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13TH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES }  
*First Regular Session*

'04 JUN 30 P9:08

SENATE

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S. No. 651

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INTRODUCED BY HON. MANUEL B. VILLAR, JR.

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#### EXPLANATORY NOTE

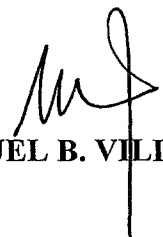
The Constitution, Article 16 provides:

Section 9. The State shall protect consumers from trade malpractice and from substandard or hazardous products.

The Philippine airline industry has been growing by leaps and bounds as air travel becomes the preferred mode of transportation because it is the fastest and most convenient way of reaching a destination. At present, the number of airline passengers continues to multiply annually.

But growth of the industry is not without a price. Simultaneous with the increase in passenger figures is a resurgence in the number of problems faced by the airline passenger. Everyday passengers are faced with difficulties, ranging from poor service, delay and cancellation of flights, baggage loss, disappearance of reservations, and many others.

This bill seeks to address these problems by establishing a national policy of fair treatment of airline travelers, that prohibits unfair and deceptive practices and unfair methods of competition by air carriers.

  
MANUEL B. VILLAR, JR.

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**AN ACT ESTABLISHING A NATIONAL POLICY OF BASIC CONSUMER FAIR  
TREATMENT FOR AIRLINE PASSENGERS**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress  
assembled.*

1 SECTION 1. Short Title: This Act shall be known as the "Airline Passenger Fairness Act."

2 SECTION 2. Definitions. For the purposes of this Act, the term

3 (a) "Air carrier" -any citizen of the Philippines who undertakes, whether directly or  
4 indirectly or by a lease or any other arrangement, to engage in air transportation.

5 (b) "Air transportation" means domestic, overseas, or foreign air transportation.

6 (c) "Confirmed Reserved Space" means a space on a specific date and on a specific flight  
7 and class of service of a carrier which has been requested by a passenger and which the carrier or  
8 its agent has verified, by appropriate notation on the ticket or in any other manner provided by  
9 the carrier, as being reserved for the accommodation of the passenger.

10 (d) "Foreign Air Carrier" means any-person, not a citizen of the Philippines, who  
11 undertakes, whether directly or indirectly or by lease or by any other arrangement, to engage in  
12 foreign air transportation.

13 (e) "Secretary" means the Secretary of Transportation and Communications.

14 (f) "Ticket agent" means any person, not an air carrier or a foreign our carrier and not a  
15 bona fide employee of an air carrier or foreign air carrier, who, as principal agent, sells or offers  
16 for sale any air transportation, or negotiates for, or holds himself out by solicitation,  
17 advertisement, or otherwise as one who sells, provides, furnishes, contracts or arranges for, such  
18 transportation.

19 SECTION 3. Unfair and deceptive practices and unfair methods of competition.

20 (a) Duty of the Secretary -- On the initiative of the Secretary or the complaint of an air  
21 carrier foreign air carrier, or ticket agent, and if the Secretary considers it is in the  
22 public interest, the Secretary may investigate and decide whether an air carrier, foreign  
23 air carrier, or ticket agent has been or is engaged in an unfair or deceptive practice or an  
24 unfair method of competition v air transportation or the sale of air transportation. If the  
25 Secretary, after notice and opportunity for a hearing,- finds that an air carrier, foreign  
26 air carrier, or ticket agent is engaged in an unfair or deceptive practice or an unfair  
27 method of competition, the Secretary shall order the air carrier, foreign air carrier, or  
28 ticket agent to stop the practice or method.

(b) Specific Practices -- For purposes of subsection (a), the terms 'unfair or deceptive practice and 'unfair method of competition' include, an air carrier's failure --

(1) To inform a ticketed passenger, upon request, whether the flight on which the passenger is ticketed is oversold;

(2) To permit a passenger holding a confirmed reserved space on a flight to use portions of that passenger's ticket for travel, rather than the entire ticket, regardless of the reason any other portion of the ticket is not used;

(3) To deliver a passenger's checked baggage within 24 hours after arrival of the flight on which the passenger traveled and on which the passenger checked the baggage, except for reasonable delays in delivery of such baggage;

(4) To provide a consumer full access to all fares for that air carrier, regardless of the technology the consumer uses to access the fares if such information is requested by that consumer;

(5) To provide notice to each passenger holding a confirmed reserved space on a flight with reasonable prior notice when a scheduled flight will be delayed for any reason (other than reasons of national security);

(6) To inform passengers accurately and truthfully of the reason for the delay, cancellation or diversion of a flight;

(7) To refund the full purchase price of an unused ticket if the passenger requests a refund within 48 hours after the ticket is purchased;

(8) To disclose to consumers information that would enable them to make informed decisions about the comparative value of frequent flyer programs among airlines, including -

(A) The number of seats redeemable on each flight; and

(B) The percentage of successful and failed redemption on each airline and on each flight.

SECTION 4. Report. The Secretary shall include information about violations of section 3 by air carriers in- an Air Travel .Consumer Report which shall be published monthly by the Department of Transportation and Communications.

SECTION 5. Implementing Rules and Regulations. Within 90 days after the enactment of this Act, the Secretary, in consultation with the Air Transportation Office and the Civil Aeronautics Board shall make rules and regulations implementing the provisions of this Act.

SECTION 6. Penalties. Any violation of section 3 of this Act shall result to a suspension of the certificate of public convenience of the domestic carrier, or the license to operate of a foreign air carrier, or a fine of P100,000.00, or both.

In case of grave and repetitive violations, the penalty shall be a revocation of the certificate of public convenience of the domestic carrier or the license to operate of a foreign air carrier, which shall be imposed after the Secretary, in coordination with the Air Transportation Office and the Civil Aeronautics Board, shall have conducted a hearing into the matter.

SECTION 7. Separability Clause. If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

1       SECTION 8. Repealing Clause. Any law, presidential decree or issuance, executive order,  
2 letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the  
3 provisions of this Act is hereby repealed, modified or amended accordingly.

4       SECTION 9. Effectivity Clause. This Act shall take effect fifteen (15) days after its  
5 publication in at least two (2) newspapers of general circulation.

Approved.