

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2
OFFERED BY MR. WESTERMAN OF ARKANSAS**

At the end of subtitle F of title I of division B of the bill, add the following:

1 **SEC. ____ . AIRPORT EMERGENCY GUARANTEED INVEST-**
2 **MENT STABILIZATION PROGRAM.**

3 (a) IN GENERAL.—Chapter 471 of title 49, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 **“§ 47145. Airport emergency guaranteed investment**
7 **stabilization program**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ELIGIBLE DEBT.—The term ‘eligible debt’
10 means the principal of, and interest on, debt, bonds,
11 or other instruments of indebtedness—

12 “(A) for which a sponsor is the obligor;

13 “(B) that were incurred by a sponsor for
14 any purpose for which airport revenues may
15 lawfully be used before May 1, 2020; and

16 “(C) that were outstanding at the time an
17 airport sponsor submits an application under
18 this section.

1 “(2) FEDERAL CREDIT INSTRUMENT.—The
2 term ‘Federal credit instrument’ means a secured
3 loan or loan guarantee authorized to be made avail-
4 able under this section to an airport sponsor.

5 “(3) LENDER.—

6 “(A) IN GENERAL.—The term ‘lender’
7 means any non-Federal qualified institutional
8 buyer (as defined in section 230.144A(a) of
9 title 17, Code of Federal Regulations (or a suc-
10 cessor regulation), known as Rule 144A(a) of
11 the Securities and Exchange Commission and
12 issued under the Securities Act of 1933 (15
13 U.S.C. 77a et seq.)).

14 “(B) INCLUSIONS.—The term ‘lender’ in-
15 cludes—

16 “(i) a qualified retirement plan (as
17 defined in section 4974(c) of title 26) that
18 is a qualified institutional buyer; and

19 “(ii) a governmental plan (as defined
20 in section 414(d) of title 26) that is a
21 qualified institutional buyer.

22 “(4) LOAN GUARANTEE.—The term ‘loan guar-
23 antee’ means any guarantee or other pledge by the
24 Secretary or the Administrator to pay all or part of
25 the principal of, and interest on, a loan or other debt

1 obligation issued by an obligor and funded by a lender.
2 er.

3 “(5) OBLIGOR.—The term ‘obligor’ means an
4 airport sponsor that is primarily liable for payment
5 of the principal of, or interest on, a Federal credit
6 instrument.

7 “(6) SECURED LOAN.—The term ‘secured loan’
8 means a direct loan or other debt obligation issued
9 by an obligor and funded by the Secretary in connection
10 with the refinancing of eligible debt under subsection
11 (f).

12 “(7) SUBSIDY AMOUNT.—The term ‘subsidy
13 amount’ means the amount of budget authority sufficient
14 to cover the estimated long-term cost to the
15 Federal Government of a Federal credit instrument,
16 as calculated on a net present value basis, excluding
17 administrative costs and any incidental effects on
18 governmental receipts or outlays in accordance with
19 the Federal Credit Reform Act of 1990 (2 U.S.C.
20 611 et seq.).

21 “(b) ASSISTANCE.—

22 “(1) AUTHORITY TO PROVIDE ASSISTANCE.—
23 The Secretary may provide financial assistance to
24 sponsors of primary airports under this section.

25 “(2) APPLICATION.—

1 “(A) IN GENERAL.—To receive assistance
2 under this section, a sponsor shall submit to the
3 Secretary an application at such time, in such
4 manner, and containing such information as the
5 Secretary may require.

6 “(B) MULTIPLE AIRPORTS.—A sponsor
7 controlling multiple airports may submit a sin-
8 gle application for assistance under this section.

9 “(C) NON-IMPAIRMENT.—No contract be-
10 tween an air carrier or foreign air carrier and
11 a sponsor may impair the ability of a sponsor
12 to apply for financial assistance under this sec-
13 tion.

14 “(3) APPLICABILITY OF GRANT ASSURANCES.—

15 “(A) IN GENERAL.—Except as provided in
16 subparagraph (B), financial assistance provided
17 under this section shall not be subject to section
18 47107 nor any grant assurances issued under
19 that section.

20 “(B) EXCEPTION.—Notwithstanding sub-
21 paragraph (A) or any other provision of this
22 section, section 47107(b) and section 47133
23 shall apply to financial assistance provided
24 under this section.

1 “(c) ELIGIBLE USE OF ASSISTANCE.—A sponsor
2 may only use financial assistance under this section to re-
3 finance eligible debt.

4 “(d) AVAILABLE FUNDS.—

5 “(1) AUTHORIZATION OF APPROPRIATION.—

6 There is authorized to be appropriated to the Sec-
7 retary—

8 “(A) \$5,000,000,000 for fiscal year 2020
9 to carry out the program under this section;
10 and

11 “(B) \$10,000,000 for each of fiscal years
12 2020 through 2023 to administer and oversee
13 the program under this section.

14 “(2) AVAILABILITY OF AMOUNTS.—Amounts
15 made available under this subsection shall remain
16 available until expended.

17 “(e) DETERMINATION OF ELIGIBILITY.—

18 “(1) ELIGIBILITY REQUIREMENTS.—To be eligi-
19 ble to receive financial assistance under this section,
20 an obligor shall meet the following criteria, as deter-
21 mined by the Secretary:

22 “(A) CREDITWORTHINESS.—

23 “(i) IN GENERAL.—The obligor shall
24 be creditworthy, as determined by the Sec-
25 retary.

1 “(ii) PRESUMPTIVE CREDITWORTHI-
2 NESS.—Except as provided in clause (iii),
3 a sponsor shall be presumed to be credit-
4 worthy by the Secretary.

5 “(iii) EXCEPTIONS.—The Secretary
6 shall not presume a sponsor is credit-
7 worthy under clause (ii) if the sponsor has
8 ever defaulted on a—

9 “(I) general airport revenue
10 bond;

11 “(II) a bond secured by pas-
12 senger facility revenue under section
13 40117; or

14 “(III) any other obligation se-
15 cured by any combination of airport
16 revenue or passenger facility revenue.

17 “(iv) SECURITY FEATURES.—The Sec-
18 retary shall ensure that the application for
19 financial assistance includes appropriate
20 security features, such as a rate covenant,
21 coverage requirement, or other similar fea-
22 ture.

23 “(2) SELECTION.—

1 “(A) IN GENERAL.—The Secretary shall
2 provide financial assistance under this section
3 to each sponsor that—

4 “(i) submits an application acceptable
5 to the Secretary under subsection (b)(2);
6 and

7 “(ii) is eligible to receive financial as-
8 sistance under paragraph (1).

9 “(B) INSUFFICIENCY OF FUNDS.—If
10 amounts made available under this section are
11 insufficient to cover the costs associated with
12 providing financial assistance, including the
13 subsidy amount, to all eligible applicants, the
14 Secretary shall take into consideration the fol-
15 lowing factors in determining whether and to
16 what degree an applicant will receive financial
17 assistance under this section—

18 “(i) policies and goals of the United
19 States under section 47101;

20 “(ii) the ability of a sponsor to secure
21 private financing on favorable terms;

22 “(iii) the ability of a sponsor to cover
23 its debt service as currently structured;
24 and

1 “(iv) other factors as the Secretary
2 determines are appropriate.

3 “(f) SECURED LOANS.—

4 “(1) AGREEMENTS.—The Secretary may enter
5 into agreements with 1 or more obligors to make se-
6 cured loans, the proceeds of which shall be used in
7 accordance with the provisions of this section.

8 “(2) TERMS AND LIMITATIONS.—

9 “(A) IN GENERAL.—A secured loan under
10 this subsection shall be subject to such terms
11 and conditions, and contain such covenants,
12 representations, warranties, and requirements
13 (including requirements for audits), as the Sec-
14 retary deems appropriate.

15 “(B) MAXIMUM AMOUNT.—The amount of
16 a secured loan under this section shall not ex-
17 ceed the sum of—

18 “(i) the amount of eligible debt held
19 by a sponsor; and

20 “(ii) the amount necessary for a spon-
21 sor to retire the eligible debt being refi-
22 nanced under this section.

23 “(C) INTEREST RATE.—The interest rate
24 on a secured loan under this section shall not
25 be less than the yield on United States Treas-

1 ury securities of a similar maturity to the ma-
2 turity of the secured loan on the date of execu-
3 tion of the loan agreement.

4 “(D) MATURITY.—The final maturity date
5 of a secured loan under this subsection shall
6 not exceed 35 years after the date of execution
7 of a loan agreement.

8 “(E) AIRPORT PRICE BASE.—

9 “(i) IN GENERAL.—The Secretary
10 shall determine what portion of a secured
11 loan is associated with eligible debt that, at
12 the time the loan is issued, is—

13 “(I) incorporated by an obligor
14 into a price base used to establish a
15 price under a contract between the
16 sponsor and an air carrier or foreign
17 air carrier; and

18 “(II) not incorporated by an obli-
19 gor into a price base used to establish
20 a price under a contract between the
21 sponsor and an air carrier or foreign
22 air carrier.

23 “(ii) INCORPORATION OF DEBT SERV-
24 ICE INTO PRICE BASE.—An obligor may
25 only incorporate debt service associated

1 with the portion of a secured loan de-
2 scribed in clause (i)(II) into its price base
3 used to establish a price under a contract
4 between the sponsor and an air carrier or
5 foreign air carrier.

6 “(3) REPAYMENT.—

7 “(A) SCHEDULE.—The Secretary shall es-
8 tablish a repayment schedule for a secured loan
9 under this subsection. In establishing such
10 schedule, the Secretary shall consider—

11 “(i) existing repayment schedules of
12 eligible debt (including eligible debt not re-
13 financed under this section) and non-eli-
14 gible debt for which the sponsor is the obli-
15 gor or otherwise responsible;

16 “(ii) the financial situation of the
17 United States aviation industry;

18 “(iii) projected airport revenue, in-
19 cluding whether such revenue may be re-
20 duced as a result of temporarily reduced
21 airport rates, charges, fees, or rents; and

22 “(iv) other factors the Secretary de-
23 termines to be relevant.

24 “(B) COMMENCEMENT.—Scheduled loan
25 repayments of principle or interest shall com-

1 mence two years after the date of execution of
2 a loan agreement.

3 “(C) DEFERRED PAYMENTS.—

4 “(i) IN GENERAL.—Upon application
5 by the obligor of a secured loan under this
6 subsection, the Secretary may allow the ob-
7 ligor to add unpaid principal and interest
8 to the outstanding balance of the secured
9 loan if—

10 “(I) the Secretary determines
11 that the financial situation of the
12 sponsor is such that timely repayment
13 is impractical or not in the public in-
14 terest;

15 “(II) the airport associated with
16 the secured loan had fewer
17 enplanements in the prior calendar
18 year than it did in 2019; and

19 “(III) the obligor meets other cri-
20 teria that the Secretary may establish.

21 “(ii) INTEREST.— Any payment de-
22 ferred under clause (i) shall—

23 “(I) continue to accrue interest
24 in accordance with paragraph (2)(C)
25 until fully repaid; and

1 “(II) be scheduled to be amor-
2 tized over the remaining term of the
3 secured loan.

4 “(D) PREPAYMENT.—

5 “(i) IN GENERAL.—Nothing in this
6 section shall be construed to limit the abil-
7 ity of an obligor to prepay a loan payment
8 of a secured loan under this section.

9 “(ii) AIRPORT PRICE BASE.—Prepay-
10 ment of a secured loan under this section
11 shall not affect the applicability of sub-
12 paragraph (D).

13 “(4) SALE OF SECURED LOANS.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B) and after providing a notice to the
16 obligor, the Secretary may sell to another entity
17 or reoffer into the capital markets a secured
18 loan for a project under this section, if the Sec-
19 retary determines that the sale or reoffering
20 can be made on favorable terms.

21 “(B) CONSENT OF OBLIGOR.—In making a
22 sale or reoffering under subparagraph (A), the
23 Secretary may not change the original terms
24 and conditions of the secured loan without the
25 written consent of the obligor.

1 “(5) LOAN GUARANTEES.—

2 “(A) IN GENERAL.—The Secretary may
3 provide a loan guarantee to a lender in lieu of
4 making a secured loan under this section if the
5 Secretary determines that the budgetary cost of
6 the loan guarantee is substantially the same as
7 that of a secured loan.

8 “(B) TERMS.—The terms of a loan guar-
9 antee provided under this subsection shall be
10 consistent with the terms established in this
11 section for a secured loan, except that the rate
12 on the guaranteed loan and any prepayment
13 features shall be negotiated between the obligor
14 and the lender, with the consent of the Sec-
15 retary.

16 “(g) PROJECT ADMINISTRATION.—

17 “(1) IN GENERAL.—The Secretary shall estab-
18 lish a uniform system to service the Federal credit
19 instruments made available under this section.

20 “(2) FEES.—The Secretary or the Adminis-
21 trator, as applicable, may collect and spend fees,
22 contingent on authority being provided in appropria-
23 tions Acts, at a level that is sufficient to cover—

24 “(A) the costs of services of expert firms
25 retained pursuant to subsection (d); and

1 “(B) all or a portion of the costs to the
2 Federal Government of servicing the Federal
3 credit instruments provided under this chapter.

4 “(3) SERVICER.—The Secretary may appoint a
5 financial entity to assist the Secretary in servicing
6 the Federal credit instruments provided under this
7 chapter. Such entity shall act as an agent for the
8 Secretary and shall receive a servicing fee, subject to
9 approval by the Secretary.

10 “(4) ASSISTANCE FROM EXPERTS.—The Sec-
11 retary may retain the services, including counsel, of
12 organizations and entities with expertise in the field
13 of municipal and project finance to assist in the un-
14 derwriting and servicing of Federal credit instru-
15 ments provided under this section.

16 “(5) NONAPPLICABILITY OF GRANT ASSUR-
17 ANCE.—A grant issued under this section shall not
18 be subject to the conditions of sections 47106 or
19 47107, including any regulations prescribed there-
20 under, or any other conditions associated with
21 grants made under this subchapter pursuant to the
22 Secretary’s authority under chapters 471 or 475.

23 “(h) REGULATION.—The Secretary may promulgate
24 such regulations or guidance as the Secretary determines
25 to be appropriate to carry out this chapter.

1 “(i) SUNSET.—The authority of the Secretary to
2 issue new secured loans or loan guarantees under this sec-
3 tion shall not be in effect after September 30, 2021.”.

4 (b) CLERICAL AMENDMENT.—The analysis for chap-
5 ter 471 of title 49, United States Code, is amended by
6 adding at the end the following:

“47145. Airport emergency guaranteed investment stabilization program.”.

7 (c) REPORT.—

8 (1) IN GENERAL.—Not later than 120 days
9 after the date enactment of this Act, and every year
10 thereafter, the Secretary of Transportation shall
11 submit a report on the program established by the
12 amendment in subsection (a) to the Committee on
13 Transportation and Infrastructure of the House of
14 Representatives and the Committee on Commerce,
15 Science, and Transportation of the Senate.

16 (2) CONTENTS.—The report required under
17 paragraph (1) shall evaluate, at a minimum—

18 (A) the applications received for assistance
19 under this section, including whether such ap-
20 plications were approved or rejected;

21 (B) the overall portfolio of Federal credit
22 instruments issued under this section;

23 (C) the financial performance of each Fed-
24 eral credit instrument issued under this section;

25 and

1 (D) the degree to which Federal credit in-
2 struments issued under this section have been
3 sold or reoffered into capital markets.

4 (3) AIRPORTS RECEIVING FINANCIAL ASSIST-
5 ANCE.—The report required under paragraph (1)
6 shall include a list of—

7 (A) all airports receiving financial assist-
8 ance under the program established by the
9 amendment in subsection (a); and

10 (B) the amount of financial assistance
11 each airport received under such program.

12 (d) IMMEDIATE APPLICABILITY.—Section 1001 shall
13 not apply to this section and the amendments made by
14 this section.

