

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

23 JAN 12 A9:08

SENATE  
S. No. 1654

RECEIVED BY: JSV

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT  
STRENGTHENING THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES,  
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9497, OTHERWISE  
KNOWN AS CIVIL AVIATION AUTHORITY ACT OF 2008**

**EXPLANATORY NOTE**

Republic Act 9497, otherwise known as the "*Civil Aviation Act of 2008*", created the Civil Aviation Authority of the Philippines (CAAP), which is mandated to set comprehensive, clear, and impartial rules for the aviation industry. Under the law, the CAAP shall be an independent regulatory body with quasi-judicial and quasi-legislative powers with corporate attributes.

Following the technical glitch that led to the disruption of flights on New Year's Day, the CAAP admits that the country's air traffic management system is outdated, there is a massive brain drain of qualified air traffic controllers as they chase more competitive paychecks abroad and there is compelling discussion on air traffic privatization.

This measure aims to address the deficiencies in the management of the civil aviation industry in the country by strengthening CAAP as the country's designated authority. Among the amendments under the proposed measure are to increase the term of the Director General (DG) to seven (7) years, exempt CAAP from the Salary Standardization Law (SSL) and enhance their fiscal autonomy.

Critical to the realization of the country's potential as a tourist and business destination, the reforms in civil aviation are necessary steps to attain this goal.

In view of ensuring safety and reliability of air transportation, the immediate passage of this bill is earnestly sought.

  
**RAMON BONG REVILLA, JR.**

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KNOWN AS CIVIL AVIATION AUTHORITY ACT OF 2008**

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

1 Section 1. Section 2 of Republic Act No. 9497, otherwise known as the Civil  
2 Aviation Authority Act of 2008 is hereby amended to read as follows:

3 "SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to  
4 provide safe and efficient air transport and regulatory services in the Philippines  
5 by providing for the creation of a civil aviation authority with jurisdiction over  
6 the restructuring of the civil aviation system, the promotion, development and  
7 regulation of the technical, operational, safety, and aviation security functions  
8 under the civil aviation authority **IN FURTHERANCE OF THE OBLIGATIONS**  
9 **OF THE PHILIPPINES TO THE INTERNATIONAL COMMUNITY AS A**  
10 **CONTRACTING STATE IN ALL RELEVANT TREATIES INCLUDING THE**  
11 **CHICAGO CONVENTION. THE AUTHORITY SHALL COORDINATE WITH**  
12 **OTHER GOVERNMENT AGENCIES IN ADVANCING AVIATION**  
13 **SECURITY IN THE PHILIPPINES.**

14 **TOWARD THIS END, THE GOVERNMENT SHALL EXTEND ALL MEANS**  
15 **AND MECHANISMS NECESSARY FOR THE AUTHORITY TO FULFILL ITS**  
16 **VITAL TASK OF PROMOTING AND ENSURING SAFE AND EFFICIENT**  
17 **AIR TRANSPORT.**

1           **IN VIEW OF ITS CRUCIAL ROLE, AND THE NATURE, POWERS AND**  
2           **FUNCTIONS OF THE AUTHORITY, AS A GOVERNMENT**  
3           **INSTRUMENTALITY WITH CORPORATE POWERS, IT SHALL ENJOY**  
4           **FISCAL AND ADMINISTRATIVE AUTONOMY."**

5  
6           Sec. 2. Section 4 of the same Act is hereby amended to read as follows:

7           "SEC. 4. Creation of the Authority. - There is hereby created an independent  
8           regulatory body with quasi-judicial and quasi-legislative powers and possessing  
9           corporate attributes to be known as the Civil Aviation Authority of the  
10          Philippines (CAAP), hereinafter referred to as the "Authority" attached to the  
11          ~~[Department of Transportation and Communications (DOTC)]~~ **DEPARTMENT**  
12          **OF TRANSPORTATION SOLELY** for the purpose of policy coordination. For  
13          this purpose, the existing Air Transportation Office created under the provisions  
14          of Republic Act No. 776, as amended, is hereby abolished.

15          **THE AUTHORITY SHALL BE EXEMPTED FROM THE PROVISIONS OF**  
16          **REPUBLIC ACT NO. 10149, OTHERWISE KNOWN AS THE "GOCC**  
17          **GOVERNANCE ACT OF 2011', AND FROM THE JURISDICTION OF THE**  
18          **GOVERNANCE COMMISSION FOR GOVERNMENT OWNED OR**  
19          **CONTROLLED CORPORATION; PROVIDED, HOWEVER, THAT THE**  
20          **AUTHORITY SHALL BE REQUIRED TO COMPLY WITH THE**  
21          **DISCLOSURE REQUIREMENTS IN SECTION 25 CHAPTER V OF**  
22          **REPUBLIC ACT NO. 10149, AND MAY BE SUBJECT TO THE SPECIAL**  
23          **AUDIT UPON THE DIRECTIVE OF THE COMMISSION ON AUDIT;**  
24          **PROVIDED, FURTHER, THAT NO PERFORMANCE INCENTIVE, BONUS,**  
25          **AND ANY KIND OF ADDITIONAL BENEFIT NOT PRESCRIBED UNDER**  
26          **THE LAW SHALL BE GRANTED UNLESS THE AUTHORITY HAS FULLY**  
27          **PAID ALL TAXES FOR WHICH IT IS LIABLE.**

28          XXX

29          (a) ~~[Establishment of Authority Headed by a]~~ **APPOINTMENT AND TERM**  
30          **OF OFFICE OF THE** Director General - The Authority shall be headed by a  
31          Director General of Civil Aviation, referred to in this Act as the "Director  
32          General," who ~~[shall be appointed by the President of the Philippines and]~~ shall

1 be responsible for all **NON-ECONOMIC ASPECTS OF** civil aviation in the  
2 Philippines and the administration of this Act. **NOTWITHSTANDING THE**  
3 **PROVISIONS OF REPUBLIC ACT NO. 10149**, [7]the Director General shall  
4 be appointed **BY THE PRESIDENT OF THE PHILIPPINES** based on the  
5 qualifications herein provided and shall have a [tenure] **TERM** of office for a  
6 period of [~~four-(4)~~] **SEVEN (7)** years. His appointment may be extended for  
7 another non-extendible term of [ four (4) ] **SEVEN (7)** years and shall only be  
8 removed for cause in accordance with the rules and regulations prescribed by  
9 the Civil Service Commission. **IN CASE THE DIRECTOR GENERAL FAILS**  
10 **TO COMPLETE HIS TERM, HIS SUCCESSOR SHALL ONLY SERVE FOR**  
11 **THE UNEXPIRED PORTION OF THE TERM OF HIS PREDECESSOR. NO**  
12 **DIRECTOR GENERAL CAN SERVE IN OFFICE FOR MORE THAN** [eight  
13 (~~8~~)] **FOURTEEN (14) YEARS.**

14 **THE PRESIDENT OF THE PHILIPPINES SHALL APPOINT THE**  
15 **DIRECTOR GENERAL FROM A SHORTLIST OF THREE NOMINEES**  
16 **PREPARED BY THE BOARD OF DIRECTORS CONSTITUTED AS A**  
17 **SEARCH COMMITTEE COMPOSED OF FIVE MEMBERS THEREOF WHO**  
18 **SHALL RECEIVE AND EVALUATE NOMINATIONS. NO INCUMBENT**  
19 **DIRECTOR GENERAL SHALL BE A MEMBER OF THE SEARCH**  
20 **COMMITTEE.**

21 XXX"

22  
23 Sec. 3. Section 5 of the same Act is hereby amended to read as follows:

24 "SEC. 5. Composition of the Board Members. — The corporate powers of the  
25 Authority shall be vested in a board, which is composed of [~~seven-(7)~~] **NINE**  
26 **(9)** members:

27 (a) The Secretary of the Department of Transportation and Communications  
28 shall act as chairman ex officio;

29 (b) The Director General of Civil Aviation (DGCA) shall automatically be the vice  
30 chairman of the Board;

31 (c) The Secretary of Finance;

32 (d) The Secretary of Foreign Affairs;

1 (e) The Secretary of Justice;

2 (f) The Secretary of the Interior and Local Government; [and]

3 (g) The Secretary of the Department of Labor and Employment;

4 **(H) THE SECRETARY OF TOURISM (PER SECTION 96 OF REPUBLIC**  
5 **ACT NO. 9593); AND**

6 **(I) THE SECRETARY OF NATIONAL DEFENSE.**

7 The Directors listed under subsections (a) to [(g)] **(I)** shall be *ex officio*  
8 members of the Board of Directors: **PROVIDED, THAT IN THE ABSENCE OF**  
9 **THE CHAIRPERSON, AN UNDERSECRETARY OF THE [DOTC] DOTR**  
10 **SHALL BE DESIGNATED TO ACT AS CHAIRMAN: PROVIDED FURTHER,**  
11 **THAT IN THE ABSENCE OF THE DIRECTOR GENERAL, A**  
12 **REPRESENTATIVE FROM THE AUTHORITY SHALL BE DESIGNATED TO**  
13 **ACT AS VICE CHAIRPERSON:** Provided, That, in the absence of the Director  
14 appointed in subsections (c) to [(g)] (I), the Director concerned shall designate  
15 with full power and authority, in writing, an officer in his department or office  
16 to act on [his] **THEIR** behalf as a Director.”

17  
18 Sec 4. Section 9 of the same Act is hereby amended to read as follows:

19 “SEC. 9. Qualifications of Director General. - No person shall be appointed [or  
20 designated] as the Director General unless he is a Filipino citizen, at least thirty-  
21 five (35) years of age, of good moral character, unquestionable integrity,  
22 recognized competence and a degree holder with at least five (5) years  
23 supervisory or management experience in the field of aviation.”

24  
25 Sec. 5. Section 12 of the same Act is hereby amended to read as follows:

26 “SEC. 12. Personnel. - [~~Qualified existing personnel of the Air Transportation~~  
27 ~~Office (ATO) shall be given preference in the filling up of plantilla positions~~  
28 ~~created in the Authority, subject to existing civil service rules and regulations.]~~  
29 **THE DIRECTOR GENERAL SHALL EXERCISE APPOINTING AND**  
30 **DISCIPLINING POWERS OVER ALL PERSONNEL OF THE AUTHORITY.**  
31 **CONSIDERING THE HIGHLY TECHNICAL CHARACTER AND NATURE**  
32 **OF THE FUNCTIONS OF THE AUTHORITY, ITS PERSONNEL SHALL BE**

1 EXEMPTED FROM THE REQUIREMENTS PRESCRIBED UNDER THE  
2 RULES GOVERNING THE CAREER EXECUTIVE SERVICE. ALL LAWS,  
3 RULES, AND REGULATIONS, GOVERNING POSITIONS,  
4 CLASSIFICATIONS AND QUALIFICATION STANDARDS INCLUDING,  
5 BUT NOT LIMITED TO, PRESIDENTIAL DECREE NO. 985, REPUBLIC  
6 ACT NO. 6758, AS AMENDED, JOINT RESOLUTION NO. 4 (2009 OF THE  
7 PHILIPPINE CONGRESS) AND REPUBLIC ACT NO. 10149.”  
8

9 Sec. 6. Section 15 of the same Act is hereby amended to read as follows:

10 “SEC. 15. Fiscal Autonomy. — The Authority shall enjoy fiscal autonomy. All  
11 money earned by the Authority from the collection/levy of any and all such  
12 fees, charges, dues, assessments and fines it is empowered to collect/levy  
13 under this Act shall be used solely to fund the operations of the Authority.

14 **THE AUTHORITY SHALL LIKEWISE BE EXEMPTED FROM THE**  
15 **PROVISIONS OF REPUBLIC ACT NO. 7656 OR THE DIVIDEND LAW.**  
16 **THE INCOME GENERATED BY THE AUTHORITY FROM AIR**  
17 **NAVIGATIONAL CHARGES SHALL BE UTILIZED FOR COMPLIANCE**  
18 **WITH INTERNATIONAL STANDARDS OF SAFETY.**

19 The utilization of any funds coming from the collection and/or levy of the  
20 Authority shall be subject to the examination of the Congressional Oversight  
21 Committee (COCAAP). **THE COCAAP MAY REQUIRE THE AUTHORITY TO**  
22 **SUBMIT, FURNISH OR PROVIDE ANY AND ALL DOCUMENTS IN**  
23 **RELATION TO THE UTILIZATION OF FUNDS OF THE AUTHORITY AND**  
24 **ANY OTHER NON-FINANCIAL DOCUMENTS RELATIVE TO THE DUTIES,**  
25 **FUNCTIONS, OPERATIONS OF THE AUTHORITY.”**  
26

27 Sec. 7. Section 18 of the same Act is hereby amended to read as follows:

28 “SEC. 18. Compensation and Other Emoluments of Authority Personnel. -

29 Within six (6) months from the effectivity of this Act, the Board shall determine the  
30 new schedule of salaries of the employees of the Authority subject to the compliance  
31 with the existing compensation laws **AND REVISE THE SAME FROM TIME TO**  
32 **TIME AS IT MAY DEEM NECESSARY:** Provided, That the Board shall determine

1 and fix the compensation, **EMOLUMENTS** and fringe benefits of employees holding  
2 technical positions [~~that are not common to the other agencies of the government~~  
3 ~~which shall be specified in the Implementing Rules and Regulations~~].

4 **IT SHALL PROVIDE ANNUAL REVIEWS OR INCREASES BASED ON**  
5 **PRODUCTIVITY."**

6  
7 Sec. 8. A new section 18-A is hereby inserted to read as follows:

8 "SEC. 18-A. MANAGEMENT OFFICIALS AND EMPLOYEES; MERIT SYSTEM- THE  
9 BOARD SHALL ESTABLISH A HUMAN RESOURCES MANAGEMENT SYSTEM,  
10 WHICH SHALL PROMOTE PROFESSIONALISM AT ALL LEVELS OF THE  
11 AUTHORITY IN ACCORDANCE WITH SOUND PRINCIPLES OF MANAGEMENT.  
12 A PROGRESSIVE COMPENSATION STRUCTURE, BASED ON, AND EQUIVALENT  
13 TO THE STANDARDS OF THE AVIATION INDUSTRY, AS PRACTICED AND  
14 OBSERVED IN THE INTERNATIONAL AVIATION INDUSTRIES, INCLUDING THE  
15 STANDARDS SET BY THE INTERNATIONAL CIVIL AVIATION ORGANIZATION,  
16 SHALL BE ADOPTED AS AN INTEGRAL COMPONENT OF THE AUTHORITY'S  
17 HUMAN RESOURCES PROGRAM."

18  
19 Sec. 9. A new section 18-B is hereby inserted in Republic Act 9497, to read as  
20 follows:

21 **"SEC. 18-B. EXTRA COMPENSATION. - ALL RATED AND/OR LICENSED**  
22 **AIRMEN AND SUCH OTHER PERSONS OF THE AUTHORITY WHO MAY**  
23 **BE AUTHORIZED TO UNDERTAKE OR PERFORM REGULAR AND**  
24 **FREQUENT FLIGHTS IN THE PERFORMANCE OF THEIR DUTIES, SHALL**  
25 **RECEIVE, UPON APPROVAL OF THE AUTHORITY, IN ADDITION TO**  
26 **THEIR BASE PAY, AN INCREASE IN COMPENSATION OF AT LEAST**  
27 **FIFTY PERCENTUM (50%) OF THEIR RESPECTIVE BASE PAY;**  
28 ***PROVIDED, HOWEVER,* THAT THE NUMBER OF HOURS ACTUALLY**  
29 **FLOWN BY SUCH AIRMEN AND AUTHORIZED PERSONNEL SHALL NOT**  
30 **BE LESS THAN FOUR (4) PER MONTH: *PROVIDED, FURTHER,* THAT**  
31 **THE AFOREMENTIONED INCREASE IN COMPENSATION SHALL BE**  
32 **MANDATORY ONLY IN THE FIRST INSTANCE FROM THE EFFECTIVITY**

1 OF THIS ACT: *PROVIDED, FINALLY,* THAT FUTURE MANDATORY  
2 INCREASES IN THE COMPENSATION OF THE RATED AND/OR  
3 LICENSED AIRMEN AND SUCH OTHER PERSONS OF THE AUTHORITY  
4 WHO MAY BE AUTHORIZED TO UNDERTAKE OR PERFORM REGULAR  
5 AND FREQUENT FLIGHTS IN THE PERFORMANCE OF THEIR DUTIES,  
6 MAY BE INCREASED BY THE AUTHORITY ONLY IF IT HAS SUFFICIENT  
7 BUDGET FOR THE SAME AND IF IT WILL SERVE THE INTEREST OF THE  
8 AVIATION INDUSTRY AS A WHOLE.”

9  
10 Sec. 10. A new section 18-C is hereby inserted in Republic Act 9497, to read as  
11 follows:

12 **“SEC. 18-C. EMPLOYMENT OF PERSONS FOR CONFIDENTIAL, HIGHLY**  
13 **TECHNICAL AND POLICY DETERMINING POSITIONS - THE DIRECTOR**  
14 **GENERAL MAY MAKE APPOINTMENTS TO CONFIDENTIAL, HIGHLY**  
15 **TECHNICAL, AND POLICY DETERMINING POSITIONS AS MAY BE**  
16 **REQUIRED BY THE FUNCTIONS AND RESPONSIBILITIES OF THE**  
17 **OFFICE.”**

18  
19 Sec. 11. Section 24 of the same Act is hereby amended to read as follows:

20 “SEC. 24. Powers of the Board. The Board shall have the following  
21 general powers;

22 XXX

23 (d) **ANY LAW TO THE CONTRARY NOTWITHSTANDING,**  
24 **ORGANIZE, RE-ORGANIZE, AND [Ø]determine the organizational**  
25 **structure of the Authority in accordance with the provisions of this Act,**  
26 **establish a human resources management system based on merit and**  
27 **fitness, CREATE, TRANSFER, RE-ALIGN AND ABOLISH OFFICES**  
28 **AND POSITIONS,** and adopt a rational compensation and benefits  
29 scheme **EQUIVALENT TO THE STANDARDS SET BY THE**  
30 **INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO);**



1 ~~[(e) Exercise appellate powers on any decisions, findings and rulings of~~  
2 ~~the Director General, to issue subpoena ad testificandum or subpoena~~  
3 ~~duces tecum requiring the attendance and testimony of witnesses in any~~  
4 ~~matter or inquiry pending before the Board and require the production~~  
5 ~~of books, papers, contracts, agreements and all other documents~~  
6 ~~submitted for purposes of this section to be under oath and verified by~~  
7 ~~the person in custody thereof as to the truth and correctness of data~~  
8 ~~appearing in such books, papers, tariffs, contracts, agreements and all~~  
9 ~~other documents;~~

10 ~~(f) Exercise appellate powers to order the taking of depositions in any~~  
11 ~~proceeding, or investigation, pending before the Board at any stage of~~  
12 ~~such proceeding or investigation;-]~~

13 Xxx

14 ~~[(j) Promulgate rules and regulations as may be necessary in the interest~~  
15 ~~of safety in air commerce pertaining to the issuance of the airman's~~  
16 ~~certificate including the licensing of operating and mechanical personnel;~~  
17 ~~type certificate for aircraft, aircraft engines, propellers and appliances;~~  
18 ~~airworthiness certificates, air carrier operating certificates, air agency~~  
19 ~~certificates, navigation facility and aerodrome certificates; air traffic~~  
20 ~~routes; radio and aeronautical telecommunications and air navigation~~  
21 ~~aids; aircraft accident inquiries; aerodromes, both public and private-~~  
22 ~~owned; construction of obstructions to aerodromes; height of buildings;~~  
23 ~~antennae and other edifices; registration of aircrafts; search and rescue;~~  
24 ~~facilitation of air transports; operations of aircrafts, both for domestic~~  
25 ~~and international, including scheduled and nonscheduled; meteorology~~  
26 ~~in relation to civil aviation; rules of the air; air traffic services; rules for~~  
27 ~~prevention of collision of aircrafts; identification of aircraft; rules for safe~~  
28 ~~altitudes of flight; and such other rules and regulations, standards,~~  
29 ~~governing other practices, methods and/or procedures as the Director~~  
30 ~~General may find necessary and appropriate to provide adequately for~~  
31 ~~safety regularity and efficiency in air commerce and air navigation;]~~

32 Xxx

1 ~~[(m) Adopt a system for the registration of aircraft as hereinafter~~  
2 ~~provided;]~~

3 Xxx

4 ~~[(q) Upon its own initiative or the recommendation of the Director~~  
5 ~~General or an application of a private person, grant exemption from the~~  
6 ~~requirements of observing rules or regulations issued in accordance with~~  
7 ~~this Act: Provided, That said grant of exemption is not prejudicial to flight~~  
8 ~~safety;~~

9 ~~(r) Formulate rules and regulations concerning compliance of the carrier~~  
10 ~~and the public for the safe transport of goods and materials by air~~  
11 ~~pursuant to international standards or Annexes to the Chicago~~  
12 ~~Convention; and~~

13 ~~(s) In coordination with the appropriate government agency tasked to~~  
14 ~~provide airport security, shall:~~

15 ~~(1) Prescribe reasonable regulation requiring that all passengers and all~~  
16 ~~property intended to be carried in the aircraft cabin in commercial air~~  
17 ~~transport be screened by weapon detecting procedure or facilities~~  
18 ~~employed or operated by employees or agents of the air operator or~~  
19 ~~foreign air operator prior to boarding the aircraft for such transportation;~~  
20 ~~(2) Prescribe such other reasonable rules and regulations requiring such~~  
21 ~~parties, methods and procedures as the Director General may find~~  
22 ~~necessary to protect persons and property aboard aircraft operating in~~  
23 ~~commercial air transport against acts of criminal violence and aircraft~~  
24 ~~piracy; and~~

25 ~~(3) To the extent practicable, require uniform procedures for the~~  
26 ~~inspection, detention, and search of persons and property in domestic~~  
27 ~~commercial air transport and international commercial air transport to~~  
28 ~~assure their safety and to assure that they will receive courteous and~~  
29 ~~efficient treatment by air operators and their agents and employees.]~~

30 **(Q) APPROVE POLICY ON LOCAL AND FOREIGN TRAVEL, AND**  
31 **THE CORRESPONDING EXPENSES, ALLOWANCES, PER DIEMS**  
32 **OF OFFICERS, EMPLOYEES, AGENTS OF THE AUTHORITY,**

1           **NOTWITHSTANDING THE PROVISIONS OF PRESIDENTIAL**  
2           **DECREE NO. 1177, EXECUTIVE ORDER 292, EXECUTIVE ORDER**  
3           **248, AS AMENDED, EXECUTIVE ORDER 298, AND SIMILAR**  
4           **LAWS;**

5           **(R) EXERCISE THE POWER OF EMINENT DOMAIN FOR THE**  
6           **PURPOSE OF THIS ACT IN THE MANNER PROVIDED BY LAW,**  
7           **PARTICULARLY, THE PREREQUISITES OF TAKING OF**  
8           **POSSESSION AND THE DETERMINATION AND PAYMENT OF**  
9           **JUST COMPENSATION; AND**

10           **(S) THE BOARD MAY PERFORM SUCH ACTS, THRU THE**  
11           **DIRECTOR GENERAL OR APPROPRIATE OFFICE, CONDUCT**  
12           **SUCH INVESTIGATION IN THE PERFORMANCE OF ITS QUASI**  
13           **JUDICIAL FUNCTIONS, AS IT SHALL DEEM NECESSARY TO**  
14           **CARRY OUT THE PROVISIONS OF THIS ACT. IN EXERCISING**  
15           **THE POWERS GRANTED UNDER THIS ACT, THE BOARD SHALL**  
16           **GIVE FULL CONSIDERATION TO THE REQUIREMENTS OF**  
17           **NATIONAL DEFENSE, COMMERCIAL AND GENERAL AVIATION,**  
18           **AND TO THE PUBLIC RIGHT OF TRANSIT THROUGH NAVIGABLE**  
19           **AIRSPACE.”**

20  
21           Sec. 12. Section 25 is hereby amended to read as follows:

22           “SEC. 25. Issuance of Rules and Regulations. - The ~~[Board, in consultation with~~  
23           ~~the]~~ Director General, shall issue and provide for the enforcement of such  
24           orders, rules and regulations as may be necessary to give effect to the  
25           provisions of this Act. All rules and regulations issued in accordance with the  
26           provisions of this Act shall be formally promulgated and periodically reviewed  
27           and updated in accordance with the requirements of the Administrative Code  
28           of the Philippines or any amendment or successor thereto and the International  
29           Civil Aviation Organization Standards and Recommended Practices. ~~[Pending~~  
30           ~~the promulgation of such new rules and regulations, the current rules and~~  
31           ~~regulations of the ATO shall continue to apply.]”~~

1 Sec. 13. Section 26 of the same Act is hereby amended to read as follows:

2 "SEC. 26. Setting of Charges and Fees. - The Board, after consultation with the  
3 Director General, and after public hearing, shall determine, fix, impose, collect  
4 or receive reasonable charges, fees, dues or assessments in respect of aviation  
5 certificates, licenses and all other authorizations or permissions authorized to  
6 be issued under this Act and all services performed by the Authority **BASED**  
7 **ON THE PRINCIPLE OF COST RECOVERY AT AN AGGREGATE LEVEL.** All  
8 charges and fees shall be formally promulgated in accordance with the  
9 requirements of the Administrative Code of the Philippines or any amendment  
10 or successor thereto. Pending the promulgation of such new schedule of  
11 charges and fees, the current charges and fees of the ATO shall continue to  
12 apply."

13  
14 Sec. 14. Section 27 of the same Act is hereby amended to read as follows:

15 "SEC. 27. Issuance of Rules of Procedure and Practice. - The [~~Board may~~  
16 ~~authorize the~~] Director General [~~to~~] shall issue or amend rules of procedures  
17 and practice **BEFORE THE AUTHORITY IN RELATION TO ITS**  
18 **REGULATORY FUNCTION** as may be required to be issued pursuant to the  
19 provisions of this Act or issue and adopt rules and regulations [~~and other~~] **TO**  
20 **IMPLEMENT THE REGULATORY** issuances of the ICAO. [~~Pending the~~  
21 ~~promulgation of such new rules of procedures and practice, current rules of~~  
22 ~~procedures and practices of the ATO shall continue to apply.~~]

23  
24 Sec. 15. Section 28 of the same Act is hereby amended to read as  
25 follows:

26 "SEC. 28. Appellate [~~Powers~~] Jurisdiction - [~~The Board, on an appeal~~  
27 ~~properly taken by an interested party from a decision, judgment or order~~  
28 ~~of the Director General, shall have the power to:~~

29 (~~a~~) Review, confirm, modify, revise, amend or reverse, as the case may  
30 be, decisions, judgments and/or orders of the Director General;

1 ~~(b) Confirm, remit, mitigate, increase or compromise, as the case may~~  
2 ~~be, fines imposed by the Director General pursuant with the provisions~~  
3 ~~of this Act; and~~

4 ~~(c) Review, confirm, modify, revise, amend or reverse, as the case may~~  
5 ~~be, impositions by the Director General of liens on personal and real~~  
6 ~~properties of entities, persons, corporations or partnerships in default,~~  
7 ~~or those who have failed to perform their obligations pursuant to rules~~  
8 ~~and regulations promulgated under this Act, or those who shall have~~  
9 ~~failed to pay the fines or other pecuniary penalties for violation thereof~~  
10 ~~In no case that the Director General shall participate in the hearing and~~  
11 ~~adjudication of an appealed case before the Board where the subject of~~  
12 ~~appeal is a judgment or decision rendered by his office. In such a case,~~  
13 ~~it requires four (4) concurring votes of the members of the Board who~~  
14 ~~actively participated in the deliberation of the appealed case before the~~  
15 ~~judgment or decision of the Director General can be modified or~~  
16 ~~reversed.]~~

17 **ALL DECISIONS, RULINGS, RESOLUTIONS OF THE BOARD AND**  
18 **THE DIRECTOR GENERAL ARE APPEALABLE TO THE COURT OF**  
19 **APPEALS.”**

20  
21 Sec. 16. Section 35 of the same Act is hereby amended to read as  
22 follows:

23 “SEC. 35. Powers and Functions of the Director General. - The Director  
24 General shall be the chief executive and operating officer of the  
25 Authority. He shall have the following powers, duties and  
26 responsibilities:

27 Xxx

28 **(d) DETERMINE THE ORGANIZATIONAL STRUCTURE OF THE**  
29 **AUTHORITY IN ACCORDANCE WITH THE PROVISIONS OF THIS**  
30 **ACT, ESTABLISH A HUMAN RESOURCES MANAGEMENT SYSTEM**  
31 **BASED ON MERIT AND FITNESS, AND ADOPT A RATIONAL**  
32 **COMPENSATION AND BENEFITS SCHEME; EXERCISE**

1           **APPELLATE POWERS TO ORDER THE TAKING OF DEPOSITIONS**  
2           **IN ANY PROCEEDING, OR INVESTIGATION, PENDING BEFORE**  
3           **THE BOARD AT ANY STAGE OF SUCH PROCEEDING OR**  
4           **INVESTIGATION;**

5           (e) To issue air **OPERATOR** certificate in accordance with the minimum  
6           safety standards for the operation of the air carrier to whom such  
7           certificate is issued. The air **OPERATOR** certificate shall be issued only  
8           to aircrafts registered under the provisions of this Act.

9           **AN AIR OPERATOR CERTIFICATE HOLDER MAY OPERATE AND**  
10          **USE FOREIGN-REGISTERED AIRCRAFTS: PROVIDED, THAT THE**  
11          **STATE OF REGISTRATION DELEGATES TO THE DIRECTOR**  
12          **GENERAL THE TECHNICAL AND SAFETY OVERSIGHT**  
13          **FUNCTIONS OVER THE AIRCRAFT AND/OR ITS CREW, AS**  
14          **APPLICABLE PURSUANT TO ICAO ARTICLE 83BIS, AND**  
15          **SUBJECT TO SUCH RULES AND REGULATIONS PROMULGATED**  
16          **BY THE AUTHORITY.**

17          **(F) PROMULGATE RULES AND REGULATIONS AS MAY BE**  
18          **NECESSARY IN THE INTEREST OF SAFETY IN AIR COMMERCE**  
19          **PERTAINING TO THE ISSUANCE OF THE AIRMAN'S**  
20          **CERTIFICATE INCLUDING THE LICENSING OF OPERATING AND**  
21          **MECHANICAL PERSONNEL, TYPE CERTIFICATE FOR AIRCRAFT,**  
22          **AIRCRAFT ENGINES, PROPELLERS AND APPLIANCES,**  
23          **AIRWORTHINESS CERTIFICATES, AIR CARRIER OPERATING**  
24          **CERTIFICATES, AIR AGENCY CERTIFICATES, NAVIGATION**  
25          **FACILITY AND AERODROME CERTIFICATES; AIR TRAFFIC**  
26          **ROUTES; RADIO AND AERONAUTICAL TELECOMMUNICATIONS**  
27          **AND AIR NAVIGATION AIDS; AIRCRAFT ACCIDENT INQUIRIES;**  
28          **AERODROMES, BOTH PUBLIC AND PRIVATE-OWNED;**  
29          **CONSTRUCTION OF OBSTRUCTIONS TO AERODROMES;**  
30          **HEIGHT OF BUILDINGS; ANTENNAE AND OTHER EDIFICES;**  
31          **REGISTRATION OF AIRCRAFTS; SEARCH AND RESCUE;**  
32          **FACILITATION OF AIR TRANSPORTS; OPERATIONS OF**

1           **AIRCRAFTS, BOTH FOR DOMESTIC AND INTERNATIONAL,**  
2           **INCLUDING SCHEDULED AND NON-SCHEDULED;**  
3           **METEOROLOGY IN RELATION TO CIVIL AVIATION; RULES OF**  
4           **THE AIR; AIR TRAFFIC SERVICES; RULES FOR PREVENTION OF**  
5           **COLLISION OF AIRCRAFTS, IDENTIFICATION OF AIRCRAFT;**  
6           **RULES FOR SAFE ALTITUDES OF FLIGHT; AND SUCH OTHER**  
7           **RULES AND REGULATIONS, STANDARDS, GOVERNING OTHER**  
8           **PRACTICES, METHODS AND/OR PROCEDURES AS THE**  
9           **DIRECTOR GENERAL MAY FIND NECESSARY AND**  
10           **APPROPRIATE TO PROVIDE ADEQUATELY FOR SAFETY**  
11           **REGULARITY AND EFFICIENCY IN AIR COMMERCE AND AIR**  
12           **NAVIGATION;**

13           (v) Adopt a system for the registration of aircraft as hereinafter  
14           provided.”

15  
16           Sec 17. Section 40 of the same Act is hereby amended to read as follows:

17           “SEC. 40. Creation of Flight Standards Inspectorate Service. - (a) [The  
18           Board, other than the offices it shall create in furtherance of this Act,  
19           shall establish a permanent office known as the Flight Standards  
20           Inspectorate Service (FSIS) that will] assist the Director General in  
21           carrying out the responsibilities of his office for certification and ongoing  
22           inspections of aircraft, airmen and air operators.

23           The **FLIGHT STANDARDS INSPECTORATE SERVICE (FSIS)** shall  
24           perform the following functions:

- 25           (1) Airworthiness inspection;  
26           (2) Flight operations inspection and evaluation; and  
27           (3) Personnel licensing.” [Furthermore, the Board shall create, but not  
28           limited to, the following offices which will provide support to the  
29           functions of the FSIS, namely; Aircraft Registration, Aircraft Engineering  
30           and Standards, Airmen Examination Board and Office of the Flight  
31           Surgeon.]

1           Sec. 18. Section 73 of the same Act is hereby amended to read as follows:

2           "SEC. 73. Statutory Lien **AND POWER TO DETAIN.** - The Director  
3           General [~~-, after complying with the required legal formalities provided~~  
4           ~~by law,~~] shall have the power to impose lien on **AND DETAIN** aircraft  
5           and machinery:

6           (a) If the charges and other fees are not paid in full on due date or any  
7           part of the charges or the late payment penalty thereto remains unpaid;  
8           and

9           (b) Failure to pay administrative fines arising from violation of any rules  
10          and regulations promulgated by the Authority."

11  
12          Sec. 19. A new section 81-B is hereby inserted to read as follows:

13          "SEC. 81.B Notwithstanding Section 81 (b), the penalties provided under  
14          Section 81, paragraph (b), clauses (5), (6), (7), (8), (9),(10), (11), and  
15          (12), may be imposed by a court of competent jurisdiction after the filing  
16          of a proper criminal complaint by an air operator, airman, or crew  
17          member."

18  
19          Sec. 20. A new section 84-A is hereby inserted to read as follows:

20          "**SEC. 84-A. EXECUTION OF MONETARY JUDGMENT. - THE**  
21          **DIRECTOR GENERAL IS AUTHORIZED TO ENFORCE MONETARY**  
22          **JUDGMENTS THROUGH THE SHERIFF WHO SHALL DEMAND THE**  
23          **IMMEDIATE PAYMENT OF THE FULL AMOUNT STATED IN THE**  
24          **WRIT OF EXECUTION TO BE IMPOSED FOR EACH VIOLATION**  
25          **OF THIS ACT.**

26          **FOR THIS PURPOSE, THE DIRECTOR GENERAL MAY ISSUE AN**  
27          **ORDER DIRECTING THE SHERIFF TO REQUEST THE**  
28          **ASSISTANCE OF LAW ENFORCEMENT AGENCIES TO ENSURE**  
29          **COMPLIANCE WITH THE WRIT OF EXECUTIONS, ORDERS OR**  
30          **PROCESSES."**

31  
32          Sec. 21. Section 91 of the same Act is hereby amended to read as follows:



1 "SEC. 91. Congressional Oversight Committee. — A Congressional Oversight  
2 Committee, hereinafter referred to as the "Committee", is hereby constituted  
3 in accordance with the provisions of this Act. The Committee shall be composed  
4 of the Chairman of the Senate Committee on Public Services and Chairman of  
5 the House Committee on Transportation and four (4) additional members from  
6 each House to be designated by the Senate President and the Speaker of the  
7 House of Representatives, respectively. The Committee shall, among others, in  
8 aid of legislation:

9 (a) Monitor and ensure the proper implementation of this Act;

10 (b) Review the collection performance of the Authority; and

11 (c) Review the proper implementation of the programs of the Authority and the  
12 use of its collected fund **AND BUDGET.**

13  
14 In furtherance of the hereinabove cited objectives, the Committee is  
15 empowered to require the Authority to submit all pertinent information  
16 including, but not limited to, its collection performance data and its annual  
17 audited financial statements certified by the Commission on Audit. **ANY**  
18 **MEMBER OF THE COMMITTEE OR THEIR REPRESENTATIVE IS**  
19 **AUTHORIZED TO SIT AS AN OBSERVER IN ANY OF THE MEETING OR**  
20 **FUNCTION OF THE BOARD.** The Congressional Oversight Committee shall  
21 be in existence for a period of [~~five (5)~~] **TEN (10) YEARS FROM THE**  
22 **EFFECTIVITY OF THIS ACT**, and thereafter, its oversight functions shall be  
23 exercised by the Senate Committee on Public Services and the House  
24 Committee on Transportation acting separately.

25  
26 *Sec. 22. Transitory Provisions.* - All powers, duties and rights vested by law  
27 and exercised by the authority relating to the planning, development, control,  
28 supervision, construction, maintenance, operation, provision of services and facilities  
29 and the efficient functioning of all domestic and international airports pursuant to  
30 Republic Act 9497, shall remain with the authority until the airport governing authority  
31 tasked to implement these functions is established not more than one (1) year from  
32 the effectivity of this Act.

1 All assets, real and personal properties, contracts, records and documents,  
2 funds and revenues owned by or vested in the authority in relation to the above  
3 powers, duties and rights shall be transferred to the airport governing authority. In  
4 the interim, the authority shall separate the developmental and commercial functions  
5 by implementing an organizational restructuring that will enable and ensure the  
6 functional separation within a period of one (1) year from the effectivity of this Act.

7

8 *Sec. 23. Separability Clause.* - If any part or provision of this Act shall be  
9 declared invalid or unconstitutional, the other provisions hereof not affected shall  
10 continue to be in full force and effect.

11

12 *Sec. 24. Repealing Clause.* - Any law, presidential decree or issuance, executive  
13 order, letter of instruction, administrative order, rule, or regulation contrary to or  
14 inconsistent with the provisions of this Act are hereby repealed, modified, or amended  
15 accordingly.

16

17 *Sec. 25. Effectivity.* - This Act shall take effect fifteen (15) days after its  
18 publication either in the *Official Gazette* or in two (2) newspapers of general circulation  
19 in the Philippines.

*Approved,*