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To provide economic relief to general aviation entities that have suffered substantial economic injury as a result of the terrorist attacks perpetrated against the United States on September 11, 2001.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 2002

Mr. INHOFE introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide economic relief to general aviation entities that have suffered substantial economic injury as a result of the terrorist attacks perpetrated against the United States on September 11, 2001.

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 “General Aviation In-

5 dustry Reparations Act of 2002”.

6 **SEC. 2. GENERAL AVIATION INDUSTRY REPARATIONS.**

7 (a) IN GENERAL.—Notwithstanding any other provi-

8 sion of law, the President shall take the following actions

1 to compensate general aviation entities and their employ-
2 ees for economic injuries incurred by such entities and em-
3 ployees as a result of the terrorist attacks on the United
4 States that occurred on September 11, 2001:

5 (1) Subject to such terms and conditions as the
6 President deems necessary and subject to subsection
7 (b), issue Federal credit instruments to such entities
8 that do not, in the aggregate, exceed \$3,000,000,000
9 and provide the subsidy amounts necessary for such
10 instruments in accordance with the provisions of the
11 Federal Credit Reform Act of 1990 (2 U.S.C. 661
12 et seq.).

13 (2) Compensate such entities and employees in
14 an aggregate amount equal to \$2,500,000,000 for—

15 (A) direct losses incurred beginning on
16 September 11, 2001, by such entities as a re-
17 sult of any Federal ground stop order issued by
18 the Secretary of Transportation or any subse-
19 quent order which continues or renews such a
20 stoppage;

21 (B) the incremental losses incurred begin-
22 ning September 11, 2001, and ending Decem-
23 ber 31, 2001, by such entities as a direct result
24 of such attacks;

1 (C) the incremental losses incurred by em-
2 ployees of an entity receiving assistance under
3 this Act who lost their jobs (other than for
4 cause) at any time during the period between
5 September 11 and December 31, 2001, as a re-
6 sult of such attacks; except that incremental
7 losses under this subparagraph shall be limited
8 to—

9 (i) losses incurred, during a period of
10 90 days beginning on the date of the job
11 loss, as lost compensation offset by com-
12 pensation paid by any other entity; and

13 (ii) the added costs to such employees,
14 for themselves and their dependents, of
15 health insurance premiums and medical ex-
16 penses incurred, during such 90-day pe-
17 riod, that—

18 (I) would have been paid by
19 health insurance coverage that was
20 lost as a result of the job loss or as
21 a result of other action to reduce ex-
22 penses taken by the entity receiving
23 assistance under this Act; and

1 (II) were not paid by other insur-
2 ance coverage, a government agency,
3 or charitable gift; and

4 (D) direct losses incurred by such entities
5 as a direct result of flight restrictions for a pe-
6 riod of one week or more imposed by the Sec-
7 retary of Transportation before the date of en-
8 actment of this Act in response to the increased
9 security required by such attacks.

10 (b) LIMITATION ON AGGREGATE AMOUNT OF CREDIT
11 INSTRUMENTS.—The aggregate amount of Federal credit
12 instruments that may be issued under section 101(a)(1)
13 of the Air Transportation Safety and System Stabilization
14 Act (49 U.S.C. 40101 note; 115 Stat. 230) shall be re-
15 duced by the aggregate amount of Federal credit instru-
16 ments issued under subsection (a)(1) of this section.

17 (c) EMERGENCY DESIGNATION.—Congress des-
18 ignates the amount of new budget authority and outlays
19 in all fiscal years resulting from this Act as an emergency
20 requirement pursuant to section 252(e) of the Balanced
21 Budget and Emergency Deficit Control Act of 1985 (2
22 U.S.C. 901(e)). Such amount shall be available only to the
23 extent that a request, that includes designation of such
24 amount as an emergency requirement as defined in such
25 Act, is transmitted by the President to Congress.

1 (d) DEADLINE FOR APPLICATIONS.—Not later than
2 14 days after the date of enactment of this Act, the Presi-
3 dent shall establish and publish in the Federal Register
4 a deadline for the issuance of Federal credit instruments
5 under this section and a deadline for the submission of
6 applications for payments of compensation under this sec-
7 tion.

8 **SEC. 3. STABILIZATION BOARD.**

9 (a) FEDERAL CREDIT INSTRUMENTS.—

10 (1) OPERATING PLAN.—An obligor seeking
11 issuance of a Federal credit instrument under sec-
12 tion 2(a)(1) shall submit to the Air Transportation
13 Stabilization Board, established under section
14 102(b) of the Air Transportation Safety Stabiliza-
15 tion Act (49 U.S.C. 40101 note; 115 Stat. 231), an
16 operating plan (including budget and cash flow pro-
17 jections) and financial plan for the period of time
18 that the instrument will be in effect. Such plans
19 shall demonstrate to the satisfaction of the Board
20 the ability of the obligor to continue operations as
21 an ongoing general aviation entity during and after
22 the period of time the instrument will be in effect.

23 (2) ISSUANCE.—The Board, in consultation
24 with the Small Business Administration, may enter
25 into agreements with 1 or more obligors to issue

1 Federal credit instruments under section 2(a)(1) if
2 the Board determines, in its discretion, that—

3 (A) the obligor is a general aviation entity
4 for which credit is not reasonably available at
5 the time of the transaction;

6 (B) the intended obligation by the obligor
7 is prudently incurred;

8 (C) the obligor has furnished reasonable
9 assurance that it will be able to repay all loans
10 and other debt obligations covered by the Fed-
11 eral credit instrument in accordance with the
12 terms of such loans and other obligations;

13 (D) the obligor intends to continue to oper-
14 ate as a general aviation entity, and the oper-
15 ating and financial plan submitted by the obli-
16 gor under paragraph (1) satisfies the dem-
17 onstration required by paragraph (1); and

18 (E) the type of aviation services or prod-
19 ucts (or both) provided by the obligor are an
20 important part of a safe, efficient, and viable
21 general aviation system.

22 (b) TERMS AND LIMITATIONS.—

23 (1) FORMS; TERMS AND CONDITIONS.—A Fed-
24 eral credit instrument shall be issued under section
25 2(a)(1) in such form and on such terms and condi-

1 tions and contain such covenants, representations,
2 warranties, and requirements (including require-
3 ments for audits) as the Board determines appro-
4 priate. The Board may issue a Federal credit instru-
5 ment under section 2(a)(1) to pay all or part of any
6 of the principal of and interest on a loan or other
7 debt obligation issued to the obligor.

8 (2) PROCEDURES.—Not later than 14 days
9 after the date of enactment of this Act, the Director
10 of the Office of Management and Budget shall issue
11 regulations setting forth procedures for application
12 and minimum requirements, which may be supple-
13 mented by the Board in its discretion, for the
14 issuance of Federal credit instruments under section
15 2(a)(1).

16 (c) FINANCIAL PROTECTION OF GOVERNMENT.—

17 (1) IN GENERAL.—To the extent feasible and
18 practicable, the Board shall ensure that the Govern-
19 ment is compensated for the risk assumed in making
20 guarantees under this Act.

21 (2) GOVERNMENT PARTICIPATION IN GAINS.—
22 To the extent to which any participating entity ac-
23 cepts financial assistance, in the form of accepting
24 the proceeds of any loans guaranteed by the Govern-
25 ment under this Act, the Board is authorized to

1 enter into contracts under which the Government,
2 contingent on the financial success of the partici-
3 pating entity, would participate in the gains of the
4 participating entity or its security holders through
5 the use of such instruments as warrants, stock op-
6 tions, common or preferred stock, or other appro-
7 priate equity instruments.

8 (3) DEPOSIT IN TREASURY.—All amounts col-
9 lected by the Government under this subsection shall
10 be deposited in the Treasury as miscellaneous re-
11 ceipts.

12 **SEC. 4. SPECIAL RULES FOR COMPENSATION.**

13 (a) LIMITATION ON AMOUNT OF COMPENSATION.—

14 (1) DOCUMENTATION.—Subject to subsection
15 (b), the amount of compensation payable under sec-
16 tion 2(a)(2) to a general aviation entity may not ex-
17 ceed the amount of losses described in such section
18 that such entity demonstrates to the satisfaction of
19 the President, using sworn financial statements or
20 other appropriate data, that such entity incurred.

21 (2) AUDITS.—The Secretary of Transportation
22 and the Comptroller General of the United States
23 may audit statements referred to in paragraph (1)
24 and may request any information that the Secretary

1 and the Comptroller General deem necessary to con-
2 duct such audit.

3 (b) PRIORITY.—The President shall give priority for
4 compensation under section 2(a)(2) to a general aviation
5 entity—

6 (1) based on the length of time that the entity
7 has been unable to operate as a result of the ter-
8 rorist attacks on the United States that occurred on
9 September 11, 2001; and

10 (2) if the entity is a small business concern (as
11 defined under section 3 of the Small Business Ad-
12 ministration Act (15 U.S.C. 632(a))).

13 (c) AMOUNT OF COMPENSATION.—In order to ensure
14 that compensation provided under section 2(a)(2) is dis-
15 tributed equitably among general aviation entities that
16 have substantiated losses described in section 2(a)(2), the
17 President may provide compensation under section 2(a)(2)
18 to a general aviation entity that is an amount less than
19 the amount of losses incurred by the entity and substan-
20 tiated by the entity as losses for which compensation may
21 be made under section 2(a)(2).

22 (d) PAYMENTS.—The President may provide com-
23 pensation under section 2(a)(2) to general aviation entities
24 in 1 or more payments up to the amount authorized by
25 this Act.

1 (e) EMPLOYEE PROTECTION.—If the President pro-
2 vides compensation to a general aviation entity under sub-
3 paragraph (A) or (B) of section 2(a)(2), the President
4 must also provide compensation to its employees under
5 subparagraph (C) of such section. The President shall de-
6 velop procedures to ensure that an application by a gen-
7 eral aviation entity for compensation includes complete in-
8 formation about losses of employees of such entity.

9 **SEC. 5. LIMITATION ON CERTAIN EMPLOYEE COMPENSA-**
10 **TION.**

11 (a) IN GENERAL.—The President may only issue a
12 Federal credit instrument, or provide compensation, under
13 section 2(a) to a general aviation entity after the entity
14 enters into a legally binding agreement with the President
15 that, during the 2-year period beginning on the date of
16 enactment of this Act, no officer or employee of the entity
17 whose total compensation exceeded \$300,000 in calendar
18 year 2000 (other than an employee whose compensation
19 is determined through an existing collective bargaining
20 agreement entered into prior to such date of enactment)—

21 (1) will receive from the entity total compensa-
22 tion which exceeds, during any 12 consecutive
23 months of such 2-year period, the total compensa-
24 tion received by the officer or employee from the en-
25 tity in calendar year 2000; and

1 (2) will receive from the entity severance pay or
2 other benefits upon termination of employment with
3 the entity which exceeds twice the maximum total
4 compensation received by the officer or employee
5 from the entity in calendar year 2000.

6 (b) **TOTAL COMPENSATION DEFINED.**—In this sec-
7 tion, the term “total compensation” includes salary, bo-
8 nuses, awards of stock, and other financial benefits pro-
9 vided by a general aviation entity to an officer or employee
10 of the entity.

11 **SEC. 6. DOMESTIC INSURANCE AND REIMBURSEMENT OF**
12 **INSURANCE COSTS.**

13 Section 44302 of title 49, United States Code, is
14 amended—

15 (1) in each of subsections (b), (c), and (d) by
16 inserting “or general aviation entity (as defined in
17 section 3 of the General Aviation Industry Repara-
18 tions Act of 2002)” after “air carrier”; and

19 (2) in subsection (b)(4) by inserting “and gen-
20 eral aviation entities” after “air carriers”.

21 **SEC. 7. REPORT.**

22 Not later than the 180th day following the date of
23 enactment of this Act, the President shall transmit to the
24 Committee on Transportation and Infrastructure, the
25 Committee on Appropriations, and the Committee on the

1 Budget of the House of Representatives and the Com-
2 mittee on Commerce, Science, and Transportation, the
3 Committee on Appropriations, and the Committee on the
4 Budget of the Senate a report on the amount of assistance
5 provided under this Act to each general aviation entity and
6 the financial status of such entity.

7 **SEC. 8. HEALTH INSURANCE.**

8 (a) HEALTH INSURANCE AGREEMENT.—The Presi-
9 dent may only issue a Federal credit instrument to a gen-
10 eral aviation entity under section 2(a)(1) if the entity has
11 entered into a legally binding agreement with the Presi-
12 dent to provide—

13 (1) for payment of costs attributable to pro-
14 viding health insurance coverage as described in sub-
15 sections (b) and (c); and

16 (2) for maintenance of current health benefit
17 and contribution levels as described in subsection
18 (d).

19 (b) PAYMENT OF HEALTH INSURANCE COVERAGE
20 FOR FORMER EMPLOYEES WHO LOSE COVERAGE.—
21 Under the agreement under subsection (a) and subject to
22 subsection (e), the entity shall pay the costs attributable
23 to providing health insurance coverage for a former em-
24 ployee (and the employee's dependents) if the former
25 employee—

1 (1) was provided health insurance coverage on
2 September 11, 2001, by the entity; and

3 (2) lost his or her job, after September 11,
4 2001, and before the date the entity is issued a Fed-
5 eral credit instrument under section 2(a)(1), as a re-
6 sult of the terrorist attacks on the United States
7 that occurred on September 11, 2001.

8 (c) PAYMENT OF HEALTH INSURANCE COVERAGE
9 FOR CURRENT EMPLOYEES WHO LOSE COVERAGE.—

10 Under the agreement under subsection (a) and subject to
11 subsection (e), the entity shall pay the costs attributable
12 to providing health insurance coverage for an employee
13 (and the employee's dependents) if the employee—

14 (1) was provided health insurance coverage on
15 September 11, 2001, by the entity;

16 (2) lost such coverage, after September 11,
17 2001, and before the date the entity is issued a Fed-
18 eral credit instrument under section 2(a)(1), by rea-
19 son of the entity's response to economic conditions
20 arising out of the terrorist attacks on the United
21 States that occurred on September 11, 2001; and

22 (3) is employed by such entity on the date of
23 issuance of such instrument.

24 (d) MAINTENANCE OF CURRENT BENEFIT LEVELS
25 FOR CURRENTLY INSURED EMPLOYEES.—Under the

1 agreement under subsection (a) and subject to subsection
2 (e), the entity shall not reduce the amount of health bene-
3 fits or employer contribution made for health insurance
4 coverage for employees employed by the entity as of the
5 date the entity is issued a Federal credit instrument under
6 section 2(a)(1) below the level of such benefits and con-
7 tributions in effect on February 27, 2002.

8 (e) LIMITATIONS.—The obligation of a general avia-
9 tion entity—

10 (1) under subsections (b), (c), and (d) shall be
11 limited to a period of 6 months beginning on the
12 date the entity is issued a Federal credit instrument
13 under section 2(a)(1);

14 (2) under subsections (b) and (c) shall not
15 apply to an employee who lost a job for cause; and

16 (3) under subsection (b) shall not apply to an
17 employee after the date that the employee is first
18 employed on a full-time, nonseasonal basis after the
19 date of the job loss referred to in subsection (b).

20 (f) HEALTH INSURANCE COVERAGE DEFINED.—For
21 purposes of this section and section 2, the term “health
22 insurance coverage” has the meaning given such term in
23 subsection (b)(1) of section 733 of the Employee Retire-
24 ment Income Security Act of 1974 (29 U.S.C. 1191b) and

1 includes coverage under a group health plan (as defined
2 in subsection (a)(1) of such section).

3 **SEC. 9. DEFINITIONS.**

4 In this Act:

5 (1) FEDERAL CREDIT INSTRUMENT.—The term
6 “Federal credit instrument” means any guarantee or
7 other pledge by the Air Transportation Stabilization
8 Board issued under section 2(a)(1) of this Act to
9 pledge the full faith and credit of the United States
10 to pay all or part of any of the principal of and in-
11 terest on a loan or other debt obligation issued by
12 an obligor and funded by a lender.

13 (2) GENERAL AVIATION ENTITY.—The term
14 “general aviation entity” means any person (other
15 than an air carrier or foreign air carrier) that—

16 (A) operates nonmilitary aircraft under
17 part 91 of title 14, Code of Federal Regula-
18 tions, for the purpose of conducting its primary
19 business;

20 (B) manufactures nonmilitary aircraft with
21 a maximum seating capacity of fewer than 20
22 passengers or aircraft parts to be used in such
23 aircraft;

24 (C) provides services necessary for non-
25 military operations under such part 91; or

1 (D) operates an airport, other than a pri-
2 mary airport (as such terms are defined in sec-
3 tion 40102 of title 49, United States Code),
4 that—

5 (i) is listed in the national plan of in-
6 tegrated airport systems developed by the
7 Federal Aviation Administration under sec-
8 tion 47103 of such title; or

9 (ii) is normally open to the public, is
10 located within the confines of enhanced
11 class B airspace (as defined by the Federal
12 Aviation Administration in Notice to Air-
13 men FDC 1/0618), and was closed as a re-
14 sult of an order issued by the Federal
15 Aviation Administration in the period be-
16 ginning September 11, 2001, and ending
17 January 1, 2002, and remained closed as
18 a result of that order on January 1, 2002.

19 Such term includes fixed-based operators, flight
20 schools, manufacturers of general aviation aircraft
21 and products, persons engaged in nonscheduled avia-
22 tion enterprises, and general aviation independent
23 contractors.

24 (3) INCREMENTAL LOSS.—The term “incre-
25 mental loss” does not include any loss that the

1 President determines would have been incurred if
2 the terrorist attacks on the United States that oc-
3 curred on September 11, 2001, had not occurred.

○