

119TH CONGRESS
2D SESSION

S. _____

To authorize supplemental funding for the Federal Aviation Administration,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SCHMITT introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To authorize supplemental funding for the Federal Aviation
Administration, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Modern Skies Act”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act:

7 (1) ADMINISTRATOR.—The term “Adminis-
8 trator” means the Administrator of the Federal
9 Aviation Administration.

1 (2) APPROPRIATE COMMITTEES OF CON-
2 GRESS.—The term “appropriate committees of Con-
3 gress” means—

4 (A) the Committee on Commerce, Science,
5 and Transportation of the Senate; and

6 (B) the Committee on Transportation and
7 Infrastructure of the House of Representatives.

8 (3) GROUND SUPPORT EQUIPMENT.—The term
9 “ground support equipment” means service and
10 maintenance equipment used at an airport to sup-
11 port aeronautical operations and related activities.

12 (4) SECRETARY.—The term “Secretary” means
13 the Secretary of Transportation.

14 (5) OTHER TERMS.—The terms “air carrier”,
15 “airport”, “large hub airport”, “medium hub air-
16 port”, “nonhub airport”, “primary airport”, “public-
17 use airport”, “small hub airport”, and “terminal de-
18 velopment” have the meanings given such terms in
19 section 47102 of title 49, United States Code.

20 **SEC. 3. PILOT PROGRAM FOR MODERNIZATION, REPLACE-**
21 **MENT, OR FULL RECONSTRUCTION OF AGING**
22 **FLAGSHIP TERMINALS AT TRANSITIONAL**
23 **HUB AIRPORTS.**

24 (a) ESTABLISHMENT OF PILOT PROGRAM.—The Sec-
25 retary shall establish and carry out a pilot program (re-

1 ferred to in this section as the “pilot program”), under
2 which the Secretary shall issue grants to the sponsors of
3 not more than 3 transitional hub airports for the rehabili-
4 tation and modernization of such airports.

5 (b) TRANSITIONAL HUB AIRPORT.—For purposes of
6 this section, a transitional hub airport is an airport that—

7 (1) was classified as a medium hub airport as
8 of the date of enactment of this Act;

9 (2) includes a primary terminal building con-
10 structed before January 1, 1990, that—

11 (A) remains in active passenger service;

12 and

13 (B) continues to serve as the principal
14 commercial passenger terminal of the airport;

15 (3) did not complete a comprehensive redevelop-
16 ment or replacement of its principal commercial pas-
17 senger terminal on or after January 1, 1990; and

18 (4) has a terminal modernization, rehabilita-
19 tion, or reconstruction project that—

20 (A) is included in a capital improvement
21 program of the sponsor of the airport;

22 (B) has completed environmental review in
23 accordance with the National Environmental
24 Policy Act of 1969 (42 U.S.C. 4321 et seq.);
25 and

1 (C) has entered the final design stage.

2 (c) APPLICATION.—A sponsor of a transitional hub
3 airport shall submit to the Secretary, in such form and
4 manner as the Secretary may specify, an application for
5 a grant under the pilot program, including a demonstra-
6 tion, to the satisfaction of the Secretary, of—

7 (1) the unique or historic architectural features
8 of the terminal building that the airport sponsor
9 proposes to preserve in conducting a prospective
10 project under the pilot program;

11 (2) the expected economic benefit of the pro-
12 spective project to the surrounding area;

13 (3) the extent to which the prospective project
14 will—

15 (A) enhance competition among incumbent
16 air carriers;

17 (B) facilitate air service by new entrant air
18 carriers; and

19 (C) facilitate new or improved air service
20 between the airport and small communities;

21 (4) the extent to which the prospective project
22 will model innovative airport design principles that
23 similarly situated airports might replicate in future
24 projects for rehabilitation and modernization;

1 (5) the demonstrable need for the prospective
2 project to maintain the airport's long-term viability
3 and significance to the national integrated system of
4 public-use airports;

5 (6) project readiness;

6 (7) the reasonable estimated costs of the pro-
7 spective project; and

8 (8) such other factors as the Secretary, in the
9 sole discretion of the Secretary, determines to be ap-
10 propriate.

11 (d) USE OF FUNDS.—

12 (1) ELIGIBLE ACTIVITIES.—A sponsor of a
13 transitional hub airport selected at the sole discre-
14 tion of the Secretary to participate in the pilot pro-
15 gram may use the funds awarded under the pilot
16 program to carry out any of the following activities
17 at such airport:

18 (A) Terminal development.

19 (B) Demolition, construction, and improve-
20 ment of terminal buildings or portions thereof.

21 (C) Installation of utility, energy, baggage
22 conveyor systems, and other systems for use on
23 the property of such airport that are reasonably
24 likely to support long-term usability and resil-
25 ience.

1 (D) Improvements to terminal buildings
2 that are reasonably likely to improve passenger
3 circulation and terminal capacity.

4 (E) Replacement of obsolete ground sup-
5 port equipment and other airside components
6 owned by the airport sponsor.

7 (F) Improvements to cargo and logistics
8 facilities on the property of such airport to ex-
9 pand cargo handling capacity.

10 (2) TERMS AND CONDITIONS.—The Secretary
11 may impose any additional terms or conditions re-
12 garding the use of the funds awarded under the pilot
13 program that the Secretary, in the sole discretion of
14 the Secretary, determines appropriate.

15 (e) FEDERAL SHARE.—The Federal share of costs
16 for the project of a transitional hub airport participating
17 in the pilot program shall not exceed 90 percent of the
18 total cost of the project specified in an application for a
19 grant under this section.

20 (f) OTHER ADMINISTRATIVE PROVISIONS.—

21 (1) ELIGIBILITY.—The Secretary may issue a
22 grant under the pilot program to the sponsor of a
23 transitional hub airport for an eligible project that
24 complies with—

1 (A) all applicable Federal requirements
2 governing procurement funded by Federal fi-
3 nancial assistance; or

4 (B) the same policies and procedures such
5 airport sponsor is required to follow for any
6 procurement with non-Federal funds.

7 (2) CERTAIN PRIOR COSTS AS ALLOWABLE
8 COSTS.—The Secretary may decide that a project
9 cost under this section incurred before the date on
10 which the grant agreement is executed is allowable
11 if the cost is—

12 (A) necessarily incurred in formulating or
13 preparing for a project under this section, in-
14 cluding costs incurred for field surveys, plans
15 and specifications, property interests in land or
16 airspace, utility relocation, work site prepara-
17 tion, and administration or other incidental
18 items that would not have been incurred except
19 for the project; or

20 (B) necessarily and directly incurred in de-
21 veloping the work scope of the project under
22 this section.

23 (g) APPROPRIATION.—In addition to amounts other-
24 wise available, there are appropriated to the Secretary for
25 fiscal year 2027, out of any money in the Treasury not

1 otherwise appropriated, to remain available until ex-
2 pended, \$10,000,000,000 to carry out the pilot program
3 established under this section, of which not more than 3
4 percent shall be available for administrative expenses. The
5 Secretary may transfer amounts made available under this
6 subsection to the Administrator to carry out the pilot pro-
7 gram.

8 (h) EXCLUSIONS.—No portion of the funds made
9 available under section 48103 of title 49, United States
10 Code, shall be made available for implementation of this
11 section.

12 (i) BRIEFING.—Not later than 1 year after estab-
13 lishing the pilot program, the Secretary shall brief the ap-
14 propriate committees of Congress on the status of the pilot
15 program.

16 **SEC. 4. AIR TRAFFIC CONTROL IMPROVEMENTS.**

17 (a) IN GENERAL.—In addition to amounts otherwise
18 available, there are appropriated to the Administrator for
19 fiscal year 2027, out of any money in the Treasury not
20 otherwise appropriated, to remain available until ex-
21 pended—

22 (1) \$300,000,000 to consolidate terminal air
23 traffic control facilities;

(2) \$7,200,000,000 to implement a common automation platform and a common controller workstation;

(3) \$2,000,000,000 to implement cloud computing infrastructure, including necessary telecommunications infrastructure, supporting the national airspace system; and

8 (4) \$600,000,000 to implement strategic air
9 traffic flow management technologies.

(b) TRANSFER AUTHORITY.—The Administrator may transfer amounts made available under a paragraph of subsection (a) to any other paragraph of that subsection.

(c) QUARTERLY REPORTING.—Not later than 180 days after the date of enactment of this section, and every 90 days thereafter, the Administrator shall submit to the appropriate committees of Congress a report that describes any expenditures of amounts made available under this section.

19 SEC. 5. TRANSFER AUTHORITY TO IMPLEMENT THE
20 BRAND-NEW AIR TRAFFIC CONTROL SYSTEM.

(a) IN GENERAL.—The Administrator may transfer amounts made available under a paragraph of section 40003(a) of Public Law 119–21, to any other paragraph of that section.

1 (b) REPORTING.—The Administrator shall describe
2 any transfers under this section in reports submitted
3 under section 40003(b) of Public Law 119–21.

4 **SEC. 6. TERMINAL AIR TRAFFIC CONTROL AND AIRPORT**
5 **IMPROVEMENTS.**

6 (a) IN GENERAL.—In addition to amounts otherwise
7 available, there are appropriated to the Administrator for
8 fiscal year 2027, out of any money in the Treasury not
9 otherwise appropriated, to remain available until ex-
10 pended—

11 (1) \$2,000,000,000 to construct, replace, and
12 improve terminal air traffic control facilities, includ-
13 ing activities using digital tower technologies;

14 (2) \$3,000,000,000 to make discretionary
15 grants for projects as authorized by subchapter I of
16 chapter 471 of title 49, United States Code, and
17 subchapter I of chapter 475 of such title; and

18 (3) \$5,000,000,000 to make discretionary
19 grants for airport terminal development projects
20 that address the aging infrastructure of the Nation’s
21 airports.

22 (b) AIRPORT IMPROVEMENT FUNDS.—Amounts
23 made available under subsection (a)(2) shall not be subject
24 to apportionment formulas, special apportionment cat-
25 egories, or minimum percentages under chapter 471 of

1 title 49, United States Code, and shall not be subject to
2 any limitation on obligations for the Grants-in-Aid for Air-
3 ports program set forth in any Act.

4 (c) AIRPORT TERMINAL FUNDS.—

5 (1) IN GENERAL.—A grant from amounts made
6 available under subsection (a)(3) shall be treated as
7 having been made pursuant to the Secretary’s au-
8 thority under section 47104(a) of title 49, United
9 States Code.

10 (2) ELIGIBILITY.—For grants from amounts
11 made available under subsection (a)(3), the Adminis-
12 trator may—

13 (A) make an award for a project at any
14 airport that is eligible to receive a grant from
15 the discretionary fund under section 47115(a)
16 of title 49, United States Code; and

17 (B) consider projects that qualify as “ter-
18 minal development”, as that term was used in
19 the Airport Terminal Program in title VIII of
20 division J of the Infrastructure Investment and
21 Jobs Act (Public Law 117–58; 135 Stat. 1418)

22 .

23 (3) FEDERAL SHARE.—The Federal share of
24 the cost of a project carried out from funds made
25 available under subsection (a)(3) shall be—

1 (A) with respect to large hub airports and
2 medium hub airports, 80 percent; and

3 (B) with respect to small hub airports,
4 nonhub airports, and airports that are not pri-
5 mary airports, 95 percent.

6 (4) ADMINISTRATION.—Of amounts made avail-
7 able under subsection (a)(3), not more than 3 per-
8 cent shall be available for administrative expenses of
9 making and overseeing grants under that subsection.