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(Original Signature of Member)

108TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

\_\_\_\_\_  
**IN THE HOUSE OF REPRESENTATIVES**

Mr. OBERSTAR introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

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

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Aviation Industry Sta-  
5       bilization Act of 2003”.



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

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

8 **SEC. 3. AVIATION INSURANCE.**

9 (a) **AUTHORITY.**—Section 44302(a)(1) is amended by  
10 striking “may” and inserting “shall”.

11 (b) **EXTENSION OF POLICIES.**—Section 44302(f)(1)  
12 is amended by striking “August 31, 2003, and may extend  
13 through December 31, 2003,” and inserting “December  
14 31, 2007,”.

15 (c) **COVERAGE.**—Section 44303 is amended—

16 (1) in subsection (a) by striking “IN GEN-  
17 ERAL.—” and inserting “IN GENERAL.—”; and

18 (2) in subsection (b)—

19 (A) by striking “during the period begin-  
20 ning on” and inserting “on or after”; and

21 (B) by striking “and ending on December  
22 31, 2003,”.

23 (d) **TERMINATION DATE.**—Section 44310 and the  
24 item relating to such section in the analysis for chapter  
25 443 are repealed.



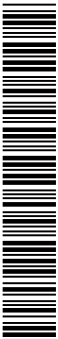
1 **SEC. 4. LOAN GUARANTEES AND LINES OF CREDIT FOR**  
2 **AVIATION FUEL COSTS.**

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



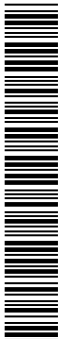
1 occurred and ends on the date that the Secretary of  
2 Transportation determines that the average price for  
3 jet fuel in calendar year 2003 is equal to or less  
4 than the average price reported by major air carriers  
5 for calendar year 2002, whichever period ends soon-  
6 er; and

7 (2) be for the actual increased aviation fuel cost  
8 incurred by the air carrier or a reasonable estimate  
9 of such cost over the average price of commercial  
10 aviation fuel reported to the Secretary of Transpor-  
11 tation by air carriers during calendar year 2002, as  
12 determined by the Board.

13 (d) MAXIMUM AMOUNT OF FEDERAL CREDIT IN-  
14 STRUMENTS.—The maximum amount of Federal credit in-  
15 struments that may be issued by the Board in accordance  
16 with this section shall be \$3,000,000,000. The Board shall  
17 establish a formula setting the maximum amount of Fed-  
18 eral credit instruments that may be issued to any air car-  
19 rier based on the percentage of gallons of aviation fuel  
20 consumed by that air carrier in proportion to the total  
21 gallons of aviation fuel consumed by all air carriers during  
22 calendar year 2002.

23 (e) SPECIAL RULES.—

24 (1) LIMITATION ON APPLICABILITY.—Sections  
25 102(c), 102(d)(1), and 102(d)(2) of the Air Trans-

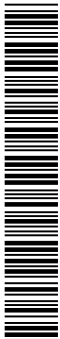


1 portation Safety and System Stabilization Act (49  
2 U.S.C. 40101 note; 115 Stat. 231–232) shall not  
3 apply to Federal credit instruments to be issued in  
4 accordance with this section.

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).



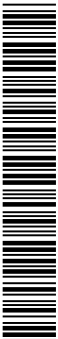
1 (g) MAJOR AIR CARRIER DEFINED.—In this section,  
2 the term “major air carrier” has the meaning such term  
3 has under section 41720(a) of title 49, United States  
4 Code.

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—

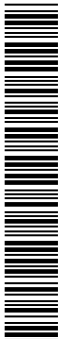
16 (A) the screening of catering supplies;

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.



1 **SEC. 8. REIMBURSEMENT OF AIR CARRIERS FOR FOR-**  
2 **TIFYING COCKPIT DOOR.**

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

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

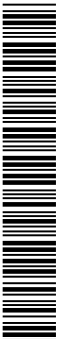
10 (a) IN GENERAL.—The Secretary of Transportation  
11 shall reimburse an air carrier for any financial losses that  
12 the Secretary determines are attributable to the loss of  
13 air traffic resulting from the use of force against the Re-  
14 public of Iraq in calendar year 2003.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
16 authorized to be appropriated such sums as may be nec-  
17 essary to carry out this section.

18 **SEC. 10. AIRLIFT SERVICES.**

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

21 “(e) COMPENSATION OF CONTRACTORS.—An airlift  
22 services contract entered into by the Secretary of Defense  
23 and an air carrier described in subsection (a) shall ensure  
24 that the air carrier is compensated for the positioning, de-  
25 positioning, and other ferry portions of missions per-  
26 formed under the contract.”.



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

2 (a) REQUIREMENT.—

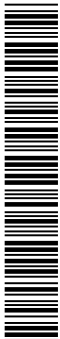
3 (1) DRAWDOWN.—Notwithstanding any other  
4 provision of law, if the President authorizes the mili-  
5 tary to use force against the Republic of Iraq in cal-  
6 endar year 2003, the Secretary of Energy shall  
7 drawdown and distribute petroleum from the Stra-  
8 tegic Petroleum Reserve in quantities 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



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

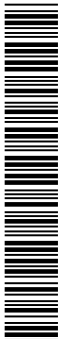
4           (b) CESSATION.— The Secretary of Energy may  
5           cease any drawdown under subsection (a) if the Secretary  
6           determines that—

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

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

15   **SEC. 12. CARGO CARRIED ABOARD PASSENGER-CARRYING**  
16                   **AIRCRAFT.**

17          (a) ESTABLISHMENT OF WORKING GROUP.—The  
18          Under Secretary for Border and Transportation Security  
19          of the Department of Homeland Security shall establish  
20          an air cargo security working group with industry experts  
21          from the Transportation Security Administration, pas-  
22          senger airlines, indirect air carriers, shippers, small busi-  
23          nesses, and other related groups to develop recommenda-  
24          tions on the enhancement of the current known shipper  
25          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.

