

A BILL

To amend the Federal Aviation Act of 1958 and the Airport and Airway Development Act of 1970 to establish a program for the reduction of aircraft noise, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Aircraft Noise Reduction Act of 1977".

Sec. 2. The Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended by inserting the following new section at the end of title IV --

"Program For the Reduction of Aircraft Noise

"Sec. 418.(a) The Board is directed, upon petition, and after consultation with the Secretary of Transportation, to establish within one year of receiving such petition, in accordance with the terms and conditions of this section, a program to supplement carrier revenues for the purpose of the full financing of the modification or the partial financing of the replacement of subsonic turbojet-powered airplanes in order to reduce aircraft noise in accordance with standards established under section 611 of this Act. In conjunction therewith, the Board is empowered, upon petition (1) to fix and determine, after notice and hearing, a noise reduction surcharge for a period not to exceed ten years on amounts paid to such persons (other than foreign air carriers) as it shall determine for the transportation of persons or property by air designed to recover amounts not to exceed the amounts that would be paid for such transportation under a two-percent tax under sections 4261 and 4271 of the Internal Revenue Code of 1954; (2) to order the placement in trust of revenues received from such a surcharge; (3) to appoint a trustee or trustees to administer the trust; and (4) to establish, upon petition, after notice and hearing, a method for the distribution of revenues placed in trust to such persons referred to in clause (1) as it shall determine, taking into account the amount of expense to be incurred by each such person in the replacement or modification of airplanes for the purpose of reducing aircraft noise and such other factors the Board finds may cause a particular person's expense under this program to differ from the amounts placed in the trust by that person.

"(b)(1) The trustee or trustees appointed under subsection (a) of this section shall disburse funds placed in trust in accordance with the method of distribution established by the Board under subsection (a)(4) of this section and such other regulations and standards consistent therewith that the Board, after consultation with the Secretary of Transportation, may prescribe.

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"(2) Funds may not be disbursed under this section for the replacement of an airplane (A) in an amount that exceeds one-third of the cost of the replacement aircraft (less the amount to be received upon disposal of the airplane it replaces); or (B) unless the replacement airplane incorporates technology necessary to meet applicable Federal aircraft noise standards in effect at the time of the disbursement of the funds for replacement of the airplane. Funds may not be disbursed under this section to any person if, in the aggregate, the capacity of the airplanes acquired by that person with the use of funds disbursed under this section would exceed the aggregate capacity of the airplanes replaced.

"(c) The trustee or trustees appointed under this section shall pay to the United States for deposit in the general fund of the Treasury or, if it is in operation, the Airport and Airway Trust Fund, any monies in the trust unused at the end of program established under this section."

Sec. 3. Section 14(f) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(f)) is amended by adding at the end thereof the following new paragraph --

"(4) Amounts deposited in the general fund of the Treasury or in the trust fund under section 418(c) of the Federal Aviation Act of 1958 shall be appropriated only for the purpose of making grants under this Act for the purpose of reducing the adverse impact of aircraft noise on any area adjacent to a public airport."

Sec. 4. Section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714) is amended by adding at the end thereof the following new subsection --

"(g) Aircraft Noise Reduction -- (1) The Secretary is authorized to make grants, upon such terms and conditions as are specified by this subsection and any others he considers appropriate, to any person (other than a foreign air carrier as that term is defined in the Federal Aviation Act of 1958) engaged in the transportation of persons or property by air for compensation or hire to assist in financing the modification of such categories of two-, three-, or four-engine civil subsonic turbojet-powered airplanes as the Secretary may determine in order to comply with standards established under section 611 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1431).

"(2) To finance grants under this subsection, the Secretary is authorized to incur obligations in behalf of the United States in an aggregate amount not to exceed \$300,000,000. Amounts in the Airport and Airway Trust Fund shall be available, as provided by appropriations Acts, to meet obligations of the United States incurred under this subsection.

"(3) The Secretary may not make a grant under this subsection unless he determines or requires that --

"(A) the modification will be accomplished in a timely manner, taking into consideration the requirements established under section 611 of the Federal Aviation Act of 1958, as amended; and

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"(B) no part of any grant will be used to pay costs incurred before the date of enactment of this section."

Sec. 5. Section 11(3)(A) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1711(3)(A)) is amended by inserting after "snow removal equipment," the words "and including the purchase and installation of noise monitoring equipment."

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## EXPLANATION OF AMENDMENTS

Section 1 of the draft bill cites the bill as the Aircraft Noise Reduction Act of 1977.

Section 2 of the draft bill inserts a new section into title IV of the Federal Aviation Act of 1958 directing the Civil Aeronautics Board to establish a program for the reduction of aircraft noise to meet standards established by the Federal Aviation Administrator. The Board would be required to establish the program within one year after receiving a petition. The Board, upon petition, would be empowered to establish, after notice and hearing, a noise reduction surcharge and a method for distributing the revenues received from that surcharge. The bill contemplates that the revenues would be placed in trust and disbursed by a Board-appointed trustee or trustees to individual carriers in accordance with the Board's guidelines. Intrastate carriers would be eligible to participate in the program as well as interstate carriers.

Section 3 of the bill amends section 14(f) of the Airport and Airway Development Act to ensure that any funds unused under an agreement approved by the CAB and deposited in the general fund of the Treasury or, if it is in operation, the Airport and Airway Trust Fund, will be used solely for noise reduction projects at airports.

Section 4 of the bill establishes under the Airport and Airway Development Act of 1970 a new grant-in-aid program for aircraft noise reduction. It authorized the Secretary of Transportation to make grants to interstate and intrastate air carriers and commercial operators to finance the retrofitting of such categories of two-, three-, and four-engine subsonic turbojet-powered airplanes as are designated by the Secretary in order to comply with regulations issued by the FAA Administrator under section 611 of the Federal Aviation Act establishing noise levels for aircraft. This provision would allow, but not require, the Secretary to make grants for the modification of about 50 Boeing 747's, and about 75 stretched DC-8s if he determines that replacement of these aircraft is not feasible or if the modification/replacement fund that would be established by the Board is not available for this purpose. The total amount of the grants could not exceed \$300 million and would be financed from the surplus existing in the Airport and Airway Trust Fund (currently \$1.5 billion).

Section 5 of the bill amends the definition of the term "airport development" in section 11(3) of the Airport and Airway Development Act of 1970 to permit airport development grants-in-aid to be used by airport sponsors for the acquisition and installation of equipment for monitoring aircraft noise.

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