

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2926

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## AN ACT

To preserve the continued viability of the United States  
air transportation system.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Air Transportation  
3 Safety and System Stabilization Act”.

4 **TITLE I—AIRLINE**  
5 **STABILIZATION**

6 **SEC. 101. AVIATION DISASTER RELIEF.**

7 (a) IN GENERAL.—Notwithstanding any other provi-  
8 sion of law, the President shall take the following actions  
9 to compensate air carriers for losses incurred by the air  
10 carriers as a result of the terrorist attacks on the United  
11 States that occurred on September 11, 2001:

12 (1) Subject to such terms and conditions as the  
13 President deems necessary, issue Federal credit in-  
14 struments to air carriers that do not, in the aggre-  
15 gate, exceed \$10,000,000,000 and provide the sub-  
16 sidy amounts necessary for such instruments in ac-  
17 cordance with the provisions of the Federal Credit  
18 Reform Act of 1990 (2 U.S.C. 661 et seq.).

19 (2) Compensate air carriers in an aggregate  
20 amount equal to \$5,000,000,000 for—

21 (A) direct losses incurred beginning on  
22 September 11, 2001, by air carriers as a result  
23 of any Federal ground stop order issued by the  
24 Secretary of Transportation or any subsequent  
25 order which continues or renews such a stop-  
26 page; and

1 (B) the incremental losses incurred begin-  
2 ning September 11, 2001, and ending Decem-  
3 ber 31, 2001, by air carriers as a direct result  
4 of such attacks.

5 (b) EMERGENCY DESIGNATION.—Congress des-  
6 ignates the amount of new budget authority and outlays  
7 in all fiscal years resulting from this title as an emergency  
8 requirement pursuant to section 252(e) of the Balanced  
9 Budget and Emergency Deficit Control Act of 1985 (2  
10 U.S.C. 901(e)). Such amount shall be available only to the  
11 extent that a request, that includes designation of such  
12 amount as an emergency requirement as defined in such  
13 Act, is transmitted by the President to Congress.

14 **SEC. 102. AIR TRANSPORTATION STABILIZATION BOARD.**

15 (a) DEFINITIONS.—In this section, the following defi-  
16 nitions apply:

17 (1) BOARD.—The term “Board” means the Air  
18 Transportation Stabilization Board established  
19 under subsection (b).

20 (2) FINANCIAL OBLIGATION.—The term “finan-  
21 cial obligation” means any note, bond, debenture, or  
22 other debt obligation issued by an obligor in connec-  
23 tion with financing under this section and section  
24 101(a)(1).

1           (3) LENDER.—The term “lender” means any  
2 non-Federal qualified institutional buyer (as defined  
3 by section 230.144A(a) of title 17, Code of Federal  
4 Regulations (or any successor regulation) known as  
5 Rule 144A(a) of the Securities and Exchange Com-  
6 mission and issued under the Security Act of 1933,  
7 including—

8           (A) a qualified retirement plan (as defined  
9 in section 4974(c) of the Internal Revenue Code  
10 of 1986 (26 U.S.C. 4974(c)) that is a qualified  
11 institutional buyer; and

12           (B) a governmental plan (as defined in  
13 section 414(d) of the Internal Revenue Code of  
14 1986 (26 U.S.C. 414(d)) that is a qualified in-  
15 stitutional buyer.

16           (4) OBLIGOR.—The term “obligor” means a  
17 party primarily liable for payment of the principal of  
18 or interest on a Federal credit instrument, which  
19 party may be a corporation, partnership, joint ven-  
20 ture, trust, or governmental entity, agency, or in-  
21 strumentality.

22           (b) AIR TRANSPORTATION STABILIZATION BOARD.—

23           (1) ESTABLISHMENT.—There is established a  
24 board (to be known as the “Air Transportation Sta-  
25 bilization Board”) to review and decide on applica-

1 tions for Federal credit instruments under section  
2 101(a)(1).

3 (2) COMPOSITION.—The Board shall consist  
4 of—

5 (A) the Secretary of Transportation or the  
6 designee of the Secretary;

7 (B) the Chairman of the Board of Gov-  
8 ernors of the Federal Reserve System, or the  
9 designee of the Chairman, who shall be the  
10 Chair of the Board;

11 (C) the Secretary of the Treasury or the  
12 designee of the Secretary; and

13 (D) the Comptroller General of the United  
14 States, or the designee of the Comptroller Gen-  
15 eral, as a nonvoting member of the Board.

16 (c) FEDERAL CREDIT INSTRUMENTS.—

17 (1) IN GENERAL.—The Board may enter into  
18 agreements with 1 or more obligors to issue Federal  
19 credit instruments under section 101(a)(1) if the  
20 Board determines, in its discretion, that—

21 (A) the obligor is an air carrier for which  
22 credit is not reasonably available at the time of  
23 the transaction;

24 (B) the intended obligation by the obligor  
25 is prudently incurred; and

1 (C) such agreement is a necessary part of  
2 maintaining a safe, efficient, and viable com-  
3 mercial aviation system in the United States.

4 (2) TERMS AND LIMITATIONS.—

5 (A) FORMS; TERMS AND CONDITIONS.—A  
6 Federal credit instrument shall be issued under  
7 section 101(a)(1) in such form and on such  
8 terms and conditions and contain such cov-  
9 enants, representatives, warranties, and require-  
10 ments (including requirements for audits) as  
11 the Board determines appropriate.

12 (B) PROCEDURES.—Not later than 14  
13 days after the date of enactment of this Act,  
14 the Director of the Office of Management and  
15 Budget shall issue regulations setting forth pro-  
16 cedures for application and minimum require-  
17 ments, which may be supplemented by the  
18 Board in its discretion, for the issuance of Fed-  
19 eral credit instruments under section 101(a)(1).

20 (d) FINANCIAL PROTECTION OF GOVERNMENT.—

21 (1) IN GENERAL.—To the extent feasible and  
22 practicable, the Board shall ensure that the Govern-  
23 ment is compensated for the risk assumed in making  
24 guarantees under this title.

1           (2) GOVERNMENT PARTICIPATION IN GAINS.—

2           To the extent to which any participating corporation  
3           accepts financial assistance, in the form of accepting  
4           the proceeds of any loans guaranteed by the Govern-  
5           ment under this title, the Board is authorized to  
6           enter into contracts under which the Government,  
7           contingent on the financial success of the partici-  
8           pating corporation, would participate in the gains of  
9           the participating corporation or its security holders  
10          through the use of such instruments as warrants,  
11          stock options, common or preferred stock, or other  
12          appropriate equity instruments.

13          (3) DEPOSIT IN TREASURY.—All amounts col-  
14          lected by the Secretary of the Treasury under this  
15          subsection shall be deposited in the Treasury as mis-  
16          cellaneous receipts.

17 **SEC. 103. SPECIAL RULES FOR COMPENSATION.**

18          (a) DOCUMENTATION.—Subject to subsection (b), the  
19          amount of compensation payable to an air carrier under  
20          section 101(a)(2) may not exceed the amount of losses de-  
21          scribed in section 101(a)(2) that the air carrier dem-  
22          onstrates to the satisfaction of the President, using sworn  
23          financial statements or other appropriate data, that the  
24          air carrier incurred. The Secretary of Transportation and  
25          the Comptroller General of the United States may audit

1 such statements and may request any information that the  
2 Secretary and the Comptroller General deems necessary  
3 to conduct such audit.

4 (b) MAXIMUM AMOUNT OF COMPENSATION PAYABLE  
5 PER AIR CARRIER.—The maximum total amount of com-  
6 pensation payable to an air carrier under section  
7 101(a)(2) may not exceed the lesser of—

8 (1) the amount of such air carrier’s direct and  
9 incremental losses described in section 101(a)(2); or  
10 (2) in the case of—

11 (A) flights involving passenger-only or  
12 combined passenger and cargo transportation,  
13 the product of—

14 (i) \$4,500,000,000; and

15 (ii) the ratio of—

16 (I) the available seat miles of the  
17 air carrier for the month of August  
18 2001 as reported to the Secretary; to

19 (II) the total available seat miles  
20 of all such air carriers for such month  
21 as reported to the Secretary; and

22 (B) flights involving cargo-only transpor-  
23 tation, the product of—

24 (i) \$500,000,000; and

25 (ii) the ratio of—

1 (I) the revenue ton miles or other  
2 auditable measure of the air carrier  
3 for cargo for the latest quarter for  
4 which data is available as reported to  
5 the Secretary; to

6 (II) the total revenue ton miles  
7 or other auditable measure of all such  
8 air carriers for cargo for such quarter  
9 as reported to the Secretary.

10 (c) PAYMENTS.—The President may provide com-  
11 pensation to air carriers under section 101(a)(2) in 1 or  
12 more payments up to the amount authorized by this title.

13 **SEC. 104. LIMITATION ON CERTAIN EMPLOYEE COMPENSA-**  
14 **TION.**

15 (a) IN GENERAL.—The President may only issue a  
16 Federal credit instrument under section 101(a)(1) to an  
17 air carrier after the air carrier enters into a legally binding  
18 agreement with the President that, during the 2-year pe-  
19 riod beginning September 11, 2001, and ending Sep-  
20 tember 11, 2003, no officer or employee of the air carrier  
21 whose total compensation exceeded \$300,000 in calendar  
22 year 2000 (other than an employee whose compensation  
23 is determined through an existing collective bargaining  
24 agreement entered into prior to September 11, 2001)—

1           (1) will receive from the air carrier total com-  
2           pensation which exceeds, during any 12 consecutive  
3           months of such 2-year period, the total compensa-  
4           tion received by the officer or employee from the air  
5           carrier in calendar year 2000; and

6           (2) will receive from the air carrier severance  
7           pay or other benefits upon termination of employ-  
8           ment with the air carrier which exceeds twice the  
9           maximum total compensation received by the officer  
10          or employee from the air carrier in calendar year  
11          2000.

12          (b) **TOTAL COMPENSATION DEFINED.**—In this sec-  
13          tion, the term “total compensation” includes salary, bo-  
14          nuses, awards of stock, and other financial benefits pro-  
15          vided by an air carrier to an officer or employee of the  
16          air carrier.

17          **SEC. 105. CONTINUATION OF CERTAIN AIR SERVICE.**

18          (a) **ACTION OF SECRETARY.**—The Secretary of  
19          Transportation should take appropriate action to ensure  
20          that all communities that had scheduled air service before  
21          September 11, 2001, continue to receive adequate air  
22          transportation service and that essential air service to  
23          small communities continues without interruption.

24          (b) **ESSENTIAL AIR SERVICE.**—There is authorized  
25          to be appropriated to the Secretary to carry out the essen-

1 tial air service program under subchapter II of chapter  
2 417 of title 49, United States Code, \$120,000,000 for fis-  
3 cal year 2002.

4 (c) SECRETARIAL OVERSIGHT.—

5 (1) IN GENERAL.—Notwithstanding any other  
6 provision of law, the Secretary is authorized to re-  
7 quire an air carrier receiving direct financial assist-  
8 ance under this Act to maintain scheduled air serv-  
9 ice to any point served by that carrier before Sep-  
10 tember 11, 2001.

11 (2) AGREEMENTS.—In applying paragraph (1),  
12 the Secretary may require air carriers receiving di-  
13 rect financial assistance under this Act to enter into  
14 agreements which will ensure, to the maximum ex-  
15 tent practicable, that all communities that had  
16 scheduled air service before September 11, 2001,  
17 continue to receive adequate air transportation serv-  
18 ice.

19 **SEC. 106. REPORTS.**

20 (a) REPORT.—Not later than February 1, 2001, the  
21 President shall transmit to the Committee on Transpor-  
22 tation and Infrastructure, the Committee on Appropria-  
23 tions, and the Committee on the Budget of the House of  
24 Representatives and the Committee on Commerce,  
25 Science, and Transportation, the Committee on Appro-

1 priations, and the Committee on the Budget of the Senate  
2 a report on the financial status of the air carrier industry  
3 and the amounts of assistance provided under this title  
4 to each air carrier.

5 (b) UPDATE.—Not later than the last day of the 7-  
6 month period following the date of enactment of this Act,  
7 the President shall update and transmit the report to the  
8 Committees.

9 **SEC. 107. DEFINITIONS.**

10 In this title, the following definitions apply:

11 (1) AIR CARRIER.—The term “air carrier” has  
12 the meaning such term has under section 40102 of  
13 title 49, United States Code.

14 (2) FEDERAL CREDIT INSTRUMENT.—The term  
15 “Federal credit instrument” means any guarantee or  
16 other pledge by the Board issued under section  
17 101(a)(1) to pledge the full faith and credit of the  
18 United States to pay all or part of any of the prin-  
19 cipal of and interest on a loan or other debt obliga-  
20 tion issued by an obligor and funded by a lender.

21 (3) INCREMENTAL LOSS.—The term “incre-  
22 mental loss” does not include any loss that the  
23 President determines would have been incurred if  
24 the terrorist attacks on the United States that oc-  
25 curred on September 11, 2001, had not occurred.

1 **TITLE II—AVIATION INSURANCE**

2 **SEC. 201. DOMESTIC INSURANCE AND REIMBURSEMENT OF**  
3 **INSURANCE COSTS.**

4 (a) IN GENERAL.—Section 44302 of title 49, United  
5 States Code, is amended—

6 (1) in subsection (a)(1)—

7 (A) by striking “subsection (b)” and in-  
8 serting “subsection (c)”; and

9 (B) by striking “foreign-flag aircraft—”  
10 and all that follows through the period at the  
11 end of subparagraph (B) and inserting “for-  
12 eign-flag aircraft.”;

13 (2) by redesignating subsections (b), (c), and  
14 (d) as subsections (c), (d), and (e), respectively;

15 (3) by inserting after subsection (a) the fol-  
16 lowing:

17 “(b) REIMBURSEMENT OF INSURANCE COST IN-  
18 CREASES.—

19 “(1) IN GENERAL.—The Secretary may reim-  
20 burse an air carrier for the increase in the cost of  
21 insurance, with respect to a premium for coverage  
22 ending before October 1, 2002, against loss or dam-  
23 age arising out of any risk from the operation of an  
24 American aircraft over the insurance premium that  
25 was in effect for a comparable operation during the

1 period beginning September 4, 2001, and ending  
2 September 10, 2001, as the Secretary may deter-  
3 mine. Such reimbursement is subject to subsections  
4 (a)(2), (c), and (d) of this section and to section  
5 44303.

6 “(2) PAYMENT FROM REVOLVING FUND.—A re-  
7 imbursement under this subsection shall be paid  
8 from the revolving fund established by section  
9 44307.

10 “(3) FURTHER CONDITIONS.—The Secretary  
11 may impose such further conditions on insurance for  
12 which the increase in premium is subject to reim-  
13 bursement under this subsection as the Secretary  
14 may deem appropriate in the interest of air com-  
15 merce.

16 “(4) TERMINATION OF AUTHORITY.—The au-  
17 thority to reimburse air carriers under this sub-  
18 section shall expire 180 days after the date of enact-  
19 ment of this paragraph.”;

20 (4) in subsection (c) (as so redesignated)—

21 (A) in the first sentence by inserting “, or  
22 reimburse an air carrier under subsection (b) of  
23 this section,” before “only with the approval”;  
24 and

25 (B) in the second sentence—

1 (i) by inserting “or the reimburse-  
2 ment” before “only after deciding”; and

3 (ii) by inserting “in the interest of air  
4 commerce or national security or” before  
5 “to carry out the foreign policy”; and

6 (5) in subsection (d) (as so redesignated) by in-  
7 serting “or reimbursing an air carrier” before  
8 “under this chapter”.

9 (b) COVERAGE.—

10 (1) IN GENERAL.—Section 44303 of such title  
11 is amended—

12 (A) in the matter preceding paragraph (1)  
13 by inserting “, or reimburse insurance costs,  
14 as” after “insurance and reinsurance”; and

15 (B) in paragraph (1) by inserting “in the  
16 interest of air commerce or national security  
17 or” before “to carry out the foreign policy”.

18 (2) DISCRETION OF THE SECRETARY.—For  
19 acts of terrorism committed on or to an air carrier  
20 during the 180-day period following the date of en-  
21 actment of this Act, the Secretary of Transportation  
22 may certify that the air carrier was a victim of an  
23 act of terrorism and in the Secretary’s judgment,  
24 based on the Secretary’s analysis and conclusions re-  
25 garding the facts and circumstances of each case,

1 shall not be responsible for losses suffered by third  
2 parties (as referred to in section 205.5(b)(1) of title  
3 14, Code of Federal Regulations) that exceed  
4 \$100,000,000, in the aggregate, for all claims by  
5 such parties arising out of such act. If the Secretary  
6 so certifies, the air carrier shall not be liable for an  
7 amount that exceeds \$100,000,000, in the aggregate,  
8 for all claims by such parties arising out of  
9 such act, and the Government shall be responsible  
10 for any liability above such amount. No punitive  
11 damages may be awarded against an air carrier (or  
12 the Government taking responsibility for an air carrier  
13 under this paragraph) under a cause of action  
14 arising out of such act.

15 (c) REINSURANCE.—Section 44304 of such title is  
16 amended—

17 (1) by striking “(a) GENERAL AUTHORITY.—”;

18 and

19 (2) by striking subsection (b).

20 (d) PREMIUMS.—Section 44306 of such title is  
21 amended—

22 (1) by redesignating subsections (b) and (c) as  
23 subsections (c) and (d), respectively; and

24 (2) by inserting after subsection (a) the following:  
25

1       “(b) ALLOWANCES IN SETTING PREMIUM RATES FOR  
2 REINSURANCE.—In setting premium rates for reinsur-  
3 ance, the Secretary may make allowances to the insurance  
4 carrier for expenses incurred in providing services and fa-  
5 cilities that the Secretary considers good business prac-  
6 tices, except for payments by the air carrier for the stimu-  
7 lation or solicitation of insurance business.”.

8       (e) CONFORMING AMENDMENT.—Section 44305(b)  
9 of such title is amended by striking “44302(b)” and in-  
10 serting “44302(e)”.

11 **SEC. 202. EXTENSION OF PROVISIONS TO VENDORS,**  
12 **AGENTS, AND SUBCONTRACTORS OF AIR**  
13 **CARRIERS.**

14       Notwithstanding any other provision of this title, the  
15 Secretary may extend any provision of chapter 443 of title  
16 49, United States Code, as amended by this title, and the  
17 provisions of this title, to vendors, agents, and subcontrac-  
18 tors of air carriers. For the 180-day period beginning on  
19 the date of enactment of this Act, the Secretary may ex-  
20 tend or amend any such provisions so as to ensure that  
21 the entities referred to in the preceding sentence are not  
22 responsible in cases of acts of terrorism for losses suffered  
23 by third parties that exceed the amount of such entities’  
24 liability coverage, as determined by the Secretary.

**TITLE III—TAX PROVISIONS****SEC. 301. EXTENSION OF DUE DATE FOR EXCISE TAX DE-  
POSITS; TREATMENT OF LOSS COMPENSA-  
TION.**

(a) EXTENSION OF DUE DATE FOR EXCISE TAX DE-  
POSITS.—

(1) IN GENERAL.—In the case of an eligible air carrier, any airline-related deposit required under section 6302 of the Internal Revenue Code of 1986 to be made after September 10, 2001, and before November 15, 2001, shall be treated for purposes of such Code as timely made if such deposit is made on or before November 15, 2001. If the Secretary of the Treasury so prescribes, the preceding sentence shall be applied by substituting for “November 15, 2001” each place it appears—

(A) “January 15, 2002”, or

(B) such earlier date after November 15, 2001, as such Secretary may prescribe.

(2) ELIGIBLE AIR CARRIER.—For purposes of this subsection, the term “eligible air carrier” means any domestic corporation engaged in the trade or business of transporting (for hire) persons by air if such transportation is available to the general public.

1           (3) AIRLINE-RELATED DEPOSIT.—For purposes  
2 of this subsection, the term “airline-related deposit”  
3 means any deposit of—

4           (A) taxes imposed by subchapter C of  
5 chapter 33 of such Code (relating to transpor-  
6 tation by air), and

7           (B) taxes imposed by chapters 21, 22, and  
8 24 with respect to employees engaged in a trade  
9 or business referred to in paragraph (2).

10       (b) TREATMENT OF LOSS COMPENSATION.—Nothing  
11 in any provision of law shall be construed to exclude from  
12 gross income under the Internal Revenue Code of 1986  
13 any compensation received under section 101(a)(2) of this  
14 Act.

## 15                           **TITLE IV—VICTIM** 16                           **COMPENSATION**

### 17   **SEC. 401. SHORT TITLE.**

18       This title may be cited as the “September 11th Vic-  
19 tim Compensation Fund of 2001”.

### 20   **SEC. 402. DEFINITIONS.**

21       In this title, the following definitions apply:

22           (1) AIR CARRIER.—The term “air carrier”  
23 means a citizen of the United States undertaking by  
24 any means, directly or indirectly, to provide air

1 transportation and includes employees and agents of  
2 such citizen.

3 (2) AIR TRANSPORTATION.—The term “air  
4 transportation” means foreign air transportation,  
5 interstate air transportation, or the transportation  
6 of mail by aircraft.

7 (3) CLAIMANT.—The term “claimant” means  
8 an individual filing a claim for compensation under  
9 section 405(a)(1).

10 (4) COLLATERAL SOURCE.—The term “collat-  
11 eral source” means all collateral sources, including  
12 life insurance, pension funds, death benefit pro-  
13 grams, and payments by Federal, State, or local  
14 governments related to the terrorist-related aircraft  
15 crashes of September 11, 2001.

16 (5) ECONOMIC LOSS.—The term “economic  
17 loss” means any pecuniary loss resulting from harm  
18 (including the loss of earnings or other benefits re-  
19 lated to employment, medical expense loss, replace-  
20 ment services loss, loss due to death, burial costs,  
21 and loss of business or employment opportunities) to  
22 the extent recovery for such loss is allowed under ap-  
23 plicable State law.

1           (6) ELIGIBLE INDIVIDUAL.—The term “eligible  
2 individual” means an individual determined to be eli-  
3 gible for compensation under section 405(c).

4           (7) NONECONOMIC LOSSES.—The term “non-  
5 economic losses” means losses for physical and emo-  
6 tional pain, suffering, inconvenience, physical im-  
7 pairment, mental anguish, disfigurement, loss of en-  
8 joyment of life, loss of society and companionship,  
9 loss of consortium (other than loss of domestic serv-  
10 ice), hedonic damages, injury to reputation, and all  
11 other nonpecuniary losses of any kind or nature.

12           (8) SPECIAL MASTER.—The term “Special Mas-  
13 ter” means the Special Master appointed under sec-  
14 tion 404(a).

15 **SEC. 403. PURPOSE.**

16       It is the purpose of this title to provide compensation  
17 to any individual (or relatives of a deceased individual)  
18 who was physically injured or killed as a result of the ter-  
19 rorist-related aircraft crashes of September 11, 2001.

20 **SEC. 404. ADMINISTRATION.**

21       (a) IN GENERAL.—The Attorney General, acting  
22 through a Special Master appointed by the Attorney Gen-  
23 eral, shall—

24           (1) administer the compensation program es-  
25 tablished under this title;

1           (2) promulgate all procedural and substantive  
2 rules for the administration of this title; and

3           (3) employ and supervise hearing officers and  
4 other administrative personnel to perform the duties  
5 of the Special Master under this title.

6           (b) AUTHORIZATION OF APPROPRIATIONS.—There  
7 are authorized to be appropriated such sums as may be  
8 necessary to pay the administrative and support costs for  
9 the Special Master in carrying out this title.

10 **SEC. 405. DETERMINATION OF ELIGIBILITY FOR COM-**  
11 **PENSATION.**

12           (a) FILING OF CLAIM.—

13           (1) IN GENERAL.—A claimant may file a claim  
14 for compensation under this title with the Special  
15 Master. The claim shall be on the form developed  
16 under paragraph (2) and shall state the factual basis  
17 for eligibility for compensation and the amount of  
18 compensation sought.

19           (2) CLAIM FORM.—

20           (A) IN GENERAL.—The Special Master  
21 shall develop a claim form that claimants shall  
22 use when submitting claims under paragraph  
23 (1). The Special Master shall ensure that such  
24 form can be filed electronically, if determined to  
25 be practicable.

1 (B) CONTENTS.—The form developed  
2 under subparagraph (A) shall request—

3 (i) information from the claimant con-  
4 cerning the physical harm that the claim-  
5 ant suffered, or in the case of a claim filed  
6 on behalf of a decedent information con-  
7 firming the decedent’s death, as a result of  
8 the terrorist-related aircraft crashes of  
9 September 11, 2001;

10 (ii) information from the claimant  
11 concerning any possible economic and non-  
12 economic losses that the claimant suffered  
13 as a result of such crashes; and

14 (iii) information regarding collateral  
15 sources of compensation the claimant has  
16 received or is entitled to receive as a result  
17 of such crashes.

18 (3) LIMITATION.—No claim may be filed under  
19 paragraph (1) after the date that is 2 years after  
20 the date on which regulations are promulgated  
21 under section 407.

22 (b) REVIEW AND DETERMINATION.—

23 (1) REVIEW.—The Special Master shall review  
24 a claim submitted under subsection (a) and  
25 determine—

1 (A) whether the claimant is an eligible in-  
2 dividual under subsection (c);

3 (B) with respect to a claimant determined  
4 to be an eligible individual—

5 (i) the extent of the harm to the  
6 claimant, including any economic and non-  
7 economic losses; and

8 (ii) the amount of compensation to  
9 which the claimant is entitled based on the  
10 harm to the claimant, the facts of the  
11 claim, and the individual circumstances of  
12 the claimant.

13 (2) NEGLIGENCE.—With respect to a claimant,  
14 the Special Master shall not consider negligence or  
15 any other theory of liability.

16 (3) DETERMINATION.—Not later than 120 days  
17 after that date on which a claim is filed under sub-  
18 section (a), the Special Master shall complete a re-  
19 view, make a determination, and provide written no-  
20 tice to the claimant, with respect to the matters that  
21 were the subject of the claim under review. Such a  
22 determination shall be final and not subject to judi-  
23 cial review.

24 (4) RIGHTS OF CLAIMANT.—A claimant in a re-  
25 view under paragraph (1) shall have—

1 (A) the right to be represented by an at-  
2 torney;

3 (B) the right to present evidence, including  
4 the presentation of witnesses and documents;  
5 and

6 (C) any other due process rights deter-  
7 mined appropriate by the Special Master.

8 (5) NO PUNITIVE DAMAGES.—The Special Mas-  
9 ter may not include amounts for punitive damages  
10 in any compensation paid under a claim under this  
11 title.

12 (6) COLLATERAL COMPENSATION.—The Special  
13 Master shall reduce the amount of compensation de-  
14 termined under paragraph (1)(B)(ii) by the amount  
15 of the collateral source compensation the claimant  
16 has received or is entitled to receive as a result of  
17 the terrorist-related aircraft crashes of September  
18 11, 2001.

19 (c) ELIGIBILITY.—

20 (1) IN GENERAL.—A claimant shall be deter-  
21 mined to be an eligible individual for purposes of  
22 this subsection if the Special Master determines that  
23 such claimant—

24 (A) is an individual described in paragraph  
25 (2); and

1 (B) meets the requirements of paragraph  
2 (3).

3 (2) INDIVIDUALS.—A claimant is an individual  
4 described in this paragraph if the claimant is—

5 (A) an individual who—

6 (i) was present at the World Trade  
7 Center, (New York, New York), the Pen-  
8 tagon (Arlington, Virginia), or the site of  
9 the aircraft crash at Shanksville, Pennsyl-  
10 vania at the time, or in the immediate  
11 aftermath, of the terrorist-related aircraft  
12 crashes of September 11, 2001; and

13 (ii) suffered physical harm or death as  
14 a result of such an air crash;

15 (B) an individual who was a member of  
16 the flight crew or a passenger on American Air-  
17 lines flight 11 or 77 or United Airlines flight 93  
18 or 175, except that an individual identified by  
19 the Attorney General to have been a participant  
20 or conspirator in the terrorist-related aircraft  
21 crashes of September 11, 2001, or a represent-  
22 ative of such individual shall not be eligible to  
23 receive compensation under this title; or

24 (C) in the case of a decedent who is an in-  
25 dividual described in subparagraph (A) or (B),

1 the personal representative of the decedent who  
2 files a claim on behalf of the decedent.

3 (3) REQUIREMENTS.—

4 (A) SINGLE CLAIM.—Not more than one  
5 claim may be submitted under this title by an  
6 individual or on behalf of a deceased individual.

7 (B) LIMITATION ON CIVIL ACTION.—

8 (i) IN GENERAL.—Upon the submis-  
9 sion of a claim under this title, the claim-  
10 ant waives the right to file a civil action  
11 (or to be a party to an action) in any Fed-  
12 eral or State court for damages sustained  
13 as a result of the terrorist-related aircraft  
14 crashes of September 11, 2001. The pre-  
15 ceding sentence does not apply to a civil  
16 action to recover collateral source obliga-  
17 tions.

18 (ii) PENDING ACTIONS.—In the case  
19 of an individual who is a party to a civil  
20 action described in clause (i), such indi-  
21 vidual may not submit a claim under this  
22 title unless such individual withdraws from  
23 such action by the date that is 90 days  
24 after the date on which regulations are  
25 promulgated under section 407.

1 **SEC. 406. PAYMENTS TO ELIGIBLE INDIVIDUALS.**

2 (a) IN GENERAL.—Not later than 20 days after the  
3 date on which a determination is made by the Special Mas-  
4 ter regarding the amount of compensation due a claimant  
5 under this title, the Special Master shall authorize pay-  
6 ment to such claimant of the amount determined with re-  
7 spect to the claimant.

8 (b) PAYMENT AUTHORITY.—This title constitutes  
9 budget authority in advance of appropriations Acts and  
10 represents the obligation of the Federal Government to  
11 provide for the payment of amounts for compensation  
12 under this title.

13 (c) ADDITIONAL FUNDING.—

14 (1) IN GENERAL.—The Attorney General is au-  
15 thorized to accept such amounts as may be contrib-  
16 uted by individuals, business concerns, or other enti-  
17 ties to carry out this title, under such terms and  
18 conditions as the Attorney General may impose.

19 (2) USE OF SEPARATE ACCOUNT.—In making  
20 payments under this section, amounts contained in  
21 any account containing funds provided under para-  
22 graph (1) shall be used prior to using appropriated  
23 amounts.

24 **SEC. 407. REGULATIONS.**

25 Not later than 90 days after the date of enactment  
26 of this Act, the Attorney General, in consultation with the

1 Special Master, shall promulgate regulations to carry out  
2 this title, including regulations with respect to—

3 (1) forms to be used in submitting claims under  
4 this title;

5 (2) the information to be included in such  
6 forms;

7 (3) procedures for hearing and the presentation  
8 of evidence;

9 (4) procedures to assist an individual in filing  
10 and pursuing claims under this title; and

11 (5) other matters determined appropriate by  
12 the Attorney General.

13 **SEC. 408. LIMITATION ON AIR CARRIER LIABILITY.**

14 (a) **IN GENERAL.**—Notwithstanding any other provi-  
15 sion of law, liability for all claims, whether for compen-  
16 satory or punitive damages, arising from the terrorist-re-  
17 lated aircraft crashes of September 11, 2001, against any  
18 air carrier shall not be in an amount greater than the lim-  
19 its of the liability coverage maintained by the air carrier.

20 (b) **FEDERAL CAUSE OF ACTION.**—

21 (1) **AVAILABILITY OF ACTION.**—There shall  
22 exist a Federal cause of action for damages arising  
23 out of the hijacking and subsequent crashes of  
24 American Airlines flights 11 and 77, and United  
25 Airlines flights 93 and 175, on September 11, 2001.

1 Notwithstanding section 40120(c) of title 49, United  
2 States Code, this cause of action shall be the exclu-  
3 sive remedy for damages arising out of the hijacking  
4 and subsequent crashes of such flights.

5 (2) **SUBSTANTIVE LAW.**—The substantive law  
6 for decision in any such suit shall be derived from  
7 the law, including choice of law principles, of the  
8 State in which the crash occurred unless such law is  
9 inconsistent with or preempted by Federal law.

10 (3) **JURISDICTION.**—The United States District  
11 Court for the Southern District of New York shall  
12 have original and exclusive jurisdiction over all ac-  
13 tions brought for any claim (including any claim for  
14 loss of property, personal injury, or death) resulting  
15 from or relating to the terrorist-related aircraft  
16 crashes of September 11, 2001.

17 (c) **EXCLUSION.**—Nothing in this section shall in any  
18 way limit any liability of any person who is a knowing  
19 participant in any conspiracy to hijack any aircraft or  
20 commit any terrorist act.

21 **SEC. 409. RIGHT OF SUBROGATION.**

22 The United States shall have the right of subrogation  
23 with respect to any claim paid by the United States under  
24 this title.

1 **TITLE V—AIR TRANSPORTATION**  
2 **SAFETY**

3 **SEC. 501. INCREASED AIR TRANSPORTATION SAFETY.**

4 Congress affirms the President's decision to spend  
5 \$3,000,000,000 on airline safety and security in conjunc-  
6 tion with this Act in order to restore public confidence  
7 in the airline industry.

8 **SEC. 502. CONGRESSIONAL COMMITMENT.**

9 Congress is committed to act expeditiously, in con-  
10 sultation with the Secretary of Transportation, to  
11 strengthen airport security and take further measures to  
12 enhance the security of air travel.

13 **TITLE VI—SEPARABILITY**

14 **SEC. 601. SEPARABILITY.**

15 If any provision of this Act (including any amend-  
16 ment made by this Act) or the application thereof to any  
17 person or circumstance is held invalid, the remainder of  
18 this Act (including any amendment made by this Act) and

- 1 the application thereof to other persons or circumstances
- 2 shall not be affected thereby.

Passed the House of Representatives September 21,  
2001.

Attest:

*Clerk.*

107TH CONGRESS  
1ST SESSION

**H. R. 2926**

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**AN ACT**

To preserve the continued viability of the United  
States air transportation system.