

provided under this section in a fiscal year shall not be eligible in that fiscal year for the essential air service that it would otherwise be entitled to under this subchapter.

(d) **SUBSEQUENT PARTICIPATION.**—A unit of local government participating in the program under this subsection (a) in a fiscal year shall not be prohibited from participating in the basic essential air service program under this subchapter in a subsequent fiscal year if such unit is otherwise eligible to participate in such program.

(e) **FUNDING.**—Amounts appropriated or otherwise made available to carry out the essential air service program under this subchapter shall be available to carry out this section.

(Added Pub. L. 108-176, title IV, §405, Dec. 12, 2003, 117 Stat. 2544; amended Pub. L. 118-63, title V, §561(k), May 16, 2024, 138 Stat. 1216.)

Editorial Notes

AMENDMENTS

2024—Subsec. (a)(3)(E), (F). Pub. L. 118-63, §561(k)(1), redesignated subpar. (F) as (E) and struck out former subpar. (E) which read as follows: “To purchase aircraft to provide transportation to and from the eligible place or to purchase a fractional share in an aircraft to provide such transportation after the effective date of a rule the Secretary issues relating to fractional ownership.”

Subsecs. (b) to (g). Pub. L. 118-63, §561(k)(2), (3), redesignated subsecs. (d) to (g) as (b) to (e), respectively, and struck out former subsecs. (b) and (c) which related to community flexibility pilot program and fractionally owned aircraft, respectively.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable only to fiscal years beginning after Sept. 30, 2003, except as otherwise specifically provided, see section 3 of Pub. L. 108-176, set out as an Effective Date of 2003 Amendment note under section 106 of this title.

§ 41746. Tracking service

The Secretary of Transportation shall require a carrier that provides essential air service to an eligible place and that receives compensation for such service under this subchapter to report not less than semiannually—

(1) the percentage of flights to and from the place that arrive on time as defined by the Secretary; and

(2) such other information as the Secretary considers necessary to evaluate service provided to passengers traveling to and from such place.

(Added Pub. L. 108-176, title IV, §407, Dec. 12, 2003, 117 Stat. 2545.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable only to fiscal years beginning after Sept. 30, 2003, except as otherwise specifically provided, see section 3 of Pub. L. 108-176, set out as an Effective Date of 2003 Amendment note under section 106 of this title.

[§ 41747. Repealed. Pub. L. 112-95, title IV, § 430, Feb. 14, 2012, 126 Stat. 100]

Section, added Pub. L. 108-176, title IV, §408(a), Dec. 12, 2003, 117 Stat. 2546, related to the EAS local participation program.

[§ 41748. Repealed. Pub. L. 118-63, title V, § 561(l), May 16, 2024, 138 Stat. 1217]

Section, added Pub. L. 108-176, title IV, §410(b), Dec. 12, 2003, 117 Stat. 2548, established a marketing incentive program for eligible places that received subsidized service by an air carrier under section 41733.

Another section 410(b) of Pub. L. 108-176 amended the table of sections at the beginning of this chapter.

SUBCHAPTER III—REGIONAL AIR SERVICE INCENTIVE PROGRAM

§ 41761. Purpose

The purpose of this subchapter is to improve service by jet aircraft to underserved markets by providing assistance, in the form of Federal credit instruments, to commuter air carriers that purchase regional jet aircraft for use in serving those markets.

(Added Pub. L. 106-181, title II, §210(a), Apr. 5, 2000, 114 Stat. 96.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section applicable only to fiscal years beginning after Sept. 30, 1999, see section 3 of Pub. L. 106-181, set out as an Effective Date of 2000 Amendments note under section 106 of this title.

§ 41762. Definitions

In this subchapter, the following definitions apply:

(1) **AIR CARRIER.**—The term “air carrier” means any air carrier holding a certificate of public convenience and necessity issued by the Secretary of Transportation under section 41102.

(2) **AIRCRAFT PURCHASE.**—The term “aircraft purchase” means the purchase of commercial transport aircraft, including spare parts normally associated with the aircraft.

(3) **CAPITAL RESERVE SUBSIDY AMOUNT.**—The term “capital reserve subsidy amount” means the amount of budget authority sufficient to cover estimated long-term cost to the United States Government of a Federal credit instrument, calculated on a net present value basis, excluding administrative costs and any incidental effects on Government receipts or outlays in accordance with provisions of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(4) **COMMUTER AIR CARRIER.**—The term “commuter air carrier” means an air carrier that primarily operates aircraft designed to have a maximum passenger seating capacity of 75 or less in accordance with published flight schedules.

(5) **FEDERAL CREDIT INSTRUMENT.**—The term “Federal credit instrument” means a secured loan, loan guarantee, or line of credit authorized to be made under this subchapter.

(6) **FINANCIAL OBLIGATION.**—The term “financial obligation” means any note, bond, debenture,

ture, or other debt obligation issued by an obligor in connection with the financing of an aircraft purchase, other than a Federal credit instrument.

(7) **LENDER.**—The term “lender” means any non-Federal qualified institutional buyer (as defined by section 230.144A(a) of title 17, Code of Federal Regulations (or any successor regulation) known as Rule 144A(a) of the Security and Exchange Commission and issued under the Security Act of 1933 (15 U.S.C. 77a et seq.)), including—

(A) a qualified retirement plan (as defined in section 4974(c) of the Internal Revenue Code of 1986) that is a qualified institutional buyer; and

(B) a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986) that is a qualified institutional buyer.

(8) **LINE OF CREDIT.**—The term “line of credit” means an agreement entered into by the Secretary with an obligor under section 41763(d) to provide a direct loan at a future date upon the occurrence of certain events.

(9) **LOAN GUARANTEE.**—The term “loan guarantee” means any guarantee or other pledge by the Secretary under section 41763(c) to pay all or part of any of the principal of and interest on a loan or other debt obligation issued by an obligor and funded by a lender.

(10) **NEW ENTRANT AIR CARRIER.**—The term “new entrant air carrier” means an air carrier that has been providing air transportation according to a published schedule for less than 5 years, including any person that has received authority from the Secretary to provide air transportation but is not providing air transportation.

(11) **OBLIGOR.**—The term “obligor” means a party primarily liable for payment of the principal of or interest on a Federal credit instrument, which party may be a corporation, partnership, joint venture, trust, or governmental entity, agency, or instrumentality.

(12) **REGIONAL JET AIRCRAFT.**—The term “regional jet aircraft” means a civil aircraft—

(A) powered by jet propulsion; and

(B) designed to have a maximum passenger seating capacity of not less than 30 nor more than 75.

(13) **SECURED LOAN.**—The term “secured loan” means a direct loan funded by the Secretary in connection with the financing of an aircraft purchase under section 41763(b).

(14) **UNDERSERVED MARKET.**—The term “underserved market” means a passenger air transportation market (as defined by the Secretary) that—

(A) is served (as determined by the Secretary) by a nonhub airport or a small hub airport;

(B) is not within a 40-mile radius of an airport that each year has at least .25 percent of the total annual boardings in the United States; and

(C) the Secretary determines does not have sufficient air service.

(Added Pub. L. 106-181, title II, §210(a), Apr. 5, 2000, 114 Stat. 96; amended Pub. L. 108-176, title II, §225(b)(5), Dec. 12, 2003, 117 Stat. 2529.)

Editorial Notes

REFERENCES IN TEXT

The Federal Credit Reform Act of 1990, referred to in par. (3), is title V of Pub. L. 93-344, as added by Pub. L. 101-508, title XIII, §13201(a), Nov. 5, 1990, 104 Stat. 1388-609, which is classified generally to subchapter III (§661 et seq.) of chapter 17A of Title 2, The Congress. For complete classification of this Act to the Code, see Short Title note set out under section 621 of Title 2 and Tables.

The Security Act of 1933, referred to in par. (7), probably means the Securities Act of 1933, title I of act May 27, 1933, ch. 38, 48 Stat. 74, which is classified generally to subchapter I (§77a et seq.) of chapter 2A of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see section 77a of Title 15 and Tables.

Sections 414(d) and 4974(c) of the Internal Revenue Code of 1986, referred to in par. (7), are classified to sections 414(d) and 4974(c), respectively, of Title 26, Internal Revenue Code.

AMENDMENTS

2003—Pars. (11) to (16). Pub. L. 108-176 redesignated pars. (12), (13), (14), and (16) as (11), (12), (13), and (14), respectively, and struck out former pars. (11) and (15), which defined “nonhub airport” and “small hub airport”, respectively.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2003 AMENDMENT

Amendment by Pub. L. 108-176 applicable only to fiscal years beginning after Sept. 30, 2003, except as otherwise specifically provided, see section 3 of Pub. L. 108-176, set out as a note under section 106 of this title.

EFFECTIVE DATE

Section applicable only to fiscal years beginning after Sept. 30, 1999, see section 3 of Pub. L. 106-181, set out as an Effective Date of 2000 Amendments note under section 106 of this title.

§ 41763. Federal credit instruments

(a) **IN GENERAL.**—Subject to this section and section 41766, the Secretary of Transportation may enter into agreements with one or more obligors to make available Federal credit instruments, the proceeds of which shall be used to finance aircraft purchases.

(b) **SECURED LOANS.**—

(1) **TERMS AND LIMITATIONS.**—

(A) **IN GENERAL.**—A secured loan under this section with respect to an aircraft purchase shall be on such terms and conditions and contain such covenants, representatives, warranties, and requirements (including requirements for audits) as the Secretary determines appropriate.

(B) **MAXIMUM AMOUNT.**—No secured loan may be made under this section—

(i) that extends to more than 50 percent of the purchase price (including the value of any manufacturer credits, post-purchase options, or other discounts) of the aircraft, including spare parts, to be purchased; or

(ii) that, when added to the remaining balance on any other Federal credit instruments made under this subchapter, provides more than \$100,000,000 of outstanding credit to any single obligor.

(C) **FINAL PAYMENT DATE.**—The final payment on the secured loan shall not be due