

1                   “(ii) all the security equipment required by regulation;

2                   and

3                   “(iii) provided for access, to the area of the airport for passengers

4                   for boarding or exiting aircraft, to those passengers boarding or exiting

5                   aircraft, except air carrier aircraft;

6                   “(B) if the cost is directly related to moving passengers and

7                   baggage in air commerce within the airport, including vehicles for moving

8                   passengers between terminal facilities and between terminal facilities and aircraft; and

9                   “(C) under terms necessary to protect the interests of the

10                  Government.

11                  “(2) In making a decision under paragraph (1) of this subsection, the Secretary

12                  may approve as allowable costs the expenses of terminal development in a revenue-

13                  producing area and construction, reconstruction, repair, and improvement in a

14                  nonrevenue-producing parking lot if—

15                         “(A) except as provided in section 47108(e)(3), the airport does not have

16                         more than .05 percent of the total annual passenger boardings in the United States;

17                         and

18                         “(B) the sponsor certifies that any needed airport development project

19                         affecting safety, security, or capacity will not be deferred because of the

20                         Secretary’s approval.”;

21                  (2) in subsection (b), as redesignated--

22                         (A) in paragraph (4)(A), by striking “section 47110(d)” and inserting

23                         “subsection (a)”;

24                         (B) in paragraph (5), by striking “subsection (b)(1) and (2)” and inserting

25                         “subsection (c)(1) and (2)”;

26                         (3) by inserting at the end the following new subsections:

27                         “(f) LIMITATION ON DISCRETIONARY FUNDS.—The Secretary may

28                         distribute not more than \$20,000,000 from the discretionary fund established under

29                         section 47115 of this title for terminal development projects at a nonhub airport or a

30                         small hub primary airport that is eligible to receive discretionary funds under section

31                         47108(e)(3) of this title.”.

1 (e) ANNUAL REPORT.—Section 47131(a) is amended—

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

3 (2) by revising paragraphs (1), (2), (3) and (4) to read as follows:

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

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

6 “(3) an accounting of discretionary and apportioned funds  
7 allocated;

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

9 (f) CORRECTION TO EMISSION CREDITS PROVISION.—Section 47139 is  
10 amended—

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

12 (2) in subsection (b)—

13 (A) by striking “47102(3)(F),”;

14 (B) by striking “47102(3)(L), or 47140” and inserting “or  
15 47102(3)(L),”;

16 (C) by striking “47103(3)(F),”;

17 (D) by striking “47102(3)(L), or 47140,” and inserting “or  
18 “47102(3)(L),”.

19 (g) REPEAL OF AIRPORT GROUND SUPPORT EQUIPMENT EMISSIONS  
20 RETROFIT PILOT PROGRAM.—Section 47140 is repealed.

21 (h) CORRECTION TO SURPLUS PROPERTY AUTHORITY.—Section  
22 47151(e) is amended by striking “(other than real property that is subject to section 2687  
23 of title 10, section 201 of the Defense Authorization Amendments and Base Closure and  
24 Realignment Act (10 U.S.C. 2687 note), or section 2905 of the Defense Base Closure and  
25 Realignment Act of 1990 (10 U.S.C. 2687 note)”.

26 (i) AIRPORT CAPACITY BENCHMARK REPORTS; DEFINITION OF JOINT  
27 USE AIRPORT.—Section 47175 is amended—

28 (A) in paragraph (2), by striking “Airport Capacity Benchmark Report 2001.” and  
29 inserting “2001 and 2004 Airport Capacity Benchmark Reports or of the most recent  
30 Benchmark report.”; and

31 (B) by adding at the end:

1           “(7) JOINT USE AIRPORT.—The term “joint use airport” means an airport  
2 owned by the United States Department of Defense, at which both military and civilian  
3 aircraft make shared use of the airfield.”.

4           (j) CONFORMING AMENDMENT TO CIVIL PENALTY ASSESSMENT  
5 AUTHORITY.—Section 46301(d)(2) is amended by striking “46318,” and inserting  
6 “46318, 46319”.

7           (k) FUNDING FOR ADMINISTRATIVE EXPENSES FOR AIRPORT  
8 PROGRAMS.--(1) Section 48105 is amended to read as follows:

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

10           "Of the amount newly made available, the following shall be available for  
11 administrative expenses relating to the Airport Improvement Program, passenger facility  
12 fee approval and oversight, national airport system planning, airport standards  
13 development and enforcement, airport certification, airport-related environmental  
14 activities (including legal services), and other airport-related activities (including airport  
15 technology research), to remain available until expended —

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

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

18           “(3) for fiscal year 2010, \$89,000,000.”.

19           (2) CONFORMING AMENDMENTS.--The analysis of chapter 481 is amended  
20 by revising the title for section 48105 to read as follows:

21 "48105. Airport programs administrative expenses."

22  
23  
24           Title IV—MANAGEMENT AND ORGANIZATION REFORMS

25  
26       **SEC. 401. AIR TRANSPORTATION SYSTEM ADVISORY BOARD.**

27           Section 106 is amended by striking subsection (p) and inserting in lieu thereof the  
28 following:

29           “(p) AIR TRANSPORTATION SYSTEM ADVISORY BOARD.—

30           “(1) ESTABLISHMENT.—The Secretary shall establish an advisory Board  
31 which shall be known as the Air Transportation System Advisory Board (in this  
32 subsection referred to as the ‘Board’).



1                   “(vi) labor relations.

2           “(4) FUNCTIONS.—

3                   “(A) IN GENERAL.—The Board shall--

4                   “(i) review and provide advice on the Administration’s safety programs,  
5 budget, and cost accounting system;

6                   “(ii) review the Administration’s strategic plan and make  
7 recommendations on the non-safety program portions of the plan, and provide  
8 advice on the safety programs of the plan;

9                   “(iii) review the operational efficiency of the air traffic control system and  
10 make recommendations on the operational and performance metrics for that  
11 system;

12                   “(iv) review and make recommendations on the Administration’s plan for  
13 modernizing that system and capital expenditures for a project of \$100,000,000 or  
14 more related to the system;

15                   “(v) make recommendations of the type and level of fees to be established  
16 by the Administration under sections 45305 and 45306 and for any adjustments to  
17 those fees in accordance with the procedures established under those sections; and

18                   “(vi) provide advice on the Administrator’s selection of a Chief Operating  
19 Officer for the Air Traffic Organization and on the appointment and  
20 compensation of its managers.

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

23                   “(C) ACCESS TO DOCUMENTS AND STAFF.—The Administration  
24 may give the Board appropriate access to relevant documents and personnel of the  
25 Administration, and the Administrator shall make available, consistent with the  
26 authority to withhold commercial and other proprietary information under section  
27 552 of title 5 (commonly known as the ‘Freedom of Information Act’), cost data  
28 associated with the acquisition and operation of air traffic control systems. Any  
29 member of the Board who receives commercial or other proprietary data from the  
30 Administrator shall be subject to the provisions of section 1905 of title 18,  
31 pertaining to unauthorized disclosure of such information.

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

4           “(6) ADMINISTRATIVE MATTERS.—

5                 “(A) TERMS OF MEMBERS.—Members of the Board appointed under  
6 paragraph (2)(B) and (2)(C) shall be appointed for a term of 3 years. Of the  
7 members first appointed by the Secretary—

8                     “(i) 3 shall be appointed for terms of 1 year;

9                     “(ii) 4 shall be appointed for terms of 2 years;

10                    “(iii) 4 shall be appointed for terms of 3 years.

11                 “(B) REAPPOINTMENT.—No individual may be appointed to the Board  
12 for more than six years total.

13                 “(C) VACANCY.—Any vacancy on the Board shall be filled in the same  
14 manner as the original position. Any member appointed to fill a vacancy  
15 occurring before the expiration of the term for which the member’s predecessor  
16 was appointed shall be appointed for the remainder of that term.

17                 “(D) CONTINUATION IN OFFICE.—A member of the Board whose  
18 term expires shall continue to serve until the date on which the member’s  
19 successor takes office.

20                 “(E) REMOVAL.—Any member of the Board appointed under paragraph  
21 (2)(B) or (2)(C) may be removed by the Secretary.

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

23                     “(i) IN GENERAL.—A member appointed to the Board shall have  
24 no personal liability under State or Federal law with respect to any claim  
25 arising out of or resulting from an act or omission by such member within  
26 the scope of service as a member of the Board.

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

29                         (I) to affect any other immunity or protection that may be available  
30 to a member of the Board under applicable law with respect to such  
31 transactions;

1 (II) to affect any other right or remedy against the United States  
2 under applicable law; or

3 (III) to limit or alter in any way the immunities that are available  
4 under applicable law for

5 Federal officers and employees.

6 “(G) ETHICAL CONSIDERATIONS.—Each member of the Board  
7 appointed under paragraph (2)(B) must self-certify that he or she--

8 “(i) does not have a pecuniary interest in, or own stock in or  
9 bonds of, an aviation or aeronautical enterprise, except an interest in  
10 a diversified mutual fund or an interest that is exempt from the  
11 application of section 208 of title 18;

12 “(ii) does not engage in another business related to aviation or  
13 aeronautics; or

14 “(iii) is not a member of any organization that engages, as a  
15 substantial part of its activities, in activities to influence aviation-  
16 related legislation.

17 “(H) CHAIRMAN; VICE CHAIRMAN.—The Board shall elect a chair  
18 and a vice chair from among its members, each of whom shall serve for a term of  
19 2 years. The vice chair shall perform the duties of the chairman in the absence of  
20 the chairman.

21 “(I) COMPENSATION.—No member shall receive any compensation or  
22 other benefits from the Federal government for serving on the Board, except for  
23 compensation benefits for injuries under subchapter I of chapter 81 of title 5,  
24 United States Code (Federal Employees’ Compensation Act) and except as  
25 provided under subparagraph (J).

26 “(J) EXPENSES.—Each member of the Board shall be paid actual travel  
27 expenses and per diem in lieu of subsistence expenses when away from his or her  
28 usual place of residence, in accordance with section 5703 of title 5.

29 “(K) DETAIL OF PERSONNEL FROM THE ADMINISTRATION.—

1           The Administrator shall make available to the Board such staff,  
2 information, and administrative services and assistance as may reasonably be  
3 required to enable the Board to carry out its responsibilities under this subsection.

4           “(L) QUORUM AND VOTING.—A simple majority of members of the  
5 Board shall constitute a quorum. A majority vote of members present and voting  
6 shall be required for the Committee to take action.

7           “(7) ROLE OF THE ADMINISTRATOR AND THE SECRETARY.—All  
8 actions and functions of the Board are subject to the approval or disapproval of the  
9 Administrator and the Secretary.

10           “(8) AIR TRAFFIC CONTROL SYSTEM DEFINED.—In this section, the term  
11 “air traffic control system” has the meaning such term has under section 40102(a).”

12  
13 **SEC. 402. FACILITATION OF NEXT GENERATION AIR TRAFFIC**  
14 **SERVICES.**

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

16           “(7) SERVICES BY PRIVATE SECTOR.—In determining what actions to take,  
17 by rule or through an agreement or transaction under paragraph (6) or under section  
18 44502, to permit non-government providers of communications, navigation, surveillance  
19 or other services to provide such services in the National Airspace System, or to require  
20 the usage of such services, the Administrator shall consider whether such actions would:

21                   (A) promote the safety of life and property;

22                   (B) improve the efficiency of the National Airspace System and reduce the  
23 regulatory burden upon National Airspace System users, based upon sound  
24 engineering principles, user operational requirements, and marketplace demands;

25                   (C) encourage competition and provide services to the largest feasible  
26 number of users; and

27                   (D) take into account the unique role served by general aviation.”

28  
29 **SEC. 403. CLARIFICATION OF AUTHORITY TO ENTER INTO REIMBURSABLE**  
30 **AGREEMENTS.**  
31

32           Section 106(m) is amended in the last sentence by inserting “with or” before “without”.



1

2 **SEC. 404. DEFINITION OF AIR NAVIGATION FACILITY.**

3 Section 40102(4) is amended—

4 (1) by revising paragraph (B) to read “runway lighting and airport surface visual  
5 and other navigation aids;”;6 (2) in paragraph(C), by striking “weather information, signaling, radio-directional  
7 finding, or radio or other electromagnetic communication; and” and inserting  
8 “aeronautical and meteorological information to air traffic control facilities or aircraft,  
9 supplying communication, navigation or surveillance equipment for air-to-ground or air-  
10 to-air applications;”;

11 (3) in paragraph (D)—

12 (A) by striking “another structure” and inserting “any structure or  
13 equipment”; and

14 (B) by striking “aircraft.” and inserting “aircraft; and”; and

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

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

18

19 **SEC. 405. IMPROVED MANAGEMENT OF PROPERTY INVENTORY.**20 Section 40110(a)(2) is amended by striking “compensation; and” and inserting  
21 “compensation, and the amount received may be credited to the appropriation current when the  
22 amount is received; and”.

23

24 **SEC. 406. CLARIFICATION TO ACQUISITION REFORM AUTHORITY.**

25 Section 40110(c) is amended by—

26 (1) by striking paragraph (4); and

27 (2) by redesignating paragraph(5) as paragraph (4).

28

29 **SEC. 407. ASSISTANCE TO FOREIGN AVIATION AUTHORITIES.**

30 Section 40113(e) is amended—

31 (1) in paragraph (1), by--

1 (A) inserting “(public or private)” after the word “authorities”; and

2 (B) striking the period at the end of the first sentence and inserting:

3 “or efficiency. The Administrator is authorized to participate in, and submit  
4 offers in response to, competitions to provide these services, and to contract with  
5 foreign aviation authorities to provide these services consistent with the  
6 provisions under section 106(l)(6) of this title. The Administrator is also  
7 authorized, notwithstanding any other provision of law or policy, to accept  
8 payments in arrears.”; and

9 (2) in paragraph (3) by striking from “appropriation” through the end of the  
10 sentence and inserting “appropriation current when the expenditures are or were paid, or  
11 the appropriation current when the amount is received”.

12  
13 **SEC. 408. PRESIDENTIAL RANK AWARD PROGRAM.**

14 Section 40122(g)(2) is amended—

15 (1) in paragraph (H) by striking “Board.” and inserting “Board;”; and

16 (2) by inserting at the end the following new subparagraph:

17 “(G) section 4507(b), (c), and (d), relating to Meritorious Executive or  
18 Distinguished Executive rank awards, and section 4507a(b) and (c), relating to  
19 Meritorious Senior Professional or Distinguished Senior Professional rank-  
20 awards, *provided that*, for purposes of applying such provisions to the personnel  
21 management system, “agency” means the Department of Transportation, “senior  
22 executive” means an Federal Aviation Administration executive, “career  
23 appointee” means an Federal Aviation Administration career executive, and  
24 “senior career employee” means an Federal Aviation Administration career senior  
25 professional; *provided further that* receipt by a career appointee of the rank of  
26 Meritorious Executive or Meritorious Senior Professional entitles such individual  
27 to a lump-sum payment of an amount equal to 20 percent of annual basic pay,  
28 which shall be in addition to the basic pay paid under the Federal Aviation  
29 Administration Executive Compensation Plan; *and provided further that* receipt  
30 by a career appointee of the rank of Distinguished Executive or Distinguished  
31 Senior Professional entitles the individual to a lump-sum payment of an amount

1 equal to 35 percent of annual basic pay, which shall be in addition to the basic pay  
2 paid under the Federal Aviation Administration Executive Compensation plan.”.

3  
4 **SEC. 409. REALIGNMENT AND CONSOLIDATION OF AVIATION FACILITIES AND**  
5 **SERVICES.**

6 (a) Chapter 445 is amended by adding at the end the following new section:

7 **"Sec. 44518. Realignment and consolidation of aviation facilities and services.**

8 "(a) PURPOSE.--The purpose of this section is to provide a fair process that will result in  
9 the realignment or consolidation of services and facilities of the Federal Aviation Administration  
10 to help reduce capital, operating, maintenance, and administrative costs with no adverse effect on  
11 safety.

12 "(b) DEFINITIONS.--(1) The term 'congressional committees of interest' means the  
13 Committee on Commerce, Science and Transportation of the Senate, the Committee on  
14 Transportation and Infrastructure of the House of Representatives and the Committees on  
15 Appropriations of the Senate and House of Representatives.

16 "(2) The term 'Commission' means the Commission established by subsection (c) of this  
17 section.

18 "(3) The term 'realignment' includes any action which relocates functions and personnel  
19 positions but does not include a reduction in personnel resulting from workload adjustments.

20 "(c) ESTABLISHMENT OF COMMISSION.--(1) The Secretary may establish an  
21 independent commission to be known as the 'Realignment and Consolidation of Aviation  
22 Facilities and Services Commission'.

23 "(2) The Commission shall carry out the duties specified for it in this part.

24 "(3) The Commission shall be composed of five members appointed by the Secretary.  
25 Such members shall not be considered employees of the federal government.

26 "(4) Members of the Commission shall be appointed for a term of 3 years.

27 "(5) The Commission shall elect a chair from among its members.

28 "(6) A vacancy in the Commission shall be filled in the same manner as the original  
29 appointment but the individual appointed to fill the vacancy shall serve only for the unexpired  
30 portion of the term for which the individual's predecessor was appointed.

1           "(7) No member shall receive any compensation or other benefits from the Federal  
2 government for serving on the Commission, except for compensation benefits for injuries under  
3 subchapter I of chapter 81 of title 5, United States Code (Federal Employees' Compensation Act,  
4 and except that each member of the Commission shall be paid actual travel expenses and per  
5 diem in lieu of subsistence expenses when away from his or her usual place of residence in  
6 accordance with section 5703 of title 5, United States Code.

7           "(8) The Administrator of the Federal Aviation Administration shall make available to  
8 the Commission such staff, information, and administrative services and assistance as may  
9 reasonably be required to enable the Commission to carry out its responsibilities under this  
10 paragraph. The Commission may employ experts or consultants on a temporary or intermittent  
11 basis with the approval of the Secretary.

12           "(9) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the  
13 Commission.

14           "(d) FAA RECOMMENDATIONS FOR FACILITIES REALIGNMENT AND  
15 CONSOLIDATION.—Within six months after the establishment of the Commission by the  
16 Secretary, the Administrator, after providing an opportunity for public comment, shall publish  
17 the final criteria to be used in making the Administrator's recommendations for the realignment  
18 and consolidation of services and facilities under this section. On the basis of such final criteria,  
19 the Administrator shall publish in the Federal Register and transmit to the Commission a list of  
20 the services and facilities that the Administrator recommends for realignment and consolidation  
21 including a justification for each recommendation.

22           "(e) REVIEW AND RECOMMENDATIONS BY THE COMMISSION.—(1) After  
23 receiving the recommendations from the Administrator pursuant to subsection (d), the  
24 Commission shall opportunity for public comment on such recommendations.

25           (2) Based on its review and analysis of the Administrator's recommendations and any  
26 public comment it may receive, the Commission shall make its independent recommendations to  
27 the President for realignment and consolidation of aviation services or facilities.

28           “(3) The Commission shall explain and justify in its report submitted to the President any  
29 recommendation made by the Commission that is different from the recommendations made by  
30 the Administrator pursuant to subsection (d). The Commission shall transmit a copy of such

1 report to the congressional committees of interest on the same date on which it transmits its  
2 recommendations to the President under paragraph (2).

3 "(f) REVIEW BY THE PRESIDENT.--(1) The President shall transmit to the  
4 Commission and to the Congress a report containing the President's approval or disapproval of  
5 the Commission's recommendations.

6 "(2) If the President approves all the recommendations of the Commission, the President  
7 shall transmit a copy of such recommendations to the Congress, together with a certification of  
8 such approval.

9 "(3) If the President disapproves the recommendations of the Commission, in whole or in  
10 part, the President shall transmit to the Commission and the Congress the reasons for that  
11 disapproval. The Commission shall consider the President's report and may then transmit to the  
12 President a revised list of recommendations for the realignment and consolidation of services and  
13 facilities.

14 "(4) If the President approves all of the revised recommendations of the Commission  
15 transmitted to the President under paragraph (3), the President shall transmit a copy of such  
16 revised recommendations to the Congress, together with a certification of such approval.

17 "(5) If the President does not transmit to the Congress an approval and certification, the  
18 process by which agency services and facilities may be selected for realignment or consolidation  
19 under this section shall be terminated.

20 "(g) REALIGNMENT AND CONSOLIDATION OF SERVICES FACILITIES.--Subject  
21 to paragraph (h), the Administrator shall--

22 "(1) realign or consolidate all FAA services and facilities recommended for  
23 realignment or consolidation by the Commission in the report transmitted to the Congress  
24 by the President pursuant to subsection (f)(2) or (4);

25 "(2) initiate all such realignments and consolidations no later than two years after  
26 the date on which the President transmits a report to the Congress containing the  
27 recommendations for such realignments or consolidations; and

28 "(3) complete all such realignments and consolidations no later than the end of the  
29 six-year period beginning on the date on which the President transmits the report  
30 containing the recommendations for such realignments or consolidations.

1           "(h) CONGRESSIONAL DISAPPROVAL.--(1) The Administrator may not carry out  
2 any closure or realignment recommended by the Commission in a report transmitted from the  
3 President pursuant to subsection (f)(2) or (4) if a joint resolution is enacted, disapproving such  
4 recommendations of the Commission before the earlier of--

5           "(A) the end of the 60 day period beginning on the date on which the President transmits  
6 such report; or

7           "(B) the adjournment of Congress sine die for the session during which such report is  
8 transmitted.

9           "(2) For purposes of paragraph (1)(A), the days on which either House of Congress is not  
10 in session because of an adjournment of more than three days to a day certain shall be excluded  
11 in the computation of the 60 day period.

12           "(i) AUTHORIZATION.—(1) There is authorized to be appropriated to the Administrator  
13 such sums as may be necessary for the Commission to carry out its duties and for the  
14 Administrator to implement the realignment and consolidation of services and facilities as  
15 described in subsection (g).

16           "(2) Such sums shall remain available until expended.

17           "(j) EFFECT ON OTHER AUTHORITIES.--Nothing in this section shall affect the  
18 authorities provided in section 44503 or the existing authorities or responsibilities of the  
19 Administrator under this title to manage the operations of the Federal Aviation Administration,  
20 including realigning or consolidating facilities or services."

21           (b) CONFORMING AMENDMENT.—The analysis of chapter 455 is amended by  
22 adding at the end the following:

23           "44518. Realignment and consolidation of aviation facilities and services."

24  
25           **SEC. 410. OPERATIONAL AND APPROACH PROCEDURES BY THIRD PARTIES**  
26           **THROUGH DELEGATION.**

27           Section 44701 is amended by adding at the end the following:

28           "(g) DELEGATION.--Subject to any regulations, supervision, and review that the  
29 Administrator may prescribe, the Administrator may delegate to a qualified private person, or to  
30 an employee under the supervision of that person, the development, testing and maintenance of  
31 flight procedures."

1  
2 **SEC. 411. JUDICIAL REVIEW OF DENIAL OF AIRMAN CERTIFICATES.**

3 (a) JUDICIAL REVIEW OF NTSB DECISIONS.--Section 44703(d) is amended by  
4 adding at the end the following:

5 “(3) JUDICIAL REVIEW.—A person substantially affected by an order of the Board  
6 under subsection (d) of this section, or the Administrator when the Administrator decides that an  
7 order of the Board will have a significant adverse impact on carrying out this part, may obtain  
8 judicial review of the order under section 46110 of this title. The Administrator shall be made a  
9 party to the judicial review proceedings. The findings of fact of the Board in any such case are  
10 conclusive if supported by substantial evidence.”

11 (b) CONFORMING AMENDMENT.—Section 1153(c) is amended by striking “section  
12 44709 or” and inserting “section 44703(d), 44709 or”.

13  
14 **SEC. 412. RELEASE OF DATA RELATING TO ABANDONED TYPE CERTIFICATES**  
15 **AND SUPPLEMENTAL TYPE CERTIFICATES.**

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

17 “(5) RELEASE OF DATA.—(A) Notwithstanding any other provision of law, the  
18 Administrator may designate, without the consent of the owner of record, engineering data in the  
19 agency’s possession related to a type certificate or a supplemental type certificate for an aircraft,  
20 engine, propeller or appliance, along with any associated supplier approved data for that product  
21 as public data, and therefore releasable, upon request, to a person seeking to maintain the  
22 airworthiness of such product, if the Administrator determines that:

23 (i) the certificate containing the requested data has been inactive for three years;

24 (ii) the owner of record, or the owner of record’s heir, of the type certificate or  
25 supplemental certificate has not been located despite a search of due diligence by the  
26 agency; and

27 (iii) the designation of such data as public data will enhance aviation safety.

28 (B) For purposes of this section, “engineering data” means type design drawings and  
29 specifications for the entire product, including the original design data, any approved data for  
30 any supplemental type certificates, and any approved data for individual parts or components for  
31 the particular aeronautical product.”

1  
2 **SEC. 413. DESIGN ORGANIZATION CERTIFICATES.**

3 Section 44704(e) is amended--

4 (1) in paragraph (1)—

5 (A) by striking “Beginning 7 years after the date of enactment of this  
6 subsection,” and inserting “Effective January 1, 2013,”; and

7 (B) by striking “44701(a) for the type certification of aircraft, aircraft  
8 engines, propellers, or appliances.” and inserting “44701.”;

9 (2) in paragraph (2), by striking “testing” and inserting “production”; and

10 (3) by revising paragraph (3) to read as follows:

11 “(3) ISSUANCE OF CERTIFICATE BASED ON DESIGN ORGANIZATION  
12 CERTIFICATION.--The Administrator may rely on the Design Organization for certification of  
13 compliance under this section.”.

14  
15 **SEC. 414. CONTRACT TOWER PROGRAM.**

16 Section 47124(b) is amended

17 (1) in paragraph (1), by striking “(Visual Flight Rules) level I” and inserting  
18 “nonapproach control”; and

19 (2) in paragraph (2), by striking “an airport traffic control tower classified as a level I  
20 (Visual Flight Rules)” and inserting “a low activity nonapproach control air traffic control”.

21  
22 **SEC. 415. ENHANCED OVERSIGHT OF NEXT GENERATION AIR**  
23 **TRANSPORTATION SYSTEM JOINT PLANNING AND DEVELOPMENT OFFICE.**

24 Section 709 of Vision 100—Century of Aviation Reauthorization Act (Pub. L. 108-176,  
25 Dec. 12, 2003, 117 STAT. 2490, 2582) (49 U.S.C. 40101 note) is amended—

26 (1) in subsection (a)—

27 (A) in paragraph (1), by adding at the end, “The Director of the Office shall be  
28 supervised for various purposes by such officer or officers of the Department as the  
29 Secretary may specify.

30 (B) adding at the end the following:





1 **SEC. 502. FAA ACCESS TO CRIMINAL HISTORY RECORDS OR DATABASE**  
2 **SYSTEMS.**

3 (a) IN GENERAL.--Chapter 401 is revised by adding new section 40130 to read as  
4 follows:

5 **“§ 40130. FAA access to criminal history records or databases systems**

6 “(a) ACCESS TO RECORDS OR DATABASES SYSTEMS.—(1) Notwithstanding  
7 section 534 of title 28, United States Code, and the implementing regulations for such section  
8 (28 C.F.R. part 20), the Administrator of the Federal Aviation Administration is authorized to  
9 access a system of documented criminal justice information maintained by the Department of  
10 Justice or by a State but may do so only for the purpose of carrying out its civil and  
11 administrative responsibilities to protect the safety and security of the National Airspace System  
12 or to support the missions of the Department of Justice, the Department of Homeland Security  
13 and other law enforcement agencies. The Administrator shall be subject to the same conditions  
14 or procedures established by the Department of Justice or State for access to such an information  
15 system by other governmental agencies with access to the system.

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

18 “(b) DESIGNATED EMPLOYEES.—The Administrator shall, by order, designate those  
19 employees of the Administration who shall carry out the authority described in subsection (a).  
20 Such designated employees may--

21 “(1) have access to and receive criminal history, driver, vehicle, and other law  
22 enforcement information contained in the law enforcement databases of the Department  
23 of Justice, or of any jurisdiction in a State in the same manner as a police officer  
24 employed by a State or local authority of that State who is certified or commissioned  
25 under the laws of that State;

26 “(2) use any radio, data link, or warning system of the Federal government and of  
27 any jurisdiction in a State that provides information about wanted persons, be-on-the-  
28 lookout notices, or warrant status or other officer safety information to which a police  
29 officer employed by a State or local authority in that State who is certified or commission  
30 under the laws of that State has access and in the same manner as such police officer; or

1           “(3) receive Federal, State, or local government communications with a police  
2 officer employed by a State or local authority in that State in the same manner as a police  
3 officer employed by a State or local authority in that State who is commissioned under  
4 the laws of that State.

5           “(c) DEFINITION.—For purposes of this section, “system of documented  
6 criminal justice information” means any law enforcement databases, systems or  
7 communications containing information concerning identification, criminal history,  
8 arrests, convictions, arrest warrants, wanted or missing persons, including the National  
9 Crime Information Center (NCIC) and its incorporated criminal history databases and the  
10 National Law Enforcement Telecommunications System (NLETS).”.

11           (b) CONFORMING AMENDMENT.--The analysis for chapter 401 is amended by  
12 adding at the end the following:

13 “40130. FAA access to criminal history records or databases systems.”.

14  
15 **SEC. 503. ALLOCATION OF OPERATING AUTHORIZATIONS AT LAGUARDIA**  
16 **AIRPORT.**

17           (a) IN GENERAL. —Subchapter I of Chapter 417 of title 49, United States Code, is  
18 amended by adding at the end the following:

19 **“Sec. 41724. Allocation of operating authorizations at LaGuardia Airport**

20           “(a) GENERAL AUTHORITY.—(1) Notwithstanding any other provision of law, the  
21 Secretary of Transportation and the Administrator of the Federal Aviation Administration may  
22 determine that the use of a market based mechanism, such as an auction or congestion pricing, is  
23 appropriate to promote the efficient movement of air traffic at LaGuardia Airport. To  
24 accomplish this objective, the Administrator shall determine the operational capacity of  
25 LaGuardia airport, in accordance with section 40103 of this title.

26           “(2) If the Secretary makes a the determination under subsection (a) that use of a market-  
27 based mechanism is appropriate, the Secretary and the Administrator shall permit the Port  
28 Authority of New York and New Jersey (Port Authority) to implement a market-based measure  
29 for the allocation of operating authorizations at the airport in accordance with subsection (b). If  
30 the Port Authority fails to implement such a mechanism within one year of the Secretary’s

1 determination, the Secretary may implement a market-based mechanism at LaGuardia Airport in  
2 accordance with section 41725 of this title.

3 “(b) RULEMAKING.—(1) The Secretary shall issue a rule to establish the terms and  
4 conditions under which interested persons may obtain operating authorizations through a market-  
5 based mechanism authorized by subsection (a). The rule shall also, at a minimum, establish the  
6 procedures, timing, terms and conditions for the implementation of this mechanism. Such  
7 regulation shall include provisions to protect the public interest as set forth in section 40101 of  
8 this title including:

9 “(A) placing maximum reliance on competitive market forces;

10 “(B) avoiding unreasonable industry concentration;

11 “(C) encouraging entry into air transportation markets by new and existing air  
12 carriers;

13 “(D) ensuring that passengers in small communities and rural and remote areas  
14 have access to affordable, scheduled air service; and

15 “(E) providing air carriers and the traveling public a stable and predictable  
16 schedule for planning future travel.

17 “(2) In developing the terms and conditions for an allocation mechanism, the Secretary  
18 may distinguish among classes of aircraft operators and among types of air service.

19 “(c) ESCROW ACCOUNT.—(1) If the Port Authority implements a market-based  
20 mechanism under this section and such mechanism produces annual revenue in excess of the  
21 annual administrative costs associated with the establishment and administration of the  
22 mechanism, the Port Authority shall deposit the excess revenue in an escrow account.  
23 Expenditures may be made from the escrow account on eligible airport-related projects, in  
24 accordance with section 40117 of this title, or on any other project that the Secretary finds is in  
25 the public interest.

26 “(d) RULES OF CONSTRUCTION.—Nothing in this section or in the use of a market-  
27 based mechanism authorized by this section shall:

28 “(1) diminish the authority of the Administrator under other provisions of this title to  
29 regulate the safe and efficient use of the national airspace, including the withdrawal of operating  
30 authorizations obtained under this section when required in the public interest; or

1           “(2) be considered for purpose of any Federal law a major Federal action significantly  
2 affecting the human environment.

3           “(e) TREATMENT AS ADDITIONAL REVENUE.—Expenditures or other financial  
4 assistance provided under paragraph (c) shall be in addition to funds that would otherwise be  
5 provided under the Airport Improvement Program or any other Federal assistance program.”.

6           “(b) CONFORMING AMENDMENT.—The analysis of subchapter I of chapter 417 is  
7 amended by adding at the end the following:

8           “41724. Allocation of operating authorizations at LaGuardia Airport.”.

9  
10 **SEC. 504. PILOT PROGRAM FOR MARKET-BASED MECHANISMS AT**  
11 **CONGESTED AIRPORTS.**

12           “(a) PILOT PROGRAM.—Subchapter I of chapter 417 of title 49, United States Code, is  
13 amended by adding at the end the following:

14 **“§ 41725. Pilot Program to evaluate market-based mechanisms at congested airports**

15           “(a) IN GENERAL.—In order to promote the efficient use of airport capacity or the  
16 efficient movement of air traffic, the Secretary of Transportation shall establish a pilot program  
17 for market-based pricing mechanisms for domestic flights at not more than fifteen airports under  
18 which an airport owner or operator may adopt, or the Administrator of the Federal Aviation  
19 Administration may impose, a market-based mechanism for the airport in accordance with the  
20 procedures established by this section.

21           “(b) REGIONAL DELAY.—(1) The Secretary may approve the application of an airport  
22 owner or operator to participate in the program if the Secretary finds that:

23                   “(A) the airport experiences demand exceeding existing capacity in the aggregate  
24 or during specific times or dates;

25                   “(B) delays at the airport have a significant adverse effect on the regional  
26 airspace; and

27                   “(C) the market-based mechanism proposed by the airport owner or operator will  
28 not result in a disincentive for the airport operator to add capacity where possible.

29           “(2) Once the airport’s participation in the program is approved, the airport owner or  
30 operator may implement a market-based mechanism, and, in the case of a congestion fee or

1 auction, establish the method of collecting such revenue. Such fees shall be reasonable and not  
2 unjustly discriminatory.

3 “(3) An airport owner or operator may establish or adjust a market-based mechanism  
4 under this program only after consultation with the Administrator, air carriers serving the airport,  
5 and operators of aircraft based at the airport.

6 “(4) If an auction or congestion fee implemented under this section produces annual  
7 revenue in excess of the annual administrative costs associated with the establishment and  
8 administration of the fee, the airport owner or operator shall deposit the excess revenue in an  
9 escrow account. Expenditures may be made from the escrow account on eligible airport-related  
10 projects, in accordance with section 40117 of this title, or on any other project that the Secretary  
11 finds is in the public interest.

12 “(c) DELAYS AFFECTING THE NATIONAL SYSTEM.—(1) If the Secretary finds  
13 that the capacity constraints at an airport cause significant delays beyond the region in which the  
14 airport is located and have negative effects on the National Airspace System, and the owner or  
15 operator of such airport has not already adopted a market-based mechanism under paragraph (b),  
16 then the Secretary may implement, through rulemaking, a market-based mechanism at the airport  
17 under the program to address these effects on the system. If market-based mechanisms are  
18 implemented, the Administrator of the Federal Aviation Administration shall establish the  
19 method of collecting such fees. Such fees shall be reasonable and not unjustly discriminatory.

20 “(2) The Administrator may establish or adjust a market-based mechanism under this  
21 program only after consultation with the airport owner or operator, air carriers serving the  
22 airport, and operators of aircraft based at the airport.

23 “(3) If market-based mechanisms implemented by the Administrator under this section  
24 produce annual revenue in excess of the annual administrative costs associated with the  
25 establishment and administration of the fee, the Administrator shall deposit the surplus funds in  
26 an account established in the Treasury, and designated as the Airspace Congestion Mitigation  
27 Account. Such surplus revenue shall be available to the Secretary, as specified in appropriations  
28 Acts, until expended, for the following uses:

29 “(A) airport capacity expansion or airport congestion and delay reduction at the  
30 airport at which a market based mechanism is implemented;

1           “(B) airport capacity expansion or airport congestion and delay reduction at other  
2 congested airports, with priority given to capacity projects in the same region as the  
3 airport at which a market based mechanism is implemented;

4           “(C) improvement of ground access to the airports in the vicinity, as defined by  
5 the Secretary, if the Secretary finds that it would help relieve congestion at the airport  
6 where a market-based mechanism is implemented;

7           “(D) construction, reconstruction or reconfiguration of gates and related areas at  
8 the airport where a market-based mechanism is implemented;

9           “(E) facilities, equipment, or other air traffic control improvement projects that  
10 would enhance airport or airspace capacity in the National Airspace System, with priority  
11 given to projects in the region of an airport where a market-based mechanism is  
12 implemented; and

13           “(F) assistance to air carriers in the purchase of equipment for their aircraft to  
14 enable them to utilize air traffic control facilities and equipment, including the facilities  
15 and equipment purchased under subparagraph (E), in order to enhance airport and  
16 airspace capacity.

17           “(d) CONFORMANCE WITH REQUIREMENTS.--A market-based mechanism  
18 implemented under this pilot program shall be deemed to meet the requirements of section 40116  
19 and chapter 471 of this title.

20           “(e) DEFINITION.--For purposes of this section, the term “market-based mechanism”  
21 includes the use of auctions, or congestion or peak period pricing under which fees may vary by  
22 time of day or day of the week in order to reduce aviation congestion and delays.

23           “(f) EXCLUSION.--An airport subject to the requirements of section 41724 shall not be  
24 eligible to participate in this pilot program.”.

25           (b) CONFORMING AMENDMENT.—The analysis of subchapter I of chapter 417 is  
26 amended by adding at the end the following:

27           “41725. Pilot Program for market-based mechanisms at congested airports.”.

28  
29  
30           Title VI—ENVIRONMENTAL STEWARDSHIP AND STREAMLINING

31

1    **SEC. 601. AIRPORT COOPERATIVE RESEARCH PROGRAM.**

2           Section 44511(f) is amended—

3           (1) in paragraph (1), by striking “establish a 4-year pilot” and inserting “maintain an”;

4           and

5           (2) in paragraph (4), by—

6           (A) inserting “pilot” before “program” the first time it appears; and

7           (B) striking “program, including recommendations as to the need for  
8           establishing a permanent airport cooperative research program.” and inserting  
9           “program.”.

10  
11    **SEC. 602. STATE BLOCK GRANT PROGRAM.**

12           Section 47128 is amended—

13           (1) in subsection (a), by striking “regulations” both times it appears and inserting  
14           “guidance”;

15           (2) in subsection (b)(4), by striking “grant;” and inserting “grant, including  
16           Federal environmental requirements or an agreed upon equivalent;”; and

17           (3) by redesignating subsection (c) as (d) and inserting the following new  
18           subsection (c):

19           “(c) ENVIRONMENTAL ANALYSIS AND COORDINATION REQUIREMENTS.--

20           Any Federal agency that must approve, license or permit a proposed action by a participating  
21           State shall coordinate and consult with the State. Such agency shall utilize the environmental  
22           analysis prepared by the State, provided it is adequate, or supplement that analysis as necessary  
23           to meet applicable Federal requirements.”.

24  
25    **SEC. 603. AIRPORT FUNDING OF SPECIAL STUDIES OR REVIEWS.**

26           Section 47173(a) is amended by striking “project.” and inserting “project, or to conduct  
27           special environmental studies related to a Federally funded airport project or for special studies  
28           or reviews to support approved noise compatibility measures in a Part 150 program or  
29           environmental mitigation in a Federal Aviation Administration Record of Decision or Finding of  
30           No Significant Impact.”.

31



1 **SEC. 604. ENVIRONMENTAL MITIGATION DEMONSTRATION PILOT PROGRAM.**

2 (a) PILOT PROGRAM.—Chapter 471 is amended at the end by adding the following  
3 new section:

4 **“§ 47143. Environmental Mitigation Demonstration Pilot Program**

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

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

15 “(c) SELECTION CRITERIA.—In selecting from among applicants for participation in  
16 the pilot program, the Secretary may give priority consideration to environmental mitigation  
17 demonstration projects that—

18 “(1) will achieve the greatest reductions in aircraft noise, airport emissions, or  
19 airport water quality impacts either on an absolute basis, or on a per dollar of funds  
20 expended basis; and

21 “(2) will be implemented by an eligible consortium.

22 “(d) UNITED STATES GOVERNMENT’S SHARE.—Notwithstanding any other  
23 provision of this subchapter, the United States Government’s share of the costs of a project  
24 carried out under this section shall be 50 percent.

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

27 “(f) IDENTIFYING BEST PRACTICES.—The Administrator may develop and publish  
28 information identifying best practices for reducing or mitigating aviation impacts on noise, air  
29 quality, or water quality in the vicinity of airports, based on the projects carried out under the  
30 pilot program.

31 “(g) DEFINITIONS.—In this section--

1           “(1) the term “eligible consortium” means a consortium that comprises two or  
2 more of the following entities:

3                   “(A) businesses incorporated in the United States;

4                   “(B) public or private educational or research organizations located in the  
5 United States;

6                   “(C) entities of State or local governments in the United States; or

7                   “(D) Federal laboratories.

8           “(2) the term “environmental mitigation demonstration project” means a project  
9 that:

10                   “(A) introduces new conceptual environmental mitigation techniques or  
11 technology with associated benefits, which have already been proven in  
12 laboratory demonstrations;

13                   “(B) proposes methods for efficient adaptation or integration of new  
14 concepts to airport operations; and

15                   “(C) will demonstrate whether new techniques or technology for  
16 environmental mitigation identified in research are—

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

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

20           (b) CONFORMING AMENDMENT.—The analysis for subchapter I of chapter 471 is  
21 amended by adding at the end the following:

22 “47143. Environmental mitigation demonstration pilot program.”.

23  
24 **SEC. 605. GRANT ELIGIBILITY FOR ASSESSMENT OF FLIGHT PROCEDURES.**

25           Section 47504 is amended by adding at the end the following new subsection:

26           “(e) GRANTS FOR ASSESSMENT OF FLIGHT PROCEDURES.—(1) The  
27 Secretary is authorized in accordance with paragraph (c)(1) to make a grant to an airport  
28 operator to assist in completing environmental review and assessment activities for  
29 proposals to implement flight procedures that have been approved for airport noise  
30 compatibility planning purposes under subsection (b).

1           “(2) The Administrator of the Federal Aviation Administration may accept funds  
2 from an airport sponsor, including funds provided to the sponsor under paragraph (1), to  
3 hire additional staff or obtain the services of consultants in order to facilitate the timely  
4 processing, review and completion of environmental activities associated with proposals  
5 to implement flight procedures submitted and approved for airport noise compatibility  
6 planning purposes in accordance with this section. Funds received under this authority  
7 shall not be subject to the procedures applicable to the receipt of gifts by the  
8 Administrator.”.

9  
10 **SEC. 606. RESEARCH CONSORTIUM FOR LOWER ENERGY, EMISSIONS AND**  
11 **NOISE TECHNOLOGY PARTNERSHIP.**

12           (a) ESTABLISHMENT OF CONSORTIUM.--Subchapter I of chapter 475 is amended  
13 by adding at the end the following:

14 **“§47512. Research consortium for lower energy, emissions and noise technology**  
15 **partnership.**

16           “(a) CLEEN ENGINE TECHNOLOGY PARTNERSHIP.—The Administrator of the  
17 Federal Aviation Administration shall enter into a cooperative agreement with the Partnership for  
18 AiR Transportation Noise and Emissions Reduction (PARTNER) Center of Excellence for the  
19 development, maturing, and certification for Continuous Lower Energy, Emissions and Noise  
20 (CLEEN) engine and airframe technology for aircraft over the next ten years.

21           “(b) PERFORMANCE OBJECTIVE.—The Administrator shall establish the following  
22 performance objectives for the program to be completed by 2015:

23                   “(1) certifiable aircraft technology that increases aircraft fuel efficiency by 25%  
24 relative to 1997 subsonic aircraft technology;

25                   “(2) certifiable engine technology that reduces landing and takeoff cycle (LTO)  
26 nitrogen oxide emissions by 50 percent, without increasing other gaseous or particle  
27 emissions, over the International Civil Aviation Organization (ICAO) standard adopted in  
28 2004;

29                   “(3) certifiable aircraft technology that reduces noise levels by 10 dB relative to  
30 1997 subsonic jet aircraft technology;

1           “(4) determination of the feasibility of use of alternative fuels in aircraft systems,  
2 including successful demonstration and quantification of benefits; and

3           “(5) determination of the extent to which new engine and aircraft technologies  
4 may be used to retrofit or re-engine aircraft so as to increase the level of penetration into  
5 the commercial fleet.

6           “(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be  
7 appropriated from the funding provided for the Next Generation Air Transportation System  
8 program such sums as necessary to carry out this section.

9           “(d) The Administrator shall publish a progress report on the CLEEN program each year  
10 beginning in 2009.”.

11           “(b) CONFORMING AMENDMENT.—The analysis of subchapter I of chapter 475 is  
12 amended by adding at the end:

13 “47512. Research consortium for lower energy, emissions and noise technology partnership.”.

#### 15 **SEC. 607. AMENDMENTS TO AIR TOUR MANAGEMENT PROGRAM.**

16           Section 40128 is amended—

17           (1) in subsection (a)--

18                   (A) in clause (1)(C), by striking “lands.” and inserting “lands, or a  
19 voluntary agreement.”; and

20                   (B) by adding at the end the following:

21           “(5) EXEMPTION.—Notwithstanding paragraph (1), units of the national park system  
22 that have 50 or fewer commercial air tour flights a year shall be exempt from the requirements of  
23 this section, except that the Director may determine at any time that this exemption shall not  
24 apply to any park for which the Director determines an air tour management plan or voluntary  
25 agreement is necessary to protect park resources and values or park visitor use and enjoyment.  
26 The Director shall inform the Administrator in writing of such determinations. The Director and  
27 Administrator shall publish an annual list of national parks that fall within the exemption  
28 provided by this paragraph. A commercial air tour operator conducting commercial air tours in a  
29 national park that is exempt from the requirements of this section shall submit to the  
30 Administrator and the Director an annual report of the number of air tour flights it conducts each  
31 year in such exempted park.”;

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

2 “(7) VOLUNTARY AGREEMENTS.—(A) As an alternative to an air tour  
3 management plan, for any unit of the national park system, the Director and the Administrator  
4 may enter into a voluntary agreement to manage commercial air tour operations over a park unit  
5 with any commercial air tour operators that have applied for authority to conduct air tour  
6 operations over the park unit, including existing operators that have interim operating authority,  
7 and new entrant applicants.

8 “(B) Such voluntary agreement shall address the management issues necessary to protect  
9 park resources and visitor use without compromising aviation safety, and may—

10 “(i) include provisions described in paragraph (3)(B) through (E);

11 “(ii) include provisions to insure the stability of and compliance with the  
12 voluntary agreement; and

13 “(iii) provide for fees for operating over the park.

14 “(C) The Director and the Administrator shall offer the opportunity for public review of a  
15 proposed voluntary agreement, and shall consult with any Indian tribe whose tribal lands are, or  
16 may be, overflowed by commercial air tour operators under a voluntary agreement.

17 “(D) Following such public review and consultation, a voluntary agreement may be  
18 implemented without further administrative or environmental process.

19 “(E) A voluntary agreement may be rescinded at the discretion of the Director or the  
20 Administrator if the Director determines that the agreement is not adequately protecting park  
21 resources or visitor experiences, or the Administrator determines that the agreement is adversely  
22 affecting aviation safety or the national aviation system. If a voluntary agreement for a park is  
23 rescinded, the operators must conform to the requirements for interim operating authority under  
24 subsection (c) until an air tour management plan for the park is in effect.”;

25 (3) in subsection (c)—

26 (A) by revising clause (2)(I) to read as follows:

27 “(I) may allow for modifications of the interim operating authority without further  
28 environmental process provided that—

29 “(i) adequate information on the operator’s existing and proposed  
30 operations is provided to the Administrator and the Director by the operator  
31 making the request;

1                   “(ii) the Administrator agrees that there would be no adverse impact on  
2 aviation safety; and

3                   “(iii) the Director agrees, based on professional expertise regarding the  
4 protection of the park resources and values and visitor use and enjoyment.”;

5                   (B) in paragraph (3)—

6                   (i) in clause (A), by striking from “if the Administrator determines”  
7 through the end and inserting “without further environmental process provided  
8 that—

9                   “(i) adequate information on the operator’s proposed operations is  
10 provided to the Administrator and the Director by the operator making the  
11 request;

12                   “(ii) the Administrator agrees that there would be no adverse impact on  
13 aviation safety; and

14                   “(iii) the Director agrees, based on professional expertise regarding the  
15 protection of park resources and values and visitor use and enjoyment.”; and

16                   (ii) by striking clause (B) and redesignating clause (C) as (B);

17                   (4) by redesignating subsections (d) and (e) as subsections (e) and (f),  
18 respectively; and

19                   (5) inserting new subsection (d) as follows:

20                   “(d) COMMERCIAL AIR TOUR OPERATOR REPORTS.—Each commercial air tour  
21 operator providing a commercial air tour over a national park unit under interim operating  
22 authority or in accordance with an air tour management plan shall report the number of  
23 commercial air tour operations over each park unit and other data requested by the Administrator  
24 and Director in order to facilitate administering the provisions of this section. The reports shall  
25 be on a frequency and in a format requested by the Administrator and Director, and shall be  
26 submitted to both the Administrator and Director or their designees. The Administrator and  
27 Director shall jointly issue an initial request for the reports authorized in this subsection no later  
28 than three months after the date of enactment of this provision.”.

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**SEC. 701. GENERAL AUTHORITY.**

(a) IN GENERAL.--Section 44302 is amended—

(1) by repealing subsection (b); and

(2) in subsection (f)(2)—

(A) by striking “paragraph (1)—(A) in” and inserting “paragraph (1), in”; and

(B) by striking “2002; and” and inserting “2002.”; and

(C) by striking paragraph (B).

(b) CONFORMING AMENDMENT.—Section 44303(a) is amended by striking “, or reimburse insurance costs,”.

**SEC. 702. EXTENSION OF AUTHORITY TO LIMIT THIRD PARTY LIABILITY OF AIR CARRIERS ARISING OUT OF ACTS OF TERRORISM.**

Section 44303(b) is amended by striking “December 31, 2006” and inserting “December 31, 2011”.

**SEC. 703. CLARIFICATION OF REINSURANCE AUTHORITY.**

Section 44304 is amended in the second sentence by striking “the carrier” and inserting “any insurance carrier”.

**SEC. 704. USE OF INDEPENDENT CLAIMS ADJUSTERS.**

Section 44308 is amended in subsection (c)(1) in the second sentence by striking “agent” and inserting “agent, or a claims adjuster who is independent of the underwriting agent,”.

**SEC. 705. EXTENSION OF PROGRAM AUTHORITY.**

Section 44310 is amended by striking “March 30, 2008.” and inserting “March 30, 2013.”.

1 **SEC. 801. EXTENSION OF COMPETITIVE ACCESS REPORTS.**

2 Section 47107(s)(3) is amended by striking “2008” and inserting “2012”.

3  
4 **SEC. 802. ESSENTIAL AIR SERVICE REFORM.**

5 (a) DEFINITION.—Section 41731 is amended to read as follows:

6 **“§41731. Definition**

7 “In this subchapter “eligible place” means a place in the United States—

8 “(1) that as of the date of enactment of the Next Generation Air Transportation  
9 System Financing Reform Act of 2007, was receiving subsidized Essential Air  
10 Service;

11 “(2) that is more than 70 highway miles from the nearest medium or large hub  
12 airport; and

13 “(3) at which the subsidy per passenger does not exceed \$200 for a community  
14 that is less than 210 miles from the nearest medium or large hub airport.”.

15 (b) ESSENTIAL AIR SERVICE.—Section 41732 is amended to read as follows

16 **“§41732. Essential air service**

17 “Essential air service provided under section 41733 of this title is transportation of  
18 passengers and cargo to a destination airport and at a level of service comparable to what  
19 the community received on the date of enactment of the Next Generation Air  
20 Transportation System Financing Reform Act of 2007.”.

21 (c) AVAILABILITY OF COMPENSATION.—Section 41733 is amended to read as follows:

22 **“§41733. Selection criteria and availability of compensation**

23 “(a) AVAILABILITY OF COMPENSATION.—

24 “(1) If the Secretary decides that essential air service under §41732 will not be  
25 provided to an eligible place without compensation, the Secretary shall provide notice  
26 that any air carrier may apply to provide essential air service to the place for  
27 compensation under this section. In selecting an applicant, the Secretary may  
28 consider, among other factors—

29 “(A) the demonstrated reliability of the applicant in providing air service;

30 “(B) the contractual and marketing arrangements the applicant has made with  
31 an air carrier(s) to ensure service beyond the destination airport;



1 “(C) the interline arrangements that the applicant has made with a larger  
2 carrier to allow passengers and cargo of the applicant at the destination airport to  
3 be transported by the carrier(s) through one reservation, ticket, and baggage  
4 check-in;

5 “(D) the preferences of the actual and potential users of air service at the  
6 eligible place, giving substantial weight to the views of the elected officials  
7 representing the users; and

8 “(E) the relative subsidy costs to the United States Government based on the  
9 applicants’ proposals.

10 “(2) Under guidelines prescribed under section 41737 of this subchapter, the  
11 Secretary shall pay the rate of compensation for providing essential air service under  
12 this section and section 41734 of this subchapter.

13 “(b) COMPENSATION PAYMENTS.—The Secretary shall pay compensation under this  
14 section at times and in the way the Secretary decides is appropriate. The Secretary shall  
15 end payment of compensation to an air carrier for providing essential air service to an  
16 eligible place when the Secretary decides the compensation is no longer necessary to  
17 maintain essential air service to the place.

18 “(c) REVIEW.—The Secretary shall review periodically the level of essential air  
19 service for each eligible place. Based on the review and consultations with the interested  
20 community and the appropriate State authority of the State in which the community is  
21 located, the Secretary may make appropriate adjustments in the level of service.  
22 However, the level of service that is subsidized will not be more than that which a  
23 community is receiving as of the date of enactment of the Next Generation Air  
24 Transportation System Financing Reform Act of 2007.”.

25 (d) ENDING, SUSPENDING OR REDUCING ESSENTIAL AIR SERVICE.—Section 41734 is  
26 amended to read as follows:

27 “**§41734. Ending, suspending, and reducing essential air service**

28 “(a) NOTICE REQUIRED.—An air carrier may end, suspend, or reduce air transportation  
29 to an eligible place below the level of essential air service established for that place under  
30 this subchapter only after giving the Secretary of Transportation, the appropriate State

1 authority, and the affected communities at least 90 days' notice before ending,  
2 suspending, or reducing that air service.

3 “(b) CONTINUATION OF SERVICE FOR 30 DAYS AFTER NOTICE PERIOD.—If at the end of  
4 the notice period under subsection (a) of this section the Secretary has not found another  
5 air carrier to provide essential air service to the eligible place, the Secretary shall require  
6 the carrier providing notice to continue to provide essential air service to the place for an  
7 additional 30-day period or until another air carrier begins to provide essential air service  
8 to the place, whichever occurs first.

9 “(c) CONTINUATION OF SERVICE FOR ADDITIONAL 30-DAY PERIODS.—If at the end of  
10 the 30-day period under subsection (b) of this section the Secretary decides another air  
11 carrier will not provide essential air service to the place on a continuing basis, the  
12 Secretary shall require the air carrier providing service to continue to provide service for  
13 additional 30-day periods until another air carrier begins providing service on a  
14 continuing basis. At the end of each 30-day period, the Secretary shall decide if another  
15 air carrier will provide service on a continuing basis.

16 “(d) CONTINUATION OF COMPENSATION AFTER NOTICE PERIOD.—If an air carrier  
17 receiving compensation under this subchapter for providing essential air service to an  
18 eligible place is required to continue to provide service to the place under this section  
19 after the 90-day notice period under subsection (a) of this section, the Secretary shall  
20 continue to pay that compensation after the last day of that period. The Secretary shall  
21 pay the compensation until the Secretary finds another air carrier to provide the service to  
22 the place or the 180th day after the carrier filed notice to suspend service, whichever is  
23 earlier. If, after the 180th day, the Secretary has not found another air carrier to provide  
24 the service, the carrier required to continue to provide that service shall receive  
25 compensation sufficient to pay for the fully allocated actual cost to the air carrier of  
26 performing the essential air service that was being provided when the 90-day notice was  
27 given under subsection (a) of this section plus a reasonable return on investment that is  
28 equal to 5 percent of operating costs.

29 “(e) FINDING REPLACEMENT SERVICE PROVIDERS.—When the Secretary requires an  
30 air carrier to continue to provide essential air service to an eligible place, the Secretary

1 shall promptly issue a request for proposals to find another air carrier to provide at least  
2 the essential air service set forth in section 41732 to the place on a continuing basis.”.

3 (e) COMPENSATION GUIDELINES.—Section 41737 is amended to read as follows:

4 **“§41737. Compensation guidelines, limitations, and claims**

5 “(a) COMPENSATION GUIDELINES.—

6 “(1) The Secretary of Transportation shall prescribe guidelines governing the rate  
7 of compensation payable under this subchapter. The guidelines shall be used to  
8 determine the reasonable amount of compensation required to ensure the continuation  
9 of air service or air transportation under this subchapter. The guidelines shall—

10 “(A) provide for a reduction in compensation when an air carrier does not  
11 provide service or transportation agreed to be provided;

12 “(B) consider amounts needed by an air carrier to promote public use of the  
13 service or transportation for which compensation is being paid; and

14 “(C) include expense elements based on representative costs of air carriers  
15 providing scheduled air transportation of passengers, property, and mail on  
16 equipment of the type the Secretary decides is appropriate for providing the  
17 service or transportation for which compensation is being provided.

18 “(2) Promotional amounts described in paragraph (1)(B) of this subsection shall  
19 be a special, segregated element of the compensation provided to a carrier under this  
20 subchapter.

21 “(b) CLAIMS.—Not later than 15 days after receiving a written claim from an air  
22 carrier for compensation under this subchapter, the Secretary shall—

23 “(1) pay or deny the United States Government's share of a claim; and

24 “(2) if denying the claim, notify the person of the denial and the reasons for the  
25 denial.

26 “(c) AUTHORITY TO MAKE AGREEMENTS AND INCUR OBLIGATIONS.—The Secretary  
27 may make agreements and incur obligations from the Airport and Airway Trust Fund  
28 established under section 9502 of the Internal Revenue Code of 1986 (26 USC 9502) to  
29 pay compensation under this subchapter. An agreement by the Secretary under this  
30 subsection is a contractual obligation of the Government to pay the Government's share  
31 of the compensation.

1 “(d) ELIGIBILITY DETERMINATIONS.—

2 “(1) In making all determinations on eligibility for compensation under this  
3 subchapter, the Secretary shall rank all compensated points in their order of relative  
4 decreasing driving distance from the nearest large or medium hub airport. The term  
5 “driving distance” means the shortest driving distance as determined by the Federal  
6 Highway Administration.

7 “(2) If the funds appropriated under Section 41742 are not sufficient to pay for  
8 service to all of the eligible places, the Secretary shall provide subsidy first to the  
9 eligible communities that do not have highway access to a medium or large hub  
10 airport, then to the most isolated community, as determined under paragraph (1), that  
11 requires compensation and then the next most isolated community requiring  
12 compensation, and so on, in order, until the Secretary has obligated not more than the  
13 amount authorized to be appropriated from the Airport and Airway Trust Fund under  
14 49 USC § 48203(b), which shall remain available until expended.”.

15 (e) AUTHORIZATION.—Section 41742 is amended to read as follows:

16 **“§41742. Essential Air Service authorization**

17 “Beginning in fiscal year 2009, \$50,000,000 is authorized and shall be made available  
18 immediately for obligation and expenditure to the Secretary of Transportation out of the  
19 Airport and Airway Trust Fund established under section 9502 of the Internal Revenue  
20 Code of 1986 (26 U.S.C. 9502), to carry out the essential air service program under this  
21 subchapter for each fiscal year. Such amount shall remain available until expended.”.

22 (g) REPEALED PROVISIONS.—

23 (1) Sections 41735, 41736, 41745, 41747 and 41748 are repealed.

24 (2) Subchapter III of chapter 417 is repealed.

25 (h) CONFORMING AMENDMENTS.—

26 (1) The analysis to chapter 417 is amended by striking the items relating to  
27 sections 41735, 41736, 41745, 41747 and 41748.

28 (2) The analysis to chapter 417 is amended by striking all of the items relating to  
29 subchapter III.

30 (3) Section 41738 is amended by deleting “or air transportation to a place  
31 designated under 41736”.

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**SEC. 803. TERMINATION OF DOT AUTHORITY TO SET INTERNATIONAL MAIL RATES.**

(a) ELIMINATION OF INTERNATIONAL MAIL RATE SETTING AUTHORITY.—Section 41901(b)(1) is amended by striking “in foreign air transportation or”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective 16 months after the date of enactment of this Act.

**SEC. 804. AIR CARRIAGE OF INTERNATIONAL MAIL.**

(a) ELIMINATION OF REQUIREMENT TO FILE CONTRACT.—Section 5402(b) of title 39, United States Code, is amended by striking the last three sentences.

(b) ELIMINATION OF SCHEDULES FOR MAIL TRANSPORTATION.—Section 41902 is amended—

(1) in subsection (a) by striking “in foreign air transportation or”;

(2) by revising subsection (b) to read as follows:

“(b) STATEMENTS ON PLACES AND SCHEDULES. Every air carrier shall file with the United States Postal Service a statement showing—

“(1) the places between which the carrier is authorized to transport mail in Alaska;

“(2) every schedule of aircraft regularly operated by the carrier between places described in clause (1) of this subsection and every change in each schedule; and

“(3) for each schedule, the places served by the carrier and the time of arrival at, and departure from, each place.”;

(3) by deleting subsections (e) and (f).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective 16 months after the date of enactment of this Act.

**SEC. 805. CONTENTS OF COMPETITION PLANS.**

Section 47106(f)(2) is amended—

(1) by striking “patterns of air service,”;

(2) by inserting “and” before “whether”; and

1 (3) by striking “, and airfare levels (as compiled by the Department of  
2 Transportation) compared to other large airports”.

3  
4 **SEC. 806. AIRPORT PRIVATIZATION.**

5 Section 47134 is amended—

6 (1) in the first sentence of subsection (b), by striking “5 airports” and inserting  
7 “15 airports”;

8 (2) by revising paragraph (b)(1)(A) to read as follows:

9 “(1) USE OF REVENUES.—

10 “(A) IN GENERAL.—The Secretary may grant an exemption to a sponsor from  
11 the provisions of section 47107(b) and 47133 of this title (and any other law,  
12 regulation, or grant assurance) to the extent necessary to permit the sponsor to  
13 recover from the sale or lease of the airport such amount as may be approved by  
14 the Secretary after the sponsor has consulted—

15 “(i) in the case of a primary airport, with each air carrier and foreign air  
16 carrier serving the airport as determined by the Secretary; or

17 “(ii) in the case of a non-primary airport, with at least 65 percent of the  
18 owners of aircraft based at that airport, as determined by the Secretary.”;

19 (3) by striking subparagraph (b)(1)(C);

20 (4) in subsection (c), by—

21 (A) striking paragraphs (4), (5) and (9) and redesignating paragraphs (6)  
22 through (8) as paragraphs (4) through (6) respectively; and

23 (B) adding a new paragraph (7) at the end to read as follows:

24 “(7) No part of a fee charged to an air carrier or a foreign air carrier may  
25 include a return on investment or recovery of principal with respect to  
26 consideration paid to the public agency for the lease or sale of the airport unless  
27 such part of the fee is approved by the air carrier or foreign air carrier.”; and

28 (5) by striking paragraph (d) and redesignating paragraphs (e) through (m) as (d)  
29 through (l) respectively.

30  
31 **SEC. 807. CLARIFICATION OF AIR CARRIER FEE DISPUTES.**

1 Section 47129 is amended—

2 (1) by inserting “and foreign air carrier” after “air carrier” in the section heading,  
3 in the heading for subsection (d), and in the paragraph heading for paragraph (d)(2);

4 (2) by striking “air carrier” each place it appears in text, and inserting “air carrier  
5 or foreign air carrier”;

6 (3) by striking “air carrier’s” each place it appears and inserting “air carrier’s or  
7 foreign air carrier’s”;

8 (4) by striking “air carriers” each place it appears and inserting “air carriers or  
9 foreign air carriers”; and

10 (5) by striking “( as defined in section 40102 of this title)” in subsection (a) and  
11 inserting “(as those terms are defined in section 40102 of this title)”.

12  
13 **SEC. 808. AMENDMENTS TO CHAPTER 415.**

14 (a) IN GENERAL.—Chapter 415 is amended—

15 (1) by revising section 41501 to read as follows:

16 **“§ 41501. Establishing reasonable prices, classifications, rules and practices for  
17 foreign air transportation.**

18 “Every air carrier and foreign air carrier shall establish, comply with, and enforce  
19 reasonable prices, classifications, rules and practices related to foreign air  
20 transportation.”.

21 (2) by revising section 41502 to read as follows:

22 **“§ 41502. Establishing joint prices for through routes with other carriers**

23 “An air carrier, including an indirect air carrier, may establish reasonable joint prices  
24 and through service with another carrier.”.

25 (3) by repealing sections 41503, 41505, 41506, 41508 and 41510.

26 (4) by revising section 41504(a) to read as follows:

27 “(a) FILING AND CONTENTS.—In the way prescribed by regulation by the Secretary of  
28 Transportation, any air carrier or foreign air carrier providing foreign air transportation  
29 between places designated by the Secretary, and any air carrier or foreign air carrier  
30 granted immunity from the antitrust laws for the coordination of prices pursuant to  
31 section 41308 of this title, shall file with the Secretary, publish, and keep open to public

1 inspection, tariffs showing the prices for the foreign air transportation provided by the  
 2 carrier or provided by the carrier and another air carrier or foreign air carrier in which  
 3 through service and joint prices have been established. A tariff—

4 “(1) shall contain—

5 “(A) to the extent the Secretary requires by regulation, a description of the  
 6 classifications, rules, and practices related to the foreign air transportation;

7 “(B) a statement of the prices in money of the United States; and

8 “(C) other information the Secretary requires by regulation; and

9 “(2) may contain—

10 “(A) a statement of the prices in money that is not money of the United States;

11 and

12 “(B) information that is required under the laws of a foreign country in or to  
 13 which the air carrier or foreign air carrier is authorized to operate.”; and

14 (5) by striking subsection 41509(e) and redesignating subsections 41509(f) and  
 15 (g) as 41509(e) and (f) respectively.

16 (b) CONFORMING AMENDMENTS.—

17 (1) The analysis for chapter 415 is amended by striking the items relating to  
 18 sections 41503, 41505, 41506, 41508, and 41510;

19 (2) Section 40109(c) is amended by striking “41505.”;

20 (3) Section 41110(a)(2)(B) is amended—

21 (A) by striking “41503.”;

22 (B) by striking “41506.”; and

23 (C) by striking “41510.”

24 (4) Section 46301 is amended by striking “41505.”.

25  
 26  
 27 TITLE IX—INTERNAL REVENUE CODE AMENDMENTS

28  
 29 **SEC. 901. AMENDMENT OF 1986 CODE.**

30 Except as otherwise expressly provided, whenever in this Title an amendment or  
 31 repeal is expressed in terms of an amendment to, or a repeal of, a section or other



1 provision, the reference shall be considered to be made to a section or other provision of  
2 the Internal Revenue Code of 1986.

3  
4 **SEC. 902. MODIFICATIONS TO TAX ON AVIATION FUEL.**

5 (a) IN GENERAL.--Effective October 1, 2008, section 4081(a)(2) (relating to  
6 rates of tax) is amended--

7 (1) in paragraph (A) by inserting before the comma at the end of  
8 subparagraph (A)(ii) ", except that the rate of tax imposed on and after October 1,  
9 2008, shall be 70.0 cents per gallon";

10 (2) by revising paragraph (C) to read as follows:

11 "(C) TAXES IMPOSED ON FUEL USED IN AVIATION.--In the case of  
12 kerosene for use in aviation, the rate of tax under subparagraph (A)(iii) shall be--

13 "(i) in the case of use for commercial aviation by a person registered for  
14 such use under section 4101 and in which the fuel is removed from any refinery  
15 or terminal directly into the fuel tank of an aircraft, 4.3 cents per gallon, except  
16 that the rate of tax imposed on and after October 1, 2008, shall be 13.6 cents per  
17 gallon; and

18 "(ii) in the case of use for aviation not described in clause (i), 21.8 cents  
19 per gallon, except that the rate of tax imposed on and after October 1, 2008, shall  
20 be 70.0 cents per gallon in a case in which the fuel is removed from any refinery  
21 or terminal directly into the fuel tank of an aircraft."; and

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

23 "(E) INFLATION ADJUSTMENT OF TAX RATES.--In the case of  
24 taxable events in a calendar year after 2009, the amount per gallon specified in  
25 subparagraph (C)(i) shall be increased by an amount equal to such amount,  
26 multiplied by the cost-of-living adjustment determined under section 1(f)(3) for  
27 such calendar year by substituting "2008" for "1992" in subparagraph (B) thereof.  
28 Any increase determined under the preceding sentence shall be rounded to the  
29 nearest tenth of a cent.

30 "(F) ADJUSTMENT OF TAX RATES TO REFLECT COST IMPOSED  
31 ON THE SYSTEM.--In the case of taxable events in a calendar year after 2009,

1 the amount per gallon specified in subparagraphs (A)(ii) and (C)(ii) in excess of  
2 the rate specified in (C)(i) shall be an amount based on the costs, as defined in  
3 section 45305(b)(6), imposed by operators who use fuel on which such taxes are  
4 paid as determined by the Federal Aviation Administration's cost allocation  
5 system, and shall be increased or decreased once every two years as necessary to  
6 cover such costs by an amount determined by the Federal Aviation  
7 Administration. Any increase or decrease determined under the preceding  
8 sentence shall be rounded to the nearest tenth of a cent.”.

9 (b) CONFORMING CHANGES TO FUEL TAX RATE PROVISIONS.

10 (1) TAX RATES UNDER SECTION 4081(d)(2).--Effective October 1, 2007,  
11 section 4081(d)(2) (relating to aviation fuel tax termination) is amended to read as  
12 follows:

13 "(2) AVIATION FUELS.--The rates of tax specified in subsection  
14 (a)(2)(A)(ii), (a)(2)(C)(i), and (a)(2)(C)(ii) shall be 0.00 cents per gallon after  
15 September 30, 2017."

16 (2) TAX RATES UNDER SECTION 4041.--Effective October 1, 2008, section  
17 4041(c)(3) (relating to certain liquids used as a fuel in aviation) is amended by inserting  
18 before the period at the end of paragraph (3) ", except that the rate of tax imposed on and  
19 after October 1, 2008, shall be the rate, after adjustment for inflation under 4081(a)(2)(E),  
20 applicable under section 4081(a)(2)(C)(i) with respect to any fuel sold for use or used for  
21 commercial aviation, and under section 4081(a)(2)(A)(ii) or 4081(a)(2)(C)(ii) with  
22 respect to any other fuel sold for use or used in aircraft."

23 (c) FUEL TAX REFUND LIMITATIONS.—Effective October 1, 2008, section  
24 6427(l) is amended—

25 (1) in subsection (l)(4), by inserting before the period at the end of subsection  
26 (l)(4)(A)(ii) "and, on and after October 1, 2008, so much of the rate of tax specified in  
27 section 4081(a)(2)(A)(iii) as does not exceed the tax specified in section 4081(a)(2)(C)(i),  
28 after adjustment for inflation under 4081(a)(2)(E)"; and

29 (2) in subsection (l)(5), by inserting before the period at the end of subsection  
30 (l)(5)(A)(ii) "and, on and after October 1, 2008, so much of the rate of tax specified in

1 section 4081(a)(2)(A)(iii) as does not exceed the tax specified in section  
2 4081(a)(2)(C)(ii), after adjustment for inflation under 4081(a)(2)(E).".

3  
4 **SEC. 903. MODIFICATIONS TO TAX ON TRANSPORTATION OF PERSONS**  
5 **BY AIR.**

6 (a) ONE-YEAR EXTENSION OF CURRENT TAXES.—(1) Section  
7 4261(j)(1)(ii) (relating to imposition of tax on persons) is amended by striking  
8 “September 30, 2007,” and inserting “September 30, 2008”.

9 (2) Section 4271(d)(1)(A)(ii) (relating to imposition of tax on property) is  
10 amended by striking “September 30, 2007,” and inserting “September 30, 2008”.

11 (b) MODIFICATIONS TO TAXES.--Effective October 1, 2008, section 4261  
12 (relating to imposition of tax) is amended--

13 (1) in subsection (c),

14 (A) by inserting before the period at the end of subsection (c)(1) ", except  
15 that the rate of tax imposed for transportation beginning on and after October 1,  
16 2008, shall be \$6.39”;

17 (B) by amending subsection (c)(2) to read as follows:

18 “(2) EXCEPTION FOR CERTAIN TRANSPORTATION.--This  
19 subsection shall not apply to any transportation that consumes fuel taxed under  
20 section 4081(a)(2)(C)(i).”;

21 (C) by inserting after "In any case" in subsection (c)(3) "involving  
22 transportation beginning before October 1, 2008, and"; and

23 (D) by inserting before the period at the end of subsection (e)(4)(B)(ii) ",  
24 except that the last nonindexed year is 2009 in the case of the dollar amounts  
25 contained in subsection (c) that apply to taxable events in a calendar year after  
26 2009.”; and

27 (2) by amending subsection (j) to insert the following at the end:

28 "(3) EXTENSION OF TAXABLE PERIOD IN THE CASE OF  
29 INTERNATIONAL TRAVEL FACILITIES.--Notwithstanding paragraph (1), the  
30 taxes imposed by subsection (c) of this section shall apply to--

