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Senate  
P.S. Resolution No. **1113**

OFFICE OF THE SECRETARY

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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**RESOLUTION**

***DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPOSITION OF FINES AND PENALTIES BY THE CIVIL AERONAUTICS BOARD ON ERRING AIRLINES WITH THE END VIEW OF AMENDING THE PROVISIONS OF REPUBLIC ACT NO. 776 OTHERWISE KNOWN AS THE CIVIL AERONAUTICS ACT***

**Whereas**, under Republic Act No. 776, otherwise known as the Civil Aeronautics Act of the Philippines, the Department of Transportation and Communications (DOTC), through the Civil Aeronautics Board, is mandated by law to regulate the economic aspect of aviation, and develop and promote the air potential of the Philippines, with due regard to public interest and convenience. The DOTC and the Department of Trade and Industry issued Joint Administrative Order No. 1 2012, "Air Passenger Bill of Rights," which aims to protect travelers from what are perceived to be abusive practices by local and foreign airlines. It laid down the guidelines for several airline practices, including overbooking, rebooking, ticket refunds, cancelled and delayed flights, lost luggage and misleading advertisements on fares which were the top causes of passenger complaints in 2011;

**Whereas**, in case of flight cancellations attributable to the carrier, the "Air Passenger Bill of Rights" gives the passengers the right to reimburse the value of the fare, including taxes and surcharges, of the sector cancelled, or both/all sectors, in case the passenger decides not to fly, the ticket or all the routes/sectors or rebook the ticket, without additional charge, to the next flight with available space, or, within thirty (30) days, to a future trip within the period of validity of the ticket;

**Whereas**, there was a significant number of delayed and cancelled flights by Cebu Pacific Air last December 24 to 26, 2014 which caused severe inconvenience to the affected passengers. According to data that Cebu Pacific Air submitted to the investigating panel composed of officials of Civil Aeronautics Board last December 29, 2014, the company had a total of 20 cancelled flights and 288 delayed flights at the NAIA3 from December 24 to 26. The Manila International Airport Authority also gathered information on the number of dislocated passengers, routes affected and the total capacity versus seats sold and flown to determine if there was indeed overbooking;

**Whereas**, the Civil Aeronautics Board issued CAB Resolution No.4 (BM 01-01-12-2015) which fined Cebu Pacific in the amount of Php 52.211 Million after finding the budget airline liable for "operational lapses and mishandling of passengers" at the Ninoy Aquino International Airport Terminal 3 (NAIA3) during the Christmas holidays. The Civil Aeronautics Board also required Cebu Pacific to establish and maintain appropriate service standards for all its personnel, organic and outsourced, especially those manning the check-in counters;

**Whereas**, despite the issuance of rules, regulations and joint administrative orders by the government, air passengers continue to suffer the consequences due to the

inefficiency of carriers that fail to render them better service. It has been settled in jurisprudence that where a business intended to serve the travelling public primarily, a contract of carriage is imbued with public interest. Indeed, the damages incurred by the air passengers should be adequately and commensurately given to them;

**Whereas**, there is a need to review the provisions of RA No. 776 on Violations and Penalties, where any carrier or person who violates or fails to comply with any provision of the Act, or any of the terms, conditions or limitations in a permit or amendment thereto or any orders, rules or regulations issued by the Civil Aeronautics Board shall be subject to a fine not exceeding P5,000 for each violation.

**NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved to direct the appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the imposition of fines and penalties by the Civil Aeronautics Board on erring airlines with the end view of amending the provisions of Republic Act No. 776 otherwise known as the Civil Aeronautics Act.

Adopted,

A handwritten signature in black ink, appearing to read "Bam Aquino". The signature is written in a cursive, flowing style.