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

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19 JUL 19 P3:44

SENATE
S. No. 1562

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Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article XVI, 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.[1]

MIRIAM DEFENSOR SANTIAGO

[1] This bill was re-filed during the Thirteenth Congress, First Regular Session.

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

OFFICE OF THE SECRETARY
10 JUL 19 P3:44

SENATE
S. No. 1562

RECEIVED BY

Introduced by Senator Miriam Defensor Santiago

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

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

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

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

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

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

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

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

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

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

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

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

(B) *Specific Practices.* - For purposes of paragraph (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 overloaded;

(2) To permit a passenger's 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 twenty-four (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 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 schedule flight will be delayed for any reason other than reasons of national security.

(6) To inform the passenger 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 forty-eight (48) hours after the ticket is purchased;

(8) To disclose to consumer 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 redemptions on each airline and on each flight.

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

SECTION 5. *Implementing Rules and Regulations.* - Within ninety (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 One Hundred Thousand Pesos (Pl00,00.00), or both.

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

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

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

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

Approved.