

TO AMEND TITLE 49, UNITED STATES CODE, TO EXTEND
 THE NON-PREMIUM WAR RISK INSURANCE PROGRAM

SEPTEMBER 13, 2023.—Committed to the Committee of the Whole House on the
 State of the Union and ordered to be printed

Mr. GRAVES of Missouri, from the Committee on Transportation
 and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 4762]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom
 was referred the bill (H.R. 4762) to amend title 49, United States
 Code, to extend the non-premium war risk insurance program, hav-
 ing considered the same, reports favorably thereon without amend-
 ment and recommends that the bill do pass.

CONTENTS

	Page
Purpose of Legislation	2
Background and Need for Legislation	2
Hearings	2
Legislative History and Consideration	2
Committee Votes	3
Committee Oversight Findings and Recommendations	3
New Budget Authority and Tax Expenditures	3
Congressional Budget Office Cost Estimate	3
Performance Goals and Objectives	4
Duplication of Federal Programs	4
Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits ...	5
Federal Mandates Statement	5
Preemption Clarification	5
Advisory Committee Statement	5
Applicability to Legislative Branch	5
Section-By-Section Analysis of The Legislation	5
Section. 1. Non-Premium War Risk Insurance Program Extension	5
Changes in Existing Law Made by the Bill, as Reported	5

PURPOSE OF LEGISLATION

The purpose of H.R. 4762 is to extend the authority of the Federal Aviation Administration (FAA) to provide non-premium war risk insurance to participants in the Civil Reserve Air Fleet (CRAF) and other air carriers operating under a Federal Government contract through fiscal year (FY) 2025.

BACKGROUND AND NEED FOR LEGISLATION

Following the terrorist attacks on September 11, 2001, commercially available aviation war risk insurance premiums skyrocketed. As a result, the Federal Government began to offer non-premium aviation war risk insurance to air carriers operating under a Federal Government contract when commercial coverage was not available on reasonable terms. Today, the Department of Defense (DOD) and other Federal agencies rely on the FAA to provide non-premium war risk insurance to ensure that contracted air carriers maintain the ability to meet the Federal government and the military's mission objectives and operations without disruptions. In the event of an accident, claims are paid out from the Aviation Insurance Revolving Fund (AIRF) which has a stable balance of \$2.4 billion dollars.¹ The FAA currently insures 31 United States air carriers through its non-premium war risk insurance program and anticipates adding an additional air carrier each fiscal year.²

HEARINGS

For the purposes of rule XIII, clause 3(c)(6)(A) of the 118th Congress, the following hearings were used to develop or consider H.R. 4762:

On February 7, 2023, the Committee on Transportation and Infrastructure held a hearing entitled, "*FAA Reauthorization: Enhancing America's Gold Standard in Aviation.*" The hearing examined regulatory efforts that could be taken to improve America's gold standard of aviation safety. The Committee received testimony from Mr. David Boulter, Acting Associate Administrator for Aviation Safety, Federal Aviation Administration; The Honorable Jennifer Homendy, Chair, National Transportation Safety Board; Captain Jason Ambrosi, President, Air Line Pilots Association; Mr. Pete Bunce, President and Chief Executive Officer, General Aviation Manufacturers Association; Mr. Ed Bolen, President and Chief Executive Officer, National Business Aviation Association; and Ms. Kerry Buckley, PHD, Vice President, Center for Advanced Aviation System Development, MITRE Corporation.

LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 4762, "*To amend title 49, United States Code, to extend the non-premium war risk insurance program*", was introduced in the United States House of Representatives on July 20, 2023, by Mr. Yakym of Indiana and Ms. Sykes of Ohio and referred to the Com-

¹ OFF. OF MGMT. & BUDGET, APPENDIX: BUDGET OF THE UNITED STATES GOVERNMENT; FISCAL YEAR 2024 (2023), at 902, available at https://www.whitehouse.gov/wp-content/uploads/2023/03/appendix_fy2024.pdf.

² AGENCY INFORMATION COLLECTION ACTIVITIES: REQUESTS FOR COMMENTS; CLEARANCE OF RENEWED APPROVAL OF INFORMATION COLLECTION: AVIATION INSURANCE; Notice and request for comments, 87 Fed. Reg. 9413 (February 18, 2022).

mittee on Transportation and Infrastructure. Within the Committee on Transportation and Infrastructure, H.R. 4762 was referred to the Subcommittee on Aviation. The Subcommittee on Aviation was discharged from further consideration of H.R. 4762 on July 27, 2023.

The Committee considered H.R. 4762 on July 27, 2023, and ordered the measure to be reported to the House with a favorable recommendation, without amendment, by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against.

No recorded votes were requested during consideration of H.R. 4762.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act of 1974* has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the enclosed cost estimate for H.R. 4762 from the Director of the Congressional Budget Office:

H.R. 4762, a bill to amend title 49, United States Code, to extend the non-premium war risk insurance program			
As ordered reported by the House Committee on Transportation and Infrastructure on July 27, 2023			
By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	4	4
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	4	4
Spending Subject to Appropriation (Outlays)	0	0	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 4762 would reauthorize the Non-premium War Risk Insurance Program of the Federal Aviation Administration (FAA) through 2025. That program, currently scheduled to expire on September 30, 2023, provides free insurance to certain air carriers engaged in operations that are deemed essential to U.S. foreign policy or national security. The Department of Defense indemnifies the FAA against all losses covered under the insurance.

In general, amounts in the Aviation Insurance Revolving Fund are available without further appropriation to support the program; any associated spending is classified as mandatory. That fund currently has about \$2.4 billion in unobligated balances. In recent years, program claims and administrative costs have averaged about \$2 million annually. On that basis, CBO estimates that enacting H.R. 4762 would increase direct spending by \$2 million per year through 2025, or \$4 million over the 2023–2033 period.

The CBO staff contact for this estimate is Aaron Krupkin. The estimate was reviewed by Chad Chirico, Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to extend the non-premium war risk program administered by the FAA.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 4762 establishes or reauthorizes a program of the Federal government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED
TARIFF BENEFITS

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the *Unfunded Mandates Reform Act* (Public Law 104–4).

PREEMPTION CLARIFICATION

Section 423 of the *Congressional Budget Act of 1974* requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee finds that H.R. 4762 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the definition of Section 5(b) of the appendix to Title 5, United States Code, are created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act* (Public Law 104–1).

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section. 1. Non-Premium War Risk Insurance Program Extension

This section extends the authority of the Federal Aviation Administration to offer non-premium aviation war risk insurance through fiscal year 2025.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

TITLE 49, UNITED STATES CODE

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Subtitle VII—Aviation Programs

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PART A—AIR COMMERCE AND SAFETY

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Subpart iii—Safety

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CHAPTER 443—INSURANCE

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§ 44310. Ending effective date

(a) **IN GENERAL.**—The authority of the Secretary of Transportation to provide insurance and reinsurance under any provision of this chapter other than sections 44302a and 44305 is not effective after December 11, 2014.

(b) **INSURANCE OF UNITED STATES GOVERNMENT PROPERTY.**—The authority of the Secretary of Transportation to provide insurance and reinsurance for a department, agency, or instrumentality of the United States Government under section 44305 is not effective after September 30, **[2023]** 2025.