

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

7 NOV 12 1975

SENATE  
S. No. 1858

RECEIVED



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Introduced by Senator Miriam Defensor Santiago

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EXPLANATORY NOTE

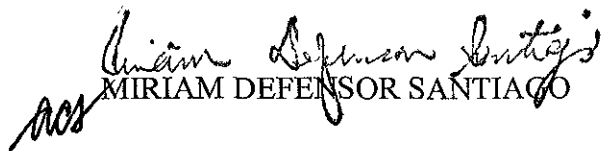
The Constitution, Article XVI, Section 9, provides:

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.

  
MIRIAM DEFENSOR SANTIAGO

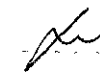
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\* This bill was re-filed during the Thirteenth Congress, First Regular Session.

FOURTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
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7 NOV 12 2011

SENATE  
S. No. 1858

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1 AN ACT  
2 ESTABLISHING A NATIONAL POLICY OF BASIC CONSUMER FAIR TREATMENT FOR  
3 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 Fairness  
7 Act of 2007.”

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

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

11 (B) “Air Transportation” means domestic, overseas, or foreign air transportation.

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

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

20 (E) “Secretary” means the Secretary of Transportation and Communications.

21 (F) “Ticket Agent” means any person, not a carrier or a foreign air carrier and not a bona  
22 fide employee of an air carrier or foreign air carrier, who, as principal agent, sells or  
23 offers for sale any air transportation, or negotiates for, or holds himself out by

1 solicitation, advertisement, or otherwise as one who sells, provides, furnishes,  
2 contracts or arranges for, such transportation.

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

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

12 (B) *Specific Practices.* – For purposes of paragraph (A), the terms ‘unfair or deceptive  
13 practice’ and ‘unfair method of competition’ include an air carrier’s failure –

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

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

19 (3) To deliver a passenger’s checked baggage within twenty-four (24) hours after  
20 arrival of the flight on which the passenger traveled and on which the  
21 passenger checked the baggage, except for reasonable delays in delivery of  
22 such baggage;

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

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

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

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

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

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

9 (b) The percentage of successful and failed redemptions on each  
10 airline and on each flight.

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

14 SECTION 5. *Implementing Rules and Regulations.* – Within ninety (90) days after the  
15 enactment of this Act, the Secretary, in consultation with the Air Transportation Office and the  
16 Civil Aeronautics Board shall make rules and regulations implementing the provisions of this  
17 Act.

18 SECTION 6. *Penalties.* – Any violation of Section 3 of this Act shall result to a  
19 suspension of the certificate of public convenience of the domestic carrier, or the license to  
20 operate of a foreign air carrier, or a fine of One Hundred Thousand Pesos (P100,000.00), or both.

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

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

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

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

6           Approved,