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Transportation System Stabilization Act

This is the latest version of the bill available to us.

We are advised that Title IV, Retrospective Liability, was included by mistake. Section 508 of this draft includes the important retrospective liability provisions.

- YOUNAK_053.PDF

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(Original Signature of Member)

107TH CONGRESS
1ST SESSION

H. R. II

IN THE HOUSE OF REPRESENTATIVES

Mr. YOUNG of Alaska introduced the following bill; which was referred to the
Committee on **IIIIIIIIIIII**

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Air Transportation
5 System Stabilization Act”.

TITLE I—AIRLINE STABILIZATION

SEC. 101. AVIATION DISASTER RELIEF.

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

(1) Subject to such terms and conditions as the President deems necessary, issue Federal credit instruments to air carriers that do not, in the aggregate, exceed \$10,000,000,000 and provide the subsidy amounts necessary for such instruments in accordance with the provisions of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

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

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

(B) the incremental losses incurred beginning September 11, 2001, and ending Decem-

1 ber 31, 2001, by air carriers as a direct result
2 of such attacks.

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

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

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

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

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

23 (3) LENDER.—The term “lender” means any
24 non-Federal qualified institutional buyer (as defined
25 by section 230.144A(a) of title 17, Code of Federal

1 Regulations (or any successor regulation) known as
2 Rule 144A(a) of the Security and Exchange Com-
3 mission and issued under the Security Act of 1933,
4 including—

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

9 (B) a governmental plan (as defined in
10 section 414(d) of the Internal Revenue Code of
11 1986 (26 U.S.C. 414(d)) that is a qualified in-
12 stitutional buyer.

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

19 (b) AIR TRANSPORTATION STABILIZATION BOARD.—

20 (1) ESTABLISHMENT.—There is established a
21 board to review and decide on applications for Fed-
22 eral credit instruments under section 101(a)(1).

23 (2) COMPOSITION.—The Board shall consist
24 of—

1 (A) the Secretary of Transportation who
2 shall be the Chair of the Board;

3 (B) the Chairman of the Federal Reserve
4 Board or the designee of the Chairman; and

5 (C) the Secretary of the Treasury.

6 (c) FEDERAL CREDIT INSTRUMENTS.—

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

11 (A) the obligor is an air carrier for which
12 credit is not reasonably available at the time of
13 the transaction;

14 (B) the intended obligation by the obligor
15 is prudently incurred; and

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

19 (2) TERMS AND LIMITATIONS.—

20 (A) FORMS; TERMS AND CONDITIONS.—A
21 Federal credit instrument shall be issued under
22 section 101(a)(1) in such form and on such
23 terms and conditions and contain such cov-
24 enants, representatives, warranties, and require-

1 ments (including requirements for audits) as
2 the Board determines appropriate.

3 (B) PROCEDURES.—Not later than 14
4 days after the date of enactment of this Act,
5 the Director of the Office of Management and
6 Budget shall issue regulations setting forth pro-
7 cedures for application and minimum require-
8 ments, which may be supplemented by the
9 Board in its discretion, for the issuance of Fed-
10 eral credit instruments under section 101(a)(1).

11 (c) MAXIMUM AMOUNT.—The total amount of Fed-
12 eral credit instruments issued with respect to any air car-
13 rier under section 101(a)(1) shall not exceed an amount
14 that is equal to the product of—

15 (1) \$10,000,000,000; and

16 (2) the ratio of—

17 (A) the available seat miles of the air car-
18 rier for the month of August 2001 as reported
19 to the Secretary of Transportation; to

20 (B) the total available seat miles of all air
21 carriers for such month as reported to the Sec-
22 retary.

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

24 (a) DOCUMENTATION.—Subject to subsection (b), the
25 amount of compensation payable to an air carrier under

1 section 101(a)(2) may not exceed the amount of losses de-
2 scribed in section 101(a)(2) that the air carrier dem-
3 onstrates to the satisfaction of the President, using sworn
4 financial statements or other appropriate data, that the
5 air carrier incurred. The Secretary of Transportation may
6 audit such statements and may request any information
7 that the Secretary deems necessary to conduct such audit.

8 (b) MAXIMUM AMOUNT OF COMPENSATION PAYABLE
9 PER AIR CARRIER.—The maximum total amount of com-
10 pensation payable to an air carrier under section
11 101(a)(2) may not exceed the lesser of—

12 (1) the amount of such air carrier's direct and
13 incremental losses described in section 101(a)(2); or

14 (2) in the case of—

15 (A) flights involving passenger-only or
16 combined passenger and cargo transportation,
17 the product of—

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

19 (ii) the ratio of—

20 (I) the available seat miles of the
21 air carrier for the month of August
22 2001 as reported to the Secretary; to

23 (II) the total available seat miles
24 of all such air carriers for such month
25 as reported to the Secretary; and

1 (B) flights involving cargo-only transpor-
2 tation, the product of—

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

4 (ii) the ratio of—

5 (I) the revenue ton miles or other
6 auditable measure of the air carrier
7 for cargo for the latest quarter for
8 which data is available as reported to
9 the Secretary; to

10 (II) the total revenue ton miles
11 or other auditable measure of all such
12 air carriers for cargo for such quarter
13 as reported to the Secretary.

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

17 **SEC. 104. LIMITATION ON CERTAIN EMPLOYEE COMPENSA-**
18 **TION.**

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

1 year 2000 (other than an employee whose compensation
2 is determined through an existing collective bargaining
3 agreement entered into prior to September 11, 2001)—

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

9 (2) will receive from the air carrier severance
10 pay or other benefits upon termination of employ-
11 ment with the air carrier which exceeds twice the
12 maximum total compensation received by the officer
13 or employee from the air carrier in calendar year
14 2000.

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

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

21 The Secretary of Transportation should take appro-
22 priate action to ensure that all communities that had
23 scheduled air service before September 11, 2001, continue
24 to receive adequate air transportation service and that es-

1 sential air service to small communities continues without
2 interruption.

3 **SEC. 106. REPORTS.**

4 (a) **REPORT.**—Not later than February 1, 2001, the
5 President shall transmit to the Committee on Transpor-
6 tation and Infrastructure, the Committee on Appropria-
7 tions, and the Committee on the Budget of the House of
8 Representatives and the Committee on Commerce,
9 Science, and Transportation, the Committee on Appro-
10 priations, and the Committee on the Budget of the Senate
11 a report on the financial status of the air carrier industry
12 and the amounts of assistance provided under this title
13 to each air carrier.

14 (b) **UPDATE.**—Not later than the last day of the 7-
15 month period following the date of enactment of this Act,
16 the President shall update and transmit the report to the
17 Committees.

18 **SEC. 107. DEFINITIONS.**

19 In this title, the following definitions apply:

20 (1) **AIR CARRIER.**—The term “air carrier” has
21 the meaning such term has under section 40102 of
22 title 49, United States Code.

23 (2) **FEDERAL CREDIT INSTRUMENT.**—The term
24 “Federal credit instrument” means any guarantee or
25 other pledge by the Board issued under section

1 101(a)(1) to pledge the full faith and credit of the
2 United States to pay all or part of any of the prin-
3 cipal of and interest on a loan or other debt obliga-
4 tion issued by an obligor and funded by a lender.

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

10 **TITLE II—AVIATION INSURANCE**

11 **SEC. 201. DOMESTIC INSURANCE AND REIMBURSEMENT OF** 12 **INSURANCE COSTS.**

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

15 (1) in subsection (a)(1)—

16 (A) by striking “subsection (b)” and in-
17 serting “subsection (c)”; and

18 (B) by striking “foreign-flag aircraft—”
19 and all that follows through the period at the
20 end of subparagraph (B) and inserting “for-
21 eign-flag aircraft.”;

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

24 (3) by inserting after subsection (a) the fol-
25 lowing:

1 “(b) REIMBURSEMENT OF INSURANCE COST IN-
2 CREASES.—

3 “(1) IN GENERAL.—The Secretary may reim-
4 burse an air carrier for the increase in the cost of
5 insurance, with respect to a premium for coverage
6 ending before October 1, 2002, against loss or dam-
7 age arising out of any risk from the operation of an
8 American aircraft over the insurance premium that
9 was in effect for a comparable operation during the
10 period beginning September 4, 2001, and ending
11 September 10, 2001, as the Secretary may deter-
12 mine. Such reimbursement is subject to subsections
13 (a)(2), (c), and (d) of this section and to section
14 44303.

15 “(2) PAYMENT FROM REVOLVING FUND.—A re-
16 imbursement under this subsection shall be paid
17 from the revolving fund established by section
18 44307.

19 “(3) FURTHER CONDITIONS.—The Secretary
20 may impose such further conditions on insurance for
21 which the increase in premium is subject to reim-
22 bursement under this subsection as the Secretary
23 may deem appropriate in the interest of air com-
24 merce.

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

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

6 (A) in the first sentence by inserting “, or
7 reimburse an air carrier under subsection (b) of
8 this section,” before “only with the approval”;
9 and

10 (B) in the second sentence—

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

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

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

19 (b) COVERAGE.—

20 (1) IN GENERAL.—Section 44303 of such title
21 is amended—

22 (A) in the matter preceding paragraph (1)
23 by inserting “, or reimburse insurance costs,
24 as” after “insurance and reinsurance”; and

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

4 (2) DISCRETION OF THE SECRETARY.—For
5 acts of terrorism committed on or to an air carrier
6 during the 180-day period following the date of en-
7 actment of this Act, the Secretary of Transportation
8 may certify that the air carrier was a victim of an
9 act of terrorism and in the Secretary’s judgment,
10 based on the Secretary’s analysis and conclusions re-
11 garding the facts and circumstances of each case,
12 shall not be responsible for losses suffered by third
13 parties (as referred to in section 205.5(b)(1) of title
14 14, Code of Federal Regulations) that exceed
15 \$100,000,000, in the aggregate, for all claims by
16 such parties arising out of such act. If the Secretary
17 so certifies, the air carrier shall not be liable for an
18 amount that exceeds \$100,000,000, in the aggre-
19 gate, for all claims by such parties arising out of
20 such act, and the Government shall be responsible
21 for any liability above such amount. No punitive
22 damages may be awarded against an air carrier (or
23 the Government taking responsibility for an air car-
24 rier under this paragraph) under a cause of action
25 arising out of such act.

1 (c) REINSURANCE.—Section 44304 of such title is
2 amended—

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

4 and

5 (2) by striking subsection (b).

6 (d) PREMIUMS.—Section 44306 of such title is
7 amended—

8 (1) by redesignating subsections (b) and (c) as
9 subsections (c) and (d), respectively; and

10 (2) by inserting after subsection (a) the fol-
11 lowing:

12 “(b) ALLOWANCES IN SETTING PREMIUM RATES FOR
13 REINSURANCE.—In setting premium rates for reinsur-
14 ance, the Secretary may make allowances to the insurance
15 carrier for expenses incurred in providing services and fa-
16 cilities that the Secretary considers good business prac-
17 tices, except for payments by the air carrier for the stimu-
18 lation or solicitation of insurance business.”.

19 (e) CONFORMING AMENDMENT.—Section 44305(b)
20 of such title is amended by striking “44302(b)” and in-
21 serting “44302(c)”.

1 **TITLE III—TAX PROVISIONS**

2 **SEC. 301. EXTENSION OF DUE DATE FOR EXCISE TAX DE-**
3 **POSITS; TREATMENT OF LOSS COMPENSA-**
4 **TION.**

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

7 (1) IN GENERAL.—In the case of an eligible air
8 carrier, any airline-related deposit required under
9 section 6302 of the Internal Revenue Code of 1986
10 to be made after September 10, 2001, and before
11 November 15, 2001, shall be treated for purposes of
12 such Code as timely made if such deposit is made
13 on or before November 15, 2001. If the Secretary of
14 the Treasury so prescribes, the preceding sentence
15 shall be applied by substituting for “November 15,
16 2001” each place it appears—

17 (A) “January 15, 2002”, or

18 (B) such earlier date after November 15,
19 2001, as such Secretary may prescribe.

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

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—RETROSPECTIVE** 16 **LIABILITY**

17 **SEC. 401. RETROSPECTIVE LIABILITY FOR DAMAGES ARIS-**
18 **ING OUT OF CRASHES OF SEPTEMBER 11,**
19 **2001.**

20 (a) GENERAL LIMITATION OF LIABILITY.—Except as
21 provided in subsection (b), no Federal court or agency or
22 State court or agency shall enforce any Federal or State
23 law holding American Airlines, Inc., United Air Lines,
24 Inc., or any other air carrier (as defined in section
25 40102(a)(2) of title 49, United States Code), their cor-

1 corporate affiliates, directors, officers, employees, or agents,
2 or any manufacturer of parts or components of the air-
3 craft used for American Airlines flights 11 or 77, United
4 Airlines flights 93 or 175, on September 11, 2001, or their
5 corporate affiliates, directors, officers, employees or
6 agents, or any airport or airport authority, or their direc-
7 tors, officers, employees, or agents, or any other person,
8 liable for any damages arising out of the hijacking and
9 subsequent crashes of American Airlines flights 11 or 77,
10 United Airlines flights 93 or 175, on September 11, 2001.

11 (b) FEDERAL CAUSE OF ACTION.—

12 (1) AVAILABILITY OF ACTION.—There shall
13 exist a Federal cause of action for damages arising
14 out of the hijacking and subsequent crashes of
15 American Airlines flights 11 or 77, and United Air-
16 lines flights 93 or 175, on September 11, 2001. Not-
17 withstanding section 40120(c) of title 49, United
18 States Code, this cause of action shall be the exclu-
19 sive remedy for damages arising out of the hijacking
20 and subsequent crashes of such flights.

21 (2) SUBSTANTIVE LAW.—The substantive law
22 for decision in any such suit shall be derived from
23 the law, including choice of law principles, of the
24 State in which the crash occurred unless such law is
25 inconsistent with or preempted by Federal law.

1 (3) JURISDICTION.—The United States District
2 Court for the Southern District of New York shall
3 have original and exclusive jurisdiction over all ac-
4 tions brought under this section.

5 (4) DAMAGES.—If any party to such proceeding
6 is determined to be liable—

7 (A) no damages in the aggregate ordered
8 by the court to be paid by such party shall ex-
9 ceed the amount of insurance, minus any pay-
10 ments made pursuant to a court approved set-
11 tlement, which such party is determined to have
12 obtained prior to September 11, 2001, and
13 which is determined to cover such party's liabil-
14 ity for any damages arising out of the hijacking
15 and subsequent crashes of American Airlines
16 flights 11 or 77, or United Airlines flights 93
17 or 175, on September 11, 2001; and

18 (B) such party shall not be liable for inter-
19 est prior to the judgment or for punitive dam-
20 ages intended to punish or deter.

21 (5) ATTORNEYS FEES.—Reasonable attorneys
22 fees for work performed in any action commenced
23 pursuant to this section shall be subject to the dis-
24 cretion of the court, but in no event shall any attor-
25 ney charge, demand, receive, or collect for services

1 rendered, fees in excess of 25 percent of the dam-
2 ages ordered by the court to be paid pursuant to
3 this section, or in excess of 20 percent of any court
4 approved settlement made of any claim cognizable
5 under this section. Any attorney who charges, de-
6 mands, receives, or collects for services rendered in
7 connection with such claim any amount in excess of
8 that allowed under this section, if recovery be had,
9 shall be fined not more than \$2,000 or imprisoned
10 not more than one year, or both.

11 (6) TRIED BY COURT.—Any action against any
12 party under this section shall be tried by the court
13 without a jury.

14 (c) DISCLAIMER.—Nothing herein implies that Amer-
15 ican Airlines, Inc., United Airlines, Inc., any other air car-
16 rier (as defined in section 40102(a)(2) of title 49, United
17 States Code), their corporate affiliates, directors, officers,
18 employees, or agents, or any manufacturer of parts or
19 components of the aircraft used for American Airlines
20 flights 11 or 77, or United Airlines flights 93 or 175, on
21 September 11, 2001, their corporate affiliates, directors,
22 officers, employees, or agents, or any airport or airport
23 authority, directors, officers, or their employees or agents,
24 or any other person, are liable for damages arising out
25 of the hijacking and subsequent crashes of American Air-

1 lines flights 11 or 77, or United Airlines flights 93 or 175,
2 on September 11, 2001.

3 (d) EXCLUSION.—Nothing in this section shall in any
4 way limit any liability of any person who—

5 (1) hijacks any aircraft or commits any ter-
6 rorist act involving an air carrier; or

7 (2) knowingly participates in a conspiracy to hi-
8 jack any aircraft or commit any terrorist act involv-
9 ing an air carrier.

10 (e) RELATIONSHIP TO OTHER LAW.—This section
11 shall supersede any conflicting provisions in any inter-
12 national treaty or law including, but not limited to, the
13 Convention for the Unification of Certain Rules Relating
14 to International Transportation, Signed at Warsaw on Oc-
15 tober 12, 1929 (“Warsaw Convention”) or all documents
16 amending or implementing the Warsaw Convention, in-
17 cluding the Montreal Agreement of 1966 (CAB Agreement
18 18900, approved by Order F–23680, May 13, 1966) and
19 those documents concerning international air carrier liabil-
20 ity for passengers approved by the Department of Trans-
21 portation in DOT Order 97–1–2, such that passengers for
22 whom the international treaty or law might afford a claim
23 or cause of action are limited to such claim or cause of
24 action as set forth in subsection (b).

1 (f) STATE DEFINED.—In this section, the term
2 “State” means any State of the United States, the Dis-
3 trict of Columbia, the Commonwealth of Puerto Rico, the
4 Northern Mariana Islands, the United States Virgin Is-
5 lands, Guam, American Samoa, and any other territory
6 of possession of the United States or any political subdivi-
7 sion of any of the foregoing.

8 **TITLE V—VICTIM** 9 **COMPENSATION**

10 **SEC. 501. SHORT TITLE.**

11 This title may be cited as the “September 11th Com-
12 pensation Act of 2001”.

13 **SEC. 502. DEFINITIONS.**

14 In this title, the following definitions apply:

15 (1) AIR CARRIER.—The term “air carrier”
16 means a citizen of the United States undertaking by
17 any means, directly or indirectly, to provide air
18 transportation and includes employees and agents of
19 such citizen.

20 (2) AIR TRANSPORTATION.—The term “air
21 transportation” means foreign air transportation,
22 interstate air transportation, or the transportation
23 of mail by aircraft.

1 (3) CLAIMANT.—The term “claimant” means
2 an individual filing a claim for compensation under
3 section 505(a)(1).

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

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

18 (6) ELIGIBLE INDIVIDUAL.—The term “eligible
19 individual” means an individual determined to be eli-
20 gible for compensation under section 505(c).

21 (7) NONECONOMIC LOSSES.—The term “non-
22 economic losses” means losses for physical and emo-
23 tional pain, suffering, inconvenience, physical im-
24 pairment, mental anguish, disfigurement, loss of en-
25 joyment of life, loss of society and companionship,

1 loss of consortium (other than loss of domestic serv-
2 ice), hedonic damages, injury to reputation, and all
3 other nonpecuniary losses of any kind or nature.

4 (8) SPECIAL MASTER.—The term “Special Mas-
5 ter” means the Special Master appointed under sec-
6 tion 504(a).

7 **SEC. 503. PURPOSE.**

8 It is the purpose of this title to provide compensation
9 to any individual (or personal representative of a deceased
10 individual) who was physically injured or killed as a result
11 of the terrorist-related aircraft crashes of September 11,
12 2001.

13 **SEC. 504. ADMINISTRATION.**

14 (a) IN GENERAL.—The Attorney General, acting
15 through a Special Master appointed by the Attorney Gen-
16 eral, shall—

17 (1) administer the compensation program es-
18 tablished under this title;

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

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

24 (b) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated such sums as may be

1 necessary to pay the administrative and support costs for
2 the Special Master in carrying out this title.

3 **SEC. 505. DETERMINATION OF ELIGIBILITY FOR COM-**
4 **PENSATION.**

5 (a) FILING OF CLAIM.—

6 (1) IN GENERAL.—A claimant may file a claim
7 for compensation under this title with the Special
8 Master. The claim shall be on the form developed
9 under paragraph (2) and shall state the factual basis
10 for eligibility for compensation and the amount of
11 compensation sought.

12 (2) CLAIM FORM.—

13 (A) IN GENERAL.—The Special Master
14 shall develop a claim form that claimants shall
15 use when submitting claims under paragraph
16 (1). The Special Master shall ensure that such
17 form can be filed electronically, if determined to
18 be practicable.

19 (B) CONTENTS.—The form developed
20 under subparagraph (A) shall request—

21 (i) information from the claimant con-
22 cerning the physical harm that the claim-
23 ant suffered, or in the case of a claim filed
24 on behalf of a decedent information con-
25 firming the decedent's death, as a result of

1 the terrorist-related aircraft crashes of
2 September 11, 2001;

3 (ii) information from the claimant
4 concerning any possible economic and non-
5 economic losses that the claimant suffered
6 as a result of such crashes; and

7 (iii) information regarding collateral
8 sources of compensation the claimant has
9 received or is entitled to receive as a result
10 of such crashes.

11 (3) LIMITATION.—No claim may be filed under
12 paragraph (1) after the date that is 2 years after
13 the date on which regulations are promulgated
14 under section 507.

15 (b) REVIEW AND DETERMINATION.—

16 (1) REVIEW.—The Special Master shall review
17 a claim submitted under subsection (a) and
18 determine—

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

21 (B) with respect to a claimant determined
22 to be an eligible individual—

23 (i) the extent of the harm to the
24 claimant, including any economic and non-
25 economic losses; and

1 (ii) the amount of compensation to
2 which the claimant is entitled based on the
3 harm to the claimant, the facts of the
4 claim, and the individual circumstances of
5 the claimant.

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

9 (3) DETERMINATION.—Not later than 120 days
10 after that date on which a claim is filed under sub-
11 section (a), the Special Master shall complete a re-
12 view, make a determination, and provide written no-
13 tice to the claimant, with respect to the matters that
14 were the subject of the claim under review. Such a
15 determination shall be final and not subject to judi-
16 cial review.

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

19 (A) the right to be represented by an at-
20 torney;

21 (B) the right to present evidence, including
22 the presentation of witnesses and documents;
23 and

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

1 (5) NO PUNITIVE DAMAGES.—The Special Mas-
2 ter may not include amounts for punitive damages
3 in any compensation paid under a claim under this
4 title.

5 (6) COLLATERAL COMPENSATION.—The Special
6 Master shall reduce the amount of compensation de-
7 termined under paragraph (1)(B)(ii) by the amount
8 of the collateral source compensation the claimant
9 has received or is entitled to receive as a result of
10 the terrorist-related aircraft crashes of September
11 11, 2001.

12 (c) ELIGIBILITY.—

13 (1) IN GENERAL.—A claimant shall be deter-
14 mined to be an eligible individual for purposes of
15 this subsection if the Special Master determines that
16 such claimant—

17 (A) is an individual described in paragraph

18 (2); and

19 (B) meets the requirements of paragraph

20 (3).

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

23 (A) an individual who—

24 (i) was present at the World Trade

25 Center, (New York, New York), the Pen-

1 tagon (Arlington, Virginia), or the site of
2 the aircraft crash at Shanksville, Pennsyl-
3 vania at the time, or in the immediate
4 aftermath, of the terrorist-related aircraft
5 crashes of September 11, 2001; and

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

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

17 (C) in the case of a decedent who is an in-
18 dividual described in subparagraph (A) or (B),
19 the personal representative of the decedent who
20 files a claim on behalf of the decedent.

21 (3) REQUIREMENTS.—

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

25 (B) LIMITATION ON CIVIL ACTION.—

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

11 (ii) PENDING ACTIONS.—In the case
12 of an individual who is a party to a civil
13 action described in clause (i), such indi-
14 vidual may not submit a claim under this
15 title unless such individual withdraws from
16 such action by the date that is 90 days
17 after the date on which regulations are
18 promulgated under section 507.

19 **SEC. 506. PAYMENTS TO ELIGIBLE INDIVIDUALS.**

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

1 (b) PAYMENT AUTHORITY.—This title constitutes
2 budget authority in advance of appropriations Acts and
3 represents the obligation of the Federal Government to
4 provide for the payment of amounts for compensation
5 under this title.

6 (c) ADDITIONAL FUNDING.—

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

12 (2) USE OF SEPARATE ACCOUNT.—In making
13 payments under this section, amounts contained in
14 any account containing funds provided under para-
15 graph (1) shall be used prior to using appropriated
16 amounts.

17 **SEC. 507. REGULATIONS.**

18 Not later than 90 days after the date of enactment
19 of this Act, the Attorney General, in consultation with the
20 Special Master, shall promulgate regulations to carry out
21 this title, including regulations with respect to—

22 (1) forms to be used in submitting claims under
23 this title;

24 (2) the information to be included in such
25 forms;

1 (3) procedures for hearing and the presentation
2 of evidence;

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

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

7 **SEC. 508. LIMITATION ON AIR CARRIER LIABILITY.**

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

14 (b) **SUBJECT MATTER JURISDICTION.**—The United
15 States District Court for the Southern District of New
16 York shall have original and exclusive jurisdiction, to the
17 full extent permissible under the Constitution, over all civil
18 actions for any claim (including any claim for loss of prop-
19 erty, personal injury, or death) resulting from or relating
20 to the terrorist-related aircraft crashes of September 11,
21 2001. If such a civil action is filed in any court other than
22 the United States District Court for the Southern District
23 of New York, such action shall be dismissed without preju-
24 dice.

1 (c) EXCLUSION.—Nothing in this section shall in any
2 way limit any liability of any person who is a knowing
3 participant in any conspiracy to hijack any aircraft or
4 commit any terrorist act.

5 **SEC. 509. MISCELLANEOUS PROVISIONS.**

6 (a) SUBROGATION.—The United States shall have
7 the right of subrogation with respect to any claim paid
8 by the United States under this title.

9 (b) LIMITATION ON TAX LIABILITY.—No payments
10 by the United States under this title shall be subject to
11 Federal, State, or local tax.