108TH CONGRESS
1ST SESSION

H. R. 1366

To amend title 49, United States Code, to provide relief to the airline industry, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2003

Mr. OBERSTAR (for himself, Mr. DEFAZIO, and Mr. LIPINSKI) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To amend title 49, United States Code, to provide relief to the airline industry, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aviation Industry Stabilization Act of 2003".

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms

of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. AVIATION INSURANCE.

(a) AUTHORITY.—Section 44302(a)(1) is amended by striking "may" and inserting "shall".

(b) EXTENSION OF POLICIES.—Section 44302(f)(1) is amended by striking "August 31, 2003, and may extend through December 31, 2003," and inserting "December 31, 2007,".

(c) COVERAGE.—Section 44303 is amended—

(1) in subsection (a) by striking "IN GENERAL.—" and inserting "IN GENERAL.—"; and

(2) in subsection (b)—

(A) by striking "during the period beginning on" and inserting "on or after"; and

(B) by striking "and ending on December 31, 2003,".

(d) TERMINATION DATE.—Section 44310 and the item relating to such section in the analysis for chapter 443 are repealed.

1 **SEC. 4. LOAN GUARANTEES AND LINES OF CREDIT FOR**
2 **AVIATION FUEL COSTS.**

3 (a) EXTENSION OF APPLICATION PERIOD.—Notwith-
4 standing section 1300.16 of title 14, Code of Federal Reg-
5 ulations, or any other provision of law or regulation, appli-
6 cations for Federal credit instruments authorized by sec-
7 tion 101 of the Air Transportation Safety and System
8 Stabilization Act (49 U.S.C. 40101 note; 115 Stat. 230)
9 may be filed for a period of 30 days following the date
10 on which the President authorizes the military to use force
11 against the Republic of Iraq in calendar year 2003, and
12 the Air Transportation Stabilization Board determines
13 that an extraordinary increase in jet fuel prices (as defined
14 in section 11(a)(3)) has occurred.

15 (b) PUBLICATION OF NOTICE.—The Board shall pub-
16 lish a notice in the Federal Register announcing that ap-
17 plications may be filed under subsection (a) and another
18 notice when the time for such applications will end.

19 (c) LIMITATIONS ON FEDERAL CREDIT INSTRU-
20 MENTS.—A Federal credit instrument issued by the Board
21 in accordance with this section shall—

22 (1) be for the purpose of allowing an air carrier
23 to secure financial obligations to pay for its aviation
24 fuel purchases for a period of 6 months or the pe-
25 riod that begins on the date the Board determines
26 that an extraordinary increase in jet fuel prices has

occurred and ends on the date that the Secretary of Transportation determines that the average price for jet fuel in calendar year 2003 is equal to or less than the average price reported by major air carriers for calendar year 2002, whichever period ends sooner; and

(2) be for the actual increased aviation fuel cost incurred by the air carrier or a reasonable estimate of such cost over the average price of commercial aviation fuel reported to the Secretary of Transportation by air carriers during calendar year 2002, as determined by the Board.

(d) MAXIMUM AMOUNT OF FEDERAL CREDIT INSTRUMENTS.—The maximum amount of Federal credit instruments that may be issued by the Board in accordance with this section shall be $3,000,000,000. The Board shall establish a formula setting the maximum amount of Federal credit instruments that may be issued to any air carrier based on the percentage of gallons of aviation fuel consumed by that air carrier in proportion to the total gallons of aviation fuel consumed by all air carriers during calendar year 2002.

(e) SPECIAL RULES.—

(1) LIMITATION ON APPLICABILITY.—Sections 102(c), 102(d)(1), and 102(d)(2) of the Air Trans-

1 portation Safety and System Stabilization Act (49
2 U.S.C. 40101 note; 115 Stat. 231–232) shall not
3 apply to Federal credit instruments to be issued in
4 accordance with this section.

5 (2) INCLUSION OF LINES OF CREDIT.—For pur-
6 poses of Federal credit instruments to be issued in
7 accordance with this section, the term "Federal
8 credit instrument", as used in section 107(2) of the
9 Air Transportation Safety and System Stabilization
10 Act (115 Stat. 234), includes a line of credit and a
11 guarantee of a line of credit issued by a third party.

12 (3) TREATMENT OF TIME PERIOD.—The 2-year
13 period referred to in section 104(a) of the Air
14 Transportation Safety and System Stabilization Act
15 (49 U.S.C. 40101 note; 115 Stat. 233) shall be
16 treated with respect to an application filed in accord-
17 ance with subsection (a) of this section as being the
18 2-year period beginning on the date of enactment of
19 this Act.

20 (f) SAVINGS CLAUSE.—Nothing in this section shall
21 be construed as affecting an application filed before the
22 date of enactment of this Act for a Federal credit instru-
23 ment authorized by section 101 of the Air Transportation
24 Safety and Stabilization Act (49 U.S.C. 40101 note; 115
25 Stat. 230).

1 (g) MAJOR AIR CARRIER DEFINED.—In this section,
2 the term "major air carrier" has the meaning such term
3 has under section 41720(a) of title 49, United States
4 Code.

5 **SEC. 5. AIR MARSHALS.**

6 Not later than 90 days after all cockpit doors that
7 are required to be strengthened under section 104(a) of
8 the Aviation and Transportation Security Act (49 U.S.C.
9 44903 note; 115 Stat. 605–606) are strengthened, the
10 Under Secretary for Border and Transportation Security
11 of the Department of Homeland Security shall consider
12 whether it is necessary to require Federal air marshals
13 to be seated in the first class cabin of an aircraft with
14 strengthened cockpit doors and report to Congress (in
15 classified form if necessary) on the results of such recon-
16 sideration.

17 **SEC. 6. SCREENING OF MAIL.**

18 (a) IMPROVED SCREENING.—Not later than 30 days
19 after the date of enactment of this Act, the Under Sec-
20 retary for Border and Transportation Security of the De-
21 partment of Homeland Security shall undertake, without
22 a decrease in aviation security, such action as may be nec-
23 essary to improve the screening of mail so that it can be
24 carried on passenger flights of air carriers.

1 (b) REPORT.—Not later than 120 days after the date
2 of enactment of this Act, the Under Secretary shall trans-
3 mit to Congress a report on the Transportation Security
4 Administration's pilot program to determine whether ca-
5 nine teams can be used to screen mail before being placed
6 aboard passenger-carrying aircraft.

7 **SEC. 7. REIMBURSEMENT OF AIR CARRIERS FOR CERTAIN**
8 **SCREENING AND RELATED ACTIVITIES.**

9 The Under Secretary for Border and Transportation
10 Security of the Department of Homeland Security, within
11 available resources, shall reimburse air carriers and air-
12 ports for the following:

13 (1) All screening and related activities that the
14 air carriers or airports perform or are responsible
15 for performing, including—

16 (A) the screening of catering supplies;

17 (B) checking documents at security check-
18 points;

19 (C) screening of passengers; and

20 (D) screening of persons with access to
21 aircraft.

22 (2) The provision of space and facilities used to
23 perform screening functions if such space and facili-
24 ties have been previously used, or were intended to
25 be used, for revenue-producing purposes.

SEC. 8. REIMBURSEMENT OF AIR CARRIERS FOR FORTIFYING COCKPIT DOOR.

The Under Secretary for Border and Transportation Security of the Department of Homeland Security shall reimburse air carriers for the cost of fortifying cockpit doors in accordance with section 48301(b) of title 49, United States Code.

SEC. 9. REIMBURSEMENT OF AIR CARRIERS FOR CERTAIN LOSSES RESULTING FROM WAR WITH IRAQ.

(a) IN GENERAL.—The Secretary of Transportation shall reimburse an air carrier for any financial losses that the Secretary determines are attributable to the loss of air traffic resulting from the use of force against the Republic of Iraq in calendar year 2003.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 10. AIRLIFT SERVICES.

Section 41106 is amended by adding at the end the following:

"(e) COMPENSATION OF CONTRACTORS.—An airlift services contract entered into by the Secretary of Defense and an air carrier described in subsection (a) shall ensure that the air carrier is compensated for the positioning, depositioning, and other ferry portions of missions performed under the contract.".

1 **SEC. 11. STRATEGIC PETROLEUM RESERVE.**

2 (a) REQUIREMENT.—

3 (1) DRAWDOWN.—Notwithstanding any other
4 provision of law, if the President authorizes the mili-
5 tary to use force against the Republic of Iraq in cal-
6 endar year 2003, the Secretary of Energy shall
7 drawdown and distribute petroleum from the Stra-
8 tegic Petroleum Reserve in quantities of not less
9 than 500,000 barrels per day, to the extent nec-
10 essary to remedy a dislocation in the jet fuel market
11 or an extraordinary increase in the price of jet fuel.

12 (2) DISLOCATION IN JET FUEL MARKET.—For
13 purposes of paragraph (1), a dislocation in the jet
14 fuel market occurs when the inventories of United
15 States domestic jet fuel (as reported by the Depart-
16 ment of Energy) decrease by more than 25 percent
17 over the previous 3-year rolling average.

18 (3) EXTRAORDINARY PRICE INCREASE.—

19 (A) IN GENERAL.—For purposes of para-
20 graph (1) and section 4, an extraordinary in-
21 crease in the price of jet fuel occurs when the
22 quotient exceeds by 50 percent the average
23 price for jet fuel reported to the Secretary of
24 Transportation by air carriers for 2002.

25 (B) CALCULATION OF QUOTIENT.—For
26 purposes of subparagraph (A), the quotient is

calculated by dividing by 2 the sum of the Gulf Coast and New York Harbor 5-day spot average prices of jet fuel.

(b) CESSATION.— The Secretary of Energy may cease any drawdown under subsection (a) if the Secretary determines that—

(1) there no longer is any dislocation in the jet fuel market; or

(2) in the case of a drawdown resulting from an extraordinary increase in the price of jet fuel, the quotient calculated under subsection (a)(3) no longer exceeds by 50 percent the average price for jet fuel reported to the Secretary of Transportation by air carriers for 2002.

SEC. 12. CARGO CARRIED ABOARD PASSENGER-CARRYING AIRCRAFT.

(a) ESTABLISHMENT OF WORKING GROUP.—The Under Secretary for Border and Transportation Security of the Department of Homeland Security shall establish an air cargo security working group with industry experts from the Transportation Security Administration, passenger airlines, indirect air carriers, shippers, small businesses, and other related groups to develop recommendations on the enhancement of the current known shipper program.

1 (b) DUTIES OF WORKING GROUP.—The working
2 group shall analyze the effectiveness of the current known
3 shipper program, develop recommended enhancements,
4 and present its findings and recommendations to the
5 Under Secretary. In developing its recommendations, the
6 working group shall take into consideration the extraor-
7 dinary air transportation needs of small or isolated com-
8 munities and unique operational aspects of carriers that
9 serve such communities.

10 **SEC. 13. FACTORS CONTRIBUTING TO AIR CARRIER FINAN-**
11 **CIAL DIFFICULTIES.**

12 (a) ANALYSIS.—The Comptroller General shall ana-
13 lyze the factors contributing to the financial difficulties
14 of air carriers for the purpose of determining possible ap-
15 proaches to alleviate such difficulties.

16 (b) REPORT.—Not later than 90 days after the date
17 of enactment of this Act, the Comptroller General shall
18 transmit to Congress a report on the results of the anal-
19 ysis, together with recommendations.

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