de-  
14 veloped by the Administrator under subsection (d)(1), the  
15 recommendations of the Radio Technical Committee Aero-  
16 nautics Special Committee 203 (RTCA–SC 203), and the  
17 data generated from the 3 pilot projects conducted under  
18 subsection (c).

19 **SEC. 608. REAUTHORIZATION OF CENTER OF EXCELLENCE**  
20 **IN APPLIED RESEARCH AND TRAINING IN**  
21 **THE USE OF ADVANCED MATERIALS IN**  
22 **TRANSPORT AIRCRAFT.**

23 Section 708(b) of the Vision 100—Century of Avia-  
24 tion Reauthorization Act (49 U.S.C. 44504 note) is  
25 amended by striking “\$500,000 for fiscal year 2004” and

1 inserting “\$1,000,000 for each of fiscal years 2008  
2 through 2012”.

3 **SEC. 609. PILOT PROGRAM FOR ZERO EMISSION AIRPORT**  
4 **VEHICLES.**

5 (a) IN GENERAL.—Subchapter I of chapter 471 is  
6 amended by inserting after section 47136 the following:

7 **“§47136A. Zero emission airport vehicles and infra-**  
8 **structure**

9 “(a) IN GENERAL.—The Secretary of Transportation  
10 shall establish a pilot program under which the sponsor  
11 of a public-use airport may use funds made available  
12 under section 47117 or section 48103 for use at such air-  
13 ports or passenger facility revenue (as defined in section  
14 40117(a)(6)) to carry out activities associated with the ac-  
15 quisition and operation of zero emission vehicles (as de-  
16 fined in section 88.120–94 of title 40, Code of Federal  
17 Regulations), including the construction or modification of  
18 infrastructure to facilitate the delivery of fuel and services  
19 necessary for the use of such vehicles. Any use of funds  
20 authorized by the preceding sentence shall be considered  
21 to be an authorized use of funds under section 47117 or  
22 section 48103, or an authorized use of passenger facility  
23 revenue (as defined in section 40117(a)(6)), as the case  
24 may be.

1       “(b) LOCATION IN AIR QUALITY NONATTAINMENT  
2 AREAS.—

3           “(1) IN GENERAL.—A public-use airport shall  
4 be eligible for participation in the pilot program only  
5 if the airport is located in an air quality nonattain-  
6 ment area (as defined in section 171(2) of the Clean  
7 Air Act (42 U.S.C. 7501(2))).

8           “(2) SHORTAGE OF CANDIDATES.—If the Sec-  
9 retary receives an insufficient number of applications  
10 from public-use airports located in such areas, then  
11 the Secretary may consider applications from public-  
12 use airports that are not located in such areas.

13       “(c) SELECTION CRITERIA.—In selecting from  
14 among applicants for participation in the program, the  
15 Secretary shall give priority consideration to applicants  
16 that will achieve the greatest air quality benefits measured  
17 by the amount of emissions reduced per dollar of funds  
18 expended under the program.

19       “(d) FEDERAL SHARE.—Notwithstanding any other  
20 provision of this subchapter, the Federal share of the costs  
21 of a project carried out under the program shall be 50  
22 percent.

23       “(e) TECHNICAL ASSISTANCE.—

24           “(1) IN GENERAL.—The sponsor of a public-use  
25 airport carrying out activities funded under the pro-

1       gram may not use more than 10 percent of the  
2       amounts made available under the program in any  
3       fiscal year for technical assistance in carrying out  
4       such activities.

5           “(2) ELIGIBLE CONSORTIUM.—To the max-  
6       imum extent practicable, participants in the program  
7       shall use an eligible consortium (as defined in sec-  
8       tion 5506 of this title) in the region of the airport  
9       to receive technical assistance described in para-  
10      graph (1).

11          “(f) MATERIALS IDENTIFYING BEST PRACTICES.—  
12      The Secretary may develop and make available materials  
13      identifying best practices for carrying out activities funded  
14      under the program based on projects carried out under  
15      section 47136 and other sources.”.

16          (b) REPORT ON EFFECTIVENESS OF PROGRAM.—Not  
17      later than 18 months after the date of enactment of this  
18      section, the Secretary of Transportation shall transmit a  
19      report to the Senate Committee on Commerce, Science,  
20      and Transportation the House of Representatives Com-  
21      mittee on Transportation and Infrastructure containing—

22           (1) an evaluation of the effectiveness of the  
23      pilot program;

1           (2) an identification of all public-use airports  
2           that expressed an interest in participating in the  
3           program; and

4           (3) a description of the mechanisms used by the  
5           Secretary to ensure that the information and know-  
6           how gained by participants in the program is trans-  
7           ferred among the participants and to other inter-  
8           ested parties, including other public-use airports.

9           (c) CONFORMING AMENDMENT.—The chapter anal-  
10          ysis for chapter 471 is amended by inserting after the item  
11          relating to section 47136 the following:

“47136A. Zero emission airport vehicles and infrastructure.”.

12       **SEC. 610. REDUCTION OF EMISSIONS FROM AIRPORT**  
13                               **POWER SOURCES.**

14           (a) IN GENERAL.—Subchapter I of chapter 471 is  
15          amended by inserting after section 47140 the following:  
16       **“§ 47140A. Reduction of emissions from airport power**  
17                               **sources**

18           “(a) IN GENERAL.—The Secretary of Transportation  
19          shall establish a program under which the sponsor of each  
20          airport eligible to receive grants under section 48103 is  
21          encouraged to assess the airport’s energy requirements,  
22          including heating and cooling, base load, back-up power,  
23          and power for on-road airport vehicles and ground support  
24          equipment, in order to identify opportunities to reduce

1 harmful emissions and increase energy efficiency at the  
2 airport.

3       “(b) GRANTS.—The Secretary may make grants  
4 under section 48103 to assist airport sponsors that have  
5 completed the assessment described in subsection (a) to  
6 acquire or construct equipment, including hydrogen equip-  
7 ment and related infrastructure, that will reduce harmful  
8 emissions and increase energy efficiency at the airport. To  
9 be eligible for such a grant, the sponsor of such an airport  
10 shall submit an application to the Secretary, at such time,  
11 in such manner, and containing such information as the  
12 Secretary may require.”.

13       (b) CONFORMING AMENDMENT.—The chapter anal-  
14 ysis for chapter 471 is amended by inserting after the item  
15 relating to section 47140 the following:

“47140A. Reduction of emissions from airport power sources.”.

## 16       **TITLE VII—MISCELLANEOUS**

### 17       **SEC. 701. GENERAL AUTHORITY.**

18       (a) THIRD PARTY LIABILITY.—Section 44303(b) is  
19 amended by striking “December 31, 2006,” and inserting  
20 “December 31, 2012,”.

21       (b) EXTENSION OF PROGRAM AUTHORITY.—Section  
22 44310 is amended by striking “March 30, 2008.” and in-  
23 serting “October 1, 2017.”.

1 **SEC. 702. HUMAN INTERVENTION MANAGEMENT STUDY.**

2       Within 6 months after the date of enactment of this  
3 Act, the Administrator of the Federal Aviation Adminis-  
4 tration shall develop a Human Intervention Management  
5 Study program for cabin crews employed by commercial  
6 air carriers in the United States.

7 **SEC. 703. AIRPORT PROGRAM MODIFICATIONS.**

8       The Administrator of the Federal Aviation Adminis-  
9 tration—

10           (1) shall establish a formal, structured certifi-  
11 cation training program for the airport concessions  
12 disadvantaged business enterprise program; and

13           (2) may appoint 3 additional staff to implement  
14 the programs of the airport concessions disadvan-  
15 tagged business enterprise initiative.

16 **SEC. 704. MISCELLANEOUS PROGRAM EXTENSIONS.**

17       (a) **EXTENSION OF METROPOLITAN WASHINGTON**  
18 **AIRPORTS AUTHORITY.**—Section 49108 is amended by  
19 striking “2008,” and inserting “2011,”.

20       (b) **MARSHALL ISLANDS, FEDERATED STATES OF**  
21 **MICRONESIA, AND PALAU.**—Section 47115(j) is amended  
22 by striking “2007,” and inserting “2011,”.

23       (c) **MIDWAY ISLAND AIRPORT.**—Section 186(d) of  
24 the Vision 100—Century of Aviation Reauthorization Act  
25 (17 Stat. 2518) is amended by striking “October 1,  
26 2007,” and inserting “October 1, 2011,”.

1 **SEC. 705. EXTENSION OF COMPETITIVE ACCESS REPORTS.**

2 Section 47107(s) is amended by striking paragraph  
3 (3).

4 **SEC. 706. UPDATE ON OVERFLIGHTS.**

5 (a) IN GENERAL.—Section 45301(b) is amended to  
6 read as follows:

7 “(b) LIMITATIONS.—

8 “(1) IN GENERAL.—In establishing fees under  
9 subsection (a), the Administrator shall ensure that  
10 the fees required by subsection (a) are reasonably  
11 related to the Administration’s costs, as determined  
12 by the Administrator, of providing the services ren-  
13 dered. Services for which costs may be recovered in-  
14 clude the costs of air traffic control, navigation,  
15 weather services, training, and emergency services  
16 which are available to facilitate safe transportation  
17 over the United States, and other services provided  
18 by the Administrator or by programs financed by  
19 the Administrator to flights that neither take off nor  
20 land in the United States. The determination of  
21 such costs by the Administrator is not subject to ju-  
22 dicial review.

23 “(2) ADJUSTMENT OF FEES.—The Adminis-  
24 trator shall adjust the overflight fees established by  
25 subsection (a)(1) by expedited rulemaking and begin  
26 collections under the adjusted fees by October 1,

1 2009. In developing the adjusted overflight fees, the  
2 Administrator shall seek and consider the rec-  
3 ommendations, if any, offered by the Aviation Rule-  
4 making Committee for Overflight Fees that are in-  
5 tended to ensure that overflight fees are reasonably  
6 related to the Administrator's costs of providing air  
7 traffic control and related services to overflights. In  
8 addition, the Administrator may periodically modify  
9 the fees established under this section either on the  
10 Administrator's own initiative or on a recommenda-  
11 tion from the Air Traffic Control Modernization  
12 Board.

13           “(3) COST DATA.—The adjustment of overflight  
14 fees under paragraph (2) shall be based on the costs  
15 to the Administration of providing the air traffic  
16 control and related activities, services, facilities, and  
17 equipment using the available data derived from the  
18 Administration's cost accounting system and cost al-  
19 location system to users, as well as budget and oper-  
20 ational data.

21           “(4) AIRCRAFT ALTITUDE.—Nothing in this  
22 section shall require the Administrator to take into  
23 account aircraft altitude in establishing any fee for  
24 aircraft operations in en route or oceanic airspace.

1           “(5) COSTS DEFINED.—In this subsection, the  
2 term ‘costs’ means those costs associated with the  
3 operation, maintenance, debt service, and overhead  
4 expenses of the services provided and the facilities  
5 and equipment used in such services, including the  
6 projected costs for the period during which the serv-  
7 ices will be provided.

8           “(6) PUBLICATION; COMMENT.—The Adminis-  
9 trator shall publish in the Federal Register any fee  
10 schedule under this section, including any adjusted  
11 overflight fee schedule, and the associated collection  
12 process as a proposed rule, pursuant to which public  
13 comment will be sought and a final rule issued.”.

14           (b) ADMINISTRATIVE PROVISION.—Section  
15 45303(c)(2) is amended to read as follows:

16           “(2) shall be available to the Administrator for  
17 expenditure for purposes authorized by Congress for  
18 the Federal Aviation Administration, however, fees  
19 established by section 45301(a)(1) of title 49 of the  
20 United States Code shall be available only to pay the  
21 cost of activities and services for which the fee is im-  
22 posed, including the costs to determine, assess, re-  
23 view, and collect the fee; and”.

1 **SEC. 707. TECHNICAL CORRECTIONS.**

2 Section 40122(g), as amended by section 307 of this  
3 Act, is further amended—

4 (1) by striking “2302(b), relating to whistle-  
5 blower protection,” in paragraph (2)(A) and insert-  
6 ing “2302,”;

7 (2) by striking “and” after the semicolon in  
8 paragraph (2)(H).

9 (3) by striking “Plan.” in paragraph (2)(I)(iii)  
10 and inserting “Plan; and”;

11 (4) by adding at the end of paragraph (2) the  
12 following:

13 “(J) sections 6381 through 6387, relating  
14 to Family and Medical Leave.”; and

15 (5) by adding at the end of paragraph (3)  
16 “Notwithstanding any other provision of law, retro-  
17 active to April 1, 1996, the Board shall have the  
18 same remedial authority over such employee appeals  
19 that it had as of March 31, 1996.”.

20 **SEC. 708. FAA TECHNICAL TRAINING AND STAFFING.**

21 (a) STUDY.—

22 (1) IN GENERAL.—The Comptroller General  
23 shall conduct a study of the training of airway  
24 transportation systems specialists of the Federal  
25 Aviation Administration that includes—

1 (A) an analysis of the type of training pro-  
2 vided to such specialists;

3 (B) an analysis of the type of training that  
4 such specialists need to be proficient in the  
5 maintenance of the latest technologies;

6 (C) actions that the Administration has  
7 undertaken to ensure that such specialists re-  
8 ceive up-to-date training on such technologies;

9 (D) the amount and cost of training pro-  
10 vided by vendors for such specialists;

11 (E) the amount and cost of training pro-  
12 vided by the Administration after developing in-  
13 house training courses for such specialists;

14 (F) the amount and cost of travel required  
15 of such specialists in receiving training; and

16 (G) a recommendation regarding the most  
17 cost-effective approach to providing such train-  
18 ing.

19 (2) REPORT.—Within 1 year after the date of  
20 enactment of this Act, the Comptroller General shall  
21 transmit a report on the study containing the Comp-  
22 troller General's findings and recommendations to  
23 the Senate Committee on Commerce, Science, and  
24 Transportation and the House of Representatives  
25 Committee on Transportation and Infrastructure.

1 (b) STUDY BY NATIONAL ACADEMY OF SCIENCES.—

2 (1) IN GENERAL.—Not later than 90 days after  
3 the date of enactment of this Act, the Administrator  
4 of the Federal Aviation Administration shall con-  
5 tract with the National Academy of Sciences to con-  
6 duct a study of the assumptions and methods used  
7 by the Federal Aviation Administration to estimate  
8 staffing needs for Federal Aviation Administration  
9 air traffic controllers, system specialists, and engi-  
10 neers to ensure proper maintenance, certification,  
11 and operation of the National Airspace System. The  
12 National Academy of Sciences shall consult with the  
13 Exclusive Bargaining Representative certified under  
14 section 7111 of title 5, United States Code, and the  
15 Administration (including the Civil Aeronautical  
16 Medical Institute) and examine data entailing  
17 human factors, traffic activity, and the technology at  
18 each facility.

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

20 (A) recommendations for objective staffing  
21 standards that maintain the safety of the Na-  
22 tional Airspace System; and

23 (B) the approximate length of time for de-  
24 veloping such standards.

1           (3) REPORT.—Not later than 24 months after  
2           executing a contract under subsection (a), the Na-  
3           tional Academy of Sciences shall transmit a report  
4           containing its findings and recommendations to the  
5           Congress.

6           (c) SAFETY STAFFING MODEL.—Within 18 months  
7           after the date of enactment of this Act, the Administrator  
8           of the Federal Aviation Administration shall develop a  
9           staffing model for aviation safety inspectors. In developing  
10          the model, the Administrator shall consult with represent-  
11          atives of the aviation safety inspectors and other inter-  
12          ested parties.

13 **SEC. 709. COMMERCIAL AIR TOUR OPERATORS IN NA-**  
14 **TIONAL PARKS.**

15          (a) SECRETARY OF THE INTERIOR AND OVER-  
16          FLIGHTS OF NATIONAL PARKS.—

17               (1) Section 40128 is amended—

18                     (A) by striking paragraph (8) of subsection  
19                     (f);

20                     (B) by striking “Director” each place it  
21                     appears and inserting “Secretary of the Inte-  
22                     rior”;

23                     (C) by striking “National Park Service” in  
24                     subsection (a)(2)(B)(vi) and inserting “Depart-  
25                     ment of the Interior”; and

1 (D) by striking “National Park Service” in  
2 subsection (b)(4)(C) and inserting “Department  
3 of the Interior”.

4 (2) The National Parks Air Tour Management  
5 Act of 2000 (49 U.S.C. 40128 note) is amended—

6 (A) by striking “Director” in section  
7 804(b) and inserting “Secretary of the Inte-  
8 rior”;

9 (B) in section 805—

10 (i) by striking “Director of the Na-  
11 tional Park Service” in subsection (a) and  
12 inserting “Secretary of the Interior”;

13 (ii) by striking “Director” each place  
14 it appears and inserting “Secretary of the  
15 Interior”;

16 (iii) by striking “National Park Serv-  
17 ice” each place it appears in subsection (b)  
18 and inserting “Department of the Inte-  
19 rior”;

20 (iv) by striking “National Park Serv-  
21 ice” in subsection (d)(2) and inserting  
22 “Department of the Interior”; and

23 (C) in section 807—

1 (i) by striking “National Park Serv-  
 2 ice” in subsection (a)(1) and inserting  
 3 “Department of the Interior”; and

4 (ii) by striking “Director of the Na-  
 5 tional Park Service” in subsection (b) and  
 6 inserting “Secretary of the Interior”.

7 (b) ALLOWING OVERFLIGHTS IN CASE OF AGREE-  
 8 MENT.—Paragraph (1) of subsection (a) of section 40128  
 9 is amended—

10 (1) by striking “and” in subparagraph (B);

11 (2) by striking “lands.” in subparagraph (C)  
 12 and inserting “lands; and”; and

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

14 “(D) in accordance with a voluntary agree-  
 15 ment between the commercial air tour operator  
 16 and appropriate representatives of the national  
 17 park or tribal lands, as the case may be.”.

18 (c) ADDITIONAL EXEMPTIONS TO AIR TOUR MAN-  
 19 AGEMENT PLANS.—Subsection (a) of section 40128 is fur-  
 20 ther amended by adding at the end the following:

21 “(5) WAIVER FOR NATIONAL PARKS WITH 100  
 22 OR FEWER COMMERCIAL AIR TOUR OPERATIONS PER  
 23 YEAR.—

24 “(A) IN GENERAL.—Subject to subpara-  
 25 graph (B), and without further administrative

1 or environmental process, the Secretary may  
2 waive the requirements of this section with re-  
3 spect to a national park over which 100 or  
4 fewer commercial air tour operations are con-  
5 ducted in a year.

6 “(B) EXCEPTION TO WAIVER IF NEC-  
7 ESSARY TO PROTECT PARK RESOURCES.—

8 “(i) IN GENERAL.—The Secretary  
9 may not waive the requirements of this  
10 section if the Secretary determines that an  
11 air tour management plan is necessary to  
12 protect park resources and values.

13 “(ii) NOTICE AND PUBLICATION.—  
14 The Secretary shall inform the Adminis-  
15 trator in writing of the determinations  
16 under clause (i), and the Secretary and the  
17 Administrator shall publish in the Federal  
18 Register a list of the national parks that  
19 fall under this subparagraph.

20 “(6) WAIVER WITH RESPECT TO VOLUNTARY  
21 AGREEMENTS.—

22 “(A) IN GENERAL.—The Secretary may  
23 waive the requirements of this section if a com-  
24 mercial air tour operator enters into a vol-  
25 untary agreement with a national park to man-

1           age commercial air tour operations over the na-  
2           tional park.

3           “(B) PURPOSE OF VOLUNTARY AGREE-  
4           MENTS.—A voluntary agreement described in  
5           subparagraph (A) shall seek to protect park re-  
6           sources and visitor experiences without compro-  
7           mising aviation safety, and may—

8                   “(i) include provisions described in  
9                   subparagraph (B) through (E) of sub-  
10                  section (b)(3);

11                   “(ii) include provisions to ensure the  
12                   stability of, and compliance with, the provi-  
13                   sions of the voluntary agreement; and

14                   “(iii) set forth a fee schedule for oper-  
15                   ating over the national park.

16           “(C) CONSULTATION.—Before entering  
17           into a voluntary agreement described in sub-  
18           paragraph (A), a national park shall consult  
19           with any Indian tribe over whose tribal lands a  
20           commercial air tour operator may conduct com-  
21           mercial air tour operations pursuant to the vol-  
22           untary agreement.

23           “(D) REVIEW AND APPROVAL BY THE SEC-  
24           RETARY AND THE ADMINISTRATOR.—

1           “(i) REVIEW.—Before executing a vol-  
2           untary agreement described in subpara-  
3           graph (A), a national park shall submit the  
4           voluntary agreement to the Secretary and  
5           the Administrator for review and approval.

6           “(ii) APPROVAL.—Not later than 60  
7           days after receiving the agreement from  
8           the national park, the Secretary and the  
9           Administrator shall inform the national  
10          park of the determination of the Secretary  
11          and the Administrator regarding the ap-  
12          proval of the agreement.

13          “(E) RESCISSION OF VOLUNTARY AGREE-  
14          MENT.—

15               “(i) BY THE SECRETARY.—The Sec-  
16               retary may rescind a voluntary agreement  
17               described in subparagraph (A) if the Sec-  
18               retary determines that the agreement does  
19               not adequately protect park resources or  
20               visitor experiences.

21               “(ii) BY THE ADMINISTRATOR.—The  
22               Administrator may rescind a voluntary  
23               agreement described in subparagraph (A)  
24               if the Administrator determines that the  
25               agreement adversely affects aviation safety

1 or the management of the national air-  
2 space system.

3 “(iii) EFFECT OF RESCISSION.—If the  
4 Secretary or the Administrator rescinds a  
5 voluntary agreement described in subpara-  
6 graph (A), the commercial air tour oper-  
7 ator that was a party to the agreement  
8 shall operate under the requirements for  
9 interim operating authority of subsection  
10 (c) until an air tour management plan for  
11 the national park becomes effective.”.

12 (d) MODIFICATION OF INTERIM OPERATING AU-  
13 THORITY.—Subsection (c)(2)(I) of section 40128 is  
14 amended to read as follows:

15 “(I) may allow for modifications of the in-  
16 terim operating authority without further envi-  
17 ronmental process, if—

18 “(i) adequate information on the ex-  
19 isting and proposed operations of the com-  
20 mercial air tour operator is provided to the  
21 Administrator and the Secretary by the op-  
22 erator seeking operating authority;

23 “(ii) the Administrator determines  
24 that the modifications would not adversely

1 affect aviation safety or the management  
2 of the national airspace system; and

3 “(iii) the Secretary agrees that the  
4 modifications would not adversely affect  
5 park resources and visitor experiences.”.

6 (e) REPORTING REQUIREMENTS FOR COMMERCIAL  
7 AIR TOUR OPERATORS.—

8 (1) IN GENERAL.—Not later than 90 days after  
9 the date of the enactment of this Act, and annually  
10 thereafter, each commercial air tour conducting com-  
11 mercial air tour operations over a national park shall  
12 report to the Administrator of the Federal Aviation  
13 Administration and the Secretary of the Interior  
14 on—

15 (A) the number of commercial air tour op-  
16 erations conducted by such operator over the  
17 national park each day;

18 (B) any relevant characteristics of com-  
19 mercial air tour operations, including the  
20 routes, altitudes, duration, and time of day of  
21 flights; and

22 (C) such other information as the Adminis-  
23 trator and the Secretary may determine nec-  
24 essary to administer the provisions of the Na-

1           tional Parks Air Tour Management Act of 2000  
2           (49 U.S.C. 40128 note).

3           (2) **FORMAT.**—The report required by para-  
4           graph (1) shall be submitted in such form as the Ad-  
5           ministrators and the Secretary determine to be ap-  
6           propriate.

7           (3) **EFFECT OF FAILURE TO REPORT.**—The Ad-  
8           ministrators shall rescind the operating authority of  
9           a commercial air tour operator that fails to file a re-  
10          port not later than 180 days after the date for the  
11          submittal of the report described in paragraph (1).

12          (4) **AUDIT OF REPORTS.**—Not later than 2  
13          years after the date of the enactment of this Act,  
14          and at such times thereafter as the Inspector Gen-  
15          eral of the Department of Transportation determines  
16          necessary, the Inspector General shall audit the re-  
17          ports required by paragraph (1).

18          (f) **COLLECTION OF FEES FROM AIR TOUR OPER-**  
19          **ATIONS.**—

20          (1) **IN GENERAL.**—The Secretary of the Inte-  
21          rior may assess a fee in an amount determined by  
22          the Secretary under paragraph (2) on a commercial  
23          air tour operator conducting commercial air tour op-  
24          erations over a national park.

1           (2) AMOUNT OF FEE.—In determining the  
2 amount of the fee assessed under paragraph (1), the  
3 Secretary shall consider the cost of developing air  
4 tour management plans for each national park.

5           (3) EFFECT OF FAILURE TO PAY FEE.—The  
6 Administrator of the Federal Aviation Administra-  
7 tion shall revoke the operating authority of a com-  
8 mercial air tour operator conducting commercial air  
9 tour operations over any national park, including the  
10 Grand Canyon National Park, that has not paid the  
11 fee assessed by the Secretary under paragraph (1)  
12 by the date that is 180 days after the date on which  
13 the Secretary determines the fee shall be paid.

14           (g) AUTHORIZATION OF APPROPRIATIONS FOR AIR  
15 TOUR MANAGEMENT PLANS.—

16           (1) IN GENERAL.—There are authorized to be  
17 appropriated \$10,000,000 to the Secretary of the  
18 Interior for the development of air tour management  
19 plans under section 40128(b) of title 49, United  
20 States Code.

21           (2) USE OF FUNDS.—The funds authorized to  
22 be appropriated by paragraph (1) shall be used to  
23 develop air tour management plans for the national  
24 parks the Secretary determines would most benefit  
25 from such a plan.

1 (h) GUIDANCE TO DISTRICT OFFICES ON COMMER-  
2 CIAL AIR TOUR OPERATORS.—The Administrator of the  
3 Federal Aviation Administration shall provide to the Ad-  
4 ministration’s district offices clear guidance on the ability  
5 of commercial air tour operators to obtain—

6 (1) increased safety certifications;

7 (2) exemptions from regulations requiring safe-  
8 ty certifications; and

9 (3) other information regarding compliance  
10 with the requirements of this Act and other Federal  
11 and State laws and regulations.

12 (i) OPERATING AUTHORITY OF COMMERCIAL AIR  
13 TOUR OPERATORS.—

14 (1) TRANSFER OF OPERATING AUTHORITY.—

15 (A) IN GENERAL.—Subject to subpara-  
16 graph (B), a commercial air tour operator that  
17 obtains operating authority from the Adminis-  
18 trator under section 40128 of title 49, United  
19 States Code, to conduct commercial air tour op-  
20 erations may transfer such authority to another  
21 commercial air tour operator at any time.

22 (B) NOTICE.—Not later than 30 days be-  
23 fore the date on which a commercial air tour  
24 operator transfers operating authority under  
25 subparagraph (A), the operator shall notify the

1 Administrator and the Secretary of the intent  
2 of the operator to transfer such authority.

3 (C) REGULATIONS.—Not later than 180  
4 days after the date of the enactment of this  
5 Act, the Administrator shall prescribe regula-  
6 tions to allow transfers of operating authority  
7 described in subparagraph (A).

8 (2) TIME FOR DETERMINATION REGARDING OP-  
9 ERATING AUTHORITY.—Notwithstanding any other  
10 provision of law, the Administrator shall determine  
11 whether to grant a commercial air tour operator op-  
12 erating authority under section 40128 of title 49,  
13 United States Code, not later than 180 days after  
14 the earlier of the date on which—

15 (A) the operator submits an application; or

16 (B) an air tour management plan is com-  
17 pleted for the national park over which the op-  
18 erator seeks to conduct commercial air tour op-  
19 erations.

20 (3) INCREASE IN INTERIM OPERATING AUTHOR-  
21 ITY.—The Administrator and the Secretary may in-  
22 crease the interim operating authority while an air  
23 tour management plan is being developed for a park  
24 if—

1 (A) the Secretary determines that such an  
2 increase does not adversely impact park re-  
3 sources or visitor experiences; and

4 (B) the Administrator determines that  
5 granting interim operating authority does not  
6 adversely affect aviation safety or the manage-  
7 ment of the national airspace system.

8 (4) ENFORCEMENT OF OPERATING AUTHOR-  
9 ITY.—The Administrator is authorized and directed  
10 to enforce the requirements of this Act and any  
11 agency rules or regulations related to operating au-  
12 thority.

13 **SEC. 710. PHASEOUT OF STAGE 1 AND 2 AIRCRAFT.**

14 (a) IN GENERAL.—Subchapter II of chapter 475 is  
15 amended by adding at the end the following:

16 **“§ 47534. Prohibition on operating certain aircraft**  
17 **weighing 75,000 pounds or less not com-**  
18 **plying with Stage 3 noise levels**

19 “(a) PROHIBITION.—Except as provided in sub-  
20 section (b), (c), or (d), a person may not operate a civil  
21 subsonic turbojet with a maximum weight of 75,000  
22 pounds or less to or from an airport in the United States  
23 unless the Secretary of Transportation finds that the air-  
24 craft complies with Stage 3 noise levels.

1       “(b) EXCEPTION.—Subsection (a) shall not apply to  
2 aircraft operated only outside the 48 contiguous States.

3       “(c) OPT-OUT.—Subsection (a) shall not apply at an  
4 airport where the airport operator has notified the Sec-  
5 retary that it wants to continue to permit the operation  
6 of civil subsonic turbojets with a maximum weight of  
7 75,000 pounds or less that do not comply with stage 3  
8 noise levels. The Secretary shall post the notices received  
9 under this subsection on its website or in another place  
10 easily accessible to the public.

11       “(d) LIMITATION.—The Secretary shall permit a per-  
12 son to operate Stage 1 and Stage 2 aircraft with a max-  
13 imum weight of 75,000 pounds or less to or from an air-  
14 port in the contiguous 48 States in order—

15               “(1) to sell, lease, or use the aircraft outside  
16 the 48 contiguous States;

17               “(2) to scrap the aircraft;

18               “(3) to obtain modifications to the aircraft to  
19 meet stage 3 noise levels;

20               “(4) to perform scheduled heavy maintenance  
21 or significant modifications on the aircraft at a  
22 maintenance facility located in the contiguous 48  
23 States;

1           “(5) to deliver the aircraft to an operator leas-  
2           ing the aircraft from the owner or return the air-  
3           craft to the lessor;

4           “(6) to prepare or park or store the aircraft in  
5           anticipation of any of the activities described in  
6           paragraphs (1) through (5); or

7           “(7) to divert the aircraft to an alternative air-  
8           port in the 48 contiguous States on account of  
9           weather, mechanical, fuel air traffic control or other  
10          safety reasons while conducting a flight in order to  
11          perform any of the activities described in paragraphs  
12          (1) through (6).

13          “(e) STATUTORY CONSTRUCTION.—Nothing in the  
14          section may be construed as interfering with, nullifying,  
15          or otherwise affecting determinations made by the Federal  
16          Aviation Administration, or to be made by the Administra-  
17          tion, with respect to applications under part 161 of title  
18          14, Code of Federal Regulations, that were pending on  
19          the date of enactment of the Aircraft Noise Reduction Act  
20          of 2006.”.

21          (b) CONFORMING AMENDMENTS.—

22                 (1) Section 47531 is amended by striking  
23                 “47529, or 47530” and inserting “47529, 47530, or  
24                 47534”.

1           (2) Section 47532 is amended by striking  
2           “47528–47531” and inserting “47528 through  
3           47531 or 47534”.

4           (3) The chapter analysis for chapter 475 is  
5           amended by inserting after the item relating to sec-  
6           tion 47533 the following:

          “47534. Prohibition on operating certain aircraft weighing 75,000 pounds or  
          less not complying with stage 3 noise levels.”.

7           (c) EFFECTIVE DATE.—The amendments made by  
8           this section shall take effect 5 years after the date of en-  
9           actment of this Act.

10   **SEC. 711. WEIGHT RESTRICTIONS AT TETERBORO AIRPORT.**

11           On and after the date of the enactment of this Act,  
12           the Administrator of the Federal Aviation Administration  
13           is prohibited from taking actions designed to challenge or  
14           influence weight restrictions or prior permission rules at  
15           Teterboro Airport in Teterboro, New Jersey.

16   **SEC. 712. PILOT PROGRAM FOR REDEVELOPMENT OF AIR-**  
17                                   **PORT PROPERTIES.**

18           (a) IN GENERAL.—Within 1 year after the date of  
19           enactment of this Act, the Administrator of the Federal  
20           Aviation Administration shall establish a pilot program at  
21           up to 4 public-use airports for airport sponsors that have  
22           submitted a noise compatibility program to the Federal  
23           Aviation Administration, from funds apportioned under  
24           section 47504 or section 40117 of title 49, United States

1 Code, in partnership with affected neighboring local juris-  
2 dictions, to support joint planning, engineering design,  
3 and environmental permitting for the assembly and rede-  
4 velopment of property purchased with noise mitigation  
5 funds or passenger facility charge funds, to encourage air-  
6 port-compatible land uses and generate economic benefits  
7 to the local airport authority and adjacent community.

8 (b) NOISE COMPATABILITY MEASURES.—Section  
9 47504(a)(2) is amended—

10 (1) by striking “and” after the semicolon in  
11 subparagraph (D);

12 (2) by striking “operations.” in subparagraph  
13 (E) and inserting “operations;”; and

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

15 “(F) joint comprehensive land use planning in-  
16 cluding master plans, traffic studies, environmental  
17 evaluation and economic and feasibility studies, with  
18 neighboring local jurisdictions undertaking commu-  
19 nity redevelopment in the area where the land or  
20 other property interests acquired by the airport op-  
21 erator pursuant to this subsection is located, to en-  
22 courage and enhance redevelopment opportunities  
23 that reflect zoning and uses that will prevent the in-  
24 troduction of additional incompatible uses and en-  
25 hance redevelopment potential; and

1           “(G) utility upgrades and other site preparation  
2           efforts.”.

3           (c) GRANT REQUIREMENTS.—The Administrator  
4           may not make a grant under subsection (a) unless the  
5           grant is made—

6           (1) to enable the airport operator and local ju-  
7           risdictions undertaking the community redevelop-  
8           ment effort to expedite redevelopment efforts;

9           (2) subject to a requirement that the local juris-  
10          diction governing the property interests in question  
11          has adopted zoning regulations that permit airport  
12          compatible redevelopment; and

13          (3) subject to a requirement that, in deter-  
14          mining the part of the proceeds from disposing of  
15          the land that is subject to repayment or reinvest-  
16          ment under section 47107(c)(2)(A) of title 49,  
17          United States Code, the total amount of the grant  
18          issued under this section shall be added to the  
19          amount of any grants issued for acquisition of land.

20          (d) DEMONSTRATION GRANTS.—

21          (1) IN GENERAL.—The Administrator shall pro-  
22          vide grants under subsection (a) for demonstration  
23          projects distributed geographically and targeted to  
24          airports that demonstrate—

1 (A) a readiness to implement cooperative  
2 land use management and redevelopment plans  
3 with the adjacent community; and

4 (B) the probability of clear economic ben-  
5 efit to the local community and financial return  
6 to the airport through the implementation of  
7 the redevelopment plan.

8 (2) FEDERAL SHARE.—

9 (A) Notwithstanding any other provision of  
10 law, the Federal share of the allowable costs of  
11 a project carried out under the pilot program  
12 shall be 80 percent.

13 (B) In determining the allowable costs, the  
14 Administrator shall deduct from the total costs  
15 of the activities described in subsection (a) that  
16 portion of the costs which is equal to that por-  
17 tion of the total property to be redeveloped  
18 under this section that is not owned or to be ac-  
19 quired by the airport operator pursuant to the  
20 noise compatibility program or that is not  
21 owned by the affected neighboring local juris-  
22 dictions or other public entities.

23 (3) MAXIMUM AMOUNT.—Not more than  
24 \$5,000,000 in funds made available under section  
25 47117(e) of title 49, United States Code, may be ex-

1        pended under the pilot program at any single public-  
2        use airport.

3            (4) EXCEPTION.—Amounts paid to the Admin-  
4        istrator under subsection (c)(3)—

5            (A) shall be in addition to amounts author-  
6        ized under section 48203 of title 49, United  
7        States Code;

8            (B) shall not be subject to any limitation  
9        on grant obligations for any fiscal year; and

10           (C) shall remain available until expended.

11        (e) USE OF PASSENGER REVENUE.—An airport  
12        sponsor that owns or operates an airport participating in  
13        the pilot program may use passenger facility revenue col-  
14        lected under section 40117 of title 49, United States Code,  
15        to pay any project cost described in subsection (a) that  
16        is not financed by a grant under the program.

17        (f) SUNSET.—This section, other than the amend-  
18        ments made by subsections (b), shall not be in effect after  
19        September 30, 2011.

20        (g) REPORT TO CONGRESS.—The Administrator shall  
21        report to Congress within 18 months after making the  
22        first grant under this section on the effectiveness of this  
23        program on returning Part 150 lands to productive use.

1 **SEC. 713. AIR CARRIAGE OF INTERNATIONAL MAIL.**

2 (a) CONTRACTING AUTHORITY.—Section 5402 of  
3 title 39, United States Code, is amended by striking sub-  
4 sections (b) and (c) and inserting the following:

5 “(b) INTERNATIONAL MAIL.—

6 “(1) IN GENERAL.—

7 “(A) Except as otherwise provided in this  
8 subsection, the Postal Service may contract for  
9 the transportation of mail by aircraft between  
10 any of the points in foreign air transportation  
11 only with certificated air carriers. A contract  
12 may be awarded to a certificated air carrier to  
13 transport mail by air between any of the points  
14 in foreign air transportation that the Secretary  
15 of Transportation has authorized the carrier to  
16 serve either directly or through a code-share re-  
17 lationship with one or more foreign air carriers.

18 “(B) If the Postal Service has sought of-  
19 fers or proposals from certificated air carriers  
20 to transport mail in foreign air transportation  
21 between points, or pairs of points within a geo-  
22 graphic region or regions, and has not received  
23 offers or proposals that meet Postal Service re-  
24 quirements at a fair and reasonable price from  
25 at least 2 such carriers, the Postal Service may  
26 seek offers or proposals from foreign air car-

1 riers. Where service in foreign air transpor-  
2 tation meeting the Postal Service's require-  
3 ments is unavailable at a fair and reasonable  
4 price from at least 2 certificated air carriers, ei-  
5 ther directly or through a code-share relation-  
6 ship with one or more foreign air carriers, the  
7 Postal Service may contract with foreign air  
8 carriers to provide the service sought if, when  
9 the Postal Service seeks offers or proposals  
10 from foreign air carriers, it also seeks an offer  
11 or proposal to provide that service from any  
12 certificated air carrier providing service between  
13 those points, or pairs of points within a geo-  
14 graphic region or regions, on the same terms  
15 and conditions that are being sought from for-  
16 eign air carriers.

17 “(C) For purposes of this subsection, the  
18 Postal Service shall use a methodology for de-  
19 termining fair and reasonable prices for the  
20 Postal Service designated region or regions de-  
21 veloped in consultation with, and with the con-  
22 currence of, certificated air carriers rep-  
23 resenting at least 51 percent of available ton  
24 miles in the markets of interest.

1           “(D) For purposes of this subsection, ceil-  
2           ing prices determined pursuant to the method-  
3           ology used under subparagraph (C) shall be  
4           presumed to be fair and reasonable if they do  
5           not exceed the ceiling prices derived from—

6                   “(i) a weighted average based on mar-  
7                   ket rate data furnished by the Inter-  
8                   national Air Transport Association or a  
9                   subsidiary unit thereof; or

10                   “(ii) if such data are not available  
11                   from those sources, such other neutral,  
12                   regularly updated set of weighted average  
13                   market rates as the Postal Service, with  
14                   the concurrence of certificated air carriers  
15                   representing at least 51 percent of avail-  
16                   able ton miles in the markets of interest,  
17                   may designate.

18           “(E) If, for purposes of subparagraph  
19           (D)(ii), concurrence cannot be attained, then  
20           the most recently available market rate data de-  
21           scribed in this subparagraph shall continue to  
22           apply for the relevant market or markets.

23           “(2) CONTRACT PROCESS.—The Postal Service  
24           shall contract for foreign air transportation as set

1       forth in paragraph (1) through an open procurement  
2       process that will provide—

3               “(A) potential offerors with timely notice  
4               of business opportunities in sufficient detail to  
5               allow them to make a proposal;

6               “(B) requirements, proposed terms and  
7               conditions, and evaluation criteria to potential  
8               offerors; and

9               “(C) an opportunity for unsuccessful  
10              offerors to receive prompt feedback upon re-  
11              quest.

12             “(3) EMERGENCY OR UNANTICIPATED CONDI-  
13             TIONS; INADEQUATE LIFT SPACE.—The Postal Serv-  
14             ice may enter into contracts to transport mail by air  
15             in foreign air transportation with a certificated air  
16             carrier or a foreign air carrier without complying  
17             with the requirements of paragraphs (b)(1) and (2)  
18             if—

19               “(A) emergency or unanticipated condi-  
20               tions exist that make it impractical for the  
21               Postal Service to comply with such require-  
22               ments; or

23               “(B) its demand for lift exceeds the space  
24               available to it under existing contracts and—

1           “(i) there is insufficient time available  
2           to seek additional lift using procedures  
3           that comply with those requirements with-  
4           out compromising the Postal Service’s  
5           service commitments to its own customers;  
6           and

7           “(ii) the Postal Service first offers  
8           any certificated air carrier holding a con-  
9           tract to carry mail between the relevant  
10          points the opportunity to carry such excess  
11          volumes under the terms of its existing  
12          contract.

13          “(c) GOOD FAITH EFFORT REQUIRED.—The Postal  
14          Service and potential offerors shall put a good-faith effort  
15          into resolving disputes concerning the award of contracts  
16          made under subsection (b).”.

17          (b) CONFORMING AMENDMENTS TO TITLE 49.—

18                 (1) Section 41901(a) is amended by striking  
19                 “39.” and inserting “39, and in foreign air trans-  
20                 portation under section 5402(b) and (c) of title 39.”.

21                 (2) Section 41901(b)(1) is amended by striking  
22                 “in foreign air transportation or”.

23                 (3) Section 41902 is amended—

24                         (A) by striking “in foreign air transpor-  
25                         tation or” in subsection (a);

1 (B) by striking subsection (b) and insert-  
2 ing the following:

3 “(b) STATEMENTS ON PLACES AND SCHEDULES.—  
4 Every air carrier shall file with the United States Postal  
5 Service a statement showing—

6 “(1) the places between which the carrier is au-  
7 thorized to transport mail in Alaska;

8 “(2) every schedule of aircraft regularly oper-  
9 ated by the carrier between places described in para-  
10 graph (1) and every change in each schedule; and

11 “(3) for each schedule, the places served by the  
12 carrier and the time of arrival at, and departure  
13 from, each such place.”;

14 (C) by striking “subsection (b)(3)” each  
15 place it appears in subsections (c)(1) and (d)  
16 and inserting “subsection (b)(2)”; and

17 (D) by striking subsections (e) and (f).

18 (4) Section 41903 is amended by striking “in  
19 foreign air transportation or” each place it appears.

20 (5) Section 41904 is amended—

21 (A) by striking “**to or in foreign**  
22 **countries**” in the section heading;

23 (B) by striking “to or in a foreign coun-  
24 try” and inserting “between two points outside  
25 the United States”; and

1           (C) by inserting after “transportation.”  
2           the following: “Nothing in this section shall af-  
3           fect the authority of the Postal Service to make  
4           arrangements with noncitizens for the carriage  
5           of mail in foreign air transportation under sub-  
6           sections 5402(b) and (c) of title 39.”.

7           (6) Section 41910 is amended by striking the  
8           first sentence and inserting “The United States  
9           Postal Service may weigh mail transported by air-  
10          craft between places in Alaska and make statistical  
11          and administrative computations necessary in the in-  
12          terest of mail service.”.

13          (7) Chapter 419 is amended—

14                (A) by striking sections 41905, 41907,  
15                41908, and 41911; and

16                (B) redesignating sections 41906, 41909,  
17                41910, and 49112 as sections 41905, 41906,  
18                41907, and 41908, respectively.

19          (8) The chapter analysis for chapter 419 is  
20          amended by redesignating the items relating to sec-  
21          tions 41906, 41909, 41910, and 49112 as relating  
22          to sections 41905, 41906, 41907, and 41908, re-  
23          spectively.

24          (9) Section 101(f) of title 39, United States  
25          Code, is amended by striking “mail and shall make

1 a fair and equitable distribution of mail business to  
2 carriers providing similar modes of transportation  
3 services to the Postal Service.” and inserting  
4 “mail.”.

5 (9) Subsections (b) and (c) of section 3401 of  
6 title 39, United States Code, are amended—

7 (A) by striking “at rates fixed and deter-  
8 mined by the Secretary of Transportation in ac-  
9 cordance with section 41901 of title 49” and in-  
10 sserting “or, for carriage of mail in foreign air  
11 transportation, other air carriers, air taxi oper-  
12 ators or foreign air carriers as permitted by  
13 section 5402 of this title”;

14 (B) by striking “at rates not to exceed  
15 those so fixed and determined for scheduled  
16 United States air carriers”;

17 (C) by striking “scheduled” each place it  
18 appears and inserting “certificated”; and

19 (D) by striking the last sentence in each  
20 such subsection.

21 (10) Section 5402(a) of title 39, United States  
22 Code, is amended—

23 (A) by inserting “‘foreign air carrier’.”  
24 after “‘interstate air transportation’,” in para-  
25 graph (2);

1 (B) by redesignating paragraphs (7)  
 2 through (23) as paragraphs (8) through (24)  
 3 and inserting after paragraph (6) the following:

4 “(7) the term ‘certificated air carrier’ means an  
 5 air carrier that holds a certificate of public conven-  
 6 ience and necessity issued under section 41102(a) of  
 7 title 49;” and

8 (C) by redesignating paragraphs (9)  
 9 through (24), as redesignated, as paragraphs  
 10 (10) through (25), respectively, and inserting  
 11 after paragraph (8) the following:

12 “(9) the term ‘code-share relationship’ means a  
 13 relationship pursuant to which any certificated air  
 14 carrier or foreign air carrier’s designation code is  
 15 used to identify a flight operated by another air car-  
 16 rier or foreign air carrier;”.

17 (c) EFFECTIVE DATE.—The amendments made by  
 18 this section shall take effect on October 1, 2008.

19 **SEC. 714. TRANSPORTING MUSICAL INSTRUMENTS.**

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

22 **“§ 41724. Musical instruments**

23 “(a) IN GENERAL.—

24 “(1) SMALL INSTRUMENTS AS CARRY-ON BAG-  
 25 GAGE.—An air carrier providing air transportation

1 shall permit a passenger to carry a violin, guitar, or  
2 other musical instrument in the aircraft cabin with-  
3 out charge if—

4 “(A) the instrument can be stowed safely  
5 in a suitable baggage compartment in the air-  
6 craft cabin or under a passenger seat; and

7 “(B) there is space for such stowage at the  
8 time the passenger boards the aircraft.

9 “(2) LARGER INSTRUMENTS AS CARRY-ON BAG-  
10 GAGE.—An air carrier providing air transportation  
11 shall permit a passenger to carry a musical instru-  
12 ment that is too large to meet the requirements of  
13 paragraph (1) in the aircraft cabin without charge  
14 if—

15 “(A) the instrument is contained in a case  
16 or covered so as to avoid injury to other pas-  
17 sengers;

18 “(B) the weight of the instrument, includ-  
19 ing the case or covering, does not exceed 165  
20 pounds;

21 “(C) the instrument can be secured by a  
22 seat belt to avoid shifting during flight;

23 “(D) the instrument does not restrict ac-  
24 cess to, or use of, any required emergency exit,  
25 regular exit, or aisle;

1           “(E) the instrument does not obscure any  
2 passenger’s view of any illuminated exit, warn-  
3 ing, or other informational sign;

4           “(F) neither the instrument nor the case  
5 contains any object not otherwise permitted to  
6 be carried in an aircraft cabin because of a law  
7 or regulation of the United States; and

8           “(G) the passenger wishing to carry the in-  
9 strument in the aircraft cabin has purchased an  
10 additional seat to accommodate the instrument.

11           “(3) LARGE INSTRUMENTS AS CHECKED BAG-  
12 GAGE.—An air carrier shall transport as baggage,  
13 without charge, a musical instrument that is the  
14 property of a passenger traveling in air transpor-  
15 tation that may not be carried in the aircraft cabin  
16 if—

17           “(A) the sum of the length, width, and  
18 height measured in inches of the outside linear  
19 dimensions of the instrument (including the  
20 case) does not exceed 120 inches; and

21           “(B) the weight of the instrument does not  
22 exceed 100 pounds.

23           “(b) REGULATIONS.—The Secretary may prescribe  
24 such regulations as may be necessary or appropriate to  
25 implement subsection (a).”.

1 (b) CONFORMING AMENDMENT.—The chapter anal-  
2 ysis for chapter 417 is amended by inserting after the item  
3 relating to section 41723 the following:

“41724. Musical instruments.”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect 30 days after the date of en-  
6 actment of this Act.

7 **SEC. 715. RECYCLING PLANS FOR AIRPORTS.**

8 (a) AIRPORT PLANNING.—section 47102(5) is  
9 amended by striking “planning.” and inserting “planning  
10 and a plan for recycling and minimizing the generation  
11 of airport solid waste, consistent with applicable State and  
12 local recycling laws, including the cost of a waste audit.”.

13 (b) MASTER PLAN.—Section 47106(a) is amended—

14 (1) by striking “and” at the end of paragraph  
15 (4);

16 (2) by striking “proposed.” in paragraph (5)  
17 and inserting “proposed; and”; and

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

19 “(6) if the project is for an airport that has an  
20 airport master plan, the master plan addresses—

21 “(A) the feasibility of solid waste recycling  
22 at the airport;

23 “(B) minimizing the generation of solid  
24 waste at the airport;

1           “(C) operation and maintenance require-  
2           ments;

3           “(D) the review of waste management con-  
4           tracts;

5           “(E) the potential for cost savings or the  
6           generation of revenue; and

7           “(F) training and education require-  
8           ments.”.

9   **SEC. 716. CONSUMER INFORMATION PAMPHLET.**

10        Within 6 months after the date of enactment of this  
11    Act, the Secretary of Transportation shall develop and  
12    make available to the public in written and electronic form  
13    a consumer and parental information pamphlet that in-  
14    cludes—

15           (1) a summary of the unaccompanied minor  
16    policies of major air carriers serving United States  
17    airports;

18           (2) a summary of such carriers’ policies per-  
19    taining to passenger air travel by children aged 17  
20    and under;

21           (3) recommendations to parents about who the  
22    appropriate authorities are to notify if a minor is  
23    traveling unsupervised and without parental consent  
24    on a major air carrier; and

1 (4) any additional recommendations the Sec-  
2 retary deems appropriate or necessary.

3 **TITLE VIII—AMERICAN INFRA-**  
4 **STRUCTURE INVESTMENT**  
5 **AND IMPROVEMENT**

6 **SECTION 800. SHORT TITLE, ETC.**

7 (a) SHORT TITLE; AMENDMENT OF 1986 CODE.—  
8 This title may be cited as the “American Infrastructure  
9 Investment and Improvement Act of 2008”.

10 (b) AMENDMENT OF 1986 CODE.—Except as other-  
11 wise expressly provided, whenever in this title an amend-  
12 ment or repeal is expressed in terms of an amendment  
13 to, or repeal of, a section or other provision, the reference  
14 shall be considered to be made to a section or other provi-  
15 sion of the Internal Revenue Code of 1986.

16 **SEC. 801. EXTENSION OF TAXES FUNDING AIRPORT AND**  
17 **AIRWAY TRUST FUND.**

18 (a) FUEL TAXES.—Subparagraph (B) of section  
19 4081(d)(2) is amended by striking “June 30, 2008” and  
20 inserting “September 30, 2011”.

21 (b) TICKET TAXES.—

22 (1) PERSONS.—Clause (ii) of section  
23 4261(j)(1)(A) is amended by striking “June 30,  
24 2008” and inserting “September 30, 2011”.



1           (1) IN GENERAL.—Subparagraph (A) of section  
2           4081(a)(2) (relating to rates of tax) is amended by  
3           striking “and” at the end of clause (ii), by striking  
4           the period at the end of clause (iii) and inserting “,  
5           and”, and by adding at the end the following new  
6           clause:

7                           “(iv) in the case of aviation-grade ker-  
8                           osene, 35.9 cents per gallon.”.

9           (2) FUEL REMOVED DIRECTLY INTO FUEL  
10           TANK OF AIRPLANE USED IN NONCOMMERCIAL AVIA-  
11           TION.—Subparagraph (C) of section 4081(a)(2) is  
12           amended to read as follows:

13                           “(C) TAXES IMPOSED ON FUEL USED IN  
14                           COMMERCIAL AVIATION.—In the case of avia-  
15                           tion-grade kerosene which is removed from any  
16                           refinery or terminal directly into the fuel tank  
17                           of an aircraft for use in commercial aviation by  
18                           a person registered for such use under section  
19                           4101, the rate of tax under subparagraph  
20                           (A)(iv) shall be 4.3 cents per gallon.”.

21           (3) EXEMPTION FOR AVIATION-GRADE KER-  
22           OSENE REMOVED INTO AN AIRCRAFT.—Subsection  
23           (e) of section 4082 is amended—

24                           (A) by striking “kerosene” and inserting  
25                           “aviation-grade kerosene”,

1 (B) by striking “section  
2 4081(a)(2)(A)(iii)” and inserting “section  
3 4081(a)(2)(A)(iv)”, and

4 (C) by striking “KEROSENE” in the head-  
5 ing and inserting “AVIATION-GRADE KER-  
6 OSENE”.

7 (4) CONFORMING AMENDMENTS.—

8 (A) Clause (iii) of section 4081(a)(2)(A) is  
9 amended by inserting “other than aviation-  
10 grade kerosene” after “kerosene”.

11 (B) The following provisions are each  
12 amended by striking “kerosene” and inserting  
13 “aviation-grade kerosene”:

14 (i) Section 4081(a)(3)(A)(ii).

15 (ii) Section 4081(a)(3)(A)(iv).

16 (iii) Section 4081(a)(3)(D).

17 (C) Section 4081(a)(3)(D) is amended—

18 (i) by striking “paragraph (2)(C)(i)”  
19 in clause (i) and inserting “paragraph  
20 (2)(C)”, and

21 (ii) by striking “paragraph (2)(C)(ii)”  
22 in clause (ii) and inserting “paragraph  
23 (2)(A)(iv)”.

24 (D) Section 4081(a)(4) is amended—

1 (i) in the heading by striking “KER-  
2 OSENE” and inserting “AVIATION-GRADE  
3 KEROSENE”, and

4 (ii) by striking “paragraph (2)(C)(i)”  
5 and inserting “paragraph (2)(C)”.

6 (E) Section 4081(d)(2) is amended by  
7 striking “(a)(2)(C)(ii)” and inserting  
8 “(a)(2)(A)(iv)”.

9 (b) RETAIL TAX ON AVIATION FUEL.—

10 (1) EXEMPTION FOR PREVIOUSLY TAXED  
11 FUEL.—Paragraph (2) of section 4041(c) is amend-  
12 ed by inserting “at the rate specified in subsection  
13 (a)(2)(A)(iv) thereof” after “section 4081”.

14 (2) RATE OF TAX.—Paragraph (3) of section  
15 4041(c) is amended to read as follows:

16 “(3) RATE OF TAX.—The rate of tax imposed  
17 by this subsection shall be the rate of tax in effect  
18 under section 4081(a)(2)(A)(iv) (4.3 cents per gallon  
19 with respect to any sale or use for commercial avia-  
20 tion).”.

21 (c) REFUNDS RELATING TO AVIATION-GRADE KER-  
22 OSENE.—

23 (1) KEROSENE USED IN COMMERCIAL AVIA-  
24 TION.—Clause (ii) of section 6427(l)(4)(A) is  
25 amended by striking “specified in section 4041(c) or

1 4081(a)(2)(A)(iii), as the case may be,” and insert-  
2 ing “so imposed”.

3 (2) KEROSENE USED IN AVIATION.—Paragraph  
4 (4) of section 6427(l) is amended—

5 (A) by striking subparagraph (B) and re-  
6 designating subparagraph (C) as subparagraph  
7 (B), and

8 (B) by amending subparagraph (B), as re-  
9 designated by subparagraph (A), to read as fol-  
10 lows:

11 “(B) PAYMENTS TO ULTIMATE, REG-  
12 ISTERED VENDOR.—With respect to any ker-  
13 osene used in aviation (other than kerosene to  
14 which paragraph (6) applies), if the ultimate  
15 purchaser of such kerosene waives (at such time  
16 and in such form and manner as the Secretary  
17 shall prescribe) the right to payment under  
18 paragraph (1) and assigns such right to the ul-  
19 timate vendor, then the Secretary shall pay  
20 (without interest) the amount which would be  
21 paid under paragraph (1) to such ultimate ven-  
22 dor, but only if such ultimate vendor—

23 “(i) is registered under section 4101,  
24 and

1                   “(ii) meets the requirements of sub-  
2                   paragraph (A), (B), or (D) of section  
3                   6416(a)(1).”.

4                   (3) AVIATION-GRADE KEROSENE NOT USED IN  
5                   AVIATION.—Subsection (l) of section 6427 is amend-  
6                   ed by redesignating paragraph (5) as paragraph (6)  
7                   and by inserting after paragraph (4) the following  
8                   new paragraph:

9                   “(5) REFUNDS FOR AVIATION-GRADE KER-  
10                   ROSENE NOT USED IN AVIATION.—If tax has been im-  
11                   posed under section 4081 at the rate specified in  
12                   section 4081(a)(2)(A)(iv) and the fuel is used other  
13                   than in an aircraft, the Secretary shall pay (without  
14                   interest) to the ultimate purchaser of such fuel an  
15                   amount equal to the amount of tax imposed on such  
16                   fuel reduced by the amount of tax that would be im-  
17                   posed under section 4041 if no tax under section  
18                   4081 had been imposed.”.

19                   (4) CONFORMING AMENDMENTS.—

20                   (A) Section 4082(d)(2)(B) is amended by  
21                   striking “6427(l)(5)(B)” and inserting  
22                   “6427(l)(6)(B)”.

23                   (B) Section 6427(i)(4) is amended—

1 (i) by striking “(4)(C)” the first two  
2 places it occurs and inserting “(4)(B)”,  
3 and

4 (ii) by striking “, (1)(4)(C)(ii), and”  
5 and inserting “and”.

6 (C) The heading of section 6427(l) is  
7 amended by striking “DIESEL FUEL AND KER-  
8 OSENE” and inserting “DIESEL FUEL, KER-  
9 OSENE, AND AVIATION FUEL”.

10 (D) Section 6427(l)(1) is amended by  
11 striking “paragraph (4)(C)(i)” and inserting  
12 “paragraph (4)(B)”.

13 (E) Section 6427(l)(4) is amended—

14 (i) by striking “KEROSENE USED IN  
15 AVIATION” in the heading and inserting  
16 “AVIATION-GRADE KEROSENE USED IN  
17 COMMERCIAL AVIATION”, and

18 (ii) in subparagraph (A)—

19 (I) by striking “kerosene” and  
20 inserting “aviation-grade kerosene”,

21 (II) by striking “KEROSENE  
22 USED IN COMMERCIAL AVIATION” in  
23 the heading and inserting “IN GEN-  
24 ERAL”.

1 (d) TRANSFERS TO THE AIRPORT AND AIRWAY  
2 TRUST FUND.—

3 (1) IN GENERAL.—Subparagraph (C) of section  
4 9502(b)(1) is amended to read as follows:

5 “(C) section 4081 with respect to aviation  
6 gasoline and aviation-grade kerosene, and”.

7 (2) TRANSFERS ON ACCOUNT OF CERTAIN RE-  
8 FUNDS.—

9 (A) IN GENERAL.—Subsection (d) of sec-  
10 tion 9502 is amended—

11 (i) in paragraph (2) by striking  
12 “(other than subsection (l)(4) thereof”,  
13 and

14 (ii) in paragraph (3) by striking  
15 “(other than payments made by reason of  
16 paragraph (4) of section 6427(l))”.

17 (B) CONFORMING AMENDMENTS.—

18 (i) Section 9503(b)(4) is amended by  
19 striking “or” at the end of subparagraph  
20 (C), by striking the period at the end of  
21 subparagraph (D) and inserting a comma,  
22 and by inserting after subparagraph (D)  
23 the following:

1           “(E) section 4081 to the extent attrib-  
2           utable to the rate specified in clause (ii) or (iv)  
3           of section 4081(a)(2)(A), or

4           “(F) section 4041(c).”.

5           (ii) Section 9503(e) is amended by  
6           striking the last paragraph (relating to  
7           transfers from the Trust Fund for certain  
8           aviation fuel taxes).

9           (iii) Section 9502(a) is amended—

10           (I) by striking “appropriated,  
11           credited, or paid into” and inserting  
12           “appropriated or credited to”, and

13           (II) by striking “, section  
14           9503(e)(7),”.

15       (e) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to fuels removed, entered, or sold  
17 after December 31, 2008.

18       (f) FLOOR STOCKS TAX.—

19           (1) IMPOSITION OF TAX.—In the case of avia-  
20           tion fuel which is held on January 1, 2009, by any  
21           person, there is hereby imposed a floor stocks tax on  
22           aviation fuel equal to—

23           (A) the tax which would have been imposed  
24           before such date on such fuel had the amend-

1           ments made by this section been in effect at all  
2           times before such date, reduced by

3                   (B) the sum of—

4                           (i) the tax imposed before such date  
5                           on such fuel under section 4081 of the In-  
6                           ternal Revenue Code of 1986, as in effect  
7                           on such date, and

8                           (ii) in the case of kerosene held exclu-  
9                           sively for such person's own use, the  
10                          amount which such person would (but for  
11                          this clause) reasonably expect (as of such  
12                          date) to be paid as a refund under section  
13                          6427(l) of such Code with respect to such  
14                          kerosene.

15           (2) LIABILITY FOR TAX AND METHOD OF PAY-  
16           MENT.—

17                   (A) LIABILITY FOR TAX.—A person hold-  
18                   ing aviation fuel on January 1, 2009, shall be  
19                   liable for such tax.

20                   (B) TIME AND METHOD OF PAYMENT.—  
21                   The tax imposed by paragraph (1) shall be paid  
22                   at such time and in such manner as the Sec-  
23                   retary of the Treasury shall prescribe.

24           (3) TRANSFER OF FLOOR STOCK TAX REVE-  
25           NUES TO TRUST FUNDS.—For purposes of deter-

1 mining the amount transferred to the Airport and  
2 Airway Trust Fund, the tax imposed by this sub-  
3 section shall be treated as imposed by section  
4 4081(a)(2)(A)(iv) of the Internal Revenue Code of  
5 1986.

6 (4) DEFINITIONS.—For purposes of this sub-  
7 section—

8 (A) AVIATION FUEL.—The term “aviation  
9 fuel” means aviation-grade kerosene and avia-  
10 tion gasoline, as such terms are used within the  
11 meaning of section 4081 of the Internal Rev-  
12 enue Code of 1986.

13 (B) HELD BY A PERSON.—Aviation fuel  
14 shall be considered as held by a person if title  
15 thereto has passed to such person (whether or  
16 not delivery to the person has been made).

17 (C) SECRETARY.—The term “Secretary”  
18 means the Secretary of the Treasury or the  
19 Secretary’s delegate.

20 (5) EXCEPTION FOR EXEMPT USES.—The tax  
21 imposed by paragraph (1) shall not apply to any  
22 aviation fuel held by any person exclusively for any  
23 use to the extent a credit or refund of the tax is al-  
24 lowable under the Internal Revenue Code of 1986  
25 for such use.

1           (6) EXCEPTION FOR CERTAIN AMOUNTS OF  
2 FUEL.—

3           (A) IN GENERAL.—No tax shall be im-  
4 posed by paragraph (1) on any aviation fuel  
5 held on January 1, 2009, by any person if the  
6 aggregate amount of such aviation fuel held by  
7 such person on such date does not exceed 2,000  
8 gallons. The preceding sentence shall apply only  
9 if such person submits to the Secretary (at the  
10 time and in the manner required by the Sec-  
11 retary) such information as the Secretary shall  
12 require for purposes of this subparagraph.

13           (B) EXEMPT FUEL.—For purposes of sub-  
14 paragraph (A), there shall not be taken into ac-  
15 count any aviation fuel held by any person  
16 which is exempt from the tax imposed by para-  
17 graph (1) by reason of paragraph (6).

18           (C) CONTROLLED GROUPS.—For purposes  
19 of this subsection—

20           (i) CORPORATIONS.—

21           (I) IN GENERAL.—All persons  
22 treated as a controlled group shall be  
23 treated as 1 person.

24           (II) CONTROLLED GROUP.—The  
25 term “controlled group” has the

1 meaning given to such term by sub-  
2 section (a) of section 1563 of the In-  
3 ternal Revenue Code of 1986; except  
4 that for such purposes the phrase  
5 “more than 50 percent” shall be sub-  
6 stituted for the phrase “at least 80  
7 percent” each place it appears in such  
8 subsection.

9 (ii) NONINCORPORATED PERSONS  
10 UNDER COMMON CONTROL.—Under regula-  
11 tions prescribed by the Secretary, prin-  
12 ciples similar to the principles of subpara-  
13 graph (A) shall apply to a group of per-  
14 sons under common control if 1 or more of  
15 such persons is not a corporation.

16 (7) OTHER LAWS APPLICABLE.—All provisions  
17 of law, including penalties, applicable with respect to  
18 the taxes imposed by section 4081 of the Internal  
19 Revenue Code of 1986 on the aviation fuel involved  
20 shall, insofar as applicable and not inconsistent with  
21 the provisions of this subsection, apply with respect  
22 to the floor stock taxes imposed by paragraph (1) to  
23 the same extent as if such taxes were imposed by  
24 such section.

1 **SEC. 804. AIR TRAFFIC CONTROL SYSTEM MODERNIZATION**  
2 **ACCOUNT.**

3 (a) IN GENERAL.—Section 9502 (relating to the Air-  
4 port and Airway Trust Fund) is amended by adding at  
5 the end the following new subsection:

6 “(g) ESTABLISHMENT OF AIR TRAFFIC CONTROL  
7 SYSTEM MODERNIZATION ACCOUNT.—

8 “(1) CREATION OF ACCOUNT.—There is estab-  
9 lished in the Airport and Airway Trust Fund a sepa-  
10 rate account to be known as the ‘Air Traffic Control  
11 System Modernization Account’ consisting of such  
12 amounts as may be transferred or credited to the  
13 Air Traffic Control System Modernization Account  
14 as provided in this subsection or section 9602(b).

15 “(2) TRANSFERS TO AIR TRAFFIC CONTROL  
16 SYSTEM MODERNIZATION ACCOUNT.—On October 1,  
17 2008, and annually thereafter, the Secretary shall  
18 transfer to the Air Traffic Control System Mod-  
19 ernization Account from amounts appropriated to  
20 the Airport and Airway Trust Fund under sub-  
21 section (b) which are attributable to taxes on avia-  
22 tion-grade kerosene an amount equal to  
23 \$400,000,000.

24 “(3) EXPENDITURES FROM ACCOUNT.—  
25 Amounts in the Air Traffic Control System Mod-  
26 ernization Account shall be available subject to ap-

1       appropriation for expenditures relating to the mod-  
2       ernization of the air traffic control system (including  
3       facility and equipment account expenditures).”.

4       (b) CONFORMING AMENDMENT.—Section 9502(d)(1)  
5 is amended by striking “Amounts” and inserting “Except  
6 as provided in subsection (g), amounts”.

7       (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall take effect on the date of the enactment  
9 of this Act.

10 **SEC. 805. TREATMENT OF FRACTIONAL AIRCRAFT OWNER-**  
11 **SHIP PROGRAMS.**

12       (a) FUEL SURTAX.—

13           (1) IN GENERAL.—Subchapter B of chapter 31  
14 is amended by adding at the end the following new  
15 section:

16 **“SEC. 4043. SURTAX ON FUEL USED IN AIRCRAFT PART OF**  
17 **A FRACTIONAL OWNERSHIP PROGRAM.**

18       “(a) IN GENERAL.—There is hereby imposed a tax  
19 on any liquid used during any calendar quarter by any  
20 person as a fuel in an aircraft which is—

21           “(1) registered in the United States, and

22           “(2) part of a fractional ownership aircraft pro-  
23 gram.

24       “(b) AMOUNT OF TAX.—The rate of tax imposed by  
25 subsection (a) is 14.1 cents per gallon.

1       “(c) FRACTIONAL OWNERSHIP AIRCRAFT PRO-  
2 GRAM.—For purposes of this section—

3               “(1) IN GENERAL.—The term ‘fractional owner-  
4 ship aircraft program’ means a program under  
5 which—

6                       “(A) a single fractional ownership program  
7 manager provides fractional ownership program  
8 management services on behalf of the fractional  
9 owners,

10                      “(B) 2 or more airworthy aircraft are part  
11 of the program,

12                      “(C) there are 1 or more fractional owners  
13 per program aircraft, with at least 1 program  
14 aircraft having more than 1 owner,

15                      “(D) each fractional owner possesses at  
16 least a minimum fractional ownership interest  
17 in 1 or more program aircraft,

18                      “(E) there exists a dry-lease exchange ar-  
19 rangement among all of the fractional owners,  
20 and

21                      “(F) there are multi-year program agree-  
22 ments covering the fractional ownership, frac-  
23 tional ownership program management services,  
24 and dry-lease aircraft exchange aspects of the  
25 program.

1           “(2) MINIMUM FRACTIONAL OWNERSHIP INTER-  
2           EST.—The term ‘minimum fractional ownership in-  
3           terest’ means, with respect to each type of aircraft—

4                   “(A) a fractional ownership interest equal  
5                   to or greater than  $\frac{1}{16}$  of at least 1 subsonic,  
6                   fixed wing or powered lift program aircraft, or

7                   “(B) a fractional ownership interest equal  
8                   to or greater than  $\frac{1}{32}$  of a least 1 rotorcraft  
9                   program aircraft.

10           “(3) DRY-LEASE EXCHANGE ARRANGEMENT.—

11           A ‘dry-lease aircraft exchange’ means an agreement,  
12           documented by the written program agreements,  
13           under which the program aircraft are available, on  
14           an as needed basis without crew, to each fractional  
15           owner.

16           “(d) TERMINATION.—This section shall not apply to  
17           liquids used as a fuel in an aircraft after September 30,  
18           2011.”.

19           (2) CONFORMING AMENDMENT.—Section  
20           4082(e) is amended by inserting “(other than an  
21           aircraft described in section 4043(a))” after “an air-  
22           craft”.

23           (3) TRANSFER OF REVENUES TO AIRPORT AND  
24           AIRWAY TRUST FUND.—Section 9502(b)(1) is  
25           amended by redesignating subparagraphs (B) and

1 (C) as subparagraphs (C) and (D), respectively, and  
 2 by inserting after subparagraph (A) the following  
 3 new subparagraph:

4 “(B) section 4043 (relating to surtax on  
 5 fuel used in aircraft part of a fractional owner-  
 6 ship program),”.

7 (4) CLERICAL AMENDMENT.—The table of sec-  
 8 tions for subchapter B of chapter 31 is amended by  
 9 adding at the end the following new item:

“Sec. 4043. Surtax on fuel used in aircraft part of a fractional ownership pro-  
 gram.”.

10 (b) FRACTIONAL OWNERSHIP PROGRAMS TREATED  
 11 AS NON-COMMERCIAL AVIATION.—Subsection (b) of sec-  
 12 tion 4083 is amended by adding at the end the following  
 13 new sentence: “Such term shall not include the use of any  
 14 aircraft which is part of a fractional ownership aircraft  
 15 program (as defined by section 4043(c)).”.

16 (c) EXEMPTION FROM TAX ON TRANSPORTATION OF  
 17 PERSONS.—Section 4261, as amended by this Act, is  
 18 amended by redesignating subsection (j) as subsection (k)  
 19 and by inserting after subsection (i) the following new sub-  
 20 section:

21 “(j) EXEMPTION FOR AIRCRAFT IN FRACTIONAL  
 22 OWNERSHIP AIRCRAFT PROGRAMS.—No tax shall be im-  
 23 posed by this section or section 4271 on any air transpor-

1 tation by an aircraft which is part of a fractional owner-  
 2 ship aircraft program (as defined by section 4043(c)).”.

3 (d) EFFECTIVE DATES.—

4 (1) SUBSECTION (a).—The amendments made  
 5 by subsections (a) shall apply to fuel used after De-  
 6 cember 31, 2008.

7 (2) SUBSECTION (b).—The amendment made  
 8 by subsection (b) shall apply to uses of aircraft after  
 9 December 31, 2008.

10 (3) SUBSECTION (c).—The amendments made  
 11 by subsection (c) shall apply to taxable transpor-  
 12 tation provided after December 31, 2008.

13 **SEC. 806. TERMINATION OF EXEMPTION FOR SMALL AIR-**  
 14 **CRAFT ON NONESTABLISHED LINES.**

15 (a) IN GENERAL.—Section 4281 is amended to read  
 16 as follows:

17 **“SEC. 4281. SMALL AIRCRAFT OPERATED SOLELY FOR**  
 18 **SIGHTSEEING.**

19 “The taxes imposed by sections 4261 and 4271 shall  
 20 not apply to transportation by an aircraft having a max-  
 21 imum certificated takeoff weight of 6,000 pounds or less  
 22 at any time during which such aircraft is being operated  
 23 on a flight the sole purpose of which is sightseeing. For  
 24 purposes of the preceding sentence, the term ‘maximum  
 25 certificated takeoff weight’ means the maximum such

1 weight contained in the type certificate or airworthiness  
2 certificate.”.

3 (b) CONFORMING AMENDMENT.—The item relating  
4 to section 4281 in the table of sections for part III of  
5 subchapter C of chapter 33 is amended by striking “on  
6 nonestablished lines” and inserting “operated solely for  
7 sightseeing”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable transportation provided  
10 after December 31, 2008.

11 **SEC. 807. TRANSPARENCY IN PASSENGER TAX DISCLO-**  
12 **SURES.**

13 (a) IN GENERAL.—Section 7275 (relating to penalty  
14 for offenses relating to certain airline tickets and adver-  
15 tising) is amended—

16 (1) by redesignating subsection (c) as sub-  
17 section (d),

18 (2) by striking “subsection (a) or (b)” in sub-  
19 section (d), as so redesignated, and inserting “sub-  
20 section (a), (b), or (c)”, and

21 (3) by inserting after subsection (b) the fol-  
22 lowing new subsection:

23 “(c) NON-TAX CHARGES.—

24 “(1) IN GENERAL.—In the case of transpor-  
25 tation by air for which disclosure on the ticket or

1 advertising for such transportation of the amounts  
2 paid for passenger taxes is required by subsection  
3 (a)(2) or (b)(1)(B), it shall be unlawful for the dis-  
4 closure of the amount of such taxes on such ticket  
5 or advertising to include any amounts not attrib-  
6 utable to the taxes imposed by subsection (a), (b),  
7 or (c) of section 4261.

8 “(2) INCLUSION IN TRANSPORTATION COST.—  
9 Nothing in this subsection shall prohibit the inclu-  
10 sion of amounts not attributable to the taxes im-  
11 posed by subsection (a), (b), or (c) of section 4261  
12 in the disclosure of the amount paid for transpor-  
13 tation as required by subsection (a)(1) or (b)(1)(A),  
14 or in a separate disclosure of amounts not attrib-  
15 utable to such taxes.”.

16 (b) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable transportation provided  
18 after December 31, 2008.

Calendar No. 726

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**S. 2972**

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**A BILL**

To reauthorize and modernize the Federal Aviation  
Administration.

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MAY 6, 2008

Read the second time and placed on the calendar