

13
PSF. Aviation

Union Calendar No. 274

78TH CONGRESS
1ST SESSION

H. R. 3420

[Report No. 784]

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 11, 1943

Mr. LEA introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

OCTOBER 20, 1943

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

To amend the Civil Aeronautics Act of 1938, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Civil Aeronautics Act
4 of 1943".

5 TITLE I—AMENDMENTS TO EXISTING LAW

6 AMENDMENTS GENERALLY APPLICABLE TO CIVIL

7 AERONAUTICS ACT OF 1938

8 SECTION 1. (a) The Civil Aeronautics Act of 1938, as
9 amended, is hereby amended—

10 (1) except as otherwise provided in this Act, by

★

1 striking out the word "Authority" wherever it is used in
 2 referring to the Civil Aeronautics Authority and inserting
 3 in lieu thereof the word "Commission";

4 (2) except as otherwise provided in this Act, by
 5 striking out the word "interstate" wherever it appears
 6 and inserting in lieu thereof the word "domestic"; and

7 (3) by striking out the words "landing area" and
 8 the words "landing areas" wherever they appear and
 9 inserting in lieu thereof the word "airport" or "airports",
 10 as the case may be.

11 (b) The table of contents contained in the Civil Aero-
 12 nautics Act of 1938, as amended, is hereby amended to read
 13 as follows:

TABLE OF CONTENTS

TITLE I—GENERAL PROVISIONS

- Sec. 1. Definitions.
- Sec. 2. Declaration of policy.
- Sec. 3. Public right of transit.
- Sec. 4. National sovereignty of air space.

TITLE II—THE COMMISSION AND THE ADMINISTRATOR

- Sec. 201. Appointment and qualifications.
 - (a) Appointment of members of Commission.
 - (b) Administrator.
 - (c) Qualifications.
 - (d) Quorum, principal office, and seal.
- Sec. 202. Appointment of personnel.
 - (a) Officers and employees.
 - (b) Temporary personnel.
- Sec. 203. Exercise of powers and duties by Administrator.
- Sec. 204. Authorization of expenditures and travel.
 - (a) General authority.
 - (b) Purchase of aircraft.
 - (c) Travel.

- Sec. 205. General powers and duties of the Commission and the Administrator.
- (a) General powers.
 - (b) Collection and exchange of information.
 - (c) Publications.
- Sec. 206. Annual report of the Commission.
- Sec. 207. Annual report of the Administrator.

TITLE III—POWERS AND DUTIES OF ADMINISTRATOR

- Sec. 301. Fostering of civil aeronautics.
- Sec. 302. Civil airways and facilities.
- (a) General.
 - (b) Method of establishment.
 - (c) Acquisition and disposal of property.
- Sec. 303. Funds expended under other authority.
- Sec. 304. Protection of public use.
- (a) Conditions in connection with expenditure of Federal funds.
 - (b) Restrictions on granting of exclusive rights.
- Sec. 305. Meteorological service.
- Sec. 306. Development of facilities.
- Sec. 307. Collection and dissemination of information.
- Sec. 308. Development program for navigation facilities.
- Sec. 309. Training of aeronautical technicians and mechanics.
- (a) General authorization.
 - (b) Conduct of training program.
 - (c) Assistance by other agencies.
 - (d) Property and personnel.
- Sec. 310. Aeronautical education.
- Sec. 311. Assignment of work, business, or functions.
- (a) Assignment to employees.
 - (b) Performance of assignments.
 - (c) Reconsideration by Administrator.

TITLE III-A—GROUND HAZARDS TO AIR NAVIGATION

- Sec. 3101. Rules and regulations of the Commission.
- Sec. 3102. Zoning program.
- (a) Formulation and development.
 - (b) Matters to be considered.
- Sec. 3103. Cooperation by States, Territories, and possessions.
- Sec. 3104. Air safety areas and standards applicable therein.
- (a) Establishment of air safety areas.
 - (b) Standards governing maximum height.
- Sec. 3105. Conformance with zoning standards.
- (a) Airports not owned by the United States.
 - (b) Airports owned by the United States.
 - (c) Acquisition by condemnation.
 - (d) Failure to conform with zoning standards.
- Sec. 3106. Notice of hazards.
- Sec. 3107. Procedure.

TITLE IV—AIR CARRIER ECONOMIC REGULATION

- Sec. 401. Certificate of public convenience and necessity.
- (a) Certificate required.
 - (b) Application for certificate.
 - (c) Notice and hearing.
 - (d) Issuance of certificates; new service investigations.
 - (f) Terms and conditions of certificate.
 - (g) Effective date and duration of certificate.
 - (h) Modification, suspension, or revocation of certificates; extensions of service.
 - (i) Transfer of certificate.
 - (j) Certain rights not conferred by certificate.
 - (k) Application for abandonment.
 - (l) Compliance with labor legislation.
 - (m) Requirement as to carriage of mail.
 - (n) Application for new mail service.
- Sec. 402. Permits to foreign air carriers.
- (a) Permit required.
 - (b) Issuance of permit.
 - (d) Application for permit.
 - (e) Notice and hearing.
 - (f) Terms and conditions of permit.
 - (g) Authority to modify, suspend, or revoke.
 - (h) Transfer of permit.
- Sec. 403. Tariffs of air carriers.
- (a) Filing of tariffs required.
 - (b) Observance of tariffs; rebating prohibited.
 - (c) Notice of tariff change.
 - (d) Filing of divisions of rates and charges required.
- Sec. 404. Rates for carriage of persons and property.
- (a) Carrier's duty to provide service, rates, and divisions.
 - (b) Discrimination.
 - (c) Discounts and extensions of credit.
- Sec. 405. Transportation of mail.
- (a) Continuation and termination of mail contracts.
 - (b) Continuation and termination of foreign mail contracts.
 - (c) Termination of bonds.
 - (d) Rules and regulations.
 - (e) Mail schedules.
 - (f) Maximum mail load.
 - (g) Tender of mail.
 - (h) Foreign postal arrangements.
 - (i) Transportation of foreign mail.
 - (j) Evidence of performance of mail service.
 - (k) Emergency mail service.
 - (l) Experimental air-mail service.
 - (m) Free travel for postal employees.
- Sec. 406. Rates for transportation of mail.
- (a) Authority to fix rates.
 - (b) Rate-making elements.
 - (c) Statement of Postmaster General and carrier.
 - (d) Weighing of mail.
 - (e) Availability of appropriations.
 - (f) Payments to foreign air carriers.

- Sec. 407. Accounts, records, and reports.
- (a) Filing of reports.
 - (b) Disclosure of stock ownership.
 - (c) Disclosure of stock ownership by officer or director.
 - (d) Form of accounts.
 - (e) Inspection of accounts and property.
- Sec. 408. Consolidation, merger, and acquisition of control.
- (a) Acts prohibited.
 - (b) Power of Commission.
 - (c) Interests in ground facilities.
 - (d) Jurisdiction of accounts of noncarriers.
 - (e) Investigation of violations.
- Sec. 409. Prohibited interests.
- (a) Interlocking relationships.
 - (b) Terms and conditions.
 - (c) Profit from transfer of securities.
- Sec. 410. Loans and financial aid.
- (a) Approval by Commission.
 - (b) Payments by Commission.
- Sec. 411. Methods of competition.
- Sec. 412. Pooling and other agreements.
- (a) Filing of agreements required.
 - (b) Disapproval or approval by Commission.
 - (c) Agreements between direct and indirect air carriers.
- Sec. 413. Form of control.
- Sec. 414. Legal restraints.
- Sec. 415. Inquiry into air-carrier management.
- Sec. 416. Classification and exemption of carriers.
- (a) Classification.
 - (b) Exemptions.
- Sec. 417. Voluntary arbitration.

TITLE IV-A—AIR CONTRACTOR ECONOMIC REGULATION

- Sec. 4101. Licenses of air contractors.
- (a) Licenses required.
 - (b) Application for license.
 - (c) Notice and hearing.
 - (d) Issuance of license.
 - (e) Terms and conditions of licenses.
 - (f) Effective date and duration of license.
 - (g) Authority to modify, suspend, or revoke.
 - (h) Transfer of license.
 - (i) Certain rights not conferred by license.
- Sec. 4102. Tariffs of air contractors.
- (a) Filing of tariffs required.
 - (b) Observance of tariffs; rebating prohibited.
 - (c) Notice of tariff change.
- Sec. 4103. Rates and service of air contractors.
- (a) Reasonable rates and service.
 - (b) Contracts for service.
- Sec. 4104. Classification and exemption.
- Sec. 4105. Miscellaneous.

TITLE V—NATIONALITY AND OWNERSHIP OF AIRCRAFT

- Sec. 501. Registration of aircraft nationality.
- (a) Registration required.
 - (b) Eligibility for registration.
 - (c) Issuance of certificate.
 - (d) Applications.
 - (e) Suspension or revocation.
 - (f) Effect of registration.
- Sec. 502. Foreign civil aircraft.
- Sec. 503. Registration of engines, propellers, and appliances.
- Sec. 504. Recordation of aircraft ownership.
- (a) Establishment of recording system.
 - (b) Conveyances to be recorded.
 - (c) Form of conveyance.
 - (d) Index of conveyances.
 - (e) Regulations.
 - (f) Previously unrecorded ownership.

TITLE VI—CIVIL AERONAUTICS SAFETY REGULATION

- Sec. 601. General safety powers and duties.
- (a) Minimum standards; rules and regulations.
 - (b) Classification of rules, regulations, and standards.
- Sec. 602. Airman certificates.
- Sec. 603. Aircraft certificates.
- (a) Type certificates.
 - (b) Production certificate.
 - (c) Airworthiness certificate.
 - (d) Experimental certificate.
- Sec. 604. Air carrier and air contractor operating certificates.
- Sec. 605. Air navigation facility certificates.
- Sec. 606. Air agency certificates.
- Sec. 607. Certificates.
- (a) Form of applications.
 - (b) Terms, conditions, and limitations.
 - (c) Amendments.
- Sec. 608. Administration and enforcement of rules, regulations, and standards.
- (a) Administration and enforcement.
 - (b) Issuance of local and special rules and regulations.
 - (c) Suspension and revocation.
- Sec. 609. Administrative review.
- Sec. 610. Maintenance of equipment.
- Sec. 611. Prohibitions.
- (a) Violation of air space reservation.
 - (b) Violations of title.
- Sec. 612. Exemptions.
- (a) Foreign aircraft.
 - (b) Action to prevent undue burdens.

TITLE VII—ACCIDENT INVESTIGATION

- Sec. 701. Appointment and qualifications of director.
- Sec. 702. Appointment of personnel.
- Sec. 703. Expenditures.
- Sec. 704. Duties of director.
- Sec. 705. Manner of performance.
- Sec. 706. Preservation of records and reports.
- Sec. 707. Conduct of investigations.
- Sec. 708. Aircraft.
- Sec. 709. Annual report of the director.

TITLE VIII—OTHER ADMINISTRATIVE AGENCIES

- Sec. 801. The President of the United States.
 - (a) Approval of Commission action.
 - (b) Air space reservations.
- Sec. 802. States, Territories, and possessions.
 - (a) Cooperation with States, Territories, and possessions.
 - (b) Uniform regulation of air navigation and air commerce.
 - (c) Study of taxation of persons engaged in air commerce.
- Sec. 803. The Department of State.
 - (a) Agreements with foreign governments.
 - (b) Foreign military aircraft.
- Sec. 804. Weather Bureau.
- Sec. 805. National Advisory Committee for Aeronautics.
- Sec. 806. Application of laws relating to foreign commerce.
 - (a) Shipping laws.
 - (b) Customs.
 - (c) Public health.
 - (d) Entry and clearance.
 - (e) Immigration.

TITLE IX—PENALTIES

- Sec. 901. Civil penalties.
 - (a) Safety and postal offenses.
 - (b) Entry or clearance and immigration offenses.
 - (c) Customs and public health offenses.
 - (d) Liens.
- Sec. 902. Criminal penalties.
 - (a) General.
 - (b) Forgery of certificates, permits, or licenses.
 - (c) Interference with air navigation.
 - (d) Granting rebates.
 - (e) Failure to file reports; falsification of records.
 - (f) Divulging information.
 - (g) Refusal to testify.
- Sec. 903. Venue and prosecution of offenses.
 - (a) Venue.
 - (b) Procedure in respect of civil penalties.

TITLE X--PROCEDURE

- Sec. 1001. Conduct of proceedings; assignment of functions.
(a) Proceedings of the Commission.
(b) Assignment of work, business, or functions.
- Sec. 1002. Complaints to and investigations by the Commission.
(a) Filing of complaints authorized.
(b) Investigations on initiative of Commission.
(c) Orders for compliance and declaratory orders.
(d) Power to prescribe rates and practices of air carriers and air contractors.
(e) Rule of rate making.
(f) Removal of discrimination in foreign air transportation.
(g) Suspension of rates.
(h) Power to prescribe divisions of rates.
(i) Power to establish through air transportation service.
- Sec. 1003. Joint boards.
(a) Designation of boards.
(b) Through service and joint rates.
(c) Jurisdiction of boards.
(d) Power of boards.
(e) Judicial enforcement and review.
- Sec. 1004. Evidence.
(a) Power to take evidence.
(b) Power to issue subpoena.
(c) Enforcement of subpoena.
(d) Contempt.
(e) Deposition.
(f) Method of taking depositions.
(g) Foreign depositions.
(h) Fees.
(i) Compelling testimony.
- Sec. 1005. Orders, notices, and service.
(a) Effective date of orders; emergency orders.
(b) Designation of agent for service.
(c) Other methods of service.
(d) Suspension or modification of order.
(e) Compliance with order required.
(f) Form and service of orders.
(g) Reconsideration.
- Sec. 1006. Judicial review of Commission's orders.
(a) Orders of Commission subject to review.
(b) Venue.
(c) Notice of authority; filing of transcript.
(d) Power of court.
(e) Findings of fact by Commission conclusive.
(f) Certification or certiorari.
- Sec. 1007. Judicial enforcement.
(a) Jurisdiction of court.
(b) Application for enforcement.
- Sec. 1008. Participation by Commission in court proceedings.
- Sec. 1009. Joinder of parties.

TITLE XI—MISCELLANEOUS

- Sec. 1101. Authority for safety measures.
 Sec. 1102. International agreements.
 Sec. 1103. Nature and use of documents filed.
 Sec. 1104. Withholding of information.
 Sec. 1105. Cooperation with Government agencies.
 Sec. 1106. Aviation insurance.
 (a) Insurance information.
 (b) Consultation with State agencies.
 (c) Reports to Congress.
 Sec. 1107. Sale by Government agency of supplies and service for aircraft.
 Sec. 1108. Amendments and repeals.
 Sec. 1109. Effect of transfers, repeals, and amendments.
 (a) Effectiveness of existing orders, regulations, and so forth.
 (b) Pending administrative proceedings.
 (c) Pending judicial proceedings.
 (d) Records transferred to Commission.
 Sec. 1110. Separability.
 Sec. 1111. Effective date.

1 AMENDMENTS TO TITLE I OF CIVIL AERONAUTICS ACT
 2 OF 1938

3 SEC. 2. (a) Section 1 (2) of the Civil Aeronautics Act
 4 of 1938, as amended, is hereby amended by striking out the
 5 proviso and inserting in lieu thereof a new proviso as follows:
 6 "Provided, That the Commission may by order, after notice
 7 and opportunity for hearing, make any of the provisions of
 8 this Act inapplicable to air carriers who are not directly
 9 engaged in the operation of aircraft in air transportation, to
 10 such extent and for such periods as may be in the public
 11 interest."

12 (b) Section 1 (3) of the Civil Aeronautics Act of
 13 1938, as amended, is hereby amended to read as follows:

14 "(3) 'Air commerce' means domestic or foreign air
 15 commerce."

1 (c) Section 1 of the Civil Aeronautics Act of 1938,
2 as amended, is hereby amended by inserting after paragraph
3 (3) thereof a new paragraph as follows, and by changing
4 the designations of paragraphs (4), (5), and (6) to (5),
5 (6), and (7), respectively:

6 “(4) ‘Air contractor’ means any person who under-
7 takes, otherwise than as an air-carrier or foreign air carrier,
8 whether directly or indirectly or by a lease or any other
9 arrangement, to engage in domestic or foreign air commerce
10 other than the carriage of mail.”

11 (d) The paragraph in section 1 of the Civil Aeronautics
12 Act of 1938, as amended, defining the term “airman” is
13 hereby amended to read as follows:

14 “(7) ‘Airman’ means any individual who engages, as
15 the person in command or as pilot, mechanic, or member
16 of the crew, in the navigation of aircraft while under way;
17 and (except to the extent the Commission may otherwise
18 provide with respect to any individual employed outside
19 the United States, any individual employed by a manu-
20 facturer of aircraft, aircraft engines, propellers, or appli-
21 ances to perform duties as inspector or mechanic in connec-
22 tion therewith, and any individual performing inspection or
23 mechanical duties in connection with aircraft owned or
24 operated by him) any individual who is directly in charge
25 of the inspection, maintenance, overhauling, or repair of

1 aircraft, aircraft engines, propellers, or appliances; and any
2 individual who serves in the capacity of aircraft dispatcher
3 or air-traffic control-tower operator."

4 (e) Section 1 of the Civil Aeronautics Act of 1938, as
5 amended, is hereby amended by inserting after the para-
6 graph defining the term "airman" the following new
7 paragraph, and by changing the designations of paragraphs
8 (7) to (18) to (9) to (20), respectively:

9 "(8) 'Air navigation' means the operation or navigation
10 of aircraft (a) upon any airport in the United States or in
11 the air space over the United States, or (b) to or from any
12 place in the United States whether or not through the air
13 space over the United States."

14 (f) The paragraph in section 1 of the Civil Aeronautics
15 Act of 1938, as amended, defining the term "airport" is
16 hereby amended to read as follows:

17 "(10) 'Airport' means any area, whether on land or
18 water, which is used for the landing and take-off of aircraft,
19 whether or not facilities are provided for the shelter, servic-
20 ing, or repair of aircraft, or for receiving or discharging
21 passengers or cargo."

22 (g) The paragraph in section 1 of the Civil Aeronautics
23 Act of 1938, as amended, defining the term "air transporta-
24 tion" is hereby amended to read as follows:

1 “(12) ‘Air transportation’ means domestic or foreign
2 air transportation.”

3 (h) The paragraph in section 1 of the Civil Aeronautics
4 Act of 1938, as amended, defining the term “civil airway” is
5 hereby amended by striking out the following: “, overseas,”.

6 (i) Section 1 of the Civil Aeronautics Act of 1938, as
7 amended, is amended by inserting after the paragraph de-
8 fining the term “conveyance” the following paragraphs:

9 “(21) ‘Domestic air commerce’ means the carriage by
10 aircraft of persons or property for compensation or hire or
11 the carriage of mail by aircraft, in commerce between a
12 place in the United States and any other place in the United
13 States, whether such commerce moves wholly by aircraft or
14 partly by aircraft and partly by other forms of transportation.

15 “(22) ‘Domestic air transportation’ means the carriage
16 by aircraft of persons or property as a common carrier for
17 compensation or hire or the carriage of mail by aircraft, in
18 commerce between a place in the United States and any other
19 place in the United States, whether such commerce moves
20 wholly by aircraft or partly by aircraft and partly by other
21 forms of transportation.”

22 (j) The paragraph in section 1 of the Civil Aeronautics
23 Act of 1938, as amended, defining the term “foreign air
24 carrier” is hereby redesignated as paragraph (23), and is

1 hereby amended by striking out the word "foreign" imme-
2 diately preceding the words "air transportation".

3 (k) Section 1 of the Civil Aeronautics Act of 1938, as
4 amended, is amended by inserting after the paragraph defin-
5 ing the term "foreign air carrier" the following paragraphs:

6 " (24) 'Foreign air commerce' means the carriage by
7 aircraft of persons or property for compensation or hire or
8 the carriage of mail by aircraft, in commerce between a place
9 in the United States and any place outside thereof, whether
10 such commerce moves wholly by aircraft or partly by aircraft
11 and partly by other forms of transportation.

12 " (25) 'Foreign air transportation' means the carriage
13 by aircraft of persons or property as a common carrier for
14 compensation or hire or the carriage of mail by aircraft, in
15 commerce between a place in the United States and any place
16 outside thereof, whether such commerce moves wholly by air-
17 craft or partly by aircraft and partly by other forms of
18 transportation."

19 (l) The paragraph in section 1 of the Civil Aeronautics
20 Act of 1938, as amended, defining the terms "interstate air
21 commerce", "overseas air commerce", and "foreign air com-
22 merce", and the paragraph in such section defining the terms
23 "interstate air transportation", "overseas air transportation",
24 and "foreign air transportation", are hereby repealed.

1 (m) The paragraph in section 1 of the Civil Aeronautics
2 Act of 1938 which, as such Act was originally enacted,
3 defined the term "landing area" is hereby repealed, and the
4 succeeding paragraphs, up to and including the paragraph
5 defining the term "public aircraft" are hereby redesignated as
6 paragraphs (26) to (33), respectively.

7 (n) Section 1 of the Civil Aeronautics Act of 1938, as
8 amended, is amended by inserting after the paragraph defin-
9 ing the term "public aircraft" the following paragraph, and
10 by redesignating the paragraph defining the term "United
11 States" as paragraph (35) :

12 "(34) 'Underwriter' means any person who engages in
13 the business of purchasing securities from the issuer thereof,
14 or selling securities for the issuer thereof, in connection with
15 the distribution of such securities, or of participating directly
16 or indirectly in any such transactions; but such term shall
17 not include a person whose interest is limited to the receipt
18 of commissions not in excess of the usual and customary dis-
19 tributors' or sellers' commissions."

20 (o) Section 2 of the Civil Aeronautics Act of 1938, as
21 amended, is hereby amended as follows:

22 (1) So much of such section as precedes paragraph (a)
23 is amended to read as follows:

24 "SEC. 2. It is hereby declared that the public interest

1 requires, and the provisions of this Act shall be so adminis-
2 tered as to provide for,—”.

3 (2) Paragraph (a) of such section is amended by strik-
4 ing out the semicolon at the end thereof and inserting in
5 lieu thereof a comma and the following: “and, so far as
6 necessary, so located, equipped, and staffed that it may serve
7 the armed forces in time of national emergency;”.

8 (3) Paragraph (b) of such section is amended to read
9 as follows:

10 “(b) The regulation of air commerce (1) in such manner
11 as to recognize and preserve the inherent advantages of such
12 commerce, to assure the highest degree of safety, foster sound
13 economic conditions, and prevent destructive and wasteful
14 competition, in such commerce, and to improve relations
15 between, and coordinate transportation by, persons engaged
16 in such commerce; and (2) so that its advantages will be
17 available, so far as practicable, to all points on fair and
18 uniform terms and without discrimination;”.

19 (4) Paragraph (e) of such section is amended to read
20 as follows:

21 “(e) The protection of, and the promotion of safety in,
22 air navigation; and”.

23 (p) Section 3 of the Civil Aeronautics Act of 1938,
24 as amended, is amended by striking out the words “air

1 commerce" and inserting in lieu thereof the words "air
2 navigation".

3 (q) The Civil Aeronautics Act of 1938, as amended, is
4 hereby amended by inserting after section 3 thereof the fol-
5 lowing new section:

6 "NATIONAL SOVEREIGNTY OF AIR SPACE

7 "SEC. 4. The United States of America is hereby de-
8 clared to possess and exercise complete and exclusive national
9 sovereignty in the air space above the United States, including
10 the air space above all inland waters and the air space above
11 those portions of the adjacent marginal high seas, bays,
12 and lakes, over which by international law, treaty, con-
13 vention, or otherwise, the United States exercises national
14 jurisdiction."

15 AMENDMENTS TO TITLE II OF CIVIL AERONAUTICS ACT
16 OF 1938

17 SEC. 3. (a) Title II of the Civil Aeronautics Act of
18 1938, as amended, is amended by striking out the heading
19 of such title and inserting in lieu thereof "TITLE II—THE
20 COMMISSION AND THE ADMINISTRATOR"; and
21 by striking out the heading of section 201 of such Act, as
22 amended, and inserting in lieu thereof "APPOINTMENT AND
23 QUALIFICATIONS".

24 (b) Section 201 (b) of the Civil Aeronautics Act of
25 1938, as amended, is amended by striking out "in the Author-

1 ity an Administrator" and inserting in lieu thereof "an
2 Administrator of Civil Aeronautics (referred to in this Act
3 as the 'Administrator')".

4 (c) The heading of section 201 (c) of the Civil Aero-
5 nautics Act of 1938, as amended, is amended by striking out
6 the words "of Members".

7 (d) Section 202 of the Civil Aeronautics Act of 1938,
8 as amended, is amended by striking out the heading thereof
9 and inserting in lieu thereof "APPOINTMENT OF PERSONNEL".

10 (e) Title II of the Civil Aeronautics Act of 1938, as
11 amended, is amended by striking out section 203 thereof and
12 inserting in lieu thereof the following:

13 "EXERCISE OF POWERS AND DUTIES BY ADMINISTRATOR

14 "SEC. 203. In the case of functions or powers of the
15 Administrator which are to be exercised with the approval
16 of the Commission or in accordance with general rules and
17 regulations prescribed by the Commission, the budget esti-
18 mates therefor to be transmitted to the Bureau of the Budget
19 by the Administrator for any fiscal year pursuant to law
20 shall be in such amounts as are approved by the Commission."

21 (f) The first sentence of section 204 (a) of the Civil
22 Aeronautics Act of 1938, as amended, is amended by striking
23 out "Authority is" and inserting in lieu thereof "Commission
24 and the Administrator, respectively, are"; by striking out

1 "Authority, the Administrator, and the Air Safety Board"
2 where such words first appear and inserting in lieu thereof
3 the word "them"; by inserting before the word "operation"
4 the word "storage,"; and by striking out "Authority, the
5 Administrator, and the Air Safety Board" where such words
6 appear the second time, and inserting in lieu thereof "Com-
7 mission and the Administrator"; and the second sentence of
8 such section 204 (a) is hereby amended by striking out
9 "Authority" and inserting in lieu thereof "Commission and
10 the Administrator".

11 (g) The first sentence of section 204 (b) of the Civil
12 Aeronautics Act of 1938, as amended, is amended by striking
13 out "Authority" and inserting in lieu thereof "Commission
14 and the Administrator, respectively"; and by striking out the
15 words "for the use of the Administrator and the Air Safety
16 Board"; and the second sentence of such section 204 (b) is
17 amended by striking out "Authority is" and inserting in lieu
18 thereof "Commission and the Administrator, respectively,
19 are".

20 (h) The heading of section 205 of the Civil Aeronautics
21 Act of 1938, as amended, is amended by striking out "AU-
22 THORITY" and inserting in lieu thereof "COMMISSION AND
23 THE ADMINISTRATOR"; and section 205 (a) of such Act, as
24 amended, is amended by striking out "Authority is" and
25 inserting in lieu thereof "Commission and the Administrator,

1 respectively, are", by striking out the words "as it shall deem
2 necessary" and inserting in lieu thereof "as they shall deem
3 necessary", and by striking out "its powers and duties" and
4 inserting in lieu thereof "their respective powers and duties".

5 (i) Section 205 (b) of the Civil Aeronautics Act of
6 1938, as amended, is hereby repealed.

7 (j) Section 205 (c) of the Civil Aeronautics Act of
8 1938, as amended, is amended by inserting before the word
9 "Exchange" in the heading the words "Collection and"; by
10 striking out "(c)" and inserting in lieu thereof "(b)"; and
11 by striking out "The Authority is empowered" and insert-
12 ing in lieu thereof "The Commission is empowered to col-
13 lect and disseminate information relating to civil aeronautics,
14 to study the possibilities of the development of civil aero-
15 nautics, and".

16 (k) Section 205 (d) of the Civil Aeronautics Act of
17 1938, as amended, is amended by striking out "(d)" and
18 inserting in lieu thereof "(c)"; by inserting after the words
19 "under this Act" in the third sentence thereof the following:
20 " , and the Administrator shall provide for the publication of
21 all orders, rules, and regulations issued by him under this
22 Act,"; and by striking out the last sentence thereof and insert-
23 ing in lieu thereof the following: "Publications purporting to
24 be so published shall be competent evidence of the orders,
25 decisions, rules, regulations, and reports of the Commission

1 or the Administrator, as the case may be, therein contained,
2 in all courts of the United States, and of the several States,
3 Territories, and possessions thereof, and the District of
4 Columbia, without further proof or authentication thereof.”.

5 (l) Section 206 of the Civil Aeronautics Act of 1938, as
6 amended, is amended by inserting after the word “REPORT”
7 in the heading thereof the words “OF THE COMMISSION”;
8 by inserting after the word “Congress” in the first sentence
9 thereof the following: “on or before the third day of January”;
10 and by striking out the second sentence thereof and inserting
11 in lieu of such sentence the following sentences: “Such report
12 shall contain, in addition to a report of the work of the
13 Commission, such information and data collected by the
14 Commission as may be considered of value in the determi-
15 nation of questions connected with the development and regu-
16 lation of civil aeronautics, together with such recommenda-
17 tions as to additional legislation relating thereto as the Com-
18 mission may deem necessary. Such report shall also con-
19 tain the current annual reports made to the Commission by
20 the Administrator and the Director of Air Safety, respec-
21 tively.”

22 (m) Title II of the Civil Aeronautics Act of 1938,
23 as amended, is amended by inserting after section 206 thereof
24 a new section as follows:

1 "ANNUAL REPORT OF THE ADMINISTRATOR

2 "SEC. 207. The Administrator shall make an annual
3 report to the Commission, which shall contain, in addition
4 to a report of the work of the Administrator, such informa-
5 tion and data collected by the Administrator as may be con-
6 sidered of value in the determination of questions connected
7 with the development and regulation of those phases of civil
8 aeronautics to which the powers and duties of the Admin-
9 istrator relate, together with such recommendations as to
10 additional legislation relating thereto as the Administrator
11 may deem necessary. Such annual report shall be made at
12 least thirty days prior to the date on which the Commission
13 makes its annual report to Congress."

14 (n) The foregoing provisions of this section shall not
15 be held to abolish the office of any member of the Civil Aero-
16 nautics Board or the Administrator of Civil Aeronautics,
17 in office on the date of the enactment of this Act, or to affect
18 the term or tenure of office of any such member or of such
19 Administrator.

20 AMENDMENTS TO TITLE III OF CIVIL AERONAUTICS ACT
21 OF 1938

22 SEC. 4. (a) Section 301 of the Civil Aeronautics Act
23 of 1938, as amended, is hereby amended by striking out the
24 words "AIR COMMERCE" in the heading thereof and inserting

1 in lieu thereof the words "CIVIL AERONAUTICS"; and by
2 striking out the words "and air commerce" appearing in
3 the first sentence thereof; and by striking out the last sentence
4 thereof.

5 (b) Section 302 (a) of the Civil Aeronautics Act of
6 1938, as amended, is hereby amended to read as follows:

7 "General

8 "SEC. 302. (a) The Administrator is authorized, with
9 the approval of the Commission, to designate and establish
10 such civil airways as may be required in the public interest.
11 The Administrator is authorized, within the limits of avail-
12 able appropriations made by the Congress, (1) with the
13 approval of the Commission, to acquire, establish, and im-
14 prove air navigation facilities wherever necessary; (2) to
15 operate and maintain such air navigation facilities; (3) to
16 chart civil airways and arrange for the publication of maps
17 of such airways, utilizing the facilities and assistance of exist-
18 ing agencies of the Government so far as practicable; and
19 (4) to provide necessary facilities and personnel for the
20 regulation and protection of air traffic."

21 (c) Section 302 of the Civil Aeronautics Act of 1938,
22 as amended, is hereby amended by striking out subsection
23 (c) of such section and by inserting in lieu thereof the
24 following subsection:

1 "Acquisition and Disposal of Property

2 "(c) The Administrator, on behalf of the United States,
3 is authorized, with the approval of the Commission, where
4 appropriate to carry out this section, (1) to accept any
5 conditional or unconditional gift or donation of money or
6 other property, real or personal, or of services; (2) within the
7 limits of appropriations made available by the Congress for ex-
8 penditure by the Administrator for such purposes, to acquire
9 by purchase, condemnation, lease, or otherwise, real property
10 or interests therein, including easements through or other
11 interests in air space; and (3) to dispose of any real or per-
12 sonal property or interest therein, for adequate compensation,
13 by sale, lease, or otherwise. Any such acquisition by con-
14 demnation may be made in accordance with the provisions
15 of the Act entitled 'An Act to expedite the construction of
16 public buildings and works outside of the District of Columbia
17 by enabling possession and title of sites to be taken in advance
18 of final judgment in proceedings for the acquisition thereof
19 under the power of eminent domain', approved February 26,
20 1931 (U. S. C., 1940 edition, title 40, secs. 258a to 258e,
21 inclusive): *Provided, however,* That the court in which such
22 condemnation proceeding is instituted shall have jurisdiction
23 to determine whether the acquisition of the real property or
24 interest therein, or easement through or other interest in air

1 space, is necessary for the establishment, construction, de-
2 velopment, improvement, installation, alteration, repair, main-
3 tenance, or operation of any airport or other air navigation
4 facility; and such court shall, for good cause shown, stay the
5 taking of possession of such property, easement, or other
6 interest until the court has determined whether such ac-
7 quisition is necessary for such purpose; and if it is determined
8 by such court that such acquisition is not necessary for such
9 purpose, such condemnation proceeding shall be terminated
10 and possession and title to the property, easement, or other
11 interest involved shall revert to the original owner. In the
12 determination of the compensation to be paid in any con-
13 demnation proceeding under this subsection, there shall be
14 included not only the value of the property and facilities
15 affected and the cost of any changes in or relocation of such
16 property and facilities but also compensation for any loss
17 occasioned in the operation thereof."

18 (d) Section 303 of the Civil Aeronautics Act of 1938,
19 as amended, is hereby amended to read as follows:

20 "FUNDS EXPENDED UNDER OTHER AUTHORITY

21 "SEC. 303. No Federal funds, other than those expended
22 under this Act and those expended for military purposes, shall
23 be expended for the acquisition, establishment, construction,
24 development, improvement, installation, alteration, repair,

1 maintenance, or operation of any airport or other air navi-
2 gation facility, airport building, or other facility on or in
3 connection with an airport, except upon written certification
4 by the Administrator, with the approval of the Commis-
5 sion, that such project is reasonably necessary in the interest
6 of civil aeronautics or national defense and that the resulting
7 facilities will be reasonably safe and adequate for present
8 and prospective aeronautical use. In each case, it shall
9 be the responsibility of the expending agency to apply to the
10 Administrator for the certification required by this section,
11 in accordance with such regulations as the Administrator
12 may prescribe. The Administrator shall include in any such
13 certification such terms and conditions as he deems necessary
14 in order to insure that the facilities covered by such certifica-
15 tion will be reasonably safe and adequate for present and
16 prospective aeronautical use; and any such certification may
17 be withdrawn by the Administrator, with the approval of the
18 Commission, at any time if he finds that any such term or
19 condition is not being complied with."

20 (e) Title III of the Civil Aeronautics Act of 1938, as
21 amended, is amended by adding after section 303 thereof a
22 new section as follows, and by renumbering sections 304,
23 305, 306, and 307 as sections 305, 306, 307, and 308,
24 respectively:

1 "PROTECTION OF PUBLIC USE

2 "Conditions in Connection With Expenditure of
3 Federal Funds

4 "SEC. 304. (a) In case of the expenditure of Federal
5 funds for, on, or in connection with airports under section
6 302, or in accordance with a certification under section 303,
7 of this Act the Administrator shall, to the extent feasible,
8 require such conditions as will result in (1) public use of
9 such airport on fair and reasonable terms; (2) suitable
10 operation and maintenance of such airport and facilities
11 thereon or connected therewith; (3) the clearing and pro-
12 tection of the aerial approaches to such airport by re-
13 moving, lowering, marking, lighting or otherwise miti-
14 gating existing obstructions and other hazards to air navi-
15 gation, and by preventing the establishment or creation of, or
16 otherwise mitigating, future obstructions or other hazards to
17 air navigation. Among other steps to assure compliance with
18 such conditions, the Administrator is authorized, on behalf
19 of the United States, to enter into contracts, including con-
20 tracts with municipalities and other bodies politic, to assure
21 performance of or compliance with such conditions; and such
22 contracts shall be enforceable by decrees for specific per-
23 formance.

24 "Restrictions on Granting of Exclusive Rights

25 "(b) No exclusive right shall be granted for the use of

1 any civil airway designated or established under section 302.
2 No exclusive right for the use of any airport or other air
3 navigation facility upon or in connection with which Federal
4 funds have been expended shall be granted to, or exercised
5 by, any person other than the Government of the United
6 States, unless the Administrator approves the granting of
7 such right as necessary in the interest of safety in air navi-
8 gation. No exclusive right the granting or exercise of which
9 is so approved shall extend for more than two years (either
10 originally or by renewals thereof) unless the action of the
11 Administrator in approving the same is concurred in by the
12 Commission."

13 (f) The section of the Civil Aeronautics Act of 1938,
14 as amended, hereinbefore renumbered as section 305, is
15 hereby amended by striking out the words "Secretary of
16 Agriculture" and inserting in lieu thereof the words "Chief
17 of the Weather Bureau" and by striking out the words "air
18 commerce" and inserting in lieu thereof the words "air
19 navigation".

20 (g) The second sentence of the section of the Civil
21 Aeronautics Act of 1938, as amended, hereinbefore renum-
22 bered as section 306, is amended by striking out "subject to
23 the approval of the Authority" and inserting in lieu thereof
24 "with the approval of the Commission".

25 (h) The section of the Civil Aeronautics Act of 1938, as

1 amended, hereinbefore renumbered as section 307, is hereby
2 amended to read as follows:

3 "SEC. 307. The Administrator is empowered and
4 directed to collect and disseminate information concerning
5 those phases of civil aeronautics to which his powers and
6 duties under this Act relate."

7 (i) The section of the Civil Aeronautics Act of 1938,
8 as amended, hereinbefore renumbered as section 308, is
9 hereby amended to read as follows:

10 "DEVELOPMENT PROGRAM FOR AIR NAVIGATION FACILITIES

11 "SEC. 308. The Administrator shall, after consultation
12 from time to time with the Commission and with representa-
13 tives of the several States, Territories, and possessions of the
14 United States, prepare and maintain a development program
15 for airports and other air navigation facilities designed most
16 effectively to promote air navigation, the national defense,
17 and domestic and foreign air commerce. Such program
18 shall include provision for the prompt installation or im-
19 provement of air navigation facilities where appropriate
20 for the safe, adequate, and efficient performance of air
21 transportation authorized by certificates of convenience
22 and necessity issued by the Commission, or amendments
23 thereto. In formulating and maintaining such program the
24 Administrator shall take into account probable technological
25 developments in the science of aeronautics, the likely growth

1 and requirements of air commerce, and such other matters as
2 will contribute to a program which at all times will anticipate
3 and advance the needs of the national defense and of air navi-
4 gation. He also shall take into account the necessity for as-
5 suring that the approaches to airports shall be as free of
6 obstructions and other hazards as reasonably possible. So far
7 as practicable (1) such program shall be carried out through
8 the exercise of the powers granted under section 302, and
9 (2) the provisions of section 303 shall be administered in
10 accordance with such program. The Administrator shall
11 report to Congress from time to time, and in any event at
12 least once each year, concerning such program and progress
13 made toward its accomplishment."

14 (j) Title III of the Civil Aeronautics Act of 1938, as
15 amended, is hereby amended by inserting after the section
16 hereinbefore renumbered as section 308 the following sec-
17 tions, and by striking out the last section of such title III:

18 "TRAINING OF AERONAUTICAL TECHNICIANS AND
19 MECHANICS

20 "General Authorization

21 "SEC. 309. (a) The Administrator is authorized and
22 directed, within the limits of available appropriations made by
23 the Congress, to provide for the training of air pilots and
24 other technicians and mechanics and to provide for the con-
25 duct of programs for such training, including studies and

1 researches as to the most desirable qualifications for such
2 pilots, technicians, and mechanics.

3 "Conduct of Training Program

4 "(b) Such training and programs shall be conducted pur-
5 suant to such regulations as the Administrator may prescribe,
6 including regulations respecting the maintenance of appro-
7 priate insurance and reasonable laboratory and other fees, and
8 shall be carried out by contracts with educational institutions
9 or other persons.

10 "Assistance by Other Agencies

11 "(c) Any executive department or independent estab-
12 lishment of the Federal Government is hereby authorized to
13 cooperate with the Administrator in carrying out this section,
14 and may lend or transfer to the Administrator, by contract
15 or otherwise, and may lend to educational institutions or
16 other persons cooperating with the Administrator pursuant
17 to this section, civilian officials, experts or employees, aircraft
18 and other property or equipment, and lands or buildings
19 under its control. The Administrator is authorized to lease
20 or accept loans of such real property and to purchase, lease,
21 exchange, or accept loans of such personal property, as may
22 be necessary or desirable for carrying out this section.

23 "Property and Personnel

24 "(d) For the purpose of carrying out this section, the
25 Administrator is authorized, without regard to the provisions

1 of other laws applicable to the employment and compensa-
2 tion of officers and employees of the United States, to employ
3 and fix the compensation of experienced instructors, airmen,
4 medical and other professional examiners, for the exercise of
5 supervisory functions in carrying out this section, and experts
6 in training or in research. The provisions of section 3709
7 of the Revised Statutes (U. S. C., 1940 edition, title 41,
8 sec. 5) shall not apply to contracts with educational insti-
9 tutions or other persons for the use of aircraft or other
10 facilities or for the performance of services authorized by
11 this section.

12 "AERONAUTICAL EDUCATION

13 "SEC. 310. The Administrator is authorized and directed
14 to promote research in aeronautical education and to act as
15 a clearing house for research projects; to prepare and dis-
16 seminate aeronautical educational material; to confer with
17 and cooperate with governmental and other agencies in re-
18 gard to aeronautical education; to secure the cooperation and
19 assistance of the various services of the United States Office
20 of Education, and other agencies of the United States, in the
21 promotion and carrying on of aeronautical education; to
22 assist the several States, Territories, and possessions in
23 creating and maintaining aeronautical educational courses;
24 and to promote aeronautical clubs and other activities, par-
25 ticularly among the youth of the Nation, with a view toward

1 familiarizing the participants in such activities with various
2 aeronautical skills and techniques.

3 "ASSIGNMENT OF WORK, BUSINESS, OR FUNCTIONS

4 "Assignment to Employees

5 "SEC. 311. (a) The Administrator may assign any of
6 his work, business, or functions under any provision of law
7 (except functions vested in him under this subsection) to
8 any eligible employee or employees under his supervision
9 for action thereon. The Administrator may at any time
10 amend, modify, supplement, or rescind any such assign-
11 ment. An employee shall be an eligible employee for pur-
12 poses of this subsection if he is a bureau director, a division
13 or section chief, an inspector, or an employee having responsi-
14 bilities of comparable importance.

15 "Performance of Assignments

16 "(b) Individuals to whom assignments are so made shall
17 have authority to perform the work, business, or functions
18 assigned to them under this section and for such purpose
19 shall have the jurisdiction and powers conferred by this Act
20 upon the Administrator, and be subject to the same duties and
21 obligations. Except as otherwise provided in this section, any
22 action of any such individual or individuals with respect
23 to any matter assigned to him or them shall have the same
24 force and effect and may be made, evidenced, and enforced
25 in the same manner as if taken by the Administrator.

1 "Reconsideration by Administrator

2 "(c) Any person affected by any action taken by any
3 such individual or individuals with respect to any matter
4 assigned to him or them may apply for reconsideration by
5 the Administrator of such action subject to such reasonable
6 limitations as may be established by the Administrator and
7 such application shall be passed upon by the Administrator.
8 The Administrator, upon his own initiative, may reconsider
9 the action of such person or persons either before or after it
10 has become effective. If, upon reconsideration by the Admin-
11 istrator, it shall appear that the action in question is in any
12 respect unjust or unwarranted, the Administrator shall re-
13 verse, change, or modify the same accordingly; otherwise the
14 Administrator shall affirm such action."

15 AMENDMENT ADDING A NEW TITLE III-A TO CIVIL
16 AERONAUTICS ACT OF 1938

17 SEC. 5. The Civil Aeronautics Act of 1938, as amended,
18 is hereby amended by inserting after title III thereof the
19 following new title:

20 "TITLE III-A—GROUND HAZARDS TO AIR
21 NAVIGATION

22 "RULES AND REGULATIONS OF THE COMMISSION

23 "SEC. 3101. The Administrator shall exercise the
24 powers conferred upon him by this title in accordance with

1 such general rules and regulations as the Commission shall
2 prescribe.

3 "ZONING PROGRAM

4 "Formulation and Development

5 "SEC. 3102. (a) In order to protect and facilitate air
6 navigation, the Administrator shall formulate and maintain a
7 Nation-wide zoning program for clearing and protecting
8 aerial approaches to airports through regulation of the height
9 and location of structures and of objects of natural growth on
10 and in the vicinity of airports. Such program shall include
11 standards, as nearly uniform as reasonably possible, for such
12 zoning. It shall be maintained at all times in accordance with
13 the actual or anticipated development of military and civil
14 aeronautical equipment, the methods of operating such equip-
15 ment, and the needs of air navigation.

16 "Matters To Be Considered

17 "(b) Such program should be developed and carried
18 out with consideration for (1) the desirability of achieving
19 the maximum usefulness of airports consistent with their
20 physical characteristics, the surrounding terrain, and the
21 type of aircraft operation for which the airport was designed
22 or is used or intended to be used; (2) the need, in the
23 interest of safety, for establishing and maintaining appro-
24 priate standards governing maximum height and location
25 of structures and objects of natural growth on and in the

1 vicinity of airports; (3) the desirability of having such
2 standards as uniform in their application to various airports
3 as is practicable, taking into account the physical charac-
4 teristics of, and the terrain surrounding, such airports and
5 the types of aircraft operation for which such airports were
6 designed or are used or intended to be used; (4) the neces-
7 sity for freedom in the mobilization and employment of mili-
8 tary aircraft at any time and place that may prove necessary
9 in the interest of the national defense; (5) the necessity of
10 weighing the economic effect, including the effect on prop-
11 erty owners, of regulating the height and location of struc-
12 tures and objects of natural growth on and in the vicinity
13 of airports, so as to achieve the foregoing objectives, against
14 the economic effect, including the effect on property owners,
15 and the effect upon military aeronautics, air commerce, and
16 the Postal Service, of relocating such airports.

17 "COOPERATION BY STATES, TERRITORIES, AND POSSESSIONS

18 "SEC. 3103. The Administrator shall invite the coopera-
19 tion of duly constituted authorities of States, Territories, and
20 possessions, and subdivisions thereof, in the formulation,
21 maintenance, and carrying out of such zoning program, and
22 in the carrying out of such program he shall furnish to such
23 authorities such information, technical assistance, and other
24 aids as they may request and as he may deem to be feasible.

1 "AIR SAFETY AREAS AND STANDARDS APPLICABLE THEREIN

2 "Establishment of Air Safety Areas

3 "SEC. 3104. (a) Whenever the Administrator is of the
4 opinion that such action is necessary or appropriate to carry
5 out the zoning program, he is authorized and directed to
6 establish an air safety area including and surrounding any
7 airport located in the United States, and from time to time
8 to modify such area as may be appropriate. Such air safety
9 area shall extend only so far as is necessary to promote safety
10 in the use of such airport. At least ninety days before
11 establishing or modifying any such area, the Administrator
12 shall give written notice of such proposed action to the
13 Governor of any State (or the chief executive officer of any
14 Territory or possession) in which such area or any part
15 thereof is to be, or is, located. An air safety area shall be
16 established or modified by order of the Administrator fixing
17 a line which shall mark the outer limits of such area. Prior
18 to the establishment or modification of any air safety area a
19 complete and adequate description of the line defining such
20 area, and prior to the promulgation under subsection (b)
21 of any standards or modifications thereof with respect to
22 such area a copy of such standards or modifications thereof,
23 shall be posted for the information of the public in at least
24 three conspicuous and appropriate places within any county
25 (or similar political subdivision, in the case of a Territory

1 or possession) in which such area or any part thereof is
2 to be, or is, located.

3 "Standards Governing Maximum Height

4 "(b) The Administrator shall promulgate such reason-
5 able standards, with respect to maximum height and location
6 of structures and objects of natural growth, to be applicable
7 at such places within such air safety area or areas as he
8 may designate, as may be appropriate to effectuate the zon-
9 ing program. In determining the reasonableness of such
10 standards the Administrator shall take into account, among
11 other relevant considerations, the value and character of the
12 property to be affected, both before and after the airport
13 involved was established; the probable importance to the
14 national defense of the airport involved; the character
15 of the air traffic by which such airport is or may be used;
16 and the feasibility and adequacy of other means for mini-
17 mizing risks to air navigation on and in the vicinity of such
18 airport.

19 "CONFORMANCE WITH ZONING STANDARDS

20 "Airports Not Owned by the United States

21 "SEC. 3105. (a) Where action has been taken by the
22 Administrator under section 3104 (a) and (b) with respect
23 to any airport other than an airport owned by the United
24 States, and, in the opinion of the Administrator, (1) the
25 owner or owners of such airport are not authorized by law

1 to acquire, by condemnation, such real property or interests
2 therein, including easements through or other interests in air
3 space, as may be necessary to insure present and future con-
4 formance with the applicable standards established under sec-
5 tion 3104 (b), or (2) such acquisition, although authorized
6 by law, may not be made without undue expense or delay,
7 the Administrator shall so declare in writing and shall serve
8 such declaration on the owner or owners of such airport.
9 Thereupon the Administrator may, at the request of the
10 owner or owners of such airport, institute a proceeding, as
11 provided in subsection (c) of this section, in the name of
12 the United States for the acquisition by condemnation, for
13 such owner or owners, of such real property or interests
14 therein, including easements through or other interests in
15 air space. No such proceeding shall be instituted, however,
16 unless the Administrator is satisfied that (1) such airport
17 will be available for public use on fair and reasonable terms,
18 (2) that any judgment entered in such proceeding will be
19 satisfied, and (3) that the United States will be reimbursed
20 for any payment made in satisfaction of such judgment.

21 "Airports Owned by the United States

22 "(b) Where action has been taken by the Administrator
23 under section 3104 (a) and (b) with respect to any airport
24 owned by the United States, the Administrator shall acquire
25 such real property or interests therein, including easements

1 through or other interests in air space, as may be necessary
2 to insure present and future conformance with the applicable
3 standards established under section 3104 (b). Such acquisi-
4 tion may be made by instituting a proceeding for condemna-
5 tion, as provided in subsection (c) of this section, in the
6 name of the United States.

7 "Acquisition by Condemnation

8 "(c) Any such acquisition by condemnation may be
9 made in accordance with the provisions of the Act entitled
10 'An Act to expedite the construction of public buildings and
11 works outside of the District of Columbia by enabling pos-
12 session and title of sites to be taken in advance of final
13 judgment in proceedings for the acquisition thereof under the
14 power of eminent domain', approved February 26, 1931
15 (U. S. C., 1940 edition, title 40, secs. 258a to 258e, inclu-
16 sive), notwithstanding the fact that the acquisition is not for
17 the use of the United States: *Provided, however,* That the
18 court in which such condemnation proceeding is instituted
19 shall have jurisdiction to determine whether the acquisition
20 of the real property or interest therein, or easement through
21 or other interest in air space, is necessary for the establish-
22 ment, construction, development, improvement, installation,
23 alteration, repair, maintenance, or operation of any airport
24 or other air navigation facility; and such court shall, for good
25 cause shown, stay the taking of possession of such property,

1 easement, or other interest until the court has determined
2 whether such acquisition is necessary for such purpose; and
3 if it is determined by such court that such acquisition is not
4 necessary for such purpose, such condemnation proceeding
5 shall be terminated and possession and title to the property,
6 easement, or other interest involved shall revert to the
7 original owner. In the determination of the compensation to
8 be paid in any condemnation proceeding under this section
9 there shall be included not only the value of the property and
10 facilities affected and the cost of any changes in or relocation
11 of such property and facilities but also compensation for any
12 loss occasioned in the operation thereof.

13 "Failure to Conform With Zoning Standards

14 "(d) Where action has been taken by the Administrator
15 under section 3104 (a) and (b) with respect to any airport
16 other than an airport owned by the United States, and due
17 to non-conformance with the applicable standards established
18 under section 3104 (b) there exists within the air safety
19 area including and surrounding such airport any obstruction
20 which constitutes a serious hazard to air navigation, the Ad-
21 ministrator shall, after notice and opportunity for hearing,
22 enter an order prohibiting or limiting the use of such airport
23 for the landing or take-off of aircraft in air commerce, and
24 prohibiting the owner or owners of such airport from per-
25 mitting use of such airport in any manner inconsistent with

1 the requirements of such order, while such obstruction con-
2 tinues to constitute such a hazard to air navigation.

3 "NOTICE OF HAZARDS

4 "SEC. 3106. The Administrator shall by rules and regu-
5 lations, or by order where necessary, require all persons to
6 give adequate public notice, in the form and manner pre-
7 scribed by him, of the construction or alteration, or proposed
8 construction or alteration, of any structure within any air
9 safety area or along or near the civil airways, where such
10 construction or alteration may constitute a hazard to air navi-
11 gation.

12 "PROCEDURE

13 "SEC. 3107. The provisions of sections 1001 (a), 1004,
14 1005 (a), (c), (d), (e), (f) and (g), and 1009 of this
15 Act shall be applicable for purposes of this title as though
16 the words 'Commission' or 'member of the Commission' as
17 used therein referred to the Administrator."

18 AMENDMENTS TO TITLE IV OF CIVIL AERONAUTICS ACT
19 OF 1938

20 SEC. 6. (a) Section 401 (c) of the Civil Aeronautics
21 Act of 1938, as amended, is hereby amended by striking out
22 the heading and inserting in lieu thereof "Notice and Hear-
23 ing"; and by striking out the last sentence thereof and in-
24 serting in lieu thereof a new sentence as follows: "A public
25 hearing shall be held on such application if the applicant, or

1 any person having a substantial interest in the proceeding,
2 shall so request within such time as the Commission shall by
3 regulations provide, and the Commission shall dispose of
4 such application as speedily as possible."

5 (b) Section 401 (d) of the Civil Aeronautics Act of
6 1938, as amended, is amended by striking out the heading
7 thereof and inserting in lieu thereof "Issuance of Certificates;
8 New Service Investigations"; by adding at the end of para-
9 graph (1) thereof the following sentence: "If the Commis-
10 sion finds that the public convenience and necessity require
11 air transportation only for a limited period or periods, it
12 shall issue a certificate only for such period or periods; but
13 where the application was made for a certificate of unlimited
14 duration the applicant may reject such limited certificate if
15 such right of rejection is exercised within a reasonable time
16 as prescribed by the Commission."; and by striking out
17 subparagraph (2) thereof and inserting in lieu of such
18 paragraph the following:

19 "(2) The Commission, upon its own initiative, when-
20 ever it deems such action advisable, may conduct an inves-
21 tigation to determine whether additional air transportation
22 appears to be needed, and if, after such investigation, the
23 Commission is of the opinion that such procedure is appro-
24 priate, it may encourage the filing of applications for cer-
25 tificates authorizing the furnishing of such transportation.

1 If such transportation may be furnished through the exten-
2 sion of existing service, the Commission may institute a
3 proceeding to require such extension in accordance with the
4 provisions of subsection (h) (3)."

5 (c) Section 401 (e) of the Civil Aeronautics Act of
6 1938, as amended, is hereby repealed.

7 (d) Section 401 (f) of the Civil Aeronautics Act of
8 1938, as amended, is hereby amended by inserting after the
9 words "between which" in the first sentence thereof the fol-
10 lowing: ", or if such specification is impracticable, the area or
11 areas within which,"; and by adding at the end of such section
12 401 (f) the following sentences: "In making such trips and
13 performing such service the air carrier shall not be subject to
14 the provisions of title IV-A of this Act. A certificate issued
15 to an air carrier under this section to engage in air transporta-
16 tion as an air carrier not directly engaged in the operation
17 of aircraft shall not be held to authorize such carrier to
18 engage directly in the operation of aircraft in air trans-
19 portation."

20 (e) Section 401 (g) of the Civil Aeronautics Act of
21 1938, as amended, is hereby amended by striking out "(2)",
22 and by inserting after the words "entered after notice and"
23 the words "opportunity for".

24 (f) Section 401 (h) of the Civil Aeronautics Act of
25 1938, as amended, is amended by striking out the heading

1 of such subsection and inserting in lieu thereof the following:
2 "Modification, Suspension or Revocation of Certificates; Ex-
3 tensions of Service"; by inserting "(1)" after "(h)"; by
4 striking out in the first sentence thereof "after notice and
5 hearing, may" and inserting in lieu thereof "after notice
6 and opportunity for hearing, may by order"; and by adding
7 at the end of such subsection the following subparagraphs:

8 " (2) The Commission, upon petition or complaint or
9 upon its own initiative, after notice and opportunity for hear-
10 ing, shall by order suspend or revoke any certificate, if at
11 any time it finds that the holder thereof is not a citizen of the
12 United States: *Provided*, That the Commission, whenever it
13 deems such action to be in the public interest, may postpone
14 the effective date of such suspension or revocation for such
15 period of time as it may deem necessary to permit the sub-
16 mission to and approval by the Commission, and the con-
17 summation, of a plan or plans of reorganization of the holder
18 designed to reestablish its status as a citizen.

19 " (3) The Commission, upon petition or complaint or
20 upon its own initiative, after notice and opportunity for hear-
21 ing, may by order require any air carrier to make reasonable
22 extension of its existing service if the Commission finds that
23 such extension is required by the public convenience and
24 necessity or for the maintenance of cooperative relationships
25 between the United States and any foreign country or other-

1 wise to further national policy, and that the expense involved
2 will not impair the ability of such air carrier to perform its
3 duty to the public under its existing certificate or certificates,
4 and such order shall provide for such amendment of the cer-
5 tificate or certificates held by such air carrier as may be neces-
6 sary because of such extension: *Provided, however,* That if
7 the Commission requires any air carrier to extend its service
8 in air transportation otherwise than between points in the
9 continental United States (not including Alaska), it shall
10 issue its order making such requirement only under such
11 conditions as will guarantee to such carrier a reasonable com-
12 pensation for the service it is so required to perform."

13 (g) Section 401 (k) of the Civil Aeronautics Act of
14 1938, as amended, is hereby amended by inserting after the
15 words "after notice and" the words "opportunity for".

16 (h) Section 401 (l) (1) of the Civil Aeronautics Act
17 of 1938, as amended, is amended by striking out "who are en-
18 gaged in interstate air transportation" and inserting in lieu
19 thereof "for domestic air transportation"; and section 401
20 (l) (2) of such Act, as amended, is amended by striking out
21 "who are engaged in overseas or foreign air transportation or
22 air transportation wholly within a Territory or possession of
23 the United States" and inserting in lieu thereof "for air trans-
24 portation other than that referred to in paragraph (1)".

25 (i) Section 401 (n) of the Civil Aeronautics Act of

1 1938, as amended, is hereby amended by inserting after the
2 words "after notice and" the words "opportunity for".

3 (j) Section 402 (a) of the Civil Aeronautics Act of
4 1938, as amended, is hereby amended by inserting after
5 "(a)" the following: "No foreign air carrier shall engage
6 in domestic air transportation.", and section 402 (c) of such
7 Act is hereby repealed.

8 (k) Section 402 (e) of the Civil Aeronautics Act of
9 1938, as amended, is hereby amended by striking out the
10 heading and inserting in lieu thereof "Notice and Hearing";
11 and by striking out the last sentence thereof and inserting
12 in lieu thereof a new sentence as follows: "A public hearing
13 shall be held on such application if the applicant, or any
14 person having a substantial interest in the proceeding, shall
15 so request within such time as the Commission shall by
16 regulations provide, and the Commission shall dispose of such
17 application as speedily as possible."

18 (l) Section 402 (f) of the Civil Aeronautics Act of
19 1938, as amended, is amended by adding the following
20 sentence at the end thereof: "A permit issued to a foreign air
21 carrier under this section to engage in air transportation
22 as a foreign air carrier not directly engaged in the operation
23 of aircraft shall not be held to authorize such carrier to engage
24 directly in the operation of aircraft in air transportation."

25 (m) Section 402 (g) of the Civil Aeronautics Act of

1 1938, as amended, is hereby amended by inserting after the
2 words "after notice and" the words "opportunity for".

3 (n) The first two sentences of section 403 (a) of the
4 Civil Aeronautics Act of 1938, as amended, are hereby
5 amended to read as follows: "Every air carrier and every
6 foreign air carrier shall, to the extent and in the form and
7 manner required by regulations of the Commission, file with
8 the Commission, print, and make available to the public,
9 tariffs showing all rates, fares, and charges for air transpor-
10 tation between points served by it, and between points served
11 by it and points served by any other air carrier or foreign air
12 carrier when through service and through rates shall have
13 been established, and all classifications, rules, regulations,
14 practices, and services in connection with such air transporta-
15 tion. The Commission is empowered to reject any tariff so
16 filed which is not consistent with this section and such
17 regulations."

18 (o) Section 403 (b) of the Civil Aeronautics Act of
19 1938, as amended, is hereby amended by striking out the sec-
20 ond sentence and inserting in lieu thereof the following: "In
21 the event that an excessive rate, fare, or charge is stated in
22 a currently effective tariff through error, the air carrier or
23 foreign air carrier may, in accordance with regulations pre-
24 scribed by the Commission, make appropriate refunds to any
25 person paying such charge. Nothing in this Act shall pro-

1 hibit air carriers or foreign air carriers, under such terms and
2 conditions as the Commission may prescribe, from issuing or
3 interchanging tickets or passes for free or reduced-rate trans-
4 portation to their directors, officers, and employees and their
5 immediate families; witnesses and attorneys attending any
6 legal investigation in which any such air carrier is interested;
7 persons injured in aircraft accidents and physicians and nurses
8 attending such persons; and any person or property with the
9 object of providing relief in cases of general epidemic, pesti-
10 lence, or other calamitous visitation. No air carrier or foreign
11 air carrier shall provide free or reduced-rate air transportation
12 to any other persons or under any other circumstances,
13 except that in the case of foreign air transportation free or
14 reduced-rate transportation may be provided to such persons
15 and under such circumstances as will promote the public
16 interest and as may be specified in regulations of the
17 Commission."

18 (p) The first sentence of section 403 (c) of the Civil
19 Aeronautics Act of 1938, as amended, is amended by striking
20 out "posted, and published" and inserting in lieu thereof
21 "printed, and made available to the public".

22 (q) Section 404 (a) of the Civil Aeronautics Act of
23 1938, as amended, is amended by striking out the words "in-
24 terstate and overseas", and by striking out the words "relating
25 to such" and inserting in lieu thereof "relating to domestic".

1 (r) The Civil Aeronautics Act of 1938, as amended; is
2 amended by striking out section 404 (c) thereof and by
3 inserting in lieu thereof the following:

4 "Discounts and Extensions of Credit

5 "(c) (1) The Commission is authorized to permit air
6 carriers or foreign air carriers, individually or jointly, to grant
7 to any person, under such terms and conditions as the Com-
8 mission shall by regulations prescribe in the public interest,
9 reasonable discounts from one-way rates, fares, or charges for
10 air transportation of passengers based upon the amount of
11 such transportation purchased from or used on one or more
12 such carriers, during a reasonable period of time, (A) by
13 such person and his employees and the members of his imme-
14 diate family, or (B) by such person and any person affiliated
15 with such person and the officers or employees of such person
16 and such affiliated person. Such regulations of the Com-
17 mission shall require that if such discounts are granted to any
18 person they shall be made available to all other persons who
19 are similarly situated. For the purposes of this paragraph a
20 person shall be deemed to be affiliated with another person
21 if 50 per centum or more of its voting stock is owned by
22 such other person. Any plan granting discounts from one-
23 way rates, fares, or charges for air transportation of passengers
24 which was in effect on January 1, 1942, may be continued,

1 or reestablished and continued, until such time as the Com-
2 mission determines whether such plan is consistent with the
3 public interest and the regulations prescribed by the Com-
4 mission under this paragraph.

5 “(2) The provisions of paragraph (1) shall apply in
6 the case of air transportation of property during such period
7 or periods, ending not later than five years from the date this
8 section takes effect, as the Commission may by regulations
9 prescribe as necessary to enable it to determine whether the
10 application of the provisions of such paragraph to air trans-
11 portation of property is consistent with the public interest.
12 Prior to the expiration of such five-year period the Commis-
13 sion shall make a report to the Congress regarding the oper-
14 ation of the provisions of such paragraph in the case of air
15 transportation of property, together with its recommenda-
16 tions as to whether the public interest would be served by
17 applying such paragraph to air transportation of property
18 permanently or for an additional temporary period.

19 “(3) Nothing in this Act shall prohibit an air carrier
20 or foreign air carrier from extending credit, for such reason-
21 able periods and subject to such reasonable terms and condi-
22 tions as the Commission may by regulations prescribe, to such
23 persons as, in the judgment of such carrier, may appear to
24 be proper credit risks.”

25 (s) The third sentence of section 405 (c) of the Civil

1 Aeronautics Act of 1938, as amended, is amended to read
2 as follows: "No change shall be made in any schedule desig-
3 nated or ordered to be established by the Postmaster General
4 except upon ten days' notice thereof filed as herein provided,
5 but the Commission may permit changes to be made prior to
6 the expiration of such ten-day period if the public interest so
7 requires."

8 (t) Section 405 (g) of the Civil Aeronautics Act of
9 1938, as amended, is hereby amended by inserting after the
10 words "air carrier holding such certificate" a comma and the
11 following: "subject to requirements established by the Com-
12 mission under subsection (f) of this section,".

13 (u) Section 406 (a) of the Civil Aeronautics Act of
14 1938, as amended, is hereby amended by inserting after the
15 words "after notice and" the words "opportunity for".

16 (v) The second sentence of section 406 (b) of the
17 Civil Aeronautics Act of 1938, as amended, is hereby
18 amended by inserting immediately after the words "of the
19 character and quality required" the words "in the public
20 interest".

21 (w) Title IV of the Civil Aeronautics Act of 1938,
22 as amended, is hereby amended by striking out section 409
23 (a) and inserting in lieu thereof the following, and by re-
24 designating subsection (b) of such section 409 as subsec-
25 tion (c) :

1 "PROHIBITED INTERESTS

2 "Interlocking Relationships

3 "SEC. 409. (a) It shall be unlawful, unless such rela-
4 tionship shall have been approved by order of the Commis-
5 sion upon due showing, in the form and manner prescribed
6 by the Commission, that the public interest will not be
7 adversely affected thereby—

8 "(1) for any air carrier to have and retain an
9 officer or director who is an officer, director, or member
10 of, or who controls, any other person—

11 "(A) who is a common or contract carrier;

12 "(B) who is an underwriter;

13 "(C) who is engaged in any phase of aero-
14 nautics; or

15 "(D) whose principal business, in purpose or
16 in fact, is the holding of stock in, or control of, (i)
17 any person or persons engaged in any phase of aero-
18 nautics or (ii) any common or contract carrier or
19 carriers.

20 "(2) for any air carrier, knowingly and willfully,
21 to have and retain an officer or director—

22 "(A) who has a representative or nominee who
23 represents such officer or director as an officer, di-
24 rector, or member of, or in controlling, any person
25 (other than such air carrier) specified in subpara-

1 graph (A), (B), (C), or (D) of paragraph (1);
2 or

3 “(B) who is a representative or nominee of any
4 person (other than such air carrier) specified in sub-
5 paragraph (A), (B), (C), or (D) of paragraph
6 (1), or of any person who is an officer, director, or
7 member of, or who controls, any person (other than
8 such air carrier) specified in any such subpara-
9 graph.

10 “(3) for any person who is an officer or director of
11 an air carrier—

12 “(A) to hold the position of officer, director, or
13 member of, or to control, any person (other than
14 such air carrier) specified in subparagraph (A),
15 (B), (C), or (D) of paragraph (1);

16 “(B) to have a representative or nominee who
17 represents such person as an officer, director, or
18 member of, or in controlling, any person (other
19 than such air carrier) specified in subparagraph
20 (A), (B), (C), or (D) of paragraph (1); or

21 “(C) to be a representative or nominee of any
22 person (other than such air carrier) specified in
23 subparagraph (A), (B), (C), or (D) of paragraph
24 (1), or of any person who is an officer, director, or

1 member of, or who controls, any person (other than
2 such air carrier) specified in any such subparagraph.

3 "Terms and Conditions

4 "(b) An order of approval under subsection (a) shall
5 be subject to such terms and conditions as the Commission
6 shall find to be and shall prescribe as just and reasonable."

7 (x) Section 410 of the Civil Aeronautics Act of 1938,
8 as amended, is hereby amended by inserting after the section
9 heading a subheading as follows: "Approval by Commis-
10 sion"; by inserting "(a)" after "410."; and by adding a
11 new subsection at the end thereof to read as follows:

12 "Payments by Commission

13 "(b) Within the limits of available appropriations made
14 by the Congress therefor, the Commission is authorized and
15 directed, when it finds such action to be necessary in the
16 public interest, to make direct payments to an air carrier
17 which, together with all other revenue of such carrier, will
18 enable it most effectively to promote the public interest (1)
19 in air transportation otherwise than between points in the
20 continental United States (not including Alaska), or (2)
21 in air transportation for experimental purposes between
22 points in the continental United States (not including
23 Alaska). Such payments shall be subject to such terms,
24 conditions, and limitations as the Commission may prescribe."

25 (y) Section 411 of the Civil Aeronautics Act of 1938,

1 as amended, is hereby amended by inserting after the words
2 "after notice and" the words "opportunity for".

3 (z) Section 412 of the Civil Aeronautics Act of 1938,
4 as amended, is hereby amended by striking out the words
5 "Every air carrier shall" at the beginning of subsection (a),
6 and by inserting in lieu thereof "Every air carrier may, and
7 to the extent required by regulations or orders of the Com-
8 mission shall,"; by adding at the end of such subsection (a)
9 the following sentence: "Such regulations of the Commission
10 shall require the filing of a copy or memorandum of every
11 such contract or agreement with respect to rates, fares,
12 charges, or classifications, and of every other such contract or
13 agreement where the filing thereof is, in the opinion of the
14 Commission, necessary in the public interest."; and by strik-
15 ing out subsection (b) of such section and inserting in lieu
16 thereof the following subsections:

17 "Disapproval or Approval by Commission

18 "(b) The Commission shall by order disapprove
19 any such contract or agreement or any modification thereof,
20 whether or not previously approved by it, that it finds
21 to be inconsistent with the public interest or in violation of
22 this Act and shall by order approve any such contract or
23 agreement or any modification thereof that it finds to be
24 not inconsistent with the public interest and not in violation
25 of this Act; except that the Commission may not approve

1 any contract or agreement between an air carrier not directly
2 engaged in the operation of aircraft in air transportation and
3 a common carrier subject to the Interstate Commerce Act,
4 as amended, governing the compensation to be received by
5 such common carrier for transportation services performed
6 by it. However, the Commission may take no action
7 with respect to a contract or agreement or any modification
8 thereof if it promptly so advises the parties thereto, but in
9 such case if any such party petitions the Commission to take
10 action, the Commission shall approve or disapprove the con-
11 tract or agreement or modification thereof in accordance
12 with this section. No order of disapproval shall be entered
13 except after notice and opportunity for hearing. The filing
14 of a copy or memorandum of a contract or agreement or
15 modification thereof with the Commission shall not affect the
16 question of the lawfulness or unlawfulness, under any other
17 provision of law, of anything done pursuant to such contract
18 or agreement or modification thereof prior to the time the
19 Commission acts in approving or disapproving such contract
20 or agreement or modification thereof.

21 "Agreements Between Direct and Indirect Air Carriers

22 "(c) In the case of a contract or agreement between
23 an air carrier indirectly engaged in air transportation and
24 an air carrier directly engaged therein, affecting the terms
25 and conditions pursuant to which the former utilizes the

1 facilities or services of the latter, an order of disapproval
2 under subsection (b) of this section shall, effective upon such
3 date as may be fixed in such order, make it unlawful, under
4 this Act, to carry out such contract or agreement in the
5 respects specified in such order."

6 (aa) Section 413 of the Civil Aeronautics Act of 1938,
7 as amended, is hereby amended to read as follows:

8 "FORM OF CONTROL

9 "SEC. 413. For the purposes of this title, wherever
10 reference is made to control (in referring to a relationship
11 between any person or persons and another person or per-
12 sons), such reference shall be construed to include actual as
13 well as legal control, whether maintained or exercised through
14 or by reason of the method of or circumstances surrounding
15 organization or operation, through or by common directors,
16 officers, or stockholders, a voting trust or trusts, a holding
17 or investment company or companies, or through or by any
18 other direct or indirect means; and to include the power to
19 exercise control."

20 (bb) Title IV of the Civil Aeronautics Act of 1938,
21 as amended, is hereby amended by inserting at the end
22 thereof a new section to read as follows:

23 "VOLUNTARY ARBITRATION

24 "SEC. 417. In order to lessen the need for administra-
25 tive or judicial litigation and the expense involved therein,

1 the Commission is authorized to provide and administer,
2 subject to such rules or regulations as it may adopt or ap-
3 prove, procedure for voluntary arbitration of claims, con-
4 troversies, and other disputes arising between air carriers,
5 foreign air carriers, or air contractors, or any of them, or
6 between any such person or persons and any other person
7 or persons. The Commission may utilize private persons
8 or its own members or employees or those of other Govern-
9 ment agencies as arbiters, and may provide such procedure
10 through or in cooperation with private organizations or
11 otherwise as it may deem appropriate. Arbitration awards
12 shall require such action, including the payment of penalties
13 or punitive damages, as the parties may have provided for
14 and, unless clearly unreasonable or arbitrary, shall have the
15 effect of contracts as between the parties affected thereby
16 and shall be enforceable as such. A contract providing for
17 the submission of any existing or future claim, controversy,
18 or dispute to the arbitration provided for in this section
19 shall be valid, irrevocable and enforceable save upon such
20 grounds as exist at law or in equity for the revocation of
21 any contract, if the claim, controversy, or dispute involves
22 a matter affecting or relating to the conduct of the air com-
23 merce business of an air carrier, foreign air carrier, or air
24 contractor; and there shall be applicable in the case of
25 any such contract the procedure for enforcing contracts for

1 arbitration, and awards thereunder, provided for in the
2 United States Arbitration Act (U. S. C., 1940 edition, title
3 9). Nothing in this section shall affect or interfere with
4 the operation of title II of the Railway Labor Act."

5 AMENDMENT ADDING A NEW TITLE IV-A TO CIVIL
6 AERONAUTICS ACT OF 1938

7 SEC. 7. The Civil Aeronautics Act of 1938, as amended,
8 is hereby further amended by inserting after title IV thereof
9 the following new title:

10 "TITLE IV-A—AIR CONTRACTOR ECONOMIC
11 REGULATION

12 "LICENSES OF AIR CONTRACTORS

13 "Licenses Required

14 "SEC. 4101. (a) No person shall engage in any air
15 commerce as an air contractor unless there is in force a
16 license issued by the Commission authorizing such person
17 to engage in such commerce. No license shall be issued under
18 this section to any person who is not a citizen of the United
19 States to engage in any domestic air commerce and no such
20 person shall engage in such air commerce.

21 "Application for License

22 "(b) Application for a license (1) shall be made in
23 writing to the Commission, and shall be verified, (2) shall
24 contain a detailed description of the points between which
25 or the territory within which service is proposed, the par-

1 ticular type of operation proposed, the type of aircraft to
2 be utilized, and, in the case of an application for the carriage
3 of goods, the commodity or commodities or classes thereof
4 proposed to be transported, (3) shall be accompanied by
5 copies of all contracts for such carriage which the applicant
6 has entered into and under the terms of which the applicant
7 proposes to operate, (4) shall be in such form and contain
8 such other information as the Commission may by regula-
9 tions require, and (5) shall be accompanied by proof of
10 service upon such interested persons as the Commission shall
11 by regulation require.

12 "Notice and Hearing

13 "(c) Upon the filing of any such application, the Com-
14 mission shall give due notice thereof (1) to the public by
15 posting a notice of such application in the office of the
16 secretary of the Commission, and (2) to such persons as
17 the Commission may by regulation determine. Any inter-
18 ested person may file with the Commission a protest or memo-
19 randum of opposition to or in support of the issuance of a
20 license. A public hearing shall be held on such applica-
21 tion if the applicant, or any person having a substantial
22 interest in the proceeding, shall so request within such time
23 as the Commission shall by regulations provide, and the
24 Commission shall dispose of such application as speedily
25 as possible.

1 "Issuance of License

2 " (d) The Commission shall issue a license authorizing
3 the whole or any part of the air commerce covered by the
4 application, if it finds that the applicant is fit, willing, and
5 able properly to perform such air commerce, and to conform
6 to the provisions of this Act and the rules, regulations, and
7 requirements of the Commission hereunder, and that such air
8 commerce, and the performance thereof by the applicant, are
9 required by the public interest; otherwise such application
10 shall be denied. If the Commission finds that the public
11 interest requires air commerce only for a limited period or
12 periods, it shall issue a license only for such period or periods;
13 but where the application was made for a license of unlimited
14 duration the applicant may reject such limited license if such
15 right of rejection is exercised within a reasonable time as
16 prescribed by the Commission.

17 "Terms and Conditions of Licenses

18 " (e) Each license issued under this section shall specify
19 the points between which, or areas within which, operation
20 as an air contractor is to be permitted, the nature of the
21 traffic and scope of the business to be authorized thereby, and,
22 in the case of the carriage of goods, the commodity or com-
23 modities authorized to be transported. There shall be at-
24 tached to the exercise of the privileges granted by such
25 license, or amendment thereto, such reasonable terms, condi-

1 tions, and limitations as the public interest may require,
2 except that no term, condition, or limitation shall restrict
3 the right of the contractor to change or add contracts within
4 the scope of the license or to change or add to its equipment
5 or facilities for performing the authorized commerce as the
6 public interest may require; but such license shall not author-
7 ize operation as a common carrier. A license issued to an
8 air contractor under this section to engage in air commerce
9 as an air contractor not directly engaged in the operation of
10 aircraft shall not be held to authorize such contractor to
11 engage directly in the operation of aircraft in air commerce.

12 "Effective Date and Duration of License

13 "(f) Each license shall be effective from the date speci-
14 fied therein, and shall continue in effect until suspended or
15 revoked as hereinafter provided, or until the Commission
16 shall certify that operation thereunder has ceased, or, if issued
17 for a limited period of time under subsection (d) of this sec-
18 tion, shall continue in effect until the expiration thereof,
19 unless, prior to the date of expiration, such license shall be
20 suspended or revoked as provided herein, or the Commission
21 shall certify that operations thereunder have ceased: *Pro-*
22 *vided*, That if any service authorized by a license is not
23 inaugurated within such period, not less than ninety days,
24 after the date of the authorization as shall be fixed by the
25 Commission, or if, for a period of ninety days or such other

1 period as may be designated by the Commission, any such
2 service is not operated, the Commission may by order, en-
3 tered after notice and opportunity for hearing, direct that such
4 license shall thereupon cease to be effective to the extent of
5 such service.

6 "Authority to Modify, Suspend, or Revoke

7 "(g) (1) The Commission, upon petition or complaint
8 or upon its own initiative, after notice and opportunity for
9 hearing, may alter, amend, modify, or suspend any such
10 license, in whole or in part, if the public interest so requires,
11 or may revoke any such license, in whole or in part, for
12 intentional failure to comply with any provision of this title
13 or any order, rule, or regulation issued hereunder or any
14 term, condition, or limitation of such license: *Provided*, That
15 no such license shall be revoked unless the holder thereof
16 fails to comply, within a reasonable time to be fixed by the
17 Commission, with an order of the Commission commanding
18 obedience to the provision, or to the order (other than an
19 order issued in accordance with this proviso), rule, regulation,
20 term, condition, or limitation found by the Commission to
21 have been violated. Any interested person may file with the
22 Commission a protest or memorandum in support of or in
23 opposition to the alteration, amendment, modification, sus-
24 pension, or revocation of a license.

25 "(2) The Commission, upon petition or complaint or

1 upon its own initiative, after notice and opportunity for
2 hearing, shall by order suspend or revoke any license the
3 holder of which was deemed by the Commission to be a
4 citizen of the United States at the time such license was
5 issued, if at any time it finds that the holder thereof is not a
6 citizen of the United States: *Provided*, That the Commission,
7 whenever it deems such action to be in the public interest,
8 may postpone the effective date of such suspension or revo-
9 cation for such period of time as it may deem necessary to
10 permit the submission to and approval by the Commission,
11 and the consummation, of a plan or plans of reorganization
12 of the holder designed to reestablish its status as a citizen.

13 "Transfer of License

14 "(h) No license may be transferred unless such transfer
15 is approved by the Commission as being consistent with the
16 public interest.

17 "Certain Rights Not Conferred by License

18 "(i) No license shall confer any proprietary, property,
19 or exclusive right in the use of any air space, civil airway,
20 airport, or air navigation facility.

21 "TARIFFS OF AIR CONTRACTORS

22 "Filing of Tariffs Required

23 "SEC. 4102. (a) Every air contractor shall, to the extent
24 and in the form and manner required by regulations of the

1 Commission, file with the Commission, print, and make
2 available to the public, tariffs showing its minimum
3 rates, fares, and charges for air commerce, and all classi-
4 fications, rules, regulations, practices, and services in con-
5 nection with such air commerce. The Commission is em-
6 powered to reject any tariff so filed which is not consistent
7 with this section and such regulations. Any tariff so rejected
8 shall be void. The rates, fares, and charges shown in any
9 tariff shall be stated in terms of lawful money of the United
10 States, but such tariffs may also state rates, fares, and charges
11 in terms of currencies other than lawful money of the United
12 States, and may, in the case of foreign air commerce, contain
13 such information as may be required under the laws of any
14 country in or to which an air contractor is authorized to
15 operate.

16 "Observance of Tariffs; Rebating Prohibited

17 "(b) No air contractor shall charge or demand or collect
18 or receive a less compensation for air commerce, or for any
19 service in connection therewith, than the rates, fares, or
20 charges specified in its currently effective tariff; and no air
21 contractor shall, in any manner or by any device, directly or
22 indirectly, or through any agent or broker, or otherwise,
23 refund or remit any portion of the compensation for such
24 commerce so as to reduce such compensation below the rate.

1 fare, or charge so specified, or extend to any person any priv-
2 ileges or facilities, with respect to matters required by the
3 Commission to be specified in such tariffs, except those
4 specified therein. In the event that an excessive minimum
5 rate, fare, or charge is stated in a currently effective tariff
6 through error, the air contractor may, in accordance with
7 regulations issued by the Commission, make appropriate
8 refunds to any person paying such charge. Nothing in this
9 Act shall prohibit air contractors, under such terms and
10 conditions as the Commission may prescribe, from issuing
11 or interchanging tickets or passes for free or reduced-rate
12 transportation, to their directors, officers, and employees
13 and their immediate families; witnesses and attorneys at-
14 tending any legal investigation in which any such air con-
15 tractor is interested; persons injured in aircraft accidents and
16 physicians and nurses attending such persons; and any person
17 or property with the object of providing relief in cases of
18 general epidemic, pestilence, or other calamitous visitation.
19 No air contractor shall provide free or reduced-rate transpor-
20 tation in air commerce to any other persons or under any
21 other circumstances, except that in the case of foreign air
22 commerce free or reduced-rate transportation may be pro-
23 vided to such persons and under such circumstances as will

1 promote the public interest and as may be specified in
2 regulations of the Commission.

3 "Notice of Tariff Change

4 "(c) No reduction shall be made in any rate, fare, or
5 charge, specified in any effective tariff of any air contractor,
6 and no change shall be made in any classification, rule, regu-
7 lation, or practice affecting any such rate, fare, or charge,
8 or the value of the service thereunder, except after thirty
9 days' notice of the proposed reduction or change filed,
10 printed, and made available to the public in accordance with
11 subsection (a) of this section. Such notice shall plainly
12 state the reduction or change proposed to be made and the
13 time such reduction or change will take effect. The Com-
14 mission may, in the public interest, by regulation or other-
15 wise, allow such reduction or change by notice less than that
16 specified herein.

17 "RATES AND SERVICE OF AIR CONTRACTORS

18 "Reasonable Rates and Service

19 "SEC. 4103. (a) It shall be the duty of every air con-
20 tractor to establish, observe, and enforce reasonable mini-
21 mum rates, fares, and charges for any service in domestic
22 air commerce rendered by it as an air contractor, and to
23 establish, observe, and enforce reasonable classifications,
24 rules, regulations, and practices relating to such commerce.

1 "Contracts for Service

2 "(b) An air contractor may engage in air commerce
3 only under individual written contracts or agreements.

4 "CLASSIFICATION AND EXEMPTION

5 "SEC. 4104. The Commission may make such just and
6 reasonable classifications of air contractors, according to geo-
7 graphical sections, types, or otherwise, as it may deem to be
8 in the public interest, and may make any provision of this
9 title inapplicable to any or all air contractors or classes of
10 air contractors for such periods, or until such time, and
11 subject to such terms and conditions, as it may deem to be
12 in the public interest. Such action shall be taken with the
13 objective of so adjusting the regulatory provisions hereof
14 to the changing conditions of the air contracting business as
15 to avoid undue administrative burdens.

16 "MISCELLANEOUS

17 "SEC. 4105. The provisions of sections 401 (1), 407,
18 408, 409, 410 (a), 411, 412, 413, 414, and 415 of this
19 Act shall be applicable to air contractors and to the air
20 contracting business; and for such purpose the term 'air
21 carrier' as used in such sections shall include 'air contractor',
22 the term 'certificate' as used in such sections shall include
23 'license', and references in such sections to 'traffic' or to
24 'air transportation' shall be deemed to include air contracting
25 traffic and commerce."

1 AMENDMENTS TO TITLE V OF CIVIL AERONAUTICS ACT
2 OF 1938

3 SEC. 8. (a) Title V of the Civil Aeronautics Act of
4 1938, as amended, is amended by striking out, in section 501
5 (a) thereof the words "section 6 of the Air Commerce Act of
6 1926, as amended" and inserting in lieu thereof the words
7 "section 502 and section 803"; and by inserting immediately
8 after section 501 the following new section and redesignating
9 sections 502 and 503 as sections 503 and 504:

10 "FOREIGN CIVIL AIRCRAFT .

11 "SEC. 502. If a foreign nation grants a similar priv-
12 ilege with respect to aircraft of the United States or airmen
13 serving in connection therewith, the Administrator may,
14 under such rules and regulations as he shall prescribe, if
15 he deems such action in the public interest, authorize aircraft
16 registered under the law of such foreign nation and not a
17 part of the armed forces thereof to be operated in the United
18 States, but in no case shall any such aircraft be operated in
19 domestic air commerce."

20 (b) Title V of the Civil Aeronautics Act of 1938,
21 as amended, is hereby amended by striking out the word "Au-
22 thority" wherever it appears therein and inserting in lieu
23 thereof the word "Administrator"; and by striking out "in
24 the interest of safety," in the section hereinbefore redesignated
25 as section 503.

1 AMENDMENT TO TITLE VI OF CIVIL AERONAUTICS ACT
2 OF 1938

3 SEC. 9. Title VI of the Civil Aeronautics Act of 1938,
4 as amended, is hereby amended to read as follows:

5 "TITLE VI—CIVIL AERONAUTICS SAFETY
6 REGULATION

7 "GENERAL SAFETY POWERS AND DUTIES

8 "Minimum Standards, Rules and Regulations

9 "SEC. 601. (a) The Commission shall promote safety in
10 air navigation and protect persons and property on the ground
11 from hazards resulting from air navigation by prescribing—

12 "(1) Air traffic rules governing air navigation,
13 including but not limited to rules as to safe altitudes of
14 flight and rules for the prevention of collisions between
15 aircraft and between aircraft and land or water vehicles;

16 "(2) Minimum standards governing the issuance of
17 type certificates, production certificates, airworthiness
18 certificates and experimental certificates; and rules and
19 regulations governing the operation and identification
20 of aircraft;

21 "(3) Rules and regulations governing (A) the in-
22 spection, servicing, repair, and overhaul of aircraft, air-
23 craft engines, propellers and appliances, (B) the equip-
24 ment and facilities for such inspection, servicing, repair,
25 and overhaul, and (C) the periods for which and the

1 manner in which such inspection, servicing, repair, and
2 overhaul shall be made;

3 " (4) Minimum standards governing the issuance of
4 airman certificates; and rules and regulations governing
5 the performance by airmen of their duties and responsi-
6 bilities: *Provided*, That the Commission may in its
7 discretion prohibit or restrict the issuance of airman
8 certificates to aliens or may make such issuance depend-
9 ent upon the terms of reciprocal agreements entered into
10 with foreign governments;

11 " (5) Minimum standards governing the issuance of
12 air carrier and air contractor operating certificates; and
13 rules and regulations governing the operations of air car-
14 riers and air contractors, including, but not limited to,
15 rules and regulations governing the maximum hours or
16 periods of service of airmen and other employees of such
17 air carriers or air contractors;

18 " (6) Minimum standards governing the issuance
19 of certificates for aeronautical schools, repair stations,
20 and other air agencies; and rules and regulations gov-
21 erning the operations of such air agencies;

22 " (7) Minimum standards governing the issuance
23 of air navigation facility certificates;

24 " (8) Rules and regulations governing other prac-
25 tices, methods or procedure.

1 "Classification of Rules, Regulations, and Standards

2 "(b) The Commission shall exercise and perform its
3 powers and duties under this Act in such manner as will best
4 tend to promote safe air navigation. In prescribing safety
5 standards, rules, and regulations the Commission shall give full
6 consideration to the duty resting upon air carriers and air
7 contractors to perform their service with the highest possible
8 degree of safety in the public interest. The Commission shall
9 recognize the differences existing between commercial and
10 noncommercial operation of aircraft and among the various
11 types of commercial and noncommercial operations, and in
12 prescribing safety standards, rules, and regulations shall make
13 reasonable classifications to give effect to such differences.
14 Such safety standards, rules, and regulations shall not be
15 made applicable to the operation of aircraft upon any pri-
16 vately owned airport if, due to the limited use of such airport,
17 the application of such standards, rules, and regulations to
18 the operation of aircraft upon such airport is not necessary,
19 in the opinion of the Commission, for the promotion of safety
20 and the protection of persons and property.

21 "AIRMAN CERTIFICATES

22 "SEC. 602. The Administrator is empowered to issue
23 airman certificates certifying the competence of the holder
24 thereof to perform duties as an airman of a specified type.

1 If the Administrator finds, after investigation, that an appli-
2 cant for an airman certificate meets the standards specified by
3 the Commission for the certificate sought, he shall issue such
4 certificate to such applicant. Each certificate shall be num-
5 bered and recorded by the Administrator; shall state the
6 name and address of, and contain a description of, the person
7 to whom the certificate is issued; and shall be entitled with
8 the designation of the class covered thereby. Any certificate
9 issued to a pilot or copilot serving in scheduled air transporta-
10 tion shall be designated 'Airline Transport Pilot Certificate'
11 of the proper class.

12 "AIRCRAFT CERTIFICATES

13 "Type Certificates

14 "SEC. 603. (a) The Administrator is empowered to issue
15 type certificates for aircraft, aircraft engines, and propellers
16 and such appliances as the Commission shall specify by regu-
17 lation, certifying that such aircraft, aircraft engine, propeller,
18 or appliance is of proper design, material, specification, con-
19 struction, and performance for safe operation. Upon appli-
20 cation the Administrator shall issue a type certificate for any
21 such aircraft, aircraft engine, propeller, or appliance if he
22 finds that such aircraft, aircraft engine, propeller, or appliance
23 meets the minimum standards specified by the Commission
24 for the issuance of such certificate.

1 "Production Certificate

2 "(b) The Administrator is empowered to issue produc-
3 tion certificates certifying that the personnel and facilities of
4 the applicant for such certificate are appropriate to insure the
5 production of duplicates of aircraft, aircraft engines, pro-
6 pellers or appliances for which type certificates have been
7 issued. Any person possessing the right to produce dupli-
8 cates of any aircraft, aircraft engine, propeller or appliance
9 for which a type certificate is in effect may file with the Ad-
10 ministrator an application for a production certificate for such
11 aircraft, aircraft engine, propeller or appliance. The Ad-
12 ministrator shall issue such certificate to such person if he
13 finds that such person meets the minimum standards specified
14 by the Commission for the issuance of such certificate.

15 "Airworthiness Certificate

16 "(c) The Administrator is empowered to issue airworth-
17 iness certificates certifying that the aircraft for which the
18 certificate is issued is in condition for safe operation. Upon
19 application the Administrator shall issue an airworthiness
20 certificate for an aircraft if he finds (1) that the aircraft con-
21 forms to the type certificate therefor, if such a type certificate
22 has been issued; or (2) that such aircraft meets the minimum
23 standards specified by the Commission for the issuance of the
24 certificate applied for, if a type certificate has not been issued
25 for such aircraft.

1 "Experimental Certificate

2 "(d) The Administrator is empowered to issue experi-
3 mental certificates certifying that the aircraft for which the
4 certificate is issued may be operated for experimental or test
5 purposes. Upon application the Administrator shall issue
6 an experimental certificate for an aircraft if he finds that such
7 aircraft meets the minimum standards specified by the Com-
8 mission for the issuance of such certificate.

9 "AIR CARRIER AND AIR CONTRACTOR OPERATING

10 CERTIFICATES

11 "SEC. 604. The Administrator is empowered to issue air
12 carrier and air contractor operating certificates certifying
13 that the holder thereof is adequately equipped and able to con-
14 duct a safe operation as an air carrier or air contractor, as
15 the case may be. Upon application the Administrator shall
16 issue an air carrier or air contractor operating certificate if
17 he finds that the applicant therefor meets the minimum
18 standards prescribed by the Commission for the issuance of
19 the certificate applied for.

20 "AIR NAVIGATION FACILITY CERTIFICATES

21 "SEC. 605. The Administrator is empowered to issue air
22 navigation facility certificates certifying that an air naviga-
23 tion facility used, or intended for use in air navigation, is
24 suitable for such use. Upon application the Administrator
25 shall issue such certificate if he finds that such air naviga-

1 tion facility meets the minimum standards prescribed by the
2 Commission for the issuance of such certificate.

3 "AIR AGENCY CERTIFICATES

4 "SEC. 606. The Administrator is empowered to issue
5 certificates for civilian schools providing training for airmen,
6 repair stations or shops for the repair, alteration, mainte-
7 nance or overhaul of aircraft, aircraft engines, propellers,
8 or appliances, and such other air agencies as may be specified
9 in regulations of the Commission, certifying that the person-
10 nel, facilities and equipment of the holders of such certificates
11 are adequate and suitable for the performance of the func-
12 tions specified in such certificates. Upon application, the
13 Administrator shall issue an air agency certificate if he finds
14 that the applicant therefor meets the minimum standards pre-
15 scribed by the Commission for the issuance of such certificate.

16 "CERTIFICATES

17 "Form of Applications

18 "SEC. 607. (a) Applications for certificates under this
19 title shall be in such form, contain such information, and be
20 filed and served in such manner as the Administrator may
21 prescribe and shall be under oath whenever the Adminis-
22 trator so requires.

23 "Terms, Conditions, and Limitations

24 "(b) The Administrator is empowered to prescribe in
25 any certificate issued under this title such terms, conditions,

1 and limitations not inconsistent with any rule or regulation of
2 the Commission as are reasonably necessary to provide for
3 safety in air navigation or as may be required by any rule
4 or regulation of the Commission.

5 "Amendments

6 "(c) The Administrator is empowered to make such
7 amendments to any certificate issued under this title, not
8 inconsistent with any rule or regulation of the Commission,
9 as are reasonably necessary to provide for safety in air navi-
10 gation or as may be required by any rule or regulation of
11 the Commission.

12 "ADMINISTRATION AND ENFORCEMENT OF RULES, REGU-
13 LATIONS, AND STANDARDS

14 "Administration and Enforcement

15 "SEC. 608. (a) The Administrator shall be responsible,
16 for the administration and enforcement of all rules, regula-
17 tions, and standards issued by the Commission under this title,
18 and shall exercise and perform his powers and duties under
19 this Act in such manner as will best tend to promote safe air
20 navigation. The Administrator shall give full consideration
21 to the duty resting upon air carriers and air contractors to
22 perform their service with the highest possible degree of
23 safety in the public interest and shall recognize the differences
24 existing between commercial and noncommercial operation of

1 aircraft and among the various types of commercial and non-
2 commercial operation of aircraft.

3 "Issuance of Local and Special Rules and Regulations

4 " (b) The Commission may delegate to the Adminis-
5 trator, upon such terms and conditions as it deems advisable,
6 the power granted to it under this title to prescribe local
7 traffic rules and other safety rules and regulations of special
8 or limited application. Any person affected by any such
9 rule or regulation may apply to the Commission for a re-
10 view thereof, and such rule or regulation shall be altered or
11 repealed by the Commission if it appears unjust or unwar-
12 ranted; and the Commission may, pending the conclusion of
13 such review, order such rule or regulation suspended for
14 such periods as it deems advisable.

15 "Suspension and Revocation

16 " (c) The Commission is authorized after notice and op-
17 portunity for hearing to suspend, in whole or in part, any
18 certificate issued under this title if the public interest so
19 requires, and may revoke, in whole or in part, any such
20 certificate for any cause which would justify the Administrator
21 in refusing to issue such certificate to the holder thereof. In
22 cases of emergency requiring such action the Administrator
23 may suspend any such certificate, in whole or in part, for a
24 period not in excess of thirty days without regard to any
25 requirement as to opportunity for hearing, and shall notify

1 the Commission of such action as soon thereafter as possible.
2 After such notification the Commission shall provide the
3 holder of such certificate with an opportunity for hearing and
4 the proceeding shall be disposed of as speedily as possible.
5 During the pendency of the proceeding the Commission may
6 further suspend such certificate, in whole or in part, for an
7 additional period not in excess of sixty days.

8 "ADMINISTRATIVE REVIEW

9 "SEC. 609. Any person aggrieved by any action of the
10 Administrator, under this title, in issuing, denying, or amend-
11 ing any certificate, or in prescribing terms, conditions, or
12 limitations therein, or under section 3105 (c), may file with
13 the Commission a petition for review of such action, under
14 such regulations as the Commission may prescribe. Such
15 petition may be filed at any time within 30 days after the
16 date of the taking of such action. The Commission, after pro-
17 viding the petitioner with an opportunity for hearing, shall
18 determine what action should be taken under this Act with
19 respect to the matter, and, in accordance with such deter-
20 mination, shall by order, affirm, revise, or reverse the action
21 of the Administrator, or remand the matter to the Admin-
22 istrator for further action in accordance with its directions.

23 "MAINTENANCE OF EQUIPMENT

24 "SEC. 610. Each air carrier and air contractor shall
25 make or cause to be made such inspection, maintenance,

1 overhaul and repair of all equipment used in conducting its
2 operations as may be required by this Act or the orders, rules
3 and regulations of the Commission issued thereunder or any
4 term, condition or limitation of any certificate issued by the
5 Administrator. Every person engaged in operating, inspect-
6 ing, maintaining, repairing or overhauling equipment of air
7 carriers or air contractors, shall observe and comply with
8 the requirements of this Act relating thereto and the orders,
9 rules and regulations issued thereunder and the terms, con-
10 ditions and limitations of any certificate issued by the
11 Administrator.

12 "PROHIBITIONS

13 "Violation of Air Space Reservation

14 "SEC. 611. (a) It shall be unlawful for any person to
15 navigate any aircraft within any air space reservation other-
16 wise than in conformity with the Executive order or orders
17 regulating such reservation.

18 "Violations of Title

19 "(b) It shall be unlawful—

20 "(1) For any person to operate in air navigation
21 any aircraft, other than aircraft of the national-defense
22 forces of the United States, for which there is not cur-
23 rently in effect an airworthiness certificate or experi-
24 mental certificate, or in violation of the terms of any
25 such certificate;

1 “(2) For any person to serve in any capacity as an
2 airman in connection with any aircraft, other than air-
3 craft of the national-defense forces of the United States,
4 used in air navigation without an airman certificate
5 authorizing him to serve in such capacity, or in violation
6 of the terms of any such certificate;

7 “(3) For any person to employ for service in con-
8 nection with any aircraft, other than aircraft of the
9 national-defense forces of the United States, used in
10 air navigation an airman who does not have an airman
11 certificate authorizing him to serve in the capacity for
12 which he is employed;

13 “(4) For any person to operate as an air carrier or
14 air contractor without an air carrier or air contractor
15 operating certificate, or in violation of the terms of any
16 such certificate; and

17 “(5) For any person to operate aircraft in air
18 navigation in violation of any other rule, regulation, or
19 certificate issued under this title.

20 “EXEMPTIONS

21 “Foreign Aircraft

22 “SEC. 612. (a) Foreign aircraft and airmen serving in
23 connection therewith may, except with respect to the observ-
24 ance by such airmen of the air traffic rules, be exempted from

1 the provisions of section 611 (b), to the extent, and
2 upon such terms and conditions, as may be prescribed by the
3 Commission as being in the public interest.

4 "Action to Prevent Undue Burdens

5 "(b) If the Commission shall find that the application to
6 any person of any provision of this title or any order, rule,
7 regulation, or standard or any term, condition or limitation
8 of any certificate issued thereunder would be an undue bur-
9 den on such person by reason of unusual circumstances affect-
10 ing such person and is not required by the public interest, the
11 Commission may make such provision, order, rule, regulation,
12 standard, term, condition, or limitation inapplicable to such
13 person for such period, and subject to such terms and con-
14 ditions, as the Commission may determine."

15 AMENDMENT TO TITLE VII OF CIVIL AERONAUTICS ACT
16 OF 1938

17 SEC. 10. Title VII of the Civil Aeronautics Act of 1938,
18 as amended, is hereby amended to read as follows:

19 "TITLE VII—ACCIDENT INVESTIGATION

20 "APPOINTMENT AND QUALIFICATIONS OF DIRECTOR

21 "SEC. 701. There shall be a Director of Air Safety
22 (referred to in this Act as the 'Director'), who shall
23 be appointed by the President, by and with the advice
24 and consent of the Senate, and who shall receive a salary
25 at the rate of \$10,000 per annum. The Director shall be

1 appointed for a term of four years, except that an individ-
2 ual appointed to fill a vacancy occurring prior to the expira-
3 tion of the term for which his predecessor was appointed shall
4 be appointed only for the unexpired term of his predecessor.
5 The Director shall be appointed with due regard to his fit-
6 ness for the efficient dispatch of the powers and duties vested
7 in and imposed upon him by this Act. He shall be a citizen
8 of the United States and shall not have any pecuniary interest
9 in or own any stock in or bonds of any civil aeronautics
10 enterprise. The Director shall not engage in any other busi-
11 ness, vocation, or employment.

12 "PERSONNEL AND FACILITIES

13 "SEC. 702. The Director shall appoint and prescribe
14 the duties of such assistants and other employees as he shall
15 deem necessary in exercising and performing his powers and
16 duties under this Act. The compensation of all employees
17 appointed by the Director shall be fixed in accordance with
18 the Classification Act of 1923, as amended. The Director
19 may without regard to the civil-service laws engage, for tem-
20 porary service in the investigation of any accident involving
21 aircraft, persons other than officers or employees of the United
22 States and may fix their compensation without regard to
23 the Classification Act of 1923, as amended, and may, with
24 the consent of the head of the executive department or inde-
25 pendent establishment under whose jurisdiction the officer or

1 employee is serving, secure for such service any officer or
2 employee of the United States. The Director may utilize the
3 personnel and facilities of any executive department or inde-
4 pendent establishment, with the consent of the head of such
5 department or establishment, for purposes of experiments or
6 tests necessary in the investigation of any accident involving
7 aircraft.

8 "EXPENDITURES

9 "SEC. 703. The Director is empowered to make such
10 expenditures at the seat of the government and elsewhere as
11 may be necessary for the exercise and performance of his
12 powers and duties and as from time to time may be appro-
13 priated for by Congress, including expenditures for (a) rent
14 and personal services at the seat of government and elsewhere;
15 (b) travel expenses; (c) office furniture, equipment and sup-
16 plies, lawbooks, newspapers, periodicals, and books of refer-
17 ence (including the exchange thereof); (d) printing and
18 binding; (e) membership in and cooperation with such or-
19 ganizations, as are related to, or a part of, the civil aeronautics
20 industry or the art of aeronautics in the United States or in
21 any foreign country; (f) attendance at meetings and conven-
22 tions when in the public interest; (g) acquisition (including
23 exchange), storage, operation, and maintenance of passenger-
24 carrying automobiles and aircraft, and such other property as
25 is necessary in the exercise and performance of his powers and

1 duties: *Provided*, That no aircraft or motor vehicle purchased
2 under the provisions of this section shall be used otherwise
3 than for official business. The Director may include among
4 expenditures for travel reasonable expenditures for transpor-
5 tation between airports and centers of population whether or
6 not such transportation is incidental to travel by aircraft.

7 "DUTIES OF DIRECTOR

8 "SEC. 704. The Director shall—

9 "(1) investigate any accident involving aircraft if
10 he deems such action desirable in the interest of safety
11 in air navigation and make a report to the Commission
12 setting forth to the extent possible the facts, conditions,
13 and circumstances relating to any such accident and the
14 probable cause or causes thereof;

15 "(2) transmit to the Commission in connection with
16 such investigation such recommendations as in his opinion
17 will tend to prevent similar accidents in the future;

18 "(3) make any such report or recommendation
19 public to the extent and in the form and manner deemed
20 consistent with the public interest;

21 "(4) make rules and regulations governing the
22 notification and report of accidents involving aircraft;

23 "(5) prepare, transmit to the Commission and make
24 public such technical studies and reports based upon
25 information developed from the investigation of acci-

1 dents involving aircraft, or secured pursuant to para-
2 graph (4), as he deems desirable in the interest of
3 safety in air navigation;

4 " (6) make such recommendations to the National
5 Advisory Committee for Aeronautics for the conduct of
6 such special studies and investigations on matters per-
7 taining to safety in air navigation and the prevention of
8 accidents as he may deem advisable; and

9 " (7) make such recommendations to the Admin-
10 istrator and the Commission, and to the Chief of the
11 Weather Bureau, concerning safety regulations and
12 practices as will tend to reduce or eliminate the possi-
13 bility of accidents involving aircraft.

14 "MANNER OF PERFORMANCE

15 "SEC. 705. The Director shall exercise and perform his
16 powers and duties independently of the Commission and the
17 Administrator, and shall not be assigned any duties or func-
18 tions under any provision of this Act other than this title.

19 "PRESERVATION OF RECORDS AND REPORTS

20 "SEC. 706. No part of any record or report of the
21 Director relating to any accident or the investigation thereof
22 shall be admitted as evidence or used in any suit or action
23 for damages growing out of any matter mentioned in such
24 record or report.

1 "CONDUCT OF INVESTIGATIONS

2 "SEC. 707. In conducting an investigation or a hearing
3 in connection therewith, the Director or any officer or em-
4 ployee of the Director or any other person engaged or secured
5 under section 702 shall have the same powers that the exam-
6 iners or other employees of the Commission have with respect
7 to hearings or investigations conducted by the Commission.

8 "AIRCRAFT

9 "SEC. 708. Any aircraft, aircraft engine, propeller,
10 or appliance affected by, or involved in, an accident in air
11 commerce shall be preserved in accordance with, and shall
12 not be moved except in accordance with, regulations pre-
13 scribed by the Director.

14 "ANNUAL REPORT OF THE DIRECTOR

15 "SEC. 709. The Director shall make an annual report
16 to the Commission, which shall contain, in addition to a
17 report of the work of the Director, such recommendations as
18 to additional legislation relating to safety in air navigation
19 as the Director may deem necessary. Such annual report
20 shall be made at least thirty days prior to the date on which
21 the Commission makes its annual report to Congress."

22 AMENDMENT TO TITLE VIII OF CIVIL AERONAUTICS ACT
23 OF 1938

24 SEC. 11. Title VIII of the Civil Aeronautics Act of
25 1938, as amended, is hereby amended to read as follows:

1 "TITLE VIII—OTHER GOVERNMENTAL
2 AUTHORITIES

3 "THE PRESIDENT OF THE UNITED STATES

4 "Approval of Commission Action

5 "SEC. 801. (a) The issuance, denial, transfer, amend-
6 ment, cancelation, suspension or revocation of, and the terms,
7 conditions and limitations contained in, any certificate au-
8 thorizing or directing an air carrier to engage in air trans-
9 portation otherwise than between points in the continental
10 United States (not including Alaska), or any permit issu-
11 able to any foreign air carrier under section 402, or any
12 license authorizing an air contractor to engage in air com-
13 merce otherwise than between points within the continental
14 United States (not including Alaska), shall be subject to the
15 approval of the President. Copies of all applications for
16 such certificates, permits, and licenses shall be transmitted to
17 the President by the Commission as soon as practicable after
18 the filing of such applications, and all decisions thereon by the
19 Commission shall be submitted to the President before pub-
20 lication thereof.

21 "Air Space Reservations

22 "(b) The President is authorized to provide by Execu-
23 tive order for the setting apart and the protection of air space
24 reservations in the United States for national defense or other
25 governmental purposes.

1 "STATES, TERRITORIES, AND POSSESSIONS

2 "Cooperation with States, Territories, and Possessions

3 "SEC. 802. (a) The Commission and the Administrator
4 shall provide such assistance as may be feasible to the several
5 States, Territories, and possessions, and subdivisions thereof,
6 in connection with matters relating to the sound development
7 of civil aeronautics. The Commission and the Administra-
8 tor each are authorized to confer with or to hold joint hear-
9 ings with representatives of the several States, Territories,
10 and possessions, and subdivisions thereof, in connection with
11 any matter arising under this Act within their respective
12 jurisdictions, and to avail themselves of the cooperation and
13 services of such representatives as fully as may be practicable
14 in the administration and enforcement of this Act.

15 "Uniform Regulation of Air Navigation and Air Commerce

16 "(b) In order to assure a properly coordinated system
17 of air commerce at all times adequate for purposes of the
18 national defense and fully available for use in periods of
19 national emergency and to promote the fullest and safest
20 development of air navigation and air commerce, and be-
21 cause of the unique characteristics of the facilities used in
22 air navigation and air commerce and the special nature of
23 the regulatory problems involved, it is necessary in the public
24 interest that regulation of air navigation and air commerce
25 be as nearly uniform as practicable throughout the Nation.

1 No regulation of air carriers, air contractors, or foreign air
2 carriers shall be valid unless provided for or consented to
3 by the Congress; and no other regulation shall be imposed or
4 enforced in a manner which hinders, burdens, or interferes
5 with the conduct of air navigation or air commerce among
6 the several States or to or within the Territories or posses-
7 sions, or with foreign nations, or which impairs uniformity
8 in the conditions under which such air navigation or air
9 commerce is conducted, unless provided for or consented to
10 by the Congress.

11 "Study of Taxation of Persons Engaged in Air Commerce

12 " (c) The Commission shall consult with the appropriate
13 authorities of the several States, Territories, and possessions,
14 and subdivisions thereof, with a view to the development of
15 means for eliminating and avoiding, so far as practicable,
16 multiple taxation of persons engaged in air commerce and
17 their employees, by States, Territories, and possessions, and
18 subdivisions thereof, and other taxation by States, Terri-
19 tories, and possessions, and subdivisions thereof, which has
20 the effect of unduly burdening or unduly impeding the
21 development of air commerce, which taxation is hereby
22 declared to be inconsistent with the public interest. The
23 Commission shall report to the Congress, at the earliest prac-
24 ticable date, the results of its consultations with such author-
25 ities together with such recommendations as it deems

1 advisable, including recommendations for legislation by the
2 Congress if such legislation appears necessary or appropriate.

3 "THE DEPARTMENT OF STATE

4 "Agreements With Foreign Governments

5 "SEC. 803. (a) The Secretary of State shall advise the
6 Commission of, and consult with the Commission concern-
7 ing, the negotiation of any agreements with foreign govern-
8 ments affecting or in connection with air navigation or air
9 commerce.

10 "Foreign Military Aircraft

11 "(b) Aircraft, a part of the armed forces of any foreign
12 nation, shall not be operated in the United States, except in
13 accordance with an authorization granted by the Secretary
14 of State, and in no case shall any such aircraft be operated
15 in domestic air commerce.

16 "WEATHER BUREAU

17 "SEC. 804. In order to promote safety and efficiency in
18 air navigation to the highest possible degree, the Chief of the
19 Weather Bureau, under the direction of the Secretary of
20 Commerce, shall, in addition to any other functions or duties
21 pertaining to weather information for other purposes, (1)
22 make such observations, measurements, investigations, and
23 studies of atmospheric phenomena, and establish such
24 meteorological offices and stations, as are necessary or best
25 suited for ascertaining, in advance, information concerning

1 probable weather conditions; (2) furnish such reports, fore-
2 casts, warnings, and advices to the Administrator, and to
3 such persons engaged in civil aeronautics as may be desig-
4 nated by the Administrator, and to such other persons as
5 the Chief of the Weather Bureau may determine, and such
6 reports shall be made in such manner and with such fre-
7 quency as will best result in safety in and in facilitating air
8 navigation; (3) cooperate with persons engaged in air com-
9 merce, or employees thereof, in meteorological service, set
10 up reciprocal arrangements under which this provision is to
11 be carried out and act as a center for the exchange of in-
12 flight weather reports; (4) establish and coordinate the
13 international exchanges of meteorological information re-
14 quired for the safety and efficiency of air navigation; (5)
15 assist in the development of an international basic meteor-
16 ological reporting network and cooperate with persons en-
17 gaged in air commerce and with the meteorological services
18 of foreign countries in the establishment and maintenance of
19 supplementary stations in foreign countries, where necessary
20 and in the interest of air commerce of the United States; (6)
21 coordinate meteorological requirements in the United States in
22 order to maintain standard observations, promote efficient
23 use of facilities and avoid duplication; (7) promote and de-
24 velop meteorological science and act as a center for research
25 projects in aeronautical meteorology; and (8) detail an-

1 nually, within the limits of available appropriations made
2 by Congress, members of the Weather Bureau personnel for
3 training at Government expense, either at civilian institu-
4 tions or otherwise, in advanced methods of meteorological
5 science: *Provided*, That no such member shall lose his indi-
6 vidual status or seniority rating in the Bureau merely by
7 reason of absence due to such training.

8 "NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

9 "SEC. 805. The Commission and the Administrator, re-
10 spectively, shall from time to time make recommendations
11 to the National Advisory Committee for Aeronautics con-
12 cerning research projects, for the consideration and attention
13 of that committee, which may most effectively contribute to
14 the safety and efficiency of civil aeronautics.

15 "APPLICATION OF LAWS RELATING TO FOREIGN COMMERCE

16 "Shipping Laws

17 "SEC. 806. (a) The navigation and shipping laws of
18 the United States, including any definition of 'vessel' or
19 'vehicle' found therein and including the rules for the pre-
20 vention of collisions, shall not be construed to apply to aircraft
21 or to the navigation of vessels in relation to aircraft.

22 "Customs

23 "(b) The Secretary of the Treasury is authorized (1)
24 to designate places in the United States as ports of entry
25 for civil aircraft arriving in the United States from any

1 place outside thereof and for merchandise carried on such
2 aircraft, (2) to detail to ports of entry for civil aircraft
3 such officers and employees of the customs service as he may
4 deem necessary, and to confer or impose upon any officer or
5 employee of the United States stationed at any such port
6 of entry (with the consent of the head of the Government
7 department or independent establishment under whose juris-
8 diction the officer or employee is serving) any of the powers,
9 privileges, or duties conferred or imposed upon officers or
10 employees of the customs service, and (3) by regulation to
11 provide for the application to civil air navigation of the laws
12 and regulations relating to the administration of the customs
13 laws to such extent and upon such conditions as he deems
14 necessary.

15 "Public Health

16 "(c) The Federal Security Administrator is authorized
17 by regulation to provide for the application to civil air navi-
18 gation of the laws and regulations relating to the adminis-
19 tration of the public health laws to such extent and upon such
20 conditions as he deems necessary.

21 "Entry and Clearance

22 "(d) The Secretary of Commerce is authorized by regu-
23 lation to provide for the application to civil aircraft of the
24 laws and regulations relating to the entry and clearance of

1 vessels to such extent and upon such conditions as he deems
2 necessary.

3 "Immigration

4 "(e) The Attorney General is authorized (1) to desig-
5 nate any of the ports of entry for civil aircraft as ports of
6 entry for aliens arriving by aircraft, (2) to detail to such
7 ports of entry such officers and employees of the immigration
8 service as he may deem necessary, and to confer or impose
9 upon any employee of the United States stationed at such
10 port of entry (with the consent of the head of the Government
11 department or independent establishment under whose juris-
12 diction the officer or employee is serving) any of the powers,
13 privileges, or duties conferred or imposed upon officers or
14 employees of the immigration service, and (3) by regulation
15 to provide for the application to civil air navigation of the
16 laws and regulations relating to the administration of the
17 immigration laws to such extent and upon such conditions as
18 he deems necessary."

19 AMENDMENTS TO TITLE IX OF CIVIL AERONAUTICS ACT
20 OF 1938

21 SEC. 12. (a) Section 901 of the Civil Aeronautics
22 Act of 1938, as amended, is hereby amended to read as
23 follows:

1 "CIVIL PENALTIES

2 "Safety and Postal Offenses

3 "SEC. 901. (a) Any person who violates (1) any pro-
4 vision of title V of this Act, or any rule or regulation issued
5 thereunder, or (2) any provision of title VI of this Act or
6 any order, rule, regulation or certificate issued thereunder,
7 or (3) any provision of title VII of this Act or any rule or
8 regulation issued thereunder, or (4) any rule or regulation
9 issued by the Postmaster General under this Act, shall be sub-
10 ject to a civil penalty of not to exceed \$1,000 for each such
11 violation. Any such penalty imposed under clause (1) may
12 be remitted, mitigated, or compromised by the Administrator;
13 any such penalty imposed under clause (2) may be remitted,
14 mitigated, or compromised by the Commission; any such
15 penalty imposed under clause (3) may be remitted, mitigated,
16 or compromised by the Director; and any such penalty im-
17 posed under clause (4) may be remitted, mitigated, or com-
18 promised by the Postmaster General. The amount of such
19 penalty, when finally determined, or the amount agreed upon
20 in compromise, may be deducted from any sums owing by the
21 United States to the person charged.

22 "Entry or Clearance and Immigration Offenses

23 "(b) Any person who violates any entry, clearance,
24 or immigration regulation made under section 806 of this

1 Act shall be subject to a civil penalty of \$500 which may be
2 remitted, mitigated, or compromised by the Secretary of
3 Commerce or the Attorney General, as the case may be.

4 "Customs and Public Health Offenses

5 "(c) Any person who violates any customs or public
6 health regulation made under section 806 of this Act or any
7 provision of the customs or public health laws, or regulations
8 thereunder, made applicable to aircraft by regulation under
9 such section shall be subject to a civil penalty of \$500, and
10 any aircraft used in connection with such violation shall be
11 subject to seizure and forfeiture as provided for in such
12 customs or public health laws, which penalty and forfeiture
13 may be remitted, mitigated, or compromised by the Secretary
14 of the Treasury or the Federal Security Administrator, as the
15 case may be.

16 "Liens

17 "(d) In case an aircraft is involved in any such viola-
18 tion and the violation is by the owner or person in command
19 of the aircraft, such aircraft shall be subject to a lien for the
20 penalty: *Provided*, That this subsection shall not apply to a
21 violation of a rule or regulation of the Postmaster General."

22 (b) Section 902 (a) of the Civil Aeronautics Act of
23 1938, as amended, is hereby amended by adding after the

1 words "or permit" the words "or license"; and by adding
2 after the words "title IV" the words "or title IV-A".

3 (c) Section 902 (b) of the Civil Aeronautics Act of
4 1938, as amended, is hereby amended by adding after the
5 word "Certificates" in the title the following: ", Permits or
6 Licenses"; and by adding after the word "certificate" in each
7 place where it appears the following: ", permit or license".

8 (d) Section 902 (d) of the Civil Aeronautics Act of
9 1938, as amended, is hereby amended by inserting after the
10 words "foreign air carrier" the words "or air contractor".

11 (e) Section 902 (e) of the Civil Aeronautics Act of
12 1938, as amended, is hereby amended by inserting after the
13 words "air carrier" the words "or air contractor".

14 (f) Section 902 (f) of the Civil Aeronautics Act of
15 1938, as amended, is hereby amended to read as follows:

16 "Divulging Information

17 "(f) If any member of the Commission, the Adminis-
18 trator, or the Director, or any officer or employee of any of
19 them, shall knowingly and willfully divulge any fact or infor-
20 mation which may come to his knowledge during the course of
21 an examination of the accounts, records, and memoranda of
22 any air carrier or air contractor, or which is withheld from
23 public disclosure under section 1104, except as he may be
24 directed by the Commission, the Administrator, or the Direc-

1 tor, as the case may be, or by a court of competent jurisdic-
2 tion or a judge thereof, he shall upon conviction thereof be
3 subject for each offense to a fine of not more than \$5,000 or
4 imprisonment for not more than two years, or both."

5 (g) Section 902 (g) of the Civil Aeronautics Act of
6 1938, as amended, is amended by striking out the words
7 "Authority or the Air Safety Board" and inserting in lieu
8 thereof "Commission, Administrator, or Director".

9 (h) Section 903 (b) of the Civil Aeronautics Act of
10 1938, as amended, is amended by striking out the word
11 "Authority" wherever it appears and inserting in lieu
12 thereof the words "agency or officer having power to remit,
13 mitigate, or compromise such penalty".

14 AMENDMENTS TO TITLE X OF CIVIL AERONAUTICS ACT
15 OF 1938

16 SEC. 13. (a) Section 1001 of the Civil Aeronautics Act
17 of 1938, as amended, is amended by adding after the word
18 "PROCEEDINGS" in the heading, a semicolon and the words
19 "ASSIGNMENT OF FUNCTIONS"; by inserting after such
20 heading a subheading as follows: "Proceedings of the Com-
21 mission"; by inserting "(a)" after "1001."; by striking out
22 the word "may" in the first sentence and inserting in lieu
23 thereof the word "shall"; and by adding at the end of such
24 section a new subsection as follows:

1 "Assignment of Work, Business, or Functions

2 "(b) (1) The Commission may by order direct that
3 any of its work, business, or functions under any provision of
4 this Act (except matters required to be referred to joint boards
5 under section 1003, and except functions vested in the Com-
6 mission under this subsection), be assigned to an indi-
7 vidual member or members of the Commission or to an
8 eligible employee or employees of the Commission designated
9 by such order, for action thereon. The Commission may by
10 order at any time amend, modify, supplement, or rescind any
11 such assignment. An employee shall be an eligible em-
12 ployee for purposes of this subsection if he is an exam-
13 iner, a bureau director, a division or section chief, or an
14 employee having responsibilities of comparable importance.
15 When a member or any employee is unable to act upon any
16 matter so assigned because of absence or other cause, the
17 Chairman of the Commission may designate another member
18 or employee, as the case may be, to serve temporarily until
19 the Commission otherwise orders.

20 "(2) Individuals to whom assignments are so made shall
21 have authority to perform the work, business, or functions
22 assigned to them under this subsection, and for such purpose
23 shall have all the jurisdiction and powers conferred by this
24 Act upon the Commission, and be subject to the same duties
25 and obligations. The secretary and the seal of the Commis-