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104TH CONGRESS
2D SESSION

S. 1801

To amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal year 1997, to reform the Federal Aviation Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 23, 1996

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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A BILL

To amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal year 1997, to reform the Federal Aviation Administration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Omnibus Aviation Act of 1996''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—FEDERAL AVIATION AUTHORIZATION

PART I—AUTHORIZATIONS

Sec. 101. Short title.
Sec. 102. Amendments to title 49, United States Code.
Sec. 103. Federal Aviation Administration operations.
Sec. 104. Air navigation facilities.
Sec. 105. Research and development.
Sec. 106. Airport planning and development and noise compatibility planning and programs.

PART II—AIRPORT IMPROVEMENT PROGRAM MODIFICATIONS

Sec. 121. Definitions; pavement maintenance.
Sec. 122. Military airport program.
Sec. 123. State block grant program.
Sec. 124. Use of noise set-aside funds by non-airport sponsors.

PART III—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

Sec. 131. Expenditures from Airport and Airway Trust fund.

PART IV—COMMERCIAL SPACE TRANSPORTATION

Sec. 141. Conforming amendments.
Sec. 142. Amendments to findings and purposes.
Sec. 143. Definitions.
Sec. 144. General authority.
Sec. 145. Restrictions on launches, reentries, and operations.
Sec. 146. License applications and requirements.
Sec. 147. Monitoring activities.
Sec. 148. Prohibition, suspension, and end of launches; operations of launch or reentry sites; reentries.
Sec. 149. Preemption of scheduled launches.
Sec. 150. Administrative hearings and judicial review.
Sec. 151. Acquiring United States Government property and services.
Sec. 152. Liability insurance and financial responsibility requirements.
Sec. 153. Paying claims exceeding liability insurance and financial responsibility requirements.
Sec. 154. Enforcement and penalty.
Sec. 155. Relationship to other executive agencies, laws, and international obligations.
Sec. 156. License applications.
Sec. 157. Nonapplication.
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PART V—AVIATION INSURANCE PROGRAM

Sec. 161. Extension of program.
Sec. 162. Technical amendment.
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Sec. 164. Premiums and limitations on coverage and claims.
Sec. 165. Revolving fund.

PART VI—MISCELLANEOUS PROVISIONS

Sec. 171. Housing.
Sec. 172. Discretionary authority for criminal history records checks.
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TITLE II—AIRPORT REVENUE PROTECTION

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Sec. 202. Findings; purpose.
Sec. 203. Definitions.
Sec. 204. Restriction on use of airport revenues.
Sec. 205. Regulations; audits and accountability.
Sec. 206. Elimination of certain exceptions.
Sec. 207. Whistleblower protection and payments.
Sec. 208. Qui tam actions.
Sec. 209. Conforming amendments to the Internal Revenue Code of 1986.

TITLE III—AIR TRAFFIC MANAGEMENT SYSTEM PERFORMANCE IMPROVEMENT

PART I—GENERAL PROVISIONS

Sec. 301. Short title.
Sec. 302. Findings.
Sec. 303. Purposes.
Sec. 304. Effective date.
Sec. 305. Regulation of civilian air transportation and related services by the Federal Aviation Administration and Department of Transportation.
Sec. 306. Regulations.
Sec. 307. Personnel and services.
Sec. 308. Contracts.
Sec. 309. Budget.
Sec. 310. Facilities.
Sec. 311. Property.
Sec. 312. Select panel to review innovative funding mechanisms.
Sec. 313. Transfers of funds from other Federal agencies.
Sec. 314. Management advisory council.
Sec. 315. Aircraft engine standards.
Sec. 316. Rural air fare study.

PART II—FEDERAL AVIATION ADMINISTRATION STREAMLINING PROGRAMS

Sec. 321. Innovative program for air traffic control modernization.
Sec. 322. Air traffic control modernization reviews.
Sec. 323. Innovative program for Federal Aviation Administration services.
Sec. 324. Conforming amendment.

PART III—SYSTEM TO FUND CERTAIN FEDERAL AVIATION ADMINISTRATION FUNCTIONS

Sec. 331. Findings.
Sec. 332. Purposes.
Sec. 333. User fees for various Federal aviation administration services.
Sec. 334. User fees for air traffic control services.
Sec. 335. Administrative provisions.

Sec. 336. Increase in spending caps under trust fund.
Sec. 337. Advance appropriations for Airport and Airway Trust Fund activities.
Sec. 338. Sense of the Senate.
Sec. 339. Rural Air Service Survival Act.

TITLE IV—PILOT RECORDS

Sec. 401. Short title.
Sec. 402. Employment investigations of pilot applicants.
Sec. 403. Study of minimum standards for pilot qualifications.

TITLE V—ABOLITION OF BOARD OF REVIEW AND RELATED AUTHORITY

Sec. 501. Abolition of Board of Review and related authority.
Sec. 502. Sense of the Senate.
Sec. 503. Conforming amendments in other law.
Sec. 504. Definitions.
Sec. 505. Increase in number of Presidentially-appointed members of board.
Sec. 506. Reconstituted board to function without interruption.
Sec. 507. Status unaffected.
Sec. 508. Operational slots at National Airport.

TITLE VI—FEDERAL AVIATION ADMINISTRATION FUNDING

Sec. 601. Sense of the Senate regarding the funding of the Federal aviation administration.

SEC. 2. DEFINITIONS.

For the purposes of this Act the following definitions shall apply:

(1) ADMINISTRATION.—The term ''Administration'' means the Federal Aviation Administration.

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

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

TITLE I—FEDERAL AVIATION AUTHORIZATION

PART I—AUTHORIZATIONS

SEC. 101. SHORT TITLE.

This title may be cited as the ''Federal Aviation Authorization Act of 1996''.

SEC. 102. AMENDMENTS TO TITLE 49, UNITED STATES CODE.

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

SEC. 103. FEDERAL AVIATION ADMINISTRATION OPERATIONS.

(a) Section 106 is amended—

(1) in subsection (k), by striking ''the Administration'' and all that follows and inserting ''$4,920,000,000 for fiscal year 1997.''; and

(2) by adding at the end the following new subsection:

''(*l*) INTERACCOUNT FLEXIBILITY.—(1) Except as provided in paragraph (2), the Administrator may transfer budget authority derived from trust funds among appro-

priations authorized by subsection (k) and sections 48101 and 48102, if the aggregate estimated outlays in such accounts in the fiscal year in which the transfers are made will not be increased as a result of such transfer.

''(2) The transfer of budget authority under paragraph (1) may be made only to the extent that outlays do not exceed the aggregate estimated outlays.

''(3) A transfer of budget authority under paragraph (1) may not result in a net decrease of more than 5 percent, or a net increase of more than 10 percent, in the budget authority available under any appropriation involved in that transfer.

''(4) Any action taken pursuant to this section shall be treated as a reprogramming of funds that is subject to review by the appropriate committees of the Congress.''.

(b) Section 48104(b) is amended—

(1) by striking ''(b) LIMITATION FOR FISCAL YEARS 1993'' and inserting ''(b) LIMITATION''; and

(2) by striking ''for fiscal year 1993''.

(c) Section 48108 is amended by striking subsection (c).

SEC. 104. AIR NAVIGATION FACILITIES.

Section 48101(a) is amended—

(1) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(2) by adding at the end the following new paragraph:

"(5) For the fiscal years ending September 30, 1991–1997, $17,918,000,000.".

SEC. 105. RESEARCH AND DEVELOPMENT.

Section 48102(a) is amended by striking "title:" and all that follows through the end of the subsection and inserting "title, for fiscal year 1997, $195,700,000.".

SEC. 106. AIRPORT PLANNING AND DEVELOPMENT AND NOISE COMPATIBILITY PLANNING AND PROGRAMS.

(a) IN GENERAL.—Section 48103 is amended—

(1) by striking "and $21,958,500,000" and inserting "$19,864,500,000 (which reflects the fiscal year 1995 rescission of $2,094,000,000)"; and

(2) by inserting ", and $21,664,500,000 for fiscal years ending before October 1, 1997" after "October 1, 1996".

(b) PROJECT GRANT AUTHORITY.—Section 47104(c) is amended by striking "1996" and inserting "1997".

PART II—AIRPORT IMPROVEMENT PROGRAM MODIFICATIONS

SEC. 121. DEFINITIONS; PAVEMENT MAINTENANCE.

(a) IN GENERAL.—Section 47102(3)—

(1) in subparagraph (A)—

(A) in clause (i), by striking ''and'' after ''hazard;'';

(B) in clause (ii), by striking the period and inserting ''; and''; and

(C) by adding at the end the following new clause:

''(iii) maintaining runways under a project sponsored by a State pursuant to section 47132.'';

(2) in subparagraph (E), by inserting ''or under section 40117'' before the period at the end; and

(3) in subparagraph (F), by striking ''paid for by a grant under this subchapter and''.

(b) PAVEMENT MAINTENANCE.—

(1) IN GENERAL.—Chapter 471 of title 49 is amended by adding the following section at the end of subchapter I:

''§ 47132. Pavement maintenance

''(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall prescribe regulations to carry out a pavement maintenance pilot project to preserve and extend the useful life of runways and taxiways at airports for which apportionments are made under section 47114(d). The regulations shall provide that the Administrator may designate not more than 10 projects an-

nually. The regulations shall provide criteria for the Administrator to use in choosing the projects. Such criteria shall include provisions for ensuring that the projects chosen are from areas with different climates and soil types.

"(b) EFFECTIVE DATE.—This section shall be effective beginning on the date of enactment of the Omnibus Aviation Act of 1996 and ending on September 30, 1999.".

(2) CONFORMING AMENDMENT.—The chapter analysis for subchapter I of chapter 471 is amended by inserting after the item relating to section 47131 the following new item:

"47132. Pavement maintenance.".

(c) DEFINITION OF ELIGIBLE AIRPORT-RELATED PROJECT.—Section 40117(a)(3) is amended—

(1) by striking "; and" at the end of subparagraph (E) and inserting a period by striking subparagraph (F).

SEC. 122. MILITARY AIRPORT PROGRAM.

(a) SPECIAL APPORTIONMENT CATEGORIES.—Section 47117(e)(1)(E) is amended by striking "and 1996" and inserting "1996, and 1997".

(b) PARKING LOTS, FUEL FARMS, AND UTILITIES.—Subsection (f) of section 47118 is amended by striking "the fiscal years ending September 30, 1993–1996," and

inserting ''for fiscal years beginning after September 30, 1992,''.

SEC. 123. STATE BLOCK GRANT PROGRAM.

Section 47128 is amended in subsection (d) by striking ''1996'' and inserting ''1997''.

SEC. 124. USE OF NOISE SET-ASIDE FUNDS BY NON-AIRPORT SPONSORS.

Section 47505 is amended by—

(1) redesignating subsection (b) as subsection (c);

(2) in subsection (c), as so redesignated, by striking ''subsection (a) of''; and

(3) by inserting after subsection (a) the following new subsection:

''(b) GRANTS TO NON-AIRPORT SPONSORS.—

''(1) AUTHORITY.—The Secretary may make a grant to a State or unit of local government for preparation of a land use compatibility plan or implementation of a land use compatibility project.

''(2) ELIGIBILITY.—

''(A) IN GENERAL.—In order to be eligible to receive a grant under this subsection for a land use compatibility plan or project, a State or unit of local government may not be the

owner or operator of the airport with which the plan or project is associated.

"(B) PLANNING AUTHORITY.—In order to be eligible to receive a grant under this subsection for a land use compatibility plan, a State or unit of local government must have authority to plan and adopt land use control measures, including zoning, in the planning area.

"(3) COORDINATION OF PLANNING ACTIVITIES.—A land use compatibility plan prepared by a State or unit of local government using amounts from grants made available under this subsection may not duplicate or be inconsistent with an airport noise compatibility program prepared by an airport operator under this chapter or with other planning carried out by the airport. The State or unit of local government shall consult with the owner or operator of the airport with which the plan is associated regarding any recommended land use compatibility measure identified in the plan and any aviation data on which such recommendation is made.

"(4) APPROVAL OF AIRPORT OWNER OR OPERATOR REQUIRED.—The Administrator may make a grant to a State or unit of local government under

this subsection for a land use compatibility plan or project only after receiving the approval of the owner or operator of the airport with which the plan or project is associated. Such approval shall be based on whether the plan or program, including the use of any noise exposure contours on which land use planning or projects are based, has been coordinated with the airport and is consistent with airport operation and planning.

''(5) WRITTEN ASSURANCES.—The Administrator may make a grant to a State or unit of local government under this subsection only after receiving from the State or unit of local government such written assurances as the Administrator determines to be necessary to achieve the purposes of this subsection.

''(6) GUIDELINES.—The Administrator may establish guidelines in carrying out this subsection.

''(7) DEFINITIONS.—In this subsection, the following definitions apply:

''(A) COMPATIBLE LAND USE.—The term 'compatible land use' means land use that is normally compatible with—

''(i) the noise levels associated with an airport, as established under this chapter;

"(ii) airport design standards issued by the Administrator; and

"(iii) regulations promulgated under section 44718 of this title.

"(B) LAND USE COMPATIBILITY PLAN.—The term 'land use compatibility plan' means the product of a process to determine the extent, type, nature, location, and timing of measures to improve the compatibility of land use with the existing forecast level of aviation activity at an airport.

"(C) LAND USE COMPATIBILITY PROJECT.—The term 'land use compatibility project' means a project that is contained in a land use compatibility plan and determined by the Administrator to enhance compatible land use.".

PART III—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 131. EXPENDITURES FROM AIRPORT AND AIRWAY TRUST FUND.

Section 9502(d)(1) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) in the matter preceding subparagraph (A), by striking ''1996'' and inserting ''1997''; and

(2) in subparagraph (A) by inserting ''or under the Federal Aviation Authorization Act of 1996'' after ''Administration Authorization Act of 1994''.

PART IV—COMMERCIAL SPACE TRANSPORTATION

SEC. 141. CONFORMING AMENDMENTS.

The chapter analysis for chapter 701 is amended—

(1) by striking the item relating to section 70104 and inserting the following:

''70104. Restrictions on launches, operations, and reentries.'';

(2) by striking the item relating to section 70108 and inserting the following:

''70108. Prohibition, suspension, and end of launches; operation of launch sites and reentry sites; reentries.'';

and

(3) by striking the item relating to section 70109 and inserting the following:

''70109. Preemption of scheduled launches and reentries.''.

SEC. 142. AMENDMENTS TO FINDINGS AND PURPOSES.

Section 70101 is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting ''microgravity research,'' after ''information services,'';

(B) in paragraph (4)—

(i) by inserting ''commercial space transportation services, including'' after ''providing''; and

(ii) by inserting a comma after ''associated services'';

(C) in paragraph (5)—

(i) by inserting ''commercial space transportation, including'' after ''development of''; and

(ii) by inserting '', reentry vehicles,'' after ''launch vehicles'';

(D) in paragraph (6), by inserting ''and reentry'' after ''launch'';

(E) in paragraph (7), by inserting '', reentries,'' after ''launches'' each place that term appears;

(F) in paragraph (8)—

(i) by inserting '', reentry sites,'' after ''launch sites''; and

(ii) by striking the comma after ''launch services'' and inserting ''and reentry services,''; and

(G) in paragraph (9)—

(i) by inserting ''reentry sites,'' after ''launch sites,''; and

(ii) by inserting ''and reentry site'' after ''launch site'';

(2) in subsection (b)—

(A) in paragraph (2)—

(i) in the matter preceding clause (i)—

(I) by inserting ''commercial space transportation services, including'' after ''to provide'';

(II) by inserting '', reentry vehicles,'' after ''launch vehicles''; and

(III) by inserting a comma after ''associated services''; and

(ii) in subparagraph (A), by striking ''commercial launch licenses'' and inserting ''commercial licenses'';

(3) in paragraph (3)—

(A) by inserting ''and reentry'' after ''commercial launch''; and

(B) by striking ''commercial launch licenses'' and inserting ''commercial licenses''; and

(4) in paragraph (4), by inserting ''and development of reentry sites,'' after ''launch-site support facilities,''.

SEC. 143. DEFINITIONS.

Section 70102 is amended—

(1) in paragraph (3), by inserting ", including a reentry vehicle and its payload, if any" after "any payload";

(2) in paragraph (8), by inserting ", including a reentry vehicle and its payload, if any," after "an object";

(3) by redesignating paragraphs (10) through (12) as paragraphs (14) through (16), respectively;

(4) by inserting after paragraph (9) the following new paragraphs:

"(10) 'reenter' and 'reentry' mean to return or attempt to return, purposefully, a reentry vehicle and its payload, if any, from Earth orbit or outer space to Earth.

"(11) 'reentry services' means—

(A) those activities involved in the preparation of a reentry vehicle and its payload, if any, for reentry; and

(B) the conduct of a reentry.

"(12) 'reentry site' means the location on Earth to which a reentry vehicle is intended to return (as defined in a license the Secretary of Transportation issues or transfers under this chapter).

"(13) 'reentry vehicle' means a vehicle designed to reenter from Earth orbit or outer space to Earth substantially intact."; and

(5) in paragraph (15), as so redesignated, by inserting "or reentry" after "launch" each place it appears.

SEC. 144. GENERAL AUTHORITY.

Section 70103(b) is amended—

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

"(b) FACILITATING SPACE TRANSPORTATION.—"; and

(2) in paragraph (1)—

(A) by inserting "the provision of" after "promote"; and

(B) by striking "launches" and inserting "transportation services".

SEC. 145. RESTRICTIONS ON LAUNCHES, REENTRIES, AND OPERATIONS.

Section 70104 is amended—

(1) by striking the section heading and inserting the following:

"§ 70104. Restrictions on launches, operations, and reentries";

(2) in subsection (a)—

(A) in paragraph (1), by inserting ''or reentry site or to reenter a reentry vehicle,'' after ''operate a launch site'' each place it appears; and

(B) in paragraphs (3) and (4), by inserting ''or reentry'' after ''over the launch or operation'' each place it appears;

(3) in subsection (b)—

(A) by striking ''launch license'' and inserting ''license'';

(B) by inserting ''or reenter'' after ''may launch''; and

(C) by inserting ''or reentering'' after ''related to launching''; and

(4) in subsection (c)—

(A) by striking the subsection heading and inserting the following:

''(c) PREVENTING LAUNCHES OR REENTRIES.—''; and

(B) by inserting ''or reentry'' after ''the launch'' each place that term appears.

SEC. 146. LICENSE APPLICATIONS AND REQUIREMENTS.

Section 70105(b) is amended—

(1) in paragraph (1), by inserting ''or reentry site or the reentry of a reentry vehicle'' after ''operation of a launch site''; and

(2) in paragraph (2)(A), by inserting ''or reentry'' after ''or operation''.

SEC. 147. MONITORING ACTIVITIES.

Section 70106(a) is amended—

(1) by inserting ''or reentry site'' after ''at a launch site''; and

(2) by inserting ''or reentry vehicle'' after ''a launch vehicle'' each place that term appears.

SEC. 148. PROHIBITION, SUSPENSION, AND END OF LAUNCHES; OPERATIONS OF LAUNCH OR REENTRY SITES; REENTRIES.

Section 70108 is amended—

(1) by striking the section heading and inserting the following:

''§ 70108. Prohibition, suspension, and end of launches; operation of launch or reentry sites; reentries''; and

(2) in subsection (a)—

(A) by inserting ''or reentry site, or reentry of a reentry vehicle,'' after ''operation of a launch site''; and

(B) by striking ''launch or operation'' and inserting ''launch, reentry, or operation''.

SEC. 149. PREEMPTION OF SCHEDULED LAUNCHES.

Section 70109 is amended—

(1) by striking the section heading and inserting the following:

''§ 70109. Preemption of scheduled launches and reentries'';

(2) in subsection (a)—

(A) by inserting ''or reentry'' after ''ensure that a launch'';

(B) by inserting '', reentry site,'' after ''Government launch site'';

(C) by inserting ''or reentry date commitment'' after ''launch date commitment'';

(D) by inserting ''or reentry'' after ''obtained for a launch''; and

(E) by adding at the end the following: ''A licensee or transferee preempted from access to a reentry site shall not be required to pay the Government agency responsible for the preemption any amount for reentry services attributable only to the scheduled reentry prevented by the preemption.''; and

(3) in subsection (c), by inserting ''or reentry'' after ''prompt launching''.

SEC. 150. ADMINISTRATIVE HEARINGS AND JUDICIAL REVIEW.

Section 70110 is amended in subsection (a)—

(1) in paragraph (2), by inserting ''or reentry'' after ''prevent the launch''; and

(2) in paragraph (3)(B), by inserting ''or reentry site, or reentry of a reentry vehicle,'' after ''operation of a launch site''.

SEC. 151. ACQUIRING UNITED STATES GOVERNMENT PROPERTY AND SERVICES.

Section 70111 is amended—

(1) in subsection (a), by inserting ''or reentry services'' after ''launch services'' each place it appears;

(2) in subsection (b)—

(A) in paragraph (1), by inserting ''or reentry'' after ''commercial launch'' each place it appears; and

(B) in paragraph (2)(C), by inserting ''or reentry services'' after ''launch services''; and

(3) in subsection (d)—

(A) by inserting ''or reentry vehicle,'' after ''launch vehicle'' each place it appears;

(B) by striking ''its payload'' and inserting ''or the payload of that vehicle''; and

(C) by inserting ''or reentry'' after ''for launch''.

SEC. 152. LIABILITY INSURANCE AND FINANCIAL RESPONSIBILITY REQUIREMENTS.

Section 70112 is amended—

(1) in subsection (a)(3), by inserting ''or reentry'' after ''to one launch'';

(2) in subsections (a)(4) and (b) (1) and (2), by inserting ''or reentry services'' after ''launch services'' each place it appears;

(3) in subsection (b) (1) and (2), by inserting ''applicable'' after ''carried out under the'';

(4) in subsection (d), by striking ''Committee on Science, Space, and Technology'' and inserting ''Science Committee''; and

(5) in subsection (e)—

(A) by striking the subsection heading and inserting the following:

''(e) LAUNCHES INVOLVING GOVERNMENT FACILITIES AND PERSONNEL.—''; and

(B) by inserting ''or reentry site or a reentry'' after ''operation of a launch site''.

SEC. 153. PAYING CLAIMS EXCEEDING LIABILITY INSURANCE AND FINANCIAL RESPONSIBILITY REQUIREMENTS.

Section 70113 is amended—

(1) in subsection (a), by inserting ''or reentry'' after ''related to one launch''; and

(2) in subsection (d), by inserting ''or reentry'' after ''one launch'' each place it appears.

SEC. 154. ENFORCEMENT AND PENALTY.

Section 70115(b)(1)(D)(i) is amended—

(1) by inserting ''reentry site,'' after ''launch site,''; and

(2) by inserting ''or reentry vehicle'' after ''launch vehicle'' each place it appears.

SEC. 155. RELATIONSHIP TO OTHER EXECUTIVE AGENCIES, LAWS, AND INTERNATIONAL OBLIGATIONS.

Section 70117 is amended—

(1) in subsection (a), by inserting ''or reentry site or reenter a reentry vehicle'' after ''operate a launch site'';

(2) in subsection (d), by inserting ''or reentry'' after ''space launch'';

(3) in subsection (f)—

(A) by striking the subsection heading and inserting the following:

"(f) LAUNCH NOT AN EXPORT AND REENTRY NOT AN IMPORT.—";

(B) by inserting ", reentry vehicle," after "A launch vehicle";

(C) by inserting "or reentered" after "is launched";

(D) by inserting "or reentry" after "of the launch";

(E) by inserting "or import, respectively," after "an export"; and

(F) by inserting "or imports" after "law controlling exports"; and

(4) in subsection (g)—

(A) in paragraph (1), by striking "a launch, operation of a launch vehicle or launch site," and inserting "a launch, reentry, operation of a launch vehicle or reentry vehicle, or of a launch site or reentry site,"; and

(B) in paragraph (2), by inserting "reentry," after "launch,".

SEC. 156. LICENSE APPLICATIONS.

Section 70105, as amended by section 146 of this title, is further amended—

(1) in subsection (a)—

(A) by striking the subsection heading and inserting the following:

''(a) LICENSE APPLICATIONS.—'';

(B) by inserting ''(1)'' before ''A person may apply'';

(C) by striking ''receiving an application'' both places it appears and inserting ''accepting an application in accordance with subsection (b)(2)(D)''; and

(D) by adding at the end the following new paragraph:

''(2) In carrying out the responsibilities under paragraph (1), the Secretary may establish procedures for a person to request a safety approval for a launch vehicle, reentry vehicle, or a safety system, procedure, service or personnel that may be used in conducting licensed commercial space transportation activities.''; and

(2) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking ''and;'' and inserting a semicolon;

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

(iii) by adding at the end the following new subparagraph:

''(D) regulations establishing criteria for accepting an application for a license under this chapter.''; and

(B) in paragraph (3), by striking ''waive a requirement'' and inserting ''waive a requirement to obtain a license or any other requirement under this subsection''.

SEC. 157. NONAPPLICATION.

Section 70117(g) is amended—

(1) by striking ''or'' at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting ''; or''; and

(3) by adding at the end the following new paragraph:

''(3) any amateur and similar small rocket activities, as defined by the Secretary in regulations.''.

SEC. 158. USER FEES.

Section 70119 is amended to read as follows:

''§ 70119. Authorization of appropriations

''Such sums as are necessary to carry out this chapter are authorized to be appropriated to the Department of Transportation.''.

PART V—AVIATION INSURANCE PROGRAM

SEC. 161. EXTENSION OF PROGRAM.

Section 44310 is amended by striking ''1997'' and inserting ''2002''.

SEC. 162. TECHNICAL AMENDMENT.

Section 44302(a)(2) is amended in the first sentence by striking ''as determined by the Secretary'' and inserting '', as determined in accordance with reasonable business practices in the commercial insurance industry''.

SEC. 163. PRESIDENTIAL DETERMINATION.

Section 44302(b) is amended to read as follows:

''(b) CONDITION FOR PROVISION OF INSURANCE OR REINSURANCE.—The Secretary may provide insurance or reinsurance under subsection (a) only after the President makes a determination that the continued operation of the American aircraft or foreign-flag aircraft to be insured or reinsured is necessary to carry out the foreign policy of the United States Government.''.

SEC. 164. PREMIUMS AND LIMITATIONS ON COVERAGE AND CLAIMS.

Section 44306(b) is amended by striking ''if the President decides,'' and inserting ''after the Secretary notifies the President and consults with appropriate officials of interested departments, agencies, and instrumentalities of the United States Government,''.

SEC. 165. REVOLVING FUND.

Section 44307 is amended by adding at the end the following new subsection:

''(e) AUTHORITY TO BORROW FUNDS.—

''(1) IN GENERAL.—The Secretary of Transportation is authorized to borrow from the Treasury such sums as may be necessary to pay amounts of any verified insurance claims for insurance issued under this chapter in excess of the funds that are available from the revolving fund under this section.

''(2) PAYMENT.—Upon receipt of a request of the Secretary of Transportation to borrow funds under paragraph (1), the Secretary of the Treasury shall pay the Secretary the amount specified in that paragraph.

''(3) NOTIFICATION.—Before exercising the borrowing authority under paragraph (1), the Secretary of Transportation shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.''.

PART VI—MISCELLANEOUS PROVISIONS

SEC. 171. HOUSING.

Section 40110(a) is amended—

(1) by striking ''and'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) may—

"(A) acquire interests in housing units outside the contiguous United States, even if there is an obligation after that acquisition to pay necessary and reasonable fees duly assessed upon such units, including fees related to operation, maintenance, taxes, and insurance, notwithstanding section 1341 of title 31, if the Administrator determines that acquisition of an interest in a housing unit with such continuing obligation is the most cost-beneficial means of providing such accommodation; and

"(B) pay such fees, when due, from any amounts made available to the Administrator.".

SEC. 172. DISCRETIONARY AUTHORITY FOR CRIMINAL HISTORY RECORDS CHECKS.

(a) IN GENERAL.—Section 44936(a)(1) is amended—

(1) by striking "(1)" and inserting "(1)(A)";

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

(3) by adding at the end the following:

"(B) The Administrator may require by regulation that an employment investigation, including a criminal history record check in cases in which the employment investigation reveals a gap in employment, be conducted for individuals who will be responsible for screening passengers and property under section 44901 of this title.".

(b) APPLICABILITY.—The amendment made by subsection (a)(3) shall not apply to individuals hired before the date of the enactment of this Act.

SEC. 173. PROTECTION OF VOLUNTARILY PROVIDED INFORMATION.

(a) IN GENERAL.—Section 40119 is amended—

(1) by striking the section heading and inserting the following:

"§ 40119. Safety, security, and research analysis";

(2) in subsection (b)(1)—

(A) in the matter preceding subparagraph (A)—

(i) by inserting "safety," before "security or research and development activities"; and

(ii) by striking ''under section 44501(a)'' and all that follows through ''of this title'';

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

(C) by adding at the end the following new subparagraph:

''(D) inhibit the submission to the Administrator of information that—

''(i) is provided voluntarily; and

''(ii) the Administrator finds could promote aviation safety or security.''.

(b) CONFORMING AMENDMENT.—The chapter analysis of chapter 401 is amended by striking the item relating to section 40119 and inserting the following:

''40119. Safety, security, and research analysis.''.

TITLE II—AIRPORT REVENUE PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the ''Airport Revenue Protection Act of 1996''.

SEC. 202. FINDINGS; PURPOSE.

(a) IN GENERAL.—The Congress finds that—

(1) section 47107 of title 49, United States Code, prohibits the diversion of certain revenue gen-

erated by a public airport as a condition of receiving a project grant;

(2) a grant recipient that uses airport revenue for purposes that are not airport related in a manner inconsistent with chapter 471 of title 49, United States Code, illegally diverts airport revenues;

(3) any diversion of airport revenues in violation of the condition referred to in paragraph (1) undermines the interest of the United States in promoting a strong national air transportation system that is responsive to the needs of airport users;

(4) the Secretary and the Administrator have not enforced airport revenue diversion rules adequately;

(5) despite attempts by the Congress to halt the illegal diversion of revenues referred to in paragraph (1), including the enactment of laws to strengthen the enforcement authority of the Department of Transportation (including the Federal Aviation Administration), such illegal airport revenue diversion continues to occur;

(6) sponsors who have been found to have illegally diverted airport revenues have not reimbursed airports in a timely manner;

(7) sponsors are openly and publicly seeking ways to divert additional airport revenues; and

(8) to the detriment of the United States Treasury, the Secretary and the Administrator have failed to seek adequately the return of illegally diverted airport revenues referred to in paragraph (1).

(b) PURPOSE.—The purpose of this title is to ensure that airport users are not burdened with hidden taxation for unrelated municipal services and activities by—

(1) eliminating the ability of any State or political subdivision thereof that is a recipient of a project grant to divert airport revenues for purposes that are not related to an airport, in violation of section 47107 of title 49, United States Code;

(2) imposing financial reporting requirements that are designed to identify instances of illegal diversions referred to in paragraph (1);

(3) establishing a statute of limitations for airport revenue diversion actions;

(4) clarifying limitations on revenue diversion that is permitted under chapter 471 of title 49, United States Code; and

(5) establishing clear penalties and enforcement mechanisms for identifying and prosecuting airport revenue diversion.

SEC. 203. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

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

(2) AIRPORT.—The term ''airport'' has the meaning provided that term in section 47102(2) of title 49, United States Code.

(3) PROJECT GRANT.—The term ''project grant'' has the meaning provided that term in section 47102(14) of title 49, United States Code.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(5) SPONSOR.—The term ''sponsor'' has the meaning provided that term in section 47102(19) of title 49, United States Code.

SEC. 204. RESTRICTION ON USE OF AIRPORT REVENUES.

(a) IN GENERAL.—Chapter 471 of title 49, United States Code, as amended by section 121(b) of this Act, is further amended by adding at the end of subchapter I the following new section:

''§ 47133. Restriction on use of revenues

''(a) PROHIBITION.—Local taxes on aviation fuel (except taxes in effect on December 30, 1987) or the revenues generated by an airport that is the subject of Federal as-

sistance or that operates pursuant to an airport operating certificate issued under section 44706 may not be expended for any purpose other than the capital or operating costs of—

"(1) the airport;

"(2) the local airport system; or

"(3) any other local facility that is owned or operated by the person or entity that owns or operates the airport that is directly and substantially related to the air transportation of passengers or property.

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply with respect to any provision of law enacted before September 3, 1982, that—

"(A) controls financing by the owner or operator, or a covenant or assurance in a debt obligation issued not later than September 2, 1982, by the owner or operator; and

"(B) provides that the revenues, including local taxes on aviation fuel at public airports, from any of the facilities of the owner or operator involved (including the airport of the owner or operator) be used to support both the airport and general debt obligations of other facilities of the owner or operator.

"(2) SUNSET.—This subsection shall have no force and effect beginning on the earlier of—

"(A) the date on which all debt obligations covered under this subsection are either retired or refinanced; or

"(B) the date that is 10 years after the date of enactment of the Airport Revenue Protection Act of 1996.

"(c) RULE OF CONSTRUCTION.—Nothing in this section may be construed to prevent the use of a State tax on aviation fuel to support a State aviation program or the use of airport revenue on or off the airport for a noise mitigation purpose.".

(b) CONFORMING AMENDMENT.—The chapter analysis for subchapter I of chapter 471 of title 49, United States Code, is amended by adding at the end the following new item:

"47133. Restriction on use of revenues.".

SEC. 205. REGULATIONS; AUDITS AND ACCOUNTABILITY.

(a) IN GENERAL.—Section 47107 of title 49, United States Code, is amended by adding at the end the following new subsections:

"(m) AUDIT CERTIFICATION.—

"(1) IN GENERAL.—The Secretary of Transportation (hereafter in this section referred to as the 'Secretary'), acting through the Administrator of the

Federal Aviation Administration (hereafter in this section referred to as the 'Administrator'), shall promulgate regulations that require a recipient of a project grant (or any other recipient of Federal financial assistance that is provided for an airport) to include as part of an annual audit conducted under sections 7501 through 7505 of title 31, a review and opinion of the review concerning the funding activities with respect to an airport that is the subject of the project grant (or other Federal financial assistance) and the sponsors (or other recipients) involved.

"(2) CONTENT OF REVIEW.—A review conducted under paragraph (1) shall provide reasonable assurances that funds paid or transferred to sponsors are paid or transferred in a manner consistent with the applicable requirements of this chapter and any other applicable provision of law (including regulations promulgated by the Secretary or the Administrator).

"(3) REQUIREMENTS FOR AUDIT REPORT.—The report submitted to the Secretary under this subsection shall include a specific determination and opinion regarding the appropriateness of the disposi-

tion of airport funds paid or transferred to a sponsor.

"(4) CERTIFICATION BY INSPECTOR GENERAL.—Upon completion of each audit and review conducted under this subsection, the Inspector General of the Department of Transportation shall, upon making a determination that the audit and review meet the requirements of this section, certify that the audit and review meet those requirements.

"(n) RECOVERY OF ILLEGALLY DIVERTED FUNDS.—

"(1) IN GENERAL.—Not later than 180 days after the issuance of an audit or any other report that identifies an illegal diversion of airport revenues (as determined under subsections (b) and (*l*) and section 47133), the Secretary, acting through the Administrator, shall—

"(A) review the audit or report;

"(B) perform appropriate factfinding; and

"(C) render a final determination concerning whether the illegal diversion of airport revenues asserted in the audit or report occurred.

"(2) NOTIFICATION.—Upon making such a finding, the Secretary, acting through the Administrator, shall provide written notification to the sponsor and the airport of—

"(A) the finding; and

"(B) the obligations of the sponsor to reimburse the airport involved under this paragraph.

"(3) ADMINISTRATIVE ACTION.—If a sponsor receives notification that the sponsor is required to reimburse an airport, the Secretary, acting through the Administrator, shall—

"(A) assess an administrative penalty against the sponsor in an amount equal to—

"(i) the amount of the illegal diversion in question;

"(ii) interest (as determined under subsection (o)); and

"(iii) at the discretion of the Secretary, acting through the Administrator, in accordance with procedures established under subsection (q), an amount to make a payment to a petitioner under subsection (q)(4); or

"(B) notwithstanding any other provision of law, withhold an amount calculated in the same manner as provided under subparagraph (A) from funds that would otherwise be made available to the sponsor as part of an appor-

tionment under sections 47114 or a grant made from amounts apportioned under section 47114 pursuant to section 47117.

Any withholding made under subparagraph (B) shall not be subject to section 47106(d) or 47111(d), or the hearing requirement under section 47111(e).

"(4) CIVIL ACTION.—

"(A) IN GENERAL.—If a sponsor fails to pay the amount specified in paragraph (3) during the 180-day period beginning on the date of notification and the Secretary or the Administrator is unable to withhold a sufficient amount under paragraph (3)(B), the Secretary, acting through the Administrator, shall initiate a civil action under which the sponsor shall be liable for civil penalty in an amount equal to the illegal diversion in question plus interest (as determined under subsection (o)).

"(B) ADDITIONAL AMOUNT.—In addition to the amount determined under subparagraph (A), if applicable, the civil penalty may include an amount that the court shall cause to be transferred to a petitioner under subsection (q)(4).

"(5) DISPOSITION OF PENALTIES.—

"(A) ADMINISTRATIVE PENALTIES.—The Secretary or the Administrator shall transfer any amounts collected as an administrative penalty under paragraph (3)(A) to the Airport and Airway Trust Fund established under section 9502(d) of the Internal Revenue Code of 1986.

"(B) AMOUNTS WITHHELD.—The Secretary or the Administrator shall transfer any amounts withheld under paragraph (3)(B) to the Airport and Airway Trust Fund.

"(C) CIVIL PENALTIES.—With respect to any amount collected by a court in a civil action under paragraph (4), the court shall cause to be transferred to the Airport and Airway Trust Fund any amount collected as a civil penalty under paragraph (4).

"(6) REIMBURSEMENT.—The Secretary, acting through the Administrator, shall, as soon as practicable after any amount is collected from a sponsor under paragraph (3) or (4), cause to be transferred from the Airport and Airway Trust Fund to an airport affected by a diversion that is the subject of an administrative action under paragraph (3) or a civil action under paragraph (4), reimbursement in an amount equal to the amount that has been collected

from the sponsor under paragraph (3) or (4) (including any amount of interest calculated under subsection (o)), other than any amount that has been collected under paragraph (3) or (4) for a payment to a petitioner under subsection (q)(4).

"(7) STATUTE OF LIMITATIONS.—No person may bring an action for the recovery of funds illegally diverted in violation of this section (as determined under subsections (b) and (*l*)) or section 47133 after the date that is 6 years after the date on which the diversion occurred.

"(o) INTEREST.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary, acting through the Administrator, shall charge a minimum annual rate of interest on the amount of any illegal diversion of revenues referred to in subsection (n) in an amount equal to the average investment interest rate for tax and loan accounts of the Department of the Treasury (as determined by the Secretary of the Treasury) for the applicable calendar year, rounded to the nearest whole percentage point.

"(2) ADJUSTMENT OF INTEREST RATES.—If, with respect to a calendar quarter, the average investment interest rate for tax and loan accounts of

the Department of the Treasury exceeds the average investment interest rate for the immediately preceding calendar quarter, rounded to the nearest whole percentage point, the Secretary of the Treasury may adjust the interest rate charged under this subsection in a manner that reflects that change.

"(3) ACCRUAL.—Interest assessed under subsection (n) shall accrue from the date of the actual illegal diversion of revenues referred to in subsection (n).

"(4) DETERMINATION OF APPLICABLE RATE.—The applicable rate of interest charged under paragraph (1) shall—

"(A) be the rate in effect on the date on which interest begins to accrue under paragraph (3); and

"(B) remain at a rate fixed under subparagraph (A) during the duration of the indebtedness.

"(p) PAYMENT BY AIRPORT TO SPONSOR.—If, in the course of an audit or other review conducted under this section, the Secretary determines that an airport owes a sponsor funds as a result of activities conducted by the sponsor or expenditures by the sponsor for the benefit of the airport, interest on that amount shall be determined

in the same manner as provided in paragraphs (1) through (4) of subsection (o), except that the amount of any interest assessed under this subsection shall be determined from the date on which the Secretary or the Administrator makes that determination.''.

(b) REVISION OF POLICIES AND PROCEDURES; DEADLINES.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary, acting through the Administrator, shall revise the policies and procedures established under section 47107(*l*) of title 49, United States Code, to take into account the amendments made to that section by this title.

(2) DEADLINES.—Section 47107(*l*) of title 49, United States Code, is amended by adding at the end the following new paragraph:

''(5) DEADLINES.—In addition to the statute of limitations specified in subsection (n)(7), the following statutes of limitations and deadlines shall apply with respect to project grants made under this chapter:

''(A) Any request to any airport for additional payments for services conducted off of

the airport shall be filed not later than 6 years after the date on which the expense is incurred.

"(B) Any amount of airport funds that are used to make a payment as described in subparagraph (A) after the date specified in that subparagraph shall be considered to be an illegal diversion of airport revenues that is subject to subsection (n).".

SEC. 206. ELIMINATION OF CERTAIN EXCEPTIONS.

(a) IN GENERAL.—Section 47107(b)(2) of title 49, United States Code, is amended—

(1) by inserting "(A)" before "Notwithstanding subsection (b)(1)"; and

(2) by adding at the end the following new subparagraph:

"(B) This paragraph shall have no force and effect beginning on the earlier of—

"(i) the date on which all debt obligations covered under this paragraph on the day before the date of enactment of the Airport Revenue Protection Act of 1996 are either retired or refinanced; or

"(ii) the date that is 10 years after the date of enactment of the Airport Revenue Protection Act of 1996.".

(b) HAWAII.—Section 47107(j) of title 49, United States Code, is amended by adding at the end the following new paragraph:

"(8) This subsection shall have no force and effect beginning on the earlier of—

"(A) the date on which all debt obligations referred to in paragraph (2) that are covered under this subsection are either retired or refinanced; or

"(B) the date that is 10 years after the date of enactment of the Airport Revenue Protection Act of 1996.".

SEC. 207. WHISTLEBLOWER PROTECTION AND PAYMENTS.

Section 47107 of title 49, United States Code, as amended by section 205 of this title, is further amended by adding at the end the following new subsection:

"(q) WHISTLEBLOWER PROTECTION AND PAYMENTS.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Airport Revenue Protection Act of 1996, the Secretary, acting through the Administrator, shall establish a process under which a private citizen or other party (other than an employee of the Department of Transportation and the organization or entity that conducts an audit under subsection (m)) may petition the

Secretary or the Administrator for review of an allegation of illegal diversion of airport revenues.

"(2) EVALUATION.—Not later than 30 days after the date on which a petition is made under paragraph (1), the Secretary, acting through the Administrator—

"(A) shall evaluate the petition if it asserts that an illegal diversion of airport revenues (as determined under subsections (b) and (*l*) and section 47133) has occurred in an amount greater than or equal to $10,000 for a calendar year period; and

"(B) may evaluate the petition if it asserts an illegal diversion of airport revenues in an amount less than the amount specified in subparagraph (A).

"(3) ACTION BY THE SECRETARY OF TRANSPORTATION.—If the Secretary, acting through the Administrator, reviews a petition described under paragraph (1) and determines that an illegal diversion of revenues (as determined under subsections (b) and (*l*) and section 47133) has occurred, the Secretary, acting through the Administrator, shall take such action, in accordance with this section, as is necessary to—

"(A) recover the illegally diverted revenues; and

"(B) provide for reimbursement to the airport of the amount illegally diverted.

"(4) PAYMENT TO PETITIONER.—Notwithstanding any other provision of law, in any case in which the Secretary or the Administrator recovers funds under paragraph (3), the Secretary or the Administrator shall take such action as may be necessary (including requiring the sponsor to make a payment for the petitioner and transferring funds from the Airport and Airway Trust Fund established under section 9502(d) of the Internal Revenue Code of 1986), to make a payment to the petitioner, in accordance with procedures that the Secretary, acting through the Administrator, shall establish by regulation (after providing opportunity for notice and public comment).

"(5) PROHIBITION ON DISCLOSURE.—Neither the Secretary nor the Administrator may disclose to an airport, a sponsor, or the general public the identity of a petitioner under this subsection without the consent of the petitioner.".

SEC. 208. QUI TAM ACTIONS.

Section 47107 of title 49, United States Code, as amended by section 206 of this title, is further amended by adding at the end the following new subsection:

''(r) QUI TAM ACTIONS.—Notwithstanding any other provision of law, a private citizen may bring a civil action for a violation of this section in the same manner as is provided for a civil action for a violation of section 3729 of title 31 under section 3730 of that title.''.

SEC. 209. CONFORMING AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

Section 9502(d) of the Internal Revenue Code of 1986 is amended—

(1) in subsection (b)—

(A) by striking ''and'' at the end of paragraph (3);

(B) by striking the period at the end of paragraph (4) and inserting '', and''; and

(C) by adding at the end the following:

''(5) amounts determined by the Secretary of the Treasury to be equivalent to the amounts of administrative and civil penalties collected under section 47107(n) of title 49, United States Code.''; and

(2) in subsection (d), by adding at the end the following new paragraph:

"(4) TRANSFERS FROM THE AIRPORT AND AIRWAY TRUST FUND ON ACCOUNT OF CERTAIN AIRPORTS.—The Secretary of the Treasury may transfer from the Airport and Airway Trust Fund to the Secretary of Transportation or the Administrator of the Federal Aviation Administration an amount to make a payment—

"(A) to an airport affected by a diversion that is the subject of an administrative action under paragraph (3) or a civil action under paragraph (4) of section 47107(n) of title 49, United States Code; or

"(B) pursuant to section 47107(q)(4) of title 49, United States Code.".

TITLE III—AIR TRAFFIC MANAGEMENT SYSTEM PERFORMANCE IMPROVEMENT

PART I—GENERAL PROVISIONS

SEC. 301. SHORT TITLE.

This title may be cited as the "Air Traffic Management System Performance Act of 1996".

SEC. 302. FINDINGS.

The Congress finds the following:

(1) In many respects the Federal Aviation Administration is a unique agency, being one of the few

non-defense government agencies that operates 24 hours a day, 365 days of the year, while continuing to rely on outdated technology to carry out its responsibilities for a state-of-the-art industry.

(2) The users of the air transportation system now pay 70 percent of the budget of the Federal Aviation Administration, with the remaining 30 percent coming from the general fund of the Treasury (hereafter in this subsection referred to as the ''general fund''). The general fund contribution over the years is one measure of the benefit received by the general public, military, and other users of the Federal Aviation Administration's services.

(3) The Federal Aviation Administration must become a more efficient, effective, and different organization to meet future challenges.

(4) The need to balance the Federal budget means that it may become more and more difficult to obtain sufficient general fund contributions to meet the Federal Aviation Administration's future budget needs.

(5) Congress must keep its commitment to the users of the national air transportation system by seeking to spend all moneys collected from them each year and deposited into the Airport and Airway

Trust Fund. Existing surpluses representing past receipts must also be spent for the purposes for which such funds were collected.

(6) The aviation community and the employees of the Federal Aviation Administration must come together to improve the system. The Federal Aviation Administration must continue to recognize who its customers are and what their needs are, and must continue to design and redesign the system to make safety improvements and increase productivity.

(7) The Federal Aviation Administration projects that commercial operations will increase by 18 percent and passenger traffic by 35 percent by the year 2002. Without effective airport expansion and system modernization, these needs cannot be met.

(8) By the year 2003, the Federal Aviation Administration, to the extent possible, should be user supported and have the ability to make rational short-term and long-term decisions.

(9) Absent significant and meaningful reform, future challenges and needs cannot be met.

(10) The Federal Aviation Administration must have a new way of doing business.

(11) There is widespread agreement within government and the aviation industry that reform of the Federal Aviation Administration is essential to safely and efficiently accommodate the projected growth of aviation within the next decade.

(12) To the extent that the Congress determines that certain segments of the aviation community are not required to pay all of the costs of the government services which those segments require and benefits which they receive, the Congress should appropriate the difference between such costs and any receipts received from such segments.

(13) Prior to the imposition of any new charges or user fees on segments of the industry, an independent review must be performed to assess the funding needs and assumptions for operations, capital spending, and airport infrastructure.

(14) An independent, thorough, and complete study and assessment must be performed of the costs to the Federal Aviation Administration driven by each segment of the aviation system for safety and operational services, including the use of the air traffic control system.

(15) Because the Federal Aviation Administration is a unique Federal entity in that it is a partici-

pant in the daily operations of an industry, and because the national air transportation system faces significant problems without significant changes, the Federal Aviation Administration must be enabled to change the Federal procurement and personnel systems to ensure that the Federal Aviation Administration—

(A) has the ability to keep pace with new technology; and

(B) is able to match resources with the real personnel needs of the Federal Aviation Administration.

(16) The existing budget system does not allow for long-term planning or timely acquisition of technology by the Federal Aviation Administration.

(17) Without reforms in the areas of procurement, personnel, funding, and governance—

(A) the Federal Aviation Administration will continue to experience delays and cost overruns in its major modernization programs; and

(B) needed improvements in the performance of the air traffic management system will not occur.

(18) All reforms should be designed to help the Federal Aviation Administration become more responsive to the needs of its customers.

(19) General Federal Aviation Administration functions, including inspections and administrative and overhead costs not directly related to service activities, should continue to be funded by appropriations.

SEC. 303. PURPOSES.

The purposes of this title are—

(1) to ensure that final action shall be taken on all notices of proposed rulemaking of the Federal Aviation Administration within 18 months after the date of their publication;

(2) to permit the Federal Aviation Administration, with Congressional review, to establish an innovative program for procurement reform;

(3) to permit the Federal Aviation Administration, with Congressional review, to establish an innovative program for personnel reform;

(4) to permit the Federal Aviation Administration, with Congressional review, to establish a program to improve air traffic management system performance and to establish appropriate levels of cost

accountability for air traffic management services provided by the Federal Aviation Administration;

(5) to establish a more autonomous and accountable Federal Aviation Administration within the Department of Transportation; and

(6) to make the Federal Aviation Administration a more efficient and effective organization, able to meet the needs of a dynamic, growing industry, and to ensure the safety of the traveling public.

SEC. 304. EFFECTIVE DATE.

Except as otherwise provided in this title, the provisions of this title and the amendments made by this title shall take effect on the date that is 30 days after the date of the enactment of this Act.

SEC. 305. REGULATION OF CIVILIAN AIR TRANSPORTATION AND RELATED SERVICES BY THE FEDERAL AVIATION ADMINISTRATION AND DEPARTMENT OF TRANSPORTATION.

(a) IN GENERAL.—Section 106 of title 49, United States Code, is amended—

(1) by striking ''The Administrator'' in the fifth sentence of subsection (b) and inserting ''Except as provided in subsection (f) of this section or in other provisions of law, the Administrator''; and

(2) by striking subsection (f) and inserting the following:

"(f) AUTHORITY OF THE SECRETARY AND THE ADMINISTRATOR.—

"(1) AUTHORITY OF THE SECRETARY.—Except as provided in paragraph (2), the Secretary of Transportation shall carry out the duties and powers of the Administration.

"(2) AUTHORITY OF THE ADMINISTRATOR.—The Administrator—

"(A) is the final authority for carrying out all functions, powers, and duties of the Administration relating to—

"(i) the appointment and employment of all officers and employees of the Administration (other than Presidential and political appointees);

"(ii) the acquisition, operation, and maintenance of property and equipment of the Administration;

"(iii) except as otherwise provided in paragraph (3), the promulgation of regulations, rules, orders, circulars, bulletins, and other official publications of the Administration; and

"(iv) any obligation imposed on the Administrator, or power conferred on the Administrator, by the Air Traffic Management System Performance Improvement Act of 1996 (or any amendment made by that Act);

"(B) shall offer advice and counsel to the President with respect to the appointment and qualifications of any officer or employee of the Administration to be appointed by the President or as a political appointee;

"(C) may delegate, and authorize successive redelegations of, to an officer or employee of the Administration any function, power, or duty conferred upon the Administrator, unless such delegation is prohibited by law; and

"(D) except as otherwise provided for in this title, and notwithstanding any other provision of law to the contrary, shall not be required to coordinate, submit for approval or concurrence, or seek the advice or views of the Secretary or any other officer or employee of the Department of Transportation on any matter with respect to which the Administrator is the final authority.

"(3) DEFINITION OF POLITICAL APPOINTEE.—For purposes of this subsection, the term 'political appointee' means any individual who—

"(A) is employed in a position on the Executive Schedule under sections 5312 through 5316 of title 5;

"(B) is a limited term appointee, limited emergency appointee, or noncareer appointee in the Senior Executive Service as defined under section 3132(a) (5), (6), and (7) of title 5, respectively; or

"(C) is employed in a position in the executive branch of the Government of a confidential or policy-determining character under Schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations.".

(b) PRESERVATION OF EXISTING AUTHORITY.—Nothing in this title or the amendments made by this title limits any authority granted to the Administrator by statute or by delegation that was in effect on the day before the date of enactment of this Act.

SEC. 306. REGULATIONS.

Section 106(f) of title 49, United States Code, as amended by section 305 of this title, is further amended—

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

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

"(3) REGULATIONS.—

"(A) IN GENERAL.—In the performance of the functions of the Administrator and the Administration, the Administrator is authorized to issue, rescind, and revise such regulations as are necessary to carry out those functions. The issuance of such regulations shall be governed by the provisions of chapter 5 of title 5. The Administrator shall act upon all petitions for rulemaking no later than 6 months after the date such petitions are filed by dismissing such petitions, by informing the petitioner of an intention to dismiss, or by issuing a notice of proposed rulemaking or advanced notice of proposed rulemaking. The Administrator shall issue a final regulation, or take other final action, not later than 18 months after the date of publication in the Federal Register of a notice of proposed rulemaking or, in the case of an advanced notice of proposed rulemaking, if issued, not later than 24 months after that date.

"(B) APPROVAL OF SECRETARY OF TRANSPORTATION.—

"(i) The Administrator may not issue a proposed regulation or final regulation that is likely to result in the expenditure by State, local, and tribal governments in the aggregate, or by the private sector, of $50,000,000 or more (adjusted annually for inflation beginning with the year following the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996) in any 1 year, or any regulation which is significant, unless the Secretary of Transportation approves the issuance of the regulation in advance. For purposes of this paragraph, a regulation is significant if it is likely to—

"(I) have an annual effect on the economy of $100,000,000 or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

"(II) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

"(III) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

"(IV) raise novel legal or policy issues arising out of legal mandates.

"(ii) In an emergency, the Administrator may issue a regulation described in clause (i) without prior approval by the Secretary, but any such emergency regulation is subject to ratification by the Secretary after it is issued and shall be rescinded by the Administrator within 5 days (excluding Saturdays, Sundays, and legal public holidays) after issuance if the Secretary fails to ratify its issuance.

"(iii) Any regulation that does not meet the criteria of clause (i), and any regulation or other action that is a routine or frequent action or a procedural action,

may be issued by the Administrator without review or approval by the Secretary.

"(iv) The Administrator shall submit a copy of any regulation requiring approval by the Secretary under clause (i) to the Secretary, who shall either approve it or return it to the Administrator with comments within 45 days after receiving it.

"(C) PERIODIC REVIEW.—(i) Beginning on the date which is 3 years after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996, the Administrator shall review any unusually burdensome regulation issued by the Administrator after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996 beginning not later than 3 years after the effective date of the regulation to determine if the cost assumptions were accurate, the benefit of the regulations, and the need to continue such regulations in force in their present form.

"(ii) The Administrator may identify for review under the criteria set forth in clause (i) unusually burdensome regulations that were is-

sued before the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996 and that have been in force for more than 3 years.

''(iii) For purposes of this subparagraph, the term 'unusually burdensome regulation' means any regulation that results in the annual expenditure by State, local, and tribal governments in the aggregate, or by the private sector, of $25,000,000 or more (adjusted annually for inflation beginning with the year following the date of enactment of the Air Traffic Management System Performance Act of 1996) in any year.

''(iv) The periodic review of regulations may be performed by advisory committees and the Management Advisory Council established under subsection (p).''.

SEC. 307. PERSONNEL AND SERVICES.

Section 106 of title 49, United States Code, is amended by adding at the end the following new subsection:

''(l) PERSONNEL AND SERVICES.—

''(1) OFFICERS AND EMPLOYEES.—Upon development of a personnel management system under

section 40122(c), the Administrator is authorized, in the performance of the functions of the Administrator, to appoint, transfer, and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Administrator and the Administration. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and compensated in accordance with title 5. In fixing compensation and benefits of officers and employees, the Administrator shall not engage in any type of bargaining, except to the extent provided for in section 40122(c), nor shall the Administrator be bound by any requirement to establish such compensation or benefits at particular levels.

"(2) EXPERTS AND CONSULTANTS.—The Administrator is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5.

"(3) TRANSPORTATION AND PER DIEM EXPENSES.—The Administrator is authorized to pay transportation expenses, and per diem in lieu of subsistence expenses, in accordance with chapter 57 of title 5.

"(4) USE OF PERSONNEL FROM OTHER AGENCIES.—The Administrator is authorized to utilize the services of personnel of any other Federal agency (as such term is defined under section 551(1) of title 5).

"(5) VOLUNTARY SERVICES.—

"(A) IN GENERAL.—(i) In exercising the authority to accept gifts and voluntary services under section 326 of this title, and without regard to section 1342 of title 31, the Administrator may not accept voluntary and uncompensated services if such services are used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

"(ii) The Administrator is authorized to provide for incidental expenses, including transportation, lodging, and subsistence for volunteers who provide voluntary services under this subsection.

"(iii) An individual who provides voluntary services under this subsection shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, relating to compensation for work injuries,

and chapter 171 of title 28, relating to tort claims.''.

SEC. 308. CONTRACTS.

Section 106(l) of title 49, United States Code, as added by section 307 of this title, is amended by adding at the end the following new paragraph:

''(6) CONTRACTS.—The Administrator is authorized to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the functions of the Administrator and the Administration. The Administrator may enter into such contracts, leases, cooperative agreements, and other transactions with any Federal agency (as such term is defined in section 551(1) of title 5) or any instrumentality of the United States, any State, territory, or possession, or political subdivision thereof, any other government entity, or any person, firm, associates, corporation, or educational institution, on such terms and conditions as the Administrator may consider appropriate.''.

SEC. 309. BUDGET.

(a) IN GENERAL.—Section 48109 of title 49, United States Code, is amended to read as follows:

"§ 48109. Budget information and legislative recommendations and comments

''(a) PREPARATION.—Beginning with the budget for the first fiscal year beginning after the first fiscal year in which the Federal Aviation Administration is funded entirely by user fees, the Administrator shall prepare a budget for the Administration for each fiscal year.

''(b) SUBMISSION OF BUDGET TO DOT.—At the same time that agencies of the Department of Transportation having jurisdiction over other modes of transportation are required to submit their budgets to the Secretary of Transportation, the Administrator shall submit to the Secretary the budget prepared by the Administrator. The budget submission shall include a statement of income and expenses and analysis of the surplus or deficit in the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986, and any other such supplementary information as is necessary or desirable to make known about the financial condition and operations of the Administration. The annual budget shall be included in the budget submitted by the President pursuant to chapter 11 of title 31, United States Code. The Secretary shall review the budget and may recommend to the Administrator modifications in the budget necessary to ensure that the budget is consistent with the needs of the national transportation system. The

Administrator may modify the budget to adopt any recommendation made by the Secretary.

"(c) SUBMISSION OF BUDGET TO CONGRESS.—

"(1) IN GENERAL.—When the Administrator submits to the President or the Director of the Office of Management and Budget any budget information, legislative recommendation, or comment on legislation about amounts authorized in section 48101 or 48102, the Administrator concurrently shall submit a copy of the information, recommendation, or comment to the Speaker of the House of Representatives, the Committees on Transportation and Infrastructure and Appropriations of the House of Representatives, the President of the Senate, and the Committees on Commerce, Science, and Transportation and Appropriations of the Senate.

"(2) SPECIAL RULE WITH RESPECT TO ANNUAL BUDGETS.—The annual budget of the Administration submitted to Congress shall include—

"(A) any modifications made by the Administrator under subsection (b) with respect to the budget; and

"(B) if the Administrator does not adopt a recommendation made by the Secretary under subsection (b), a description of the rec-

ommendation and the reasons for not adopting the recommendation.

"(d) COST REDUCTION AND EFFICIENCY REPORT REQUIRED.—Whenever the Administrator submits a report, request, or proposal that contains an increase in either the budget of the Administration or any of the fees imposed by the Administration, the Administrator shall submit, as a part of that report, request, or proposal—

"(1) an explanation that states specifically the need for the increase; and

"(2) a statement of any steps taken by the Administration to reduce costs and improve efficiency in order to avoid or limit the increase.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 481 of such title is amended by striking the item relating to section 48109 and inserting the following:

"48109. Budget information and legislative recommendations and comments.".

SEC. 310. FACILITIES.

Section 106 of title 49, United States Code, as amended by section 307 of this title, is further amended by adding at the end the following new subsection:

"(m) COOPERATION BY ADMINISTRATOR.—With the consent of appropriate officials, the Administrator may, with or without reimbursement, use or accept the services, equipment, personnel, and facilities of any other Federal agency (as such term is defined in section 551(1) of title

5) and any other public or private entity. The Administrator may also cooperate with appropriate officials of other public and private agencies and instrumentalities concerning the use of services, equipment, personnel, and facilities. The head of each Federal agency shall cooperate with the Administrator in making the services, equipment, personnel, and facilities of the Federal agency available to the Administrator. The head of a Federal agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Administration, without reimbursement, supplies and equipment other than administrative supplies or equipment.''.

SEC. 311. PROPERTY.

Section 106 of title 49, United States Code, as amended by section 310 of this title, is further amended by adding at the end the following new subsection:

''(n) ACQUISITION.—

''(1) IN GENERAL.—The Administrator is authorized—

''(A) to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain—

''(i) air traffic control facilities and equipment;

"(ii) research and testing sites and facilities; and

"(iii) such other real and personal property (including office space and patents), or any interest therein, within and outside the continental United States as the Administrator considers necessary;

"(B) to lease to others such real and personal property; and

"(C) to provide by contract or otherwise for eating facilities and other necessary facilities for the welfare of employees of the Administration at the installations of the Administration, and to acquire, operate, and maintain equipment for these facilities.

"(2) TITLE.—Title to any property or interest therein acquired pursuant to this subsection shall be held by the Government of the United States.".

SEC. 312. SELECT PANEL TO REVIEW INNOVATIVE FUNDING MECHANISMS.

(a) ESTABLISHMENT.—The Administrator shall establish a select panel to review and report to Congress regarding a limited innovative program to fund specific facilities and equipment projects, and to provide limited additional funding alternatives for airport capacity develop-

ment. The mechanisms to be reviewed shall include loan guarantees, financial partnerships with for-profit private sector entities, government sponsored enterprises, and revolving loan funds.

(b) APPOINTMENT OF MEMBERS.—The members of the panel established under this section shall consist of appropriate Federal Government officials, and representatives of the aviation industry, Administration employees, the financial community, and State and local governments.

(c) TRAVEL AND PER DIEM.—Each member of the panel established under this section shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his or her usual place of residence.

(d) REPORT.—Not later than 9 months after the date of the appointment of the last member to the panel under subsection (b), the panel shall submit to the Congress and the Administration a report on the results of the review conducted under this section. Such report shall specifically take into account the independent studies performed pursuant to section 45303(a)(6) of title 49, United States Code, as added by section 335 of this title.

(e) FEDERAL ADVISORY COMMITTEE ACT NOT TO APPLY.—The Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the panel established under this section.

(f) TERMINATION.—The panel established under this section shall terminate on the date that is 30 days after the date of submission of the report under subsection (d).

SEC. 313. TRANSFERS OF FUNDS FROM OTHER FEDERAL AGENCIES.

Section 106 of title 49, United States Code, as amended by section 311 of this title, is further amended by adding at the end the following new subsection:

''(o) TRANSFERS OF FUNDS.—The Administrator is authorized to accept transfers of unobligated balances and unexpended balances of funds appropriated to other Federal agencies (as such term is defined in section 551(1) of title 5) to carry out functions transferred by this Act to the Administrator or functions transferred pursuant to law to the Administrator on or after the date of the enactment of the Air Traffic Management System Performance Improvement Act of 1996.''.

SEC. 314. MANAGEMENT ADVISORY COUNCIL.

Section 106 of title 49, United States Code, as amended by section 313 of this title, is further amended by adding at the end the following new subsection:

''(p) MANAGEMENT ADVISORY COUNCIL.—

''(1) ESTABLISHMENT.—Within 3 months after the date of enactment of the Air Traffic Management System Performance Improvement Act of

1996, the Administrator shall establish an advisory council which shall be known as the Federal Aviation Management Advisory Council (in this subsection referred to as the 'Council'). With respect to Federal Aviation Administration management, policy, spending, user fees, and regulatory matters affecting the aviation industry, the Council may submit comments, recommended modifications, and dissenting views to the Administrator. The Administrator shall include in any submission to Congress, the Secretary, or the general public, and in any submission for publication in the Federal Register, a description of the comments, recommended modifications, and dissenting views received from the Council, together with the reasons for any differences between the views of the Council and the views or actions of the Administrator.

"(2) MEMBERSHIP.—The Council shall consist of 15 members, who shall consist of—

"(A) a designee of the Secretary of Transportation;

"(B) a designee of the Secretary of Defense; and

"(C) 13 members appointed by the President after consulting the Senate, representing

aviation interests, at least 6 of whom shall represent the interests of the air carrier industry (of which at least 2 of whom shall represent major air carriers with gross revenues under $4,000,000,000, at least 1 of whom shall represent the interests of cargo carriers, and at least 1 of whom shall represent the interests of regional air carriers).

"(3) QUALIFICATIONS.—No member appointed under paragraph (2)(C) may serve as an officer or employee of the United States Government while serving as a member of the Council.

"(4) FUNCTIONS.—

"(A) IN GENERAL.—(i) The Council shall provide advice and counsel to the Administrator on issues which affect or are affected by the operations of the Administrator. The Council shall function as an oversight resource for management, policy, spending, and regulatory matters under the jurisdiction of the Administration.

"(ii) The Council shall review the rulemaking cost-benefit analysis process and develop recommendations to improve the analysis and ensure that the public interest is fully protected.

"(iii) The Council shall review the process through which the Administration determines to use advisory circulars and service bulletins.

"(B) PANELS AND WORKING GROUPS.—The chairman of the Council shall establish a panel or working group, from among the members of the Council, on the development of all fees under sections 45301 and 45302, and may establish such additional panels and working groups, consisting of members of the Council, as may be necessary to carry out the functions of the Council.

"(C) MEETINGS.—The Council shall meet on a regular and periodic basis or at the call of the chairman or of the Administrator.

"(D) ACCESS TO DOCUMENTS AND STAFF.—The Administration may give the Council appropriate access to relevant documents and personnel of the Administration, and the Administrator shall make available, consistent with the authority to withhold commercial and other proprietary information under section 552 of title 5 (commonly known as the 'Freedom of Information Act'), cost data associated with the acquisition and operation of air traffic

service systems. Any member of the Council who receives commercial or other proprietary data from the Administrator shall be subject to the provisions of section 1905 of title 18, pertaining to unauthorized disclosure of such information.

"(5) FEDERAL ADVISORY COMMITTEE ACT NOT TO APPLY.—The Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the Council.

"(6) ADMINISTRATIVE MATTERS.—

"(A) TERMS OF MEMBERS.—(i) Except as provided in subparagraph (B), members of the Council appointed by the President under paragraph (2)(C) shall be appointed for a term of 3 years.

"(ii) Of the members first appointed by the President—

"(I) 4 shall be appointed for terms of 1 year;

"(II) 5 shall be appointed for terms of 2 years; and

"(III) 4 shall be appointed for terms of 3 years.

"(iii) An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

"(iv) A member whose term expires shall continue to serve until the date on which the member's successor takes office.

"(B) CHAIRMAN; VICE CHAIRMAN.—The Council shall elect a chair and a vice chair from among the members appointed under paragraph (2)(C), each of whom shall serve for a term of 1 year. The vice chair shall perform the duties of the chairman in the absence of the chairman.

"(C) TRAVEL AND PER DIEM.—Each member of the Council shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his or her usual place of residence, in accordance with section 5703 of title 5.

"(D) DETAIL OF PERSONNEL FROM THE ADMINISTRATION.—The Administrator shall make available to the Council such staff, information, and administrative services and assistance as may reasonably be required to enable the Council to carry out its responsibilities under this subsection.".

SEC. 315. AIRCRAFT ENGINE STANDARDS.

Subsection (a)(1) of section 44715 of title 49, United States Code, is amended to read as follows:

''(a) STANDARDS AND REGULATIONS.—(1) To relieve and protect the public health and welfare from aircraft noise, sonic boom, and aircraft engine emissions, the Administrator of the Federal Aviation Administration, as he deems necessary, shall prescribe—

''(A) standards to measure aircraft noise and sonic boom;

''(B) regulations to control and abate aircraft noise and sonic boom; and

''(C) emission standards applicable to the emission of any air pollutant from any class or classes of aircraft engines which, in the judgment of the Administrator, cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare.''.

SEC. 316. RURAL AIR FARE STUDY.

(a) IN GENERAL.—The Secretary shall conduct a study to—

(1) compare air fares paid (calculated as both actual and adjusted air fares) for air transportation on flights conducted by commercial air carriers—

(A) between—

(i) nonhub airports located in small communities; and

(ii) large hub airports; and

(B) between large hub airports;

(2) analyze—

(A) the extent to which passenger service that is provided from nonhub airports is provided on—

(i) regional commuter commercial air carriers; or

(ii) major air carriers;

(B) the type of aircraft employed in providing passenger service at nonhub airports; and

(C) whether there is competition among commercial air carriers with respect to the provision of air service to passengers from nonhub airports.

(b) FINDINGS.—The Secretary shall include in the report of the study conducted under subsection (a) findings concerning—

(1) whether passengers who use commercial air carriers to and from rural areas (as defined by the Secretary) pay a disproportionately greater price for that transportation than passengers who use com-

mercial air carriers between urban areas (as defined by the Secretary);

(2) the nature of competition, if any, in rural markets (as defined by the Secretary) for commercial air carriers;

(3) whether a relationship exists between higher air fares and competition among commercial air carriers for passengers travelling on jet aircraft from small communities (as defined by the Secretary) and, if such a relation exists, the nature of that relationship;

(4) the number of small communities that have lost air service as a result of the deregulation of commercial air carriers with respect to air fares;

(5) the number of small communities served by airports with respect to which, after commercial air carrier fares were deregulated, jet aircraft service was replaced by turboprop aircraft service; and

(6) where such replacement occurred, any corresponding decreases in available seat capacity for consumers at the airports referred to in that subparagraph.

(c) REPORT.—Not later than 60 days after the date of enactment of this Act, the Secretary shall submit a final report on the study carried out under subsection (a) to

the Committee on Commerce, Science, and Transportation of the Senate.

(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ADJUSTED AIR FARE.—The term ''adjusted air fare'' means an actual air fare that is adjusted for distance travelled by a passenger.

(2) AIR CARRIER.—The term ''air carrier'' is defined in section 40102(a)(2) of title 49, United States Code.

(3) AIRPORT.—The term ''airport'' is defined in section 40102(9) of such title.

(4) COMMERCIAL AIR CARRIER.—The term ''commercial air carrier'' means an air carrier that provides air transportation for commercial purposes (as determined by the Secretary).

(5) HUB AIRPORT.—The term ''hub airport'' is defined in section 41731(a)(2) of such title.

(6) LARGE HUB AIRPORT.—The term ''large hub airport'' shall be defined by the Secretary but the definition may not include a small hub airport, as that term is defined in section 41731(a)(5) of such title.

(7) MAJOR AIR CARRIER.—The term ''major air carrier'' shall be defined by the Secretary.

(8) NONHUB AIRPORT.—The term ''nonhub airport'' is defined in section 41731(a)(4) of such title.

(9) REGIONAL COMMUTER AIR CARRIER.—The term ''regional commuter air carrier'' shall be defined by the Secretary.

PART II—FEDERAL AVIATION ADMINISTRATION STREAMLINING PROGRAMS

SEC. 321. INNOVATIVE PROGRAM FOR AIR TRAFFIC CONTROL MODERNIZATION.

Chapter 401 of title 49, United States Code, is amended—

(1) by redesignating section 40120 as section 40123; and

(2) by inserting after section 40119 the following:

''§ 40120. Innovative program for air traffic control modernization

''(a) INNOVATIVE PROGRAM.—The Administrator of the Federal Aviation Administration (hereafter in this section referred to as the 'Administrator') shall develop and implement an innovative program under which an acquisition management system is used to procure goods and services by the Federal Aviation Administration (hereafter in this section referred to as the 'Administration').

''(b) EXEMPTION FROM PROCUREMENT LAWS.—

"(1) IN GENERAL.—Subject to paragraph (2), in carrying out the acquisition management system used under the innovative program, the Administrator may waive all or any part of—

"(A) section 3709 of the Revised Statutes (41 U.S.C. 5);

"(B) title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 through 266);

"(C) the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.);

"(D) sections 8, 9, and 15 of the Small Business Act (15 U.S.C. 637, 638, and 644), but the Administrator shall provide resources for the development and implementation of a program that presents the maximum opportunities, to the extent possible, for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals to participate in the performance of contracts awarded by the Administration;

"(E) any provision of law that, pursuant to section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430), is listed in the Fed-

eral Acquisition Regulation as being inapplicable—

"(i) to contracts for the procurement of commercial items; or

"(ii) in the case of a subcontract under the innovative program, to subcontracts for the procurement of commercial items;

"(F) the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355);

"(G) subchapter V of chapter 35 of title 31, United States Code, relating to the procurement protest system;

"(H) the Brooks Automatic Data Processing Act (section 111 of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 759);

"(I) the Federal Acquisition Regulation and any law that is not listed in subparagraphs (A) through (G) providing authority to promulgate regulations in the Federal Acquisition Regulation.

"(2) EXEMPTIONS FOR THE DEPARTMENT OF DEFENSE.—The Department of Defense shall have the same exemptions from acquisition laws as are

waived by the Administrator under paragraph (1) when engaged in joint actions to improve or replenish the national air traffic control system. The Administration may acquire real property, goods, and services through the Department of Defense, or other appropriate agencies, but is bound by the acquisition laws and regulations governing those cases.

"(3) EFFECTIVE DATE.—The Administrator may not waive the laws referred to in paragraph (1) until the expiration of the 30-day period referred to in subsection (d)(2).

"(c) DEVELOPMENT OF ACQUISITION MANAGEMENT SYSTEM.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996, the Administrator, in consultation with such governmental and nongovernmental experts in acquisition management systems as the Administrator may employ, shall develop an acquisition management system for the Administration. Notwithstanding any other provision of law to the contrary, the Administrator may, for purposes of this section, retain such experts under a contract awarded on a basis other than a competitive basis and without re-

gard to any such provisions requiring competitive bidding or precluding sole source contract authority. In developing the system, the Administrator may utilize the services of experts and consultants under section 3109 of title 5, without regard to the limitation imposed by the last sentence of section 3109(b) of such title, and may contract on a sole source basis, notwithstanding any other provision of law to the contrary.

"(2) REQUIREMENTS.—The acquisition management system to be developed by the Administrator under paragraph (1) shall be—

"(A) designed to ensure that new equipment is installed and certified as quickly as possible without sacrificing safety, principles of fairness, and protection against waste, fraud, and abuse;

"(B) designed to ensure the best practicable acquisitions in terms of best value; and

"(C) designed to ensure that services are acquired in the most effective and efficient manner.

"(d) NOTICE TO CONGRESS.—

"(1) IN GENERAL.—Upon completion of the development of the acquisition management system,

the Administrator shall submit a comprehensive plan describing the acquisition management system to the Congress. The Administrator shall also transmit with the plan a copy of all suggestions and comments provided to the Administration by the Department of Transportation, and by outside experts (if any), on the acquisition management system.

"(2) DATE OF IMPLEMENTATION.—The Administrator may begin to implement the acquisition management system only after the expiration of the 30-day period that begins on the date on which the plan is submitted to the Congress under paragraph (1).

"(e) EXPERT EVALUATION.—On the date which is 3 years after the acquisition management system is implemented, the Administration shall employ outside experts to provide an independent evaluation of the effectiveness of the system within 3 months after such date. The Administrator shall transmit a copy of the evaluation to the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives.

"(f) MODIFICATIONS TO SYSTEM.—The Administrator may periodically make modifications to the acquisition management system. Any such modifications shall be

submitted to the Congress under subsection (d) in the same manner as the acquisition management system plan and may not be implemented until after the expiration of the 30-day period beginning on the date of submission.''.

SEC. 322. AIR TRAFFIC CONTROL MODERNIZATION REVIEWS.

Chapter 401 of title 49, United States Code, as amended by section 321, is further amended by inserting after section 40120 the following new section:

"§ 40121. Air traffic control modernization reviews

''(a) REQUIRED TERMINATIONS OF ACQUISITIONS.—The Administrator of the Federal Aviation Administration (hereafter referred to in this section as the 'Administrator') shall terminate any program initiated after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996 and funded under the Facilities and Equipment account that—

''(1) is more than 50 percent over the cost goal established for the program;

''(2) fails to achieve at least 50 percent of the performance goals established for the program; or

''(3) is more than 50 percent behind schedule as determined in accordance with the schedule goal established for the program.

"(b) AUTHORIZED TERMINATIONS OF ACQUISITIONS.—The Administrator shall consider terminating, under the authority of subsection (a), any substantial acquisition that—

"(1) is more than 10 percent over the cost goal established for the program;

"(2) fails to achieve at least 90 percent of the performance goals established for the program; or

"(3) is more than 10 percent behind schedule as determined in accordance with the schedule goal established for the program.

"(c) EXCEPTION AND REPORT.—

"(1) CONTINUANCE OF PROGRAM, ETC.—Notwithstanding subsection (a), the Administrator may continue an acquisition program required to be terminated under subsection (a) if the Administrator determines that termination would be inconsistent with the development or operation of the national air transportation system in a safe and efficient manner.

"(2) REPORT.—If the Administrator makes a determination under paragraph (1) the Administrator shall transmit a copy of the determination, together with a statement of the basis for the determination, to the Committees on Appropriations of

the Senate and the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives.''.

SEC. 323. INNOVATIVE PROGRAM FOR FEDERAL AVIATION ADMINISTRATION SERVICES.

Chapter 401 of title 49, United States Code, as amended by section 322, is further amended by inserting after section 40121 the following new section:

''§ 40122. Innovative program for Federal Aviation Administration services

''(a) INNOVATIVE PROGRAM.—The Administrator of the Federal Aviation Administration (hereafter in this section referred to as the 'Administrator') shall develop and implement an innovative program under which a personnel management system is used for the management, compensation, and advancement of Federal Aviation Administration (hereafter in this section referred to as the 'Administration') employees.

''(b) EXEMPTION FROM CERTAIN PROVISIONS OF TITLE 5.—

''(1) IN GENERAL.—Except as otherwise provided in this section, under the innovative program,

the Administration shall be exempt from parts II and III of title 5.

"(2) EFFECTIVE DATE.—The exemption provided by paragraph (1) shall not take effect until the expiration of the 30-day period specified in subsection (d)(2).

"(e) DEVELOPMENT OF PERSONNEL MANAGEMENT SYSTEM.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996, the Administrator shall develop a personnel management system for the Administration. Notwithstanding any other provision of law to the contrary, the Administrator may, for purposes of this section, retain such experts under a contract awarded on a basis other than a competitive basis and without regard to any such provisions requiring competitive bidding or precluding sole source contract authority. In developing the system, the Administrator may utilize the services of experts and consultants under section 3109 of title 5 without regard to the limitation imposed by the last sentence of section 3109(b) of such title. In developing the system, the Administrator shall ensure that it responds to

the needs of and is consistent with the innovative acquisition management system developed pursuant to section 40120.

"(2) GOAL.—The goal of the personnel management system to be developed by the Administrator under this section is to provide, consistent with the requirements of this section, the Administration with the ability—

"(A) to hire, promote, and fire employees as in the private sector;

"(B) to establish a pay structure as needed to conduct the business of the Administration in an efficient and effective manner within available resources;

"(C) to provide salaries designed to attract the best qualified employees within available resources;

"(D) to staff facilities that are difficult to staff;

"(E) to move personnel to those facilities where they are most needed; and

"(F) to continue to provide an appropriate framework for labor-management relations concerning terms and conditions of employment.

"(3) CONSULTATION AND NEGOTIATION.—In developing the personnel management system, the Administrator shall negotiate with the exclusive bargaining representatives of employees of the Administration certified under section 7111 of title 5 and consult with other employees of the Administration. The negotiation with the exclusive bargaining representatives shall be completed on or before the 90th day after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996.

"(4) MEDIATION.—If the Administrator does not reach an agreement under paragraph (3) with the exclusive bargaining representatives on any provision of the personnel management system, the services of the Federal Mediation and Conciliation Service shall be used to attempt to reach such agreement. If the services of the Federal Mediation and Conciliation Service do not lead to an agreement, the Administrator shall include in the plan to be submitted to Congress under subsection (d) the objections of the exclusive bargaining representatives and the reasons for the objections.

"(5) COST SAVINGS AND PRODUCTIVITY GOALS.—In negotiating a new personnel system, the

Administration and the exclusive bargaining representatives of the employees shall use every reasonable effort to find cost savings and to increase productivity within each of the affected bargaining units.

"(6) ANNUAL BUDGET DISCUSSIONS.—The Administration and the exclusive bargaining representatives of the employees shall meet annually for the purpose of finding additional cost savings within the Administration's annual budget as it applies to each of the affected bargaining units and throughout the agency.

"(d) NOTICE TO CONGRESS.—

"(1) IN GENERAL.—Upon development of the personnel management system under this section, the Administrator shall submit a comprehensive plan describing the personnel management system to the Congress. The Administrator shall also transmit with the plan a copy of all suggestions and comments provided to the Administration by the Department of Transportation, and by outside experts (if any), on the personnel management system.

"(2) IMPLEMENTATION.—The Administration may begin to implement the personnel management system only after the expiration of the 30-day period

that begins on the date the plan is submitted to the Congress.

"(e) EXPERT EVALUATION.—On the date which is 3 years after the personnel management system is implemented, the Administration shall employ outside experts to provide an independent evaluation of the effectiveness of the system within 3 months after such date. For this purpose, the Administrator may utilize the services of experts and consultants under section 3109 of title 5 without regard to the limitation imposed by the last sentence of section 3109(b) of such title, and may contract on a sole source basis, notwithstanding any other provision of law to the contrary.

"(f) EMPLOYEE RIGHTS AND BENEFITS.—The enactment of this section shall not result in the exemption of employees of the Administration from any of the following provisions of title 5:

"(1) Section 2302(b) (relating to whistleblower protection).

"(2) Sections 3308–3320 (relating to veterans' preference).

"(3) Section 7116(b)(7) (relating to prohibition of the right to strike).

"(4) Section 7204 (relating to antidiscrimination).

"(5) Chapter 63 (relating to leave).

"(6) Chapter 71 (relating to labor-management relations).

"(7) Chapter 73 (relating to suitability, security, and conduct).

"(8) Chapter 81 (relating to compensation for work injuries).

"(9) Chapter 83 (relating to retirement).

"(10) Chapter 84 (relating to the Federal Employees' Retirement System).

"(11) Chapter 85 (relating to unemployment compensation).

"(12) Chapter 87 (relating to life insurance).

"(13) Chapter 89 (relating to health insurance).

"(14) Subchapter II of chapter 53 (with respect to the pay of the Administrator).

"(g) PAY RESTRICTION.—No officer or employee of the Administration may receive an annual rate of basic pay in excess of the annual rate of basic pay payable to the Administrator.

"(h) ETHICS.—The Administration shall be subject to Executive Order 12674 and regulations and opinions promulgated by the Office of Government Ethics, including those set forth in section 2635 of title 5 of the Code of Federal Regulations.

"(i) EMPLOYEE PROTECTIONS.—Employment rights, wages, and benefits of employees of the Administration shall not be adversely affected by reason of the enactment of this section, except for unacceptable performance or by reason of a reduction in force or reorganization, during the period commencing on the effective date of the Air Traffic Management System Performance Improvement Act of 1996 and ending on the date determined under subsection (d)(2).

"(j) LABOR-MANAGEMENT AGREEMENTS.—Except as otherwise provided by this title and the Air Traffic Management System Performance Improvement Act of 1996, all labor-management agreements covering employees of the Administration that are in effect on the effective date of the Air Traffic Management System Performance Improvement Act of 1996 shall remain in effect until their normal expiration date, unless the Administrator and the exclusive bargaining representative agree to the contrary.

"(k) MODIFICATIONS TO SYSTEM.—The Administrator may periodically make modifications to the personnel management system. Any such modifications shall be submitted to the Congress under subsection (d) in the same manner as the personnel management system plan and may not be implemented until after the expiration of the 30-day period beginning on the date of submission.".

SEC. 324. CONFORMING AMENDMENT.

The chapter analysis for chapter 401 of title 49, United States Code, is amended by striking the item relating to section 40120 and inserting the following new items:

"40120. Innovative program for air traffic control modernization.
"40121. Air traffic control modernization reviews.
"40122. Innovative program for Federal Aviation Administration services.
"40123. Relationship to other laws.".

PART III—SYSTEM TO FUND CERTAIN FEDERAL AVIATION ADMINISTRATION FUNCTIONS

SEC. 331. FINDINGS.

The Congress finds the following:

(1) The Federal Aviation Administration is recognized throughout the world as a leader in aviation safety.

(2) The Administration certifies aircraft, engines, propellers and other manufactured parts.

(3) The Administration certifies more than 650 training schools for pilots and non-pilots, more than 4,858 repair stations, and more than 193 maintenance schools.

(4) The Administration certifies pilot examiners, who are then qualified to determine if a person has the skills necessary to become a pilot.

(5) The Administration fully certifies more than 6,000 medical examiners, each of whom is then fully

qualified to medically certify the qualifications of pilots and non-pilots.

(6) The Administration fully certifies more than 470 airports, and provides a limited certification for another 205 airports. Other airports in the United States are also reviewed by the Administration.

(7) The Administration each year performs more than 355,000 inspections.

(8) The Administration issues more than 655,000 pilots licenses and more than 560,000 nonpilot licenses (including mechanics).

(9) The Administration's certification means that the product meets world-wide recognized standards of safety and reliability.

(10) The Administration's certification means aviation-related equipment and services meet world-wide recognized standards.

(11) The Administration's certification is recognized by governments and businesses throughout the world and as such is a valuable element for any company desiring to sell aviation-related products throughout the world.

(12) The Administration certification constitutes a valuable license, franchise or privilege, and confers many benefits on the holders.

(13) The Administration also is a major purchaser of computers, radars, and other systems needed to run the air traffic control system. The Administration's design, acceptance, commissioning, or certification of such equipment enables the private sector to market those products around the world, and as such confers a benefit on the manufacturer.

(14) The Administration provides extensive services to public use aircraft, including the military. Administration cost allocation studies attribute about 15 percent of the cost of the airway system to public use aircraft. The estimated cost of these air traffic services in 1993 was $1,100,000,000. Most of these services were provided to the military. The annual appropriations from the general fund of the Treasury to the Administration have been considered, in part, payment for the cost of such services, but are expected to decline in future years.

(15) The Administration must be able to design, to the maximum extent possible, a performance-based system to recover its interest and cost in its certification and purchasing systems.

SEC. 332. PURPOSES.

The purposes of this part are—

(1) to provide a financial structure for the Administration so that it will be able to support the future growth in the national aviation and airport system;

(2) to establish a program of incentive-based fees for services to improve air traffic management system performance and to establish appropriate levels of cost accountability for air traffic management services provided by the Administration;

(3) to ensure that the funding obtained by user fees set by this title will be dedicated solely for the use of the Administration;

(4) to authorize the Administration to recover the costs of its services from those who benefit from the national aviation system and the services provided by the Administration;

(5) to allow the Administration to develop a fee system based on the cost or value of the services provided;

(6) to demonstrate to each segment of the aviation industry the benefits of a cost-based or value-based user fee system;

(7) to replace the existing user charges with a new fee system as a means of achieving a more effi-

cient and effective Administration for the aviation transportation industry; and

(8) to have the Administration develop fee systems that do not directly impinge upon the nonbusiness jet and noncommercial aspects of the general aviation community.

SEC. 333. USER FEES FOR VARIOUS FEDERAL AVIATION ADMINISTRATION SERVICES.

(a) IN GENERAL.—Chapter 453 of title 49, United States Code, is amended by striking section 45301 and inserting the following new section:

"§ 45301. General provisions

''(a) IN GENERAL.—The Administrator of the Federal Aviation Administration (hereafter in this section referred to as the 'Administrator') shall submit to the Congress a performance-based fee system, to the maximum extent possible—

''(1) not later than 1 year after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996, for services other than air traffic control services, including training, licensing, regulatory proceedings, and activities directly necessary for certification; and

''(2) not later than 6 months after such date of enactment, for—

"(A) services (other than air traffic control services) provided to a foreign government; and

"(B) air traffic control services for flights over the United States or its territories by air carriers that neither arrive at nor depart from an airport in the United States or its territories (other than such flights by foreign government aircraft engaged on official business).

"(b) CONSIDERATIONS.—

"(1) IN GENERAL.—To the maximum extent possible, the Administrator, in developing a fee system, shall consider—

"(A) the impact on segments of the aviation industry; and

"(B) the fair value, or cost, of the service provided by the Federal Aviation Administration (hereafter in this section referred to as the 'Administration').

"(2) ADDITIONAL STANDARDS FOR AIRCRAFT MANUFACTURING CERTIFICATION FEES.—In the case of aircraft manufacturing certification services, in establishing fees the Administrator shall—

"(A) not charge fees for administrative and overhead costs not directly related to service activities;

"(B) consider the effect, both domestically and internationally, of fees on each industry sector;

"(C) provide a basis for reducing user fees, in appropriate cases, when manufacturers provide in-kind services, such as training, to the Administration;

"(D) relate user fees to timeliness of Administration services;

"(E) create reasonable incentives for the Administration, and for payors, to reduce the amount of Administration costs required to perform services; and

"(F) avoid cross-subsidization among industry sectors.

"(c) CONSULTATION WITH MANAGEMENT ADVISORY COUNCIL.—In developing proposals under this section, the Administrator shall consult with the Management Advisory Council established under section 106(p) and, to the maximum extent possible, seek to develop a consensus.

"(d) USE OF EXPERTS AND CONSULTANTS.—In developing the system, the Administrator may consult with such nongovernmental experts as the Administrator may employ and the Administrator may utilize the services of experts and consultants under section 3109 of title 5 with-

out regard to the limitation imposed by the last sentence of section 3109(b) of such title, and may contract on a sole source basis, notwithstanding any other provision of law to the contrary. Notwithstanding any other provision of law to the contrary, the Administrator may retain such experts under a contract awarded on a basis other than a competitive basis and without regard to any such provisions requiring competitive bidding or precluding sole source contract authority. The Administrator shall cause a copy of the proposed fee system to be printed in the Federal Register upon its submission to the Congress.

"(e) FEES EFFECTIVE 45 DAYS AFTER SUBMISSION.—

"(1) IN GENERAL.—Unless disapproved by the Congress under section 45303(c), any fees proposed by the Administrator under this section shall take effect 45 days after the date on which the proposal is submitted to the Congress, or on such later date as the Administrator may propose. If a fee proposal is submitted to the Congress less than 45 days before the date on which the Congress adjourns sine die, or less than 45 days before any 30-day period in which neither House of the Congress is in session, then the fees so proposed shall not take effect unless resubmitted under this section. Any proposal resub-

mitted shall be considered a new submission for applying the first sentence of this paragraph to the resubmitted proposal.

"(2) IMPLEMENTATION DELAYED IF TRUST FUND AMOUNTS ADEQUATE.—Beginning with fiscal year 1998, no fee proposed by the Administrator may be imposed under subsection (a)(1) unless, for the preceding fiscal year, the sum of the outlays from the Airport and Airway Trust Fund exceeds the receipts of the Fund derived from Federal taxes, amounts equivalent to the receipts from which are credited to the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 (hereafter in this chapter referred to as the 'trust fund taxes').

"(3) AIRCRAFT MANUFACTURING CERTIFICATION FEES NOT IMPLEMENTED BEFORE AIR TRAFFIC CONTROL FEES.—Notwithstanding any other provision of this Act, the Administrator may not impose a fee under this section for aircraft manufacturing certification services before imposing a fee for air traffic control services under section 45302.

"(f) AGREEMENT WITH DEPARTMENT OF DEFENSE.—Not later than 6 months after the date of enact-

ment of the Air Traffic Management System Performance Improvement Act of 1996, the Administration shall enter into an agreement with the Department of Defense under which the Administration will be reimbursed for the net cost of air traffic control services provided to the Department of Defense.

"(g) TERMINATION.—Fees imposed under subsection (a)(1) shall terminate 3 years after going into effect, but any amounts collected shall remain available until expended.

"(h) ADDITIONAL SYSTEM PROPOSALS.—Not later than 6 months before the date on which any fee system imposed under this section terminates, the Administrator shall submit to the Congress a proposal for a fee system to replace the terminating system. Any replacement fee system proposed under this subsection shall be developed in consultation with the Management Advisory Council established under section 106(p) in the same manner as under subsection (c). The Administrator shall submit to the Congress at the same time as the proposed is submitted, a review of the effectiveness of the standards established for the fee system the proposed fee system is intended to replace, conducted by independent experts. The proposed replacement fee system shall take effect upon the termination of the fee system it replaces unless dis-

approved by the Congress under section 45303(c), and shall terminate 3 years after going into effect.

"(i) CERTAIN FEES PROHIBITED.—The Administration may not impose fees under subsection (a)(1) for the direct cost of accident investigations, or the costs of inspections of or enforcement actions initiated against any segment of the aviation industry.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 453 of title 49, United States Code, is amended by striking the item relating to section 45301 and inserting the following new item:

"45301. General provisions.".

(c) REPEAL.—

(1) IN GENERAL.—Section 70118 of title 49, United States Code, is repealed.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 701 of title 49, United States Code, is amended by striking the item relating to section 70118.

SEC. 334. USER FEES FOR AIR TRAFFIC CONTROL SERVICES.

(a) IN GENERAL.—Chapter 453 of title 49, United States Code, as amended by section 333 of this title, is further amended by striking section 45302 and inserting the following:

"§ 45302. User fees for air traffic control services

''(a) IN GENERAL.—Not later than 1 year after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996, the Administrator of the Federal Aviation Administration (hereafter in this section referred to as the 'Administrator') shall submit to the Congress a proposed fee system for air traffic control services. In developing the proposal, the Administrator may utilize the services of experts and consultants under section 3109 of title 5 without regard to the limitation imposed by the last sentence of section 3109(b) of such title, and may contract on a sole source basis, notwithstanding any other provision of law to the contrary, to develop air traffic control user fees based on improved system performance. The Administrator shall cause a copy of the proposed fee system to be printed in the Federal Register upon its submission to the Congress.

''(b) CONSIDERATIONS.—To the maximum extent feasible, in developing a fee system under this section, the Administrator shall consider—

''(1) the impact on air fares (including low-fare, high-frequency service) and competition;

''(2) the existing contributions provided by individual air carriers toward funding of the Federal Aviation Administration and the air traffic control

system (through contributions to the Airport and Airway Trust Fund);

''(3) the continuation of promoting fair and competitive practices;

''(4) the unique circumstances associated with inter island air carrier service in Hawaii;

''(5) the impact on service to small communities;

''(6) the impact on services provided by regional air carriers; and

''(7) several alternative methodologies for calculating fees so as to achieve as fair and reasonable distribution of the costs of service among users.

''(c) LIMITATIONS.—

''(1) TRUST FUND PAYORS.—Fees imposed under this section on any segment of the aviation industry (other than on flights operated by air carriers within United States territories or between such territories and foreign countries) subject to Federal taxes, amounts equivalent to the receipts of which are credited to the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 (hereafter in this section referred to as 'trust fund taxes') shall take effect on the later of—

"(A) the date established under subsection (d) of this section, or

"(B) the date immediately following the date on which the trust fund taxes paid by that segment terminate.

"(2) OTHER USERS.—Notwithstanding paragraph (1), fees imposed under this section may be imposed on any user of air traffic control services not subject to trust fund taxes, so long as any such fees are consistent with international agreements.

"(3) EXEMPTION FOR CERTAIN AIRCRAFT.—No fee may be imposed under this section on sport and recreation aircraft or on agricultural aircraft.

"(d) FEES EFFECTIVE 45 DAYS AFTER SUBMISSION.—Unless disapproved by the Congress under section 45303(c), fees proposed by the Administrator under this section take effect 45 days after the date on which the proposal is submitted to the Congress, or on such later date as the Administrator may propose.

"(e) DEFINITIONS.—For the purposes of this section the following definitions shall apply:

"(1) SEGMENT.—The term 'segment' refers to—

"(A) commercial airlines;

"(B) commercial cargo air carriers;

"(C) business jets;

"(D) general aviation; and

"(E) public use.

"(2) BUSINESS JETS.—The term 'business jets' means turbine engine aircraft other than rotorcraft and aircraft used exclusively in air carrier service.

"(3) SPORT AND RECREATION AIRCRAFT.—The term 'sport and recreation aircraft' means non-powered aircraft, rotorcraft, and reciprocating piston engine aircraft not used to provide air carrier service.

"(f) CONSULTATION WITH MANAGEMENT ADVISORY COUNCIL.—In developing proposals under subsection (a) of this section, the Administrator shall consult with the Management Advisory Council established under section 106(p) and, to the maximum extent possible, seek to develop a consensus.

"(g) TERMINATION.—Fees imposed under this section shall terminate 3 years after going into effect, but any amounts collected shall remain available until expended.

"(h) ADDITIONAL SYSTEM PROPOSALS.—Not later than 6 months before the date on which any fee system imposed under this section terminates, the Administrator shall submit to the Congress a proposal for a fee system to replace the terminating system. Any replacement fee

system proposed under this subsection shall be developed in consultation with the Management Advisory Council established under section 106(p) in the same manner as under subsection (f). The Administrator shall submit to the Congress at the same time as the proposal is submitted, a review of the effectiveness of the standards established for the fee system the proposed fee system is intended to replace, conducted by independent experts. The proposed replacement fee system shall take effect upon the termination of the fee system it replaces unless disapproved by the Congress under section 45303(c), and shall terminate 3 years after going into effect.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 453 of title 49, United States Code, is amended by striking the item relating to section 45302 and inserting after the item relating to section 45301 the following:

''45302. User fees for air traffic control services.''.

SEC. 335. ADMINISTRATIVE PROVISIONS.

(a) IN GENERAL.—Chapter 453 of title 49, United States Code, as amended by section 334 of this title, is further amended by—

(1) redesignating section 45303 as section 45304; and

(2) by inserting after section 45302 the following:

"§ 45303. Administrative provisions

''(a) IN GENERAL.—

''(1) FEES PAYABLE TO ADMINISTRATOR.—All fees imposed and amounts collected under this chapter for services performed, or materials furnished, by the Federal Aviation Administration (hereafter in this section referred to as the 'Administration') are payable to the Administrator of the Administration.

''(2) REFUNDS.—The Administrator may refund any fee paid by mistake or any amount paid in excess of that required.

''(3) RECEIPTS CREDITED TO ACCOUNT.—Notwithstanding section 3302 of title 31 all fees and amounts collected by the Administration, except insurance premiums and other fees charged for the provision of insurance and deposited in the Aviation Insurance Revolving Fund and interest earned on investments of such Fund, and except amounts which on the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996 are required to be credited to the general fund of the Treasury, (whether imposed under this section or not)—

''(A) shall be credited to a separate account established in the Treasury and made

available for Federal Aviation Administration activities as offsetting collections;

"(B) shall be available immediately for expenditure but only for Congressionally authorized and intended purposes; and

"(C) shall remain available until expended.

"(4) ANNUAL BUDGET REPORT BY ADMINISTRATOR.—The Administrator shall, on the same day each year as the President submits the annual budget to the Congress, provide to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives—

"(A) a list of fee collections by the Administration during the preceding fiscal year;

"(B) a list of activities by the Administration during the preceding fiscal year that were supported by fee expenditures and appropriations;

"(C) budget plans for significant programs, projects, and activities of the Administration, including out-year funding estimates;

"(D) any proposed disposition of surplus fees by the Administration; and

"(E) such other information as those committees consider necessary.

"(5) INDEPENDENT STUDIES.—Not later than 6 months after the date of enactment of the Air Traffic Management System Performance Improvement Act of 1996, the Administrator shall cause to be prepared by persons having no direct financial interest in the results of such studies, independent studies—

"(A) assessing the costs to the Administration occasioned by the provision of services to each segment of the aviation system; and

"(B) reviewing the funding needs and assumptions for operations, capital spending, and airport infrastructure of the Administration, taking into account the degree of funding needed, in view of projected workload increases for the agency, for the Administration to maintain, at a minimum, the current levels and types of operational and safety services it provides, both in terms of quality and timeliness, for the benefit of the aviation community and the traveling public.

"(6) FEES NOT IMPOSED UNTIL 6 MONTHS AFTER STUDIES COMPLETED.—Notwithstanding any

provision of law, no fee prescribed by section 45301 or 45302 shall be implemented prior to the date which is 6 months after the date upon which the studies performed pursuant to paragraph (5) of this subsection have been submitted to the Congress.

"(7) COMPENSATION TO CARRIERS FOR ACTING AS COLLECTION AGENTS.—The Administration shall prescribe regulations to ensure that any air carrier required, pursuant to the Air Traffic Management System Performance Improvement Act of 1996 or any amendments made by that Act, to collect a fee imposed on another party by the Administrator may collect from such other party an additional uniform amount that the Administrator determines reflects the necessary and reasonable expenses (net of interest accruing to the carrier after collection and before remittance) incurred in collecting and handling the fee.

"(8) COST REDUCTION AND EFFICIENCY REPORT.—

"(A) IN GENERAL.—60 days prior to submission by the Administrator to the Congress of a proposal for establishment, implementation, or expansion in fees imposed on the aviation industry, the Administrator shall submit to the

Management Advisory Council established under section 106(p) the report prepared under subparagraph (B).

"(B) Prior to the submission of any proposal for establishment, implementation, or expansion of any fees imposed on the aviation industry, the Administrator shall prepare a report which includes—

"(i) a justification of the need for the proposed fees;

"(ii) a statement of steps taken by the Administrator to reduce costs and improve efficiency within the Administration;

"(iii) an analysis of the impact of any fee increase on each sector of the aviation transportation industry; and

"(iv) a comparative analysis of any decrease in taxes amounts equal to the receipts from which are credited to the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986.

"(b) FEE ALLOCATION.—In the fee systems established under sections 45301 and 45302, no segment of the

aviation industry shall pay more than its fully allocated costs as determined under subsection (a)(5)(A).

"(c) CONGRESSIONAL PROCEDURE.—

"(1) IN GENERAL.—This subsection is enacted by the Congress as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such these provisions are deemed to be a part of the rules of each House of the Congress, respectively, applicable only to the procedure to be followed in that House for resolutions described in this subsection. These provisions supersede other rules of each House of the Congress only to the extent that they are inconsistent with those other rules, and they are enacted with full recognition of the constitutional right of each House to change them, to the extent that they relate to the procedure of that House, in the same manner and to the same extent as any other rule of that House.

"(2) RESOLUTION.—For purposes of this subsection, the term 'resolution' means a joint resolution relating to the disapproval of a fee proposal submitted by the Administrator under section 45301 or 45302, the matter after the resolving clause of which is as follows: 'That the Congress disapproves the fee proposal submitted by the Administrator of

the Federal Aviation Administration on _____ and identified as _____.', the first blank space being filled with the date on which the proposal was submitted and the second being filled with the title or other description of the proposal. The term does not include a resolution that relates to more than one proposal.

''(3) REFERRAL.—Upon introduction, a resolution shall be referred to the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Transportation and Infrastructure of the House of Representatives.

''(4) MOTION TO DISCHARGE.—If the committee to which a resolution has been referred has not reported it at the end of 20 calendar days after its introduction, it is in order to move to discharge the committee from further consideration of that resolution.

''(5) RULES FOR MOTION TO DISCHARGE.—A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same proposal), and debate thereon shall be limited to not more than 1 hour, with the time divided equally be-

tween those favoring and those opposing the motion. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to. Motions to postpone shall be decided without debate.

"(6) EFFECT OF MOTION.—If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same proposal.

"(7) SENATE PROCEDURE.—

"(A) MOTION TO PROCEED.—When the committee of the Senate has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same affect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) LIMITATION ON DEBATE.—Debate in the Senate on the resolution shall be limited to

not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(C) NO DEBATE ON CERTAIN MOTIONS.—In the Senate, motions to postpone made with respect to the consideration of a resolution and motions to proceed to the consideration of other business shall be decided without debate.

"(D) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a resolution shall be decided without debate.

"(8) EFFECT OF ADOPTION OF RESOLUTION BY OTHER HOUSE.—If, before the passage by one House of the Congress of a resolution of that House, it receives from the other House a resolution, then the following procedures apply:

"(A) The resolution of the other House shall not be referred to a committee and may

not be considered in the House receiving it, except in the case of final passage as provided in subparagraph (B)(i).

"(B) With respect to the resolution described in subparagraph (A) of the House receiving it—

"(i) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

"(ii) the vote on final passage shall be on the resolution of the other House.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 453 of title 49, United States Code, is amended by striking the item relating to section 45303 and inserting the following:

"45303. Administrative provisions.
"45304. Maximum fees for private person services.".

SEC. 336. INCREASE IN SPENDING CAPS UNDER TRUST FUND.

Section 48104(c) of title 49, United States Code, is amended by adding at the end thereof the following: "This subsection shall be applied for fiscal years 1997 and 1998 by substituting '80 percent' for '50 percent' in paragraph (1), and by substituting '90 percent' for '70 percent' in paragraph (2).".

SEC. 337. ADVANCE APPROPRIATIONS FOR AIRPORT AND AIRWAY TRUST FUND ACTIVITIES.

(a) IN GENERAL.—Part C of subtitle VII of title 49, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 482—ADVANCE APPROPRIATIONS FOR AIRPORT AND AIRWAY TRUST FACILITIES

"Sec.
"48201. Advance appropriations.

"§ 48201. Advance appropriations

"(a) MULTIYEAR AUTHORIZATIONS.—Beginning with fiscal year 1998, any authorization of appropriations for an activity for which amounts are to be appropriated from the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 shall provide funds for a period of not less than 3 fiscal years unless the activity for which appropriations are authorized is to be concluded before the end of that period.

"(b) MULTIYEAR APPROPRIATIONS.—Beginning with fiscal year 1998, amounts appropriated from the Airport and Airway Trust Fund shall be appropriated for periods of 3 fiscal years rather than annually.".

"(b) CONFORMING AMENDMENT.—The analysis for subtitle VIII of title 49, United States Code, is amended by adding at the end the following new item:

"482. Advance appropriations for airport and airway trust facilities ..... 48201.".

SEC. 338. SENSE OF THE SENATE.

It is the sense of the Senate that:

(1) The Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 contains a surplus. These funds represent moneys that the entire aviation industry has contributed to support the Administration. These funds remain unobligated. The Congress must make every effort to expend the unobligated balances to keep its compact with the aviation industry.

(2) The 1996 Congressional Budget Resolution prescribes funding for transportation, which, if provided to the several transportation modes based on precedent, will result in severely cutting funds for the aviation system. Such cuts, absent Congressional action, and if not addressed, could have a substantial impact on the ability of the Administration to meet future needs of the aviation industry. Such cuts are likely despite the current surplus in the Trust Fund.

(3) In conjunction with any fee systems developed pursuant to this title and the amendments made by this title, the Congress must make every ef-

fort to apply the unobligated surplus for use by the Administration.

SEC. 339. RURAL AIR SERVICE SURVIVAL ACT.

(a) SHORT TITLE.—This section may be cited as the ''Rural Air Service Survival Act''.

(b) FINDINGS.—The Congress finds that—

(1) air service in rural areas is essential to a national transportation network;

(2) the rural air service infrastructure supports the safe operation of all air travel;

(3) rural air service creates economic benefits for all air carriers by making the national aviation system available to passengers from rural areas;

(4) rural air service has suffered since deregulation;

(5) the essential air service program under the Department of Transportation—

(A) provides essential airline access to rural and isolated rural communities throughout the Nation;

(B) is necessary for the economic growth and development of rural communities;

(C) is a critical component of the national transportation system of the United States; and

(D) has endured serious funding cuts in recent years; and

(6) a reliable source of funding must be established to maintain air service in rural areas and the essential air service program.

(c) ESSENTIAL AIR SERVICE AUTHORIZATION.—Section 41742 of title 49, United States Code, is amended to read as follows:

"§ 41742. Essential air service authorization

''(a) IN GENERAL.—Out of the amounts received by the Administration from the fees authorized by sections 45301 through 45303 or otherwise provided to the Administration, the sum of $50,000,000 is authorized and shall be made available immediately for obligation and expenditure to carry out the essential air service program under this subchapter for each fiscal year.

''(b) FUNDING FOR SMALL COMMUNITY AIR SERVICE.—Notwithstanding any other provision of law, fees imposed under the authority contained in sections 45301 through 45303, including the authority contained in section 45302(a)(2), shall be used to carry out the essential air service program under this subchapter. Any amounts from those fees that are not obligated or expended at the end of the fiscal year for the purpose of funding the essential air service program under this subchapter shall be

made available to the Federal Aviation Administration for use in improving rural air safety under subchapter I of chapter 471 of this title and shall be used exclusively for projects at rural airports under this subchapter.''.

(d) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by striking the item relating to section 41742 and inserting the following:

''41742. Essential air service authorization.''.

(e) SECRETARY MAY REQUIRE MATCHING LOCAL FUNDS.—Section 41737 of title 49, United States Code, is amended by adding at the end thereof the following:

''(e) MATCHING FUNDS.—No earlier than 2 years after the effective date of section 309 of the Air Traffic Management System Performance Improvement Act of 1996, the Secretary may require an eligible agency, as defined in section 40117(a)(2) of this title, to provide matching funds of up to 10 percent for any payments it receives under this subchapter.''.

(f) TRANSFER OF ESSENTIAL AIR SERVICE PROGRAM TO FAA.—The responsibility for administration of subchapter II of chapter 417 of title 49, United States Code, is transferred from the Secretary of Transportation to the Administrator of the Federal Aviation Administration.

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of October next occurring after the date of enactment of this Act.

TITLE IV—PILOT RECORDS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Pilot Records Improvement Act of 1996''.

SEC. 402. EMPLOYMENT INVESTIGATIONS OF PILOT APPLICANTS.

(a) IN GENERAL.—Section 44936 of title 49, United States Code, is amended by adding at the end the following new subsection:

''(f) RECORDS OF EMPLOYMENT OF PILOT APPLICANTS.—

''(1) IN GENERAL.—Before hiring an individual as a pilot, an air carrier shall request and receive the following information:

''(A) FAA RECORDS.—From the Administrator of the Federal Aviation Administration (hereafter in this subsection referred to as the 'Administrator'), records pertaining to the individual that are maintained by the Administrator concerning—

''(i) current airman certificates (including airman medical certificates) and

associated type ratings, including any limitations to those certificates and ratings; and

"(ii) summaries of legal enforcement actions resulting in a finding by the Administrator of a violation of this title or a regulation prescribed or order issued under this title.

"(B) AIR CARRIER AND OTHER RECORDS.—From any air carrier or other person that has employed the individual at any time during the 5-year period preceding the date of the employment application of the individual, or from the trustee in bankruptcy for such air carrier or person—

"(i) records pertaining to the individual that are maintained by an air carrier under regulations set forth in—

"(I) section 121.683 of title 14, Code of Federal Regulations;

"(II) paragraph (A) of section VI, appendix I, part 121 of such title;

"(III) paragraph (A) of section IV, appendix J, part 121 of such title;

"(IV) section 125.401 of such title; and

"(V) section 135.63(a)(4) of such title; and

"(ii) other records pertaining to the individual that are maintained by the air carrier or person concerning—

"(I) the training, qualifications, proficiency, or professional competence of the individual, including comments and evaluations made by a check airman designated in accordance with section 121.411, 125.295, or 135.337 of such title;

"(II) any disciplinary action taken with respect to the individual; and

"(III) any release from employment or resignation, termination, or disqualification with respect to employment.

"(C) PERIODIC REVIEW.—Not later than 18 months after the date of enactment of the Pilot Records Improvement Act of 1996, and at least once every 3 years thereafter, the Admin-

istrator shall transmit to the Congress a statement that contains, taking into account recent developments in the aviation industry—

"(i) recommendations by the Administrator concerning proposed changes to Federal Aviation Administration records, air carrier records, and other records required to be furnished under subparagraphs (A) and (B) of paragraph (1); or

"(ii) reasons why the Administrator does not recommend any proposed changes to the records referred to in clause (i).

"(D) NATIONAL DRIVER REGISTER RECORDS.—In accordance with section 30305(b)(7), from the chief driver licensing official of a State information concerning the motor vehicle driving record of the individual.

"(2) WRITTEN CONSENT; RELEASE FROM LIABILITY.—An air carrier making a request for records under paragraph (1)—

"(A) shall be required to obtain written consent to the release of those records from the individual that is the subject of the records requested; and

"(B) may, notwithstanding any other provision of law or agreement to the contrary, require the individual who is the subject of the records request to execute a release from liability for any claim arising from the furnishing of such records to or the use of such records by such air carrier.

"(3) 5-YEAR REPORTING PERIOD.—A person shall not furnish a record in response to a request made under paragraph (1) if the record was entered more than 5 years before the date of the request, unless the information concerns a revocation or suspension of an airman certificate or motor vehicle license that is in effect on the date of the request.

"(4) REQUIREMENT TO MAINTAIN RECORDS.—The Administrator shall maintain pilot records described in paragraph (1)(A) for a period of at least 5 years.

"(5) RECEIPT OF CONSENT; PROVISION OF INFORMATION.—A person shall not furnish a record in response to a request made under paragraph (1) without first obtaining a copy of the written consent of the individual who is the subject of the records requested. A person who receives a request for records under this paragraph shall furnish a copy of all of

such requested records maintained by the person not later than 30 days after receiving the request.

"(6) RIGHT TO RECEIVE NOTICE AND COPY OF ANY RECORD FURNISHED.—A person who receives a request for records under paragraph (1) shall provide to the individual who is the subject of the records—

"(A) written notice of the request and of the right of that individual to receive a copy of such records; and

"(B) a copy of such records, if requested by the individual.

"(7) REASONABLE CHARGES FOR PROCESSING REQUESTS AND FURNISHING COPIES.—A person who receives a request under paragraph (1) or (6) may establish a reasonable charge for the cost of processing the request and furnishing copies of the requested records.

"(8) STANDARD FORMS.—The Administrator shall promulgate—

"(A) standard forms that may be used by an air carrier to request records under paragraph (1); and

"(B) standard forms that may be used by an air carrier to—

"(i) obtain the written consent and release from liability of the individual who is the subject of a request under paragraph (1); and

"(ii) inform the individual of—

"(I) the request; and

"(II) the individual right of that individual to receive a copy of any records furnished in response to the request.

"(9) RIGHT TO CORRECT INACCURACIES.—An air carrier that requests and receives the records of an individual under paragraph (1) shall provide the individual with a reasonable opportunity to submit written comments to correct any inaccuracies contained in the records before making a final hiring decision with respect to the individual.

"(10) RIGHT OF PILOT TO REVIEW CERTAIN RECORDS.—Notwithstanding any other provision of law or agreement, an air carrier shall, upon written request from a pilot employed by such carrier, make available, within a reasonable time of the request, to the pilot for review any and all employment records referred to in paragraph (1)(B)(i) pertaining to the employment of the pilot.

"(11) PRIVACY PROTECTIONS.—An air carrier that receives the records of an individual under paragraph (1) may use such records only to assess the qualifications of the individual in deciding whether or not to hire the individual as a pilot. The air carrier shall take such actions as may be necessary to protect the privacy of the pilot and the confidentiality of the records, including ensuring that information contained in the records is not divulged to any individual that is not directly involved in the hiring decision.

"(12) REGULATIONS.—The Administrator may prescribe such regulations as may be necessary—

"(A) to protect—

"(i) the personal privacy of any individual whose records are requested under paragraph (1); and

"(ii) the confidentiality of those records;

"(B) to limit the further dissemination of records received under paragraph (1) by the person who requested those records; and

"(C) to ensure prompt compliance with any request made under paragraph (1).

"(g) LIMITATION ON LIABILITY; PREEMPTION OF STATE LAW.—

"(1) LIMITATION ON LIABILITY.—No action or proceeding may be brought by or on behalf of an individual who has applied for or is seeking a position with an air carrier as a pilot and who has signed a release from liability, as provided for under paragraph (2), against—

"(A) the air carrier requesting the records of that individual under subsection (a)(1);

"(B) a person who has complied with such request; or

"(C) an agent or employee of a person described in subparagraph (A) or (B);

in the nature of an action for defamation, invasion of privacy, negligence, interference with contract, or otherwise, or under any State or Federal law with respect to the furnishing or use of such records in accordance with subsection (a).

"(2) PREEMPTION.—No State or political subdivision thereof may enact, prescribe, issue, continue in effect, or enforce any law (including any regulation, standard, or other provision having the force and effect of law) that prohibits, penalizes, or im-

poses liability for furnishing or using records in accordance with subsection (a).

"(3) PROVISION OF KNOWINGLY FALSE INFORMATION.—Paragraphs (1) and (2) shall not apply with respect to a person who furnishes information, in response to a request made under subsection (a)(1), that—

"(A) the person knows is false; and

"(B) was maintained in violation of a criminal statute of the United States.".

(b) CONFORMING AMENDMENT.—Section 30305(b) of such title is amended—

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

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

"(7) An individual who is seeking employment by an air carrier as a pilot may request the chief driver licensing official of a State to provide information about the individual under paragraph (2) to the prospective employer of the individual or to the Secretary of Transportation. Information may not be obtained from the National Driver Register under this subsection if the information was entered in the Register more than 5 years before the request unless

the information is about a revocation or suspension still in effect on the date of the request.''.

(c) APPLICABILITY.—The amendments made by this section shall apply to any air carrier hiring an individual as a pilot on or after the 30th day after the date of enactment of this Act.

SEC. 403. STUDY OF MINIMUM STANDARDS FOR PILOT QUALIFICATIONS.

The Administrator shall, in consultation with, appropriate members of the aviation industry conduct a study directed toward development of—

(1) standards and criteria for preemployment screening tests measuring the psychomotor coordination, general intellectual capacity, instrument and mechanical comprehension, and physical and mental fitness of an applicant for employment as a pilot by an air carrier; and

(2) standards and criteria for pilot training facilities to be licensed by the Administrator and which will assure that pilots trained at such facilities meet the preemployment screening standards and criteria described in paragraph (1).

TITLE V—ABOLITION OF BOARD OF REVIEW AND RELATED AUTHORITY

SEC. 501. ABOLITION OF BOARD OF REVIEW AND RELATED AUTHORITY.

(a) ABOLITION OF BOARD OF REVIEW.—Section 6007 of the Metropolitan Washington Airports Act of 1986 (formerly 49 U.S.C. App. 2456) is amended—

(1) by striking subsections (f) and (h);

(2) by redesignating subsection (g) as subsection (f); and

(3) by redesignating subsection (i) as subsection (g).

(b) CONFORMING AMENDMENTS.—

(1) RELATIONSHIP TO AND EFFECT OF OTHER LAWS.—Section 6009(b) of the Metropolitan Washington Airports Act of 1986 (formerly 49 U.S.C. App. 2458(b)) is amended by striking ''or by reason of the authority'' and all that follows through the end of the subsection and inserting a period.

(2) SEPARABILITY.—Section 6011 of the Metropolitan Washington Airports Act of 1986 (formerly 49 U.S.C. App. 2460) is amended by striking ''Except as provided in section 6007(h), if'' and inserting ''If''.

(c) PROTECTION OF CERTAIN ACTIONS.—Any action taken by the Airports Authority and submitted to the Board of Review pursuant to section 6007(f)(4) of the Metropolitan Washington Airports Act of 1986 before April 1, 1995, shall remain in effect and shall not be set aside solely by reason of a judicial order invalidating certain functions of the Board of Review.

SEC. 502. SENSE OF THE SENATE.

It is the sense of the Senate that the Airports Authority—

(1) should not provide any reserved parking areas free of charge to Members of Congress, other Government officials, or diplomats at Washington National Airport or Washington Dulles International Airport; and

(2) should establish a parking policy for such airports that provides equal access to the public, and does not provide preferential parking privileges to Members of Congress, other Government officials, or diplomats.

SEC. 503. CONFORMING AMENDMENTS IN OTHER LAW.

Any reference in any Federal law, Executive order, rule, regulation, or delegation of authority to the Board of Review or the provisions of law repealed under this title is hereby repealed.

SEC. 504. DEFINITIONS.

For purposes of this title—

(1) the terms ''Airports Authority'', ''Washington National Airport'', and ''Washington Dulles International Airport'' have the same meanings as in section 6004 of the Metropolitan Washington Airports Act of 1986; and

(2) the term ''Board of Review'' means the Board of Review of the Airports Authority.

SEC. 505. INCREASE IN NUMBER OF PRESIDENTIALLY-APPOINTED MEMBERS OF BOARD.

(a) IN GENERAL.—Section 6007(e) of the Metropolitan Washington Airports Act of 1986 (formerly 49 U.S.C. App. 2456(e)) is amended—

(1) by striking ''11 members,'' in paragraph (1) and inserting ''13 members'';

(2) by striking ''one member'' in paragraph (1)(D) and inserting ''3 members''; and

(3) by striking ''Seven'' in paragraph (5) and inserting ''Eight''.

(b) STAGGERING TERMS FOR PRESIDENTIAL APPOINTEES.—Of the members first appointed by the President after the date of enactment of this title—

(1) one shall be appointed for a term that expires simultaneously with the term of the member of the Metropolitan Washington Airports Authority

board of directors serving on that date (or, if there is a vacancy in that office, the member appointed to fill the existing vacancy and the member to whom this paragraph applies shall be appointed for 2 years);

(2) one shall be appointed for a term ending 2 years after the term of the member (or members) to whom paragraph (1) applies expires; and

(3) one shall be appointed for a term ending 4 years after the term of the member (or members) to whom paragraph (1) applies expires.

SEC. 506. RECONSTITUTED BOARD TO FUNCTION WITHOUT INTERRUPTION.

Notwithstanding any provision of State law, including those provisions establishing, providing for the establishment of, or recognizing the Metropolitan Washington Airports Authority, and based upon the Federal interest in the continued functioning of the Metropolitan Washington Airports (as defined in section 6004(4) of the Metropolitan Washington Airports Authority Act of 1986 (formerly 49 U.S.C. App. 2451(4)), the board of directors of such Authority, including any members appointed under the amendments made by section 5, shall continue to meet and act after the date of enactment of this title until such time as any necessary conforming changes in State law are

made in the same manner as if those conforming changes had been enacted on the date of enactment of this title.

SEC. 507. STATUS UNAFFECTED.

Nothing in this title, or the amendments made by this title, shall affect the treatment of the Metropolitan Washington Airports Authority under Federal, State, or local tax law.

SEC. 508. OPERATIONAL SLOTS AT NATIONAL AIRPORT.

Nothing in this title shall affect the number or distribution of operational slots at National Airport.

TITLE VI—FEDERAL AVIATION ADMINISTRATION FUNDING

SEC. 601. SENSE OF THE SENATE REGARDING THE FUNDING OF THE FEDERAL AVIATION ADMINISTRATION.

(a) FINDINGS.—The Senate finds that—

(1) the Congress is responsible for ensuring that the financial needs of the Federal Aviation Administration, the agency that performs the critical function of overseeing the Nation's air traffic control system and ensuring the safety of air travelers in the United States, are met;

(2) the number of air traffic control equipment and power failures is increasing, which could place

at risk the reliability of our Nation's air traffic control system;

(3) aviation excise taxes that constitute the Airport and Airway Trust Fund, which provides most of the funding for the Federal Aviation Administration, have expired;

(4) the funds in the Airport and Airway Trust Fund will be spent by the Federal Aviation Administration by December 1996;

(5) the 4.3 cent increase in the aviation fuel tax rate which was enacted in 1993 and does not directly support the Federal Aviation Administration's activities has placed a significant financial burden on the aviation industry and should be repealed;

(6) the existing system of funding the Federal Aviation Administration will not provide the agency with sufficient short-term or long-term funding;

(7) this Act creates a sound process to establish a new funding system to meet the Federal Aviation Administration's long-term funding needs; and

(8) without immediate action by the Congress to ensure that the Federal Aviation Administration's financial needs are met, air travelers' confidence in the system could be undermined.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that there should be an immediate enactment of an interim measure to provide short-term funding for the Federal Aviation Administration until the new funding system established in this Act for the Federal Aviation Administration is implemented.

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