

# Calendar No. 83

108TH CONGRESS  
1ST SESSION

# S. 824

**[Report No. 108-41]**

To reauthorize the Federal Aviation Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 8, 2003

Mr. MCCAIN (for himself, Mr. HOLLINGS, Mr. LOTT, and Mr. ROCKEFELLER) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

MAY 2, 2003

Reported under authority of the order of the Senate of May 1, 2003, by Mr. MCCAIN, with an amendment

[Strike all after the enacting clause and insert the part in italic]

## A BILL

To reauthorize the Federal Aviation Administration, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49.**

4 (a) ~~SHORT TITLE.~~—This Act may be cited as the

5 ~~“Aviation Investment and Revitalization Vision Act”.~~

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

7 **SEC. 2. TABLE OF CONTENTS.**

8 The table of contents for this Act is as follows:

Sec. 1. Short title; amendment of title 49.

Sec. 2. Table of contents.

TITLE I—REAUTHORIZATIONS; FAA MANAGEMENT

Sec. 101. Airport improvement program.

Sec. 102. Airway facilities improvement program.

Sec. 103. FAA operations.

Sec. 104. Research, engineering, and development.

Sec. 105. Other programs.

Sec. 106. Reorganization of the Air Traffic Services Subcommittee.

Sec. 107. Clarification of responsibilities of chief operating officer.

TITLE II—AIRPORT DEVELOPMENT

Sec. 201. National capacity projects.

Sec. 202. Categorical exclusions.

Sec. 203. Alternatives analysis.

Sec. 204. Increase in apportionment for, and flexibility of, noise compat-  
 ibility planning programs.

Sec. 205. Secretary of Transportation to identify airport congestion-relief  
 projects and forecast airport operations annually.

Sec. 206. Design-build contracting.

Sec. 207. Special rule for airport in Illinois.

Sec. 208. Elimination of duplicative requirements.

Sec. 209. Streamlining the passenger facility fee program.

Sec. 210. Quarterly status reports.

Sec. 211. Noise disclosure requirements.

Sec. 212. Prohibition on requiring airports to provide rent-free space for  
 FAA or TSA.

Sec. 213. Special rules for fiscal year 2004.

TITLE III—AIRLINE SERVICE DEVELOPMENT

Sec. 301. Delay reduction meetings.

Sec. 302. Reauthorization of essential air service program.

Sec. 303. Small community air service development pilot program.

Sec. 304. DOT study of competition and access problems at large and me-  
 dium hub airports.

Sec. 305. Competition disclosure requirement for large and medium hub airports.

Title IV—Aviation Security

Sec. 401. Study of effectiveness of transportation security system.

Sec. 402. Aviation security capital fund.

Sec. 403. Technical amendments related to security-related airport development.

Title V—Miscellaneous

Sec. 501. Extension of war risk insurance authority.

Sec. 502. Cost-sharing of air traffic modernization projects.

Sec. 503. Counterfeit or fraudulently represented parts violations.

Sec. 504. Clarifications to procurement authority.

1 **TITLE I—REAUTHORIZATIONS;**  
2 **FAA MANAGEMENT**

3 **SEC. 101. AIRPORT IMPROVEMENT PROGRAM.**

4 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
5 48103 is amended—

6 (1) by inserting “(a) IN GENERAL.—” before  
7 “The”;

8 (2) by striking “and” in paragraph (4);

9 (3) by striking “2003.” in paragraph (5) and  
10 inserting “2003.”;

11 (4) by inserting after paragraph (5) the fol-  
12 lowing:

13 “(6) \$3,400,000,000 for fiscal year 2004;

14 “(7) \$3,500,000,000 for fiscal year 2005; and

15 “(8) \$3,600,000,000 for fiscal year 2006.”; and

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

17 “(b) ADMINISTRATIVE EXPENSES.—From the  
18 amounts authorized by paragraphs (6) through (8) of sub-  
19 section (a); there shall be available for administrative ex-  
20 penses relating to the airport improvement program, pas-

1 senger facility fee approval and oversight, national airport  
 2 system planning, airport standards development and en-  
 3 forcement, airport certification, airport-related environ-  
 4 mental activities (including legal service); to remain avail-  
 5 able until expended—

6           “(1) for fiscal year 2004, \$69,737,000;

7           “(2) for fiscal year 2005, \$71,816,000; and

8           “(3) for fiscal year 2006, \$74,048,000.”.

9           (b) OBLIGATIONAL AUTHORITY.—Section 47104(e)  
 10 is amended by striking “2003,” and inserting “2006,”.

11 **SEC. 102. AIRWAY FACILITIES IMPROVEMENT PROGRAM.**

12           Section 48101(a) is amended by adding at the end  
 13 the following:

14           “(6) \$2,916,000,000 for fiscal year 2004.

15           “(7) \$2,971,000,000 for fiscal year 2005.

16           “(8) \$3,030,000,000 for fiscal year 2006.”.

17 **SEC. 103. FAA OPERATIONS.**

18           Section 106(k)(1) is amended—

19           (1) by striking “and” in subparagraph (C);

20           (2) by striking “2003.” in subparagraph (D)

21           and inserting “2003,”; and

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

23           “(E) \$7,591,000,000 for fiscal year 2004;

24           “(F) \$7,732,000,000 for fiscal year 2005;

25           and



1       “(q) AIR TRAFFIC MANAGEMENT COMMITTEE.—

2               “(1) ESTABLISHMENT.—The Secretary of  
3       Transportation shall establish an advisory committee  
4       which shall be known as the Air Traffic Services  
5       Committee (in this subsection referred to as the  
6       ‘Committee’).

7               “(2) MEMBERSHIP.—

8               “(A) COMPOSITION AND APPOINTMENT.—

9       The Committee shall be composed of—

10               “(i) the Administrator of the Federal  
11               Aviation Administration, who shall serve as  
12               chair; and

13               “(ii) 4 members, to be appointed by  
14               the Secretary, after consultation with the  
15               Committee on Transportation and Infra-  
16               structure of the House of Representatives,  
17               and the Committee on Commerce, Science,  
18               and Transportation of the Senate.

19               “(B) NO FEDERAL OFFICER OR EM-  
20               PLOYEE.—No member appointed under sub-  
21               paragraph (A)(ii) may serve as an officer or  
22               employee of the United States Government  
23               while serving as a member of the Committee.

24               “(C) ELIGIBILITY.—Members appointed  
25               under subparagraph (A)(ii) shall—

1           “(i) have a fiduciary responsibility to  
2 represent the public interest;

3           “(ii) be citizens of the United States;  
4 and

5           “(iii) be appointed without regard to  
6 political affiliation and solely on the basis  
7 of their professional experience and exper-  
8 tise in one or more of the following areas:

9                   “(I) Management of large service  
10 organizations.

11                   “(II) Customer service.

12                   “(III) Management of large pro-  
13 curements.

14                   “(IV) Information and commu-  
15 nications technology.

16                   “(V) Organizational development.

17                   “(VI) Labor relations.

18           At least one of such members should have  
19 a background in managing large organiza-  
20 tions successfully. In the aggregate, such  
21 members should collectively bring to bear  
22 expertise in all of the areas described in  
23 subclauses (I) through (VI).

1           “(D) PROHIBITIONS ON MEMBERS OF COM-  
2           MITTEE.—No member appointed under sub-  
3           paragraph (A)(ii) may—

4           “(i) have a pecuniary interest in, or  
5           own stock in or bonds of, an aviation or  
6           aeronautical enterprise, except an interest  
7           in a diversified mutual fund or an interest  
8           that is exempt from the application of sec-  
9           tion 208 of title 18;

10          “(ii) engage in another business re-  
11          lated to aviation or aeronautics; or

12          “(iii) be a member of any organization  
13          that engages, as a substantial part of its  
14          activities, in activities to influence aviation-  
15          related legislation.

16          “(E) CLAIMS AGAINST MEMBERS.—

17          “(i) IN GENERAL.—A member ap-  
18          pointed under subparagraph (A)(ii) shall  
19          have no personal liability under Federal  
20          law with respect to any claim arising out  
21          of or resulting from an act or omission by  
22          such member within the scope of service as  
23          a member of the Air Traffic Services Com-  
24          mittee.

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

3           “(I) to affect any other immunity  
4 or protection that may be available to  
5 a member of the Committee under ap-  
6 plicable law with respect to such  
7 transactions;

8           “(II) to affect any other right or  
9 remedy against the United States  
10 under applicable law; or

11           “(III) to limit or alter in any way  
12 the immunities that are available  
13 under applicable law for Federal offi-  
14 cers and employees.

15           “(F) ETHICAL CONSIDERATIONS.—

16           “(i) FINANCIAL DISCLOSURE.—Dur-  
17 ing the entire period that an individual ap-  
18 pointed under subparagraph (A)(ii) is a  
19 member of the Committee, such individual  
20 shall be treated as serving as an officer or  
21 employee referred to in section 101(f) of  
22 the Ethics in Government Act of 1978 for  
23 purposes of title I of such Act; except that  
24 section 101(d) of such Act shall apply

1 without regard to the number of days of  
2 service in the position.

3 “(ii) RESTRICTIONS ON POST-EMPLOY-  
4 MENT.—For purposes of section 207(e) of  
5 title 18, an individual appointed under  
6 subparagraph (A)(ii) shall be treated as an  
7 employee referred to in section  
8 207(e)(2)(A)(i) of such title during the en-  
9 tire period the individual is a member of  
10 the Committee; except that subsections  
11 (e)(2)(B) and (f) of section 207 of such  
12 title shall not apply.

13 “(G) TERMS FOR AIR TRAFFIC SERVICES  
14 COMMITTEE MEMBERS.—A member appointed  
15 under subparagraph (A)(ii) shall be appointed  
16 for a term of 5 years.

17 “(H) REAPPOINTMENT.—An individual  
18 may not be appointed under subparagraph  
19 (A)(ii) to more than two 5-year terms.

20 “(I) VACANCY.—Any vacancy on the Com-  
21 mittee shall be filled in the same manner as the  
22 original appointment. Any member appointed to  
23 fill a vacancy occurring before the expiration of  
24 the term for which the member’s predecessor

1 was appointed shall be appointed for the re-  
2 mainder of that term.

3 “(J) CONTINUATION IN OFFICE.—A mem-  
4 ber whose term expires shall continue to serve  
5 until the date on which the member’s successor  
6 takes office.

7 “(K) REMOVAL.—Any member appointed  
8 under subparagraph (A)(ii) may be removed for  
9 cause by the Secretary.

10 “(3) GENERAL RESPONSIBILITIES.—

11 “(A) OVERSIGHT.—The Committee shall  
12 oversee the administration, management, con-  
13 duct, direction, and supervision of the air traf-  
14 fic control system.

15 “(B) CONFIDENTIALITY.—The Committee  
16 shall ensure that appropriate confidentiality is  
17 maintained in the exercise of its duties.

18 “(4) SPECIFIC RESPONSIBILITIES.—The Com-  
19 mittee shall have the following specific responsibil-  
20 ities:

21 “(A) STRATEGIC PLANS.—To review, ap-  
22 prove, and monitor the strategic plan for the air  
23 traffic control system, including the establish-  
24 ment of—

25 “(i) a mission and objectives;

1           “(ii) standards of performance relative  
2           to such mission and objectives, including  
3           safety, efficiency, and productivity; and

4           “(iii) annual and long-range strategic  
5           plans.

6           “(B) MODERNIZATION AND IMPROVE-  
7           MENT.—To review and approve—

8           “(i) methods to accelerate air traffic  
9           control modernization and improvements in  
10          aviation safety related to air traffic con-  
11          trol; and

12          “(ii) procurements of air traffic con-  
13          trol equipment in excess of \$100,000,000.

14          “(C) OPERATIONAL PLANS.—To review the  
15          operational functions of the air traffic control  
16          system, including—

17          “(i) plans for modernization of the air  
18          traffic control system;

19          “(ii) plans for increasing productivity  
20          or implementing cost-saving measures; and

21          “(iii) plans for training and education.

22          “(D) MANAGEMENT.—To—

23          “(i) review and approve the Adminis-  
24          trator’s appointment of a Chief Operating  
25          Officer under section 106(s);

1           “(ii) review the Administrator’s selec-  
2           tion, evaluation, and compensation of sen-  
3           ior executives of the Administration who  
4           have program management responsibility  
5           over significant functions of the air traffic  
6           control system;

7           “(iii) review and approve the Adminis-  
8           trator’s plans for any major reorganization  
9           of the Administration that would impact  
10          on the management of the air traffic con-  
11          trol system;

12          “(iv) review and approve the Adminis-  
13          trator’s cost accounting and financial man-  
14          agement structure and technologies to help  
15          ensure efficient and cost-effective air traf-  
16          fic control operation; and

17          “(v) review the performance and com-  
18          pensation of managers responsible for  
19          major acquisition projects, including the  
20          ability of the managers to meet schedule  
21          and budget targets.

22          “(E) BUDGET.—To—

23          “(i) review and approve the budget re-  
24          quest of the Administration related to the

1 air traffic control system prepared by the  
2 Administrator;

3 “(ii) submit such budget request to  
4 the Secretary; and

5 “(iii) ensure that the budget request  
6 supports the annual and long-range stra-  
7 tegic plans.

8 “(5) CONGRESSIONAL REVIEW OF PRE-OMB BUDGET  
9 REQUEST.—The Secretary shall submit the budget  
10 request referred to in paragraph (4)(E)(ii) for any  
11 fiscal year to the President who shall transmit such  
12 request, without revision, to the Committees on  
13 Transportation and Infrastructure and Appropria-  
14 tions of the House of Representatives and the Com-  
15 mittees on Commerce, Science, and Transportation  
16 and Appropriations of the Senate, together with the  
17 President’s annual budget request for the Federal  
18 Aviation Administration for such fiscal year.

19 “(6) COMMITTEE PERSONNEL MATTERS.—

20 “(A) COMPENSATION OF MEMBERS.—Each  
21 member of the Committee, other than the chair  
22 and vice chair, shall be compensated at a rate  
23 of \$25,000 per year.

24 “(B) STAFF.—The chairperson of the  
25 Committee may appoint and terminate any per-

1           sonnel that may be necessary to enable the  
2           Committee to perform its duties.

3           “(C) PROCUREMENT OF TEMPORARY AND  
4           INTERMITTENT SERVICES.—The chairperson of  
5           the Committee may procure temporary and  
6           intermittent services under section 3109(b) of  
7           title 5, United States Code.

8           “(7) ADMINISTRATIVE MATTERS.—

9           “(A) POWERS OF CHAIR.—Except as oth-  
10          erwise provided by a majority vote of the Com-  
11          mittee, the powers of the chairperson shall in-  
12          clude—

13                   “(i) establishing subcommittees;

14                   “(ii) setting meeting places and times;

15                   “(iii) establishing meeting agendas;

16                   and

17                   “(iv) developing rules for the conduct  
18          of business.

19          “(B) MEETINGS.—The Committee shall  
20          meet at least quarterly and at such other times  
21          as the chairperson determines appropriate.

22          “(C) QUORUM.—Three members of the  
23          Committee shall constitute a quorum. A major-  
24          ity of members present and voting shall be re-  
25          quired for the Committee to take action.

1           “(D) APPLICATION OF SUBSECTION (p)  
 2 PROVISIONS.—The following provisions of sub-  
 3 section (p) apply to the Committee to the same  
 4 extent as they apply to the Management Advi-  
 5 sory Council:

6           “(i) Paragraph (4)(C) (relating to ac-  
 7 cess to documents and staff).

8           “(ii) Paragraph (5) (relating to non-  
 9 application of Federal Advisory Committee  
 10 Act).

11           “(iii) Paragraph (6)(G) (relating to  
 12 travel and per diem).

13           “(iv) Paragraph (6)(H) (relating to  
 14 detail of personnel).

15           “(8) REPORTS.—

16           “(A) ANNUAL.—The Committee shall each  
 17 year report with respect to the conduct of its  
 18 responsibilities under this title to the Adminis-  
 19 trator, the Management Advisory Council, the  
 20 Committee on Transportation and Infrastruc-  
 21 ture of the House of Representatives, and the  
 22 Committee on Commerce, Science, and Trans-  
 23 portation of the Senate.

24           “(B) COMPTROLLER GENERAL’S RE-  
 25 PORT.—Not later than April 30, 2003, the

1 Comptroller General of the United States shall  
 2 transmit to the Committee on Transportation  
 3 and Infrastructure of the House of Representa-  
 4 tives and the Committee on Commerce, Science,  
 5 and Transportation of the Senate a report on  
 6 the success of the Committee in improving the  
 7 performance of the air traffic control system.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Subsection (p) of section 106 is amended—

10 (A) by striking “18” in paragraph (2) and  
 11 inserting “13”;

12 (B) by inserting “and” after the semicolon  
 13 in subparagraph (C) of paragraph (2);

14 (C) by striking “Transportation; and” in  
 15 subparagraph (D) of paragraph (2) and insert-  
 16 ing “Transportation.”;

17 (D) by striking subparagraph (E) of para-  
 18 graph (2);

19 (E) by striking paragraph (3) and insert-  
 20 ing the following:

21 “(3) NO FEDERAL OFFICER OR EMPLOYEE.—

22 No member appointed under paragraph (2)(C) may  
 23 serve as an officer or employee of the United States  
 24 Government while serving as a member of the Coun-  
 25 cil.”;

1           ~~(F)~~ by striking subparagraphs ~~(C)~~, ~~(D)~~,  
 2           ~~(H)~~, and ~~(I)~~ of paragraph (6) and redesignating  
 3           subparagraphs ~~(E)~~, ~~(F)~~, ~~(G)~~, ~~(J)~~, ~~(K)~~, and ~~(L)~~  
 4           as subparagraphs ~~(C)~~, ~~(D)~~, ~~(E)~~, ~~(F)~~, ~~(G)~~, and  
 5           ~~(H)~~, respectively; and

6           ~~(G)~~ by striking paragraphs (7) and (8).

7           (2) Section 106(s) (as redesignated by sub-  
 8           section (a) of this section) is amended—

9           (A) by striking “Air Traffic Services Sub-  
 10           committee of the Aviation Management Advi-  
 11           sory Council.” and inserting “Air Traffic Serv-  
 12           ices Committee.” in paragraphs (1)(A) and  
 13           (2)(A); and

14           (B) by striking “Air Traffic Services Sub-  
 15           committee of the Aviation Management Advi-  
 16           sory Council,” and inserting “Air Traffic Serv-  
 17           ices Committee,” in paragraph (3).

18           (3) Section 106 is amended by adding at the  
 19           end the following:

20           “(t) AIR TRAFFIC CONTROL SYSTEM DEFINED.—In  
 21           this section, the term ‘air traffic control system’ has the  
 22           meaning such term has under section 40102(a).”.

23           (e) TRANSITION FROM AIR TRAFFIC SERVICE SUB-  
 24           COMMITTEE TO AIR TRAFFIC SERVICE COMMITTEE.—

1           (1) **TERMINATION OF MANAGEMENT ADVISORY**  
 2 **COUNCIL MEMBERSHIP.**—Effective on the day after  
 3 the date of enactment of this Act, any member of  
 4 the Management Advisory Council appointed under  
 5 section 106(p)(2)(E) of title 49, United States Code,  
 6 (as such section was in effect on the day before such  
 7 date of enactment) who is a member of the Council  
 8 on such date of enactment shall cease to be a mem-  
 9 ber of the Council.

10           (2) **COMMENCEMENT OF MEMBERSHIP ON AIR**  
 11 **TRAFFIC SERVICES COMMITTEE.**—Effective on the  
 12 day after the date of enactment of this Act, any  
 13 member of the Management Advisory Council whose  
 14 membership is terminated by paragraph (1) shall be-  
 15 come a member of the Air Traffic Services Com-  
 16 mittee as provided by section 106(q)(2)(G) of title  
 17 49, United States Code, to serve for the remainder  
 18 of the term to which that member was appointed to  
 19 the Council.

20 **SEC. 107. CLARIFICATION OF RESPONSIBILITIES OF CHIEF**  
 21 **OPERATING OFFICER.**

22           Section 106(s) (as redesignated by section 106(a)(1)  
 23 of this Act) is amended—

24           (1) by striking “Transportation and Congress”  
 25           in paragraph (4) and inserting “Transportation, the

1 Committee on Transportation and Infrastructure of  
2 the House of Representatives, and the Committee on  
3 Commerce, Science, and Transportation of the Sen-  
4 ate,”;

5 (2) by striking “develop a strategic plan of the  
6 Administration for the air traffic control system, in-  
7 cluding the establishment of—” in paragraph (5)(A)  
8 and inserting “implement the strategic plan of the  
9 Administration for the air traffic control system in  
10 order to further—”;

11 (3) by striking “To review the operational func-  
12 tions of the Administration,” in paragraph (5)(B)  
13 and inserting “To oversee the day-to-day operational  
14 functions of the Administration for air traffic con-  
15 trol,”;

16 (4) by striking “system prepared by the Admin-  
17 istrator,” in paragraph (5)(C)(i) and inserting “sys-  
18 tem,”;

19 (5) by striking “Administrator and the Sec-  
20 retary of Transportation,” in paragraph (5)(C)(ii)  
21 and inserting “Administrator,”; and

22 (6) by striking paragraph (5)(C)(iii) and insert-  
23 ing the following:

24 “(iii) ensure that the budget request  
25 supports the agency’s annual and long-

1 range strategic plans for air traffic control  
2 services.”.

3 **TITLE II—AIRPORT**  
4 **DEVELOPMENT**

5 **SEC. 201. NATIONAL CAPACITY PROJECTS.**

6 (a) IN GENERAL.—Part B of subtitle VII is amended  
7 by adding at the end the following:

“CHAPTER 477. NATIONAL CAPACITY PROJECTS

“47701. Capacity enhancement

“47702. Designation of national capacity projects

“47703. Expedited coordinated environmental review process; project coordina-  
tors and environment impact teams.

“47704. Compatible land use initiative for national capacity projects

“47705. Air traffic procedures at national capacity projects

“47706. Pilot program for environmental review at national capacity projects

“47707. Definitions

8 **“§ 47701. Capacity enhancement**

9 “(a) IN GENERAL.—Within 30 days after the date  
10 of enactment of the Aviation Investment and Revitaliza-  
11 tion Vision Act, the Secretary of Transportation shall  
12 identify those airports among the 31 airports covered by  
13 the Federal Aviation Administration’s Airport Capacity  
14 Benchmark Report 2001 with delays that significantly af-  
15 fect the national air transportation system.

16 “(b) TASK FORCE; CAPACITY ENHANCEMENT  
17 STUDY.—

18 “(1) IN GENERAL.—The Secretary shall direct  
19 any airport identified by the Secretary under sub-  
20 section (a) that is not engaged in a runway expan-

1 sion process and has not initiated a capacity en-  
2 hancement study (or similar capacity assessment)  
3 since 1996—

4 “(A) to establish a delay reduction task  
5 force to study means of increasing capacity at  
6 the airport, including air traffic, airline sched-  
7 uling, and airfield expansion alternatives; or

8 “(B) to conduct a capacity enhancement  
9 study.

10 “(2) SCOPE.—The scope of the study shall be  
11 determined by the airport and the Federal Aviation  
12 Administration, and where appropriate shall consider  
13 regional capacity solutions.

14 “(3) RECOMMENDATIONS SUBMITTED TO SEC-  
15 RETARY.—

16 “(A) TASK FORCE.—A task force estab-  
17 lished under this subsection shall submit a re-  
18 port containing its findings and conclusions, to-  
19 gether with any recommendations for capacity  
20 enhancement at the airport, to the Secretary  
21 within 9 months after the task force is estab-  
22 lished.

23 “(B) CES.—A capacity enhancement  
24 study conducted under this subsection shall be  
25 submitted, together with its findings and con-

1           elusions, to the Secretary as soon as the study  
2           is completed.

3           “(e) RUNWAY EXPANSION AND RECONFIGURA-  
4 TION.—If the report or study submitted under subsection  
5 (b)(3) includes a recommendation for the construction or  
6 reconfiguration of runways at the airport, then the Sec-  
7 retary and the airport shall complete the planning and en-  
8 vironmental review process within 5 years after report or  
9 study is submitted to the Secretary. The Secretary may  
10 extend the 5-year deadline under this subsection for up  
11 to 1 year if the Secretary determines that such an exten-  
12 sion is necessary and in the public interest. The Secretary  
13 shall notify the Senate Committee on Commerce, Science,  
14 and Transportation, and to the House of Representatives  
15 Committee on Transportation and Infrastructure of any  
16 such extension.

17           “(d) AIRPORTS THAT DECLINE TO UNDERTAKE EX-  
18 PANSION PROJECTS.—

19           “(1) IN GENERAL.—If an airport at which the  
20 construction or reconfiguration of runways is rec-  
21 ommended does not take action to initiate a plan-  
22 ning and environmental assessment process for the  
23 construction or reconfiguration of those runways  
24 within 30 days after the date on which the report or  
25 study is submitted to the Secretary, then—

1           “(A) the airport shall be ineligible for plan-  
 2           ning and other expansion funds under sub-  
 3           chapter I of chapter 471, notwithstanding any  
 4           provision of that subchapter to the contrary;

5           “(B) no passenger facility fee may be ap-  
 6           proved at that airport during the 5-year period  
 7           beginning 30 days after the date on which the  
 8           report or study is submitted to the Secretary,  
 9           for—

10                   “(i) projects that, but for subpara-  
 11                   graph (A), could have been funded under  
 12                   chapter 471; or

13                   “(ii) any project other than on-airport  
 14                   airfield-side capacity or safety-related  
 15                   projects.

16           “(2) SAFETY-RELATED AND ENVIRONMENTAL  
 17           PROJECTS EXCEPTED.—Paragraph (1) does not  
 18           apply to the use of funds for safety-related, security,  
 19           or environment projects.

20           “(e) AIRPORTS THAT TAKE ACTION.—The Secretary  
 21           shall take all actions possible to expedite funding and pro-  
 22           vide options for funding to any airport undertaking run-  
 23           way construction or reconfiguration projects in response  
 24           to recommendations by its task force.

1 **“§ 47702. Designation of national capacity projects**

2       “(a) IN GENERAL.—In response to a petition from  
3 an airport sponsor, or in the case of an airport on the  
4 list of airports covered by the Federal Aviation Adminis-  
5 tration’s Airport Capacity Benchmarks study, the Sec-  
6 retary of Transportation may designate an airport devel-  
7 opment project as a national capacity project if the Sec-  
8 retary determines that the project to be designated will  
9 significantly enhance the capacity of the national air  
10 transportation system.

11       “(b) DESIGNATION TO REMAIN IN EFFECT FOR 5  
12 YEARS.—The designation of a project as a national capae-  
13 ity project under paragraph (1) shall remain in effect for  
14 5 years. The Secretary may extend the 5-year period for  
15 up to 2 additional years upon request if the Secretary  
16 finds that substantial progress is being made toward com-  
17 pletion of the project.

18 **“§ 47703. Expedited coordinated environmental re-**  
19 **view process; project coordinators and**  
20 **environment impact teams.**

21       “(a) IN GENERAL.—The Secretary of Transportation  
22 shall implement an expedited coordinated environmental  
23 review process for national capacity projects that—

24               “(1) provides for better coordination among the  
25 Federal, regional, State, and local agencies con-  
26 cerned with the preparation of environmental impact

1 statements or environmental assessments under the  
2 National Environmental Policy Act of 1969 (42  
3 U.S.C. 4321 et seq.);

4 “(2) provides for an expedited and coordinated  
5 process in the conduct of environmental reviews that  
6 ensures that, where appropriate, the reviews are  
7 done concurrently and not consecutively; and

8 “(3) provides for a date certain for completing  
9 all environmental reviews.

10 “(b) HIGH PRIORITY FOR AIRPORT ENVIRONMENTAL  
11 REVIEWS.—Each department and agency of the United  
12 States Government with jurisdiction over environmental  
13 reviews shall accord any such review involving a national  
14 capacity project the highest possible priority and conduct  
15 the review expeditiously. If the Secretary finds that any  
16 such department or agency is not complying with the re-  
17 quirements of this subsection, the Secretary shall notify  
18 the Senate Committee on Commerce, Science, and Trans-  
19 portation, and to the House of Representatives Committee  
20 on Transportation and Infrastructure immediately.

21 “(c) PROJECT COORDINATORS; EIS TEAMS.—

22 “(1) DESIGNATION.—For each project des-  
23 ignated by the Secretary as a national capacity  
24 project under subsection (a) for which an environ-

1 mental impact statement or environmental assess-  
2 ment must be filed, the Secretary shall—

3 “(A) designate a project coordinator within  
4 the Department of Transportation; and

5 “(B) establish an environmental impact  
6 team within the Department.

7 “(2) FUNCTION.—The project coordinator and  
8 the environmental impact team shall—

9 “(A) coordinate the activities of all Fed-  
10 eral, State, and local agencies involved in the  
11 project;

12 “(B) to the extent possible, working with  
13 Federal, State and local officials, reduce and  
14 eliminate duplicative and overlapping Federal,  
15 State, and local permit requirements;

16 “(C) to the extent possible, eliminate dupli-  
17 cate Federal, State, and local environmental re-  
18 view procedures; and

19 “(D) provide direction for compliance with  
20 all applicable Federal, State, and local environ-  
21 mental requirements for the project.

22 **“§47704. Compatible land use initiative for national**  
23 **capacity projects**

24 “(a) IN GENERAL.—The Secretary of Transportation  
25 may make grants under chapter 471 to States and units

1 of local government for land use compatibility plans di-  
2 rectly related to national capacity projects for the pur-  
3 poses of making the use of land areas around the airport  
4 compatible with aircraft operations if the land use plan  
5 or project meets the requirements of this section.

6       “(b) CONDITIONS.—A land use plan or project meets  
7 the requirements of this section if it—

8               “(1) is sponsored by the public agency that has  
9 the authority to plan and adopt land use control  
10 measures, including zoning, in the planning area in  
11 and around the airport and that agency provides  
12 written assurances to the Secretary that it will work  
13 with the affected airport to identify and adopt such  
14 measures;

15               “(2) does not duplicate, and is not inconsistent  
16 with, an airport noise compatibility program pre-  
17 pared by an airport owner or operator under chapter  
18 475 or with other planning carried out by the air-  
19 port.

20               “(3) is subject to an agreement between the  
21 public agency sponsor and the airport owner or oper-  
22 ator that the development of the land use compat-  
23 ibility plan will be done cooperatively;

24               “(4) is consistent with the airport operation  
25 and planning, including the use of any noise expo-



1       “(b) MODIFICATION.—Notwithstanding any commit-  
2 ment by the Secretary under subsection (a), the Secretary  
3 may initiate changes to such procedures if necessary to  
4 maintain safety and efficiency in light of new information  
5 or changed circumstances.

6       “§ 47706. Pilot program for environmental review at  
7                               **national capacity projects**

8       “(a) IN GENERAL.—The Secretary of Transportation  
9 shall initiate a 5-year pilot program funded by airport  
10 sponsors—

11               “(1) to hire additional fulltime-equivalent envi-  
12               ronmental specialists and attorneys, or

13               “(2) to obtain the services of such specialists  
14               and attorneys from outside the United States Gov-  
15               ernment, to assist in the provision of an appropriate  
16               nationwide level of staffing for planning and envi-  
17               ronmental review of runway development projects for  
18               national capacity projects at the Federal Aviation  
19               Administration.

20       “(b) ELIGIBLE PARTICIPANTS.—Participation in the  
21 pilot program shall be available, on a voluntary basis, to  
22 airports with an annual passenger enplanement of not less  
23 than 3 million passengers. The Secretary shall specify the  
24 minimum contribution necessary to qualify for participa-  
25 tion in the pilot program, which shall be not less than the

1 amount necessary to compensate the Department of  
 2 Transportation for the expense of a fulltime equivalent en-  
 3 vironmental specialist and attorney qualified at the GS-  
 4 14 equivalent level.

5       “(e) RETENTION OF REVENUES.—The salaries and  
 6 expenses account of the Federal Aviation Administration  
 7 shall retain as an offsetting collection such sums as may  
 8 be necessary from such proceeds for the costs of devel-  
 9 oping and implementing the program required by sub-  
 10 section (a). Such offsetting collections shall be available  
 11 for obligation subject to the terms and conditions of the  
 12 receiving appropriations account, and shall be deposited  
 13 in such accounts on a quarterly basis. Such offsetting col-  
 14 lections are authorized to remain available until expended  
 15 for such purpose.

16 **“§ 47707. Definitions**

17       “In this chapter:

18               “(1) NATIONAL CAPACITY PROJECT.—The term  
 19 ‘national capacity project’ means a project des-  
 20 ignated by the Secretary under section 44702.

21               “(2) OTHER TERMS.—The definitions in section  
 22 47102 apply to any terms used in this chapter that  
 23 are defined in that section.”.

24       “(b) ADDITIONAL STAFF AUTHORIZED.—The Sec-  
 25 retary of Transportation is authorized to hire additional

1 environmental specialists and attorneys needed to process  
 2 environmental impact statements in connection with air-  
 3 port construction projects and to serve as project coordi-  
 4 nators and environmental impact team members under  
 5 section ~~47703~~ of title 49, United States Code.

6 (c) ~~CLERICAL AMENDMENT.~~—The analysis for sub-  
 7 title VII is amended by inserting after the item relating  
 8 to section ~~475~~ the following:

~~“477. National capacity projects .....47701”.~~

9 **SEC. 202. CATEGORICAL EXCLUSIONS.**

10 Not later than 30 days after the date of enactment  
 11 of this Act, the Secretary of Transportation shall report  
 12 to the Senate Committee on Commerce, Science, and  
 13 Transportation on the categorical exclusions currently rec-  
 14 ognized and provide a list of proposed additional categor-  
 15 ical exclusions from the requirement that an environ-  
 16 mental assessment or an environmental impact statement  
 17 be prepared under the National Environmental Policy Act  
 18 of 1969 (42 U.S.C. 4321 et seq.) for projects at airports.  
 19 In determining the list of additional proposed categorical  
 20 exclusions, the Secretary shall include such other projects  
 21 as the Secretary determines should be categorically ex-  
 22 cluded in order to ensure that Department of Transpor-  
 23 tation environmental staff resources are not diverted to  
 24 lower priority tasks and are available to expedite the envi-

1 ronmental reviews of airport capacity enhancement  
2 projects at congested airports.

3 **SEC. 203. ALTERNATIVES ANALYSIS.**

4 (a) NOTICE REQUIREMENT.—Not later than 30 days  
5 after the date on which the Secretary of Transportation  
6 identifies an airport capacity enhancement project at a  
7 congested airport under section 47171(c) of title 49,  
8 United States Code, the Secretary shall publish a notice  
9 in the Federal Register requesting comments on whether  
10 reasonable alternatives exist to the project.

11 (b) CERTAIN REASONABLE ALTERNATIVES DE-  
12 FINED.—For purposes of this section, an alternative shall  
13 be considered reasonable if—

14 (1) the alternative does not create an unreason-  
15 able burden on interstate commerce, the national  
16 aviation system, or the navigable airspace;

17 (2) the alternative is not inconsistent with  
18 maintaining the safe and efficient use of the navi-  
19 gable airspace;

20 (3) the alternative does not conflict with a law  
21 or regulation of the United States;

22 (4) the alternative would result in at least the  
23 same reduction in congestion at the airport or in the  
24 national aviation system as the proposed project;  
25 and

1           (5) in any case in which the alternative is a  
2           proposed construction project at an airport other  
3           than a congested airport, firm commitments to pro-  
4           vide such alternate airport capacity exists, and the  
5           Secretary determines that such alternate airport ca-  
6           pacity will be available no later than 4 years after  
7           the date of the Secretary's determination under this  
8           section.

9           (c) COMMENT PERIOD.—The Secretary shall provide  
10          a period of 60 days for comments on a project identified  
11          by the Secretary under this section after the date of publi-  
12          cation of notice with respect to the project.

13          (d) DETERMINATION OF EXISTENCE OF REASON-  
14          ABLE ALTERNATIVES.—Not later than 90 days after the  
15          last day of a comment period established under subsection  
16          (c) for a project, the Secretary shall determine whether  
17          reasonable alternatives exist to the project. The deter-  
18          mination shall be binding on all persons, including Federal  
19          and State agencies, acting under or applying Federal laws  
20          when considering the availability of alternatives to the  
21          project.

22          (e) LIMITATION ON APPLICABILITY.—This section  
23          does not apply to—

1           (1) any alternatives analysis required under the  
2           National Environmental Policy Act of 1969 (42  
3           U.S.C. 4321 et. seq.); or

4           (2) a project at an airport if the airport sponsor  
5           requests, in writing, to the Secretary that this sec-  
6           tion not apply to the project.

7   **SEC. 204. INCREASE IN APPORTIONMENT FOR, AND FLEXI-**  
8                   **BILITY OF, NOISE COMPATIBILITY PLANNING**  
9                   **PROGRAMS.**

10          Section 47117(e)(1)(A) is amended—

11           (1) by striking the first sentence and inserting:  
12           “~~At least 35 percent for grants for airport noise~~  
13           ~~compatibility planning under section 47505(a)(2) for~~  
14           ~~a national capacity project, for carrying out noise~~  
15           ~~compatibility programs under section 47504(e) of~~  
16           ~~this title, and for noise mitigation projects approved~~  
17           ~~in an environmental record of decision for an airport~~  
18           ~~development project designated as a national capac-~~  
19           ~~ity project under section 47702.”; and~~

20           (2) by striking “~~or not such 34 percent require-~~  
21           ~~ment”~~ in the second sentence and inserting “~~the~~  
22           ~~funding level required by the preceding sentence”.~~

1 **SEC. 205. SECRETARY OF TRANSPORTATION TO IDENTIFY**  
2 **AIRPORT CONGESTION-RELIEF PROJECTS**  
3 **AND FORECAST AIRPORT OPERATIONS ANNU-**  
4 **ALLY.**

5 (a) IDENTIFICATION OF PROJECTS.—

6 (1) IN GENERAL.—Within 90 days after the  
7 date of enactment of this Act, the Secretary of  
8 Transportation shall provide—

9 (A) a list of planned air traffic and air-  
10 port-capacity projects at congested Airport Ca-  
11 pacity Benchmark airports the completion of  
12 which will substantially relieve congestion at  
13 those airports; and

14 (B) a list of options for expanding capacity  
15 at the 8 airports on the list at which the most  
16 severe delays are occurring, to the Senate Com-  
17 mittee on Commerce, Science, and Transpor-  
18 tation, and to the House of Representatives  
19 Committee on Transportation and Infrastruc-  
20 ture. The Secretary shall provide updated lists  
21 to those Committees 2 years after the date of  
22 enactment of this Act.

23 (2) DELISTING OF PROJECTS.—The Secretary  
24 shall remove a project from the list provided to the  
25 Committees under paragraph (1) upon the request,  
26 in writing, of an airport operator if the operator

1 states in the request that construction of the project  
2 will not be completed within 10 years from the date  
3 of the request.

4 **SEC. 206. DESIGN-BUILD CONTRACTING.**

5 (a) IN GENERAL.—Subchapter I of chapter 471 is  
6 amended by adding at the end the following:

7 **“§ 47138. Design-build contracting**

8 “(a) IN GENERAL.—The Administrator may approve  
9 an application of an airport sponsor under this section to  
10 authorize the airport sponsor to award a design-build con-  
11 tract using a selection process permitted under applicable  
12 State or local law if—

13 “(1) the Administrator approves the application  
14 using criteria established by the Administrator;

15 “(2) the design-build contract is in a form that  
16 is approved by the Administrator;

17 “(3) the Administrator is satisfied that the con-  
18 tract will be executed pursuant to competitive proce-  
19 dures and contains a schematic design adequate for  
20 the Administrator to approve the grant;

21 “(4) use of a design-build contract will be cost  
22 effective and expedite the project;

23 “(5) the Administrator is satisfied that there  
24 will be no conflict of interest; and

1           “(6) the Administrator is satisfied that the se-  
 2           lection process will be as open, fair, and objective as  
 3           the competitive bid system and that at least three or  
 4           more bids will be submitted for each project under  
 5           the selection process.

6           “(b) REIMBURSEMENT OF COSTS.—The Adminis-  
 7           trator may reimburse an airport sponsor for design and  
 8           construction costs incurred before a grant is made pursu-  
 9           ant to this section if the project is approved by the Admin-  
 10          istrator in advance and is carried out in accordance with  
 11          all administrative and statutory requirements that would  
 12          have been applicable under this chapter 471, if the project  
 13          were carried out after a grant agreement had been exe-  
 14          cuted.

15          “(c) DESIGN-BUILD CONTRACT DEFINED.—In this  
 16          section, the term ‘design-build contract’ means an agree-  
 17          ment that provides for both design and construction of a  
 18          project by a contractor.”.

19          (b) CONFORMING AMENDMENT.—The chapter anal-  
 20          ysis for chapter 471 is amended by inserting after the item  
 21          relating to section 471.37 the following:

          “471.38. Design-build contracting.”.

22       **SEC. 207. SPECIAL RULE FOR AIRPORT IN ILLINOIS.**

23          (a) IN GENERAL.—Nothing in this title shall be con-  
 24          strued to preclude the application of any provision of this

1 Act to the State of Illinois or any other sponsor of a new  
2 airport proposed to be constructed in the State of Illinois.

3 (b) **AUTHORITY OF THE GOVERNOR.**—Nothing in  
4 this title shall be construed to preempt the authority of  
5 the Governor of the State of Illinois as of August 1, 2001,  
6 to approve or disapprove airport development projects.

7 **SEC. 208. ELIMINATION OF DUPLICATIVE REQUIREMENTS.**

8 (a) **IN GENERAL.**—Section 47106(e)(1) is amend-  
9 ed—

10 (1) by inserting “and” after “project;” in sub-  
11 paragraph (A)(ii);

12 (2) by striking subparagraph (B); and

13 (3) by redesignating subparagraph (C) as sub-  
14 paragraph (B).

15 (b) **CONFORMING AMENDMENTS.**—Section 47106(e)  
16 of such title is amended—

17 (1) by striking paragraph (4);

18 (2) by redesignating paragraph (5) as para-  
19 graph (4); and

20 (3) by striking “(1)(C)” in paragraph (4), as  
21 redesignated, and inserting “(1)(B)”.

22 **SEC. 209. STREAMLINING THE PASSENGER FACILITY FEE**  
23 **PROGRAM.**

24 Section 40117 is amended—

1           (1) by striking from “finds—” in paragraph (4)  
2 of subsection (b) through the end of that paragraph  
3 and inserting “finds that the project cannot be paid  
4 for from funds reasonably expected to be available  
5 for the programs referred to in section 48103.”;

6           (2) by adding at the end of subsection (c)(2)  
7 the following:

8           “(E) The agency will include in its applica-  
9 tion or notice submitted under subsection (1)  
10 copies of all certifications of agreement or dis-  
11 agreement received under subparagraph (D).

12           “(F) For the purpose of this section, an el-  
13 igible agency providing notice and consultation  
14 to an air carrier and foreign air carrier is  
15 deemed to have satisfied this requirement if it  
16 limits such notices and consultations to air car-  
17 riers and foreign air carriers that have a signifi-  
18 cant business interest on the airport. In devel-  
19 oping regulations to implement this provision,  
20 the Secretary shall consider a significant busi-  
21 ness interest to be defined as an air carrier or  
22 foreign air carrier that has no less than 1.0  
23 percent of boardings at the airport in the prior  
24 calendar year, except that no air carrier or for-  
25 eign air carrier may be considered excluded

1 under this section if it has at least 25,000  
2 boardings at the airport in the prior calendar  
3 year, or if it operates scheduled service, without  
4 regard to such percentage requirements.”;

5 ~~(3)~~ by redesignating paragraph ~~(3)~~ of sub-  
6 section ~~(c)~~ as paragraph ~~(4)~~ and inserting after  
7 paragraph ~~(2)~~ the following:

8 “~~(3)~~ Before submitting an application, the eligi-  
9 ble agency must provide reasonable notice and an  
10 opportunity for public comment. The Secretary shall  
11 prescribe regulations that define reasonable notice  
12 and provide for at least—

13 “(A) a requirement that the eligible agency  
14 provide public notice of intent to collect a pas-  
15 senger facility fee so as to inform those inter-  
16 ested persons and agencies who may be af-  
17 fected, including—

18 “(i) publication in local newspapers of  
19 general circulation;

20 “(ii) publication in other local media;  
21 and

22 “(iii) posting the notice on the agen-  
23 cy’s website;

24 “(B) a requirement for submission of pub-  
25 lie comments no sooner than 30 days after pub-

1           lishing of the notice and not later than 45 days  
2           after publication; and

3                   “(C) a requirement that the agency include  
4           in its application or notice submitted under  
5           paragraph (1) copies of all comments received  
6           under subparagraph (B).”;

7           (4) by striking “shall” in the first sentence of  
8           paragraph (4), as redesignated, of subsection (c) and  
9           inserting “may”; and

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

11           “(1) PILOT PROGRAM FOR PASSENGER FACILITY FEE  
12 AUTHORIZATIONS AT SMALL AIRPORTS.—

13                   “(1) There is established a pilot program for  
14           the Secretary to test alternative procedures for au-  
15           thorizing small airports to impose passenger facility  
16           fees. An eligible agency may impose a passenger fa-  
17           cility fee at a non-hub airport (as defined in section  
18           47102 of this title) that it controls for use on eligi-  
19           ble airport-related projects at that airport, in accord-  
20           ance with the provisions of this subsection. These  
21           procedures shall be in lieu of the procedures other-  
22           wise specified in this section.

23                   “(2) The eligible agency must provide reason-  
24           able notice and an opportunity for consultation to  
25           air carriers and foreign air carriers in accordance

1 with subsection (c)(2), and must provide reasonable  
2 notice and opportunity for public comment in ac-  
3 cordance with subsection (c)(3).

4 “(3) The eligible agency must submit to the  
5 Secretary a notice of intention to impose a passenger  
6 facility fee, which notice shall include—

7 “(A) information that the Secretary may  
8 require by regulation on each project for which  
9 authority to impose a passenger facility charge  
10 is sought;

11 “(B) the amount of revenue from pas-  
12 senger facility charges that is proposed to be  
13 collected for each project; and

14 “(C) the level of the passenger facility  
15 charge that is proposed.

16 “(4) The Secretary shall acknowledge receipt of  
17 the notice and indicate any objection to the imposi-  
18 tion of a passenger facility fee for any project identi-  
19 fied in the notice within 30 days after receipt of the  
20 eligible agency’s notice.

21 “(5) Unless the Secretary objects within 30  
22 days after receipt of the eligible agency’s notice, the  
23 eligible agency is authorized to impose a passenger  
24 facility fee in accordance with the terms of its no-  
25 tice.

1           “(6) Not later than 180 days after the date of  
2           enactment of this subsection, the Secretary shall  
3           propose such regulations as may be necessary to  
4           carry out this subsection.

5           “(7) The authority granted under this sub-  
6           section shall expire three years after the issuance of  
7           the regulation required by paragraph (6).

8           “(8) An acknowledgement issued under para-  
9           graph (4) shall not be considered an order of the  
10          Secretary issued under section 46110 of this title.”.

11 **SEC. 210. QUARTERLY STATUS REPORTS.**

12          Beginning with the second calendar quarter ending  
13          after the date of enactment of this Act, the Secretary of  
14          Transportation shall provide quarterly status reports to  
15          the Senate Committee on Commerce, Science, and Trans-  
16          portation and the House of Representatives Committee on  
17          Transportation and Infrastructure on the status of con-  
18          struction of each major runway project undertaken at the  
19          largest 40 commercial airports in terms of annual  
20          enplanements.

21 **SEC. 211. NOISE DISCLOSURE REQUIREMENTS.**

22          (a) DEFINITIONS.—Section 47501 is amended by  
23          adding at the end—

24                 “(3) ‘Federal agency’ means any department,  
25          agency, corporation, or other establishment or in-

1       strumentality of the executive branch of the Federal  
2       Government, and includes the Federal National  
3       Mortgage Association and the Federal Home Loan  
4       Mortgage Corporation.

5           “(4) ‘Federal entity for lending regulation’  
6       means the Board of Governors of the Federal Re-  
7       serve System, the Federal Deposit Insurance Cor-  
8       poration, the Comptroller of the Currency, the Office  
9       of Thrift Supervision, the National Credit Union Ad-  
10      ministration, and the Farm Credit Administration,  
11      and with respect to a particular regulated lending  
12      institution means the entity primarily responsible for  
13      the supervision of the institution.

14          “(5) ‘Federal agency lender’ means a Federal  
15      agency that makes direct loans secured by improved  
16      real estate or a mobile home, to the extent such  
17      agency acts in such capacity.

18          “(6) ‘residential real estate’ means real estate  
19      upon which a residential dwelling is located.

20          “(7) ‘noise exposure map’ means a noise expo-  
21      sure map that complies with section 47503 of this  
22      title and part 150 of title 14, Code of Federal Regu-  
23      lations.

24          “(8) ‘regulated lending institution’ means any  
25      bank, savings and loan association, credit union,

1 farm credit bank, Federal land bank association,  
2 production credit association, or similar institution  
3 subject to the supervision of a Federal entity for  
4 lending regulation.”.

5 (b) NOISE EXPOSURE MAPS.—Section 47503(b) is  
6 amended to read as follows:

7 “(b) REVISED MAPS.—If, in an area surrounding an  
8 airport, a change in the operation of the airport would  
9 establish a substantial new noncompatible use, or would  
10 significantly reduce noise over existing noncompatible  
11 uses, beyond the forecast year, the airport operator shall  
12 submit a revised noise exposure map to the Secretary  
13 showing the new noncompatible use or noise reduction.”.

14 (c) NOTIFICATION OF NOISE EXPOSURE.—Chapter  
15 457 is amended by adding at the end the following:

16 **“§ 47511. Notification of noise exposure**

17 “(a) NOISE EXPOSURE MAP.—An airport operator  
18 shall make available to lending institutions, upon request,  
19 the most recent noise exposure map submitted under sec-  
20 tion 47503 of this title.

21 “(b) LIST OF AIRPORTS.—The Secretary shall main-  
22 tain a list of airports for which the airport operators have  
23 submitted a noise exposure map under section 47503 of  
24 this title.

1       “(c) REGULATED LENDING INSTITUTIONS.—Each  
2 Federal entity for lending regulation (after consultation  
3 and coordination with the Federal Financial Institutions  
4 Examination Council) shall direct by regulation that a reg-  
5 ulated lending institution may not make, increase, extend  
6 or renew any loan secured by residential real estate or a  
7 mobile home that is located or to be located in the vicinity  
8 of an airport on the Secretary’s list described in subsection  
9 (b), unless the loan applicant’s purchase agreement for the  
10 residential real estate or mobile home provides notice to  
11 the purchaser (or satisfactory assurances are provided  
12 that the seller has provided written notice to the purchaser  
13 prior to the purchaser’s signing of the purchase agree-  
14 ment) that the property is within the area of the noise  
15 contours on a noise exposure map submitted under section  
16 47503 of this chapter. The notice to the purchaser shall  
17 be acknowledged by the purchaser’s signing of the pur-  
18 chase agreement or other notification document and the  
19 regulated lending institution shall retain a record of the  
20 receipt of the notice by the purchaser.

21       “(d) FEDERAL AGENCY LENDERS.—Each Federal  
22 agency lender shall by regulation require notification in  
23 the manner provided in subsection (c) with respect to any  
24 loan that is made by the Federal agency lender and se-  
25 cured by residential real estate or a mobile home located

1 or to be located in the vicinity of an airport on the Sec-  
 2 retary's list described in subsection (b).

3 “(e) CONTENTS OF NOTICE.—The notice required  
 4 under this section shall disclose—

5 “(1) that the property is located within the  
 6 noise contours depicted on the most recent noise ex-  
 7 posure map submitted by the airport operator ac-  
 8 cording to section 47503 of this chapter, and is sub-  
 9 ject to aircraft noise exposure; and

10 “(2) the name and telephone number of the air-  
 11 port where the purchaser may obtain more informa-  
 12 tion on the aircraft noise exposure.”

13 **SEC. 212. PROHIBITION ON REQUIRING AIRPORTS TO PRO-**  
 14 **VIDE RENT-FREE SPACE FOR FAA OR TSA.**

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

17 **“§ 40129. Prohibition on rent-free space require-**  
 18 **ments for FAA or TSA**

19 “(a) IN GENERAL.—Neither the Secretary of Trans-  
 20 portation nor the Secretary of Homeland Security may re-  
 21 quire airport sponsors to provide building construction,  
 22 maintenance, utilities and expenses, or space in airport  
 23 sponsor-owned buildings to the Federal Aviation Adminis-  
 24 tration or the Transportation Security Administration

1 without cost for services relating to air traffic control, air  
 2 navigation, aviation security, or weather reporting.

3 “(b) NEGOTIATED AGREEMENTS.—Subsection (a)  
 4 does not prohibit—

5 “(1) the negotiation of agreements between ei-  
 6 ther Secretary and an airport sponsor to provide  
 7 building construction, maintenance, utilities and ex-  
 8 penses, or space in airport sponsor-owned buildings  
 9 to the Federal Aviation Administration or the  
 10 Transportation Security Administration without cost  
 11 or at below-market rates; or

12 “(2) either Secretary from requiring airport  
 13 sponsors to provide land without cost to the Federal  
 14 Aviation Administration for air traffic control facili-  
 15 ties or space without cost to the Transportation Se-  
 16 curity Administration for necessary security check-  
 17 points.”.

18 (b) CONFORMING AMENDMENT.—The chapter anal-  
 19 ysis for chapter 401 is amended by adding at the end the  
 20 following:

“40129. Prohibition on rent-free space requirements for FAA or TSA.”.

21 **SEC. 213. SPECIAL RULES FOR FISCAL YEAR 2004.**

22 (a) APPORTIONMENT TO CERTAIN AIRPORTS WITH  
 23 DECLINING BOARDINGS.—

24 (1) IN GENERAL.—For fiscal year 2004, the  
 25 Secretary of Transportation may apportion funds

1 under section 47114 of title 49, United States Code,  
 2 to the sponsor of an airport described in paragraph  
 3 (2) in an amount equal to the amount apportioned  
 4 to that airport under that section for fiscal year  
 5 2002, notwithstanding any provision of section  
 6 47114 to the contrary.

7 (2) AIRPORTS TO WHICH PARAGRAPH (1) AP-  
 8 PLIES.—Paragraph (1) applies to any airport deter-  
 9 mined by the Secretary to have had—

10 (A) less than one-half of 1 percent of the  
 11 total United States passenger boardings (as de-  
 12 fined in section 47102(10) of title 49, United  
 13 States Code) for the calendar year used for de-  
 14 termining apportionments under section 47114  
 15 for fiscal year 2004;

16 (B) less than 10,000 passenger boardings  
 17 in calendar year 2002; and

18 (C) 10,000 or more passenger boardings in  
 19 calendar year 2000.

20 (b) TEMPORARY INCREASE IN GOVERNMENT SHARE  
 21 OF AIP PROJECT COSTS AT CERTAIN AIRPORTS.—Not-  
 22 withstanding section 47109(a)(3) of title 49, United  
 23 States Code, the Government's share of allowable project  
 24 costs for a grant made in fiscal year 2004 under chapter

1 471 of that title to an airport described in that section  
 2 shall be 95 percent.

### 3 **TITLE III—AIRLINE SERVICE** 4 **DEVELOPMENT**

#### 5 **SEC. 301. DELAY REDUCTION MEETINGS.**

6 (a) IN GENERAL.—Subchapter I of chapter 417 is  
 7 amended by adding at the end the following new section:

#### 8 **“§ 41723. Delay reduction actions**

9 “(a) DELAY REDUCTION MEETINGS.—

10 “(1) SCHEDULING REDUCTION MEETINGS.—

11 The Secretary of Transportation may request that  
 12 air carriers meet with the Administrator of the Fed-  
 13 eral Aviation Administration to discuss flight reduc-  
 14 tions at severely congested airports to reduce over-  
 15 scheduling and flight delays during hours of peak  
 16 operation if—

17 “(A) the Administrator of the Federal  
 18 Aviation Administration determines that it is  
 19 necessary to convene such a meeting; and

20 “(B) the Secretary determines that the  
 21 meeting is necessary to meet a serious transpor-  
 22 tation need or achieve an important public ben-  
 23 efit.

24 “(2) MEETING CONDITIONS.—Any meeting  
 25 under paragraph (1)—

1           “(A) shall be chaired by the Administrator;

2           “(B) shall be open to all scheduled air car-  
3 riers; and

4           “(C) shall be limited to discussions involv-  
5 ing the airports and time periods described in  
6 the Administrator’s determination.

7           “(3) FLIGHT REDUCTION TARGETS.—Before  
8 any such meeting is held, the Administrator shall es-  
9 tablish flight reduction targets for the meeting and  
10 notify the attending air carriers of those targets not  
11 less than 48 hours before the meeting.

12           “(4) DELAY REDUCTION OFFERS.—An air car-  
13 rier attending the meeting shall make any delay re-  
14 duction offer to the Administrator rather than to an-  
15 other carrier.

16           “(5) TRANSCRIPT.—The Administrator shall  
17 ensure that a transcript of the meeting is kept and  
18 made available to the public not later than 3 busi-  
19 ness days after the conclusion of the meeting.

20           “(b) STORMY WEATHER AGREEMENTS LIMITED EX-  
21 EMPTION.—

22           “(1) IN GENERAL.—The Secretary may estab-  
23 lish a program to authorize by order discussions and  
24 agreements between 2 or more air carriers for the

1 purpose of reducing flight delays during periods of  
2 inclement weather.

3 ~~“(2) REQUIREMENTS.—An authorization issued~~  
4 ~~under paragraph (1)—~~

5 ~~“(A) may only be issued by the Secretary~~  
6 ~~after a determination by the Federal Aviation~~  
7 ~~Administration that inclement weather is likely~~  
8 ~~to adversely and directly affect capacity at an~~  
9 ~~airport for a period of at least 3 hours;~~

10 ~~“(B) shall apply only to discussions and~~  
11 ~~agreements concerning flights directly affected~~  
12 ~~by the inclement weather; and~~

13 ~~“(C) shall remain in effect for a period of~~  
14 ~~24 hours.~~

15 ~~“(3) PROCEDURE.—The Secretary shall estab-~~  
16 ~~lish procedures within 30 days after such date of en-~~  
17 ~~actment for—~~

18 ~~“(A) filing requests for an authorization~~  
19 ~~under paragraph (1);~~

20 ~~“(B) participation under paragraph (5) by~~  
21 ~~representatives of the Department of Transpor-~~  
22 ~~tation in any meetings or discussions held pur-~~  
23 ~~suant to such an order; and~~

1           “(C) the determination by the Federal  
2           Aviation Administration about the impact of in-  
3           element weather.

4           “(4) COPY OF PARTICIPATION REQUEST FILED  
5           WITH SECRETARY.—Before an air carrier may re-  
6           quest an order under paragraph (1), it shall file a  
7           request with the Secretary, in such form and man-  
8           ner as the Secretary may prescribe, to participate in  
9           the program established under paragraph (1).

10          “(5) DOT PARTICIPATION.—The Secretary  
11          shall ensure that the Department is represented at  
12          any meetings authorized under this subsection.

13          “(e) EXEMPTION AUTHORIZED.—When the Secretary  
14          finds that it is required by the public interest, the Sec-  
15          retary, as part of an order issued under subsection (b)(1),  
16          shall exempt a person affected by the order from the anti-  
17          trust laws to the extent necessary to allow the person to  
18          proceed with the activities approved in the order.

19          “(d) ANTITRUST LAWS DEFINED.—In this section,  
20          the term ‘antitrust laws’ has the meaning given that term  
21          in the first section of the Clayton Act (15 U.S.C. 12).

22          “(e) SUNSET.—The authority of the Secretary to  
23          issue an order under subsection (b)(1) of this section ex-  
24          pires at the end of the 2-year period that begins 45 days  
25          after the date of enactment of the Aviation Investment

1 and Revitalization Vision Act. The Secretary may extend  
 2 the 2-year Period for an additional 2 years if the Secretary  
 3 determines that such an extension is necessary and in the  
 4 public interest. The Secretary shall notify the Senate Com-  
 5 mittee on Commerce, Science, and Transportation, and to  
 6 the House of Representatives Committee on Transpor-  
 7 tation and Infrastructure of any such extension.”.

8 (b) CONFORMING AMENDMENT.—The chapter anal-  
 9 ysis for chapter 417 is amended by inserting after the item  
 10 relating to section 41722 the following new item:

“41723. Delay reduction actions.”.

11 **SEC. 302. REAUTHORIZATION OF ESSENTIAL AIR SERVICE**  
 12 **PROGRAM.**

13 There are authorized to be appropriated to the Sec-  
 14 retary of Transportation to carry out the essential air  
 15 service program under subchapter II of chapter 417 of  
 16 title 49, United States Code, \$113,000,000 for each of  
 17 the fiscal years 2004, 2005, and 2006.

18 **SEC. 303. SMALL COMMUNITY AIR SERVICE DEVELOPMENT**  
 19 **PILOT PROGRAM.**

20 (a) 3-YEAR EXTENSION.—Section 41743(e)(2) of  
 21 title 49, United States Code, is amended—

22 (1) by striking “There is” and inserting “There  
 23 are”;

24 (2) by striking “2001 and” and inserting  
 25 “2001,”; and

1           (3) by striking “2003” and inserting “2003,  
2           and \$27,500,000 for the 3 fiscal year period begin-  
3           ning with fiscal year 2004.”.

4           (b)        ADDITIONAL        COMMUNITIES.—Section  
5 41743(e)(4) of such title is amended by striking “pro-  
6 gram.” and inserting “program each year. No community,  
7 consortia of communities, or combination thereof may par-  
8 ticipate in the program twice.”.

9   **SEC. 304. DOT STUDY OF COMPETITION AND ACCESS PROB-**  
10                   **LEMS AT LARGE AND MEDIUM HUB AIR-**  
11                   **PORTS.**

12       (a) IN GENERAL.—The Secretary of Transportation  
13 shall study competition and airline access problems at hub  
14 airports (as defined in section 41731(a)(3)) of title 49,  
15 United States Code, and medium hub airports (as defined  
16 in section 41714(h)(9) of that title). In the study, the Sec-  
17 retary shall examine, among other matters—

18           (1) gate usage and availability; and

19           (2) the effects of the pricing of gates and other  
20 facilities on competition and access.

21       (b) REPORT.—The Secretary shall transmit a report  
22 of the Secretary’s findings and conclusions together with  
23 any recommendations, including legislative recommenda-  
24 tions, the Secretary may have for improving competition  
25 and airline access at such airports to the Senate Com-

1 mittee on Commerce, Science, and Transportation and the  
 2 House of Representatives Committee on Transportation  
 3 and Infrastructure within 6 months after the date of en-  
 4 actment of this Act.

5 **SEC. 305. COMPETITION DISCLOSURE REQUIREMENT FOR**  
 6 **LARGE AND MEDIUM HUB AIRPORTS.**

7 Section 47107 is amended by adding at the end the  
 8 following:

9 “(q) **COMPETITION DISCLOSURE REQUIREMENT.**—

10 “(1) **IN GENERAL.**—The Secretary of Transpor-  
 11 tation may approve an application under this sub-  
 12 chapter for an airport development project grant for  
 13 a hub airport or a medium hub airport only if the  
 14 Secretary receives assurances that the airport spon-  
 15 sor will provide the information required by para-  
 16 graph (2) at such time and in such form as the Sec-  
 17 retary may require.

18 “(2) **COMPETITIVE ACCESS.**—If an airport de-  
 19 nies an application by an air carrier to receive access  
 20 to gates or other facilities at that airport in order  
 21 to provide service to the airport or to expand service  
 22 at the airport, then, within 30 days after denying  
 23 the request, the airport sponsor shall—

24 “(A) notify the Secretary of the denial;

25 and

1           “(B) transmit a report to the Secretary  
2           that—

3                     “(i) describes the request;

4                     “(ii) explains the reasons for the de-  
5                     nial; and

6                     “(iii) provides a time frame within  
7                     which, if any, the airport will be able to ac-  
8                     commodate the request.

9           “(3) DEFINITIONS.—In this subsection:

10                   “(A) HUB AIRPORT.—The term ‘hub air-  
11                   port’ has the meaning given that term by sec-  
12                   tion 41731(a)(3).

13                   “(B) MEDIUM HUB AIRPORT.—The term  
14                   ‘medium hub airport’ has the meaning given  
15                   that term by section 41714(h)(9).”.

## 16   **TITLE IV—AVIATION SECURITY**

### 17   **SEC. 401. STUDY OF EFFECTIVENESS OF TRANSPORTATION** 18                   **SECURITY SYSTEM.**

19           (a) IN GENERAL.—The Secretary of Homeland Secu-  
20           rity shall study the effectiveness of the aviation security  
21           system, including the air marshal program, hardening of  
22           cockpit doors, and security screening of passengers,  
23           checked baggage, and cargo.

24           (b) REPORT.—The Secretary shall transmit a report  
25           of the Secretary’s findings and conclusions together with

1 any recommendations, including legislative recommenda-  
2 tions, the Secretary may have for improving the effective-  
3 ness of aviation security to the Senate Committee on Com-  
4 merce, Science, and Transportation and the House of Rep-  
5 resentatives Committee on Transportation and Infrastruc-  
6 ture within 6 months after the date of enactment of this  
7 Act. In the report the Secretary shall also describe any  
8 redeployment of Transportation Security Administration  
9 resources based on those findings and conclusions. The  
10 Secretary may submit the report to the Committees in  
11 classified and redacted form.

12 **SEC. 402. AVIATION SECURITY CAPITAL FUND.**

13 (a) IN GENERAL.—There is established within the  
14 Department of Transportation a fund to be known as the  
15 Aviation Security Capital Fund. There are appropriated  
16 to the Fund to \$500,000,000 for each of the fiscal years  
17 2004 through 2007, such amounts to be derived from fees  
18 received under section 44940 of title 49, United States  
19 Code. Amounts in the fund shall be allocated in such a  
20 manner that—

21 (1) 40 percent shall be made available for hub  
22 airports;

23 (2) 20 percent shall be made available for me-  
24 dium hub airports;

1           ~~(3)~~ 15 percent shall be made available for small  
2           hub airports and non-hub airports; and

3           ~~(4)~~ 25 percent may be distributed at the Sec-  
4           retary's discretion.

5           (b) PURPOSE.—Amounts in the Fund shall be avail-  
6           able to the Secretary of Transportation, after consultation  
7           with the Under Secretary of Homeland Security for Bor-  
8           der and Transportation Security to provide financial as-  
9           sistance to airport sponsors to defray capital investment  
10          in transportation security at airport facilities in accord-  
11          ance with the provisions of this section. The program shall  
12          be administered in concert with the airport improvement  
13          program under chapter 417 of title 49, United States  
14          Code.

15          (c) APPORTIONMENT.—Amounts made available  
16          under subsection (a)(1), (a)(2), or (a)(3) shall be appor-  
17          tioned among the airports in each category in accordance  
18          with a formula based on the ratio that passenger  
19          emplanements at each airport in the category bears to the  
20          total passenger emplanements at all airports in the that  
21          category.

22          (d) MATCHING REQUIREMENTS.—

23                  (1) IN GENERAL.—Not less than the following  
24                  percentage of the costs of any project funded under

1 this section shall be derived from non-Federal  
2 sources:

3 (A) For hub airports and medium hub air-  
4 ports, 25 percent.

5 (B) For airports other than hub airports  
6 and medium hub airports, 10 percent.

7 (2) USE OF BOND PROCEEDS.—In determining  
8 the amount of non-Federal sources of funds, the  
9 proceeds of State and local bond issues shall not be  
10 considered to be derived, directly or indirectly, from  
11 Federal sources without regard to the Federal in-  
12 come tax treatment of interest and principal of such  
13 bonds.

14 (c) LETTERS OF INTENT.—The Secretary of Trans-  
15 portation, or his delegate, may execute letters of intent  
16 to commit funding to airport sponsors from the Fund.

17 (f) CONFORMING AMENDMENT.—Section  
18 44940(a)(1) of title 49, United States Code, is amended  
19 by adding at the end the following:

20 “(H) The costs of security-related capital  
21 improvements at airports.”.

22 (g) DEFINITIONS.—Any term used in this section  
23 that is defined or used in chapter 417 of title 49 United  
24 States Code has the meaning given that term in that chap-  
25 ter.

1 **SEC. 403. TECHNICAL AMENDMENTS RELATED TO SECURITY-RELATED AIRPORT DEVELOPMENT.**

2  
3 (a) DEFINITION OF AIRPORT DEVELOPMENT.—Section 47102(3)(B) is amended—

4  
5 (1) by inserting “and” after the semicolon in clause (viii);

6  
7 (2) by striking “circular; and” in clause (ix) and inserting “circular.”; and

8  
9 (3) by striking clause (x).

10 (b) IMPROVEMENT OF FACILITIES AND EQUIPMENT.—Section 301(a) of the Federal Aviation Reauthorization Act of 1996 (49 U.S.C. 44901 note) is amended  
11  
12  
13 by striking “travel.” and inserting “travel if the improvements or equipment will be owned and operated by the  
14  
15 airport.”.

16 **TITLE V—MISCELLANEOUS**

17 **SEC. 501. EXTENSION OF WAR RISK INSURANCE AUTHORITY.**

18  
19 (a) EXTENSION OF POLICIES.—Section 44302(f)(1) is amended by striking “2003,” each place it appears and  
20  
21 inserting “2006.”.

22 (b) EXTENSION OF LIABILITY LIMITATION.—Section 44303(b) is amended by striking “2003,” and inserting  
23  
24 “2006.”.

25 (c) EXTENSION OF AUTHORITY.—Section 44310 is  
26 amended by striking “2003.” and inserting “2006.”.

1 **SEC. 502. COST-SHARING OF AIR TRAFFIC MODERNIZATION**  
2 **PROJECTS.**

3 (a) **IN GENERAL.**—Chapter 445 is amended by add-  
4 ing at the end the following:

5 **“§ 44517. Program to permit cost-sharing of air traf-**  
6 **fic modernization projects**

7 “(a) **IN GENERAL.**—Subject to the requirements of  
8 this section, the Secretary may carry out a program under  
9 which the Secretary may make grants to project sponsors  
10 for not more than 10 eligible projects per fiscal year for  
11 the purpose of improving aviation safety and enhancing  
12 mobility of the Nation’s air transportation system by en-  
13 couraging non-Federal investment in critical air traffic  
14 control facilities and equipment.

15 “(b) **FEDERAL SHARE.**—The Federal share of the  
16 cost of an eligible project carried out under the program  
17 shall not exceed 33 percent. The non-Federal share of the  
18 cost of an eligible project shall be provided from non-Fed-  
19 eral sources, including revenues collected pursuant to sec-  
20 tion 40117 of this title.

21 “(c) **LIMITATION ON GRANT AMOUNTS.**—No eligible  
22 project may receive more than \$5,000,000 in Federal  
23 funds under the program.

24 “(d) **FUNDING.**—The Secretary shall use amounts  
25 appropriated under section 48101(a) of this title to carry  
26 out this program.

1 “(e) DEFINITIONS.—In this section:

2 “(1) ELIGIBLE PROJECT.—The term ‘eligible  
3 project’ means a project relating to the Nation’s air  
4 traffic control system that is certified or approved by  
5 the Administrator and that promotes safety, effi-  
6 ciency, or mobility. Such projects may include—

7 “(A) airport-specific air traffic facilities  
8 and equipment, including local area augmenta-  
9 tion systems, instrument landing systems,  
10 weather and wind shear detection equipment,  
11 lighting improvements, and control towers;

12 “(B) automation tools to effect improve-  
13 ments in airport capacity, including passive  
14 final approach spacing tools and traffic man-  
15 agement advisory equipment; and

16 “(C) facilities and equipment that enhance  
17 airspace control procedures, including consolida-  
18 tion of terminal radar control facilities and  
19 equipment, or assist in en route surveillance, in-  
20 cluding oceanic and offshore flight tracking.

21 “(2) PROJECT SPONSOR.—The term ‘project  
22 sponsor’ means any major user of the National Air-  
23 space System, as determined by the Secretary, in-  
24 cluding a public-use airport or a joint venture be-

1       tween a public-use airport and one or more air car-  
2       riers.

3       “(f) TRANSFERS OF EQUIPMENT.—Notwithstanding  
4 any other provision of law, and upon agreement by the  
5 Administrator of the Federal Aviation Administration,  
6 project sponsors may transfer, without consideration, to  
7 the Federal Aviation Administration, facilities, equipment,  
8 or automation tools, the purchase of which was assisted  
9 by a grant made under this section, if such facilities,  
10 equipment or tools meet Federal Aviation Administration  
11 operation and maintenance criteria.

12       “(g) GUIDELINES.—The Administrator shall issue  
13 advisory guidelines on the implementation of the program,  
14 which shall not be subject to administrative rulemaking  
15 requirements under subchapter II of chapter 5 of title 5.”.

16       (b) CONFORMING AMENDMENT.—The chapter anal-  
17 yses for chapter 445 is amended by adding at the end the  
18 following:

“44517. Program to permit cost-sharing of air traffic modernization  
projects.”.

19 **SEC. 503. COUNTERFEIT OR FRAUDULENTLY REP-**  
20 **RESENTED PARTS VIOLATIONS.**

21 Section 44726(a)(1) is amended —

22       (1) by striking “or” after the semicolon in sub-  
23 paragraph (A);

1           (2) by redesignating subparagraph (B) as sub-  
2           paragraph (D);

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

5                     “(B) who knowingly, and with intent to de-  
6                     fraud, carried out or facilitated an activity pun-  
7                     ishable under a law described in subparagraph  
8                     (A);

9                     “(C) whose certificate is revoked under  
10                    subsection (b) of this section; or” and

11           (4) by striking “convicted of such a violation.”  
12           in subparagraph (D), as redesignated, and inserting  
13           “described in subparagraph (A), (B) or (C).”.

14 **SEC. 504. CLARIFICATIONS TO PROCUREMENT AUTHORITY.**

15           (a) UPDATE AND CLARIFICATION OF AUTHORITY.—

16           (1) Section 40110(e) is amended to read as fol-  
17           lows:

18                     “(e) DUTIES AND POWERS.—When carrying out sub-  
19                     section (a) of this section, the Administrator of the Fed-  
20                     eral Aviation Administration may—

21                     “(1) notwithstanding section 1341(a)(1) of title  
22                     31, lease an interest in property for not more than  
23                     20 years;

1           ~~“(2) consider the reasonable probable future~~  
 2           ~~use of the underlying land in making an award for~~  
 3           ~~a condemnation of an interest in airspace; and~~

4           ~~“(3) dispose of property under subsection (a)(2)~~  
 5           ~~of this section, except for airport and airway prop-~~  
 6           ~~erty and technical equipment used for the special~~  
 7           ~~purposes of the Administration; only under sections~~  
 8           ~~121, 123, and 126 and chapter 5 of title 40.”.~~

9           ~~(2) Section 40110(d)(1) is amended by striking~~  
 10          ~~“implement, not later than January 1, 1996,” and~~  
 11          ~~inserting “implement”.~~

12          ~~(b) CLARIFICATION.—Section 106(f)(2)(A)(ii) is~~  
 13          ~~amended by striking “property” and inserting “property,~~  
 14          ~~services,”.~~

15          **SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49.**

16          ~~(a) SHORT TITLE.—This Act may be cited as the~~  
 17          ~~“Aviation Investment and Revitalization Vision Act”.~~

18          ~~(b) AMENDMENT OF TITLE 49.—Except as otherwise~~  
 19          ~~expressly provided, whenever in this Act an amendment or~~  
 20          ~~repeal is expressed in terms of an amendment to, or a repeal~~  
 21          ~~of, a section or other provision, the reference shall be consid-~~  
 22          ~~ered to be made to a section or other provision of title 49,~~  
 23          ~~United States Code.~~

24          **SEC. 2. TABLE OF CONTENTS.**

25          ~~The table of contents for this Act is as follows:~~

~~Sec. 1. Short title; amendment of title 49.~~

*Sec. 2. Table of contents.*

*TITLE I—REAUTHORIZATIONS; FAA MANAGEMENT*

- Sec. 101. Airport improvement program.*
- Sec. 102. Airway facilities improvement program.*
- Sec. 103. FAA operations.*
- Sec. 104. Research, engineering, and development.*
- Sec. 105. Other programs.*
- Sec. 106. Reorganization of the Air Traffic Services Subcommittee.*
- Sec. 107. Clarification of responsibilities of chief operating officer.*

*TITLE II—AIRPORT DEVELOPMENT*

- Sec. 201. National capacity projects.*
- Sec. 202. Categorical exclusions.*
- Sec. 203. Alternatives analysis.*
- Sec. 204. Increase in apportionment for, and flexibility of, noise compatibility planning programs.*
- Sec. 205. Secretary of Transportation to identify airport congestion-relief projects and forecast airport operations annually.*
- Sec. 206. Design-build contracting.*
- Sec. 207. Special rule for airport in Illinois.*
- Sec. 208. Elimination of duplicative requirements.*
- Sec. 209. Streamlining the passenger facility fee program.*
- Sec. 210. Quarterly status reports.*
- Sec. 211. Noise disclosure requirements.*
- Sec. 212. Prohibition on requiring airports to provide rent-free space for FAA or TSA.*
- Sec. 213. Special rules for fiscal year 2004.*
- Sec. 214. Agreements for operation of airport facilities.*
- Sec. 215. Public agencies.*
- Sec. 216. Flexible funding for nonprimary airport apportionments.*

*TITLE III—AIRLINE SERVICE DEVELOPMENT*

*Subtitle A—Program Enhancements*

- Sec. 301. Delay reduction meetings.*
- Sec. 302. Small community air service development pilot program.*
- Sec. 303. DOT study of competition and access problems at large and medium hub airports.*
- Sec. 304. Competition disclosure requirement for large and medium hub airports.*

*Subtitle B—Small Community and Rural Air Service Revitalization*

- Sec. 351. Reauthorization of essential air service program.*
- Sec. 352. Incentive program.*
- Sec. 353. Pilot programs.*
- Sec. 354. EAS program authority changes.*

*TITLE IV—AVIATION SECURITY*

- Sec. 401. Study of effectiveness of transportation security system.*
- Sec. 402. Aviation security capital fund.*
- Sec. 403. Technical amendments related to security-related airport development.*
- Sec. 404. Armed forces charters.*

## TITLE V—MISCELLANEOUS

- Sec. 501. Extension of war risk insurance authority.*
- Sec. 502. Cost-sharing of air traffic modernization projects.*
- Sec. 503. Counterfeit or fraudulently represented parts violations.*
- Sec. 504. Clarifications to procurement authority.*
- Sec. 505. Judicial review.*
- Sec. 506. Civil penalties.*
- Sec. 507. Miscellaneous amendments.*
- Sec. 508. Low-emission airport vehicles and infrastructure.*
- Sec. 509. Low-emission airport vehicles and ground support equipment.*
- Sec. 510. Pacific emergency diversion airport.*
- Sec. 511. Gulf of Mexico aviation service improvements.*
- Sec. 512. Air traffic control collegiate training initiative.*
- Sec. 513. Increase in certain slots.*
- Sec. 514. Air transportation oversight system plan.*
- Sec. 515. National small community air service development ombudsman.*
- Sec. 516. National commission on small community air service.*
- Sec. 517. Training certification for cabin crew.*
- Sec. 518. Aircraft manufacturer insurance.*
- Sec. 519. Ground-based precision navigational aids.*
- Sec. 520. Standby power efficiency program.*

## TITLE VI—SECOND CENTURY OF FLIGHT

- Sec. 601. Findings.*

*Subtitle A—The Office of Aerospace and Aviation Liaison*

- Sec. 621. Office of Aerospace and Aviation Liaison.*
- Sec. 622. National Air Traffic Management System Development Office.*
- Sec. 623. Report on certain market developments and government policies.*

*Subtitle B—Technical Programs*

- Sec. 641. Aerospace and Aviation Safety workforce initiative.*
- Sec. 642. Scholarships for service.*

*Subtitle C—FAA Research, Engineering, and Development*

- Sec. 661. Research program to improve airfield pavements.*
- Sec. 662. Ensuring appropriate standards for airfield pavements.*
- Sec. 663. Assessment of wake turbulence research and development program.*
- Sec. 664. Cabin air quality research program.*
- Sec. 665. International role of the FAA.*
- Sec. 666. FAA report on other nations' safety and technological advancements.*
- Sec. 667. Development of analytical tools and certification methods.*
- Sec. 668. Pilot program to provide incentives for development of new technologies.*
- Sec. 669. FAA center for excellence for applied research and training in the use of advanced materials in transport aircraft.*
- Sec. 670. FAA certification of design organizations.*
- Sec. 671. Report on long term environmental improvements.*

1     **TITLE I—REAUTHORIZATIONS;**  
 2                   **FAA MANAGEMENT**

3     **SEC. 101. AIRPORT IMPROVEMENT PROGRAM.**

4           (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
 5 48103 is amended—

6                 (1) *by inserting “(a) IN GENERAL.—” before*  
 7                 *“The”;*

8                 (2) *by striking “and” in paragraph (4);*

9                 (3) *by striking “2003.” in paragraph (5) and in-*  
 10                 *serting “2003;”;*

11                (4) *by inserting after paragraph (5) the fol-*  
 12                *lowing:*

13                         *“(6) \$3,400,000,000 for fiscal year 2004;*

14                         *“(7) \$3,500,000,000 for fiscal year 2005; and*

15                         *“(8) \$3,600,000,000 for fiscal year 2006.”; and*

16                         *(5) by adding at the end the following:*

17                         *“(b) ADMINISTRATIVE EXPENSES.—From the amounts*  
 18                         *authorized by paragraphs (6) through (8) of subsection (a),*  
 19                         *there shall be available for administrative expenses relating*  
 20                         *to the airport improvement program, passenger facility fee*  
 21                         *approval and oversight, national airport system planning,*  
 22                         *airport standards development and enforcement, airport*  
 23                         *certification, airport-related environmental activities (in-*  
 24                         *cluding legal service), to remain available until expended—*

25                                 *“(1) for fiscal year 2004, \$69,737,000;*

1           “(2) for fiscal year 2005, \$71,816,000; and

2           “(3) for fiscal year 2006, \$74,048,000.”.

3           (b) *OBLIGATIONAL AUTHORITY*.—Section 47104(c) is  
4 amended by striking “2003,” and inserting “2006,”.

5 **SEC. 102. AIRWAY FACILITIES IMPROVEMENT PROGRAM.**

6           (a) *IN GENERAL*.—Section 48101(a) is amended by  
7 adding at the end the following:

8           “(6) \$2,916,000,000 for fiscal year 2004.

9           “(7) \$2,971,000,000 for fiscal year 2005.

10           “(8) \$3,030,000,000 for fiscal year 2006.”.

11           (b) *BIANNUAL REPORTS*.—Beginning 180 days after  
12 the date of enactment of Act, the Administrator of the Fed-  
13 eral Aviation Administration shall transmit a report to the  
14 Senate Committee on Commerce, Science, and Transpor-  
15 tation and the House of Representatives Committee on  
16 Transportation and Infrastructure every 6 months that de-  
17 scribes—

18           (1) the 10 largest programs funded under section  
19 48101(a) of title 49, United States Code;

20           (2) any changes in the budget for such programs;

21           (3) the program schedule; and

22           (4) technical risks associated with the programs.

23 **SEC. 103. FAA OPERATIONS.**

24           (a) *IN GENERAL*.—Section 106(k)(1) is amended—

25           (1) by striking “and” in subparagraph (C);

1           (2) by striking “2003.” in subparagraph (D)  
2           and inserting “2003;” and

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

4                     “(E) \$7,591,000,000 for fiscal year 2004;

5                     “(F) \$7,732,000,000 for fiscal year 2005;

6                     and

7                     “(G) \$7,889,000,000 for fiscal year 2006.”.

8           (b) *ANNUAL REPORT.*—Beginning with the submission  
9 of the Budget of the United States to the Congress for fiscal  
10 year 2004, the Administrator of the Federal Aviation Ad-  
11 ministration shall transmit a report to the Senate Com-  
12 mittee on Commerce, Science, and Transportation and the  
13 House of Representatives Committee on Transportation and  
14 Infrastructure that describes the overall air traffic controller  
15 staffing plan, including strategies to address anticipated re-  
16 tirement and replacement of air traffic controllers.

17 **SEC. 104. RESEARCH, ENGINEERING, AND DEVELOPMENT.**

18           (a) *AMOUNTS AUTHORIZED.*—Section 48102(a) is  
19 amended—

20                     (1) by striking “and” at the end of paragraph  
21                     (7);

22                     (2) by striking the period at the end of para-  
23                     graph (8) and inserting a semicolon; and

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

1           “(9) for fiscal year 2004, \$289,000,000, includ-  
2     ing—

3           “(A) \$200,000,000 to improve aviation safe-  
4     ty, including icing, crashworthiness, and aging  
5     aircraft;

6           “(B) \$18,000,000 to improve the efficiency  
7     of the air traffic control system;

8           “(C) \$27,000,000 to reduce the environ-  
9     mental impact of aviation;

10          “(D) \$16,000,000 to improve the efficiency  
11     of mission support; and

12          “(E) \$28,000,000 to improve the durability  
13     and maintainability of advanced material struc-  
14     tures in transport airframe structures;

15          “(10) for fiscal year 2005, \$304,000,000, includ-  
16     ing—

17          “(A) \$211,000,000 to improve aviation safe-  
18     ty;

19          “(B) \$19,000,000 to improve the efficiency  
20     of the air traffic control system;

21          “(C) \$28,000,000 to reduce the environ-  
22     mental impact of aviation;

23          “(D) \$17,000,000 to improve the efficiency  
24     of mission support; and

1           “(E) \$29,000,000 to improve the durability  
2           and maintainability of advanced material struc-  
3           tures in transport airframe structures; and

4           “(11) for fiscal year 2006, \$317,000,000, includ-  
5           ing—

6           “(A) \$220,000,000 to improve aviation safe-  
7           ty;

8           “(B) \$20,000,000 to improve the efficiency  
9           of the air traffic control system;

10           “(C) \$29,000,000 to reduce the environ-  
11           mental impact of aviation;

12           “(D) \$18,000,000 to improve the efficiency  
13           of mission support; and

14           “(E) \$30,000,000 to improve the durability  
15           and maintainability of advanced material struc-  
16           tures in transport airframe structures.”.

17 **SEC. 105. OTHER PROGRAMS.**

18           Section 106 of the Wendell H. Ford Aviation Invest-  
19           ment and Reform Act for the 21st Century is amended—

20           (1) by striking “2003” in subsection (a)(1)(A)  
21           and subsection (c)(2) and inserting “2006”; and

22           (2) by striking “2003,” in subsection (a)(2) and  
23           inserting “2006,”.

1 **SEC. 106. REORGANIZATION OF THE AIR TRAFFIC SERVICES**

2 **SUBCOMMITTEE.**

3 (a) *IN GENERAL.*—Section 106 is amended—

4 (1) *by redesignating subsections (q) and (r) as*  
5 *subsections (r) and (s), respectively; and*

6 (2) *by inserting after subsection (p) the fol-*  
7 *lowing:*

8 “(q) *AIR TRAFFIC MANAGEMENT COMMITTEE.*—

9 (1) *ESTABLISHMENT.*—*The Secretary of Trans-*  
10 *portation shall establish an advisory committee which*  
11 *shall be known as the Air Traffic Services Committee*  
12 *(in this subsection referred to as the ‘Committee’).*

13 (2) *MEMBERSHIP.*—

14 (A) *COMPOSITION AND APPOINTMENT.*—

15 *The Committee shall be composed of—*

16 (i) *the Administrator of the Federal*  
17 *Aviation Administration, who shall serve as*  
18 *chair; and*

19 (ii) *4 members, to be appointed by the*  
20 *Secretary, after consultation with the Com-*  
21 *mittee on Transportation and Infrastruc-*  
22 *ture of the House of Representatives, and*  
23 *the Committee on Commerce, Science, and*  
24 *Transportation of the Senate.*

25 (B) *NO FEDERAL OFFICER OR EM-*  
26 *PLOYEE.*—*No member appointed under subpara-*

1           *graph (A)(ii) may serve as an officer or em-*  
2           *ployee of the United States Government while*  
3           *serving as a member of the Committee.*

4           “(C) *ELIGIBILITY.—Members appointed*  
5           *under subparagraph (A)(ii) shall—*

6                   “(i) *have a fiduciary responsibility to*  
7                   *represent the public interest;*

8                   “(ii) *be citizens of the United States;*  
9                   *and*

10                   “(iii) *be appointed without regard to*  
11                   *political affiliation and solely on the basis*  
12                   *of their professional experience and exper-*  
13                   *tise in one or more of the following areas:*

14                           “(I) *Management of large service*  
15                           *organizations.*

16                           “(II) *Customer service.*

17                           “(III) *Management of large pro-*  
18                           *curements.*

19                           “(IV) *Information and commu-*  
20                           *nications technology.*

21                           “(V) *Organizational development.*

22                           “(VI) *Labor relations.*

23           *At least one of such members should have a*  
24           *background in managing large organiza-*  
25           *tions successfully. In the aggregate, such*

1           *members should collectively bring to bear*  
2           *expertise in all of the areas described in*  
3           *subclauses (I) through (VI).*

4           “(D) *PROHIBITIONS ON MEMBERS OF COM-*  
5           *MITTEE.—No member appointed under subpara-*  
6           *graph (A)(ii) may—*

7                   “(i) *have a pecuniary interest in, or*  
8                   *own stock in or bonds of, an aviation or*  
9                   *aeronautical enterprise, except an interest*  
10                  *in a diversified mutual fund or an interest*  
11                  *that is exempt from the application of sec-*  
12                  *tion 208 of title 18;*

13                  “(ii) *engage in another business related*  
14                  *to aviation or aeronautics; or*

15                  “(iii) *be a member of any organization*  
16                  *that engages, as a substantial part of its ac-*  
17                  *tivities, in activities to influence aviation-*  
18                  *related legislation.*

19           “(E) *CLAIMS AGAINST MEMBERS.—*

20                   “(i) *IN GENERAL.—A member ap-*  
21                   *pointed under subparagraph (A)(ii) shall*  
22                   *have no personal liability under Federal*  
23                   *law with respect to any claim arising out*  
24                   *of or resulting from an act or omission by*  
25                   *such member within the scope of service as*

1           *a member of the Air Traffic Services Com-*  
2           *mittee.*

3           “(ii) *EFFECT ON OTHER LAW.—This*  
4           *subparagraph shall not be construed—*

5                     “(I) *to affect any other immunity*  
6                     *or protection that may be available to*  
7                     *a member of the Committee under ap-*  
8                     *plicable law with respect to such trans-*  
9                     *actions;*

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

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

17           “(F) *ETHICAL CONSIDERATIONS.—*

18                    “(i) *FINANCIAL DISCLOSURE.—During*  
19                    *the entire period that an individual ap-*  
20                    *pointed under subparagraph (A)(ii) is a*  
21                    *member of the Committee, such individual*  
22                    *shall be treated as serving as an officer or*  
23                    *employee referred to in section 101(f) of the*  
24                    *Ethics in Government Act of 1978 for pur-*  
25                    *poses of title I of such Act; except that sec-*

1            *tion 101(d) of such Act shall apply without*  
2            *regard to the number of days of service in*  
3            *the position.*

4            *“(i) RESTRICTIONS ON POST-EMPLOY-*  
5            *MENT.—For purposes of section 207(c) of*  
6            *title 18, an individual appointed under*  
7            *subparagraph (A)(i) shall be treated as an*  
8            *employee referred to in section*  
9            *207(c)(2)(A)(i) of such title during the en-*  
10           *tire period the individual is a member of*  
11           *the Committee; except that subsections*  
12           *(c)(2)(B) and (f) of section 207 of such title*  
13           *shall not apply.*

14           *“(G) TERMS FOR AIR TRAFFIC SERVICES*  
15           *COMMITTEE MEMBERS.—A member appointed*  
16           *under subparagraph (A)(i) shall be appointed*  
17           *for a term of 5 years.*

18           *“(H) REAPPOINTMENT.—An individual*  
19           *may not be appointed under subparagraph*  
20           *(A)(i) to more than two 5-year terms.*

21           *“(I) VACANCY.—Any vacancy on the Com-*  
22           *mittee shall be filled in the same manner as the*  
23           *original appointment. Any member appointed to*  
24           *fill a vacancy occurring before the expiration of*  
25           *the term for which the member’s predecessor was*

1           *appointed shall be appointed for the remainder*  
2           *of that term.*

3           “(J) *CONTINUATION IN OFFICE.*—*A member*  
4           *whose term expires shall continue to serve until*  
5           *the date on which the member’s successor takes*  
6           *office.*

7           “(K) *REMOVAL.*—*Any member appointed*  
8           *under subparagraph (A)(ii) may be removed for*  
9           *cause by the Secretary.*

10          “(3) *GENERAL RESPONSIBILITIES.*—

11           “(A) *OVERSIGHT.*—*The Committee shall*  
12           *oversee the administration, management, con-*  
13           *duct, direction, and supervision of the air traffic*  
14           *control system.*

15           “(B) *CONFIDENTIALITY.*—*The Committee*  
16           *shall ensure that appropriate confidentiality is*  
17           *maintained in the exercise of its duties.*

18           “(4) *SPECIFIC RESPONSIBILITIES.*—*The Com-*  
19           *mittee shall have the following specific responsibil-*  
20           *ities:*

21           “(A) *STRATEGIC PLANS.*—*To review, ap-*  
22           *prove, and monitor the strategic plan for the air*  
23           *traffic control system, including the establish-*  
24           *ment of—*

25                   “(i) *a mission and objectives;*

1                   “(ii) standards of performance relative  
2                   to such mission and objectives, including  
3                   safety, efficiency, and productivity; and

4                   “(iii) annual and long-range strategic  
5                   plans.

6                   “(B) MODERNIZATION AND IMPROVE-  
7                   MENT.—To review and approve—

8                   “(i) methods to accelerate air traffic  
9                   control modernization and improvements in  
10                  aviation safety related to air traffic control;  
11                  and

12                  “(ii) procurements of air traffic control  
13                  equipment in excess of \$100,000,000.

14                  “(C) OPERATIONAL PLANS.—To review the  
15                  operational functions of the air traffic control  
16                  system, including—

17                  “(i) plans for modernization of the air  
18                  traffic control system;

19                  “(ii) plans for increasing productivity  
20                  or implementing cost-saving measures; and

21                  “(iii) plans for training and edu-  
22                  cation.

23                  “(D) MANAGEMENT.—To—

1           “(i) review and approve the Adminis-  
2           trator’s appointment of a Chief Operating  
3           Officer under section 106(s);

4           “(ii) review the Administrator’s selec-  
5           tion, evaluation, and compensation of sen-  
6           ior executives of the Administration who  
7           have program management responsibility  
8           over significant functions of the air traffic  
9           control system;

10          “(iii) review and approve the Adminis-  
11          trator’s plans for any major reorganization  
12          of the Administration that would impact on  
13          the management of the air traffic control  
14          system;

15          “(iv) review and approve the Adminis-  
16          trator’s cost accounting and financial man-  
17          agement structure and technologies to help  
18          ensure efficient and cost-effective air traffic  
19          control operation; and

20          “(v) review the performance and com-  
21          pensation of managers responsible for major  
22          acquisition projects, including the ability of  
23          the managers to meet schedule and budget  
24          targets.

25          “(E) BUDGET.—To—

1           “(i) review and approve the budget re-  
2           quest of the Administration related to the  
3           air traffic control system prepared by the  
4           Administrator;

5           “(ii) submit such budget request to the  
6           Secretary; and

7           “(iii) ensure that the budget request  
8           supports the annual and long-range stra-  
9           tegic plans.

10           “(5) CONGRESSIONAL REVIEW OF PRE-OMB  
11           BUDGET REQUEST.—The Secretary shall submit the  
12           budget request referred to in paragraph (4)(E)(ii) for  
13           any fiscal year to the President who shall transmit  
14           such request, without revision, to the Committees on  
15           Transportation and Infrastructure and Appropria-  
16           tions of the House of Representatives and the Com-  
17           mittees on Commerce, Science, and Transportation  
18           and Appropriations of the Senate, together with the  
19           President’s annual budget request for the Federal  
20           Aviation Administration for such fiscal year.

21           “(6) COMMITTEE PERSONNEL MATTERS.—

22           “(A) COMPENSATION OF MEMBERS.—Each  
23           member of the Committee, other than the chair  
24           and vice chair, shall be compensated at a rate of  
25           \$25,000 per year.

1           “(B) *STAFF.*—*The chairperson of the Com-*  
2           *mittee may appoint and terminate any per-*  
3           *sonnel that may be necessary to enable the Com-*  
4           *mittee to perform its duties.*

5           “(C) *PROCUREMENT OF TEMPORARY AND*  
6           *INTERMITTENT SERVICES.*—*The chairperson of*  
7           *the Committee may procure temporary and*  
8           *intermittent services under section 3109(b) of*  
9           *title 5, United States Code.*

10          “(7) *ADMINISTRATIVE MATTERS.*—

11           “(A) *POWERS OF CHAIR.*—*Except as other-*  
12           *wise provided by a majority vote of the Com-*  
13           *mittee, the powers of the chairperson shall in-*  
14           *clude—*

15                   “(i) *establishing subcommittees;*

16                   “(ii) *setting meeting places and times;*

17                   “(iii) *establishing meeting agendas;*

18                   *and*

19                   “(iv) *developing rules for the conduct*  
20                   *of business.*

21           “(B) *MEETINGS.*—*The Committee shall*  
22           *meet at least quarterly and at such other times*  
23           *as the chairperson determines appropriate.*

24           “(C) *QUORUM.*—*Three members of the Com-*  
25           *mittee shall constitute a quorum. A majority of*

1           *members present and voting shall be required for*  
2           *the Committee to take action.*

3           “(D) *APPLICATION OF SUBSECTION (p) PRO-*  
4           *VISIONS.—The following provisions of subsection*  
5           *(p) apply to the Committee to the same extent as*  
6           *they apply to the Management Advisory Council:*

7                   “(i) *Paragraph (4)(C) (relating to ac-*  
8                   *cess to documents and staff).*

9                   “(ii) *Paragraph (5) (relating to non-*  
10                  *application of Federal Advisory Committee*  
11                  *Act).*

12                  “(iii) *Paragraph (6)(G) (relating to*  
13                  *travel and per diem).*

14                  “(iv) *Paragraph (6)(H) (relating to*  
15                  *detail of personnel).*

16           “(8) *ANNUAL REPORT.—The Committee shall*  
17           *each year report with respect to the conduct of its re-*  
18           *sponsibilities under this title to the Administrator,*  
19           *the Management Advisory Council, the Committee on*  
20           *Transportation and Infrastructure of the House of*  
21           *Representatives, and the Committee on Commerce,*  
22           *Science, and Transportation of the Senate.”.*

23           (b) *CONFORMING AMENDMENTS.—*

24                   (1) *Subsection (p) of section 106 is amended—*

1           (A) by striking “18” in paragraph (2) and  
2           inserting “13”;

3           (B) by inserting “and” after the semicolon  
4           in subparagraph (C) of paragraph (2);

5           (C) by striking “Transportation; and” in  
6           subparagraph (D) of paragraph (2) and insert-  
7           ing “Transportation.”;

8           (D) by striking subparagraph (E) of para-  
9           graph (2);

10          (E) by striking paragraph (3) and inserting  
11          the following:

12          “(3) NO FEDERAL OFFICER OR EMPLOYEE.—No  
13          member appointed under paragraph (2)(C) may serve  
14          as an officer or employee of the United States Govern-  
15          ment while serving as a member of the Council.”;

16          (F) by striking subparagraphs (C), (D),  
17          (H), and (I) of paragraph (6) and redesignating  
18          subparagraphs (E), (F), (G), (J), (K), and (L)  
19          as subparagraphs (C), (D), (E), (F), (G), and  
20          (H), respectively; and

21          (G) by striking paragraphs (7) and (8).

22          (2) Section 106(s) (as redesignated by subsection  
23          (a) of this section) is amended—

24                 (A) by striking “Air Traffic Services Sub-  
25                 committee of the Aviation Management Advisory

1           *Council.*” and inserting “*Air Traffic Services*  
 2           *Committee.*” in paragraphs (1)(A) and (2)(A);  
 3           and

4                   (B) by striking “*Air Traffic Services Sub-*  
 5           *committee of the Aviation Management Advisory*  
 6           *Council,*” and inserting “*Air Traffic Services*  
 7           *Committee,*” in paragraph (3).

8           (3) *Section 106 is amended by adding at the end*  
 9           *the following:*

10           “(t) *AIR TRAFFIC CONTROL SYSTEM DEFINED.—In*  
 11           *this section, the term ‘air traffic control system’ has the*  
 12           *meaning such term has under section 40102(a).”.*

13           (c) *TRANSITION FROM AIR TRAFFIC SERVICE SUB-*  
 14           *COMMITTEE TO AIR TRAFFIC SERVICE COMMITTEE.—*

15                   (1) *TERMINATION OF MANAGEMENT ADVISORY*  
 16           *COUNCIL MEMBERSHIP.—Effective on the day after*  
 17           *the date of enactment of this Act, any member of the*  
 18           *Management Advisory Council appointed under sec-*  
 19           *tion 106(p)(2)(E) of title 49, United States Code, (as*  
 20           *such section was in effect on the day before such date*  
 21           *of enactment) who is a member of the Council on such*  
 22           *date of enactment shall cease to be a member of the*  
 23           *Council.*

24                   (2) *COMMENCEMENT OF MEMBERSHIP ON AIR*  
 25           *TRAFFIC SERVICES COMMITTEE.—Effective on the day*

1     *after the date of enactment of this Act, any member*  
2     *of the Management Advisory Council whose member-*  
3     *ship is terminated by paragraph (1) shall become a*  
4     *member of the Air Traffic Services Committee as pro-*  
5     *vided by section 106(q)(2)(G) of title 49, United*  
6     *States Code, to serve for the remainder of the term to*  
7     *which that member was appointed to the Council.*

8     **SEC. 107. CLARIFICATION OF RESPONSIBILITIES OF CHIEF**  
9                    **OPERATING OFFICER.**

10     *Section 106(s) (as redesignated by section 106(a)(1) of*  
11 *this Act) is amended—*

12             (1) *by striking “Transportation and Congress”*  
13     *in paragraph (4) and inserting “Transportation, the*  
14     *Committee on Transportation and Infrastructure of*  
15     *the House of Representatives, and the Committee on*  
16     *Commerce, Science, and Transportation of the Sen-*  
17     *ate,”;*

18             (2) *by striking “develop a strategic plan of the*  
19     *Administration for the air traffic control system, in-*  
20     *cluding the establishment of—” in paragraph (5)(A)*  
21     *and inserting “implement the strategic plan of the*  
22     *Administration for the air traffic control system in*  
23     *order to further—”;*

24             (3) *by striking “To review the operational func-*  
25     *tions of the Administration,” in paragraph (5)(B)*

1       and inserting “To oversee the day-to-day operational  
2       functions of the Administration for air traffic con-  
3       trol,”;

4               (4) by striking “system prepared by the Admin-  
5       istrator;” in paragraph (5)(C)(i) and inserting “sys-  
6       tem;”;

7               (5) by striking “Administrator and the Secretary  
8       of Transportation;” in paragraph (5)(C)(ii) and in-  
9       serting “Administrator;”; and

10              (6) by striking paragraph (5)(C)(iii) and insert-  
11       ing the following:

12                       “(iii) ensure that the budget request  
13                       supports the agency’s annual and long-  
14                       range strategic plans for air traffic control  
15                       services.”.

## 16                                       **TITLE II—AIRPORT** 17                                       **DEVELOPMENT**

### 18       **SEC. 201. NATIONAL CAPACITY PROJECTS.**

19              (a) *IN GENERAL.*—Part B of subtitle VII is amended  
20       by adding at the end the following:

#### “CHAPTER 477. NATIONAL CAPACITY PROJECTS

“47701. Capacity enhancement.

“47702. Designation of national capacity projects.

“47703. Expedited coordinated environmental review process; project coordi-  
nators and environment impact teams.

“47704. Compatible land use initiative for national capacity projects.

“47705. Air traffic procedures at national capacity projects.

“47706. Pilot program for environmental review at national capacity  
projects.

“47707. Definitions.

1 **“§ 47701. Capacity enhancement**

2       “(a) *IN GENERAL.*—*Within 30 days after the date of*  
3 *enactment of the Aviation Investment and Revitalization*  
4 *Vision Act, the Secretary of Transportation shall identify*  
5 *those airports among the 31 airports covered by the Federal*  
6 *Aviation Administration’s Airport Capacity Benchmark*  
7 *Report 2001 with delays that significantly affect the na-*  
8 *tional air transportation system.*

9       “(b) *TASK FORCE; CAPACITY ENHANCEMENT*  
10 *STUDY.*—

11               “(1) *IN GENERAL.*—*The Secretary shall direct*  
12 *any airport identified by the Secretary under sub-*  
13 *section (a) that is not engaged in a runway expan-*  
14 *sion process and has not initiated a capacity en-*  
15 *hancement study (or similar capacity assessment)*  
16 *since 1996—*

17                       “(A) *to establish a delay reduction task*  
18 *force to study means of increasing capacity at*  
19 *the airport, including air traffic, airline sched-*  
20 *uling, and airfield expansion alternatives; or*

21                       “(B) *to conduct a capacity enhancement*  
22 *study.*

23               “(2) *SCOPE.*—*The scope of the study shall be de-*  
24 *termined by the airport and the Federal Aviation Ad-*  
25 *ministration, and where appropriate shall consider*  
26 *regional capacity solutions.*

1           “(3) *RECOMMENDATIONS SUBMITTED TO SEC-*  
2           *RETARY.—*

3           “(A) *TASK FORCE.—A task force established*  
4           *under this subsection shall submit a report con-*  
5           *taining its findings and conclusions, together*  
6           *with any recommendations for capacity enhance-*  
7           *ment at the airport, to the Secretary within 9*  
8           *months after the task force is established.*

9           “(B) *CES.—A capacity enhancement study*  
10           *conducted under this subsection shall be sub-*  
11           *mitted, together with its findings and conclu-*  
12           *sions, to the Secretary as soon as the study is*  
13           *completed.*

14           “(c) *RUNWAY EXPANSION AND RECONFIGURATION.—*  
15           *If the report or study submitted under subsection (b)(3) in-*  
16           *cludes a recommendation for the construction or reconfig-*  
17           *uration of runways at the airport, then the Secretary and*  
18           *the airport shall complete the planning and environmental*  
19           *review process within 5 years after report or study is sub-*  
20           *mitted to the Secretary. The Secretary may extend the 5-*  
21           *year deadline under this subsection for up to 1 year if the*  
22           *Secretary determines that such an extension is necessary*  
23           *and in the public interest. The Secretary shall notify the*  
24           *Senate Committee on Commerce, Science, and Transpor-*

1 *tation, and to the House of Representatives Committee on*  
2 *Transportation and Infrastructure of any such extension.*

3       “(d) AIRPORTS THAT DECLINE TO UNDERTAKE EX-  
4 *PANSION PROJECTS.—*

5               “(1) IN GENERAL.—*If an airport at which the*  
6 *construction or reconfiguration of runways is rec-*  
7 *ommended does not take action to initiate a planning*  
8 *and environmental assessment process for the con-*  
9 *struction or reconfiguration of those runways within*  
10 *30 days after the date on which the report or study*  
11 *is submitted to the Secretary, then—*

12                       “(A) *the airport shall be ineligible for plan-*  
13 *ning and other expansion funds under sub-*  
14 *chapter I of chapter 471, notwithstanding any*  
15 *provision of that subchapter to the contrary; and*

16                       “(B) *no passenger facility fee may be ap-*  
17 *proved at that airport during the 5-year period*  
18 *beginning 30 days after the date on which the re-*  
19 *port or study is submitted to the Secretary, for—*

20                               “(i) *projects that, but for subparagraph*  
21 *(A), could have been funded under chapter*  
22 *471; or*

23                               “(ii) *any project other than on-airport*  
24 *airfield-side capacity or safety-related*  
25 *projects.*

1           “(2) *SAFETY-RELATED AND ENVIRONMENTAL*  
2           *PROJECTS EXCEPTED.*—*Paragraph (1) does not apply*  
3           *to the use of funds for safety-related, security, or envi-*  
4           *ronment projects.*

5           “(e) *AIRPORTS THAT TAKE ACTION.*—*The Secretary*  
6           *shall take all actions possible to expedite funding and pro-*  
7           *vide options for funding to any airport undertaking run-*  
8           *way construction or reconfiguration projects in response to*  
9           *recommendations by its task force.*

10       **“§ 47702. Designation of national capacity projects**

11           “(a) *IN GENERAL.*—*In response to a petition from an*  
12           *airport sponsor, or in the case of an airport on the list*  
13           *of airports covered by the Federal Aviation Administra-*  
14           *tion’s Airport Capacity Benchmarks study, the Secretary*  
15           *of Transportation may designate an airport development*  
16           *project as a national capacity project if the Secretary deter-*  
17           *mines that the project to be designated will significantly*  
18           *enhance the capacity of the national air transportation sys-*  
19           *tem.*

20           “(b) *DESIGNATION TO REMAIN IN EFFECT FOR 5*  
21           *YEARS.*—*The designation of a project as a national capac-*  
22           *ity project under paragraph (1) shall remain in effect for*  
23           *5 years. The Secretary may extend the 5-year period for*  
24           *up to 2 additional years upon request if the Secretary finds*

1 *that substantial progress is being made toward completion*  
2 *of the project.*

3 **“§ 47703. Expedited coordinated environmental re-**  
4 **view process; project coordinators and en-**  
5 **vironment impact teams**

6 “(a) *IN GENERAL.*—*The Secretary of Transportation*  
7 *shall implement an expedited coordinated environmental*  
8 *review process for national capacity projects that—*

9 “(1) *provides for better coordination among the*  
10 *Federal, regional, State, and local agencies concerned*  
11 *with the preparation of environmental impact state-*  
12 *ments or environmental assessments under the Na-*  
13 *tional Environmental Policy Act of 1969 (42 U.S.C.*  
14 *4321 et seq.);*

15 “(2) *provides for an expedited and coordinated*  
16 *process in the conduct of environmental reviews that*  
17 *ensures that, where appropriate, the reviews are done*  
18 *concurrently and not consecutively; and*

19 “(3) *provides for a date certain for completing*  
20 *all environmental reviews.*

21 “(b) *HIGH PRIORITY FOR AIRPORT ENVIRONMENTAL*  
22 *REVIEWS.*—*Each department and agency of the United*  
23 *States Government with jurisdiction over environmental re-*  
24 *views shall accord any such review involving a national*  
25 *capacity project the highest possible priority and conduct*

1 *the review expeditiously. If the Secretary finds that any*  
2 *such department or agency is not complying with the re-*  
3 *quirements of this subsection, the Secretary shall notify the*  
4 *Senate Committee on Commerce, Science, and Transpor-*  
5 *tation, and to the House of Representatives Committee on*  
6 *Transportation and Infrastructure immediately.*

7 “(c) *PROJECT COORDINATORS; EIS TEAMS.*—

8 “(1) *DESIGNATION.*—*For each project designated*  
9 *by the Secretary as a national capacity project under*  
10 *subsection (a) for which an environmental impact*  
11 *statement or environmental assessment must be filed,*  
12 *the Secretary shall—*

13 “(A) *designate a project coordinator within*  
14 *the Department of Transportation; and*

15 “(B) *establish an environmental impact*  
16 *team within the Department.*

17 “(2) *FUNCTION.*—*The project coordinator and*  
18 *the environmental impact team shall—*

19 “(A) *coordinate the activities of all Federal,*  
20 *State, and local agencies involved in the project;*

21 “(B) *to the extent possible, working with*  
22 *Federal, State and local officials, reduce and*  
23 *eliminate duplicative and overlapping Federal,*  
24 *State, and local permit requirements;*

1           “(C) to the extent possible, eliminate dupli-  
2           cate Federal, State, and local environmental re-  
3           view procedures; and

4           “(D) provide direction for compliance with  
5           all applicable Federal, State, and local environ-  
6           mental requirements for the project.

7   **“§47704. Compatible land use initiative for national**  
8           **capacity projects**

9           “(a) *IN GENERAL.*—The Secretary of Transportation  
10          may make grants under chapter 471 to States and units  
11          of local government for land use compatibility plans di-  
12          rectly related to national capacity projects for the purposes  
13          of making the use of land areas around the airport compat-  
14          ible with aircraft operations if the land use plan or project  
15          meets the requirements of this section.

16          “(b) *CONDITIONS.*—A land use plan or project meets  
17          the requirements of this section if it—

18                 “(1) is sponsored by the public agency that has  
19                 the authority to plan and adopt land use control  
20                 measures, including zoning, in the planning area in  
21                 and around the airport and that agency provides  
22                 written assurances to the Secretary that it will work  
23                 with the affected airport to identify and adopt such  
24                 measures;





1        *wide level of staffing for planning and environmental*  
2        *review of runway development projects for national*  
3        *capacity projects at the Federal Aviation Administra-*  
4        *tion.*

5        “(b) *ELIGIBLE PARTICIPANTS.*—*Participation in the*  
6        *pilot program shall be available, on a voluntary basis, to*  
7        *airports with an annual passenger enplanement of not less*  
8        *than 3 million passengers. The Secretary shall specify the*  
9        *minimum contribution necessary to qualify for participa-*  
10       *tion in the pilot program, which shall be not less than the*  
11       *amount necessary to compensate the Department of Trans-*  
12       *portation for the expense of a fulltime equivalent environ-*  
13       *mental specialist and attorney qualified at the GS-14*  
14       *equivalent level.*

15       “(c) *RETENTION OF REVENUES.*—*The salaries and ex-*  
16       *penses account of the Federal Aviation Administration shall*  
17       *retain as an offsetting collection such sums as may be nec-*  
18       *essary from such proceeds for the costs of developing and*  
19       *implementing the program required by subsection (a). Such*  
20       *offsetting collections shall be available for obligation subject*  
21       *to the terms and conditions of the receiving appropriations*  
22       *account, and shall be deposited in such accounts on a quar-*  
23       *terly basis. Such offsetting collections are authorized to re-*  
24       *main available until expended for such purpose.*

1 **“§ 47707. Definitions**

2 *“In this chapter:*

3 *“(1) NATIONAL CAPACITY PROJECT.—The term*  
 4 *‘national capacity project’ means a project designated*  
 5 *by the Secretary under section 44702.*

6 *“(2) OTHER TERMS.—The definitions in section*  
 7 *47102 apply to any terms used in this chapter that*  
 8 *are defined in that section.”.*

9 *(b) ADDITIONAL STAFF AUTHORIZED.—The Secretary*  
 10 *of Transportation is authorized to hire additional environ-*  
 11 *mental specialists and attorneys needed to process environ-*  
 12 *mental impact statements in connection with airport con-*  
 13 *struction projects and to serve as project coordinators and*  
 14 *environmental impact team members under section 47703*  
 15 *of title 49, United States Code.*

16 *(c) CLERICAL AMENDMENT.—The analysis for subtitle*  
 17 *VII is amended by inserting after the item relating to sec-*  
 18 *tion 475 the following:*

*“477. National capacity projects ..... 47701”.*

19 **SEC. 202. CATEGORICAL EXCLUSIONS.**

20 *Not later than 30 days after the date of enactment of*  
 21 *this Act, the Secretary of Transportation shall report to the*  
 22 *Senate Committee on Commerce, Science, and Transpor-*  
 23 *tation on the categorical exclusions currently recognized*  
 24 *and provide a list of proposed additional categorical exclu-*  
 25 *sions from the requirement that an environmental assess-*

1 *ment or an environmental impact statement be prepared*  
2 *under the National Environmental Policy Act of 1969 (42*  
3 *U.S.C. 4321 et seq.) for projects at airports. In determining*  
4 *the list of additional proposed categorical exclusions, the*  
5 *Secretary shall include such other projects as the Secretary*  
6 *determines should be categorically excluded in order to en-*  
7 *sure that Department of Transportation environmental*  
8 *staff resources are not diverted to lower priority tasks and*  
9 *are available to expedite the environmental reviews of air-*  
10 *port capacity enhancement projects at congested airports.*

11 **SEC. 203. ALTERNATIVES ANALYSIS.**

12 (a) *NOTICE REQUIREMENT.*—*Not later than 30 days*  
13 *after the date on which the Secretary of Transportation*  
14 *identifies an airport capacity enhancement project at a*  
15 *congested airport under section 47171(c) of title 49, United*  
16 *States Code, the Secretary shall publish a notice in the Fed-*  
17 *eral Register requesting comments on whether reasonable al-*  
18 *ternatives exist to the project.*

19 (b) *CERTAIN REASONABLE ALTERNATIVES DE-*  
20 *FINED.*—*For purposes of this section, an alternative shall*  
21 *be considered reasonable if—*

22 (1) *the alternative does not create an unreason-*  
23 *able burden on interstate commerce, the national*  
24 *aviation system, or the navigable airspace;*

1           (2) *the alternative is not inconsistent with main-*  
2           *taining the safe and efficient use of the navigable air-*  
3           *space;*

4           (3) *the alternative does not conflict with a law*  
5           *or regulation of the United States;*

6           (4) *the alternative would result in at least the*  
7           *same reduction in congestion at the airport or in the*  
8           *national aviation system as the proposed project; and*

9           (5) *in any case in which the alternative is a pro-*  
10          *posed construction project at an airport other than a*  
11          *congested airport, firm commitments to provide such*  
12          *alternate airport capacity exists, and the Secretary*  
13          *determines that such alternate airport capacity will*  
14          *be available no later than 4 years after the date of the*  
15          *Secretary's determination under this section.*

16          (c) *COMMENT PERIOD.*—*The Secretary shall provide*  
17          *a period of 60 days for comments on a project identified*  
18          *by the Secretary under this section after the date of publica-*  
19          *tion of notice with respect to the project.*

20          (d) *DETERMINATION OF EXISTENCE OF REASONABLE*  
21          *ALTERNATIVES.*—*Not later than 90 days after the last day*  
22          *of a comment period established under subsection (c) for*  
23          *a project, the Secretary shall determine whether reasonable*  
24          *alternatives exist to the project. The determination shall be*  
25          *binding on all persons, including Federal and State agen-*

1 *cies, acting under or applying Federal laws when consid-*  
 2 *ering the availability of alternatives to the project.*

3 *(e) LIMITATION ON APPLICABILITY.—This section does*  
 4 *not apply to—*

5 *(1) any alternatives analysis required under the*  
 6 *National Environmental Policy Act of 1969 (42*  
 7 *U.S.C. 4321 et seq.); or*

8 *(2) a project at an airport if the airport sponsor*  
 9 *requests, in writing, to the Secretary that this section*  
 10 *not apply to the project.*

11 **SEC. 204. INCREASE IN APPORTIONMENT FOR, AND FLEXI-**  
 12 **BILITY OF, NOISE COMPATIBILITY PLANNING**  
 13 **PROGRAMS.**

14 *Section 47117(e)(1)(A) is amended—*

15 *(1) by striking the first sentence and inserting:*  
 16 *“At least 35 percent for grants for airport noise com-*  
 17 *patibility planning under section 47505(a)(2) for a*  
 18 *national capacity project, for carrying out noise com-*  
 19 *patibility programs under section 47504(c) of this*  
 20 *title, and for noise mitigation projects approved in an*  
 21 *environmental record of decision for an airport devel-*  
 22 *opment project designated as a national capacity*  
 23 *project under section 47702.”; and*

1           (2) *by striking “or not such 34 percent require-*  
 2           *ment” in the second sentence and inserting “the fund-*  
 3           *ing level required by the preceding sentence”.*

4 ***SEC. 205. SECRETARY OF TRANSPORTATION TO IDENTIFY***  
 5           ***AIRPORT CONGESTION-RELIEF PROJECTS***  
 6           ***AND FORECAST AIRPORT OPERATIONS ANNU-***  
 7           ***ALLY.***

8           (a) *IDENTIFICATION OF PROJECTS.—*

9           (1) *IN GENERAL.—Within 90 days after the date*  
 10          *of enactment of this Act, the Secretary of Transpor-*  
 11          *tation shall provide—*

12                 (A) *a list of planned air traffic and air-*  
 13                 *port-capacity projects at congested Airport Ca-*  
 14                 *capacity Benchmark airports the completion of*  
 15                 *which will substantially relieve congestion at*  
 16                 *those airports; and*

17                 (B) *a list of options for expanding capacity*  
 18                 *at the 8 airports on the list at which the most*  
 19                 *severe delays are occurring, to the Senate Com-*  
 20                 *mittee on Commerce, Science, and Transpor-*  
 21                 *tation, and to the House of Representatives Com-*  
 22                 *mittee on Transportation and Infrastructure.*  
 23                 *The Secretary shall provide updated lists to those*  
 24                 *Committees 2 years after the date of enactment*  
 25                 *of this Act.*

1           (2) *DELISTING OF PROJECTS.*—*The Secretary*  
2           *shall remove a project from the list provided to the*  
3           *Committees under paragraph (1) upon the request, in*  
4           *writing, of an airport operator if the operator states*  
5           *in the request that construction of the project will not*  
6           *be completed within 10 years from the date of the re-*  
7           *quest.*

8   **SEC. 206. DESIGN-BUILD CONTRACTING.**

9           (a) *IN GENERAL.*—*Subchapter I of chapter 471 is*  
10          *amended by adding at the end the following:*

11       **“§ 47138. Design-build contracting**

12           “(a) *IN GENERAL.*—*The Administrator may approve*  
13          *an application of an airport sponsor under this section to*  
14          *authorize the airport sponsor to award a design-build con-*  
15          *tract using a selection process permitted under applicable*  
16          *State or local law if—*

17               “(1) *the Administrator approves the application*  
18               *using criteria established by the Administrator;*

19               “(2) *the design-build contract is in a form that*  
20               *is approved by the Administrator;*

21               “(3) *the Administrator is satisfied that the con-*  
22               *tract will be executed pursuant to competitive proce-*  
23               *dures and contains a schematic design adequate for*  
24               *the Administrator to approve the grant;*

1           “(4) use of a design-build contract will be cost ef-  
2           fective and expedite the project;

3           “(5) the Administrator is satisfied that there will  
4           be no conflict of interest; and

5           “(6) the Administrator is satisfied that the selec-  
6           tion process will be as open, fair, and objective as the  
7           competitive bid system and that at least three or more  
8           bids will be submitted for each project under the selec-  
9           tion process.

10          “(b) REIMBURSEMENT OF COSTS.—The Administrator  
11          may reimburse an airport sponsor for design and construc-  
12          tion costs incurred before a grant is made pursuant to this  
13          section if the project is approved by the Administrator in  
14          advance and is carried out in accordance with all adminis-  
15          trative and statutory requirements that would have been  
16          applicable under this chapter 471, if the project were car-  
17          ried out after a grant agreement had been executed.

18          “(c) DESIGN-BUILD CONTRACT DEFINED.—In this sec-  
19          tion, the term ‘design-build contract’ means an agreement  
20          that provides for both design and construction of a project  
21          by a contractor.”.

22          (b) CONFORMING AMENDMENT.—The chapter analysis  
23          for chapter 471 is amended by inserting after the item relat-  
24          ing to section 47137 the following:

“47138. Design-build contracting.”.

1 **SEC. 207. SPECIAL RULE FOR AIRPORT IN ILLINOIS.**

2 (a) *IN GENERAL.*—Nothing in this title shall be con-  
 3 strued to preclude the application of any provision of this  
 4 Act to the State of Illinois or any other sponsor of a new  
 5 airport proposed to be constructed in the State of Illinois.

6 (b) *AUTHORITY OF THE GOVERNOR.*—Nothing in this  
 7 title shall be construed to preempt the authority of the Gov-  
 8 ernor of the State of Illinois as of August 1, 2001, to ap-  
 9 prove or disapprove airport development projects.

10 **SEC. 208. ELIMINATION OF DUPLICATIVE REQUIREMENTS.**

11 (a) *IN GENERAL.*—Section 47106(c)(1) is amended—

12 (1) by inserting “and” after “project;” in sub-  
 13 paragraph (A)(ii);

14 (2) by striking subparagraph (B); and

15 (3) by redesignating subparagraph (C) as sub-  
 16 paragraph (B).

17 (b) *CONFORMING AMENDMENTS.*—Section 47106(c) of  
 18 such title is amended—

19 (1) by striking paragraph (4);

20 (2) by redesignating paragraph (5) as para-  
 21 graph (4); and

22 (3) by striking “(1)(C)” in paragraph (4), as re-  
 23 designated, and inserting “(1)(B)”.

24 **SEC. 209. STREAMLINING THE PASSENGER FACILITY FEE**  
 25 **PROGRAM.**

26 Section 40117 is amended—

1           (1) by striking from “finds—” in paragraph (4)  
2 of subsection (b) through the end of that paragraph  
3 and inserting “finds that the project cannot be paid  
4 for from funds reasonably expected to be available for  
5 the programs referred to in section 48103.”;

6           (2) by adding at the end of subsection (c)(2) the  
7 following:

8                   “(E) The agency will include in its applica-  
9 tion or notice submitted under subsection (1)  
10 copies of all certifications of agreement or dis-  
11 agreement received under subparagraph (D).

12                   “(F) For the purpose of this section, an eli-  
13 gible agency providing notice and consultation to  
14 an air carrier and foreign air carrier is deemed  
15 to have satisfied this requirement if it limits  
16 such notices and consultations to air carriers  
17 and foreign air carriers that have a significant  
18 business interest on the airport. In developing  
19 regulations to implement this provision, the Sec-  
20 retary shall consider a significant business inter-  
21 est to be defined as an air carrier or foreign air  
22 carrier that has no less than 1.0 percent of  
23 boardings at the airport in the prior calendar  
24 year, except that no air carrier or foreign air  
25 carrier may be considered excluded under this

1           *section if it has at least 25,000 boardings at the*  
2           *airport in the prior calendar year, or if it oper-*  
3           *ates scheduled service, without regard to such*  
4           *percentage requirements.”;*

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

8           *“(3) Before submitting an application, the eligi-*  
9           *ble agency must provide reasonable notice and an op-*  
10          *portunity for public comment. The Secretary shall*  
11          *prescribe regulations that define reasonable notice and*  
12          *provide for at least—*

13            *“(A) a requirement that the eligible agency*  
14            *provide public notice of intent to collect a pas-*  
15            *senger facility fee so as to inform those interested*  
16            *persons and agencies who may be affected, in-*  
17            *cluding—*

18            *“(i) publication in local newspapers of*  
19            *general circulation;*

20            *“(ii) publication in other local media;*  
21            *and*

22            *“(iii) posting the notice on the agen-*  
23            *cy’s website;*

24            *“(B) a requirement for submission of public*  
25            *comments no sooner than 30 days after pub-*

1            *lishing of the notice and not later than 45 days*  
 2            *after publication; and*

3            *“(C) a requirement that the agency include*  
 4            *in its application or notice submitted under*  
 5            *paragraph (1) copies of all comments received*  
 6            *under subparagraph (B).”;*

7            *(4) by striking “shall” in the first sentence of*  
 8            *paragraph (4), as redesignated, of subsection (c) and*  
 9            *inserting “may”;* and

10           *(5) by adding at the end the following:*

11           *“(l) PILOT PROGRAM FOR PASSENGER FACILITY FEE*  
 12 *AUTHORIZATIONS AT SMALL AIRPORTS.—*

13           *“(1) There is established a pilot program for the*  
 14           *Secretary to test alternative procedures for author-*  
 15           *izing small airports to impose passenger facility fees.*  
 16           *An eligible agency may impose a passenger facility*  
 17           *fee at a non-hub airport (as defined in section 47102*  
 18           *of this title) that it controls for use on eligible air-*  
 19           *port-related projects at that airport, in accordance*  
 20           *with the provisions of this subsection. These proce-*  
 21           *dures shall be in lieu of the procedures otherwise spec-*  
 22           *ified in this section.*

23           *“(2) The eligible agency must provide reasonable*  
 24           *notice and an opportunity for consultation to air car-*  
 25           *riers and foreign air carriers in accordance with sub-*

1 *section (c)(2), and must provide reasonable notice and*  
2 *opportunity for public comment in accordance with*  
3 *subsection (c)(3).*

4 *“(3) The eligible agency must submit to the Sec-*  
5 *retary a notice of intention to impose a passenger fa-*  
6 *cility fee, which notice shall include—*

7 *“(A) information that the Secretary may*  
8 *require by regulation on each project for which*  
9 *authority to impose a passenger facility charge*  
10 *is sought;*

11 *“(B) the amount of revenue from passenger*  
12 *facility charges that is proposed to be collected*  
13 *for each project; and*

14 *“(C) the level of the passenger facility*  
15 *charge that is proposed.*

16 *“(4) The Secretary shall acknowledge receipt of*  
17 *the notice and indicate any objection to the imposi-*  
18 *tion of a passenger facility fee for any project identi-*  
19 *fied in the notice within 30 days after receipt of the*  
20 *eligible agency’s notice.*

21 *“(5) Unless the Secretary objects within 30 days*  
22 *after receipt of the eligible agency’s notice, the eligible*  
23 *agency is authorized to impose a passenger facility fee*  
24 *in accordance with the terms of its notice.*

1           “(6) Not later than 180 days after the date of en-  
2           actment of this subsection, the Secretary shall propose  
3           such regulations as may be necessary to carry out this  
4           subsection.

5           “(7) The authority granted under this subsection  
6           shall expire three years after the issuance of the regu-  
7           lation required by paragraph (6).

8           “(8) An acknowledgement issued under para-  
9           graph (4) shall not be considered an order of the Sec-  
10          retary issued under section 46110 of this title.”.

11 **SEC. 210. QUARTERLY STATUS REPORTS.**

12          *Beginning with the second calendar quarter ending*  
13 *after the date of enactment of this Act, the Secretary of*  
14 *Transportation shall provide quarterly status reports to the*  
15 *Senate Committee on Commerce, Science, and Transpor-*  
16 *tation and the House of Representatives Committee on*  
17 *Transportation and Infrastructure on the status of con-*  
18 *struction of each major runway project undertaken at the*  
19 *largest 40 commercial airports in terms of annual*  
20 *enplanements.*

21 **SEC. 211. NOISE DISCLOSURE REQUIREMENTS.**

22          (a) *DEFINITIONS.*—Section 47501 is amended by add-  
23 *ing at the end—*

24               “(3) ‘Federal agency’ means any department,  
25               agency, corporation, or other establishment or instru-

1       *mentality of the executive branch of the Federal Gov-*  
2       *ernment, and includes the Federal National Mortgage*  
3       *Association and the Federal Home Loan Mortgage*  
4       *Corporation.*

5           “(4) ‘Federal entity for lending regulation’  
6       *means the Board of Governors of the Federal Reserve*  
7       *System, the Federal Deposit Insurance Corporation,*  
8       *the Comptroller of the Currency, the Office of Thrift*  
9       *Supervision, the National Credit Union Administra-*  
10       *tion, and the Farm Credit Administration, and with*  
11       *respect to a particular regulated lending institution*  
12       *means the entity primarily responsible for the super-*  
13       *vision of the institution.*

14           “(5) ‘Federal agency lender’ means a Federal  
15       *agency that makes direct loans secured by improved*  
16       *real estate or a mobile home, to the extent such agency*  
17       *acts in such capacity.*

18           “(6) ‘residential real estate’ means real estate  
19       *upon which a residential dwelling is located.*

20           “(7) ‘noise exposure map’ means a noise expo-  
21       *sure map that complies with section 47503 of this*  
22       *title and part 150 of title 14, Code of Federal Regula-*  
23       *tions.*

24           “(8) ‘regulated lending institution’ means any  
25       *bank, savings and loan association, credit union,*

1       *farm credit bank, Federal land bank association, pro-*  
 2       *duction credit association, or similar institution sub-*  
 3       *ject to the supervision of a Federal entity for lending*  
 4       *regulation.”.*

5       **(b) NOISE EXPOSURE MAPS.**—*Section 47503(b) is*  
 6       *amended to read as follows:*

7           **“(b) REVISED MAPS.**—*If, in an area surrounding an*  
 8       *airport, a change in the operation of the airport would es-*  
 9       *tablish a substantial new noncompatible use, or would sig-*  
 10       *nificantly reduce noise over existing noncompatible uses, be-*  
 11       *yond the forecast year, the airport operator shall submit*  
 12       *a revised noise exposure map to the Secretary showing the*  
 13       *new noncompatible use or noise reduction.”.*

14       **(c) NOTIFICATION OF NOISE EXPOSURE.**—*Chapter 457*  
 15       *is amended by adding at the end the following:*

16       **“§47511. Notification of noise exposure**

17           **“(a) NOISE EXPOSURE MAP.**—*An airport operator*  
 18       *shall make available to lending institutions, upon request,*  
 19       *the most recent noise exposure map submitted under section*  
 20       *47503 of this title.*

21           **“(b) LIST OF AIRPORTS.**—*The Secretary shall main-*  
 22       *tain a list of airports for which the airport operators have*  
 23       *submitted a noise exposure map under section 47503 of this*  
 24       *title.*

1           “(c) *REGULATED LENDING INSTITUTIONS.*—Each Fed-  
2 eral entity for lending regulation (after consultation and  
3 coordination with the Federal Financial Institutions Ex-  
4 amination Council) shall direct by regulation that a regu-  
5 lated lending institution may not make, increase, extend  
6 or renew any loan secured by residential real estate or a  
7 mobile home that is located or to be located in the vicinity  
8 of an airport on the Secretary’s list described in subsection  
9 (b), unless the loan applicant’s purchase agreement for the  
10 residential real estate or mobile home provides notice to the  
11 purchaser (or satisfactory assurances are provided that the  
12 seller has provided written notice to the purchaser prior to  
13 the purchaser’s signing of the purchase agreement) that the  
14 property is within the area of the noise contours on a noise  
15 exposure map submitted under section 47503 of this chap-  
16 ter. The notice to the purchaser shall be acknowledged by  
17 the purchaser’s signing of the purchase agreement or other  
18 notification document and the regulated lending institution  
19 shall retain a record of the receipt of the notice by the pur-  
20 chaser.

21           “(d) *FEDERAL AGENCY LENDERS.*—Each Federal  
22 agency lender shall by regulation require notification in the  
23 manner provided in subsection (c) with respect to any loan  
24 that is made by the Federal agency lender and secured by  
25 residential real estate or a mobile home located or to be

1 *located in the vicinity of an airport on the Secretary's list*  
 2 *described in subsection (b).*

3 “(e) *CONTENTS OF NOTICE.*—*The notice required*  
 4 *under this section shall disclose—*

5 “(1) *that the property is located within the noise*  
 6 *contours depicted on the most recent noise exposure*  
 7 *map submitted by the airport operator according to*  
 8 *section 47503 of this chapter, and is subject to air-*  
 9 *craft noise exposure; and*

10 “(2) *the name and telephone number of the air-*  
 11 *port where the purchaser may obtain more informa-*  
 12 *tion on the aircraft noise exposure.”.*

13 ***SEC. 212. PROHIBITION ON REQUIRING AIRPORTS TO PRO-***  
 14 ***VIDE RENT-FREE SPACE FOR FAA OR TSA.***

15 (a) *IN GENERAL.*—*Chapter 401 is amended by adding*  
 16 *at the end the following:*

17 ***“§ 40129. Prohibition on rent-free space requirements***  
 18 ***for FAA or TSA***

19 “(a) *IN GENERAL.*—*Neither the Secretary of Transpor-*  
 20 *tation nor the Secretary of Homeland Security may require*  
 21 *airport sponsors to provide building construction, mainte-*  
 22 *nance, utilities and expenses, or space in airport sponsor-*  
 23 *owned buildings to the Federal Aviation Administration or*  
 24 *the Transportation Security Administration without cost*

1 *for services relating to air traffic control, air navigation,*  
 2 *aviation security, or weather reporting.*

3 “(b) *NEGOTIATED AGREEMENTS.*—*Subsection (a) does*  
 4 *not prohibit—*

5 “(1) *the negotiation of agreements between either*  
 6 *Secretary and an airport sponsor to provide building*  
 7 *construction, maintenance, utilities and expenses, or*  
 8 *space in airport sponsor-owned buildings to the Fed-*  
 9 *eral Aviation Administration or the Transportation*  
 10 *Security Administration without cost or at below-*  
 11 *market rates; or*

12 “(2) *either Secretary from requiring airport*  
 13 *sponsors to provide land without cost to the Federal*  
 14 *Aviation Administration for air traffic control facili-*  
 15 *ties or space without cost to the Transportation Secu-*  
 16 *rity Administration for necessary security check-*  
 17 *points.”.*

18 (b) *CONFORMING AMENDMENT.*—*The chapter analysis*  
 19 *for chapter 401 is amended by adding at the end the fol-*  
 20 *lowing:*

*“40129. Prohibition on rent-free space requirements for FAA or TSA.”.*

21 ***SEC. 213. SPECIAL RULES FOR FISCAL YEAR 2004.***

22 (a) *APPORTIONMENT TO CERTAIN AIRPORTS WITH*  
 23 *DECLINING BOARDINGS.*—

24 (1) *IN GENERAL.*—*For fiscal year 2004, the Sec-*  
 25 *retary of Transportation may apportion funds under*

1 *section 47114 of title 49, United States Code, to the*  
2 *sponsor of an airport described in paragraph (2) in*  
3 *an amount equal to the amount apportioned to that*  
4 *airport under that section for fiscal year 2002, not-*  
5 *withstanding any provision of section 47114 to the*  
6 *contrary.*

7 (2) *AIRPORTS TO WHICH PARAGRAPH (1) AP-*  
8 *PLIES.—Paragraph (1) applies to any airport deter-*  
9 *mined by the Secretary to have had—*

10 (A) *less than 0.05 percent of the total*  
11 *United States passenger boardings (as defined in*  
12 *section 47102(10) of title 49, United States*  
13 *Code) for the calendar year used for determining*  
14 *apportionments under section 47114 for fiscal*  
15 *year 2004;*

16 (B) *less than 10,000 passenger boardings in*  
17 *calendar year 2002; and*

18 (C) *10,000 or more passenger boardings in*  
19 *calendar year 2000.*

20 (b) *TEMPORARY INCREASE IN GOVERNMENT SHARE OF*  
21 *CERTAIN AIP PROJECT COSTS.—Notwithstanding section*  
22 *47109(a) of title 49, United States Code, the Government’s*  
23 *share of allowable project costs for a grant made in fiscal*  
24 *year 2004 under chapter 471 of that title for a project de-*

1 scribed in paragraph (2) or (3) of that section shall be 95  
2 percent.

3 **SEC. 214. AGREEMENTS FOR OPERATION OF AIRPORT FA-**  
4 **CILITIES.**

5 *Section 47124 is amended—*

6 (1) *by inserting “a qualified entity or” after*  
7 *“with” in subsection (a);*

8 (2) *by inserting “entity or ” after “allow the” in*  
9 *subsection (a);*

10 (3) *by inserting “entity or” before “State” the*  
11 *last place it appears in subsection (a);*

12 (4) *by striking “contract,” in subsection (b)(2)*  
13 *and inserting “contract with a qualified entity, or”;*

14 (5) *by striking “the State” each place it appears*  
15 *in subsection (b)(2) and inserting “the entity or*  
16 *State”;*

17 (6) *by striking “PILOT” in the caption of sub-*  
18 *section (b)(3);*

19 (7) *by striking “pilot” in subsection (b)(3)(A);*

20 (8) *by striking “pilot” in subsection (b)(3)(D);*

21 (9) *by striking “\$6,000,000 per fiscal year” in*  
22 *subsection (b)(3)(E) and inserting “\$6,500,000 for fis-*  
23 *cal 2004, \$7,000,000 for fiscal year 2005, and*  
24 *\$7,500,000 for fiscal year 2006”; and*

1           (10) by striking “\$1,100,000.” in subsection  
2           (b)(4)(C) and inserting “\$1,500,000.”

3   **SEC. 215. PUBLIC AGENCIES.**

4           Section 47102(15) is amended—

5           (1) by striking “or” after the semicolon in sub-  
6           paragraph (B);

7           (2) by redesignating subparagraph (C) as sub-  
8           paragraph (D); and

9           (3) by inserting after subparagraph (B) the fol-  
10          lowing:

11                       “(C) the Department of the Interior with re-  
12                       spect to an airport owned by the Department  
13                       that is required to be maintained for commercial  
14                       aviation safety at a remote location; or”.

15   **SEC. 216. FLEXIBLE FUNDING FOR NONPRIMARY AIRPORT**  
16                       **APPORTIONMENTS.**

17           (a) *IN GENERAL.*—Section 47117(c)(2) is amended to  
18          read as follows:

19                       “(2) *WAIVER.*—A sponsor of an airport may  
20                       make an agreement with the Secretary of Transpor-  
21                       tation waiving the sponsor’s claim to any part of the  
22                       amount apportioned for the airport under sections  
23                       47114(c) and 47114(d)(2)(A) of this title if the Sec-  
24                       retary agrees to make the waived amount available  
25                       for a grant for another public-use airport in the same

1       *State or geographical area as the airport, as deter-*  
2       *mined by the Secretary.”.*

3       **(b) CONFORMING AMENDMENTS.—**

4             (1) *Section 47108(a) is amended by inserting*  
5             *“or section 47114(d)(2)(A)” after “under section*  
6             *47114(c)”.*

7             (2) *Section 47110 is amended—*

8                 (A)     *by inserting “or section*  
9                 *47114(d)(2)(A)” in subsection (b)(2)(C) after “of*  
10                *section 47114(c)”;*

11               (B)     *by inserting “or section*  
12                *47114(d)(2)(A)” in subsection (g) after “of sec-*  
13                *tion 47114(c)”;*

14               (C) *by striking “of project.” in subsection*  
15                *(g) and inserting “of the project.”; and*

16               (D) *by adding at the end the following:*

17             **“(h) NONPRIMARY AIRPORTS.—***The Secretary may de-*  
18             *cide that the costs of revenue producing aeronautical sup-*  
19             *port facilities, including fuel farms and hangars, are allow-*  
20             *able for an airport development project at a nonprimary*  
21             *airport and for which the Government’s share is paid only*  
22             *with funds apportioned to a sponsor under section*  
23             *47114(d)(2)(A), if the Secretary determines that the sponsor*  
24             *has made adequate provision for financing airside needs of*  
25             *the airport.”.*

1           (3) *Section 47119(b) is amended by—*

2                   (A) *striking “or” after the semicolon in*  
3           *paragraph (3);*

4                   (B) *striking “1970.” in paragraph (4) and*  
5           *inserting “1970; or”; and*

6                   (C) *adding at the end the following:*

7                   “(5) *to a sponsor of a nonprimary airport re-*  
8           *ferred to in subparagraph (A) or (B) paragraph (2),*  
9           *any part of amounts apportioned to the sponsor for*  
10           *the fiscal year under section 47114(d)(3)(A) of this*  
11           *title for project costs allowable under section 47110(d)*  
12           *of this title.”.*

13           (c) *APPORTIONMENT FOR ALL-CARGO AIRPORTS.—*  
14           *Section 47114(c)(2)(A) is amended by striking “3” and in-*  
15           *serting “3.5”.*

16           (d) *CONSIDERATIONS FOR CARGO OPERATIONS.—Sec-*  
17           *tion 47115(d) is amended—*

18                   (1) *by striking “and” at the end of paragraph*  
19           *(5);*

20                   (2) *by striking the period at the end of para-*  
21           *graph (6) and inserting “; and”; and*

22                   (3) *by adding at the end the following new para-*  
23           *graph:*

1           “(7) the ability of the project to foster United  
2           States competitiveness in securing global air cargo ac-  
3           tivity at a United States airport.”.

4           **TITLE III—AIRLINE SERVICE**  
5           **DEVELOPMENT**

6           **Subtitle A—Program Enhancements**

7           **SEC. 301. DELAY REDUCTION MEETINGS.**

8           (a) *IN GENERAL.*—Subchapter I of chapter 417 is  
9           amended by adding at the end the following new section:

10          **“§ 41723. Delay reduction actions**

11           “(a) *DELAY REDUCTION MEETINGS.*—

12           “(1) *SCHEDULING REDUCTION MEETINGS.*—The  
13           Secretary of Transportation may request that air car-  
14           riers meet with the Administrator of the Federal  
15           Aviation Administration to discuss flight reductions  
16           at severely congested airports to reduce overscheduling  
17           and flight delays during hours of peak operation if—

18           “(A) the Administrator of the Federal Avia-  
19           tion Administration determines that it is nec-  
20           essary to convene such a meeting; and

21           “(B) the Secretary determines that the  
22           meeting is necessary to meet a serious transpor-  
23           tation need or achieve an important public ben-  
24           efit.

1           “(2) *MEETING CONDITIONS.*—*Any meeting under*  
2 *paragraph (1)—*

3           “(A) *shall be chaired by the Administrator;*

4           “(B) *shall be open to all scheduled air car-*  
5 *riers; and*

6           “(C) *shall be limited to discussions involv-*  
7 *ing the airports and time periods described in*  
8 *the Administrator’s determination.*

9           “(3) *FLIGHT REDUCTION TARGETS.*—*Before any*  
10 *such meeting is held, the Administrator shall establish*  
11 *flight reduction targets for the meeting and notify the*  
12 *attending air carriers of those targets not less than 48*  
13 *hours before the meeting.*

14           “(4) *DELAY REDUCTION OFFERS.*—*An air car-*  
15 *rier attending the meeting shall make any delay re-*  
16 *duction offer to the Administrator rather than to an-*  
17 *other carrier.*

18           “(5) *TRANSCRIPT.*—*The Administrator shall en-*  
19 *sure that a transcript of the meeting is kept and*  
20 *made available to the public not later than 3 business*  
21 *days after the conclusion of the meeting.*

22           “(b) *STORMY WEATHER AGREEMENTS LIMITED EX-*  
23 *EMPTION.*—

24           “(1) *IN GENERAL.*—*The Secretary may establish*  
25 *a program to authorize by order discussions and*

1       *agreements between 2 or more air carriers for the*  
2       *purpose of reducing flight delays during periods of in-*  
3       *clement weather.*

4               “(2) *REQUIREMENTS.*—*An authorization issued*  
5       *under paragraph (1)—*

6                       “(A) *may only be issued by the Secretary*  
7       *after a determination by the Federal Aviation*  
8       *Administration that inclement weather is likely*  
9       *to adversely and directly affect capacity at an*  
10       *airport for a period of at least 3 hours;*

11                      “(B) *shall apply only to discussions and*  
12       *agreements concerning flights directly affected by*  
13       *the inclement weather; and*

14                      “(C) *shall remain in effect for a period of*  
15       *24 hours.*

16               “(3) *PROCEDURE.*—*The Secretary shall establish*  
17       *procedures within 30 days after such date of enact-*  
18       *ment for—*

19                      “(A) *filing requests for an authorization*  
20       *under paragraph (1);*

21                      “(B) *participation under paragraph (5) by*  
22       *representatives of the Department of Transpor-*  
23       *tation in any meetings or discussions held pur-*  
24       *suant to such an order; and*

1           “(C) the determination by the Federal Avia-  
2           tion Administration about the impact of inclem-  
3           ent weather.

4           “(4) COPY OF PARTICIPATION REQUEST FILED  
5           WITH SECRETARY.—Before an air carrier may request  
6           an order under paragraph (1), it shall file a request  
7           with the Secretary, in such form and manner as the  
8           Secretary may prescribe, to participate in the pro-  
9           gram established under paragraph (1).

10          “(5) DOT PARTICIPATION.—The Secretary shall  
11          ensure that the Department is represented at any  
12          meetings authorized under this subsection.

13          “(c) EXEMPTION AUTHORIZED.—When the Secretary  
14          finds that it is required by the public interest, the Secretary,  
15          as part of an order issued under subsection (b)(1), shall  
16          exempt a person affected by the order from the antitrust  
17          laws to the extent necessary to allow the person to proceed  
18          with the activities approved in the order.

19          “(d) ANTITRUST LAWS DEFINED.—In this section, the  
20          term ‘antitrust laws’ has the meaning given that term in  
21          the first section of the Clayton Act (15 U.S.C. 12).

22          “(e) SUNSET.—The authority of the Secretary to issue  
23          an order under subsection (b)(1) of this section expires at  
24          the end of the 2-year period that begins 45 days after the  
25          date of enactment of the Aviation Investment and Revital-

1 ization Vision Act. The Secretary may extend the 2-year  
 2 Period for an additional 2 years if the Secretary determines  
 3 that such an extension is necessary and in the public inter-  
 4 est. The Secretary shall notify the Senate Committee on  
 5 Commerce, Science, and Transportation, and to the House  
 6 of Representatives Committee on Transportation and Infra-  
 7 structure of any such extension.”.

8 (b) *CONFORMING AMENDMENT.*—The chapter analysis  
 9 for chapter 417 is amended by inserting after the item relat-  
 10 ing to section 41722 the following new item:

“41723. Delay reduction actions.”.

11 **SEC. 302. SMALL COMMUNITY AIR SERVICE DEVELOPMENT**

12 **PILOT PROGRAM.**

13 (a) *3-YEAR EXTENSION.*—Section 41743(e)(2) is  
 14 amended—

15 (1) by striking “There is” and inserting “There  
 16 are”;

17 (2) by striking “2001 and” and inserting  
 18 “2001,”; and

19 (3) by striking “2003” and inserting “2003, and  
 20 \$27,500,000 for each of fiscal years 2004, 2005, and  
 21 2006”.

22 (b) *ADDITIONAL COMMUNITIES.*—Section 41743(c)(4)  
 23 of such title is amended by striking “program.” and  
 24 inserting “program each year. No community, consortia of

1 *communities, or combination thereof may participate in the*  
2 *program twice.”.*

3 **SEC. 303. DOT STUDY OF COMPETITION AND ACCESS PROB-**  
4 **LEMS AT LARGE AND MEDIUM HUB AIRPORTS.**

5 *(a) IN GENERAL.—The Secretary of Transportation*  
6 *shall study competition and airline access problems at hub*  
7 *airports (as defined in section 41731(a)(3)) of title 49,*  
8 *United States Code, and medium hub airports (as defined*  
9 *in section 41714(h)(9) of that title). In the study, the Sec-*  
10 *retary shall examine, among other matters—*

11 *(1) gate usage and availability; and*

12 *(2) the effects of the pricing of gates and other*  
13 *facilities on competition and access.*

14 *(b) REPORT.—The Secretary shall transmit a report*  
15 *of the Secretary’s findings and conclusions together with*  
16 *any recommendations, including legislative recommenda-*  
17 *tions, the Secretary may have for improving competition*  
18 *and airline access at such airports to the Senate Committee*  
19 *on Commerce, Science, and Transportation and the House*  
20 *of Representatives Committee on Transportation and Infra-*  
21 *structure within 6 months after the date of enactment of*  
22 *this Act.*

1 **SEC. 304. COMPETITION DISCLOSURE REQUIREMENT FOR**  
 2 **LARGE AND MEDIUM HUB AIRPORTS.**

3 *Section 47107 is amended by adding at the end the*  
 4 *following:*

5 “(q) **COMPETITION DISCLOSURE REQUIREMENT.**—

6 “(1) **IN GENERAL.**—*The Secretary of Transpor-*  
 7 *tation may approve an application under this sub-*  
 8 *chapter for an airport development project grant for*  
 9 *a hub airport or a medium hub airport only if the*  
 10 *Secretary receives assurances that the airport sponsor*  
 11 *will provide the information required by paragraph*  
 12 *(2) at such time and in such form as the Secretary*  
 13 *may require.*

14 “(2) **COMPETITIVE ACCESS.**—*If an airport denies*  
 15 *an application by an air carrier to receive access to*  
 16 *gates or other facilities at that airport in order to*  
 17 *provide service to the airport or to expand service at*  
 18 *the airport, then, within 30 days after denying the re-*  
 19 *quest, the airport sponsor shall—*

20 “(A) *notify the Secretary of the denial; and*

21 “(B) *transmit a report to the Secretary*

22 *that—*

23 “(i) *describes the request;*

24 “(ii) *explains the reasons for the de-*  
 25 *nial; and*

1           “(iii) provides a time frame within  
2           which, if any, the airport will be able to ac-  
3           commodate the request.

4           “(3) *DEFINITIONS.*—In this subsection:

5           “(A) *HUB AIRPORT.*—The term ‘hub air-  
6           port’ has the meaning given that term by section  
7           41731(a)(3).

8           “(B) *MEDIUM HUB AIRPORT.*—The term  
9           ‘medium hub airport’ has the meaning given  
10          that term by section 41714(h)(9).”.

11       ***Subtitle B—Small Community and***  
12       ***Rural Air Service Revitalization***

13       ***SEC. 351. REAUTHORIZATION OF ESSENTIAL AIR SERVICE***  
14       ***PROGRAM.***

15       Section 41742(a) of title 49, United States Code, is  
16       amended to read as follows:

17       “(a) *IN GENERAL.*—There are authorized to be appro-  
18       priated to the Secretary of Transportation to carry out the  
19       essential air service under this subchapter, \$113,000,000 for  
20       each of fiscal years 2004 through 2007, \$50,000,000 of  
21       which for each such year shall be derived from amounts re-  
22       ceived by the Federal Aviation Administration credited to  
23       the account established under section 45303 of this title or  
24       otherwise provided to the Administration.”.

1 **SEC. 352. INCENTIVE PROGRAM.**

2 (a) *IN GENERAL.*—Chapter 417 of title 49, United  
3 States Code, is amended by adding at the end the following:

4 “SUBCHAPTER IV—MARKETING INCENTIVE  
5 PROGRAM

“Sec. 41781. Purpose.

“Sec. 41782. Marketing program.

“Sec. 41783. State marketing assistance.

“Sec. 41784. Definitions.

“Sec. 41785. Authorization of appropriations.

6 “§ 41781. **Purposes**

7 “The purposes of this subchapter are—

8 “(1) to enable essential air service communities  
9 to increase boardings and the level of passenger usage  
10 of airport facilities at an eligible place by providing  
11 technical, financial, and other marketing assistance to  
12 such communities and to States;

13 “(2) to reduce subsidy costs under subchapter II  
14 of this chapter as a consequence of such increased  
15 usage; and

16 “(3) to provide such communities with opportu-  
17 nities to obtain, retain, and improve transportation  
18 services.

19 “§ 41782. **Marketing program**

20 “(a) *IN GENERAL.*—The Secretary of Transportation  
21 shall establish a marketing incentive program for eligible  
22 essential air service communities receiving assistance under  
23 subchapter II under which the airport sponsor in such a

1 *community may receive a grant of not more than \$50,000*  
2 *to develop and implement a marketing plan to increase pas-*  
3 *senger boardings and the level of passenger usage of its air-*  
4 *port facilities.*

5 *“(b) MATCHING REQUIREMENT; SUCCESS BONUSES—*

6 *“(1) IN GENERAL.—Except as provided in para-*  
7 *graphs (2) and (3), not less than 25 percent of the*  
8 *publicly financed costs associated with the marketing*  
9 *plan shall come from non-Federal sources. For pur-*  
10 *poses of this paragraph—*

11 *“(A) the non-Federal portion of the publicly*  
12 *financed costs may be derived from contributions*  
13 *in kind; and*

14 *“(B) State or local matching contributions*  
15 *may not be derived, directly or indirectly, from*  
16 *Federal funds, but the use by a state or local gov-*  
17 *ernment of proceeds from the sale of bonds to*  
18 *provide the matching contribution is not consid-*  
19 *ered to be a contribution derived directly or in-*  
20 *directly from Federal funds, without regard to*  
21 *the Federal income tax treatment of interest paid*  
22 *on those bonds or the Federal income tax treat-*  
23 *ment of those bonds.*

24 *“(2) BONUS FOR 25-PERCENT INCREASE IN*  
25 *USAGE.—Except as provided in paragraph (3), if,*

1     *after any 12-month period during which a marketing*  
2     *plan has been in effect, the Secretary determines that*  
3     *the marketing plan has increased average monthly*  
4     *boardings, or the level of passenger usage, at the air-*  
5     *port facilities at the eligible place, by 25 percent or*  
6     *more, then only 10 percent of the publicly financed*  
7     *costs associated with the marketing plan shall be re-*  
8     *quired to come from non-Federal sources for the fol-*  
9     *lowing 12-month period.*

10           “(3) *BONUS FOR 50-PERCENT INCREASE IN*  
11     *USAGE.—If, after any 12-month period during which*  
12     *a marketing plan has been in effect, the Secretary de-*  
13     *termines that the marketing plan has increased aver-*  
14     *age monthly boardings, or the level of passenger*  
15     *usage, at the airport facilities at the eligible place, by*  
16     *50 percent or more, then no portion of the publicly*  
17     *financed costs associated with the marketing plan*  
18     *shall be required to come from non-Federal sources for*  
19     *the following 12-month period.*

20     **“§ 41783. State marketing assistance**

21           *“The Secretary of Transportation may provide up to*  
22     *\$50,000 in technical assistance to any State within which*  
23     *an eligible essential air service community is located for*  
24     *the purpose of assisting the State and such communities*  
25     *to develop methods to increase boardings in such commu-*

1 *nities. At least 10 percent of the costs of the activity with*  
 2 *which the assistance is associated shall come from non-Fed-*  
 3 *eral sources, including contributions in kind.*

4 **“§ 41784. Definitions**

5 *“In this subchapter:*

6 *“(1) ELIGIBLE PLACE.—The term ‘eligible place’*  
 7 *has the meaning given that term in section*  
 8 *41731(a)(1).*

9 *“(2) ELIGIBLE ESSENTIAL AIR SERVICE COMMU-*  
 10 *NITY.—The term ‘eligible essential air service commu-*  
 11 *nity’ means an eligible place that—*

12 *“(A) submits an application to the Sec-*  
 13 *retary in such form, at such time, and con-*  
 14 *taining such information as the Secretary may*  
 15 *require, including a detailed marketing plan, or*  
 16 *specifications for the development of such a plan,*  
 17 *to increase average boardings, or the level of pas-*  
 18 *senger usage, at its airport facilities; and*

19 *“(B) provides assurances, satisfactory to the*  
 20 *Secretary, that it is able to meet the non-Federal*  
 21 *funding requirements of section 41782(b)(1).*

22 *“(3) PASSENGER BOARDINGS.—The term ‘pas-*  
 23 *senger boardings’ has the meaning given that term by*  
 24 *section 47102(10).*

1           “(4) *SPONSOR.*—*The term ‘sponsor’ has the*  
2           *meaning given that term in section 47102(19).*”

3    **“§ 41785. Authorization of appropriations**

4           *“There are authorized to be appropriated to the Sec-*  
5    *retary of Transportation \$12,000,000 for each of fiscal*  
6    *years 2004 through 2007, not more than \$200,000 per year*  
7    *of which may be used for administrative costs.”.*

8           (b) *CONFORMING AMENDMENT.*—*The chapter analysis*  
9    *for chapter 417 of such title is amended by inserting after*  
10 *the item relating to section 41767 the following:*

*“SUBCHAPTER IV—MARKETING INCENTIVE PROGRAM*

*“41781. Purpose.*

*“41782. Marketing program.*

*“41783. State marketing assistance.*

*“41784. Definitions.*

*“41785. Authorization of appropriations.”.*

11    **SEC. 353. PILOT PROGRAMS.**

12           (a) *IN GENERAL.*—*Subchapter II of chapter 417 of*  
13 *title 49, United States Code, is amended by adding at the*  
14 *end the following:*

15    **“§41745. Other pilot programs**

16           *“(a) IN GENERAL.*—*If the entire amount authorized*  
17 *to be appropriated to the Secretary of Transportation by*  
18 *section 41785 is appropriated for fiscal years 2004 through*  
19 *2007, the Secretary of Transportation shall establish pilot*  
20 *programs that meet the requirements of this section for im-*  
21 *proving service to communities receiving essential air serv-*

1 *ice assistance under this subchapter or consortia of such*  
2 *communities.*

3 “(b) *PROGRAMS AUTHORIZED.*—

4 “(1) *COMMUNITY FLEXIBILITY.*—*The Secretary*  
5 *shall establish a pilot program for not more than 10*  
6 *communities or consortia of communities under which*  
7 *the airport sponsor of an airport serving the commu-*  
8 *nity or consortium may elect to forego any essential*  
9 *air service assistance under preceding sections of this*  
10 *subchapter for a 10-year period in exchange for a*  
11 *grant from the Secretary equal in value to twice the*  
12 *annual essential air service assistance received for the*  
13 *most recently ended calendar year. Under the pro-*  
14 *gram, and notwithstanding any provision of law to*  
15 *the contrary, the Secretary shall make a grant to each*  
16 *participating sponsor for use by the recipient for any*  
17 *project that—*

18 “(A) *is eligible for assistance under chapter*  
19 *471;*

20 “(B) *is located on the airport property; or*

21 “(C) *will improve airport facilities in a*  
22 *way that would make such facilities more usable*  
23 *for general aviation.*

24 “(2) *EQUIPMENT CHANGES.*—

1           “(A) *IN GENERAL.*—*The Secretary shall es-*  
2           *tablish a pilot program for not more than 10*  
3           *communities or consortia of communities under*  
4           *which, upon receiving a petition from the spon-*  
5           *sor of the airport serving the community or con-*  
6           *sortium, the Secretary shall authorize and re-*  
7           *quest the essential air service provider for that*  
8           *community or consortium to use smaller equip-*  
9           *ment to provide the service and to consider in-*  
10           *creasing the frequency of service using such*  
11           *smaller equipment. Before granting any such pe-*  
12           *tition, the Secretary shall determine that pas-*  
13           *senger safety would not be compromised by the*  
14           *use of such smaller equipment.*

15           “(B) *ALTERNATIVE SERVICES.*—*For any 3*  
16           *airport sponsors participating in the program es-*  
17           *tablished under subparagraph (A), the Secretary*  
18           *may establish a pilot program under which—*

19                   “(i) *the Secretary provides 100 percent*  
20                   *Federal funding for reasonable levels of al-*  
21                   *ternative transportation services from the*  
22                   *eligible place to the nearest hub airport or*  
23                   *small hub airport;*

24                   “(ii) *the Secretary will authorize the*  
25                   *sponsor to use its essential air service sub-*

1           *sidy funds provided under preceding sec-*  
2           *tions of this subchapter for any airport-re-*  
3           *lated project that would improve airport fa-*  
4           *cilities; and*

5                   “(iii) *the sponsor may make an irrev-*  
6                   *ocable election to terminate its participa-*  
7                   *tion in the pilot program established under*  
8                   *this paragraph after 1 year.*

9                   “(3) *COST-SHARING.—The Secretary shall estab-*  
10                  *lish a pilot program under which the sponsors of air-*  
11                  *ports serving a community or consortium of commu-*  
12                  *nities share the cost of providing air transportation*  
13                  *service greater than the basic essential air service pro-*  
14                  *vided under this subchapter.*

15                  “(4) *EAS LOCAL PARTICIPATION PROGRAM.—*

16                         “(A) *IN GENERAL.—The Secretary of*  
17                         *Transportation shall establish a pilot program*  
18                         *under which designated essential air service com-*  
19                         *munities located in proximity to hub airports*  
20                         *are required to assume 10 percent of their essen-*  
21                         *tial air service subsidy costs for a 3-year period.*

22                         “(B) *DESIGNATION OF COMMUNITIES.—*

23                                 “(i) *IN GENERAL.—The Secretary may*  
24                                 *not designate any community under this*  
25                                 *paragraph unless it is located within 100*

1            *miles by road of a hub airport and is not*  
 2            *located in a noncontiguous State. In mak-*  
 3            *ing the designation, the Secretary may take*  
 4            *into consideration the total traveltime be-*  
 5            *tween a community and the nearest hub*  
 6            *airport, taking into account terrain, traffic,*  
 7            *weather, road conditions, and other relevant*  
 8            *factors.*

9            *“(ii) ONE COMMUNITY PER STATE.—*

10          *The Secretary may not designate—*

11            *“(I) more than 1 community per*  
 12            *State under this paragraph; or*

13            *“(II) a community in a State in*  
 14            *which another community that is eligi-*  
 15            *ble to participate in the essential air*  
 16            *service program has elected not to par-*  
 17            *ticipate in the essential air service pro-*  
 18            *gram.*

19            *“(C) APPEAL OF DESIGNATION.—A commu-*  
 20            *nity may appeal its designation under this sec-*  
 21            *tion. The Secretary may withdraw the designa-*  
 22            *tion of a community under this paragraph based*  
 23            *on—*

24            *“(i) the airport sponsor’s ability to*  
 25            *pay; or*

1           “(ii) *the relative lack of financial re-*  
2           *sources in a community, based on a com-*  
3           *parison of the median income of the com-*  
4           *munity with other communities in the*  
5           *State.*

6           “(D) *NON-FEDERAL SHARE.—*

7           “(i) *NON-FEDERAL AMOUNTS.—For*  
8           *purposes of this section, the non-Federal*  
9           *portion of the essential air service subsidy*  
10           *may be derived from contributions in kind,*  
11           *or through reduction in the amount of the*  
12           *essential air service subsidy through reduc-*  
13           *tion of air carrier costs, increased ridership,*  
14           *pre-purchase of tickets, or other means. The*  
15           *Secretary shall provide assistance to des-*  
16           *ignated communities in identifying poten-*  
17           *tial means of reducing the amount of the*  
18           *subsidy without adversely affecting air*  
19           *transportation service to the community.*

20           “(ii) *APPLICATION WITH OTHER*  
21           *MATCHING REQUIREMENTS.—This section*  
22           *shall apply to the Federal share of essential*  
23           *air service provided this subchapter, after*  
24           *the application of any other non-Federal*

1           *share matching requirements imposed by*  
2           *law.*

3           “(E) *ELIGIBILITY FOR OTHER PROGRAMS*  
4           *NOT AFFECTED.*—*Nothing in this paragraph af-*  
5           *fects the eligibility of a community or Consor-*  
6           *tium of communities, an airport sponsor, or any*  
7           *other person to participate in any program au-*  
8           *thorized by this subchapter. A community des-*  
9           *ignated under this paragraph may participate*  
10           *in any program (including pilot programs) au-*  
11           *thorized by this subchapter for which it is other-*  
12           *wise eligible—*

13                   “(i) *without regard to any limitation*  
14                   *on the number of communities that may*  
15                   *participate in that program; and*

16                   “(ii) *without reducing the number of*  
17                   *other communities that may participate in*  
18                   *that program.*

19           “(F) *SECRETARY TO REPORT TO CONGRESS*  
20           *ON IMPACT.*—*The Secretary shall transmit a re-*  
21           *port to the Senate Committee on Commerce,*  
22           *Science, and Transportation and the House of*  
23           *Representatives Committee on Transportation*  
24           *and Infrastructure on—*

1           “(i) the economic condition of commu-  
2           nities designated under this paragraph be-  
3           fore their designation;

4           “(ii) the impact of designation under  
5           this paragraph on such communities at the  
6           end of each of the 3 years following their  
7           designation; and

8           “(iii) the impact of designation on air  
9           traffic patterns affecting air transportation  
10          to and from communities designated under  
11          this paragraph.

12          “(c) *CODE-SHARING*.—Under the pilot program estab-  
13          lished under subsection (a), the Secretary is authorized to  
14          require air carriers providing service to participating com-  
15          munities and major air carriers (as defined in section  
16          41716(a)(2)) serving large hub airports (as defined in sec-  
17          tion 41731(a)(3)) to participate in multiple code-share ar-  
18          rangements consistent with normal industry practice when-  
19          ever and wherever the Secretary determines that such mul-  
20          tiple code-sharing arrangements would improve air trans-  
21          portation services. The Secretary may not require air car-  
22          riers to participate in such arrangements under this sub-  
23          section for more than 10 such communities.

1       “(d) *TRACK SERVICE.*—*The Secretary shall require es-*  
 2 *sential air service providers to track changes in service, in-*  
 3 *cluding on-time arrivals and departures.*”

4       “(e) *ADMINISTRATIVE PROVISIONS.*—*In order to par-*  
 5 *ticipate in a pilot program established under this section,*  
 6 *the airport sponsor for a community or consortium of com-*  
 7 *munities shall submit an application to the Secretary in*  
 8 *such form, at such time, and containing such information*  
 9 *as the Secretary may require.”.*”

10       (b) *CONFORMING AMENDMENT.*—*The chapter analysis*  
 11 *for chapter 417 of such title is amended by inserting after*  
 12 *the item relating to section 41744 the following:*

“41745. *Other pilot programs.*”.

13       **SEC. 354. EAS PROGRAM AUTHORITY CHANGES.**

14       (a) *RATE RENEGOTIATION.*—*If the Secretary of Trans-*  
 15 *portation determines that essential air service providers are*  
 16 *experiencing significantly increased costs of providing serv-*  
 17 *ice under subchapter II of chapter 417 of title 49, United*  
 18 *States Code, the Secretary of Transportation may increase*  
 19 *the rates of compensation payable under that subchapter*  
 20 *within 30 days after the date of enactment of this Act with-*  
 21 *out regard to any agreements or requirements relating to*  
 22 *the renegotiation of contracts. For purposes of this sub-*  
 23 *section, the term “significantly increased costs” means an*  
 24 *average monthly cost increase of 10 percent or more.*

1       (b) *RETURNED FUNDS.*—Notwithstanding any provi-  
 2       sion of law to the contrary, any funds made available under  
 3       subchapter II of chapter 417 of title 49, United States Code,  
 4       that are returned to the Secretary by an airport sponsor  
 5       because of decreased subsidy needs for essential air service  
 6       under that subchapter shall remain available to the Sec-  
 7       retary and may be used by the Secretary under that sub-  
 8       chapter to increase the frequency of flights at that airport.

9       (c) *SMALL COMMUNITY AIR SERVICE DEVELOPMENT*  
 10       *PILOT PROGRAM.*—Section 41743(h) of such title is amend-  
 11       ed by striking “an airport” and inserting “each airport”.

## 12       **TITLE IV—AVIATION SECURITY**

### 13       **SEC. 401. STUDY OF EFFECTIVENESS OF TRANSPORTATION** 14       **SECURITY SYSTEM.**

15       (a) *IN GENERAL.*—The Secretary of Homeland Secu-  
 16       rity shall study the effectiveness of the aviation security sys-  
 17       tem, including the air marshal program, hardening of cock-  
 18       pit doors, and security screening of passengers, checked bag-  
 19       gage, and cargo.

20       (b) *REPORT.*—The Secretary shall transmit a report  
 21       of the Secretary’s findings and conclusions together with  
 22       any recommendations, including legislative recommenda-  
 23       tions, the Secretary may have for improving the effective-  
 24       ness of aviation security to the Senate Committee on Com-  
 25       merce, Science, and Transportation and the House of Rep-

1 *representatives Committee on Transportation and Infrastruc-*  
2 *ture within 6 months after the date of enactment of this*  
3 *Act. In the report the Secretary shall also describe any rede-*  
4 *ployment of Transportation Security Administration re-*  
5 *sources based on those findings and conclusions. The Sec-*  
6 *retary may submit the report to the Committees in classi-*  
7 *fied and redacted form.*

8 **SEC. 402. AVIATION SECURITY CAPITAL FUND.**

9       *(a) IN GENERAL.—There is established within the De-*  
10 *partment of Transportation a fund to be known as the*  
11 *Aviation Security Capital Fund. The first \$500,000,000 de-*  
12 *rived from fees received under section 44940(a)(1) of title*  
13 *49, United States Code, in each of fiscal years 2004, 2005,*  
14 *and 2006 shall be available to the Fund. The Under Sec-*  
15 *retary of Homeland Security for Border and Transpor-*  
16 *tation Security shall impose the fee authorized by section*  
17 *44940(a)(1) of such title so as to collect at least*  
18 *\$500,000,000 in each of fiscal years 2004, 2005, and 2006*  
19 *for deposit into the fund. Amounts in the fund shall be allo-*  
20 *cated in such a manner that—*

21               *(1) 40 percent shall be made available for hub*  
22       *airports;*

23               *(2) 20 percent shall be made available for me-*  
24       *dium hub airports;*

1           (3) 15 percent shall be made available for small  
2           hub airports and non-hub airports; and

3           (4) 25 percent shall be distributed by the Sec-  
4           retary on the basis of aviation security risks.

5           (b) *PURPOSE.*—Amounts in the Fund shall be avail-  
6           able to the Secretary of Transportation, after consultation  
7           with the Under Secretary of Homeland Security for Border  
8           and Transportation Security to provide financial assist-  
9           ance to airport sponsors to defray capital investment in  
10          transportation security at airport facilities in accordance  
11          with the provisions of this section. The program shall be  
12          administered in concert with the airport improvement pro-  
13          gram under chapter 417 of title 49, United States Code.

14          (c) *APPORTIONMENT.*—Amounts made available under  
15          subsection (a)(1), (a)(2), or (a)(3) shall be apportioned  
16          among the airports in each category in accordance with a  
17          formula based on the ratio that passenger emplanements at  
18          each airport in the category bears to the total passenger  
19          emplanements at all airports in the that category.

20          (d) *MATCHING REQUIREMENTS.*—

21                 (1) *IN GENERAL.*—Not less than the following  
22                 percentage of the costs of any project funded under  
23                 this section shall be derived from non-Federal sources:

24                         (A) For hub airports and medium hub air-  
25                         ports, 25 percent.

1           (B) *For airports other than hub airports*  
2           *and medium hub airports, 10 percent.*

3           (2) *USE OF BOND PROCEEDS.—In determining*  
4           *the amount of non-Federal sources of funds, the pro-*  
5           *ceeds of State and local bond issues shall not be con-*  
6           *sidered to be derived, directly or indirectly, from Fed-*  
7           *eral sources without regard to the Federal income tax*  
8           *treatment of interest and principal of such bonds.*

9           (e) *LETTERS OF INTENT.—The Secretary of Transpor-*  
10          *tation, or his delegate, may execute letters of intent to com-*  
11          *mit funding to airport sponsors from the Fund.*

12          (f) *CONFORMING AMENDMENTS.—*

13                 (1) *USE OF PASSENGER FEE FUNDS.—Section*  
14                 *44940(a)(1) is amended by adding at the end the fol-*  
15                 *lowing:*

16                         “(H) *The costs of security-related capital*  
17                         *improvements at airports.”.*

18                 (2) *LIMITATION ON COLLECTION.—Section*  
19                 *44940(d)(4) is amended by striking “Act.” and in-*  
20                 *serting “Act or in section 402(a) of the Aviation In-*  
21                 *vestment and Revitalization Vision Act.”.*

22                 (g) *DEFINITIONS.—Any term used in this section that*  
23                 *is defined or used in chapter 417 of title 49 United States*  
24                 *Code has the meaning given that term in that chapter.*

1 **SEC. 403. TECHNICAL AMENDMENTS RELATED TO SECURITY-RELATED AIRPORT DEVELOPMENT.**  
2

3 (a) *DEFINITION OF AIRPORT DEVELOPMENT.*—Section  
4 47102(3)(B) is amended—

5 (1) by inserting “and” after the semicolon in  
6 clause (viii);

7 (2) by striking “circular; and” in clause (ix)  
8 and inserting “circular.”; and

9 (3) by striking clause (x).

10 (b) *IMPROVEMENT OF FACILITIES AND EQUIPMENT.*—  
11 Section 301(a) of the Federal Aviation Reauthorization Act  
12 of 1996 (49 U.S.C. 44901 note) is amended by striking  
13 “travel.” and inserting “travel if the improvements or  
14 equipment will be owned and operated by the airport.”.

15 **SEC. 404. ARMED FORCES CHARTERS.**

16 Section 132 of the Aviation and Transportation Security  
17 Act (49 U.S.C. 44903 note) is amended by adding at  
18 the end the following:

19 “(c) *EXEMPTION FOR ARMED FORCES CHARTERS.*—

20 “(1) *IN GENERAL.*—Subsections (a) and (b) of  
21 this section, and chapter 449 of title 49, United  
22 States Code, do not apply to passengers and property  
23 carried by aircraft when employed to provide charter  
24 transportation to members of the armed forces.

25 “(2) *IN GENERAL.*—The Secretary of Defense, in  
26 consultation with the Secretary of Homeland Security

1        *and the Secretary of Transportation, shall establish*  
 2        *security procedures relating to the operation of air-*  
 3        *craft when employed to provide charter transpor-*  
 4        *tation to members of the armed forces to or from an*  
 5        *airport described in section 44903(c) of title 49,*  
 6        *United States Code.*

7                *“(3) ARMED FORCES DEFINED.—In this sub-*  
 8        *section, the term ‘armed forces’ has the meaning given*  
 9        *that term by section 101(a)(4) of title 10, United*  
 10        *States Code.”.*

## 11        **TITLE V—MISCELLANEOUS**

### 12        **SEC. 501. EXTENSION OF WAR RISK INSURANCE AUTHOR-** 13        **ITY.**

14        *(a) EXTENSION OF POLICIES.—Section 44302(f)(1) is*  
 15        *amended by striking “2004,” each place it appears and in-*  
 16        *serting “2006,”.*

17        *(b) EXTENSION OF LIABILITY LIMITATION.—Section*  
 18        *44303(b) is amended by striking “2004,” and inserting*  
 19        *“2006,”.*

20        *(c) EXTENSION OF AUTHORITY.—Section 44310 is*  
 21        *amended by striking “2004.” and inserting “2006.”.*

### 22        **SEC. 502. COST-SHARING OF AIR TRAFFIC MODERNIZATION** 23        **PROJECTS.**

24        *(a) IN GENERAL.—Chapter 445 is amended by adding*  
 25        *at the end the following:*

1 **“§ 44517. Program to permit cost-sharing of air traf-**  
2 **fic modernization projects**

3 “(a) *IN GENERAL.*—Subject to the requirements of this  
4 section, the Secretary may carry out a program under  
5 which the Secretary may make grants to project sponsors  
6 for not more than 10 eligible projects per fiscal year for  
7 the purpose of improving aviation safety and enhancing  
8 mobility of the Nation’s air transportation system by en-  
9 couraging non-Federal investment in critical air traffic  
10 control facilities and equipment.

11 “(b) *FEDERAL SHARE.*—The Federal share of the cost  
12 of an eligible project carried out under the program shall  
13 not exceed 33 percent. The non-Federal share of the cost of  
14 an eligible project shall be provided from non-Federal  
15 sources, including revenues collected pursuant to section  
16 40117 of this title.

17 “(c) *LIMITATION ON GRANT AMOUNTS.*—No eligible  
18 project may receive more than \$5,000,000 in Federal funds  
19 under the program.

20 “(d) *FUNDING.*—The Secretary shall use amounts ap-  
21 propriated under section 48101(a) of this title to carry out  
22 this program.

23 “(e) *DEFINITIONS.*—In this section:

24 “(1) *ELIGIBLE PROJECT.*—The term ‘eligible  
25 project’ means a project relating to the Nation’s air  
26 traffic control system that is certified or approved by

1 *the Administrator and that promotes safety, effi-*  
2 *ciency, or mobility. Such projects may include—*

3 *“(A) airport-specific air traffic facilities*  
4 *and equipment, including local area augmenta-*  
5 *tion systems, instrument landing systems, weath-*  
6 *er and wind shear detection equipment, lighting*  
7 *improvements, and control towers;*

8 *“(B) automation tools to effect improve-*  
9 *ments in airport capacity, including passive*  
10 *final approach spacing tools and traffic manage-*  
11 *ment advisory equipment; and*

12 *“(C) facilities and equipment that enhance*  
13 *airspace control procedures, including consolida-*  
14 *tion of terminal radar control facilities and*  
15 *equipment, or assist in en route surveillance, in-*  
16 *cluding oceanic and offshore flight tracking.*

17 *“(2) PROJECT SPONSOR.—The term ‘project*  
18 *sponsor’ means any major user of the National Air-*  
19 *space System, as determined by the Secretary, includ-*  
20 *ing a public-use airport or a joint venture between a*  
21 *public-use airport and one or more air carriers.*

22 *“(f) TRANSFERS OF EQUIPMENT.—Notwithstanding*  
23 *any other provision of law, and upon agreement by the Ad-*  
24 *ministrator of the Federal Aviation Administration, project*  
25 *sponsors may transfer, without consideration, to the Fed-*

1 *eral Aviation Administration, facilities, equipment, or au-*  
 2 *tomation tools, the purchase of which was assisted by a*  
 3 *grant made under this section, if such facilities, equipment*  
 4 *or tools meet Federal Aviation Administration operation*  
 5 *and maintenance criteria.*

6       “(g) *GUIDELINES.*—*The Administrator shall issue ad-*  
 7 *visory guidelines on the implementation of the program,*  
 8 *which shall not be subject to administrative rulemaking re-*  
 9 *quirements under subchapter II of chapter 5 of title 5.”.*

10       “(b) *CONFORMING AMENDMENT.*—*The chapter analyses*  
 11 *for chapter 445 is amended by adding at the end the fol-*  
 12 *lowing:*

*“44517. Program to permit cost-sharing of air traffic modernization projects.”.*

13       ***SEC. 503. COUNTERFEIT OR FRAUDULENTLY REPRESENTED***  
 14               ***PARTS VIOLATIONS.***

15       *Section 44726(a)(1) is amended—*

16               (1) *by striking “or” after the semicolon in sub-*  
 17 *paragraph (A);*

18               (2) *by redesignating subparagraph (B) as sub-*  
 19 *paragraph (D);*

20               (3) *by inserting after subparagraph (A) the fol-*  
 21 *lowing:*

22                       *“(B) who knowingly, and with intent to de-*  
 23 *fraud, carried out or facilitated an activity pun-*  
 24 *ishable under a law described in subparagraph*  
 25 *(A);*

1                   “(C) whose certificate is revoked under sub-  
 2                   section (b) of this section; or”; and  
 3                   (4) by striking “convicted of such a violation.”  
 4                   in subparagraph (D), as redesignated, and inserting  
 5                   “described in subparagraph (A), (B) or (C).”.

6 **SEC. 504. CLARIFICATIONS TO PROCUREMENT AUTHORITY.**

7                   (a) *UPDATE AND CLARIFICATION OF AUTHORITY.*—

8                   (1) Section 40110(c) is amended to read as fol-  
 9                   lows:

10                  “(c) *DUTIES AND POWERS.*—When carrying out sub-  
 11                  section (a) of this section, the Administrator of the Federal  
 12                  Aviation Administration may—

13                         “(1) notwithstanding section 1341(a)(1) of title  
 14                         31, lease an interest in property for not more than 20  
 15                         years;

16                         “(2) consider the reasonable probable future use  
 17                         of the underlying land in making an award for a  
 18                         condemnation of an interest in airspace; and

19                         “(3) dispose of property under subsection (a)(2)  
 20                         of this section, except for airport and airway prop-  
 21                         erty and technical equipment used for the special pur-  
 22                         poses of the Administration, only under sections 121,  
 23                         123, and 126 and chapter 5 of title 40.”.

1           (2) Section 40110(d)(1) is amended by striking  
2           “implement, not later than January 1, 1996,” and  
3           inserting “implement”.

4           (b) CLARIFICATION.—Section 106(f)(2)(A)(ii) is  
5           amended by striking “property” and inserting “property,  
6           services,”.

7           **SEC. 505. JUDICIAL REVIEW.**

8           Section 46110(c) is amended by adding at the end the  
9           following: “Except as otherwise provided in this subtitle,  
10          judicial review of an order issued, in whole or in part, pur-  
11          suant to this part, part B of this subtitle , or subsection  
12          (l) or (s) of section 114 of this title, shall be in accordance  
13          with the provisions of this section.”.

14          **SEC. 506. CIVIL PENALTIES.**

15          (a) INCREASE IN MAXIMUM CIVIL PENALTY.—Section  
16          46301(a) is amended—

17                 (1) by striking “\$1,000” in paragraph (1) and  
18                 inserting “\$25,000”;

19                 (2) by striking “or” the last time it appears in  
20                 paragraph (1)(A);

21                 (3) by striking “section )” in paragraph (1)(A),  
22                 and inserting “section), or section 47133”;

23                 (4) by striking paragraphs (2), (3), (6), and (7)  
24                 and redesignating paragraphs (4), (5), and (8) as  
25                 paragraphs (2), (3), and (4), respectively; and

1           (5) by striking “paragraphs (1) and (2)” in  
 2           paragraph (4), as redesignated, and inserting “para-  
 3           graph (1)”.

4           (b) *INCREASE IN LIMIT ON ADMINISTRATIVE AUTHOR-*  
 5 *ITY AND CIVIL PENALTY.*—Section 46301(d) is amended—

6           (1) by striking “\$50,000;” in paragraph (4)(A)  
 7           by inserting “\$50,000, if the violation occurred before  
 8           the date of enactment of the Aviation Authorization  
 9           Act of 2003, or \$1,000,000, if the violation occurred  
 10          on or after that date;”; and

11          (2) by striking “\$50,000.” in paragraph (8) and  
 12          inserting “\$50,000, if the violation occurred before the  
 13          date of enactment of the Aviation Authorization Act  
 14          of 2003, or \$1,000,000, if the violation occurred on or  
 15          after that date.”.

16 **SEC. 507. MISCELLANEOUS AMENDMENTS.**

17          (a) *AMOUNTS SUBJECT TO APPORTIONMENT UNDER*  
 18 *CHAPTER 471.*—

19          (1) *IN GENERAL.*—Section 47102 is amended—

20                  (A) by striking paragraph (6) and inserting  
 21                  the following:

22                  “(6) ‘amount newly made available’ means the  
 23                  amount newly made available under section 48103 of  
 24                  this title as an authorization for grant obligations for  
 25                  a fiscal year, as that amount may be limited in that

1       *year by a provision in an appropriations Act, but as*  
2       *determined without regard to grant obligation recov-*  
3       *eries made in that year or amounts covered by section*  
4       *47107(f).”; and*

5               *(B) by redesignating paragraphs (7)*  
6               *through (20) as paragraphs (8) through (21),*  
7               *and inserting after paragraph (6) the following:*

8               *“(7) ‘amount subject to apportionment’ means*  
9               *the amount newly made available, less the amount*  
10              *made available for the fiscal year for administrative*  
11              *expenses under section 48105.”.*

12              *(2) CONFORMING AMENDMENTS.—*

13              *(A) Section 41742(b) is amended by strik-*  
14              *ing “Notwithstanding section 47114(g) of this*  
15              *title, any” and inserting “Any”.*

16              *(B) Section 47104(b) is amended to read as*  
17              *follows:*

18              *“(b) INCURRING OBLIGATIONS.—The Secretary may*  
19              *incur obligations to make grants from the amount subject*  
20              *to apportionment as soon as the apportionments required*  
21              *by sections 47114(c) and (d)(2) of this title have been*  
22              *issued.”.*

23              *(C) Section 47107(f)(3) is amended by*  
24              *striking “made available to the Secretary under*

1           *section 48103 of this title and” and inserting*  
2           *“subject to apportionment, and is”.*

3           *(D) Section 47114 is amended—*

4                   *(i) by striking subsection (a);*

5                   *(ii) by striking “apportionment for*  
6                   *that fiscal year” in subsection (b) and in-*  
7                   *serting “apportionment”;*

8                   *(iii) by striking “total amount made*  
9                   *available under section 48103” in sub-*  
10                   *sections (c)(2)(C), (d)(3), and (e)(4) and in-*  
11                   *serting “amount subject to apportionment”;*

12                   *(iv) by striking “each fiscal year” in*  
13                   *subsection (c)(2)(A); and*

14                   *(v) by striking “for each fiscal year”*  
15                   *in subsection (d)(2).*

16           *(E) Subsection 47116(b) is amended by*  
17           *striking “amounts are made available under sec-*  
18           *tion 48103 of this title” and inserting “an*  
19           *amount is subject to apportionment”.*

20           *(F) Section 47117 is amended—*

21                   *(i) by striking “amounts are made*  
22                   *available under section 48103 of this title.”*  
23                   *in subsection (a) and inserting “an amount*  
24                   *is subject to apportionment.”;*

1           (ii) by striking “a sufficient amount is  
2           made available under section 48103.” in  
3           subsection (f)(2)(A) and inserting “there is  
4           a sufficient amount subject to appor-  
5           tionment.”;

6           (iii) in subsection (f)(2)(B), by insert-  
7           ing “in” before “the succeeding”;

8           (iv) by striking “NEWLY AVAILABLE”  
9           in the caption of subsection (f)(3) and in-  
10          serting “RESTORED”;

11          (v) by striking “newly available under  
12          section 48103 of this title,” in subsection  
13          (f)(3)(A) and inserting “subject to appor-  
14          tionment,”;

15          (vi) by striking “made available under  
16          section 48103 for such obligations for such  
17          fiscal year.” in subsection (f)(4) and insert-  
18          ing “subject to apportionment.”; and

19          (vii) by striking “enacted after Sep-  
20          tember 3, 1982,” in subsection (g).

21          (b) *RECOVERED FUNDS*.—Section 47117 is amended  
22          by adding at the end the following:

23                 “(g) *CREDITING OF RECOVERED FUNDS*.—For the  
24          purpose of determining compliance with a limitation on the  
25          amount of grant obligations that may be incurred in a fis-

1 *cal year imposed by an appropriations Act, an amount that*  
 2 *is recovered by canceling or reducing a grant obligation—*

3 *“(1) shall be treated as a negative obligation that*  
 4 *is to be netted against the gross obligation limitation,*  
 5 *and*

6 *“(2) may permit the gross limitation to be ex-*  
 7 *ceeded by an equal amount.”.*

8 *(c) AIRPORT SAFETY DATA COLLECTION.—Section*  
 9 *47130 is amended to read as follows:*

10 ***“§ 47130. Airport safety data collection***

11 *“Notwithstanding any other provision of law, the Ad-*  
 12 *ministrator of the Federal Aviation Administration may*  
 13 *award a contract, using sole source or limited source au-*  
 14 *thority, or enter into a cooperative agreement with, or pro-*  
 15 *vide a grant from amounts made available under section*  
 16 *48103 to, a private company or entity for the collection of*  
 17 *airport safety data. If a grant is provided, the United*  
 18 *States Government’s share of the cost of the data collection*  
 19 *shall be 100 percent.”.*

20 *(d) STATUTE OF LIMITATIONS.—Section*  
 21 *47107(l)(5)(A) is amended by inserting “or any other gov-*  
 22 *ernmental entity” after “sponsor”.*

23 *(e) AUDIT CERTIFICATION.—Section 47107(m) is*  
 24 *amended—*

1           (1) by striking “promulgate regulations that” in  
2           paragraph (1) and inserting “include a provision in  
3           the compliance supplement provisions to”;

4           (2) by striking “and opinion of the review” in  
5           paragraph (1); and

6           (3) by striking paragraph (3).

7           (f) *NOISE EXPOSURE MAPS*.—Section 47503(a) is  
8           amended by striking “1985,” and inserting “a forecast year  
9           that is at least 5 years in the future,”.

10          (g) *CLARIFICATION OF APPLICABILITY OF PFCs TO*  
11          *MILITARY CHARTERS*.—Section 40117(e)(2) is amended—

12           (1) by striking “and” after the semicolon in sub-  
13           paragraph (D);

14           (2) by striking “passengers.” in subparagraph  
15           (E) and inserting “passengers; and”; and

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

17           “(F) enplaning at an airport if the passenger  
18           did not pay for the air transportation which resulted  
19           in such enplanement due to charter arrangements and  
20           payment by the United States Department of De-  
21           fense.”.

22          **SEC. 508. LOW-EMISSION AIRPORT VEHICLES AND INFRA-**  
23          **STRUCTURE.**

24           (a) *PURPOSE*.—The purpose of this section is to permit  
25           the use of funds made available under subchapter 471 to

1 *encourage commercial service airports in air quality non-*  
2 *attainment and maintenance areas to undertake projects for*  
3 *gate electrification, acquisition or conversion of airport ve-*  
4 *hicles and airport-owned ground support equipment to ac-*  
5 *quire low-emission technology, low-emission technology fuel*  
6 *systems, and other related air quality projects on a vol-*  
7 *untary basis to improve air quality and more aggressively*  
8 *address the constraints that emissions can impose on future*  
9 *aviation growth. Use of those funds is conditioned on air-*  
10 *ports receiving credits for emissions reductions that can be*  
11 *used to mitigate the air quality effects of future airport de-*  
12 *velopment. Making these projects eligible for funding in ad-*  
13 *dition to those projects that are already eligible under sec-*  
14 *tion 47102(3)(F) is intended to support those projects that,*  
15 *at the time of execution, may not be required by the Clean*  
16 *Air Act (42 U.S.C. 7501 et seq.), but may be needed in*  
17 *the future.*

18       **(b) ACTIVITIES ADDED TO DEFINITION OF “AIRPORT**  
19 **DEVELOPMENT”.**—Section 47102(3) is amended by adding  
20 *at the end the following:*

21               *“(K) work necessary to construct or modify*  
22               *airport facilities to provide low-emission fuel*  
23               *systems, gate electrification, and other related*  
24               *air quality improvements at a commercial serv-*  
25               *ice airport, if the airport is located in an air*

1           *quality nonattainment or maintenance area (as*  
2           *defined in sections 171(2) and 175(A) of the*  
3           *Clean Air Act (42 U.S.C. 7501(2), 7505a) and*  
4           *if such project will result in an airport receiving*  
5           *appropriate emission credits, as described in sec-*  
6           *tion 47139 of this title. The Secretary, in con-*  
7           *sultation with the Administrator of the Environ-*  
8           *mental Protection Agency, shall issue guidance*  
9           *describing eligible low-emission modifications*  
10          *and improvements and stating how airport*  
11          *sponsors will demonstrate benefits.*

12           “(L) a project for the acquisition or conver-

13          *sion of vehicles and ground support equipment,*  
14          *owned by a commercial service airport, to low-*  
15          *emission technology, if the airport is located in*  
16          *an air quality nonattainment or maintenance*  
17          *area (as defined in sections 171(2) and 175(A)*  
18          *of the Clean Air Act (42 U.S.C. 7501(2), 7505a)*  
19          *and if such project will result in an airport re-*  
20          *ceiving appropriate emission credits as described*  
21          *in section 47139 of this title. The Secretary, in*  
22          *consultation with the Administrator of the Envi-*  
23          *ronmental Protection Agency, shall issue guid-*  
24          *ance describing eligible low-emission vehicle tech-*  
25          *nology and stating how airport sponsors will*

1           *demonstrate benefits. For airport-owned vehicles*  
2           *and equipment, the acquisition of which are not*  
3           *otherwise eligible for assistance under this sub-*  
4           *chapter, the incremental cost of equipping such*  
5           *vehicles or equipment with low-emission tech-*  
6           *nology shall be treated as eligible for assist-*  
7           *ance.”.*

8           *(c) LOW-EMISSION TECHNOLOGY DEFINED.—Section*  
9           *47102 is amended by redesignating paragraphs (10)*  
10          *through (20), as paragraphs (11) through (21) respectively,*  
11          *and inserting after paragraph (9) the following:*

12                   *“(11) ‘low-emission technology’ means technology*  
13                   *for new vehicles and equipment whose emission per-*  
14                   *formance is the best achievable under emission stand-*  
15                   *ards established by the Environmental Protection*  
16                   *Agency and that relies exclusively on alternative fuels*  
17                   *that are substantially non-petroleum based, as defined*  
18                   *by the Department of Energy, but not excluding hy-*  
19                   *brid systems.”.*

20          *(d) EMISSIONS CREDITS.—*

21                   *(1) IN GENERAL.—Subchapter I of chapter 471,*  
22                   *as amended by section 206 of this Act, is further*  
23                   *amended by adding at the end the following:*

1 **“§ 47139. Emission credits for air quality projects**

2       “(a) *IN GENERAL.*—*The Secretary and the Adminis-*  
3 *trator of the Environmental Protection Agency shall jointly*  
4 *agree on how to assure that airport sponsors receive appro-*  
5 *priate emission credits for projects described in sections*  
6 *40117(a)(3)(G), 47102(3)(K), or 47102(3)(L) of this title.*  
7 *The agreement must, at a minimum, include provisions to*  
8 *ensure that—*

9               “(1) *the credits will be consistent with the Clean*  
10 *Air Act (42 U.S.C. 7402 et seq.);*

11               “(2) *credits generated by the emissions reduc-*  
12 *tions in criteria pollutants are kept by the airport*  
13 *sponsor and may be used for purposes of any current*  
14 *or future general conformity determination or as off-*  
15 *sets under the New Source Review program;*

16               “(3) *there is national consistency in the way*  
17 *credits are calculated and are provided to airports;*

18               “(4) *credits are provided to airport sponsors in*  
19 *a timely manner; and*

20               “(5) *there is a method by which the Secretary*  
21 *can be assured that, for any specific project for which*  
22 *funding is being requested, the appropriate credits*  
23 *will be granted.*

24       “(b) *ASSURANCE OF RECEIPT OF CREDITS.*—

25               “(1) *IN GENERAL.*—*As a condition for making a*  
26 *grant for a project described in section 47102(3)(K),*

1       47102(3)(L), or 47140 of this title, or as a condition  
 2       for granting approval to collect or use a passenger fa-  
 3       cility fee for a project described in sections  
 4       40117(a)(3)(G), 47102(3)(K), 47102(3)(L), or 47140  
 5       of this title, the Secretary must receive assurance  
 6       from the State in which the project is located, or from  
 7       the Administrator of the Environmental Protection  
 8       Agency where there is a Federal Implementation  
 9       Plan, that the airport sponsor will receive appro-  
 10      priate emission credits in accordance with the condi-  
 11      tions of this subsection.

12           “(2) CREDITS FOR CERTAIN EXISTING  
 13      PROJECTS.—The Secretary and the Administrator of  
 14      the Environmental Protection Agency shall jointly  
 15      agree on how to provide emission credits to projects  
 16      previously approved under section 47136 of this title  
 17      during fiscal years 2001 through 2003, under terms  
 18      consistent with this section.”.

19           (2) CONFORMING AMENDMENT.—The chapter  
 20      analysis for chapter 471 is amended by inserting  
 21      after the item relating to section 47138 the following:

“47139. Emission credits for air quality projects.”.

22           (e) AIRPORT GROUND SUPPORT EQUIPMENT EMIS-  
 23      SIONS RETROFIT PILOT PROGRAM.—

1           (1) *IN GENERAL.*—Subchapter I of chapter 471  
2           is further amended by adding at the end the fol-  
3           lowing:

4           **“§ 47140. Airport ground support equipment emissions**  
5                                   **retrofit pilot program**

6           “(a) *IN GENERAL.*—The Secretary of Transportation  
7           shall carry out a pilot program at not more than 10 com-  
8           mercial service airports under which the sponsors of such  
9           airports may use an amount subject to apportionment to  
10          retrofit existing eligible airport ground support equipment  
11          which burns conventional fuels to achieve lower emissions  
12          utilizing emission control technologies certified or verified  
13          by the Environmental Protection Agency.

14          “(b) *LOCATION IN AIR QUALITY NONATTAINMENT OR*  
15          *MAINTENANCE AREAS.*—A commercial service airport shall  
16          be eligible for participation in the pilot program only if  
17          the airport is located in an air quality nonattainment or  
18          maintenance area (as defined in sections 171(2) and 175(A)  
19          of the Clean Air Act (42 U.S.C. 7501(2), 7505a)).

20          “(c) *SELECTION CRITERIA.*—In selecting applicants  
21          for participation in the pilot program, the Secretary shall  
22          give priority consideration to applicants that will achieve  
23          the greatest air quality benefits measured by the amount  
24          of emissions reduced per dollar of funds expended under the  
25          pilot program.

1       “(d) *MAXIMUM AMOUNT.*—Not more than \$500,000  
2 may be expended under the pilot program at any single  
3 commercial service airport.

4       “(e) *GUIDELINES.*—The Secretary, in consultation  
5 with the Administrator of the Environmental Protection  
6 Agency, shall establish guidelines regarding the types of ret-  
7 rofit projects eligible under this pilot program by consid-  
8 ering remaining equipment useful life, amounts of emission  
9 reduction in relation to the cost of projects, and other fac-  
10 tors necessary to carry out this section. The Secretary may  
11 give priority to ground support equipment owned by the  
12 airport and used for airport purposes.

13       “(f) *ELIGIBLE EQUIPMENT DEFINED.*—For purposes  
14 of this section, the term ‘eligible equipment’ means ground  
15 service or maintenance equipment that—

16               “(1) is located at the airport;

17               “(2) used to support aeronautical and related ac-  
18 tivities on the airport; and

19               “(3) will remain in operation at the airport.”.

20       (2) *CONFORMING AMENDMENT.*—The chapter  
21 analysis for chapter 471 is further amended by insert-  
22 ing after the item relating to section 47139 the fol-  
23 lowing:

“47140. Airport ground support equipment emissions retrofit pilot program.”.

1 **SEC. 509. LOW-EMISSION AIRPORT VEHICLES AND GROUND**  
2 **SUPPORT EQUIPMENT.**

3 *Section 40117(a)(3) is amended by inserting at the*  
4 *end the following:*

5 *“(G) A project for the acquisition or conver-*  
6 *sion of ground support equipment or airport-*  
7 *owned vehicles used at a commercial service air-*  
8 *port with, or to, low-emission technology or*  
9 *cleaner burning conventional fuels, or the retro-*  
10 *fitting of such equipment or vehicles that are*  
11 *powered by a diesel or gasoline engine with*  
12 *emission control technologies certified or verified*  
13 *by the Environmental Protection Agency to re-*  
14 *duce emissions, if the airport is located in an air*  
15 *quality nonattainment or maintenance area (as*  
16 *defined in sections 171(2) and 175(A) of the*  
17 *Clean Air Act (42 U.S.C. 7501(2), 7505a), and*  
18 *if such project will result in an airport receiving*  
19 *appropriate emission credits as described in sec-*  
20 *tion 47139 of this title. The Secretary, in con-*  
21 *sultation with the Administrator of the Environ-*  
22 *mental Protection Agency, shall issue guidance*  
23 *for eligible projects and for how benefits must be*  
24 *demonstrated. The eligible cost is limited to the*  
25 *incremental amount that exceeds the cost of ac-*  
26 *quiring other vehicles or equipment that are not*

1           *low-emission and would be used for the same*  
2           *purpose, or to the cost of low-emission retro-*  
3           *fitting. For purposes of this paragraph, the term*  
4           *“ground support equipment” means service and*  
5           *maintenance equipment used at an airport to*  
6           *support aeronautical operations and related ac-*  
7           *tivities.”.*

8    **SEC. 510. PACIFIC EMERGENCY DIVERSION AIRPORT.**

9           *(a) IN GENERAL.—The Secretary of Transportation*  
10          *shall enter into a memorandum of understanding with the*  
11          *Secretaries of Defense, the Interior, and Homeland Security*  
12          *to facilitate the sale of aircraft fuel on Midway Island, so*  
13          *that the revenue from the fuel sales can be used to operate*  
14          *Midway Island Airport in accordance with Federal Avia-*  
15          *tion Administration airport standards. The memorandum*  
16          *shall also address the long term potential for promoting*  
17          *tourism as a means of generating revenue to operate the*  
18          *airport.*

19          *(b) NAVIGATIONAL AIDS.—The Administrator of the*  
20          *Federal Aviation Administration may support and be re-*  
21          *sponsible for maintaining all aviation-related navigational*  
22          *aids at Midway Island Airport.*

1 **SEC. 511. GULF OF MEXICO AVIATION SERVICE IMPROVE-**  
2 **MENTS.**

3 (a) *IN GENERAL.*—*The Secretary of Transportation*  
4 *may develop and carry out a program designed to expand*  
5 *and improve the safety, efficiency, and security of—*

6 (1) *air traffic control services provided to avia-*  
7 *tion in the Gulf of Mexico area; and*

8 (2) *aviation-related navigational, low altitude*  
9 *communications and surveillance, and weather serv-*  
10 *ices in that area.*

11 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
12 *authorized to be appropriated to the Secretary of Transpor-*  
13 *tation such sums as may be necessary to carry out this sec-*  
14 *tion for the 4 fiscal year period beginning with fiscal year*  
15 *2004.*

16 **SEC. 512. AIR TRAFFIC CONTROL COLLEGIATE TRAINING**  
17 **INITIATIVE.**

18 *The Secretary of Transportation may use, from funds*  
19 *available to the Secretary and not otherwise obligated or*  
20 *expended, such sums as may be necessary to carry out and*  
21 *expand the Air Traffic Control Collegiate Training Initia-*  
22 *tive.*

23 **SEC. 513. INCREASE IN CERTAIN SLOTS.**

24 (a) *IN GENERAL.*—*Section 41714(d)(1)(C) is amended*  
25 *by striking “2” and inserting “3”.*

1       (b) *BEYOND-PERIMETER EXEMPTIONS.*—Section  
2 41718(a) of title 49, United States Code, is amended by  
3 striking “12” and inserting “24”.

4 **SEC. 514. AIR TRANSPORTATION OVERSIGHT SYSTEM PLAN.**

5       (a) *IN GENERAL.*—Within 90 days after the date of  
6 enactment of this Act, the Administrator of the Federal  
7 Aviation Administration shall transmit to the Senate Com-  
8 mittee on Commerce, Science, and Transportation and the  
9 House of Representatives Committee on Transportation and  
10 Infrastructure an action plan, with an implementation  
11 schedule—

12           (1) to provide adequate oversight of repair sta-  
13 tions (known as Part 145 repair stations) and ensure  
14 that Administration-approved repair stations outside  
15 the United States are subject to the same level of over-  
16 sight and quality control as those located in the  
17 United States; and

18           (2) for addressing problems with the Air Trans-  
19 portation Oversight System that have been identified  
20 in reports by the Comptroller General and the Inspec-  
21 tor General of the Department of Transportation.

22       (b) *PLAN REQUIREMENTS.*—The plan transmitted by  
23 the Administrator under subsection (a)(2) shall set forth the  
24 action the Administration will take under the plan—

1           (1) to develop specific, clear, and meaningful in-  
2           spection checklists for the use of Administration avia-  
3           tion safety inspectors and analysts;

4           (2) to provide adequate training to Administra-  
5           tion aviation safety inspectors in system safety con-  
6           cepts, risk analysis, and auditing;

7           (3) to ensure that aviation safety inspectors with  
8           the necessary qualifications and experience are phys-  
9           ically located where they can satisfy the most impor-  
10          tant needs;

11          (4) to establish strong national leadership for the  
12          Air Transportation Oversight System and to ensure  
13          that the System is implemented consistently across  
14          Administration field offices; and

15          (5) to extend the Air Transportation Oversight  
16          System beyond the 10 largest air carriers, so it gov-  
17          erns oversight of smaller air carriers as well.

18 **SEC. 515. NATIONAL SMALL COMMUNITY AIR SERVICE DE-**  
19 **VELOPMENT OMBUDSMAN.**

20          (a) *IN GENERAL.*—Subchapter II of chapter 417, as  
21          amended by section 353 of this Act, is amended by adding  
22          at the end the following:

1 **“§ 41746. National Small Community Air Service De-**  
2 **velopment Ombudsman**

3 “(a) *ESTABLISHMENT.*—*There is established in the De-*  
4 *partment of Transportation the position of National Small*  
5 *Community Air Service Ombudsman (in this section re-*  
6 *ferred to as the ‘Ombudsman’). The Secretary of Transpor-*  
7 *tation shall appoint the Ombudsman. The Ombudsman*  
8 *shall report to the Secretary.*

9 “(b) *PURPOSE.*—*The Ombudsman, in consultation*  
10 *with officials from small communities in the United States,*  
11 *State aviation agencies, and State and local economic devel-*  
12 *opment agencies, shall develop strategies for retaining and*  
13 *enhancing the air service provided to small communities*  
14 *in the United States.*

15 “(c) *OUTREACH.*—*The Ombudsman shall solicit and*  
16 *receive comments from small communities regarding strate-*  
17 *gies for retaining and enhancing air service, and shall act*  
18 *as a liaison between the communities and Federal agencies*  
19 *for the purpose of developing such strategies.”*

20 (b) *CONFORMING AMENDMENT.*—*The chapter analysis*  
21 *for chapter 417 is amended by inserting after the item relat-*  
22 *ing to section 47145 the following:*

*“47146. National small community air service development ombudsman.”.*

1 **SEC. 516. NATIONAL COMMISSION ON SMALL COMMUNITY**

2 **AIR SERVICE.**

3 (a) *ESTABLISHMENT.*—*There is established a commis-*  
4 *sion to be known as the “National Commission on Small*  
5 *Community Air Service” (in this section referred to as the*  
6 *“Commission”).*

7 (b) *MEMBERSHIP.*—

8 (1) *COMPOSITION.*—*The Commission shall be*  
9 *composed of 9 members of whom—*

10 (A) *3 members shall be appointed by the*  
11 *Secretary;*

12 (B) *2 members shall be appointed by the*  
13 *Majority Leader of the Senate;*

14 (C) *1 member shall be appointed by the Mi-*  
15 *nority Leader of the Senate;*

16 (D) *2 members shall be appointed by the*  
17 *Speaker of the House of Representatives; and*

18 (E) *1 member shall be appointed by the Mi-*  
19 *nority Leader of the House of Representatives.*

20 (2) *QUALIFICATIONS.*—*Of the members ap-*  
21 *pointed by the Secretary under paragraph (1)(A)—*

22 (A) *1 member shall be a representative of a*  
23 *regional airline;*

24 (B) *1 member shall be a representative of*  
25 *an FAA-designated small-hub airport; and*

1                   (C) 1 member shall be a representative of a  
2                   State aviation agency.

3                   (3) *TERMS.*—Members shall be appointed for the  
4                   life of the Commission.

5                   (4) *VACANCIES.*—A vacancy in the Commission  
6                   shall be filled in the manner in which the original  
7                   appointment was made.

8                   (5) *TRAVEL EXPENSES.*—Members shall serve  
9                   without pay but shall receive travel expenses, includ-  
10                  ing per diem in lieu of subsistence, in accordance  
11                  with subchapter I of chapter 57 of title 5, United  
12                  States Code.

13                  (c) *CHAIRPERSON.*—The member appointed by the  
14                  Secretary under subsection (b)(2)(B) shall serve as the  
15                  Chairperson of the Commission (in this section referred to  
16                  as the “Chairperson”).

17                  (d) *DUTIES.*—

18                  (1) *STUDY.*—The Commission shall undertake a  
19                  study of—

20                         (A) the challenges faced by small commu-  
21                         nities in the United States with respect to re-  
22                         taining and enhancing their scheduled commer-  
23                         cial air service; and

24                         (B) whether the existing Federal programs  
25                         charged with helping small communities are ade-

1            *quate for them to retain and enhance their exist-*  
2            *ing air service.*

3            (2) *ESSENTIAL AIR SERVICE COMMUNITIES.*—*In*  
4            *conducting the study, the Commission shall pay par-*  
5            *ticular attention to the state of scheduled commercial*  
6            *air service in communities currently served by the*  
7            *Essential Air Service program.*

8            (e) *RECOMMENDATIONS.*—*Based on the results of the*  
9            *study under subsection (d), the Commission shall make such*  
10           *recommendations as it considers necessary to—*

11           (1) *improve the state of scheduled commercial air*  
12           *service at small communities in the United States, es-*  
13           *pecially communities described in subsection (d)(2);*  
14           *and*

15           (2) *improve the ability of small communities to*  
16           *retain and enhance their existing air service.*

17           (f) *REPORT.*—*Not later than 6 months after the date*  
18           *on which initial appointments of members to the Commis-*  
19           *sion are completed, the Commission shall transmit to the*  
20           *President and Congress a report on the activities of the*  
21           *Commission, including recommendations made by the Com-*  
22           *mission under subsection (e).*

23           (g) *COMMISSION PANELS.*—*The Chairperson shall es-*  
24           *tablish such panels consisting of members of the Commis-*

1 *sion as the Chairperson determines appropriate to carry*  
2 *out the functions of the Commission.*

3 *(h) COMMISSION PERSONNEL MATTERS.—*

4 *(1) STAFF.—The Commission may appoint and*  
5 *fix the pay of such personnel as it considers appro-*  
6 *priate.*

7 *(2) STAFF OF FEDERAL AGENCIES.—Upon re-*  
8 *quest of the Chairperson, the head of any department*  
9 *or agency of the United States may detail, on a reim-*  
10 *bursable basis, any of the personnel of that depart-*  
11 *ment or agency to the Commission to assist it in car-*  
12 *rying out its duties under this section.*

13 *(3) OTHER STAFF AND SUPPORT.—Upon the re-*  
14 *quest of the Commission, or a panel of the Commis-*  
15 *sion, the Secretary shall provide the Commission or*  
16 *panel with professional and administrative staff and*  
17 *other support, on a reimbursable basis, to assist the*  
18 *Commission or panel in carrying out its responsibil-*  
19 *ities.*

20 *(i) OBTAINING OFFICIAL DATA.—The Commission*  
21 *may secure directly from any department or agency of the*  
22 *United States information (other than information required*  
23 *by any statute of the United States to be kept confidential*  
24 *by such department or agency) necessary for the Commis-*  
25 *sion to carry out its duties under this section. Upon request*

1 *of the Chairperson, the head of that department or agency*  
 2 *shall furnish such nonconfidential information to the Com-*  
 3 *mission.*

4 (j) *TERMINATION.—The Commission shall terminate*  
 5 *on the 30th day following the date of transmittal of the re-*  
 6 *port under subsection (f).*

7 (k) *APPLICABILITY OF THE FEDERAL ADVISORY COM-*  
 8 *MITTEE ACT.—The Federal Advisory Committee Act (5*  
 9 *U.S.C. App.) shall not apply to the Commission.*

10 ***SEC. 517. TRAINING CERTIFICATION FOR CABIN CREW.***

11 *Section 44935 is amended by adding at the end the*  
 12 *following:*

13 *“(g) TRAINING STANDARDS FOR CABIN CREW.—*

14 *“(1) IN GENERAL.—The Administrator shall es-*  
 15 *tablish standards for cabin crew training, consistent*  
 16 *with the Homeland Security Act of 2002, and the*  
 17 *issuance of certification. The Administrator shall re-*  
 18 *quire cabin crew members to complete a cabin crew*  
 19 *training courses approved by the Federal Aviation*  
 20 *Administration and the Transportation Security Ad-*  
 21 *ministration.*

22 *“(2) CERTIFICATION.—*

23 *“(A) IN GENERAL.—The Administrator*  
 24 *shall provide for the issuance of an appropriate*

1           *certificate to each individual who successfully*  
2           *completes such a course.*

3           “(B) *CONTENTS.—The cabin crew certifi-*  
4           *cate shall—*

5                     *“(i) be numbered and recorded by the*  
6                     *Administrator of the Federal Aviation Ad-*  
7                     *ministration;*

8                     *“(ii) contain the name, address, and*  
9                     *description of the individual to whom the*  
10                    *certificate is issued; and*

11                    *“(iii) contain the name of the current*  
12                    *air carrier employer of the certificate hold-*  
13                    *er;*

14                    *“(iv) contain terms the Administrator*  
15                    *determines are necessary to ensure safety in*  
16                    *air commerce, including terms that the cer-*  
17                    *tificate shall remain valid unless the Ad-*  
18                    *ministrator suspends or revokes the certifi-*  
19                    *cate; and*

20                    *“(v) designate the type and model of*  
21                    *aircraft on which the certificate holder*  
22                    *cabin crew member has successfully com-*  
23                    *pleted all Federal Aviation Administration*  
24                    *and Transportation Security Administra-*  
25                    *tion required training in order to be as-*

1                   *signed duties on board such type and model*  
 2                   *of aircraft.*

3                   “(3) *CABIN CREW DEFINED.*—*In this subsection,*  
 4                   *the term ‘cabin crew’ means individuals working in*  
 5                   *an aircraft cabin on board a transport category air-*  
 6                   *craft with 20 or more seats.”.*

7   **SEC. 518. AIRCRAFT MANUFACTURER INSURANCE.**

8                   (a) *IN GENERAL.*—*Section 44302(f) is amended by*  
 9                   *adding at the end the following:*

10                   “(3) *AIRCRAFT MANUFACTURERS.*—*The Sec-*  
 11                   *retary may offer to provide war and terrorism insur-*  
 12                   *ance to aircraft manufacturers for loss or damage*  
 13                   *arising from the operation of an American or foreign-*  
 14                   *flag aircraft, in excess of \$50,000,000 in the aggregate*  
 15                   *or in excess of such other amounts of available pri-*  
 16                   *mary insurance, on such terms and conditions as the*  
 17                   *Secretary may prescribe.”.*

18                   (b) *CONFORMING AMENDMENTS.*—

19                   (1) *DEFINITION OF AIRCRAFT MANUFACTURER.*—  
 20                   *Section 44301 is amended by adding at the end the*  
 21                   *following:*

22                   “(3) *‘aircraft manufacturer’ means any com-*  
 23                   *pany or other business entity the majority ownership*  
 24                   *and control of which is by United States citizens that*  
 25                   *manufactures aircraft or aircraft engines.”.*

1           (2) *COVERAGE.*—Section 44304(a) is amended  
2           by adding at the end the following:

3           “(6) war and terrorism losses or damages of an  
4           aircraft manufacturer arising from the operation of  
5           an American or foreign-flag aircraft.”.

6   **SEC. 519. GROUND-BASED PRECISION NAVIGATIONAL AIDS.**

7           (a) *IN GENERAL.*—The Secretary of Transportation  
8           may establish a program for the installation, operation,  
9           and maintenance of ground-based precision navigational  
10          aids for terrain-challenged airports. The program shall in-  
11          clude provision for—

12           (1) preventative and corrective maintenance for  
13          the life of each system of such aids; and

14           (2) requisite staffing and resources for the Fed-  
15          eral Aviation Administration’s efficient maintenance  
16          of the program.

17          (b) *AUTHORIZATION OF APPROPRIATIONS.*—There are  
18          authorized to be appropriated to the Secretary of Transpor-  
19          tation to carry out the program established under sub-  
20          section (a) such sums as may be necessary.

21   **SEC. 520. STANDBY POWER EFFICIENCY PROGRAM.**

22          (a) *ESTABLISHMENT.*—The Secretary of Transpor-  
23          tation, in cooperation with the Secretary of Energy and,  
24          where applicable, the Secretary of Defense, may establish  
25          a program to improve the efficiency, cost-effectiveness, and

1 *environmental performance of standby power systems at*  
2 *Federal Aviation Administration sites, including the imple-*  
3 *mentation of fuel cell technology.*

4 (b) *AUTHORIZATION OF APPROPRIATIONS.—There are*  
5 *authorized to be appropriated to the Secretary of Transpor-*  
6 *tation such sums as may be necessary for each of fiscal*  
7 *years 2004 through 2008 to carry out the provisions of this*  
8 *section.*

9 ***TITLE VI—SECOND CENTURY OF***  
10 ***FLIGHT***

11 ***SEC. 601. FINDINGS.***

12 *The Congress finds the following:*

13 (1) *Since 1990, the United States has lost more*  
14 *than 600,000 aerospace jobs.*

15 (2) *Over the last year, approximately 100,000*  
16 *airline workers and aerospace workers have lost their*  
17 *jobs as a result of the terrorist attacks in the United*  
18 *States on September 11, 2001, and the slowdown in*  
19 *the world economy.*

20 (3) *The United States has revolutionized the way*  
21 *people travel, developing new technologies and air-*  
22 *craft to move people more efficiently and more safely.*

23 (4) *Past Federal investment in aeronautics re-*  
24 *search and development have benefited the economy*

1        *and national security of the United States and the*  
2        *quality of life of its citizens.*

3            (5) *The total impact of civil aviation on the*  
4        *United States economy exceeds \$900 billion annu-*  
5        *ally—9 percent of the gross national product—and*  
6        *11 million jobs in the national workforce. Civil avia-*  
7        *tion products and services generate a significant sur-*  
8        *plus for United States trade accounts, and amount to*  
9        *significant numbers of America’s highly skilled, tech-*  
10       *nologically qualified work force.*

11           (6) *Aerospace technologies, products and services*  
12       *underpin the advanced capabilities of our men and*  
13       *women in uniform and those charged with homeland*  
14       *security.*

15           (7) *Future growth in civil aviation increasingly*  
16       *will be constrained by concerns related to aviation*  
17       *system safety and security, aviation system capabili-*  
18       *ties, aircraft noise, emissions, and fuel consumption.*

19           (8) *The United States is in danger of losing its*  
20       *aerospace leadership to international competitors*  
21       *aided by persistent government intervention. Many*  
22       *governments take their funding beyond basic tech-*  
23       *nology development, choosing to fund product develop-*  
24       *ment and often bring the product to market, even if*  
25       *the products are not fully commercially viable. More-*

1        *over, international competitors have recognized the*  
2        *importance of noise, emission, fuel consumption, and*  
3        *constraints of the aviation system and have estab-*  
4        *lished aggressive agendas for addressing each of these*  
5        *concerns.*

6            *(9) Efforts by the European Union, through a*  
7        *variety of means, will challenge the United States’*  
8        *leadership position in aerospace. A recent report out-*  
9        *lined the European Union’s goal of becoming the*  
10       *world’s leader in aviation and aeronautics by the end*  
11       *of 2020, utilizing better coordination among research*  
12       *programs, planning, and funding to accomplish this*  
13       *goal.*

14           *(10) Revitalization and coordination of the*  
15       *United States’ efforts to maintain its leadership in*  
16       *aviation and aeronautics are critical and must begin*  
17       *now.*

18           *(11) A recent report by the Commission on the*  
19       *Future of the United States Aerospace Industry out-*  
20       *lined the scope of the problems confronting the aero-*  
21       *space and aviation industries in the United States*  
22       *and found that—*

23                *(A) Aerospace will be at the core of Amer-*  
24                *ica’s leadership and strength throughout the 21st*  
25                *century;*



1       **(b) FUNCTION.**—*The Office shall—*

2               (1) *coordinate aviation and aeronautics research*  
3 *programs to achieve the goal of more effective and di-*  
4 *rected programs that will result in applicable re-*  
5 *search;*

6               (2) *coordinate goals and priorities and coordi-*  
7 *nate research activities within the Federal Govern-*  
8 *ment with United States aviation and aeronautical*  
9 *firms;*

10              (3) *coordinate the development and utilization of*  
11 *new technologies to ensure that when available, they*  
12 *may be used to their fullest potential in aircraft and*  
13 *in the air traffic control system;*

14              (4) *facilitate the transfer of technology from re-*  
15 *search programs such as the National Aeronautics*  
16 *and Space Administration program established under*  
17 *section 681 and the Department of Defense Advanced*  
18 *Research Projects Agency program to Federal agencies*  
19 *with operational responsibilities and to the private*  
20 *sector;*

21              (5) *review activities relating to noise, emissions,*  
22 *fuel consumption, and safety conducted by Federal*  
23 *agencies, including the Federal Aviation Administra-*  
24 *tion, the National Aeronautics and Space Adminis-*

1 *tration, the Department of Commerce, and the De-*  
2 *partment of Defense;*

3 *(6) review aircraft operating procedures intended*  
4 *to reduce noise and emissions, identify and coordinate*  
5 *research efforts on aircraft noise and emissions reduc-*  
6 *tion, and ensure that aircraft noise and emissions re-*  
7 *duction regulatory measures are coordinated; and*

8 *(7) work with the National Air Traffic Manage-*  
9 *ment System Development Office to coordinate re-*  
10 *search needs and applications for the next generation*  
11 *air traffic management system.*

12 *(c) PUBLIC-PRIVATE PARTICIPATION.—In carrying*  
13 *out its functions under this section, the Office shall consult*  
14 *with, and ensure participation by, the private sector (in-*  
15 *cluding representatives of general aviation, commercial*  
16 *aviation, and the space industry), members of the public,*  
17 *and other interested parties.*

18 *(d) REPORTING REQUIREMENTS.—*

19 *(1) INITIAL STATUS REPORT.—Not later than 90*  
20 *days after the date of enactment of this Act, the Sec-*  
21 *retary of Transportation shall submit a report to the*  
22 *Senate Committee on Commerce, Science, and Trans-*  
23 *portation and the House of Representatives Com-*  
24 *mittee on Transportation and Infrastructure on the*  
25 *status of the establishment of the Office of Aerospace*

1 *and Aviation Liaison, including the name of the pro-*  
2 *gram manager, the list of staff from each partici-*  
3 *parting department or agency, names of the national*  
4 *team participants, and the schedule for future ac-*  
5 *tions.*

6 (2) *PLAN.—The Office shall submit to the Senate*  
7 *Committee on Commerce, Science, and Transporta-*  
8 *tion and the House of Representatives Committee*  
9 *on Science a plan for implementing paragraphs (1)*  
10 *and (2) of subsection (b) and a proposed budget for*  
11 *implementing the plan.*

12 (3) *ANNUAL REPORT.—The Office shall submit to*  
13 *the Senate Committee on Commerce, Science, and*  
14 *Transportation, the House of Representatives Com-*  
15 *mittee on Transportation and Infrastructure, and the*  
16 *House of Representatives Committee on Science an*  
17 *annual report that—*

18 (A) *contains a unified budget that combines*  
19 *the budgets of each program coordinated by the*  
20 *Office; and*

21 (B) *describes the coordination activities of*  
22 *the Office during the preceding year.*

23 (e) *AUTHORIZATION OF APPROPRIATIONS.—There are*  
24 *authorized to be appropriated to the Secretary of Transporta-*  
25 *tion \$2,000,000 for fiscal years 2004 and 2005 to carry*

1 out this section, such sums to remain available until ex-  
2 pended.

3 **SEC. 622. NATIONAL AIR TRAFFIC MANAGEMENT SYSTEM**

4 **DEVELOPMENT OFFICE.**

5 (a) *ESTABLISHMENT.*—There is established within the  
6 Federal Aviation Administration a National Air Traffic  
7 Management System Development Office, the head of which  
8 shall report directly to the Administrator.

9 (b) *DEVELOPMENT OF NEXT GENERATION AIR TRAF-*  
10 *FIC MANAGEMENT SYSTEM.*—

11 (1) *IN GENERAL.*—The Office shall develop a  
12 next generation air traffic management system plan  
13 for the United States that will—

14 (A) transform the national airspace system  
15 to meet air transportation mobility, efficiency,  
16 and capacity needs beyond those currently in-  
17 cluded in the Federal Aviation Administration's  
18 operational evolution plan;

19 (B) result in a national airspace system  
20 that can safely and efficiently accommodate the  
21 needs of all users;

22 (C) build upon current air traffic manage-  
23 ment and infrastructure initiatives;

24 (D) improve the security, safety, quality,  
25 and affordability of aviation services;

1           (E) utilize a system-of-systems, multi-agen-  
2           cy approach to leverage investments in civil  
3           aviation, homeland security, and national secu-  
4           rity;

5           (F) develop a highly integrated, secure ar-  
6           chitecture to enable common situational aware-  
7           ness for all appropriate system users; and

8           (G) ensure seamless global operations for  
9           system users, to the maximum extent possible.

10          (2) *MULTI-AGENCY AND STAKEHOLDER INVOLVE-*  
11          *MENT.—In developing the system, the Office shall—*

12           (A) include staff from the Federal Aviation  
13           Administration, the National Aeronautics and  
14           Space Administration, the Department of Home-  
15           land Security, the Department of Defense, the  
16           Department of Commerce, and other Federal  
17           agencies and departments determined by the Sec-  
18           retary of Transportation to have an important  
19           interest in, or responsibility for, other aspects of  
20           the system; and

21           (B) consult with, and ensure participation  
22           by, the private sector (including representatives  
23           of general aviation, commercial aviation, and  
24           the space industry), members of the public, and  
25           other interested parties.

1           (3) *DEVELOPMENT CRITERIA AND REQUIRE-*  
2           *MENTS.—In developing the next generation air traffic*  
3           *management system plan under paragraph (1), the*  
4           *Office shall—*

5                   (A) *develop system performance require-*  
6                   *ments;*

7                   (B) *select an operational concept to meet*  
8                   *system performance requirements for all system*  
9                   *users;*

10                  (C) *ensure integration of civil and military*  
11                  *system requirements, balancing safety, security,*  
12                  *and efficiency, in order to leverage Federal fund-*  
13                  *ing;*

14                  (D) *utilize modeling, simulation, and ana-*  
15                  *lytical tools to quantify and validate system per-*  
16                  *formance and benefits;*

17                  (E) *develop a transition plan, including*  
18                  *necessary regulatory aspects, that ensures oper-*  
19                  *ational achievability for system operators;*

20                  (F) *develop transition requirements for on-*  
21                  *going modernization programs, if necessary;*

22                  (G) *develop a schedule for aircraft equip-*  
23                  *ment implementation and appropriate benefits*  
24                  *and incentives to make that schedule achievable;*  
25                  *and*

1           (H) assess, as part of its function within  
2           the Office of Aeronautical and Aviation Liaison,  
3           the technical readiness of appropriate research  
4           technological advances for integration of such re-  
5           search and advances into the plan.

6           (c) *AUTHORIZATION OF APPROPRIATIONS.*—There are  
7           authorized to be appropriated to the Administrator of the  
8           Federal Aviation Administration \$300,000,000 for the pe-  
9           riod beginning with fiscal year 2004 and ending with fiscal  
10          year 2010 to carry out this section.

11       **SEC. 623. REPORT ON CERTAIN MARKET DEVELOPMENTS**  
12                               **AND GOVERNMENT POLICIES.**

13          Within 6 months after the date of enactment of this  
14       Act, the Department of Transportation's Office of Aerospace  
15       and Aviation liaison, in cooperation with appropriate Fed-  
16       eral agencies, shall submit to the Senate Committee on  
17       Commerce, Science, and Transportation, the House of Rep-  
18       resentatives Committee on Science, and the House of Rep-  
19       resentatives Committee on Transportation and Infrastruc-  
20       ture a report about market developments and government  
21       policies influencing the competitiveness of the United States  
22       jet transport aircraft industry that—

23               (1) describes the structural characteristics of the  
24       United States and the European Union jet transport  
25       industries, and the markets for these industries;

1           (2) examines the global market factors affecting  
2           the jet transport industries in the United States and  
3           the European Union, such as passenger and freight  
4           airline purchasing patterns, the rise of low-cost car-  
5           riers and point-to-point service, the evolution of new  
6           market niches, and direct and indirect operating cost  
7           trends;

8           (3) reviews government regulations in the United  
9           States and the European Union that have altered the  
10          competitive landscape for jet transport aircraft, such  
11          as airline deregulation, certification and safety regu-  
12          lations, noise and emissions regulations, government  
13          research and development programs, advances in air  
14          traffic control and other infrastructure issues, cor-  
15          porate and air travel tax issues, and industry consoli-  
16          dation strategies;

17          (4) analyzes how changes in the global market  
18          and government regulations have affected the competi-  
19          tive position of the United States aerospace and avia-  
20          tion industry vis-à-vis the European Union aerospace  
21          and aviation industry; and

22          (5) describes any other significant developments  
23          that affect the market for jet transport aircraft.

1       **Subtitle B—Technical Programs**

2       **SEC. 641. AEROSPACE AND AVIATION SAFETY WORKFORCE**

3                       **INITIATIVE.**

4           (a) *IN GENERAL.*—*The Administrator of the National*  
5 *Aeronautics and Space Administration and the Adminis-*  
6 *trator of the Federal Aviation Administration shall estab-*  
7 *lish a joint program of competitive, merit-based grants for*  
8 *eligible applicants to increase the number of students study-*  
9 *ing toward and completing technical training programs,*  
10 *certificate programs, and associate’s, bachelor’s, master’s, or*  
11 *doctorate degrees in fields related to aerospace and aviation*  
12 *safety.*

13           (b) *INCREASED PARTICIPATION GOAL.*—*In selecting*  
14 *projects under this paragraph, the Director shall consider*  
15 *means of increasing the number of students studying to-*  
16 *ward and completing technical training and apprenticeship*  
17 *programs, certificate programs, and associate’s or bachelor’s*  
18 *degrees in fields related to aerospace and aviation safety*  
19 *who are individuals identified in section 33 or 34 of the*  
20 *Science and Engineering Equal Opportunities Act (42*  
21 *U.S.C. 1885a or 1885b).*

22           (c) *SUPPORTABLE PROJECTS.*—*The types of projects*  
23 *the Administrators may consider under this paragraph in-*  
24 *clude those that promote high quality—*

25                       (1) *interdisciplinary teaching;*

1           (2) *undergraduate-conducted research;*

2           (3) *mentor relationships for students;*

3           (4) *graduate programs;*

4           (5) *bridge programs that enable students at com-*  
5 *munity colleges to matriculate directly into bacca-*  
6 *laureate aerospace and aviation safety related pro-*  
7 *grams;*

8           (6) *internships, including mentoring programs,*  
9 *carried out in partnership with the aerospace and*  
10 *aviation industry;*

11           (7) *technical training and apprenticeship that*  
12 *prepares students for careers in aerospace manufac-*  
13 *turing or operations; and*

14           (8) *innovative uses of digital technologies, par-*  
15 *ticularly at institutions of higher education that serve*  
16 *high numbers or percentages of economically dis-*  
17 *advantaged students.*

18       (d) *GRANTEE REQUIREMENTS.—In developing grant*  
19 *requirements under this section, the Administrators shall*  
20 *consider means, developed in concert with applicants, of in-*  
21 *creasing the number of students studying toward and com-*  
22 *pleting technical training and apprenticeship programs,*  
23 *certificate programs, and associate's or bachelor's degrees*  
24 *in fields related to aerospace and aviation safety.*

25       (e) *DEFINITIONS.—In this section:*

1           (1) *ELIGIBLE APPLICANT DEFINED.*—The term  
2 “eligible applicant” means—

3           (A) an institution of higher education;

4           (B) a consortium of institutions of higher  
5 education; or

6           (C) a partnership between—

7           (i) an institution of higher education  
8 or a consortium of such institutions; and

9           (ii) a nonprofit organization, a State  
10 or local government, or a private company,  
11 with demonstrated experience and effective-  
12 ness in aerospace education.

13           (2) *INSTITUTION OF HIGHER EDUCATION.*—The  
14 term “institution of higher education” has the mean-  
15 ing given that term by subsection (a) of section 101  
16 of the Higher Education Act of 1965 (20 U.S.C.  
17 1001(a)), and includes an institution described in  
18 subsection (b) of that section.

19           (f) *AUTHORIZATION OF APPROPRIATIONS.*—

20           (1) *NASA.*—There are authorized to be appro-  
21 priated to the Administrator of the National Aero-  
22 nautics and Space Administration such sums as may  
23 be necessary for fiscal year 2004 to carry out this sec-  
24 tion.

1           (2) *FAA.*—*There are authorized to be appro-*  
2           *priated to the Administrator of the Federal Aviation*  
3           *Administration such sums as may be necessary for*  
4           *fiscal year 2004 to carry out this section.*

5           (d) *REPORT, BUDGET, AND PLAN.*—*Within 180 days*  
6           *after the date of enactment of this Act, the Administrators*  
7           *jointly shall submit to the Senate Committee on Commerce,*  
8           *Science, and Transportation and the House of Representa-*  
9           *tives Committee on Transportation and Infrastructure a re-*  
10          *port setting forth—*

11           (1) *recommendations as to whether the program*  
12          *authorized by this section should be extended for mul-*  
13          *tiple years;*

14           (2) *a budget for such a multi-year program; and*

15           (3) *a plan for conducting such a program.*

16   **SEC. 642. SCHOLARSHIPS FOR SERVICE.**

17          (a) *IN GENERAL.*—*The Administrator of the National*  
18          *Aeronautics and Space Administration and the Adminis-*  
19          *trator of the Federal Aviation Administration shall develop*  
20          *a joint student loan program for fulltime students enrolled*  
21          *in an undergraduate or post-graduate program leading to*  
22          *an advanced degree in an aerospace-related or aviation*  
23          *safety-related field of endeavor.*

24          (b) *INTERNSHIPS.*—*The Administrators may provide*  
25          *temporary internships to such students.*

1       (c) *AUTHORIZATION OF APPROPRIATIONS.*—

2           (1) *NASA.*—*There are authorized to be appro-*  
3       *priated to the Administrator of the National Aero-*  
4       *navitics and Space Administration such sums as may*  
5       *be necessary for fiscal year 2004 to carry out this sec-*  
6       *tion.*

7           (2) *FAA.*—*There are authorized to be appro-*  
8       *priated to the Administrator of the Federal Aviation*  
9       *Administration such sums as may be necessary for*  
10      *fiscal year 2004 to carry out this section.*

11      (g) *REPORT, BUDGET, AND PLAN.*—*Within 180 days*  
12      *after the date of enactment of this Act, the Administrators*  
13      *jointly shall submit to the Senate Committee on Commerce,*  
14      *Science, and Transportation and the House of Representa-*  
15      *tives Committee on Transportation and Infrastructure a re-*  
16      *port setting forth—*

17           (1) *recommendations as to whether the program*  
18      *authorized by this section should be extended for mul-*  
19      *tiple years;*

20           (2) *a budget for such a multi-year program; and*

21           (3) *a plan for conducting such a program.*

1                   **Subtitle C—FAA Research,**  
2                   **Engineering, and Development**

3   **SEC. 661. RESEARCH PROGRAM TO IMPROVE AIRFIELD**  
4                   **PAVEMENTS.**

5           *The Administrator of the Federal Aviation Adminis-*  
6   *tration shall continue the program to consider awards to*  
7   *nonprofit concrete and asphalt pavement research founda-*  
8   *tions to improve the design, construction, rehabilitation,*  
9   *and repair of rigid concrete airfield pavements to aid in*  
10   *the development of safer, more cost-effective, and more dura-*  
11   *ble airfield pavements. The Administrator may use grants*  
12   *or cooperative agreements in carrying out this section.*  
13   *Nothing in this section requires the Administrator to*  
14   *prioritize an airfield pavement research program above*  
15   *safety, security, Flight 21, environment, or energy research*  
16   *programs.*

17   **SEC. 662. ENSURING APPROPRIATE STANDARDS FOR AIR-**  
18                   **FIELD PAVEMENTS.**

19           *(a) IN GENERAL.—The Administrator of the Federal*  
20   *Aviation Administration shall review and determine wheth-*  
21   *er the Federal Aviation Administration’s standards used to*  
22   *determine the appropriate thickness for asphalt and con-*  
23   *crete airfield pavements are in accordance with the Federal*  
24   *Aviation Administration’s standard 20-year-life require-*  
25   *ment using the most up-to-date available information on*

1 *the life of airfield pavements. If the Administrator deter-*  
2 *mines that such standards are not in accordance with that*  
3 *requirement, the Administrator shall make appropriate ad-*  
4 *justments to the Federal Aviation Administration's stand-*  
5 *ards for airfield pavements.*

6       **(b) REPORT.**—*Within 1 year after the date of enact-*  
7 *ment of this Act, the Administrator shall report the results*  
8 *of the review conducted under subsection (a) and the adjust-*  
9 *ments, if any, made on the basis of that review to the Senate*  
10 *Committee on Commerce, Science, and Transportation and*  
11 *the House of Representatives Committee on Transportation*  
12 *and Infrastructure.*

13 **SEC. 663. ASSESSMENT OF WAKE TURBULENCE RESEARCH**  
14 **AND DEVELOPMENT PROGRAM.**

15       **(a) ASSESSMENT.**—*The Administrator of the Federal*  
16 *Aviation Administration shall enter into an arrangement*  
17 *with the National Research Council for an assessment of*  
18 *the Federal Aviation Administration's proposed wake tur-*  
19 *bulence research and development program. The assessment*  
20 *shall include—*

21               **(1)** *an evaluation of the research and develop-*  
22 *ment goals and objectives of the program;*

23               **(2)** *a listing of any additional research and de-*  
24 *velopment objectives that should be included in the*  
25 *program;*

1           (3) *any modifications that will be necessary for*  
2           *the program to achieve the program's goals and objec-*  
3           *tives on schedule and within the proposed level of re-*  
4           *sources; and*

5           (4) *an evaluation of the roles, if any, that should*  
6           *be played by other Federal agencies, such as the Na-*  
7           *tional Aeronautics and Space Administration and the*  
8           *National Oceanic and Atmospheric Administration,*  
9           *in wake turbulence research and development, and*  
10          *how those efforts could be coordinated.*

11          (b) *REPORT.*—*A report containing the results of the*  
12          *assessment shall be provided to the Committee on Science*  
13          *of the House of Representatives and to the Committee on*  
14          *Commerce, Science, and Transportation of the Senate not*  
15          *later than 1 year after the date of enactment of this Act.*

16          (c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
17          *authorized to be appropriated to the Administrator of the*  
18          *Federal Aviation Administration \$500,000 for fiscal year*  
19          *2004 to carry out this section.*

20          ***SEC. 664. CABIN AIR QUALITY RESEARCH PROGRAM.***

21          *In accordance with the recommendation of the Na-*  
22          *tional Academy of Sciences in its report entitled "The Air-*  
23          *liner Cabin Environment and the Health of Passengers and*  
24          *Crew", the Federal Aviation Administration shall establish*  
25          *a research program to address questions about improving*

1 *cabin air quality of aircraft, including methods to limit*  
2 *airborne diseases.*

3 **SEC. 665. INTERNATIONAL ROLE OF THE FAA.**

4 *Section 40101(d) is amended by adding at the end the*  
5 *following:*

6 *“(8) Exercising leadership with the Administra-*  
7 *tor’s foreign counterparts, in the International Civil*  
8 *Aviation Organization and its subsidiary organiza-*  
9 *tions, and other international organizations and fora,*  
10 *and with the private sector to promote and achieve*  
11 *global improvements in the safety, efficiency, and en-*  
12 *vironmental effect of air travel.”.*

13 **SEC. 666. FAA REPORT ON OTHER NATIONS’ SAFETY AND**  
14 **TECHNOLOGICAL ADVANCEMENTS.**

15 *The Administrator of the Federal Aviation Adminis-*  
16 *tration shall review aviation and aeronautical safety, and*  
17 *research funding and technological actions in other coun-*  
18 *tries. The Administrator shall submit a report to the Com-*  
19 *mittee on Science of the House of Representatives and to*  
20 *the Committee on Commerce, Science, and Transportation*  
21 *of the Senate, together with any recommendations as to how*  
22 *such activities might be utilized in the United States.*

1 **SEC. 667. DEVELOPMENT OF ANALYTICAL TOOLS AND CER-**  
2 **TIFICATION METHODS.**

3 *The Federal Aviation Administration shall conduct re-*  
4 *search to promote the development of analytical tools to im-*  
5 *prove existing certification methods and to reduce the over-*  
6 *all costs for the certification of new products.*

7 **SEC. 668. PILOT PROGRAM TO PROVIDE INCENTIVES FOR**  
8 **DEVELOPMENT OF NEW TECHNOLOGIES.**

9 (a) *IN GENERAL.*—*The Administrator of the Federal*  
10 *Aviation Administration may conduct a limited pilot pro-*  
11 *gram to provide operating incentives to users of the air-*  
12 *space for the deployment of new technologies, including*  
13 *technologies to facilitate expedited flight routing and se-*  
14 *quencing of take-offs and landings.*

15 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
16 *authorized to be appropriated to the Administrator*  
17 *\$500,000 for fiscal year 2004.*

18 **SEC. 669. FAA CENTER FOR EXCELLENCE FOR APPLIED RE-**  
19 **SEARCH AND TRAINING IN THE USE OF AD-**  
20 **VANCED MATERIALS IN TRANSPORT AIR-**  
21 **CRAFT.**

22 (a) *IN GENERAL.*—*The Administrator of the Federal*  
23 *Aviation Administration shall develop a Center for Excel-*  
24 *lence focused on applied research and training on the dura-*  
25 *bility and maintainability of advanced materials in trans-*

1 port airframe structures, including the use of polymeric  
2 composites in large transport aircraft. The Center shall—

3 (1) promote and facilitate collaboration among  
4 academia, the Federal Aviation Administration's  
5 Transportation Division, and the commercial aircraft  
6 industry, including manufacturers, commercial air  
7 carriers, and suppliers; and

8 (2) establish goals set to advance technology, im-  
9 prove engineering practices, and facilitate continuing  
10 education in relevant areas of study.

11 (b) *AUTHORIZATION OF APPROPRIATIONS.*—There are  
12 authorized to be appropriated to the Administrator  
13 \$500,000 for fiscal year 2004 to carry out this section.

14 **SEC. 670. FAA CERTIFICATION OF DESIGN ORGANIZATIONS.**

15 (a) *GENERAL AUTHORITY TO ISSUE CERTIFICATES.*—  
16 Section 44702(a) is amended by inserting “design organiza-  
17 tion certificates,” after “airman certificates,”.

18 (b) *DESIGN ORGANIZATION CERTIFICATES.*—

19 (1) *IN GENERAL.*—Section 44704 is amended—

20 (A) by striking the section heading and in-  
21 serting the following:

22 **“§ 44704. Design organization certificates, type cer-  
23 tificates, production certificates, and air-  
24 worthiness certificates”;**

1                   (B) by redesignating subsections (a) through  
2                   (d) as subsections (b) through (e);

3                   (C) by inserting before subsection (b) the  
4                   following:

5                   “(a) *DESIGN ORGANIZATION CERTIFICATES.*—

6                   “(1) *PLAN.*—Within 3 years after the date of en-  
7                   actment of the *Aviation Investment and Revitaliza-*  
8                   *tion Vision Act*, the Administrator of the *Federal*  
9                   *Aviation Administration* shall submit a plan to the  
10                  *Senate Committee on Commerce, Science, and Trans-*  
11                  *portation and the House of Representatives Com-*  
12                  *mittee on Transportation and Infrastructure for the*  
13                  *development and oversight of a system for certifi-*  
14                  *cation of design organizations under paragraph (2)*  
15                  *that ensures that the system meets the highest stand-*  
16                  *ards of safety.*

17                  “(2) *IMPLEMENTATION OF PLAN.*—Within 5  
18                  years after the date of enactment of the *Aviation In-*  
19                  *vestment and Revitalization Vision Act*, the *Adminis-*  
20                  *trator of the Federal Aviation Administration* may  
21                  commence the issuance of design organization certifi-  
22                  cates under paragraph (3) to authorize design organi-  
23                  zations to certify compliance with the requirements  
24                  and minimum standards prescribed under section

1       44701(a) for the type certification of aircraft, aircraft  
2       engines, propellers, or appliances.

3           “(3) *ISSUANCE OF CERTIFICATES.*—On receiving  
4       an application for a design organization certificate,  
5       the Administrator shall examine and rate the design  
6       organization in accordance with the regulations pre-  
7       scribed by the Administrator to determine that the de-  
8       sign organization has adequate engineering, design,  
9       and testing capabilities, standards, and safeguards to  
10      ensure that the product being certificated is properly  
11      designed and manufactured, performs properly, and  
12      meets the regulations and minimum standards pre-  
13      scribed under that section. The Administrator shall  
14      include in a design organization certificate terms re-  
15      quired in the interest of safety.

16           “(4) *NO EFFECT ON POWER OF REVOCATION.*—  
17      Nothing in this subsection affects the authority of the  
18      Secretary of Transportation to revoke a certificate.”;

19           (D) by striking subsection (b), as redesi-  
20      gnated, and inserting the following:

21           “(b) *TYPE CERTIFICATES.*—

22           “(1) *IN GENERAL.*—The Administrator may  
23      issue a type certificate for an aircraft, aircraft en-  
24      gine, or propeller, or for an appliance specified under  
25      paragraph (2)(A) of this subsection—

1           “(A) *when the Administrator finds that the*  
2           *aircraft, aircraft engine, or propeller, or appli-*  
3           *ance is properly designed and manufactured,*  
4           *performs properly, and meets the regulations and*  
5           *minimum standards prescribed under section*  
6           *44701(a) of this title; or*

7           “(B) *based on a certification of compliance*  
8           *made by a design organization certificated under*  
9           *subsection (a).*

10          “(2) *INVESTIGATION AND HEARING.—On receiv-*  
11          *ing an application for a type certificate, the Adminis-*  
12          *trator shall investigate the application and may con-*  
13          *duct a hearing. The Administrator shall make, or re-*  
14          *quire the applicant to make, tests the Administrator*  
15          *considers necessary in the interest of safety.”.*

16          “(c) *REINSPECTION AND REEXAMINATION.—Section*  
17          *44709(a) is amended by inserting “design organization,*  
18          *production certificate holder,” after “appliance,”.*

19          “(d) *PROHIBITIONS.—Section 44711(a)(7) is amended*  
20          *by striking “agency” and inserting “agency, design organi-*  
21          *zation certificate, ”.*

22          “(e) *CONFORMING AMENDMENTS.—*

23                 “(1) *CHAPTER ANALYSIS.—The chapter analysis*  
24                 *for chapter 447 is amended by striking the item relat-*  
25                 *ing to section 44704 and inserting the following:*

*“44704. Design organization certificates, type certificates, production certificates, and airworthiness certificates.”.*

1           (2) *CROSS REFERENCE.—Section 44715(a)(3) is*  
 2           *amended by striking “44704(a)” and inserting*  
 3           *“44704(b)”.*

4   **SEC. 671. REPORT ON LONG TERM ENVIRONMENTAL IM-**  
 5           **PROVEMENTS.**

6           (a) *IN GENERAL.—The Administrator of the Federal*  
 7           *Aviation Administration, in consultation with the Admin-*  
 8           *istrator of the National Aeronautics and Space Administra-*  
 9           *tion and the head of the Department of Transportation’s*  
 10           *Office of Aerospace and Aviation Liaison, shall conduct a*  
 11           *study of ways to reduce aircraft noise and emissions and*  
 12           *to increase aircraft fuel efficiency. The study shall—*

13           (1) *explore new operational procedures for air-*  
 14           *craft to achieve those goals;*

15           (2) *identify both near term and long term op-*  
 16           *tions to achieve those goals;*

17           (3) *identify infrastructure changes that would*  
 18           *contribute to attainment of those goals;*

19           (4) *identify emerging technologies that might*  
 20           *contribute to attainment of those goals;*

21           (5) *develop a research plan for application of*  
 22           *such emerging technologies, including new combustor*  
 23           *and engine design concepts and methodologies for de-*  
 24           *signing high bypass ratio turbofan engines so as to*

1       *minimize the effects on climate change per unit of*  
2       *production of thrust and flight speed; and*

3               *(6) develop an implementation plan for exploit-*  
4       *ing such emerging technologies to attain those goals.*

5       *(b) REPORT.—The Administrator shall transmit a re-*  
6       *port on the study to the Senate Committee on Commerce,*  
7       *Science, and Transportation and the House of Representa-*  
8       *tives Committee on Transportation and Infrastructure*  
9       *within 1 year after the date of enactment of this Act.*

10       *(c) AUTHORIZATION OF APPROPRIATIONS.—There are*  
11       *authorized to be appropriated to the Administrator of the*  
12       *Federal Aviation Administration \$500,000 for fiscal year*  
13       *2004 to carry out this section.*

**Calendar No. 83**

108TH CONGRESS  
1ST SESSION

**S. 824**

**[Report No. 108-41]**

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**A BILL**

To reauthorize the Federal Aviation  
Administration, and for other purposes.

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MAY 2, 2003

Reported with an amendment