

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )

Office of the Secretary

15 OCT -6 P1:35

SENATE

P.S. Resolution No. 1609

OFFICE OF THE SECRETARY

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Introduced by Senator Cynthia A. Villar

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**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO LOOK INTO THE POWERS AND MANDATE OF THE MANILA INTERNATIONAL AIRPORT AUTHORITY (MIAA), IN THE LIGHT OF ITS IMPLEMENTATION OF ITS MEMORANDUM CIRCULAR NO. 8, SERIES OF 2014, ON THE INTEGRATION OF THE INTERNATIONAL PASSENGER SERVICE FEE (IPSC) OR TERMINAL FEE IN THE AIRLINE TICKETS WITH THE END IN VIEW OF DETERMINING WHETHER OR NOT THE SAID MEMORANDUM CIRCULAR HAS ADDRESSED THE PROBLEMS THAT MIAA SOUGHT TO ADDRESS.**

**WHEREAS**, Article XII, Section 3 of the Philippine Constitution that the "State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all;"

**WHEREAS**, Section 35 of Republic Act No. 8042, otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995, as amended by Republic Act No. 10022, exempts Overseas Filipino Workers (OFWs) from paying travel tax, airport fee or terminal fee, and documentary stamp tax;

**WHEREAS**, while MIAA<sup>1</sup> Memorandum Circular No. 8 (s2014), which integrates the International Passenger Service Charge (IPSC) in the amount of Five Hundred Fifty Pesos (PhP 550.00) for the alleged purpose of addressing the problem of congestion in the airport terminals, there has been very strong objections coming from the public, most especially the OFWs, against its implementation since it was issued in 2014;

**WHEREAS**, questions have been raised regarding the validity of the said Memorandum Circular essentially on the ground that it violates Section 35 of Republic Act No. 8042, as amended, as it does not distinguish between an international passenger and an outbound OFW who is exempted from paying the IPSC or terminal fee;

**WHEREAS**, while the said Memorandum Circular provides a procedure whereby the OFWs could claim a refund of their payment of the terminal fee, it has been argued that the Memorandum Circular is still invalid because it still requires payment of the IPSC or terminal fee from OFWs who are not supposed to pay it at all in the first place and that the refund procedure will be an added burden to the OFWs who have to line up to claim and refund their terminal fee, which will cause congestion in the airport terminals ;

**WHEREAS**, upon the issuance of this circular, several Senate Resolutions were

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<sup>1</sup> Manila International Airport Authority.

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filed questioning the validity of MIAA Memorandum Circular No. 8 (s2014);

**WHEREAS**, considering that the public hearing of the said Senate Resolutions resulted to a finding that it is possible to adopt and program a computer system that will recognize and thus not charge OFWs who are exempt from paying the IPSC or terminal fee, Senate Resolution No. 1179<sup>2</sup> was filed and signed by no less than twenty (20) senators strongly urging the MIAA to recall said circular pending the creation of such computer system;

**WHEREAS**, despite the promulgation of Senate Resolution NO. 1179, MIAA continues to implement the said Memorandum Circular to the detriment of OFWs who may or may not know about its implementation and are unduly burdened with having to line up to get a refund of the payment of the IPSC or terminal fees that should not have paid in the first place;<sup>3</sup>

**WHEREAS**, this representation has received reports that congestion in the airport terminals remains the same despite the implementation of the said Memorandum Circular and that numerous OFWs failed to get refunds;

**WHEREAS**, this representation further received reports that there has been delays in the remittances of airlines of the terminal fees collected;<sup>4</sup>

**WHEREAS**, in view of the foregoing, there is a need to revisit the alleged objectives of MIAA's Memorandum Circular No. 8 (s2014) and the results of its implementation in order to enable the Senate to determine whether said Memorandum Circular has indeed eased congestion in the airport terminals or is only detrimental not only to the OFWs who are unduly burdened by the refund procedure but also to the government which is likewise unduly burdened with having to handle the matters of the delayed remittance of the terminal fees and of the terminal fees that have not been refunded to the exempted OFWs;

**WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED** by the Senate of the Philippines to the appropriate Senate committee to conduct an inquiry, in aid of legislation, into the powers and mandate of the MIAA in connection with its issuance and implementation of Memorandum Circular No. 8, Series of 2014, which integrates the payment of the International Passenger Service Fee (IPSC) or terminal fee in airline tickets, with the end in view of determining whether or not said Memorandum Circular has addressed the problem MIAA sought to address.

Adopted,

  
CYNTHIA A. VILLAR

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<sup>2</sup> Senate Resolution No. 1179 was filed on 11 February 2015.

<sup>3</sup> <http://www.rappler.com/nation/83424-miaa-suspension-terminal-fee-integration>.

<sup>4</sup> Under Part VI (16 & 18) of the MIAA Memorandum Circular No. 8 (s2014), the airlines that collected the terminal fee integrated in the airline tickets are tasked to remit the same to the MIAA not later than the end of the succeeding month from the time it is collected. It should be noted that from the total amount collected, the airline is allowed to automatically deduct from their collections a service fee 3.5% based on the number of passengers on board (Part VI [17] and IX [31]).

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**WHEREAS**, questions have been raised regarding the validity of the said Memorandum Circular essentially on the ground that it violates Section 35 of Republic Act No. 8042, as amended, as it does not distinguish between an international passenger and an outbound OFW who is exempted from paying the IPSC or terminal fee;

**WHEREAS**, while the said Memorandum Circular provides a procedure whereby the OFWs could claim a refund of their payment of the terminal fee, it has been argued that the Memorandum Circular is still invalid because it still requires payment of the IPSC or terminal fee from OFWs who are not supposed to pay it at all in the first place and that the refund procedure will be an added burden to the OFWs who have to line up to claim and refund their terminal fee, which will cause congestion in the airport terminals ;

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