

"SEC. 1107. Whoever, for the purpose of obtaining any loan or advance of credit from any person, partnership, association, or corporation with the intent that such loan or advance of credit shall be offered to or accepted by the Commission for insurance, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage insured by the said Commission, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the purpose of influencing in any way the action of the said Commission under this title, makes, passes, utters, or publishes, or causes to be made, passed, uttered, or published any statement, knowing the same to be false, or alters, forges, or counterfeits, or causes or procures to be altered, forged, or counterfeited, any instrument, paper, or document, or utters, publishes, or passes as true, or causes to be uttered, published, or passed as true, any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset, or income, shall be guilty of a misdemeanor and punished as provided under section 806 (b) of this Act.

"SEC. 1108. The Commission is authorized and directed to make such rules and regulations as may be deemed necessary or appropriate to carry out the purposes and provisions of this title.

"SEC. 1109. There is hereby authorized to be appropriated the sum of \$1,000,000 and such further sums as may be necessary to carry out the provisions of this title."

Approved, June 23, 1938.

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49 Stat. 2014.

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[CHAPTER 601]

AN ACT

To create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics.

June 23, 1938
[S. 3845]
[Public, No. 706]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into titles and sections according to the following table of contents, may be cited as the "Civil Aeronautics Act of 1938":

Civil Aeronautics Act of 1938.

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TITLE I—GENERAL PROVISIONS

Title I—General Provisions.

DEFINITIONS

SECTION 1. As used in this Act, unless the context otherwise requires—

Definitions.

(1) "Aeronautics" means the science and art of flight.

"Aeronautics."

(2) "Air carrier" means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation: *Provided*, That the Authority may by order relieve air carriers who are not directly engaged in the operation of aircraft in air transportation from the provisions of this Act to the extent and for such periods as may be in the public interest.

"Air carrier."

Proviso.
 Exemptions.

(3) "Air commerce" means interstate, overseas, or foreign air commerce or the transportation of mail by aircraft or any operation or navigation of aircraft within the limits of any civil airway or any operation or navigation of aircraft which directly affects, or which may endanger safety in, interstate, overseas, or foreign air commerce.

"Air commerce."

(4) "Aircraft" means any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air.

"Aircraft."

(5) "Aircraft engine" means an engine used, or intended to be used, for propulsion of aircraft and includes all parts, appurtenances, and accessories thereof other than propellers.

"Aircraft engine."

(6) "Airman" means any individual who engages, as the person in command or as pilot, mechanic, or member of the crew, in the navigation of aircraft while under way; and (except to the extent the Authority may otherwise provide with respect to individuals employed outside the United States) any individual who is directly in charge of the inspection, maintenance, overhauling, or repair of aircraft, aircraft engines, propellers, or appliances; and any individual who serves in the capacity of aircraft dispatcher or air-traffic control-tower operator.

"Airman."

(7) "Air navigation facility" means any facility used in, available for use in, or designed for use in, aid of air navigation, including landing areas, lights, any apparatus or equipment for disseminating weather information, for signaling, for radio-directional finding, or for radio or other electrical communication, and any other structure or mechanism having a similar purpose for guiding or controlling flight in the air or the landing and take-off of aircraft.

"Air navigation facility."

(8) "Airport" means a landing area used regularly by aircraft for receiving or discharging passengers or cargo.

"Airport."

- "Air-space reservation."
 (9) "Air-space reservation" means air space, identified by an area on the surface of the earth, in which the flight of aircraft is prohibited or restricted.
- "Air transportation."
 (10) "Air transportation" means interstate, overseas, or foreign air transportation or the transportation of mail by aircraft.
- "Appliances."
 (11) "Appliances" means instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are used, or are capable of being or intended to be used, in the navigation, operation, or control of aircraft in flight (including parachutes and including communication equipment and any other mechanism or mechanisms installed in or attached to aircraft during flight), and which are not a part or parts of aircraft, aircraft engines, or propellers.
- "Authority."
 (12) "Authority" means the Civil Aeronautics Authority.
- "Citizen of the United States."
 (13) "Citizen of the United States" means (a) an individual who is a citizen of the United States or of one of its possessions, or (b) a partnership of which each member is such an individual, or (c) a corporation or association created or organized under the laws of the United States or of any State, Territory, or possession of the United States, of which the president and two-thirds or more of the board of directors and other managing officers thereof are such individuals and in which at least 75 per centum of the voting interest is owned or controlled by persons who are citizens of the United States or of one of its possessions.
- "Civil aircraft."
 (14) "Civil aircraft" means any aircraft other than a public aircraft.
- "Civil aircraft of the United States."
 (15) "Civil aircraft of the United States" means any aircraft registered as provided in this Act.
- "Civil airway."
 (16) "Civil airway" means a path through the navigable air space of the United States, identified by an area on the surface of the earth, designated or approved by the Administrator as suitable for interstate, overseas, or foreign air commerce.
- "Conditional sale."
 (17) "Conditional sale" means (a) any contract for the sale of an aircraft or portion thereof under which possession is delivered to the buyer and the property is to vest in the buyer at a subsequent time upon the payment of part or all of the price, or upon the performance of any other condition or the happening of any contingency; or (b) any contract for the bailment or leasing of an aircraft or portion thereof by which the bailee or lessee contracts to pay as compensation a sum substantially equivalent to the value thereof, and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner thereof upon full compliance with the terms of the contract. The buyer, bailee, or lessee shall be deemed to be the person by whom any such contract is made or given.
- "Conveyance."
 (18) "Conveyance" means a bill of sale, contract of conditional sale, mortgage, assignment of mortgage, or other instrument affecting title to, or interest in, property.
- "Foreign air carrier."
 (19) "Foreign air carrier" means any person, not a citizen of the United States, who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in foreign air transportation.
- "Interstate air commerce"; "overseas air commerce"; "foreign air commerce."
 (20) "Interstate air commerce", "overseas air commerce", and "foreign air commerce", respectively, mean the carriage by aircraft of persons or property for compensation or hire, or the carriage of mail by aircraft, or the operation or navigation of aircraft in the conduct or furtherance of a business or vocation, in commerce between, respectively—
 (a) a place in any State of the United States, or the District of Columbia, and a place in any other State of the United States, or the District of Columbia; or between places in the same State of

the United States through the air space over any place outside thereof; or between places in the same Territory or possession (except the Philippine Islands) of the United States, or the District of Columbia;

(b) a place in any State of the United States, or the District of Columbia, and any place in a Territory or possession of the United States; or between a place in a Territory or possession of the United States, and a place in any other Territory or possession of the United States; and

(c) a place in the United States and any place outside thereof, whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

(21) "Interstate air transportation", "overseas air transportation", and "foreign air transportation", respectively, mean the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft, in commerce between, respectively—

"Interstate air transportation"; "overseas air transportation"; "foreign air transportation."

(a) a place in any State of the United States, or the District of Columbia, and a place in any other State of the United States, or the District of Columbia; or between places in the same State of the United States through the air space over any place outside thereof; or between places in the same Territory or possession (except the Philippine Islands) of the United States, or the District of Columbia;

(b) a place in any State of the United States, or the District of Columbia, and any place in a Territory or possession of the United States; or between a place in a Territory or possession of the United States, and a place in any other Territory or possession of the United States; and

(c) a place in the United States and any place outside thereof, whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

(22) "Landing area" means any locality, either of land or water, including airports and intermediate landing fields, which is used, or intended to be used, for the landing and take-off of aircraft, whether or not facilities are provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo.

"Landing area."

(23) "Mail" means United States mail and foreign-transit mail.

"Mail."

(24) "Navigable air space" means air space above the minimum altitudes of flight prescribed by regulations issued under this Act.

"Navigable air space."

(25) "Navigation of aircraft" or "navigate aircraft" includes the piloting of aircraft.

"Navigation of aircraft" or "navigate aircraft."

(26) "Operation of aircraft" or "operate aircraft" means the use of aircraft, for the purpose of air navigation and includes the navigation of aircraft. Any person who causes or authorizes the operation of aircraft, whether with or without the right of legal control (in the capacity of owner, lessee, or otherwise) of the aircraft, shall be deemed to be engaged in the operation of aircraft within the meaning of this Act.

"Operation of aircraft" or "operate aircraft."

(27) "Person" means any individual, firm, copartnership, corporation, company, association, joint-stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

"Person."

(28) "Propeller" includes all parts, appurtenances, and accessories thereof.

"Propeller."

(29) "Possessions of the United States" means (a) Puerto Rico, notwithstanding the provisions of the Act of March 2, 1917, entitled "An Act to provide a civil government for Porto Rico", and any other Act or Acts which are inconsistent with the provisions of this Act;

"Possessions of the United States."

(b) the Canal Zone, but nothing herein shall impair or affect the jurisdiction which has heretofore been, or may hereafter be, granted to the President in respect of air navigation in the Canal Zone; (c) the Philippine Islands, except that the operation of civil aircraft within the jurisdiction of the Philippine Islands shall be governed by laws enacted by the legislature of the islands and by executive regulations designating air-space reservations or other prohibited areas; and (d) all other possessions of the United States.

"Public aircraft."

(30) "Public aircraft" means an aircraft used exclusively in the service of any government or of any political subdivision thereof, including the government of any State, Territory, or possession of the United States, or the District of Columbia, but not including any government-owned aircraft engaged in carrying persons or property for commercial purposes.

"United States."

(31) "United States" means the several States, the District of Columbia, and the several Territories and possessions of the United States, including the Territorial waters and the overlying air space thereof.

DECLARATION OF POLICY

Declaration of policy.

SEC. 2. In the exercise and performance of its powers and duties under this Act, the Authority shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity—

(a) The encouragement and development of an air-transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

(b) The regulation of air transportation in such manner as to recognize and preserve the inherent advantages of, assure the highest degree of safety in, and foster sound economic conditions in, such transportation, and to improve the relations between, and coordinate transportation by, air carriers;

(c) The promotion of adequate, economical, and efficient service by air carriers at reasonable charges, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices;

(d) Competition to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;

(e) The regulation of air commerce in such manner as to best promote its development and safety; and

(f) The encouragement and development of civil aeronautics.

PUBLIC RIGHT OF TRANSIT

Public right of transit.

SEC. 3. There is hereby recognized and declared to exist in behalf of any citizen of the United States a public right of freedom of transit in air commerce through the navigable air space of the United States.

Title II—Organization of Authority.

TITLE II—ORGANIZATION OF AUTHORITY

Creation.

CREATION OF AUTHORITY

Appointment of members.

Appointment of Members of Authority

Composition, terms of office, etc.

SEC. 201. (a) An agency is created and established to be known as the "Civil Aeronautics Authority" which shall be composed of five members who shall be appointed by the President, by and with

the advice and consent of the Senate, as soon as practicable after the passage of this Act, and who shall continue in office as designated by the President at the time of nomination through the last day of the second, third, fourth, fifth, and sixth calendar years, respectively, following the passage of this Act. The President shall designate annually one of the members of the Authority as chairman and one of the members as vice chairman who shall act as chairman in the absence or incapacity of the chairman. The successors of the members shall be appointed for terms of six years in the same manner as the members originally appointed under this Act, except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. The members of the Authority may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. No more than three of the members shall be appointed from the same political party. Each member of the Authority shall receive a salary at the rate of \$12,000 per annum.

Removals.

Salary.

Administrator

(b) There shall be in the Authority an Administrator who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive a salary at the rate of \$12,000 per annum.

Administrator.

Qualifications of Members

(c) The members of the Authority shall be appointed with due regard to their fitness for the efficient dispatch of the powers and duties vested in and imposed upon the Authority by this Act. Each member of the Authority, and the Administrator, shall be a citizen of the United States, and no member of the Authority, or the Administrator, shall have any pecuniary interest in or own any stock in or bonds of any civil aeronautics enterprise. No member of the Authority, or the Administrator, shall engage in any other business, vocation, or employment.

Qualifications of members.

Quorum, Principal Office, and Seal

(d) Three of the members shall constitute a quorum of the Authority. The principal office of the Authority shall be in the District of Columbia where its general sessions shall be held, but whenever the convenience of the public or of the parties may be promoted, or delay or expense may be prevented, the Authority may hold hearings or other proceedings at any other place. The Authority shall have an official seal which shall be judicially noticed and which shall be preserved in the custody of the secretary of the Authority.

Quorum, principal office, and seal.

ORGANIZATION OF AUTHORITY

Organization of Authority.

Officers and Employees

SEC. 202. (a) The Authority shall, without regard to the civil-service laws, appoint and prescribe the duties of a secretary of the Authority and a secretary for each member, and, subject to such noncompetitive tests of fitness as the Civil Service Commission may prescribe, appoint and prescribe the duties of a general counsel, a director for each Bureau, and such assistant directors and heads of divisions or sections as may be necessary. Subject to the provisions of the civil-service laws, the Authority shall employ such other officers and employees as it shall deem necessary in exercising and performing its powers and duties. The Administrator shall, without regard to the civil-service laws, appoint and prescribe the duties of a secretary,

Officers and employees.

and, subject to the civil-service laws, appoint and prescribe the duties of such other officers and employees as he shall deem necessary in exercising and performing his powers and duties. The compensation of all officers and employees appointed by the Authority or by the Administrator under this subsection shall be fixed in accordance with the Classification Act of 1923, as amended.

5 U. S. C. §§ 601-674;
Supp. III, §§ 673, 673c.

Temporary Personnel

Temporary personnel.

(b) The Authority, and the Administrator, may, from time to time, without regard to the provisions of the civil-service laws, engage for temporary service such duly qualified consulting engineers or agencies, or other qualified persons as are necessary in the exercise and performance of the powers and duties of each, and fix the compensation of such engineers, agencies, or persons without regard to the Classification Act of 1923, as amended, and the expenses of such employment shall be paid out of the appropriation for the administration of this Act.

Personnel, property, and appropriations.

PERSONNEL, PROPERTY, AND APPROPRIATIONS

Personnel and Property

Personnel and property, transfers.

44 Stat. 568.
49 U. S. C. §§
171-184.

48 Stat. 933; 49 Stat.
614.
39 U. S. C. §§ 463,
469-469s; Supp. III,
ch. 13.

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44 Stat. 568.
49 U. S. C. §§ 171-
184.

SEC. 203. (a) Such officers and employees of the Bureau of Air Mail of the Interstate Commerce Commission and of the Bureau of Air Commerce of the Department of Commerce, and such property (including office equipment and official records), as the President shall determine to have been employed by the Secretary of Commerce in the exercise and performance of the powers and duties vested in and imposed upon him by the Air Commerce Act of 1926, as amended (44 Stat. 568; U. S. C., 1934 ed., title 49, sec. 171 et seq.), and by the Secretary of Commerce and the Interstate Commerce Commission in the exercise and performance of the powers and duties vested in and imposed upon them by the Air Mail Act of 1934, approved June 12, 1934, as amended (48 Stat. 933; U. S. C., 1934 ed., Supp. II, title 39, sec. 469 et seq.), are transferred to the Authority upon such date or dates as the President shall specify by Executive order: *Provided*, That the transfer of such personnel shall be without reduction in classification or compensation, except that this requirement shall not operate after the end of the fiscal year during which such transfer is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned: *Provided further*, That such of the personnel so transferred as do not already possess a classified civil-service status shall not acquire such status by reason of such transfer except (1) upon recommendation of the Authority within one year after such personnel have been so transferred and certification within such period by the Authority to the Civil Service Commission that such personnel have served with merit for not less than six months prior to the transfer, and (2) upon passing such suitable noncompetitive examinations as the Civil Service Commission may prescribe: *And provided further*, That no officer or employee taking such examination shall be discharged or reduced in grade or compensation pending the result thereof, except for cause in the manner provided by law.

Appropriations

(b) Such of the unexpended balances of appropriations available for use by the Secretary of Commerce in the exercise and performance of the powers and duties vested in and imposed upon him by the Air Commerce Act of 1926, as amended, and by the Secretary of Com-

merce and the Interstate Commerce Commission in the exercise and performance of the powers and duties vested in and imposed upon them by the Air Mail Act of 1934, approved June 12, 1934, as amended, as the President shall deem necessary and specify by Executive order, are transferred to the Authority upon such date or dates as the President shall specify by Executive order, and shall be available for use in connection with the exercise and performance of the powers and duties vested in and imposed upon the Authority, the Administrator, and the Air Safety Board by this Act.

48 Stat. 933; 49 Stat. 614.
39 U. S. C. §§ 463, 469-469s; Supp. III, ch. 13.

AUTHORIZATION OF EXPENDITURES AND TRAVEL

Authorization of expenditures and travel.

General Authority

General authority.

SEC. 204. (a) The Authority is empowered to make such expenditures at the seat of government and elsewhere as may be necessary for the exercise and performance of the powers and duties vested in and imposed upon the Authority, the Administrator, and the Air Safety Board by law, and as from time to time may be appropriated for by Congress, including expenditures for (1) rent and personal services at the seat of government and elsewhere; (2) travel expenses; (3) office furniture, equipment and supplies, lawbooks, newspapers, periodicals, and books of reference (including the exchange thereof); (4) printing and binding; (5) membership in and cooperation with such organizations as are related to, or are part of, the civil-aeronautics industry or the art of aeronautics in the United States or in any foreign country; (6) attendance at meetings and conventions when in the public interest; (7) making investigations and conducting studies in matters pertaining to aeronautics; and (8) acquisition (including exchange), operation, and maintenance of passenger-carrying automobiles and aircraft, and such other property as is necessary in the exercise and performance of the powers and duties of the Authority, the Administrator, and the Air Safety Board: *Provided*, That no aircraft or motor vehicle, purchased under the provisions of this section, shall be used otherwise than for official business. The Authority may include, among expenditures for travel, reasonable expenditures for transportation between airports and centers of population whether or not such transportation is incidental to travel by aircraft.

proviso.
Aircraft, etc., use restricted.

Transportation between airports, etc.

Purchase of Aircraft

(b) The Authority, within the limits of appropriations made available by Congress, may purchase and exchange modern aircraft, completely equipped in such manner that such aircraft can be used in testing and checking every phase of flight operation; and may purchase and exchange for the use of the Administrator and the Air Safety Board modern aircraft similar to aircraft used or suitable for use in air transportation, completely equipped in such manner that they can be used in testing and checking every phase of flight operation encountered in air transportation. The Authority is authorized to obtain necessary space, facilities, and personnel for the storage, maintenance, operation, and navigation of such aircraft.

Purchase of aircraft.

Travel

(c) Travel by personnel of the United States Government on commercial aircraft, domestic or foreign, including travel between airports and centers of population or posts of duty when incidental to travel on commercial aircraft, shall be allowed at public expense when

Travel.

authorized or approved by competent authority, and transportation requests for such travel may be issued upon such authorizations. Such expense shall be allowed without regard to comparative costs of transportation by aircraft with other modes of transportation.

General powers and duties of the Authority.

GENERAL POWERS AND DUTIES OF THE AUTHORITY

General Powers

General powers.

SEC. 205. (a) The Authority is empowered to perform such acts, to conduct such investigations, to issue and amend such orders, and to make and amend such general or special rules, regulations, and procedure, pursuant to and consistent with the provisions of this Act, as it shall deem necessary to carry out such provisions and to exercise and perform its powers and duties under this Act.

Cooperation With State Aeronautical Agencies

Cooperation with State aeronautical agencies.

(b) The Authority is empowered to confer with or to hold joint hearings with any State aeronautical agency, or other State agency, in connection with any matter arising under this Act, and to avail itself of the cooperation, services, records, and facilities of such State agencies as fully as may be practicable in the administration and enforcement of this Act.

Exchange of Information

Exchange of information.

(c) The Authority is empowered to exchange with foreign governments, through appropriate agencies of the United States, information pertaining to aeronautics.

Publications

Publications.

(d) Except as may be otherwise provided in this Act, the Authority shall make a report in writing in all proceedings and investigations under this Act in which formal hearings have been held, and shall state in such report its conclusions together with its decision, order, or requirement in the premises. All such reports shall be entered of record and a copy thereof shall be furnished to all parties to the proceeding or investigation. The Authority shall provide for the publication of such reports, and all other reports, orders, decisions, rules, and regulations issued by it under this Act in such form and manner as may be best adapted for public information and use. Publications purporting to be published by the Authority shall be competent evidence of the orders, decisions, rules, regulations, and reports of the Authority therein contained in all courts of the United States, and of the several States, Territories, and possessions thereof, and the District of Columbia, without further proof or authentication thereof.

ANNUAL REPORT

Annual report to Congress.

SEC. 206. The Authority shall make an annual report to the Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain in addition to a report of the work performed under this Act, such information and data collected by the Authority, the Administrator, and the Air Safety Board as may be considered of value in the determination of questions connected with the development and regulation of civil aeronautics, together with such recommendations as to additional legislation relating thereto as the Authority may deem necessary. The Authority may also transmit recommendations as to such additional legislation more frequently.

TITLE III—POWERS AND DUTIES OF ADMINISTRATOR

Title III—Powers and Duties of Administrator.

FOSTERING OF AIR COMMERCE

SEC. 301. The Administrator is empowered and directed to encourage and foster the development of civil aeronautics and air commerce in the United States, and abroad, and to encourage the establishment of civil airways, landing areas, and other air navigation facilities. The Administrator and the Air Safety Board shall cooperate with the Authority in the administration and enforcement of this Act.

Fostering of air commerce.

CIVIL AIRWAYS AND FACILITIES

Civil airways and facilities.

General

General.

SEC. 302. (a) The Administrator is empowered to designate and establish civil airways and, within the limits of available appropriations made by the Congress, (1) to acquire, establish, operate, and maintain along such airways all necessary air navigation facilities; (2) to chart such airways and arrange for the publication of maps of such airways, utilizing the facilities and assistance of existing agencies of the Government so far as practicable; (3) to acquire, establish, operate, and maintain, in whole or in part, air navigation facilities at and upon any municipally owned or other landing area approved for such installation, operation, or maintenance by the Administrator; and (4) to provide necessary facilities and personnel for the regulation and protection of air traffic moving in air commerce: *Provided*, That the Administrator shall not acquire any airport by purchase or condemnation. The Administrator is empowered to approve the establishment of such civil airways, not designated or established by the Administrator, as may be required in the interest of the public. No exclusive rights shall be granted for the use of any civil airway, landing area, or other air navigation facility.

Designation, establishment, etc.

Airways, navigation facilities.

Charting.

Landing areas, navigation facilities.

Regulation and protection of air traffic.

Proviso. Airports, restriction on acquisition.

Use of airways, etc., not exclusive.

Method of Establishment

(b) The Administrator shall insofar as practicable designate and establish civil airways with relation to visual, mechanical, electrical, radio, or other like aids along the ground for air navigation, and in such manner that not more than one airway shall embrace the same air space, except to the extent necessary for intersection of airways at landing areas or elsewhere, or except when such action is necessary in the interest of safety or efficient operation of aircraft, or when the operation of aircraft over one airway will not interfere with the operation of aircraft over another airway embracing the same air space: *Provided*, That nothing herein shall be construed to affect the promulgation or enforcement of any rules and regulations under this Act for the control of traffic.

Method of establishment.

Proviso. Rules and regulations.

Airport Survey

(c) The Authority shall, through the Administrator, make a field survey of the existing system of airports and shall present to the Congress not later than February 1, 1939, definite recommendations (1) as to whether the Federal Government should participate in the construction, improvement, development, operation, or maintenance of a national system of airports, and (2) if Federal participation is recommended, the extent to which, and the manner in which, the Federal Government shall so participate.

Airport survey.

Recommendations to Congress.

EXPENDITURE OF FEDERAL FUNDS

Expenditure of Federal funds.

SEC. 303. No Federal funds, other than those expended under this Act, shall be expended, other than for military purposes (whether or not in cooperation with State or other local governmental agencies), for the acquisition, establishment, construction, alteration, repair, maintenance, or operation of any landing area, or for the acquisition, establishment, construction, maintenance, or operation of air navigation facilities thereon, except upon written recommendation and certification by the Administrator, made after consultation with the Authority, that such landing area, or facility is reasonably necessary for use in air commerce or in the interests of national defense. Any interested person may apply to the Administrator, under regulations prescribed by him, for such recommendation and certification with respect to any landing area or air navigation facility proposed to be established, constructed, altered, repaired, maintained, or operated by, or in the interests of, such person. There shall be no exclusive right for the use of any landing area or air navigation facility upon which Federal funds have been expended.

METEOROLOGICAL SERVICE

Meteorological service.

SEC. 304. The Administrator is empowered and directed to make recommendations to the Secretary of Agriculture for providing meteorological service necessary for the safe and efficient movement of aircraft in air commerce.

DEVELOPMENT OF FACILITIES

Development of facilities.

SEC. 305. The Administrator is empowered to undertake or supervise such developmental work and service testing as tends to the creation of improved air navigation facilities, aircraft, aircraft engines, propellers, and appliances. For such purpose, the Administrator is empowered, subject to the approval of the Authority, to make purchases (including exchange) by negotiation or otherwise of experimental aircraft, aircraft engines, propellers, appliances, air navigation facilities, and radio apparatus, which seem to offer special advantages to aeronautics.

COLLECTION AND DISSEMINATION OF INFORMATION

Collection and dissemination of information.

Post, pp. 987, 1007.

SEC. 306. The Administrator is empowered and directed to collect and disseminate information relative to civil aeronautics (other than information collected and disseminated by the Authority under titles IV and VI of this Act and by the Air Safety Board); to study the possibilities of the development of air commerce and the aeronautical industry; and to exchange with foreign governments, through appropriate governmental channels, information pertaining to civil aeronautics.

DEVELOPMENT PLANNING

Development planning.

SEC. 307. The Administrator is empowered and directed to make plans for such orderly development and location of landing areas, airways, and all other aids and facilities for air navigation, as will best meet the needs of, and serve the interest of safety in, civil aeronautics.

OTHER DUTIES OF ADMINISTRATOR

Other duties of Administrator.

SEC. 308. The Administrator shall exercise and perform the powers and duties vested in and imposed upon him by this Act, and such powers and duties vested in and imposed upon the Authority by

this Act (except the powers under sections 202, 203, 204, and 206, and the powers and duties under titles IV and VI) as may, from time to time, be assigned to him by the Authority; and shall so exercise and perform his powers and duties as best to effectuate the policies declared in, and the purposes of, this Act. The Authority may request the Administrator to make reports to it of his work under this Act.

Ante, pp. 981, 982, 983, 984; *post*, p. 1007.

Reports.

TITLE IV—AIR CARRIER ECONOMIC REGULATION

Title IV—Air Carrier Economic Regulation.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Certificate of public convenience and necessity.

Certificate Required

SEC. 401. (a) No air carrier shall engage in any air transportation unless there is in force a certificate issued by the Authority authorizing such air carrier to engage in such transportation: *Provided*, That if an air carrier is engaged in such transportation on the date of the enactment of this Act, such air carrier may continue so to engage between the same terminal and intermediate points for one hundred and twenty days after said date, and thereafter until such time as the Authority shall pass upon an application for a certificate for such transportation if within said one hundred and twenty days such air carrier files such application as provided herein.

Certificate required.

Proviso.
Existing carriers.

Application for Certificate

(b) Application for a certificate shall be made in writing to the Authority and shall be so verified, shall be in such form and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Authority shall by regulation require.

Application for certificate.

Notice of Application

(c) Upon the filing of any such application, the Authority shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Authority and to such other persons as the Authority may by regulation determine. Any interested person may file with the Authority a protest or memorandum of opposition to or in support of the issuance of a certificate. Such application shall be set for public hearing, and the Authority shall dispose of such application as speedily as possible.

Notice of application.

Issuance of Certificate

(d) (1) The Authority shall issue a certificate authorizing the whole or any part of the transportation covered by the application, if it finds that the applicant is fit, willing, and able to perform such transportation properly, and to conform to the provisions of this Act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation is required by the public convenience and necessity; otherwise such application shall be denied.

Issuance of certificate.

(2) In the case of an application for a certificate to engage in temporary air transportation, the Authority may issue a certificate authorizing the whole or any part thereof for such limited periods as may be required by the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Authority hereunder.

Existing Air Carriers

Existing air carriers.

(e) (1) If any applicant who makes application for a certificate within one hundred and twenty days after the date of enactment of this Act shall show that, from May 14, 1938, until the effective date of this section, it, or its predecessor in interest, was an air carrier, continuously operating as such (except as to interruptions of service over which the applicant or its predecessor in interest had no control), the Authority, upon proof of such fact only, shall, unless the service rendered by such applicant for such period was inadequate and inefficient, issue a certificate or certificates, authorizing such applicant to engage in air transportation (A) with respect to all classes of traffic for which authorization is sought, except mail, between the terminal and intermediate points between which it, or its predecessor, so continuously operated between May 18, 1938, and the effective date of this section, and (B) with respect to mail and all other classes of traffic for which authorization is sought, between the terminal and intermediate points between which the applicant or its predecessor was authorized by the Postmaster General prior to the effective date of this section, to engage in the transportation of mail: *Provided*, That no applicant holding an air-mail contract shall receive a certificate authorizing it to serve any point not named in such contract as awarded to it and not served by it prior to April 1, 1938, if any other air carrier competitively serving the same point under authority of a contract as awarded to such air carrier shall prove that it is adversely affected thereby, and if the Authority shall also find that transportation by the applicant to and from such point is not required by the public convenience and necessity.

Proviso.
Air-mail contractors,
service restriction.

Issuance of certain
certificates not other-
wise provided for.
Ante, p. 144.

Points designated.

(2) If paragraph (1) of this subsection does not authorize the issuance of a certificate authorizing the transportation of mail between each of the points between which air-mail service was provided for by the Act of Congress making appropriations for the Treasury Department and the Post Office Department, approved March 28, 1938, the Authority shall, notwithstanding any other provision of this Act, issue certificates authorizing the transportation of mail, and all other classes of traffic for which authorization is sought, between such points, namely, (A) from Wichita, Kansas, to Pueblo, Colorado, via intermediate cities; (B) from Bismarck, North Dakota, to Minot, North Dakota; (C) from Detroit, Michigan, to Sault Sainte Marie, Michigan, via intermediate cities; (D) from Brownsville, Texas, via Corpus Christi, to Houston to San Antonio, Texas; (E) from Phoenix, Arizona, to Las Vegas, Nevada, via intermediate cities; (F) from Jacksonville, Florida, to New Orleans, Louisiana, via intermediate cities; (G) from Tampa, Florida, to Memphis, Tennessee, via intermediate cities, and from Tampa, Florida, to Atlanta, Georgia, via intermediate cities (which projects have been advertised); and (H) by extension from Yakima, Washington, to Portland, Oregon; and (I) by extension from Grand Rapids, Michigan, to Chicago, Illinois.

Terms and Conditions of Certificate

Terms and condi-
tions of certificate.

(f) Each certificate issued under this section shall specify the terminal points and intermediate points, if any, between which the air carrier is authorized to engage in air transportation and the service to be rendered; and there shall be attached to the exercise of the privileges granted by the certificate, or amendment thereto, such reasonable terms, conditions, and limitations as the public interest may require. A certificate issued under this section to engage in foreign air transportation shall, insofar as the operation is to take place without the United States, designate the terminal and intermediate

Certificates for for-
eign air transporta-
tion.

points only insofar as the Authority shall deem practicable, and otherwise shall designate only the general route or routes to be followed. Any air carrier holding a certificate for foreign air transportation shall be authorized to handle and transport mail of countries other than the United States. No term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules, equipment, accommodations, and facilities for performing the authorized transportation and service as the development of the business and the demands of the public shall require. No air carrier shall be deemed to have violated any term, condition, or limitation of its certificate by landing or taking off during an emergency at a point not named in its certificate or by operating in an emergency, under regulations which may be prescribed by the Authority, between terminal and intermediate points other than those specified in its certificate. Any air carrier may make charter trips or perform any other special service, without regard to the points named in its certificate, under regulations prescribed by the Authority.

Emergencies.

Charter trips.

Effective Date and Duration of Certificate

(g) Each certificate shall be effective from the date specified therein, and shall continue in effect until suspended or revoked as hereinafter provided, or until the Authority shall certify that operation thereunder has ceased, or, if issued for a limited period of time under subsection (d) (2) of this section, shall continue in effect until the expiration thereof, unless, prior to the date of expiration, such certificate shall be suspended or revoked as provided herein, or the Authority shall certify that operations thereunder have ceased: *Provided*, That if any service authorized by a certificate is not inaugurated within such period, not less than ninety days, after the date of the authorization as shall be fixed by the Authority, or if, for a period of ninety days or such other period as may be designated by the Authority, any such service is not operated, the Authority may by order, entered after notice and hearing, direct that such certificate shall thereupon cease to be effective to the extent of such service.

Effective date and duration of certificate.

Proviso.
Inauguration of service.

Authority to Modify, Suspend, or Revoke

(h) The Authority, upon petition or complaint or upon its own initiative, after notice and hearing, may alter, amend, modify, or suspend any such certificate, in whole or in part, if the public convenience and necessity so require, or may revoke any such certificate, in whole or in part, for intentional failure to comply with any provision of this title or any order, rule, or regulation issued hereunder or any term, condition, or limitation of such certificate: *Provided*, That no such certificate shall be revoked unless the holder thereof fails to comply, within a reasonable time to be fixed by the Authority, with an order of the Authority commanding obedience to the provision, or to the order (other than an order issued in accordance with this proviso), rule, regulation, term, condition, or limitation found by the Authority to have been violated. Any interested person may file with the Authority a protest or memorandum in support of or in opposition to the alteration, amendment, modification, suspension, or revocation of a certificate.

Authority to modify, suspend, or revoke certificate.

Proviso.
Period for compliance before revocation.

Transfer of Certificate

(i) No certificate may be transferred unless such transfer is approved by the Authority as being consistent with the public interest.

Transfer of certificate.

Certain Rights Not Conferred by Certificate

Certain rights not conferred by certificate.

(j) No certificate shall confer any proprietary, property, or exclusive right in the use of any air space, civil airway, landing area, or air-navigation facility.

Application for Abandonment

Application for abandonment.

(k) No air carrier shall abandon any route, or part thereof, for which a certificate has been issued by the Authority, unless, upon the application of such air carrier, after notice and hearing, the Authority shall find such abandonment to be in the public interest. Any interested person may file with the Authority a protest or memorandum of opposition to or in support of any such abandonment. The Authority may, by regulations or otherwise, authorize such temporary suspension of service as may be in the public interest.

Compliance With Labor Legislation

Compliance with labor legislation.

(1) (1) Every air carrier shall maintain rates of compensation, maximum hours, and other working conditions and relations of all of its pilots and copilots who are engaged in interstate air transportation within the continental United States (not including Alaska) so as to conform with decision numbered 83 made by the National Labor Board on May 10, 1934, notwithstanding any limitation therein as to the period of its effectiveness.

Rates of compensation, pilots and copilots.

(2) Every air carrier shall maintain rates of compensation for all of its pilots and copilots who are engaged in overseas or foreign air transportation or air transportation wholly within a Territory or possession of the United States, the minimum of which shall be not less, upon an annual basis, than the compensation required to be paid under said decision 83 for comparable service to pilots and copilots engaged in interstate air transportation within the continental United States (not including Alaska).

Collective bargaining.

(3) Nothing herein contained shall be construed as restricting the right of any such pilots or copilots, or other employees, of any such air carrier to obtain by collective bargaining higher rates of compensation or more favorable working conditions or relations.

49 Stat. 1189.
45 U. S. C., Supp.
III, §§ 181-188.

(4) It shall be a condition upon the holding of a certificate by any air carrier that such carrier shall comply with title II of the Railway Labor Act, as amended.

"Pilot," term defined.

(5) The term "pilot" as used in this subsection shall mean an employee who is responsible for the manipulation of or who manipulates the flight controls of an aircraft while under way including take-off and landing of such aircraft, and the term "copilot" as used in this subsection shall mean an employee any part of whose duty is to assist or relieve the pilot in such manipulation, and who is properly qualified to serve as, and holds a currently effective airman certificate authorizing him to serve as, such pilot or copilot.

"Copilot."

Requirement as to Carriage of Mail

Requirement as to carriage of mail.

(m) Whenever so authorized by its certificate, any air carrier shall provide necessary and adequate facilities and service for the transportation of mail, and shall transport mail whenever required by the Postmaster General. Such air carrier shall be entitled to receive reasonable compensation therefor as hereinafter provided.

Application for New Mail Service

Application for new mail service.

(n) Whenever, from time to time, the Postmaster General shall find that the needs of the Postal Service require the transportation of mail by aircraft between any points within the United States or between

the United States and foreign countries, in addition to the transportation of mail authorized in certificates then currently effective, the Postmaster General shall certify such finding to the Authority and file therewith a statement showing such additional service and the facilities necessary in connection therewith, and a copy of such certification and statement shall be posted for at least twenty days in the office of the secretary of the Authority. The Authority shall, after notice and hearing, and if found by it to be required by the public convenience and necessity, make provision for such additional service, and the facilities necessary in connection therewith, by issuing a new certificate or certificates or by amending an existing certificate or certificates in accordance with the provisions of this section.

PERMITS TO FOREIGN AIR CARRIERS

Permits to foreign
air carriers.

Permit Required

SEC. 402. (a) No foreign air carrier shall engage in foreign air transportation unless there is in force a permit issued by the Authority authorizing such carrier so to engage: *Provided*, That if any foreign air carrier is engaged in such transportation on the date of the enactment of this Act, such carrier may continue so to engage between the same terminal and intermediate points for one hundred and twenty days after said date, and thereafter until such time as the Authority shall pass upon an application for a permit for such transportation if within said one hundred and twenty days such carrier files such application as provided in this section.

Permit required.

Proviso.
Existing carriers.

Issuance of Permit

(b) The Authority is empowered to issue such a permit if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation will be in the public interest.

Issuance of permit.

Existing Permits

(c) Any such carrier who holds a permit issued by the Secretary of Commerce under section 6 of the Air Commerce Act of 1926, as amended, which was in effect on May 14, 1938, and which authorizes such carrier to operate between any foreign country and the United States, shall be entitled to receive a permit under this section upon proof of that fact only.

Existing permits.
44 Stat. 572.
49 U. S. C. § 176.

Application for Permit

(d) Application for a permit shall be made in writing to the Authority, shall be so verified, shall be in such form and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Authority shall by regulation require.

Application for permit.

Notice of Application

(e) Upon the filing of an application for a permit the Authority shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Authority and to such other persons as the Authority may by regulation determine. Any interested person may file with the Authority a protest or memorandum of opposition to or in support of the issuance of a permit. Such application shall be set for public hearing and the Authority shall dispose of such applications as speedily as possible.

Notice of application.

Terms and Conditions of Permit

Terms and conditions of permit.

(f) The Authority may prescribe the duration of any permit and may attach to such permit such reasonable terms, conditions, or limitations as, in its judgment, the public interest may require.

Authority to Modify, Suspend, or Revoke

Authority to modify, suspend, or revoke.

(g) Any permit issued under the provisions of this section may, after notice and hearing, be altered, modified, amended, suspended, canceled, or revoked by the Authority whenever it finds such action to be in the public interest. Any interested person may file with the Authority a protest or memorandum in support of or in opposition to the alteration, modification, amendment, suspension, cancellation, or revocation of a permit.

Transfer of Permit

Transfer of permit.

(h) No permit may be transferred unless such transfer is approved by the Authority as being in the public interest.

Tariffs of air carriers.

TARIFFS OF AIR CARRIERS

Filing of Tariffs Required

Filing of tariffs required.

SEC. 403. (a) Every air carrier and every foreign air carrier shall file with the Authority, and print, and keep open to public inspection, tariffs showing all rates, fares, and charges for air transportation between points served by it, and between points served by it and points served by any other air carrier or foreign air carrier when through service and through rates shall have been established, and showing to the extent required by regulations of the Authority, all classifications, rules, regulations, practices, and services in connection with such air transportation. Tariffs shall be filed, posted, and published in such form and manner, and shall contain such information, as the Authority shall by regulation prescribe; and the Authority is empowered to reject any tariff so filed which is not consistent with this section and such regulations. Any tariff so rejected shall be void. The rates, fares, and charges shown in any tariff shall be stated in terms of lawful money of the United States, but such tariffs may also state rates, fares, and charges in terms of currencies other than lawful money of the United States, and may, in the case of foreign air transportation, contain such information as may be required under the laws of any country in or to which an air carrier or foreign air carrier is authorized to operate.

Observance of Tariffs; Rebating Prohibited

Observance of tariffs; rebating prohibited.

(b) No air carrier or foreign air carrier shall charge or demand or collect or receive a greater or less or different compensation for air transportation, or for any service in connection therewith, than the rates, fares, and charges specified in its currently effective tariffs; and no air carrier or foreign air carrier shall, in any manner or by any device, directly or indirectly, or through any agent or broker, or otherwise, refund or remit any portion of the rates, fares, or charges so specified, or extend to any person any privileges or facilities, with respect to matters required by the Authority to be specified in such tariffs, except those specified therein. Nothing in this Act shall prohibit such air carriers or foreign air carriers, under such terms and conditions as the Authority may prescribe, from issuing or interchanging tickets or passes for free or reduced-rate transportation to their directors, officers, and employees and their immediate families; witnesses and attorneys attending any legal investigation in which

Passes, etc.

any such air carrier is interested; persons injured in aircraft accidents and physicians and nurses attending such persons; and any person or property with the object of providing relief in cases of general epidemic, pestilence, or other calamitous visitation; and, in the case of overseas or foreign air transportation, to such other persons and under such other circumstances as the Authority may by regulations prescribe.

Notice of Tariff Change

(c) No change shall be made in any rate, fare, or charge, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, specified in any effective tariff of any air carrier or foreign air carrier, except after thirty days' notice of the proposed change filed, posted, and published in accordance with subsection (a) of this section. Such notice shall plainly state the change proposed to be made and the time such change will take effect. The Authority may in the public interest, by regulation or otherwise, allow such change upon notice less than that herein specified, or modify the requirements of this section with respect to filing and posting of tariffs, either in particular instances or by general order applicable to special or peculiar circumstances or conditions.

Notice of tariff change.

Filing of Divisions of Rates and Charges Required

(d) Every air carrier or foreign air carrier shall keep currently on file with the Authority, if the Authority so requires, the established divisions of all joint rates, fares, and charges for air transportation in which such air carrier or foreign air carrier participates.

Filing of divisions of rates and charges required.

RATES FOR CARRIAGE OF PERSONS AND PROPERTY

Rates for carriage of persons and property.

Carrier's Duty to Provide Service, Rates, and Divisions

SEC. 404. (a) It shall be the duty of every air carrier to provide and furnish interstate and overseas air transportation, as authorized by its certificate, upon reasonable request therefor and to provide reasonable through service in such air transportation in connection with other air carriers; to provide safe and adequate service, equipment, and facilities in connection with such transportation; to establish, observe, and enforce just and reasonable individual and joint rates, fares, and charges, and just and reasonable classifications, rules, regulations, and practices relating to such air transportation; and, in case of such joint rates, fares, and charges, to establish just, reasonable, and equitable divisions thereof as between air carriers participating therein which shall not unduly prefer or prejudice any of such participating air carriers.

Carrier's duty to provide service, rates, etc.

Joint rates, etc., establishment of equitable divisions.

Discrimination

(b) No air carrier or foreign air carrier shall make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, locality, or description of traffic in air transportation in any respect whatsoever or subject any particular person, port, locality, or description of traffic in air transportation to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Discrimination.

Foreign Rate Study

(c) The Authority is empowered and directed to investigate and report to the Congress within one year from the effective date of this

Foreign rate study.

section, to what extent, if any, the Federal Government should further regulate the rates, fares, and charges of air carriers engaged in foreign air transportation, and the classifications, rules, regulations, and practices affecting such rates, fares, or charges.

Transportation of mail.

TRANSPORTATION OF MAIL

Continuation and Termination of Mail Contracts

Continuation and termination of mail contracts.
48 Stat. 933.
39 U. S. C. §§ 463, 469-469s; Supp. III, ch. 13.

SEC. 405. (a) Each contract between the United States and any person for the carriage of mail, entered into or continued under the provisions of the Air Mail Act of 1934, as amended, and each contract for the carriage of mail by aircraft in Alaska, shall be continued in effect until canceled in accordance with this subsection. Each such contract shall be canceled upon the issuance to the holder of such contract of a certificate of public convenience and necessity authorizing the transportation of mail by aircraft between the points covered by such contract, or upon the failure of the holder of such contract to apply for such certificate within one hundred and twenty days after the date of enactment of this act, or upon a determination by the Authority that such certificate should not be issued. Until the Authority fixes rates under section 406 of this Act, the Postmaster General shall pay compensation for the transportation of mail by aircraft at the rates provided by each such contract or, where rates have been heretofore or shall hereafter be fixed by orders of the Interstate Commerce Commission, pursuant to proceedings instituted prior to the date of enactment of this Act, shall pay compensation for such transportation in accordance with such orders as if this Act had not been enacted.

Compensation.
Post, p. 998.

Foreign mail contracts.

Continuation and Termination of Foreign Mail Contracts

Continuation and termination.
45 Stat. 248, 1449.
39 U. S. C. § 465a.

(b) Each contract between the United States and any person heretofore entered into under the provisions of the Act of March 8, 1928, as amended (45 Stat. 248), shall be continued in effect until canceled in accordance with this subsection. Each such contract shall be canceled upon the issuance of a certificate of public convenience and necessity to the holder of such contract authorizing the transportation of mail by aircraft between the points covered by such contract, or upon the effective date of any order of the Authority hereunder fixing a fair and reasonable rate of compensation for the transportation of mail by aircraft between the points covered by such contract, whichever is later, or upon the failure of the holder of such contract to apply for such certificate within one hundred and twenty days after the date of enactment of this Act, or upon a determination by the Authority that such certificate should not be issued.

Termination of Bonds

Termination of bonds.

(c) Upon the cancelation, pursuant to the provisions of this Act, of any contract for the transportation of mail by aircraft, the bond or bonds required from the holder thereof shall terminate and cease to be effective, and such holder and his or its surety or sureties thereon shall be released and discharged from all obligations thereunder, and all securities deposited with such bond or bonds shall forthwith be returned to such holder: *Provided*, That the foregoing provision shall not be construed to terminate or make ineffective any bond or bonds of such holder, or to release or discharge from any obligation thereunder such holder or his or its surety or sureties thereon, in respect of any matter arising prior to the date of the cancelation of such contract, and such holder or his or its surety or sureties thereon shall not be released or discharged prior to disposi-

Provisos.
Prior obligations, etc.

tion of any such matter: *Provided further*, That nothing in this Act shall be construed to affect any right which may have accrued to any air carrier prior to the date of the cancelation, pursuant to the provisions of this Act, of any contract for the transportation of mail by aircraft.

Accrued rights.

Rules and Regulations

(d) The Postmaster General is authorized to make such rules and regulations, not inconsistent with the provisions of this Act, or any order, rule, or regulation made by the Authority thereunder, as may be necessary for the safe and expeditious carriage of mail by aircraft.

Rules and regulations.

Mail Schedules

(e) Each air carrier shall, from time to time, file with the Authority and the Postmaster General a statement showing the points between which such air carrier is authorized to engage in air transportation, and all schedules, and all changes therein, of aircraft regularly operated by the carrier between such points, setting forth in respect of each such schedule the points served thereby and the time of arrival and departure at each such point. The Postmaster General may designate any such schedule for the transportation of mail between the points between which the air carrier is authorized by its certificate to transport mail, and may, by order, require the air carrier to establish additional schedules for the transportation of mail between such points. No change shall be made in any schedules designated or ordered to be established by the Postmaster General except upon ten days' notice thereof filed as herein provided. The Postmaster General may by order disapprove any such change or alter, amend, or modify any such schedule or change. No order of the Postmaster General under this subsection shall become effective until ten days after its issuance. Any person who would be aggrieved by any such order of the Postmaster General under this subsection may, before the expiration of such ten-day period, apply to the Authority, under such regulations as it may prescribe, for a review of such order. The Authority may review, and, if the public convenience and necessity so require, amend, revise, suspend, or cancel such order; and, pending such review and the determination thereof, may postpone the effective date of such order. The Authority shall give preference to proceedings under this subsection over all proceedings pending before it. No air carrier shall transport mail in accordance with any schedule other than a schedule designated or ordered to be established under this subsection for the transportation of mail.

Mail schedules.

Changes.

Review of order.

Maximum Mail Load

(f) The Authority may fix the maximum mail load for any schedule or for any aircraft or any type of aircraft; but, in the event that mail in excess of the maximum load is tendered by the Postmaster General for transportation by any air carrier in accordance with any schedule designated or ordered to be established by the Postmaster General under subsection (e) of this section for the transportation of mail, such air carrier shall, to the extent such air carrier is reasonably able as determined by the Authority, furnish facilities sufficient to transport, and shall transport, such mail as nearly in accordance with such schedule as the Authority shall determine to be possible.

Maximum mail load.

Tender of Mail

(g) From and after the issuance of any certificate authorizing the transportation of mail by aircraft, the Postmaster General shall tender mail to the holder thereof, to the extent required by the Postal

Tender of mail.

Service, for transportation between the points named in such certificate for the transportation of mail, and such mail shall be transported by the air carrier holding such certificate in accordance with such rules, regulations, and requirements as may be promulgated by the Postmaster General under this section.

Foreign Postal Arrangements

Foreign postal arrangements.

(h) (1) Nothing in this Act shall be deemed to abrogate or affect any arrangement made by the United States with the postal administration of any foreign country with respect to transportation of mail by aircraft, or to impair the authority of the Postmaster General to enter into any such arrangement with the postal administration of any foreign country.

Service by alien carrier.

(2) The Postmaster General may, in any case where service may be necessary by a person not a citizen of the United States who may not be obligated to transport the mail for a foreign country, make arrangements, without advertising, with such person for transporting mail by aircraft to or within any foreign country.

Transportation of Foreign Mail

Transportation of foreign mail.

(i) (1) Any air carrier holding a certificate to engage in foreign air transportation and transporting mails of foreign countries shall transport such mails subject to control and regulation by the United States. The Postmaster General shall from time to time fix the rates of compensation that shall be charged the respective foreign countries for the transportation of their mails by such air carriers, and such rates shall be put into effect by the Postmaster General in accordance with the provisions of the postal convention regulating the postal relations between the United States and the respective foreign countries, or as provided hereinafter in this subsection. In any case where the Postmaster General deems such action to be in the public interest, he may approve rates provided in arrangements between any such air carrier and any foreign country covering the transportation of mails of such country, under which mails of such country have been carried on scheduled operations prior to January 1, 1938, or in extensions or modifications of such arrangements, and may permit any such air carrier to enter into arrangements with any foreign country for the transportation of its mails at rates fixed by the Postmaster General in advance of the making of any such arrangement. The Postmaster General may authorize any such air carrier, under such limitations as the Postmaster General may prescribe, to change the rates to be charged any foreign country for the transportation of its mails by such air carrier within that country or between that country and another foreign country.

Rates.

Arrangements by air carrier with a foreign country for transporting its mails.

(2) In any case where such air carrier has an arrangement with any foreign country for transporting its mails, made or approved in accordance with the provisions of subdivision (1) of this subsection, it shall collect its compensation from the foreign country under its arrangement, and in case of the absence of any arrangement between the air carrier and the foreign country consistent with this subsection, the collections made from the foreign country by the United States shall be for the account of such air carrier: *Provided*, That no such air carrier shall be entitled to receive compensation both from such foreign country and from the United States in respect of the transportation of the same mail or the same mails of foreign countries.

Proviso.
Double compensation restriction.

(3) In the case of any air carrier holding a contract under the provisions of the Act of March 8, 1928, as amended (45 Stat. 248), providing for the carriage of mails of foreign countries for the account of the United States, this subsection shall apply only upon the cancelation of such contract as provided in this section.

Contracts providing for carriage of mails of foreign countries for account of United States.
45 Stat. 248, 1449.
39 U. S. C. § 465a.

Evidence of Performance of Mail Service

(j) Air carriers transporting or handling United States mail shall submit, under oath, when and in such form as may be required by the Postmaster General, evidence of the performance of mail service; and air carriers transporting or handling mails of foreign countries shall submit, under oath, when and in such form as may be required by the Postmaster General, evidence of the amount of such mails transported or handled, and the compensation payable and received therefor.

Evidence of performance of mail service.

Emergency Mail Service

(k) In the event of emergency caused by flood, fire, or other calamitous visitation, the Postmaster General is authorized to contract, without advertising, for the transportation by aircraft of any or all classes of mail to or from localities affected by such calamity, where available facilities of persons authorized to transport mail to or from such localities are inadequate to meet the requirements of the Postal Service during such emergency. Such contracts may be only for such periods as may be necessitated, for the maintenance of mail service, by the inadequacy of such other facilities. No operation pursuant to any such contract, for such period, shall be air transportation within the purview of this Act. Payment of compensation for service performed under such contracts shall be made, at rates provided in such contracts, from appropriations for the transportation of mail by the means normally used for transporting the mail transported under such contracts.

Emergency mail service.

Experimental Air-Mail Service

(l) Nothing contained in this Act shall be construed to repeal in whole or in part the provisions of sections 1, 2, and 6 of the Act entitled "An Act to provide for experimental air-mail service, to further develop safety, efficiency, economy, and for other purposes," approved April 15, 1938 (Public, Numbered 486, Seventy-fifth Congress; chapter 157, third session). The transportation of mail under contracts entered into under such sections shall not, except for sections 401 (1) and 416 (b), be deemed to be "air transportation" as used in this Act and the rates of compensation for such transportation of mail shall not be fixed under this Act. Such Act of April 15, 1938, is amended by striking out so much of the first section as reads "the Secretary of Commerce shall prescribe in accordance with the authority vested in him under the Air Commerce Act of 1926, as amended" and inserting in lieu thereof the following: "may be prescribed in accordance with the Civil Aeronautics Act of 1938".

Experimental air-mail service.
Ante, pp. 218, 219.

Transportation of mail; when deemed not "air transportation."
Ante, p. 990; *post*, p. 1005.

Contracts and operation.
Textual change.
Ante, p. 219.

Free Travel for Postal Employees

(m) Every air carrier carrying the mails shall carry on any plane that it operates and without charge therefor, the persons in charge of the mails when on duty, and such duly accredited agents and officers of the Post Office Department, and post office inspectors, while travel-

Free travel for postal employees.

ing on official business relating to the transportation of mail by aircraft, as the Authority may by regulation prescribe, upon the exhibition of their credentials.

Rates for transportation of mail.

RATES FOR TRANSPORTATION OF MAIL

Authority to Fix Rates

Authority to fix rates.

SEC. 406. (a) The Authority is empowered and directed, upon its own initiative or upon petition of the Postmaster General or an air carrier, (1) to fix and determine from time to time, after notice and hearing, the fair and reasonable rates of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith (including the transportation of mail by an air carrier by other means than aircraft whenever such transportation is incidental to the transportation of mail by aircraft or is made necessary by conditions of emergency arising from aircraft operation), by each holder of a certificate authorizing the transportation of mail by aircraft, and to make such rates effective from such date as it shall determine to be proper; (2) to prescribe the method or methods, by aircraft-mile, pound-mile, weight, space, or any combination thereof, or otherwise, for ascertaining such rates of compensation for each air carrier or class of air carriers; and (3) to publish the same; and the rates so fixed and determined shall be paid by the Postmaster General from appropriations for the transportation of mail by aircraft.

Method of ascertainment.

Publication.

Rate-Making Elements

Rate-making elements.

(b) In fixing and determining fair and reasonable rates of compensation under this section, the Authority, considering the conditions peculiar to transportation by aircraft and to the particular air carrier or class of air carriers, may fix different rates for different air carriers or classes of air carriers, and different classes of service. In determining the rate in each case, the Authority shall take into consideration, among other factors, the condition that such air carriers may hold and operate under certificates authorizing the carriage of mail only by providing necessary and adequate facilities and service for the transportation¹ of mail; such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law; and the need of each such air carrier for compensation for the transportation of mail sufficient to insure the performance of such service, and, together with all other resources of the air carrier, to enable such air carrier under honest, economical and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the Postal Service, and the national defense.

Statement of Postmaster General and Carrier

Statement of Postmaster General and carrier.

(c) Any petition for the fixing of fair and reasonable rates of compensation under this section shall include a statement of the rates the petitioner believes to be fair and reasonable. The Postmaster General shall introduce as part of the record in all proceedings under this section a comprehensive statement of all service to be required of the air carrier and such other information in his possession which may be deemed by the Authority to be material to the inquiry.

¹ So in original.

Weighing of Mail

(d) The Postmaster General may weigh the mail transported by aircraft and make such computations for statistical and administrative purposes as may be required in the interest of the mail service. The Postmaster General is authorized to employ such clerical and other assistance as may be required in connection with proceedings under this Act. If the Authority shall determine that it is necessary or advisable, in order to carry out the provisions of this Act, to have additional and more frequent weighing of the mails, the Postmaster General, upon request of the Authority, shall provide therefor in like manner, but such weighing need not be for continuous periods of more than thirty days.

Weighing of mail.

Availability of Appropriations

(e) Except as otherwise provided in section 405 (k), the unexpended balances of all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the Air Mail Act of 1934, as amended, and the unexpended balances of all appropriations available for the transportation of mail by aircraft in Alaska, shall be available, in addition to the purposes stated in such appropriations, for the payment of compensation by the Postmaster General, as provided in this Act, for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the continental United States or between points in Hawaii or in Alaska or between points in the continental United States and points in Canada within one hundred and fifty miles of the international boundary line. Except as otherwise provided in section 405 (k), the unexpended balances of all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the Act of March 8, 1928, as amended, shall be available, in addition to the purposes stated in such appropriations, for payment to be made by the Postmaster General, as provided by this Act, in respect of the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the United States and points outside thereof, or between points in the continental United States and Territories or possessions of the United States, or between Territories or possessions of the United States.

Availability of appropriations.
48 Stat. 933.
39 U. S. C. §§ 463, 469-469s; Supp. III, ch. 13.

45 Stat. 248, 1449.
39 U. S. C. § 465a.

Payments to Foreign Air Carriers

(f) In any case where air transportation is performed between the United States and any foreign country, both by aircraft owned or operated by one or more air carriers holding a certificate under this title and by aircraft owned or operated by one or more foreign air carriers, the Postmaster General shall not pay to or for the account of any such foreign air carrier a rate of compensation for transporting mail by aircraft between the United States and such foreign country, which, in his opinion, will result (over such reasonable period as the Postmaster General may determine, taking account of exchange fluctuations and other factors) in such foreign air carrier receiving a higher rate of compensation for transporting such mail than such foreign country pays to air carriers for transporting its mail by aircraft between such foreign country and the United States, or receiving a higher rate of compensation for transporting such mail than a rate determined by the Postmaster General to be comparable to the rate such foreign country pays to air carriers for

Payments to foreign air carriers.

transporting its mail by aircraft between such foreign country and an intermediate country on the route of such air carrier between such foreign country and the United States.

Accounts, records,
and reports.

ACCOUNTS, RECORDS, AND REPORTS

Filing of Reports

Filing of reports.

SEC. 407. (a) The Authority is empowered to require annual, monthly, periodical, and special reports from any air carrier; to prescribe the manner and form in which such reports shall be made; and to require from any air carrier specific answers to all questions upon which the Authority may deem information to be necessary. Such reports shall be under oath whenever the Authority so requires. The Authority may also require any air carrier to file with it a true copy of each or any contract, agreement, understanding, or arrangement, between such air carrier and any other carrier or person, in relation to any traffic affected by the provisions of this Act.

Disclosure of Stock Ownership

Disclosure of stock
ownership.

(b) Each air carrier shall submit annually, and at such other times as the Authority shall require, a list showing the names of each of its stockholders or members holding more than 5 per centum of the entire capital stock or capital, as the case may be, of such air carrier, together with the name of any person for whose account, if other than the holder, such stock is held; and a report setting forth a description of the shares of stock, or other interests, held by such air carrier, or for its account, in persons other than itself.

Disclosure of Stock Ownership by Officer or Director

By officer or direc-
tor.

(c) Each officer and director of an air carrier shall annually and at such other times as the Authority shall require transmit to the Authority a report describing the shares of stock or other interests held by him in any air carrier, any person engaged in any phase of aeronautics, or any common carrier, and in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, air carriers, other persons engaged in any phase of aeronautics, or common carriers.

Form of Accounts

Form of accounts.

Proviso.
Additional accounts,
records, etc., permit-
ted.

(d) The Authority shall prescribe the forms of any and all accounts, records, and memoranda to be kept by air carriers, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money, and the length of time such accounts, records, and memoranda shall be preserved; and it shall be unlawful for air carriers to keep any accounts, records, or memoranda other than those prescribed or approved by the Authority: *Provided*, That any air carrier may keep additional accounts, records, or memoranda if they do not impair the integrity of the accounts, records, or memoranda prescribed or approved by the Authority and do not constitute an undue financial burden on such air carrier.

Inspection of Accounts and Property

Inspection of ac-
counts and property.

(e) The Authority shall at all times have access to all lands, buildings, and equipment of any carrier and to all accounts, records, and memoranda, including all documents, papers, and correspondence, now or hereafter existing, and kept or required to be kept by air

carriers; and it may employ special agents or auditors, who shall have authority under the orders of the Authority to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memoranda. The provisions of this section shall apply, to the extent found by the Authority to be reasonably necessary for the administration of this Act, to persons having control over any air carrier, or affiliated with any air carrier within the meaning of section 5 (8) of the Interstate Commerce Act, as amended.

Scope.

24 Stat. 380; 48 Stat. 218.
49 U. S. C. § 5 (8).

CONSOLIDATION, MERGER, AND ACQUISITION OF CONTROL

Consolidation,
merger, and acquisition
of control.

Acts Prohibited

Acts prohibited.

SEC. 408. (a) It shall be unlawful, unless approved by order of the Authority as provided in this section—

(1) For two or more air carriers, or for any air carrier and any other common carrier or any person engaged in any other phase of aeronautics, to consolidate or merge their properties, or any part thereof, into one person for the ownership, management, or operation of the properties theretofore in separate ownerships;

(2) For any air carrier, any person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, to purchase, lease, or contract to operate the properties, or any substantial part thereof, of any air carrier;

(3) For any air carrier or person controlling an air carrier to purchase, lease, or contract to operate the properties, or any substantial part thereof, of any person engaged in any phase of aeronautics otherwise than as an air carrier;

(4) For any foreign air carrier or person controlling a foreign air carrier to acquire control, in any manner whatsoever, of any citizen of the United States engaged in any phase of aeronautics;

(5) For any air carrier or person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, to acquire control of any air carrier in any manner whatsoever;

(6) For any air carrier or person controlling an air carrier to acquire control, in any manner whatsoever, of any person engaged in any phase of aeronautics otherwise than as an air carrier; or

(7) For any person to continue to maintain any relationship established in violation of any of the foregoing subdivisions of this subsection.

Power of Authority

Power of Authority.

(b) Any person seeking approval of a consolidation, merger, purchase, lease, operating contract, or acquisition of control, specified in subsection (a) of this section, shall present an application to the Authority, and thereupon the Authority shall notify the persons involved in the consolidation, merger, purchase, lease, operating contract, or acquisition of control, and other persons known to have a substantial interest in the proceeding, of the time and place of a public hearing. Unless, after such hearing, the Authority finds that the consolidation, merger, purchase, lease, operating contract, or acquisition of control will not be consistent with the public interest or that the conditions of this section will not be fulfilled, it shall by order, approve such consolidation, merger, purchase, lease, operating contract, or acquisition of control, upon such terms and conditions as it shall find to be just and reasonable and with such modifications as it may prescribe: *Provided*, That the Authority shall not approve any consolidation, merger, purchase, lease, operating contract, or acquisition of control which would result in creating a monopoly or monop-

Provisos.
Monopolies forbid-
den.

If carrier is other than an air carrier.

24 Stat. 380; 48 Stat. 218.
49 U. S. C. § 5 (8).

lies and thereby restrain competition or jeopardize another air carrier not a party to the consolidation, merger, purchase, lease, operating contract, or acquisition of control: *Provided further*, That if the applicant is a carrier other than an air carrier, or a person controlled by a carrier other than an air carrier or affiliated therewith within the meaning of section 5 (8) of the Interstate Commerce Act, as amended, such applicant shall for the purposes of this section be considered an air carrier and the Authority shall not enter such an order of approval unless it finds that the transaction proposed will promote the public interest by enabling such carrier other than an air carrier to use aircraft to public advantage in its operation and will not restrain competition.

Interests in Ground Facilities

Interests in ground facilities.

(c) The provisions of this section and section 409 shall not apply with respect to the acquisition or holding by any air carrier, or any officer or director thereof, of (1) any interest in any ticket office, landing area, hangar, or other ground facility reasonably incidental to the performance by such air carrier of any of its services, or (2) any stock or other interest or any office or directorship in any person whose principal business is the maintenance or operation of any such ticket office, landing area, hangar, or other ground facility.

Jurisdiction of Accounts of Noncarriers

Jurisdiction of accounts of noncarriers.

(d) Whenever, after the effective date of this section, a person, not an air carrier, is authorized, pursuant to this section, to acquire control of an air carrier, such person thereafter shall, to the extent found by the Authority to be reasonably necessary for the administration of this Act, be subject, in the same manner as if such person were an air carrier, to the provisions of this Act relating to accounts, records, and reports, and the inspection of facilities and records, including the penalties applicable in the case of violations thereof.

Investigation of Violations

Investigation of violations.

(e) The Authority is empowered, upon complaint or upon its own initiative, to investigate and, after notice and hearing, to determine whether any person is violating any provision of subsection (a) of this section. If the Authority finds after such hearing that such person is violating any provision of such subsection, it shall by order require such person to take such action, consistent with the provisions of this Act, as may be necessary, in the opinion of the Authority, to prevent further violation of such provision.

Prohibited interests.

PROHIBITED INTERESTS

Interlocking Relationships

Interlocking relationships.

SEC. 409. (a) After one hundred and eighty days after the effective date of this section, it shall be unlawful, unless such relationship shall have been approved by order of the Authority upon due showing, in the form and manner prescribed by the Authority, that the public interest will not be adversely affected thereby—

(1) For any air carrier to have and retain an officer or director who is an officer, director, or member, or who as a stockholder holds a controlling interest, in any other person who is a common carrier or is engaged in any phase of aeronautics.

(2) For any air carrier, knowingly and willfully, to have and retain an officer or director who has a representative or nominee who

represents such officer or director as an officer, director, or member, or as a stockholder holding a controlling interest, in any other person who is a common carrier or is engaged in any phase of aeronautics.

(3) For any person who is an officer or director of an air carrier to hold the position of officer, director, or member, or to be a stockholder holding a controlling interest, or to have a representative or nominee who represents such person as an officer, director, or member, or as a stockholder holding a controlling interest, in any other person who is a common carrier or is engaged in any phase of aeronautics.

(4) For any air carrier to have and retain an officer or director who is an officer, director, or member, or who as a stockholder holds a controlling interest, in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, any other person engaged in any phase of aeronautics.

(5) For any air carrier, knowingly and willfully, to have and retain an officer or director who has a representative or nominee who represents such officer or director as an officer, director, or member, or as a stockholder holding a controlling interest, in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, any other person engaged in any phase of aeronautics.

(6) For any person who is an officer or director of an air carrier to hold the position of officer, director, or member, or to be a stockholder holding a controlling interest, or to have a representative or nominee who represents such person as an officer, director, or member, or as a stockholder holding a controlling interest, in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, any other person engaged in any phase of aeronautics.

Profit from Transfer of Securities

(b) After this section takes effect it shall be unlawful for any officer or director of any air carrier to receive for his own benefit, directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or to share in any of the proceeds thereof.

Profit from transfer of securities.

LOANS AND FINANCIAL AID

SEC. 410. The Authority is empowered to approve or disapprove, in whole or in part, any and all applications made after the effective date of this section for or in connection with any loan or other financial aid from the United States or any agency thereof to, or for the benefit of, any air carrier. No such loan or financial aid shall be made or given without such approval, and the terms and conditions upon which such loan or financial aid is provided shall be prescribed by the Authority.

Loans and financial aid.

METHODS OF COMPETITION

SEC. 411. The Authority may, upon its own initiative or upon complaint by any air carrier or foreign air carrier, if it considers that such action by it would be in the interest of the public, investigate and determine whether any air carrier or foreign air carrier has been or is engaged in unfair or deceptive practices or unfair methods of competition in air transportation. If the Authority shall find, after notice and hearing, that such air carrier or foreign air carrier is engaged in such unfair or deceptive practices or unfair methods of competition, it shall order such air carrier or foreign air carrier to cease and desist from such practices or methods of competition.

Methods of competition.

Pooling and other agreements.

POOLING AND OTHER AGREEMENTS

Filing of Agreements Required

Filing of agreements required.

SEC. 412. (a) Every air carrier shall file with the Authority a true copy, or, if oral, a true and complete memorandum, of every contract or agreement (whether enforceable by provisions for liquidated damages, penalties, bonds, or otherwise) affecting air transportation and in force on the effective date of this section or hereafter entered into, or any modification or cancellation thereof, between such air carrier and any other air carrier, foreign air carrier, or other carrier for pooling or apportioning earnings, losses, traffic, service, or equipment, or relating to the establishment of transportation rates, fares, charges, or classifications, or for preserving and improving safety, economy, and efficiency of operation, or for controlling, regulating, preventing, or otherwise eliminating destructive, oppressive, or wasteful competition, or for regulating stops, schedules, and character of service, or for other cooperative working arrangements.

Approval by Authority

Approval by Authority.

(b) The Authority shall by order disapprove any such contract or agreement, whether or not previously approved by it, that it finds to be adverse to the public interest, or in violation of this Act, and shall by order approve any such contract or agreement, or any modification or cancellation thereof, that it does not find to be adverse to the public interest, or in violation of this Act.

FORM OF CONTROL

Form of control.

SEC. 413. For the purposes of this title, whenever reference is made to control, it is immaterial whether such control is direct or indirect.

LEGAL RESTRAINTS

Legal restraints. *Antz.*, pp. 1001, 1002.

38 Stat. 730.
15 U. S. C. § 12.

SEC. 414. Any person affected by any order made under sections 408, 409, or 412 of this Act shall be, and is hereby, relieved from the operations of the "antitrust laws", as designated in section 1 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, and of all other restraints or prohibitions made by, or imposed under, authority of law, insofar as may be necessary to enable such person to do anything authorized, approved, or required by such order.

INQUIRY INTO AIR CARRIER MANAGEMENT

Inquiry into air carrier management.

SEC. 415. For the purpose of exercising and performing its powers and duties under this Act, the Authority is empowered to inquire into the management of the business of any air carrier and, to the extent reasonably necessary for any such inquiry, to obtain from such carrier, and from any person controlling or controlled by, or under common control with, such air carrier, full and complete reports and other information.

Classification and exemption of carriers.

CLASSIFICATION AND EXEMPTION OF CARRIERS

Classification

Establishment of classifications or groups.

Rules and regulations.

SEC. 416. (a) The Authority may from time to time establish such just and reasonable classifications or groups of air carriers for the purposes of this title as the nature of the services performed by such air carriers shall require; and such just and reasonable rules, and regulations, pursuant to and consistent with the provisions of this title,

to be observed by each such class or group, as the Authority finds necessary in the public interest.

Exemptions

(b) (1) The Authority, from time to time and to the extent necessary, may (except as provided in paragraph (2) of this subsection) exempt from the requirements of this title or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder, any air carrier or class of air carriers, if it finds that the enforcement of this title or such provision, or such rule, regulation, term, condition, or limitation is or would be an undue burden on such air carrier or class of air carriers by reason of the limited extent of, or unusual circumstances affecting, the operations of such air carrier or class of air carriers and is not in the public interest.

(2) The Authority shall not exempt any air carrier from any provision of subsection (1) of section 401 of this title, except that (A) any air carrier not engaged in scheduled air transportation, and (B), to the extent that the operations of such air carrier are conducted during daylight hours, any air carrier engaged in scheduled air transportation, may be exempted from the provisions of paragraphs (1) and (2) of such subsection if the Authority finds, after notice and hearing, that, by reason of the limited extent of, or unusual circumstances affecting, the operations of any such air carrier, the enforcement of such paragraphs is or would be such an undue burden on such air carrier as to obstruct its development and prevent it from beginning or continuing operations, and that the exemption of such air carrier from such paragraphs would not adversely affect the public interest: *Provided*, That nothing in this subsection shall be deemed to authorize the Authority to exempt any air carrier from any requirement of this title, or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder which provides for maximum flying hours for pilots or copilots.

Exemptions.

Exemptions.
Ante, p. 990.

Proviso.
Maximum flying hours for pilots or copilots.

TITLE V—NATIONALITY AND OWNERSHIP OF AIRCRAFT

REGISTRATION OF AIRCRAFT NATIONALITY

Registration Required

SEC. 501. (a) It shall be unlawful for any person to operate or navigate any aircraft eligible for registration if such aircraft is not registered by its owner as provided in this section, or (except as provided in section 6 of the Air Commerce Act of 1926, as amended) to operate or navigate within the United States any aircraft not eligible for registration: *Provided*, That aircraft of the national defense forces of the United States may be operated and navigated without being so registered if such aircraft are identified, by the agency having jurisdiction over them, in a manner satisfactory to the Authority. The Authority may, by regulation, permit the operation and navigation of aircraft without registration by the owner for such reasonable periods after transfer of ownership thereof as the Authority may prescribe.

Title V—Nationality and Ownership of Aircraft.
Registration of aircraft nationality.

Registration required.

44 Stat. 572.
49 U. S. C. § 176.

Proviso.
Aircraft of national defense forces.

Operation without registration after transfer; limitation.

Eligibility for Registration

(b) An aircraft shall be eligible for registration if, but only if—
(1) It is owned by a citizen of the United States and is not registered under the laws of any foreign country; or
(2) It is an aircraft of the Federal Government, or of a State, Territory, or possession of the United States, or the District of Columbia, or of a political subdivision thereof.

Eligibility for registration.

Issuance of Certificate

Issuance of certificate.

(c) Upon request of the owner of any aircraft eligible for registration, such aircraft shall be registered by the Authority and the Authority shall issue to the owner thereof a certificate of registration.

Applications

Applications.

(d) Applications for such certificates shall be in such form, be filed in such manner, and contain such information as the Authority may require.

Suspension or Revocation

Suspension or revocation.

(e) Any such certificate may be suspended or revoked by the Authority for any cause which renders the aircraft ineligible for registration.

Effect of Registration

Effect of registration.

(f) Such certificate shall be conclusive evidence of nationality for international purposes, but not in any proceeding under the laws of the United States. Registration shall not be evidence of ownership of aircraft in any proceeding in which such ownership by a particular person is, or may be, in issue.

Engines, propellers, and appliances.

REGISTRATION OF ENGINES, PROPELLERS, AND APPLIANCES

Registration of.

SEC. 502. The Authority may establish reasonable rules and regulations for registration and identification of aircraft engines, propellers, and appliances, in the interest of safety, and no aircraft engine, propeller, or appliance shall be used in violation of any such rule or regulation.

Recordation of aircraft ownership.

RECORDATION OF AIRCRAFT OWNERSHIP

Establishment of Recording System

Establishment of recording system.

SEC. 503. (a) The Authority shall establish and maintain a system for recording all conveyances affecting the title to, or interest in, any civil aircraft of the United States.

Conveyances to be Recorded

Conveyances to be recorded.

(b) No conveyance made or given on or after the effective date of this section, which affects the title to, or interest in, any civil aircraft of the United States, or any portion thereof, shall be valid in respect of such aircraft or portion thereof against any person other than the person by whom the conveyance is made or given, his heir or devisee, and any person having actual notice thereof, until such conveyance is recorded in the office of the secretary of the Authority. Every such conveyance so recorded in the office of the secretary of the Authority shall be valid as to all persons without further recordation. Any instrument, recordation of which is required by the provisions of this section, shall take effect from the date of its recordation, and not from the date of its execution.

Form of Conveyance

Form of conveyance.

(c) No conveyance shall be recorded unless it states the interest in the aircraft of the person by whom such conveyance is made or given or, in the case of a contract of conditional sale, the interest of the vendor, and states the interest transferred by the conveyance, and unless it shall have been acknowledged before a notary public or other officer authorized by law of the United States, or of a State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds.

Index of Conveyances

(d) The Authority shall record conveyances delivered to it in the order of their reception, in files to be kept for that purpose, and indexed to show—

Index of conveyances.

- (1) the identifying description of the aircraft;
- (2) the names of the parties to the conveyance;
- (3) the time and date of reception of the instrument and the time and date of recordation thereof;
- (4) the interest in the aircraft transferred by the conveyance; and
- (5) if such conveyance is made as security for indebtedness, the amount and date of maturity of such indebtedness.

Regulations

(e) The Authority is authorized to provide by regulation for the endorsement upon certificates of registration, or aircraft certificates, of information with respect to the ownership of the aircraft for which each certificate is issued, for the recording of discharges and satisfactions of recorded instruments and other transactions affecting title to, or interest in, aircraft, and for such other records, proceedings, and details as may be necessary to facilitate the determination of the rights of parties dealing with civil aircraft of the United States.

Regulations.

Previously Unrecorded Ownership

(f) The person applying for the issuance or renewal of an airworthiness certificate for an aircraft with respect to which there has been no recordation of ownership as provided in this section shall present with his application such information with respect to the ownership of the aircraft as the Authority shall deem necessary to show the persons who are holders of property interests in such aircraft and the nature and extent of such interests.

Previously unrecorded ownership.

TITLE VI—CIVIL AERONAUTICS SAFETY REGULATION

Title VI—Civil Aeronautics Safety Regulation.

GENERAL SAFETY POWERS AND DUTIES

General safety powers and duties.

Minimum Standards; Rules and Regulations

SEC. 601. (a) The Authority is empowered, and it shall be its duty to promote safety of flight in air commerce by prescribing and revising from time to time—

Minimum standards; rules and regulations.

(1) Such minimum standards governing the design, materials, workmanship, construction, and performance of aircraft, aircraft engines, and propellers as may be required in the interest of safety;

(2) Such minimum standards governing appliances as may be required in the interest of safety;

(3) Reasonable rules and regulations and minimum standards governing, in the interest of safety, (A) the inspection, servicing, and overhaul of aircraft, aircraft engines, propellers, and appliances; (B) the equipment and facilities for such inspection, servicing, and overhaul; and (C) in the discretion of the Authority, the periods for, and the manner in, which such inspection, servicing, and overhaul shall be made, including provision for examinations and reports by properly qualified private persons whose examinations or reports the Authority may accept in lieu of those made by its officers and employees;

(4) Reasonable rules and regulations governing the reserve supply of aircraft, aircraft engines, propellers, appliances, and

aircraft fuel and oil, required in the interest of safety, including the reserve supply of aircraft fuel and oil which shall be carried in flight;

(5) Reasonable rules and regulations governing, in the interest of safety, the maximum hours or periods of service of airmen, and other employees, of air carriers;

(6) Such reasonable rules and regulations, or minimum standards, governing other practices, methods, and procedure, as the Authority may find necessary to provide adequately for safety in air commerce; and

(7) Air traffic rules governing the flight of, and for the navigation, protection, and identification of, aircraft, including rules as to safe altitudes of flight and rules for the prevention of collisions between aircraft, and between aircraft and land or water vehicles.

Needs of Service to Be Considered; Classifications of Standards, and so Forth

Needs of service to be considered; classifications of standards, etc.

(b) In prescribing standards, rules, and regulations, and in issuing certificates under this title, the Authority shall give full consideration to the duty resting upon air carriers to perform their services with the highest possible degree of safety in the public interest and to any differences between air transportation and other air commerce; and it shall make classifications of such standards, rules, and regulations, and certificates appropriate to the differences between air transportation and other air commerce. The Authority may authorize any aircraft, aircraft engine, propeller, or appliance, for which an aircraft certificate authorizing use thereof in air transportation has been issued, to be used in other air commerce without the issuance of a further certificate. The Authority shall exercise and perform its powers and duties under this Act in such manner as will best tend to reduce or eliminate the possibility of, or recurrence of, accidents in air transportation, but shall not deem itself required to give preference to either air transportation or other air commerce in the administration and enforcement of this title.

Airman certificates.

AIRMAN CERTIFICATES

Power to Issue Certificate

Power to issue.

SEC. 602. (a) The Authority is empowered to issue airman certificates specifying the capacity in which the holders thereof are authorized to serve as airmen in connection with aircraft.

Issuance of Certificate

Issuance of certificate.

(b) Any person may file with the Authority an application for an airman certificate. If the Authority finds, after investigation, that such person possesses proper qualifications for, and is physically able to perform the duties pertaining to, the position for which the airman certificate is sought, it shall issue such certificate, containing such terms, conditions, and limitations as to duration thereof, periodic or special examinations, tests of physical fitness, and other matters as the Authority may determine to be necessary to assure safety in air commerce. Any person whose application for the issuance or renewal of an airman certificate is denied may file with the Authority a petition for reconsideration, and the Authority shall thereupon assign such application for hearing at a place convenient to the applicant's place of residence or employment: *Provided*, That the Authority may, in its discretion, prohibit or restrict the issuance of airman certificates to aliens, or may make such issuance dependent on the terms of reciprocal agreements entered into with foreign governments.

Proviso.
Issuance to aliens.

Form and Recording of Certificate

(c) Each certificate shall be numbered and recorded by the Authority; shall state the name and address of, and contain a description of, the person to whom the certificate is issued; and shall be entitled with the designation of the class covered thereby. Certificates issued to all pilots serving in scheduled air transportation shall be designated "air-line transport pilot" of the proper class.

Form and recording.

AIRCRAFT CERTIFICATES

Aircraft certificates.

Type Certificates

SEC. 603. (a) (1) The Authority is empowered to issue type certificates for aircraft, aircraft engines, and propellers; to specify in regulations the appliances for which the issuance of type certificates is reasonably required in the interest of safety; and to issue such certificates for appliances so specified.

Type certificates.

(2) Any interested person may file with the Authority an application for a type certificate for an aircraft, aircraft engine, propeller, or appliance specified in regulations under paragraph (1) of this subsection. Upon receipt of an application, the Authority shall make an investigation thereof and may hold hearings thereon. The Authority shall make, or require the applicant to make, such tests during manufacture and upon completion as the Authority deems reasonably necessary in the interest of safety, including flight tests and tests of raw materials or any part or appurtenance of such aircraft, aircraft engine, propeller, or appliance. If the Authority finds that such aircraft, aircraft engine, propeller, or appliance is of proper design, material, specification, construction, and performance for safe operation, and meets the minimum standards, rules, and regulations prescribed by the Authority, it shall issue a type certificate therefor. The Authority may prescribe in any such certificate the duration thereof and such other terms, conditions, and limitations as are required in the interest of safety. The Authority may record upon any certificate issued for aircraft, aircraft engines, or propellers, a numerical determination of all of the essential factors relative to the performance of the aircraft, aircraft engine, or propeller for which the certificate is issued.

Production Certificate

(b) Upon application, and if it satisfactorily appears to the Authority that duplicates of any aircraft, aircraft engine, propeller, or appliance for which a type certificate has been issued will conform to such certificate, the Authority shall issue a production certificate authorizing the production of duplicates of such aircraft, aircraft engines, propellers, or appliances. The Authority shall make such inspection and may require such tests of any aircraft, aircraft engine, propeller, or appliance manufactured under a production certificate as may be necessary to assure manufacture of each unit in conformity with the type certificate or any amendment or modification thereof. The Authority may prescribe in any such production certificate the duration thereof and such other terms, conditions, and limitations as are required in the interest of safety.

Production certificate.

Airworthiness Certificate

(c) The registered owner of any aircraft may file with the Authority an application for an airworthiness certificate for such aircraft. If the Authority finds that the aircraft conforms to the type certificate therefor, and, after inspection, that the aircraft is in condition for safe

Airworthiness certificate.

operation, it shall issue an airworthiness certificate. The Authority may prescribe in such certificate the duration of such certificate, the type of service for which the aircraft may be used, and such other terms, conditions, and limitations as are required in the interest of safety. Each such certificate shall be registered by the Authority and shall set forth such information as the Authority may deem advisable. The certificate number, or such other individual designation as may be required by the Authority, shall be displayed upon each aircraft in accordance with regulations prescribed by the Authority.

Air carrier operating certificates.

AIR CARRIER OPERATING CERTIFICATES

Power to Issue

Power to issue.

SEC. 604. (a) The Authority is empowered to issue air carrier operating certificates and to establish minimum safety standards for the operation of the air carrier to whom any such certificate is issued.

Issuance

Issuance.

(b) Any person desiring to operate as an air carrier may file with the Authority an application for an air carrier operating certificate. If the Authority finds, after investigation, that such person is properly and adequately equipped and able to conduct a safe operation in accordance with the requirements of this Act and the rules, regulations, and standards prescribed thereunder, it shall issue an air carrier operating certificate to such person. Each air carrier operating certificate shall prescribe such terms, conditions, and limitations as are reasonably necessary to assure safety in air transportation, and shall specify the points to and from which, and the civil airways over which, such person is authorized to operate as an air carrier under an air carrier operating certificate.

Maintenance of equipment in air transportation.

MAINTENANCE OF EQUIPMENT IN AIR TRANSPORTATION

Duty of Carriers and Airmen

Duty of carriers and airmen.

SEC. 605. (a) It shall be the duty of each air carrier to make, or cause to be made, such inspection, maintenance, overhaul, and repair of all equipment used in air transportation as may be required by this Act, or the orders, rules, and regulations of the Authority issued thereunder. And it shall be the duty of every person engaged in operating, inspecting, maintaining, or overhauling equipment to observe and comply with the requirements of this Act relating thereto, and the orders, rules, and regulations issued thereunder.

Inspection

Inspection.

(b) The Authority shall employ inspectors who shall be charged with the duty (1) of making such inspections of aircraft, aircraft engines, propellers, and appliances designed for use in air transportation, during manufacture, and while used by an air carrier in air transportation, as may be necessary to enable the Authority to determine that such aircraft, aircraft engines, propellers, and appliances are in safe condition and are properly maintained for operation in air transportation; and (2) of advising and cooperating with each air carrier in the inspection and maintenance thereof by the air carrier. Whenever any inspector shall, in the performance of his duty, find that any aircraft, aircraft engine, propeller, or appliance, used or intended to be used by any air carrier in air transportation,

is not in condition for safe operation, he shall so notify the carrier, in such form and manner as the Authority may prescribe; and, for a period of five days thereafter, such aircraft, aircraft engine, propeller, or appliance shall not be used in air transportation, or in such manner as to endanger air transportation, unless found by the Authority or its inspector to be in condition for safe operation.

AIR NAVIGATION FACILITY RATING

SEC. 606. The Authority is empowered to inspect, classify, and rate any air navigation facility available for the use of civil aircraft of the United States, as to its suitability for such use. The Authority is empowered to issue a certificate for any such air navigation facility.

Air navigation facility rating.

AIR AGENCY RATING

SEC. 607. The Authority is empowered to provide for the examination and rating of (1) civilian schools giving instruction in flying or in the repair, alteration, maintenance, and overhaul of aircraft, aircraft engines, propellers, and appliances, as to the adequacy of the course of instruction, the suitability and airworthiness of the equipment, and the competency of the instructors; (2) repair stations or shops for the repair, alteration, maintenance, and overhaul of aircraft, aircraft engines, propellers, or appliances, as to the adequacy and suitability of the equipment, facilities, and materials for, and methods of, repair, alteration, maintenance, and overhaul of aircraft, aircraft engines, propellers, and appliances, and the competency of those engaged in the work or giving any instruction therein; and (3) such other air agencies as may, in its opinion, be necessary in the interest of the public. The Authority is empowered to issue certificates for such schools, repair stations, and other agencies.

Air agency rating.

Civilian schools.

Repair stations, etc.

Other air agencies.

FORM OF APPLICATIONS

SEC. 608. Applications for certificates under this title shall be in such form, contain such information, and be filed and served in such manner as the Authority may prescribe, and shall be under oath whenever the Authority so requires.

Form of applications.

AMENDMENT, SUSPENSION, AND REVOCATION OF CERTIFICATES

SEC. 609. The Authority may, from time to time, reinspect any aircraft, aircraft engine, propeller, appliance, air navigation facility, or air agency, may reexamine any airman, and, after investigation, and upon notice and hearing, may alter, amend, modify, or suspend, in whole or in part, any type certificate, production certificate, airworthiness certificate, airman certificate, air carrier operating certificate, air navigation facility certificate, or air agency certificate if the interest of the public so requires, or may revoke, in whole or in part, any such certificate for any cause which, at the time of revocation, would justify the Authority in refusing to issue to the holder of such certificate a like certificate. In cases of emergency, any such certificate may be suspended, in whole or in part, for a period not in excess of thirty days, without regard to any requirement as to notice and hearing. The Authority shall immediately give notice of such suspension to the holder of such certificate and shall enter upon a hearing which shall be disposed of as speedily as possible. During the pendency of the proceeding the Authority may further suspend such certificate, in whole or in part, for an additional period not in excess of thirty days.

Amendment, suspension, and revocation of certificates.

Emergencies.

Prohibitions.

PROHIBITIONS

Violations of title.

Violations of Title

Operation without current airworthiness certificate.

Without airman certificate, etc.

Employment of airman who does not have airman certificate.

Operation as air carrier without air carrier operating certificate.

Operation in violation of any other rule, etc.

SEC. 610. (a) It shall be unlawful—

(1) For any person to operate in air commerce any civil aircraft for which there is not currently in effect an airworthiness certificate, or in violation of the terms of any such certificate;

(2) For any person to serve in any capacity as an airman in connection with any civil aircraft used in air commerce without an airman certificate authorizing him to serve in such capacity, or in violation of the terms of any such certificate;

(3) For any person to employ for service in connection with any civil aircraft used in air commerce an airman who does not have an airman certificate authorizing him to serve in the capacity for which he is employed;

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

(5) For any person to operate aircraft in air commerce in violation of any other rule, regulation, or certificate of the Authority under this title.

Exemption of Foreign Aircraft and Airmen

Exemption of foreign aircraft and airmen.

(b) Foreign aircraft and airmen serving in connection therewith may, except with respect to the observance by such airmen of the air traffic rules, be exempted from the provisions of subsection (a) of this section, to the extent, and upon such terms and conditions, as may be prescribed by the Authority as being in the interest of the public.

Title VII—Air Safety Board.

TITLE VII—AIR SAFETY BOARD

Creation and organization.

CREATION AND ORGANIZATION OF BOARD

Appointment of Board

Composition, appointment, etc.

Citizenship requirement.

Terms.

Compensation. No pecuniary interest, etc.

SEC. 701. (a) There is created and established within the Authority an Air Safety Board. Such Board shall consist of three members to be appointed by the President by and with the advice and consent of the Senate. One of the members shall, at the time of his nomination, be an active airline pilot and shall have flown not less than three thousand hours in scheduled air transportation. Each member of the Board shall be a citizen of the United States and shall continue in office as designated by the President at the time of nomination until the last day of the second, fourth, and sixth calendar years, respectively, following the passage of this Act, but their successors shall be appointed for terms of six years, except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. Any member of the Board may be appointed to succeed himself. The Board shall annually elect one of its members as chairman of the Board. Each member of the Board shall receive a salary of \$7,500 per annum. No member of the Board shall have any pecuniary interest in or own any stock in or bonds of any civil aeronautics enterprise.

Personnel

Personnel. 5 U. S. C. chs. 12, 13; Supp. III, chs. 12, 13.

(b) Subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board shall appoint, fix the salaries, and prescribe the duties, of such assistants and other employees as it shall deem necessary in exercising and performing

its powers and duties under this Act. Such of the personnel transferred to the Authority from the Department of Commerce under section 203 of this Act as were regularly employed in the investigation and analysis of accidents in air commerce prior to such transfer may, upon request of the Board, be transferred to the Board.

Ante, p. 982.

Temporary Personnel

(c) The Board may, without regard to the civil-service laws, engage, for temporary service in the investigation of any accident involving aircraft, persons other than officers or employees of the United States and may fix their compensation without regard to the Classification Act of 1923, as amended; and may, with the consent of the head of the executive department or independent establishment under whose jurisdiction the officer or employee is serving, secure for such service any officer or employee of the United States.

Temporary personnel.

42 Stat. 1488.
5 U. S. C. §§ 661-674;
Supp. III, §§ 673, 673c.

Authorization of Expenditures

(d) All expenses incurred by the Board in the investigation of accidents, or for the maintenance or operation of aircraft acquired for the use of the Board, shall be allowed upon vouchers approved by the chairman of the Board. The members and assistants of the Board are authorized to travel in the same manner as employees of the Authority.

Authorization of expenditures.

Preservation of Records and Reports

(e) The records and reports of the Board shall be preserved in the custody of the secretary of the Authority in the same manner and subject to the same provisions respecting publication as the records and reports of the Authority, except that any publication thereof shall be styled "Air Safety Board of the Civil Aeronautics Authority", and that no part of any report or reports of the Board or the Authority relating to any accident, or the investigation thereof, shall be admitted as evidence or used in any suit or action for damages growing out of any matter mentioned in such report or reports.

Preservation of records and reports.

DUTIES OF THE BOARD

Duties of the Board.

General Duties

SEC. 702. (a) It shall be the duty of the Board to—

General duties.

(1) Make rules and regulations, subject to the approval of the Authority, governing notification and report of accidents involving aircraft;

(2) Investigate such accidents and report to the Authority the facts, conditions, and circumstances relating to each accident and the probable cause thereof;

(3) Make such recommendations to the Authority as, in its opinion, will tend to prevent similar accidents in the future;

(4) Make such reports and recommendations public in such form and manner as may be deemed by it to be in the public interest; and

(5) Assist the Authority in ascertaining what will best tend to reduce or eliminate the possibility of, or recurrence of, accidents by investigating such complaints filed with the Authority or the Board, and by conducting such special studies and investigations, on matters pertaining to safety in air navigation and the prevention of accidents, as may be requested or approved by the Authority.

Manner of Performance

Manner of performance.

(b) The Board shall exercise and perform its powers and duties independently of the Authority and shall not be assigned any duties in, or in connection with, any other section or unit of the Authority.

Conduct of Investigations

Conduct of investigations.

(c) In conducting any hearing or investigation, any member of the Board or any other officer or employee of the Board or any other person engaged or secured under subsection (c) of section 701 shall have the same powers as the examiners or other employees of the Authority have with respect to hearings or investigations conducted by the Authority.

Aircraft

Aircraft.

(d) Any aircraft, aircraft engine, propeller, or appliance affected by, or involved in, an accident in air commerce shall be preserved in accordance with, and shall not be moved except in accordance with, regulations prescribed by the Board.

Title VIII—Other Administrative Agencies.

The President of the United States.

Approval of certificate for overseas service, etc.

Ante, p. 991.

Exceptions.

Ante, pp. 988, 991.

TITLE VIII—OTHER ADMINISTRATIVE AGENCIES

THE PRESIDENT OF THE UNITED STATES

SEC. 801. The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same Territory or possession, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President. Copies of all applications in respect of such certificates and permits shall be transmitted to the President by the Authority before hearing thereon, and all decisions thereon by the Authority shall be submitted to the President before publication thereof. This section shall not apply to the issuance or denial of any certificate issuable under section 401 (e) or any permit issuable under section 402 (c) or to the original terms, conditions, or limitations of any such certificate or permit.

THE DEPARTMENT OF STATE

Department of State.

SEC. 802. The Secretary of State shall advise the Authority of, and consult with the Authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services.

WEATHER BUREAU

Weather Bureau.

Observations, etc.

Reports.

SEC. 803. In order to promote the safety and efficiency of aircraft to the highest possible degree, the Chief of the Weather Bureau, under the direction of the Secretary of Agriculture, shall, in addition to any other functions or duties pertaining to weather information for other purposes, (1) make such observations, measurements, investigations, and studies of atmospheric phenomena, and establish such meteorological offices and stations, as are necessary or best suited for ascertaining, in advance, information concerning probable weather conditions; (2) furnish such reports, forecasts, warnings, and advices to the Authority, and to such air carriers and other persons engaged in civil aeronautics as may be designated by the

Authority, and to such other persons as the Chief of the Weather Bureau may determine, and such reports shall be made in such manner and with such frequency as will best result in safety in air navigation; (3) cooperate with any person employed by air carriers in meteorological service; and (4) detail annually not to exceed ten members of the Weather Bureau personnel for training at Government expense, either at civilian institutions or otherwise, in advanced methods of meteorological science: *Provided*, That no such member shall lose his individual status or seniority rating in the Bureau merely by reason of absence due to such training.

Cooperation in meteorological service.
Training of personnel.

Proviso.
Status.

TITLE IX—PENALTIES

Title IX—Penalties.

CIVIL PENALTIES

Civil penalties.

Safety and Postal Offenses

SEC. 901. (a) Any person who violates (1) any provision of titles V, VI, and VII of this Act, or any provision of subsection (a) (1) of section 11 of the Air Commerce Act of 1926, as amended, or (2) any rule or regulation issued by the Postmaster General under this Act, shall be subject to a civil penalty of not to exceed \$1,000 for each such violation. Any such penalty may be compromised by the Authority or the Postmaster General, as the case may be. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

Safety and postal offenses.
Ante, pp. 1005, 1007, 1012.
44 Stat. 574.
49 U. S. C. § 181.

Compromise of penalties.

Liens

(b) In case an aircraft is involved in such violation and the violation is by the owner or person in command of the aircraft, such aircraft shall be subject to lien for the penalty: *Provided*, That this subsection shall not apply to a violation of a rule or regulation of the Postmaster General.

Liens.

Proviso.
Rules of Postmaster General not affected.

CRIMINAL PENALTIES

Criminal penalties.

General

General.

SEC. 902. (a) Any person who knowingly and willfully violates any provision of this Act (except titles V, VI, and VII), or any order, rule, or regulation issued under any such provision or any term, condition, or limitation of any certificate or permit issued under title IV, for which no penalty is otherwise herein provided, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject for the first offense to a fine of not more than \$500, and for any subsequent offense to a fine of not more than \$2,000. If such violation is a continuing one, each day of such violation shall constitute a separate offense.

Willful violation of provisions; exceptions.
Ante, pp. 1005, 1007, 1012.

Ante, p. 987.

Forgery of Certificates

(b) Any person who knowingly and willfully forges, counterfeits, alters, or falsely makes any certificate authorized to be issued under this Act, or knowingly uses or attempts to use any such fraudulent certificate, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not exceeding \$1,000 or to imprisonment not exceeding three years, or to both such fine and imprisonment.

Forgery of certificates.

Interference With Air Navigation

Interference with air navigation.

(c) A person shall be subject to a fine of not exceeding \$5,000 or to imprisonment not exceeding five years, or to both such fine and imprisonment, who—

(1) with intent to interfere with air navigation within the United States, exhibits within the United States any light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal established pursuant to this Act, or for a true light or signal in connection with an airport or other air navigation facility; or

(2) after due warning by the Administrator, continues to maintain any misleading light or signal; or

(3) knowingly removes, extinguishes, or interferes with the operation of any such true light or signal.

Granting Rebates

Granting rebates.

(d) Any air carrier or foreign air carrier, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, offer, grant, or give, or cause to be offered, granted, or given, any rebate or other concession in violation of the provisions of this Act, or who, by any device or means, shall, knowingly and willfully, assist, or shall willingly suffer or permit, any person to obtain transportation or services subject to this Act at less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be subject for each offense to a fine of not less than \$100 and not more than \$5,000.

Failure to File Reports; Falsification of Records

Failure to file reports.

Falsification, etc., of records.

(e) Any air carrier, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, fail or refuse to make a report to the Authority as required by this Act, or to keep or preserve accounts, records, and memoranda in the form and manner prescribed or approved by the Authority, or shall, knowingly and willfully, falsify, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully file any false report, account, record, or memorandum, shall be deemed guilty of a misdemeanor and, upon conviction thereof, be subject for each offense to a fine of not less than \$100 and not more than \$5,000.

Divulging Information

Divulging information.

Post, p. 1026.

(f) If any member of the Authority or the Air Safety Board, or the Administrator, or any officer or employee of any of them, shall knowingly and willfully divulge any fact or information which may come to his knowledge during the course of an examination of the accounts, records, and memoranda of any air carrier, or which is withheld from public disclosure under section 1104, except as he may be directed by the Authority, or the Air Safety Board in the case of information ordered to be withheld by it, or by a court of competent jurisdiction or a judge thereof, he shall upon conviction thereof be subject for each offense to a fine of not more than \$5,000 or imprisonment for not more than two years, or both.

Refusal to Testify

Refusal to testify.

(g) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, or

documents, if in his power to do so, in obedience to the subpoena or lawful requirement of the Authority or the Air Safety Board, shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not less than \$100 nor more than \$5,000, or imprisonment for not more than one year, or both.

VENUE AND PROSECUTION OF OFFENSES

Venue and prosecution of offenses.

Venue

SEC. 903. (a) The trial of any offense under this Act shall be in the district in which such offense is committed; or if the offense is committed upon the high seas, or out of the jurisdiction of any particular State or district, the trial shall be in the district where the offender may be found or into which he shall be first brought. Whenever the offense is begun in one jurisdiction and completed in another it may be dealt with, inquired of, tried, determined, and punished in either jurisdiction in the same manner as if the offense had been actually and wholly committed therein.

Venue.

Procedure in Respect of Civil Penalties

(b) (1) Any civil penalty imposed under this Act may be collected by proceedings in personam against the person subject to the penalty and, in case the penalty is a lien, by proceedings in rem against the aircraft, or by either method alone. Such proceedings shall conform as nearly as may be to civil suits in admiralty, except that either party may demand trial by jury of any issue of fact, if the value in controversy exceeds \$20, and the facts so tried shall not be reexamined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty.

Procedure in respect of civil penalties.

(2) Any aircraft subject to such lien may be summarily seized by and placed in the custody of such persons as the Authority may by regulation prescribe, and a report of the cause shall thereupon be transmitted to the United States attorney for the judicial district in which the seizure is made. The United States attorney shall promptly institute proceedings for the enforcement of the lien or notify the Authority of his failure so to act.

Seizure of aircraft.

(3) The aircraft shall be released from such custody upon payment of the penalty or the amount agreed upon in compromise; or seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States attorney of failure to institute such proceedings; or deposit of a bond in such amount and with such sureties as the Authority may prescribe, conditioned upon the payment of the penalty or the amount agreed upon in compromise.

Release.

(4) The Supreme Court of the United States, and under its direction other courts of the United States, may prescribe rules regulating such proceedings in any particular not provided by law.

Supreme Court, etc., may prescribe administrative rules.

TITLE X—PROCEDURE

Title X—Procedure.

CONDUCT OF PROCEEDINGS

SEC. 1001. The Authority may conduct its proceedings in such manner as will be conducive to the proper dispatch of business and to the ends of justice. No member of the Authority shall participate in any

Conduct of proceedings.

hearing or proceeding in which he has a pecuniary interest. Any person may appear before the Authority and be heard in person or by attorney. Every vote and official act of the Authority shall be entered of record, and its proceedings shall be open to the public upon the request of any interested party unless the Authority determines that secrecy is requisite on grounds of national defense.

Complaints to and investigations by the Authority.

COMPLAINTS TO AND INVESTIGATIONS BY THE AUTHORITY

Filing of Complaints Authorized

Filing of complaints authorized.

SEC. 1002. (a) Any person may file with the Authority a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provision of this Act, or of any requirement established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Authority to investigate the matters complained of. Whenever the Authority is of the opinion that any complaint does not state facts which warrant an investigation or action on its part, it may dismiss such complaint without hearing.

Investigations on Initiative of Authority

Investigations on initiative of Authority.

(b) The Authority is empowered at any time to institute an investigation, on its own initiative, in any case and as to any matter or thing concerning which complaint is authorized to be made to or before the Authority by any provision of this Act, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act. The Authority shall have the same power to proceed with any investigation instituted on its own motion as though it had been appealed to by complaint.

Entry of Orders for Compliance With Act

Entry of orders for compliance with Act.

(c) If the Authority finds, after notice and hearing, in any investigation instituted upon complaint or upon its own initiative, that any person has failed to comply with any provision of this Act or any requirement established pursuant thereto, the Authority shall issue an appropriate order to compel such person to comply therewith.

Power to Prescribe Rates and Practices of Air Carriers

Power to prescribe rates and practices of air carriers.

(d) Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Authority shall be of the opinion that any individual or joint rate, fare, or charge demanded, charged, collected or received by any air carrier for interstate or overseas air transportation, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential, or unduly prejudicial, the Authority shall determine and prescribe the lawful rate, fare, or charge (or the maximum or minimum, or the maximum and minimum thereof) thereafter to be demanded, charged, collected, or received, or the lawful classification, rule, regulation, or practice thereafter to be made effective: *Provided*, That as to rates, fares, and charges for overseas air transportation, the Authority shall determine and prescribe only a just and reasonable maximum or minimum or maximum and minimum rate, fare, or charge.

proviso.
Overseas transportation; rates, fares, etc.

Rule of Rate Making

(e) In exercising and performing its powers and duties with respect to the determination of rates for the carriage of persons or property, the Authority shall take into consideration, among other factors—

Rule of rate making.

(1) The effect of such rates upon the movement of traffic;

(2) The need in the public interest of adequate and efficient transportation of persons and property by air carriers at the lowest cost consistent with the furnishing of such service;

(3) Such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law;

(4) The inherent advantages of transportation by aircraft; and

(5) The need of each air carrier for revenue sufficient to enable such air carrier, under honest, economical, and efficient management, to provide adequate and efficient air carrier service.

Removal of Discrimination in Foreign Air Transportation

Foreign air transportation.

(f) Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Authority shall be of the opinion that any individual or joint rate, fare, or charge demanded, charged, collected, or received by any air carrier or foreign air carrier for foreign air transportation, or any classification, rule, regulation, or practice affecting such rate, fare, or charge or the value of the service thereunder, is or will be unjustly discriminatory, or unduly preferential, or unduly prejudicial, the Authority may alter the same to the extent necessary to correct such discrimination, preference, or prejudice and make an order that the air carrier or foreign air carrier shall discontinue demanding, charging, collecting, or receiving any such discriminatory, preferential, or prejudicial rate, fare, or charge, or enforcing any such discriminatory, preferential, or prejudicial classification, rule, regulation, or practice.

Removal of discrimination.

Suspension of Rates

(g) Whenever any air carrier shall file with the Authority a tariff stating a new individual or joint (between air carriers) rate, fare, or charge for interstate or overseas air transportation or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Authority is empowered, upon complaint or upon its own initiative, at once, and, if it so orders, without answer or other formal pleading by the air carrier, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, or charge, or such classification, rule, regulation, or practice; and pending such hearing and the decision thereon, the Authority, by filing with such tariff, and delivering to the air carrier affected thereby, a statement in writing of its reasons for such suspension, may suspend the operation of such tariff and defer the use of such rate, fare, or charge, or such classification, rule, regulation, or practice, for a period of ninety days, and, if the proceeding has not been concluded and a final order made within such period, the Authority may, from time to time, extend the period of suspension, but not for a longer period in the aggregate than one hundred and eighty days beyond the time when such tariff would otherwise go into effect; and, after hearing, whether completed before or after the rate, fare, charge, classification, rule, regulation, or practice goes into effect, the Authority may make such order with reference thereto as would be proper in a proceeding

Suspension of rates.

instituted after such rate, fare, charge, classification, rule, regulation, or practice had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed rate, fare, charge, classification, rule, regulation, or practice shall go into effect at the end of such period: *Provided*, That this subsection shall not apply to any initial tariff filed by any air carrier.

Proviso.
Initial tariff filed by carrier.

Power to Prescribe Divisions of Rates

Power to prescribe divisions of rates.

(h) Whenever, after notice and hearing, upon complaint or upon its own initiative, the Authority is of the opinion that the divisions of joint rates, fares, or charges for air transportation are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the air carriers or foreign air carriers parties thereto, the Authority shall prescribe the just, reasonable, and equitable divisions thereof to be received by the several air carriers. The Authority may require the adjustment of divisions between such air carriers from the date of filing the complaint or entry of order of investigation, or such other date subsequent thereto as the Authority finds to be just, reasonable, and equitable.

Power to Establish Through Air Transportation Service

Power to establish through air transportation service.

(i) The Authority shall, whenever required by the public convenience and necessity, after notice and hearing, upon complaint or upon its own initiative, establish through service and joint rates, fares, or charges (or the maxima or minima, or the maxima and minima thereof) for interstate or overseas air transportation, or the classifications, rules, regulations, or practices affecting such rates, fares, or charges, or the value of the service thereunder, and the terms and conditions under which such through service shall be operated: *Provided*, That as to joint rates, fares, and charges for overseas air transportation the Authority shall determine and prescribe only just and reasonable maximum or minimum or maximum and minimum joint rates, fares, or charges.

Proviso.
Overseas air transportation, joint rates, fares, etc.

Joint boards.

JOINT BOARDS

Designation of Boards

Designation of boards.

SEC. 1003. (a) The Authority and the Interstate Commerce Commission shall direct their respective chairmen to designate, from time to time, a like number of members of each to act as a joint board to consider and pass upon matters referred to such board as provided in subsection (c) of this section.

Through Service and Joint Rates

Through service and joint rates.

(b) Air carriers may establish reasonable through service and joint rates, fares, and charges with other common carriers. In case of through service by air carriers and common carriers subject to the Interstate Commerce Act or the Motor Carrier Act, 1935, it shall be the duty of the carriers parties thereto to establish just and reasonable joint rates, fares, or charges and just and reasonable classifications, rules, regulations, and practices affecting such joint rates, fares, or charges, or the value of the service thereunder, and just, reasonable, and equitable divisions of such joint rates, fares, or charges as between the carriers participating therein. Any air carrier, and any common carrier subject to the Interstate Commerce Act or the Motor Carrier Act, 1935, which is participating in such through service and joint rates, fares, or charges, shall include in its tariffs, filed with the Authority or the Interstate Commerce Commission, as the case may be, a statement showing such through service and joint rates, fares, or charges.

24 Stat. 379.
49 U. S. C. chs. 1, 2.
49 Stat. 543.
49 U. S. C., Supp.
III, §§ 301-327.

Jurisdiction of Boards

(c) Matters relating to such through service and joint rates, fares, or charges may be referred by the Authority or the Interstate Commerce Commission, upon complaint or upon its own initiative, to a joint board created as provided in subsection (a). Complaints may be made to the Interstate Commerce Commission or the Authority with respect to any matter which may be referred to a joint board under this subsection.

Jurisdiction of boards.

Power of Boards

(d) With respect to matters referred to any joint board as provided in subsection (c), if such board finds, after notice and hearing, that any such joint rate, fare, or charge, or classification, rule, regulation, or practice, affecting such joint rate, fare, or charge or the value of the service thereunder is or will be unjust, unreasonable, unjustly discriminatory, or unduly preferential or prejudicial, or that any division of any such joint rate, fare, or charge, is or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the carriers parties thereto, it is authorized and directed to take the same action with respect thereto as the Authority is empowered to take with respect to any joint rate, fare, or charge, between air carriers, or any divisions thereof, or any classification, rule, regulation, or practice affecting such joint rate, fare, or charge or the value of the service thereunder.

Power of boards.

Judicial Enforcement and Review

(e) Orders of the joint boards shall be enforceable and reviewable as provided in this Act with respect to orders of the Authority.

Judicial enforcement and review.

EVIDENCE

Evidence.

Power to Take Evidence

SEC. 1004. (a) Any member or examiner of the Authority, when duly designated by the Authority for such purpose, may hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the United States designated by the Authority. In all cases heard by an examiner or a single member the Authority shall hear or receive argument on request of either party.

Power to take, etc.

Power to Issue Subpena

(b) For the purposes of this Act the Authority shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation. Witnesses summoned before the Authority shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

Power to issue subpoena.

Witnesses, fees and mileage.

Enforcement of Subpena

(c) The attendance of witnesses, and the production of books, papers, and documents, may be required from any place in the United States, at any designated place of hearing. In case of disobedience to a subpoena, the Authority, or any party to a proceeding before the Authority, may invoke the aid of any court of the United States in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the provisions of this section.

Enforcement of subpoena.

Contempt

Contempt.

(d) Any court of the United States within the jurisdiction of which an inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, issue an order requiring such person to appear before the Authority (and produce books, papers, or documents if so ordered) and give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Deposition

Deposition.

(e) The Authority may order testimony to be taken by deposition in any proceeding or investigation pending before it, at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the Authority and having power to administer oaths. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce books, papers, or documents, in the same manner as witnesses may be compelled to appear and testify and produce like documentary evidence before the Authority, as hereinbefore provided.

Method of Taking Depositions

Method of taking depositions.

(f) Every person deposing as herein provided shall be cautioned and shall be required to swear (or affirm, if he so request) to testify the whole truth, and shall be carefully examined. His testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent. All depositions shall be promptly filed with the Authority.

Foreign Depositions

Foreign depositions.

(g) If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken, provided the laws of the foreign country so permit, by a consular officer or other person commissioned by the Authority, or agreed upon by the parties by stipulation in writing to be filed with the Authority, or may be taken under letters rogatory issued by a court of competent jurisdiction at the request of the Authority.

Fees

Fees.

Provido.
Commissions or letters rogatory.

(h) Witnesses whose depositions are taken as authorized in this Act, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States: *Provided*, That with respect to commissions or letters rogatory issued at the initiative of the Authority, executed in foreign countries, the Authority shall pay such fees, charges, or expenses incidental thereto as may be found necessary, in accordance with regulations on the subject to be prescribed by the Authority.

Compelling Testimony

Compelling testimony.

(i) No person shall be excused from attending and testifying, or from producing books, papers, or documents before the Authority, or in obedience to the subpoena of the Authority, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of this Act, or of any rule, regulation, requirement,

or order thereunder, or any term, condition, or limitation of any certificate or permit, on the ground, or for the reason, that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

ORDERS, NOTICES, AND SERVICE

Orders, notices, and service.

Effective Date of Orders; Emergency Orders

SEC. 1005. (a) Except as otherwise provided in this Act, all orders, rules, and regulations of the Authority shall take effect within such reasonable time as the Authority may prescribe, and shall continue in force until its further order, rule, or regulation, or for a specified period of time, as shall be prescribed in the order, rule, or regulation: *Provided*, That whenever the Authority is of the opinion that an emergency requiring immediate action exists in respect of safety in air commerce, the Authority is authorized, either upon complaint or upon its own initiative without complaint, at once, if it so orders, without answer or other form of pleading by the interested person or persons, and with or without notice, hearing, or the making or filing of a report, to make such just and reasonable orders, rules, or regulations, as may be essential in the interest of safety in air commerce to meet such emergency: *Provided further*, That the Authority shall immediately initiate proceedings relating to the matters embraced in any such order, rule, or regulation, and shall, insofar as practicable, give preference to such proceedings over all others under this Act.

Effective date of orders.

Provided.
Emergency orders.

Initiation of proceedings.

Designation of Agent for Service

(b) It shall be the duty of every air carrier and foreign air carrier within sixty days after the effective date of this section to designate in writing an agent upon whom service of all notices and process and all orders, decisions, and requirements of the Authority may be made for and on behalf of said carrier, and to file such designation in the office of the secretary of the Authority, which designation may from time to time be changed by like writing similarly filed. Service of all notices and process and orders, decisions, and requirements of the Authority may be made upon such carrier by service upon such designated agent at his office or usual place of residence with like effect as if made personally upon such carrier, and in default of such designation of such agent, service of any notice or other process in any proceeding before said Authority, or of any order, decision, or requirement of the Authority, may be made by posting such notice, process, order, requirement, or decision in the office of the secretary of the Authority.

Designation of agent for service.

Other Methods of Service

(c) Service of notices, processes, orders, rules, and regulations upon any person may be made by personal service, or upon an agent designated in writing for the purpose, or by registered mail addressed to such person or agent. Whenever service is made by registered mail, the date of mailing shall be considered as the time when service is made.

Other methods of service.

Suspension or Modification of Order

Suspension or modification of order.

(d) Except as otherwise provided in this Act, the Authority is empowered to suspend or modify its orders upon such notice and in such manner as it shall deem proper.

Compliance With Order Required

Compliance required.

(e) It shall be the duty of every person subject to this Act, and its agents and employees, to observe and comply with any order, rule, regulation, or certificate issued by the Authority under this Act affecting such person so long as the same shall remain in effect.

Form and Service of Orders

Form and service.

(f) Every order of the Authority shall set forth the findings of fact upon which it is based, and shall be served upon the parties to the proceeding and the persons affected by such order.

Judicial review of Authority's orders.

JUDICIAL REVIEW OF AUTHORITY'S ORDERS

Orders of Authority Subject to Review

Orders of Authority subject to review; exception.

Ante, p. 1014.

SEC. 1006. (a) Any order, affirmative or negative, issued by the Authority under this Act, except any order in respect of any foreign air carrier subject to the approval of the President as provided in section 801 of this Act, shall be subject to review by the circuit courts of appeals of the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within sixty days after the entry of such order, by any person disclosing a substantial interest in such order. After the expiration of said sixty days a petition may be filed only by leave of court upon a showing of reasonable grounds for failure to file the petition theretofore.

Venue

Venue.

(b) A petition under this section shall be filed in the court for the circuit wherein the petitioner resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia.

Notice of Authority; Filing of Transcript

Notice of Authority; filing of transcript.

(c) A copy of the petition shall, upon filing, be forthwith transmitted to the Authority by the clerk of the court; and the Authority shall thereupon certify and file in the court a transcript of the record, if any, upon which the order complained of was entered.

Power of Court

Power of court.

(d) Upon transmittal of the petition to the Authority, the court shall have exclusive jurisdiction to affirm, modify, or set aside the order complained of, in whole or in part, and if need be, to order further proceedings by the Authority. Upon good cause shown, interlocutory relief may be granted by stay of the order or by such mandatory or other relief as may be appropriate: *Provided*, That no interlocutory relief may be granted except upon at least five days' notice to the Authority.

Proviso.
Interlocutory relief.

Findings of Fact by Authority Conclusive

Findings of fact by Authority conclusive.

(e) The findings of facts by the Authority, if supported by substantial evidence, shall be conclusive. No objection to an order of the Authority shall be considered by the court unless such objection shall

have been urged before the Authority or, if it was not so urged, unless there were reasonable grounds for failure to do so.

Certification or Certiorari

(f) The judgment and decree of the court affirming, modifying, or setting aside any such order of the Authority shall be subject only to review by the Supreme Court of the United States upon certification or certiorari as provided in sections 239 and 240 of the Judicial Code.

Certification or certiorari.

28 U. S. C. §§ 346, 347.

JUDICIAL ENFORCEMENT

Jurisdiction of Court

Judicial enforcement.

Jurisdiction of Court.

SEC. 1007. (a) If any person violates any provision of this Act, or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit issued under this Act, the Authority, its duly authorized agent, or, in the case of a violation of section 401 (a) of this Act, any party in interest, may apply to the district court of the United States, for any district wherein such person carries on his business or wherein the violation occurred, for the enforcement of such provision of this Act, or of such rule, regulation, requirement, order, term, condition, or limitation; and such court shall have jurisdiction to enforce obedience thereto by a writ of injunction or other process, mandatory or otherwise, restraining such person, his officers, agents, employees, and representatives, from further violation of such provision of this Act or of such rule, regulation, requirement, order, term, condition, or limitation, and enjoining upon them obedience thereto.

Ante, p. 987.

Application for Enforcement

(b) Upon the request of the Authority, it shall be the duty of any district attorney of the United States to whom the Authority may apply to institute in the proper court and to prosecute under the direction of the Attorney General all necessary proceedings for the enforcement of the provisions of this Act or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit, and for the punishment of all violations thereof, and the costs and expenses of such prosecutions shall be paid out of the appropriations for the expenses of the courts of the United States.

Application for enforcement.

PARTICIPATION BY AUTHORITY IN COURT PROCEEDINGS

SEC. 1008. Upon request of the Attorney General, the Authority shall have the right to participate in any proceeding in court under the provisions of this Act.

Participation by Authority in court proceedings.

JOINDER OF PARTIES

SEC. 1009. In any proceeding for the enforcement of the provisions of this Act, or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit, whether such proceedings be instituted before the Authority or be begun originally in any court of the United States, it shall be lawful to include as parties, or to permit the intervention of, all persons interested in or affected by the matter under consideration; and inquiries, investigations, orders, and decrees may be made with reference to all such parties in the same manner, to the same extent, and subject to the same provisions of law as they may be made with respect to the persons primarily concerned.

Joinder of parties.

Title XI—Miscellaneous.

TITLE XI—MISCELLANEOUS

HAZARDS TO AIR COMMERCE

Hazards to air commerce.

SEC. 1101. The Authority shall, by rules and regulations, or by order where necessary, require all persons to give adequate public notice, in the form and manner prescribed by the Authority, of the construction or alteration, or of the proposed construction or alteration, of any structure along or near the civil airways where notice will promote safety in air commerce.

INTERNATIONAL AGREEMENTS

International agreements.

SEC. 1102. In exercising and performing its powers and duties under this Act, the Authority shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, shall take into consideration any applicable laws and requirements of foreign countries and shall not, in exercising and performing its powers and duties with respect to certificates of convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement, heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or agreement is disapproved by the Authority as being contrary to the public interest.

Provido.
Disapproval of contract, etc., by Authority.

NATURE AND USE OF DOCUMENTS FILED

Nature and use of documents filed.

SEC. 1103. The copies of tariffs, and of all contracts, agreements, understandings, and arrangements filed with the Authority as herein provided, and the statistics, tables, and figures contained in the annual or other reports of air carriers and other persons made to the Authority as required under the provisions of this Act shall be preserved as public records (except as otherwise provided in this Act) in the custody of the secretary of the Authority, and shall be received as prima facie evidence of what they purport to be for the purpose of investigations by the Authority and in all judicial proceedings; and copies of, and extracts from, any of such tariffs, contracts, agreements, understandings, arrangements, or reports, certified by the secretary of the Authority, under the seal of the Authority, shall be received in evidence with like effect as the originals.

WITHHOLDING OF INFORMATION

Withholding of information.

SEC. 1104. Any person may make written objection to the public disclosure of information contained in any application, report, or document filed pursuant to the provisions of this Act or of information obtained by the Authority, the Administrator, or the Air Safety Board pursuant to the provisions of this Act, stating the grounds for such objection. Whenever such objection is made, the Authority, or the Air Safety Board if the information was obtained by it, shall order such information withheld from public disclosure when, in its judgment, a disclosure of such information would adversely affect the interests of such person and is not required in the interest of the public. The Authority is authorized to withhold publication of records containing secret information affecting national defense.

COOPERATION WITH GOVERNMENT AGENCIES

SEC. 1105. The Authority, the Administrator, and the Air Safety Board may avail themselves of the assistance of the National Advisory Committee for Aeronautics and any research or technical agency of the United States on matters relating to aircraft fuel and oil and to the design, materials, workmanship, construction, performance, maintenance, and operation of aircraft, aircraft engines, propellers, appliances, and air navigation facilities. Each such agency is authorized to conduct such scientific and technical researches, investigations, and tests as may be necessary to aid the Authority, the Administrator, and the Air Safety Board in the exercise and performance of their powers and duties. Nothing contained in this Act shall be construed to authorize the duplication of the laboratory research activities of any existing governmental agency.

Cooperation with Government agencies.

REMEDIES NOT EXCLUSIVE

SEC. 1106. Nothing contained in this Act shall in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this Act are in addition to such remedies.

Remedies not exclusive.

AMENDMENTS AND REPEALS

SEC. 1107. (a) Section 3964 of the Revised Statutes is hereby amended by adding "and all air routes", after the words "or parts of railroads".

Amendments and repeals.

R. S. § 3964.
39 U. S. C. § 481.

(b) The Act of May 24, 1928, as amended (45 Stat. 728), is further amended by striking out the words "Secretary of Commerce" wherever they appear and inserting in lieu thereof the words "Civil Aeronautics Authority".

45 Stat. 728.
49 U. S. C. § 211.

(c) The Independent Offices Appropriation Act, 1934, as amended (48 Stat. 283), is further amended by striking out in section 6 thereof the words "any air mail contract or".

48 Stat. 305.
46 U. S. C. § 8917.

(d) The Act approved February 21, 1925 (43 Stat. 960), as amended by the Act approved August 24, 1935 (49 Stat. 744), and the Act approved August 29¹, 1937 (50 Stat. 725), is further amended by striking out the words "; and he is authorized, in his discretion, to contract, after advertisement in accordance with law, for the carriage of all classes of mail to, from, or within the Territory of Alaska, by airplane, payment therefor to be made from the appropriation for star-route service in Alaska".

43 Stat. 960; 49 Stat. 744; 50 Stat. 725.
39 U. S. C. § 488;
Supp. III, § 488.

Alaska air-mail service, contracts by Postmaster General; provision repealed.

(e) The ninth paragraph of the Act approved March 3, 1915 (38 Stat. 930), as amended by the Act of March 2, 1929 (45 Stat. 1451; U. S. C., 1934 ed., title 50, sec. 151), is further amended by inserting after the words "naval aeronautics;" in that paragraph the following: "two members from the Civil Aeronautics Authority;"; by striking out the word "eight" in that paragraph and inserting in lieu thereof the word "six", and by striking out the colon after the words "allied sciences" and inserting in lieu thereof a period and the following: "The members of the National Advisory Committee for Aeronautics, not representing governmental agencies, in office on the date of enactment of the Civil Aeronautics Act of 1938, shall continue to serve as members of the Committee until the effective date of section 1107 of the Civil Aeronautics Act of 1938. Upon the expiration of their terms of office, the President is authorized to appoint successors to six of such members for terms of office to expire, as designated by the President at the time of appointment, two at the end of one year, two at the end of three years, and two at the end of five years from December 1, 1938. Successors to those first appointed shall be

38 Stat. 930; 45 Stat. 1451.
50 U. S. C. § 151.

National Advisory Committee for Aeronautics, service of present members.

Appointment of successors.

¹ So in original.

appointed by the President for terms of five years from the date of the expiration of the terms of the members whom they succeed, except that any such successor, appointed to fill a vacancy occurring prior to the expiration of a term, shall be appointed only for the unexpired term of the member whom he succeeds:"

38 Stat. 719.
15 U. S. C. § 45.
Ante, p. 111.

(f) Section 5 (a) of the Federal Trade Commission Act, approved September 26, 1914, as amended (38 Stat. 719; U. S. C., 1934 ed., title 15, sec. 41), is further amended by inserting before the words "and persons" the following: "air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938,"

38 Stat. 734.
15 U. S. C. § 21.

(g) Section 11 of the Act of October 15, 1914, as amended (38 Stat. 734; U. S. C., 1934 ed., title 15, sec. 21), is amended by inserting after the word "energy;" the following: "in the Civil Aeronautics Authority where applicable to air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938;" and by inserting after the word "commission" wherever it appears in that section a comma and the word "authority,"

Ante, p. 270.

(h) The Department of Commerce Appropriation Act, 1939, is amended by striking out the words "Secretary of Commerce", wherever they appear in the second paragraph under the heading "Bureau of Air Commerce", and inserting in lieu thereof the words "Administrator in the Civil Aeronautics Authority, with the approval of the Civil Aeronautics Authority".

44 Stat. 568.
49 U. S. C. §§ 171-184.

(i) The Air Commerce Act of 1926, as amended, is further amended—

(1) By striking out the words "Secretary of Commerce" wherever they appear (except in section 7 and section 11 (a), (b), and (c)) and inserting in lieu thereof in section 6 (c) and section 10 the words "Civil Aeronautics Authority" and in sections 5 (f), 9 (j), and 11 (e) the words "Administrator in the Civil Aeronautics Authority".

(2) By inserting after the word "Act" in the first line of subsection (f) of section 5 the words "or the Civil Aeronautics Act of 1938".

Exclusive sovereignty
in air space.

(3) By striking out the first sentence of section 6 and inserting in lieu thereof the following: "The United States of America is hereby declared to possess and exercise complete and exclusive national sovereignty in the air space above the United States, including the air space above all inland waters and the air space above those portions of the adjacent marginal high seas, bays, and lakes, over which by international law or treaty or convention the United States exercises national jurisdiction."

(4) By striking out so much of subsection (b) of section 6 as reads "; and if so authorized, such aircraft and airmen serving in connection therewith, shall be subject to the requirements of section 3, unless exempt under subdivision (c) of this section?."

(5) By striking out so much of subsection (c) of section 6 as reads ", and may by regulation exempt such aircraft, and/or airmen serving in connection therewith, from the requirements of section 3, other than the air traffic rules; but no foreign aircraft shall engage in interstate or intrastate air commerce.", and by inserting in lieu thereof a period and the following: "No foreign aircraft shall engage in air commerce otherwise than between any State, Territory, or possession of the United States (including the Philippine Islands) or the District of Columbia, and a foreign country".

(6) By striking out "51 per centum" in subsection (a) of section 9 thereof and inserting in lieu thereof "75 per centum".

(7) By inserting after the word "Act" in subsection (f) of section 9 the words "or the Civil Aeronautics Act of 1938".

(8) By striking out so much of section 10 as reads "under section three".

(9) By striking out so much of subsection (b) of section 11 as reads "any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7 (b)" and inserting in lieu thereof "any entry or clearance regulation made under section 7 (c)".

(j) Section 203 (b) of the Motor Carrier Act, 1935, is amended by inserting after the words "(7) motor vehicles used exclusively in the distribution of newspapers" a semicolon and the following: "or (7a) the transportation of persons or property by motor vehicle when incidental to transportation by aircraft".

(k) Sections 2 (b) (2) and (3), 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21, and so much of section 8 as reads "and any person not ineligible under the terms of this Act who qualified under the other requirements of this Act, shall be eligible to contract for carrying air mail, notwithstanding the provisions of section 3950 of the Revised Statutes (Act of June 8, 1872)", of the Act of June 12, 1934, as amended (48 Stat. 933); the joint resolution of June 26, 1934 (48 Stat. 1243); the Act of March 8, 1928 (45 Stat. 248), as amended; sections 2, 3, and 3a, subsections (a), (b), (e), and (g) of section 5, the second sentence of section 8, and paragraphs (2), (3), (4), and (5) of subsection (a) of section 11 of the Air Commerce Act of 1926, as amended (44 Stat. 568; U. S. C., 1934 ed., title 49, sec. 177); and all other Acts or parts of Acts inconsistent with any provision of this Act are hereby repealed.

49 Stat. 545.
49 U. S. C., Supp.
III, § 303(b).

R. S. § 3950.
39 U. S. C. § 432.
48 Stat. 933; *ante*, pp.
6, 219.
39 U. S. C., ch. 13;
Supp. III, ch. 13.
48 Stat. 1243.
39 U. S. C. §§ 469a,
469m; Supp. III, §§
469a, 469m.
45 Stat. 248.
39 U. S. C. §§ 465a,
465b.
44 Stat. 568.
49 U. S. C. ch. 6.

EFFECT OF TRANSFERS, REPEALS, AND AMENDMENTS

Effectiveness of Existing Orders, Regulations, and So Forth

SEC. 1108. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, or granted by the Interstate Commerce Commission, the Department of Commerce, or the Postmaster General, or any court of competent jurisdiction, under any provision of law repealed or amended by this Act, or in the exercise of duties, powers, or functions transferred to the Authority by this Act, and which are in effect at the time this section takes effect, shall continue in effect until modified, terminated, superseded, set aside, or repealed by the Authority, or by any court of competent jurisdiction, or by operation of law.

Effect of transfers,
repeals, and amend-
ments.

Effectiveness of ex-
isting orders, regula-
tions, etc.

Pending Administrative Proceedings

(b) The provisions of this Act shall not affect any proceedings pending before the Secretary of Commerce or the Postmaster General, or proceedings pending before the Interstate Commerce Commission for the determination of rates for the transportation of air mail by aircraft, on the date of the enactment of this Act; but any such proceedings shall be continued, orders therein issued, appeals therefrom taken, and payments made by the Postmaster General pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the Authority or by operation of law: *Provided*, That the rates determined by the Interstate Commerce Commission shall be determined without regard to that portion of section 6 (e) of the Air Mail Act approved June 12, 1934, which provides as follows: "which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom".

Pending adminis-
trative proceedings.

Provido.
Provision disregard-
ed in determining
rates.
48 Stat. 936.
39 U. S. C. § 469d;
Supp. III, § 469d.

Pending Judicial Proceedings

Pending judicial proceedings.

(c) The provisions of this Act shall not affect suits commenced prior to the date of the organization¹ of the Authority; and all such suits shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this Act had not been passed. No suit, action, or other proceeding lawfully commenced by or against any agency or officer of the United States, in relation to the discharge of official duties, shall abate by reason of any transfer of authority, power, or duties from such agency or officer to the Authority under the provisions of this Act, but the court, upon motion or supplemental petition filed at any time within twelve months after such transfer, showing the necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the Authority.

Records Transferred to Authority

Records transferred to Authority.

(d) All records transferred to the Authority under this Act shall be available for use by the Authority to the same extent as if such records were originally records of the Authority.

SEPARABILITY

Separability of provisions.

SEC. 1109. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE

Effective date. Ante, pp. 980, 1001. Proviso. Postponement.

SEC. 1110. The provisions of this Act, except this section, title II, and section 408, shall become effective sixty days after enactment: *Provided*, That the Authority shall, if it finds such action necessary or desirable in the public interest, by general or special order, postpone the effective date of any provision of this Act, except this section, title II, and section 408, to such time as the Authority shall prescribe, but not beyond the one hundred and eightieth day following the enactment of this Act.

Approved, June 23, 1938.

[CHAPTER 602]

AN ACT

June 23, 1938 [H. R. 7693] [Public, No. 707]

To authorize the Secretary of War to transfer to the Government of Puerto Rico certain real estate of the War Department.

Puerto Rico. Transfer of certain real estate of War Department to Government of.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of War be, and he is hereby, authorized and directed to transfer to the Government of Puerto Rico portions of lands indicated as "lots 75, 38, 45, and 46" of map entitled "Military Reservation of San Juan, Puerto Rico", prepared by Colonel George L. Byroade, May 5, 1934, as filed in the office of the Quartermaster General, War Department, Washington, District of Columbia, more particularly described as follows:

Description.

Lot 75: All that parcel of land marked with "No. 75" on the official map of the Military Reservation of San Juan, Puerto Rico, dated May 5, 1934, compiled by order of Colonel George L. Byroade,

¹ So in original.