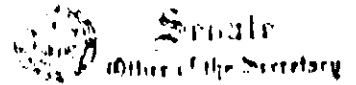


SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Third Regular Session )



16 JAN 11 P3 46

SENATE  
S. No. 3048

RECEIVED BY: *J.*

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Introduced by Senator Miriam Defensor Santiago

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

EXPLANATORY NOTE

The Constitution, Article 16, Section 9, provides:

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 most convenient way of reaching a destination. At present, the number of airline passengers continues to multiply annually.

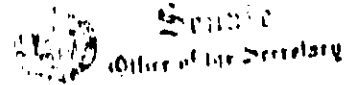
But growth of the industry is not without a price. Simultaneous with the increase in passenger figures is resurgence in the number of problems faced by the airline passenger. Everyday, passengers are faced with difficulties, ranging from poor services, delay and cancellation of flights, baggage loss, 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.<sup>1</sup>

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO  
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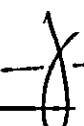
<sup>1</sup> This bill was originally during the Fifteenth Congress, First Regular Session.

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1 AN ACT  
2 ESTABLISHING A NATIONAL POLICY OF BASIC CONSUMER FAIR  
3 TREATMENT FOR AIRLINE PASSENGERS

4 *Be it enacted by the Senate and the House of Representatives of the Philippines in*  
5 *Congress assembled:*

6 SECTION 1. *Short Title.* - This Act shall be known as the "Airline Passenger"  
7 Fairness Act."

8 SECTION 2. *Definition of Terms.* - For the purpose of this Act, the term:

9 (A) "Air Carrier" means any citizen of the Philippines who undertakes, whether  
10 directly or indirectly or by a lease or any other arrangement, to engage in air  
11 transportation.

12 (B) "Air Transportation" means domestic, overseas, or foreign air transportation.

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

18 (D) "Foreign Air Carrier" means any person, not a citizen of the Philippines, who  
19 undertakes, whether directly or indirectly or by any other arrangement, to engage in  
20 foreign air transportation.

21 (E) "Secretary" means the Secretary of Transportation and Communications.

1 (F) "Ticket Agent" means any person, not a carrier or a foreign air carrier and not  
2 a bona fide employee of an air carrier or foreign air carrier, who, as principal agent, sells  
3 or offers for sale any air transportation, or negotiates for, or holds himself out by  
4 solicitation, advertisement, or otherwise as one who sells, provides, furnishes, contracts  
5 or arranges for, such transportation.

6 SECTION 3. *Unfair and Deceptive Practices and Unfair Methods of Competition.*

7 (A) Duty of Secretary. - On the initiative of the Secretary of the complaint of an  
8 air carrier, foreign air carrier, or ticket agent, and if the Secretary considers it is in the  
9 public interest, the Secretary may investigate and decide whether an air carrier, foreign  
10 air carrier, or ticket agent has been engaged in an unfair or deceptive practice or an unfair  
11 method of competition in air transportation or the sale of air transportation. If the  
12 Secretary, after notice and opportunity for a hearing, finds that an air carrier, foreign air  
13 carrier, or ticket agent is engaged in an unfair or deceptive practice or an unfair method  
14 of competition, the Secretary shall order the air carrier, foreign air carrier, or ticket agent  
15 to stop the practice or method.

16 (B) Specific Practices. - For purposes of paragraph (A), the terms 'unfair or  
17 deceptive practice' and 'unfair method of competition' include an air carrier's failure -

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

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

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

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

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

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

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

11 (8) To disclose to consumer information that would enable them to make  
12 informed decisions about the comparative value of frequent flyer programs among  
13 airlines, including –

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

15 (b) The percentage of successful and failed redemptions on each  
16 airline and on each flight.

17 SECTION 4. *Report.* - The Secretary shall include information about violations of  
18 Section by air carriers in Air Travel Consumer Report which shall be published monthly  
19 by the Department of Transportation and Communications.

20 SECTION 5. *Implementing Rules and Regulations.* - Within ninety (90) days after  
21 the enactment of this Act, the Secretary, in consultation with the Air Transportation  
22 Office and the Civil Aeronautics Board shall make rules and regulations implementing  
23 the provisions of this Act.

24 SECTION 6. *Penalties.* - Any violation of Section 3 of this Act shall result to a  
25 suspension of the certificate of public convenience of the domestic carrier, or the license

1 to operate of a foreign air carrier, or a fine of One Hundred Thousand Pesos  
2 (P100,000.00), or both.

3 In case of grave and repetitive violations, the penalty shall be revocation of the  
4 certificate of convenience of the domestic carrier or the license to operate of a Foreign  
5 Air Office and the Civil Aeronautics Board, shall have conducted a hearing into the  
6 manner.

7 SECTION 7. *Separability Clause.* - If any provision or part hereof, is held invalid  
8 or unconstitutional, the remainder of the law or the provision shall remain valid and  
9 subsisting.

10 SECTION 8. *Repealing Clause.* - Any law, presidential decree, issuance,  
11 executive order, letter of instruction, administrative order, rule or regulation contrary to  
12 or inconsistent with, the provisions of this Act is hereby repealed, modified, or amended  
13 accordingly.

14 SECTION 9. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after  
15 its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,

/s/ 24Nov2015