

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



Senate  
Office of the Secretary

15 JUL 27 12 41

SENATE  
S.B. 2866

RECEIVED BY: 

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Introduced by Senator Poe

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**AN ACT  
TO FURTHER STRENGTHEN THE RELIABILITY OF AIR TRANSPORTATION  
FOR THE SAFETY OF FILIPINO PASSENGERS, AMENDING FOR THE PURPOSE  
REPUBLIC ACT 9497, OTHERWISE KNOWN AS THE CIVIL AVIATION  
AUTHORITY ACT OF 2008**

**EXPLANATORY NOTE**

Republic Act 9497, otherwise known as the Civil Aviation Act of 2008 was signed into law on March 4, 2008. The law abolished the Air Transportation Office (ATO) and in its place, the Civil Aviation Authority of the Philippines (CAAP) was created, which is mandated to set comprehensive, clear, and impartial rules for the aviation industry. In the same law, the CAAP shall be an independent regulatory body with quasi-judicial and quasi-legislative powers with corporate attributes.

Prior to the passage of RA 9497, the US Federal Aviation Authority (FAA) downgraded the Philippines to Category 2 status in 2007 after finding 88 critical elements. The "downgrade" meant the FAA had concerns over the ability of its counterpart (formerly ATO) to implement global aviation standards, which include security and safety, among others.

As of early this year, the technical review report of the FAA cited 23 "critical elements" that still have to be addressed for the improvement of the country's aviation status. The remaining "critical elements" include fine-tuning of the Philippine Civil Air Regulations, changing the CAAP's safety and oversight structure, updating its database storing system, standardizing their certification of safety inspectors, and revalidating airline carriers, among others.

The recent efforts of CAAP have led to the resolution of many of the regulatory concerns raised, as indicated by the restoration of the Philippines to Category 1 status in April 2014 and the lifting of the ban by the EU on Philippine carriers to mount flights into Europe.

This proposed measure seeks to fully address the still perceived deficiencies in the supervision and management of the Philippine civil aviation industry and to strengthen CAAP as the country's designated civil aviation authority.

CAAP was already given positive endorsement by the European Commission when it gave the Philippines the category upgrade. This means that international aviation bodies can

now “rely on CAAP’s judgment regarding the safety of other airlines for in-country use” by international travellers.

There is a need to pass these amendments in order to sustain and not to derail CAAP’s efforts which once again allowed carriers to offer direct flights from the Philippines to Europe and to more destinations in the United States as it continues to work with international aviation bodies to improve and upgrade the status of Philippine aviation.

Highlighting the amendments being proposed in this legislation include:

- Increasing the term of the Director General (DG) to seven years

Increasing the DG’s term of office to 7 years - in the CAAP law is consistent with the intent of strengthening CAAP as a regulatory body. The Legislature in enacting the CAAP law is sought to insulate the agency from the constantly changing political climate in the Executive Department. The mandate is to cause the restructuring of the civil aviation system, the promotion, development and regulation of the technical, operational, safety, and aviation security functions,” which can hardly be realized under a DG who has no security of tenure and would, constantly find difficulty in instituting reforms attuned to international standards in civil aviation if he is interrupted by factors other than removal for cause.

- Enhanced fiscal autonomy

The amendment pertaining to increased fiscal autonomy is intended to minimize difficulties in securing prompt concurrence of budget allocations and expenditures. This is significant considering the peculiar character of projects relating to regulatory and aviation safety oversight functions.

- Exemption of CAAP from the Salary Standardization Law (SSL)

The proposed exemption from the Salary Standardization Law is based the fact that the qualifications and functions performed by CAAP directors, officers, and employees are different from those performed by other “government employees” as distinctly and highly technical in nature.

The amendment is anchored too on the reported impending global shortage of aviation professionals and aviation safety professionals. Taking the US as an example, in the next 20 years, there will be a need to add 25,000 new aircrafts to the current 17,000-strong commercial fleet. By 2026, there will be a need for 480,000 new technicians to maintain these aircrafts and over 350,000 pilots to fly them. Between 2005 and 2015, 73% of the American air traffic controller population is eligible for retirement. The underlying problem, simply stated, the demand for aviation professionals will exceed supply. The scenario is the same here in the Philippines. ICAO enumerates factors for the decline and possible shortage to include “wholesale retirements in the current generation of aviation professionals, aviation professions not attractive enough to potential candidates, competition with other industry sectors for skilled employees, training capacity insufficient to meet demand, learning methodologies not responsive to new evolving learning style, accessibility to affordable training, lack of harmonization of competencies in some aviation disciplines.”

The proposed amendments, likewise, seek to make the aviation industry more attractive to professionals by granting CAAP, as lead authority, with a more flexible and less bureaucratic entry process workers, officials, and aviation technicians and professionals

There is a dire need for these amendments. The lingering concern over the issue of the ability of the CAAP to implement safety standards affects the government's tourism targets since CAAP plays a key role in promoting tourism as one of the Philippine economy's growth sectors.

In 2013, tourist arrivals reached an all-time high of 4.7 million. The Aquino administration is aiming to increase this to 10 million by 2016. Achieving the government's target of luring 10 million foreign tourist by 2016 increases certainty if the upgrade is sustained. This will certainly make the country more competitive and contribute tremendously in achieving the 10 million target by 2016.

The CAAP is the regulatory body responsible for air safety within Philippine borders. *This is the reason it has to adhere to the requirements and standards set by international aviation authorities and make them feel confident that carriers under its direct supervision that fly into other jurisdictions pose no risk and meet an internationally accepted set of safety and competence standards.*

Reforming air transportation is critically important to the Philippines, not so much as it is a determining factor to the full realization of the latter's potential as a tourist and business destination, but more importantly, to provide safe and efficient travel for the citizens and visitors in the country that they truly deserve.

There is a need to pass this legislation immediately because the safety of passengers and reliability of air transportation in the Philippines are of paramount importance.

  
GRACE POE



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TO FURTHER STRENGTHEN THE RELIABILITY OF AIR TRANSPORTATION  
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REPUBLIC ACT 9497, OTHERWISE KNOWN AS THE 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

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

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

16  
17 **IN VIEW OF ITS CRUCIAL ROLE, AND THE NATURE, POWERS AND**  
18 **FUNCTIONS OF THE AUTHORITY, AS A GOVERNMENT**  
19 **INSTRUMENTALITY WITH CORPORATE POWERS, IT SHALL ENJOY**  
20 **FISCAL AND ADMINISTRATIVE AUTONOMY.**

21  
22  
23  
24 SEC. 2. Section 4 of the same Act is hereby amended to read as follows:  
25

1 "SEC. 4. Creation of the Authority. - There is hereby created an independent regulatory  
2 body with quasi-judicial and quasi-legislative powers and possessing corporate  
3 attributes to be known as the Civil Aviation Authority of the Philippines (CAAP),  
4 hereinafter referred to as the "Authority" attached to the Department of Transportation  
5 and Communications (DOTC) **SOLELY** for the purpose of policy coordination. For  
6 this purpose, the existing Air Transportation Office created under the provisions of  
7 Republic Act No. 776, as amended, is hereby abolished.

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10  
11 (a) **APPOINTMENT AND TERM OF OFFICE** Director General - The Authority  
12 shall be headed by a Director General of Civil Aviation, referred to in this Act as the  
13 "Director General" who **SHALL BE RESPONSIBLE FOR ALL NON-**  
14 **ECONOMIC ASPECTS OF** civil aviation in the Philippines and the administration  
15 of this Act. **NOTWITHSTANDING THE PROVISIONS OF REPUBLIC ACT**  
16 **10149, OTHERWISE KNOWN AS THE GOCC GOVERNANCE ACT OF 2011,**  
17 [T]he Director General shall be appointed **BY THE PRESIDENT OF THE**  
18 **PHILIPPINES** based on the qualifications herein provided and shall have a **TERM** of  
19 office for a period of **SEVEN (7)** years. His appointment may be extended for another  
20 non-extendible term of **SEVEN (7)** years and shall only be removed for cause in  
21 accordance with the rules and regulations prescribed by the Civil Service Commission.  
22 **IN CASE THE DIRECTOR GENERAL FAILS TO COMPLETE HIS TERM,**  
23 **HIS SUCCESSOR SHALL ONLY SERVE FOR THE UNEXPIRED PORTION**  
24 **OF THE TERM OF HIS PREDECESSOR. NO DIRECTOR GENERAL CAN**  
25 **SERVE IN OFFICE FOR MORE THAN FOURTEEN (14) YEARS.**

26  
27 **THE PRESIDENT OF THE PHILIPPINES SHALL APPOINT THE**  
28 **DIRECTOR GENERAL FROM A SHORTLIST OF THREE NOMINEES**  
29 **PREPARED BY THE BOARD OF DIRECTORS CONSTITUTED AS A**  
30 **SEARCH COMMITTEE COMPOSED OF FIVE MEMBERS THEREOF WHO**  
31 **SHALL RECEIVE AND EVALUATE NOMINATIONS. NO INCUMBENT**  
32 **DIRECTOR GENERAL SHALL BE A MEMBER OF THE SEARCH**  
33 **COMMITTEE.**

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35 xxx"

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37  
38 **SEC. 3. SECTION 5 OF THE SAME ACT IS HEREBY AMENDED AS FOLLOWS:**

39  
40 The corporate powers of the Authority shall be vested in a Board which is composed  
41 of seven (7) members, namely: the Secretary of the Department of Transportation and  
42 Communications as chairman ex officio, the Director General of Civil Aviation  
43 (DGCA) as the Vice Chairman and five (5) members from the private sector.

44  
45 In his absence, the Chairman shall designate an undersecretary of the DOTC to act in  
46 his behalf as Chairman. The Director General, in his absence, shall designate a Deputy  
47 Director General of the Authority to act as Vice Chairman.

48  
49 The members from the private sector shall be citizens of the Philippines, at least thirty-  
50 five years old, of good moral character, unquestionable integrity, of known probity and

1 with recognized competence in the field of management, civil aviation, and related  
2 fields. To be appointed by the President.

3  
4 SEC 4. Section 9 of the same Act is hereby amended to read as follows:

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

11  
12  
13 SEC.5 . Section 12 of the same Act is hereby amended to read as follows:

14  
15 **“SEC. 12. Personnel. THE DIRECTOR GENERAL SHALL EXERCISE**  
16 **APPOINTING AND DISCIPLINING POWERS OVER ALL PERSONNEL OF**  
17 **THE AUTHORITY.**

18  
19 **CONSIDERING THE HIGHLY TECHNICAL CHARACTER AND**  
20 **NATURE OF THE FUNCTIONS OF THE AUTHORITY, ITS PERSONNEL**  
21 **SHALL BE EXEMPTED FROM THE REQUIREMENTS PRESCRIBED**  
22 **UNDER THE RULES GOVERNING THE CAREER EXECUTIVE SERVICE.**  
23 **ALL LAWS, RULES, AND REGULATIONS, GOVERNING POSITIONS,**  
24 **CLASSIFICATIONS AND QUALIFICATION STANDARDS INCLUDING,**  
25 **BUT NOT LIMITED TO, PRESIDENTIAL DECREE 985, REPUBLIC ACT**  
26 **6758 AS AMENDED, JOINT RESOLUTION 4 (2009 OF THE PHILIPPINE**  
27 **CONGRESS) AND REPUBLIC ACT 10149.”**

28  
29  
30 SEC. 6. Section 18 of the same Act is hereby amended to read as follows:

31  
32 “SEC. 18. Compensation and Other Emoluments of Authority Personnel. - Within six  
33 (6) months from the effectivity of this Act, the Board shall determine the new schedule  
34 of salaries of the employees of the Authority subject to the compliance with the existing  
35 compensation laws **AND REVISE THE SAME FROM TIME TO TIME AS IT**  
36 **MAY DEEM NECESSARY:** Provided, That the Board shall determine and fix the  
37 compensation, **EMOLUMENTS** and fringe benefits of employees holding technical  
38 positions. **IT SHALL PROVIDE ANNUAL REVIEWS OR INCREASES BASED**  
39 **ON PRODUCTIVITY.**

40  
41  
42 SEC. 7. A new section 18-A is hereby inserted in Republic Act 9497, to read as follows:

43  
44 **“SEC. 18-A. MANAGEMENT OFFICIALS AND EMPLOYEES; MERIT**  
45 **SYSTEM. THE BOARD SHALL ESTABLISH A HUMAN RESOURCES**  
46 **MANAGEMENT SYSTEM, WHICH SHALL PROMOTE**  
47 **PROFESSIONALISM AT ALL LEVELS OF THE AUTHORITY IN**  
48 **ACCORDANCE WITH SOUND PRINCIPLES OF MANAGEMENT.**

1 A PROGRESSIVE COMPENSATION STRUCTURE, BASED ON, AND  
2 EQUIVALENT TO THE STANDARDS OF THE AVIATION INDUSTRY, AS  
3 PRACTICED AND OBSERVED IN THE INTERNATIONAL AVIATION  
4 INDUSTRIES, INCLUDING THE STANDARDS SET BY THE  
5 INTERNATIONAL CIVIL AVIATION ORGANIZATION, SHALL BE  
6 ADOPTED AS AN INTEGRAL COMPONENT OF THE AUTHORITY'S  
7 HUMAN RESOURCES PROGRAM."

8  
9 SEC. 8. A new section 18-B is hereby inserted in Republic Act 9497, to read as follows:

10  
11 "SEC. 18-B. EXTRA COMPENSATION. - ALL RATED AND/OR LICENSED  
12 AIRMEN AND SUCH OTHER PERSONS OF THE AUTHORITY WHO MAY  
13 BE AUTHORIZED TO UNDERTAKE OR PERFORM REGULAR AND  
14 FREQUENT FLIGHTS IN THE PERFORMANCE OF THEIR DUTIES,  
15 SHALL RECEIVE, IN ADDITION TO THEIR BASE PAY, AN INCREASE IN  
16 COMPENSATION OF AT LEAST FIFTY PERCENTUM (50%) OF THEIR  
17 RESPECTIVE BASE PAY; PROVIDED, HOWEVER, THAT THE NUMBER  
18 OF HOURS ACTUALLY FLOWN BY SUCH AIRMEN AND  
19 AUTHORIZED PERSONNEL SHALL NOT BE LESS THAN FOUR (4) PER  
20 MONTH.

21  
22 WHENEVER THE DIRECTOR-GENERAL SHALL REQUIRE ANY  
23 EMPLOYEE OF THE AUTHORITY TO WORK BEYOND THE USUAL  
24 OFFICE HOURS OR ON HIS NON-WORKING DAY, SUCH EMPLOYEE  
25 SHALL BE ENTITLED TO RECEIVE AN ADDITIONAL COMPENSATION  
26 EQUIVALENT TO AT LEAST TWO HUNDRED PERCENTUM (200%) OF  
27 HIS REGULAR SALARY."

28  
29  
30 SEC. 9. A new section 18-C is hereby inserted in Republic Act 9497, to read as follows:

31  
32 "SEC.18-C. EMPLOYMENT OF PERSONS FOR CONFIDENTIAL, HIGHLY-  
33 TECHNICAL AND POLICY DETERMINING POSITIONS. - THE DIRECTOR  
34 GENERAL MAY MAKE APPOINTMENTS TO CONFIDENTIAL, HIGHLY  
35 TECHNICAL, AND POLICY DETERMINATION POSITIONS AS MAY BE  
36 REQUIRED BY THE FUNCTIONS AND RESPONSIBILITIES OF THE  
37 OFFICE."

38  
39  
40 SEC. 10. Section 24 of the same Act is hereby amended to read as follows:

41  
42 "Sec. 24-A. Powers of the Board. The Board shall have the following general powers:

43  
44 xxx

45  
46 (d) ANY LAW TO THE CONTRARY NOTWITHSTANDING, ORGANIZE, RE-  
47 ORGANIZE, AND Determine the organizational structure of the Authority in  
48 accordance with the provisions of this Act, establish a human resources management  
49 system based on merit and fitness, CREATE, TRANSFER, RE-ALIGN AND  
50 ABOLISH OFFICES AND POSITIONS, and adopt a rational compensation and

1 benefits scheme EQUIVALENT TO THE STANDARDS SET BY THE  
2 INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO);

3  
4 x x x

5  
6 **(T) APPROVE POLICY ON LOCAL AND FOREIGN TRAVEL, AND THE**  
7 **CORRESPONDING EXPENSES, ALLOWANCES, PER DIEMS OF**  
8 **OFFICERS, EMPLOYEES, AGENTS OF THE AUTHORITY,**  
9 **NOTWITHSTANDING THE PROVISIONS OF PRESIDENTIAL DECREE NO.**  
10 **1177, EXECUTIVE ORDER 292, EXECUTIVE ORDER 248, AS AMENDED,**  
11 **EXECUTIVE ORDER 298, AND SIMILAR LAWS;**

12  
13 **(U) EXERCISE THE POWER OF EMINENT DOMAIN FOR THE PURPOSE**  
14 **OF THIS ACT IN THE MANNER PROVIDED BY LAW, PARTICULARLY,**  
15 **THE PREREQUISITES OF TAKING OF POSSESSION AND THE**  
16 **DETERMINATION AND PAYMENT OF JUST COMPENSATION; AND**

17  
18 **(V) THE BOARD MAY PERFORM SUCH ACTS, THRU THE DIRECTOR**  
19 **GENERAL OR APPROPRIATE OFFICE, CONDUCT SUCH**  
20 **INVESTIGATION IN THE PERFORMANCE OF ITS QUASI JUDICIAL**  
21 **FUNCTIONS, AS IT SHALL DEEM NECESSARY TO CARRY OUT THE**  
22 **PROVISIONS OF THIS ACT.**

23  
24 **IN EXERCISING THE POWERS GRANTED UNDER THIS ACT, THE**  
25 **BOARD SHALL GIVE FULL CONSIDERATION TO THE REQUIREMENTS**  
26 **OF NATIONAL DEFENSE, COMMERCIAL AND GENERAL AVIATION,**  
27 **AND TO THE PUBLIC RIGHT OF TRANSIT THROUGH NAVIGABLE**  
28 **AIRSPACE.”**

29  
30  
31 SEC 11. The following subsections of Sec.24-A are hereby deleted: sub-sections e, f, j, m, q, r  
32 and s.

33  
34  
35 SEC.12 . A new section 24-B is hereby inserted in Republic Act 9497, to read as follows:

36  
37 **“SEC. 24-B. DELEGATION OF POWER. – THE BOARD MAY, BY**  
38 **RESOLUTION APPROVED AT A BOARD MEETING, DELEGATE ALL OR**  
39 **ANY OF ITS POWERS TO THE DIRECTOR-GENERAL, A MEMBER OF**  
40 **THE BOARD OR A COMMITTEE. THE DELEGATE IS, IN THE EXERCISE**  
41 **OF A DELEGATED POWER, REMAINS SUBJECT TO THE CONTROL**  
42 **AND SUPERVISION OF THE BOARD. THE DELEGATION MAY BE**  
43 **REVOKED BY RESOLUTION OF THE BOARD.**

44  
45 **THIS PROVISION SHALL HAVE RETROACTIVE EFFECT INSOFAR AS IT**  
46 **DOES NOT PREJUDICE OR IMPAIR VESTED OR ACQUIRED RIGHTS IN**  
47 **ACCORDANCE WITH EXISTING LAWS.”**

48  
49  
50 SEC 13. Section 25 is hereby amended to read as follows:



1  
2       **SEC. 25. Issuance of Rules and Regulations.** - the Director General, shall issue and  
3 provide for the enforcement of such orders, rules and regulations as may be necessary to give effect  
4 to the provisions of this Act. All rules and regulations issued in accordance with the provisions of  
5 this Act shall be formally promulgated and periodically reviewed and updated in accordance with  
6 the requirements of the Administrative Code of the Philippines or any amendment or successor  
7 thereto and the International Civil Aviation Organization Standards and Recommended Practices.  
8  
9

10       SEC.14 . Section 26 of the same Act is hereby amended to read as follows:

11  
12       “SEC. 26. Setting of Charges and Fees. - The Board, after consultation with the Director  
13 General, and after public hearing, shall determine, fix, impose, collect or receive  
14 reasonable charges, fees, dues or assessments in respect of aviation certificates, licenses  
15 and all other authorizations or permissions authorized to be issued under this Act and  
16 all services performed by the Authority **BASED ON THE PRINCIPLE OF COST**  
17 **RECOVERY.** All charges and fees shall be formally promulgated in accordance with  
18 the requirements of the Administrative Code of the Philippines or any amendment or  
19 successor thereto. Pending the promulgation of such new schedule of charges and fees,  
20 the current charges and fees of the ATO shall continue to apply.”

21  
22       SEC 15. Section 27 of the same Act is hereby amended as follows:

23       **SEC. 27. Issuance of Rules of Procedure and Practice.** - The Director General shall issue or  
24 amend rules of procedures and practice before the CAAP in relation to its regulatory function as  
25 may be required by the provisions of this Act or issue and adopt rules and regulations to implement  
26 the regulatory issuances of the ICAO.

27  
28       SEC 16. Sec 28 of the same Act is hereby amended as follows:

29       **SEC. 28. Appellate Jurisdiction** – All decisions, rulings, resolutions of the Board and the  
30 Director General are appealable to the Court of Appeals.

31  
32       SEC.17 . Section 30 of the same Act is hereby amended to read as follows:

33  
34       “SEC. 30. Annual Budget. **THE AUTHORITY SHALL ADOPT AN ANNUAL**  
35 **BUDGET TO FUND THE OPERATIONS OF THE AUTHORITY. UNLESS**  
36 **THE AUTHORITY SHALL REQUIRE SUBSIDY AND/OR GUARANTEE**  
37 **OF ITS LIABILITY FROM THE NATIONAL TREASURY, ITS BUDGET**  
38 **FOR THE YEAR NEED NOT BE SUBMITTED TO CONGRESS FOR**  
39 **APPROVAL AND INCLUSION IN THE GENERAL APPROPRIATIONS ACT.**  
40 **SUPPLEMENTARY BUDGET MAY BE PREPARED AND ADOPTED AT A**  
41 **BOARD MEETING CALLED FOR THAT PURPOSE.”**  
42

43  
44       SEC.18 . Section 35 of the same Act is hereby amended to read as follows:

1  
2 "SEC. 35. Powers and Functions of the Director General. - The Director General shall  
3 be the chief executive and operating officer of the Authority. He shall have the  
4 following powers, duties and responsibilities:

5  
6 XXX

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

12  
13 **AN AIR OPERATOR CERTIFICATE HOLDER MAY OPERATE AND USE**  
14 **FOREIGN REGISTERED AIRCRAFT PROVIDED THAT ITS STATE OF**  
15 **REGISTRATION DELEGATES TO THE DIRECTOR GENERAL THE**  
16 **TECHNICAL AND SAFETY OVERSIGHT FUNCTIONS OVER THE**  
17 **AIRCRAFT AND/OR ITS CREW, AS APPLICABLE.**

18 (d) Determine the organizational structure of the Authority in accordance with the provisions of  
19 this Act, establish a human resources management system based on merit and fitness, and adopt a  
20 rational compensation and benefits scheme; Exercise appellate powers to order the taking of  
21 depositions in any proceeding, or investigation, pending before the Board at any stage of such  
22 proceeding or investigation;

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

37 (v) Adopt a system for the registration of aircraft as hereinafter provided;

38  
39  
40 SEC 19. Section 40 of the Same Act is hereby amended as follows:

41 **SEC. 40. *Creation of Flight Standards Inspectorate Service.*** - (a) \a permanent office known as  
42 the Flight Standards Inspectorate Service (FSIS) shall be established to assist the Director General  
43 in carrying out the responsibilities of his office for certification and ongoing inspections of aircraft,  
44 airmen and air operators.

45 The FSIS shall perform the following functions:

- 1 (1) Airworthiness inspection;
- 2 (2) Flight operations inspection and evaluation; and
- 3 (3) Personnel licensing.

4  
5 SEC. 20. Section 73 of the same Act is hereby amended to read as follows:

6  
7 “SEC. 73. Statutory Lien **AND POWER TO DETAIN.** - The Director General shall  
8 have the power to impose lien on **AND DETAIN** aircraft and machinery:

9  
10 (a) If the charges and other fees are not paid in full on due date or any part of the charges  
11 or the late payment penalty thereto remains unpaid; and

12  
13 (b) Failure to pay administrative fines arising from violation of any rules and regulations  
14 promulgated by the Authority.”

15  
16  
17 SEC. 21. A new section 84-A is hereby inserted in Republic Act 9497, to read as  
18 follows:

19  
20 “**SEC. 84-A. EXECUTION OF MONETARY JUDGMENT. -THE DIRECTOR**  
21 **GENERAL IS AUTHORIZED TO ENFORCE MONETARY JUDGMENTS**  
22 **THROUGH THE SHERIFF WHO SHALL DEMAND THE IMMEDIATE**  
23 **PAYMENT OF THE FULL AMOUNT STATED IN THE WRIT OF**  
24 **EXECUTION TO BE IMPOSED FOR EACH VIOLATION OF THIS ACT.**

25  
26 **FOR THIS PURPOSE, THE DIRECTOR GENERAL MAY ISSUE AN ORDER**  
27 **DIRECTING THE SHERIFF TO REQUEST THE ASSISTANCE OF LAW**  
28 **ENFORCEMENT AGENCIES TO ENSURE COMPLIANCE WITH THE**  
29 **WRIT OF EXECUTION, ORDERS OR PROCESSES.”**

30  
31  
32 SEC. 22. *Repealing Clause* – All laws, decrees, executive orders, rules and regulations  
33 and other issuances or part thereof, which are inconsistent with this Act, are hereby repealed,  
34 amended, or modified accordingly.

35  
36  
37 SEC. 23. *Effectivity* – This Act shall take fifteen (15) days after its complete publication  
38 in the Official Gazette or in two (2) newspapers of national circulation, whichever is earlier.

39  
Approved,