

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



HOUSE OF REPRESENTATIVES

House Bill No. **6083**

Introduced by REP. BEN P. EVARDONE
Lone District, Eastern Samar

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 stead created the Civil Aviation Authority of the Philippines (CAAP), which is mandated to set comprehensive, clear, and impartial rules for the aviation industry. Under RA 9497, 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.

In 2010, the EU placed Philippine air carriers on its blacklist, banning any airline from the Philippines from flying to destinations in Europe. These restrictions served as obstacles in the expansion plans of both Philippine Airlines and Cebu Pacific. The restrictions prevent airlines from the Philippines from mounting new flights from the Philippines to the US or Europe. It is likewise perceived as having a negative impact on tourism and the growth of the Philippines' air transport sector in general.

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.

The significant amendments being proposed in this bill 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.

- 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.

ICAO relates that there is an 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

- Enhanced fiscal autonomy

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

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.

Of paramount importance should always be guaranteeing the safety and reliability of air transportation in the Philippines. Until the flying public can be firmly reassured that any accident was not a symptom of much larger problems that increase the likelihood of another accident, any other issues become irrelevant.

In view of the foregoing, passage of this bill is earnestly sought.


BEN P. EVARDONE

1 **SIXTEENTH CONGRESS**)
 2 **OF THE REPUBLIC OF THE PHILIPPINES**)
 3 *Third Regular Session*)
 4
 5

6 **HOUSE OF REPRESENTATIVES**

7
 8 **House Bill No. 6083**

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 10
 11 **Introduced by REP. BEN P. EVARDONE**
 12 **Lone District, Eastern Samar**
 13

14
 15 **AN ACT**

16 **STRENGTHENING THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES,**
 17 **AMENDING FOR THE PURPOSE REPUBLIC ACT 9497, OTHERWISE KNOWN**
 18 **CIVIL AVIATION AUTHORITY ACT OF 2008**
 19

20 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
 21 *assembled:*
 22

23 SECTION. 1. Section 2 of Republic Act No. 9497, otherwise known as the Civil
 24 Aviation Authority Act of 2008 is hereby amended to read as follows:
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26 “SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to provide
 27 safe and efficient air transport and regulatory services in the Philippines by providing for
 28 the creation of a civil aviation authority with jurisdiction over the restructuring of the
 29 civil aviation system, the promotion, development and regulation of the technical,
 30 operational, safety, and aviation security functions under the civil aviation authority IN
 31 FURTHERANCE OF THE OBLIGATIONS OF THE PHILIPPINES TO THE
 32 INTERNATIONAL COMMUNITY AS CONTRACTING STATE TO THE CHICAGO
 33 CONVENTION.”
 34

35 TOWARDS THIS END, THE GOVERNMENT SHALL EXTEND ALL MEANS AND
 36 MECHANISMS NECESSARY FOR THE AUTHORITY TO FULFILL ITS
 37 VITAL TASK OF PROMOTING AND ENSURING SAFE AND EFFICIENT
 38 AIR TRANSPORT.
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40 IN VIEW OF THE CRUCIAL ROLE, AND THE NATURE, POWERS AND
 41 FUNCTIONS OF THE AUTHORITY, AS A GOVERNMENT INSTRUMENTALITY
 42 WITH CORPORATE POWERS, IT SHALL ENJOY FISCAL AND
 43 ADMINISTRATIVE AUTONOMY.
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45 SEC. 2. Section 4 of the same Act is hereby amended to read as follows:
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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 attributes
3 to be known as the Civil Aviation Authority of the Philippines (CAAP), hereinafter
4 referred to as the "Authority" attached to the Department of Transportation and
5 Communications (DOTC) SOLELY for the purpose of policy coordination. For this
6 purpose, the existing Air Transportation Office created under the provisions of Republic
7 Act No. 776, as amended, is hereby abolished.

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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
13 the "Director General," who SHALL BE RESPONSIBLE FOR ALL NON-ECONOMIC
14 ASPECTS OF civil aviation in the Philippines and the administration of this Act.
15 NOTWITHSTANDING THE PROVISIONS OF REPUBLIC ACT 10149,
16 OTHERWISE KNOWN AS THE GOCC GOVERNANCE ACT OF 2011, [T]he
17 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
22 Commission. IN CASE THE DIRECTOR GENERAL FAILS TO COMPLETE HIS
23 TERM, HIS SUCCESSOR SHALL ONLY SERVE FOR THE UNEXPIRED PORTION
24 OF THE TERM OF HIS PREDECESSOR. NO DIRECTOR GENERAL CAN SERVE
25 IN OFFICE FOR MORE THAN FOURTEEN (14) YEARS.

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

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36 SEC. 3. SECTION 5 OF THE SAME ACT IS HEREBY AMENDED AS FOLLOWS:

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

42
43 In his absence, the Chairman shall designate an undersecretary of the DOTC to act in his
44 behalf as Chairman. The Director General, in his absence, shall designate a Deputy
45 Director General of the Authority to act as Vice Chairman.
46

1 The members from the private sector shall be citizens of the Philippines, at least thirty-
2 five years old, of good moral character, unquestionable integrity, of known probity and
3 with recognized competence in the field of management, civil aviation, and related fields.
4 To be appointed by the President.
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6 SEC 4. Section 9 of the same Act is hereby amended to read as follows:
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8 "SEC. 9. Qualifications of Director General. - No person shall be appointed as the
9 Director General unless he is a Filipino citizen, at least thirty-five (35) years of age, of
10 good moral character, unquestionable integrity, recognized competence and a [degree
11 holder with at least five (5) years supervisory or management experience in the field of
12 aviation."
13

14 SEC.5 . Section 12 of the same Act is hereby amended to read as follows:
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16 "SEC. 12. Personnel. -THE DIRECTOR GENERAL SHALL EXERCISE
17 APPOINTING AND DISCIPLINING POWERS OVER ALL PERSONNEL OF THE
18 AUTHORITY.
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20 CONSIDERING THE HIGHLY TECHNICAL CHARACTER AND NATURE
21 OF THE FUNCTIONS OF THE AUTHORITY, ITS PERSONNEL SHALL BE
22 EXEMPTED FROM THE REQUIREMENTS PRESCRIBED UNDER THE RULES
23 GOVERNING THE CAREER EXECUTIVE SERVICE. ALL LAWS, RULES, AND
24 REGULATIONS, GOVERNING POSITIONS, CLASSIFICATIONS AND
25 QUALIFICATION STANDARDS INCLUDING, BUT NOT LIMITED TO,
26 PRESIDENTIAL DECREE NO.985, REPUBLIC ACT NO.6758 AS AMENDED,
27 JOINT RESOLUTION NO.4 (2009 OF THE PHILIPPINE CONGRESS) AND
28 REPUBLIC ACT 10149."
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30 SEC. 6. Section 18 of the same Act is hereby amended to read as follows:
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32 "SEC. 18. Compensation and Other Emoluments of Authority Personnel. - Within six (6)
33 months from the effectivity of this Act, the Board shall determine the new schedule of
34 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 MAY
36 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 ON
39 PRODUCTIVITY.
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41 SEC. 7. A new section 18-A is hereby inserted in Republic Act 9497, to read as follows:
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43 "SEC. 18-A. MANAGEMENT OFFICIALS AND EMPLOYEES; MERIT SYSTEM -
44 THE BOARD SHALL ESTABLISH A HUMAN RESOURCES
45 MANAGEMENT SYSTEM, WHICH SHALL PROMOTE PROFESSIONALISM

1 AT ALL LEVELS OF THE AUTHORITY IN ACCORDANCE WITH SOUND
2 PRINCIPLES OF MANAGEMENT.

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

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

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

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

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

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

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

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

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45 (d) ANY LAW TO THE CONTRARY NOTWITHSTANDING, ORGANIZE, RE-
46 ORGANIZE, AND Determine the organizational structure of the Authority in accordance

with the provisions of this Act, establish a human resources management system based on merit and fitness, CREATE, TRANSFER, RE-ALIGN AND ABOLISH OFFICES AND POSITIONS, and adopt a rational compensation and benefits scheme EQUIVALENT TO THE STANDARDS SET BY THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO);

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

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

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

IN EXERCISING THE POWERS GRANTED UNDER THIS ACT, THE BOARD SHALL GIVE FULL CONSIDERATION TO THE REQUIREMENTS OF NATIONAL DEFENSE, COMMERCIAL AND GENERAL AVIATION, AND TO THE PUBLIC RIGHT OF TRANSIT THROUGH NAVIGABLE AIRSPACE."

SEC 11. The following subsections of Sec.24-A are hereby deleted:

Subsec. e, f, j, m, q, r and s.

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

"SEC. 24-B. DELEGATION OF POWER – THE BOARD MAY, BY RESOLUTION APPROVED AT A BOARD MEETING, DELEGATE ALL OR ANY OF ITS POWERS TO THE DIRECTOR GENERAL, A MEMBER OF THE BOARD OR A COMMITTEE. THE DELEGATE IS, IN THE EXERCISE OF A DELEGATED POWER, REMAINS SUBJECT TO THE CONTROL AND SUPERVISION OF THE BOARD THE DELEGATION MAY BE REVOKED BY

1 RESOLUTION OF THE BOARD. A DELEGATION CONTINUES IN
2 FORCE IN SPITE OF CHANGES IN THE COMPOSITION OF THE BOARD.

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4 THIS PROVISION SHALL HAVE RETROACTIVE EFFECT INsofar AS IT DOES
5 NOT PREJUDICE OR IMPAIR VESTED OR ACQUIRED RIGHTS IN
6 ACCORDANCE WITH EXISTING LAWS.”

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8 SEC 13. Section 25 is hereby amended to read as follows:
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10 **SEC. 25. Issuance of Rules and Regulations.** - the Director General, shall issue and provide for the
11 enforcement of such orders, rules and regulations as may be necessary to give effect to the provisions
12 of this Act. All rules and regulations issued in accordance with the provisions of this Act shall be
13 formally promulgated and periodically reviewed and updated in accordance with the requirements of
14 the Administrative Code of the Philippines or any amendment or successor thereto and the
15 International Civil Aviation Organization Standards and Recommended Practices.
16

17 SEC.14 . Section 26 of the same Act is hereby amended to read as follows:
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19 “SEC. 26. Setting of Charges and Fees. - The Board, after consultation with the Director
20 General, and after public hearing, shall determine, fix, impose, collect or receive
21 reasonable charges, fees, dues or assessments in respect of aviation certificates, licenses
22 and all other authorizations or permissions authorized to be issued under this Act and
23 all services performed by the Authority BASED ON THE PRINCIPLE OF COST
24 RECOVERY. All charges and fees shall be formally promulgated in accordance with the
25 requirements of the Administrative Code of the Philippines or any amendment or
26 successor thereto. Pending the promulgation of such new schedule of charges and fees,
27 the current charges and fees of the ATO shall continue to apply.”

28 SEC 15. Section 27 of the same act is hereby amended as follows:

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

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

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

37 SEC.17 . Section 30 of the same Act is hereby amended to read as follows:
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39 “SEC. 30. Annual Budget. THE AUTHORITY SHALL ADOPT AN ANNUAL
40 BUDGET TO FUND THE OPERATIONS OF THE AUTHORITY. UNLESS THE
41 AUTHORITY SHALL REQUIRE SUBSIDY AND/OR GUARANTEE OF ITS
42 LIABILITY FROM THE NATIONAL TREASURY, ITS BUDGET FOR THE YEAR

1 NEED NOT BE SUBMITTED TO CONGRESS FOR APPROVAL AND INCLUSION
2 IN THE GENERAL APPROPRIATIONS ACT. SUPPLEMENTARY BUDGET MAY
3 BE PREPARED AND ADOPTED AT A BOARD MEETING CALLED FOR THAT
4 PURPOSE.”

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

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

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14 (e) To issue air OPERATOR certificate in accordance with the minimum safety standards
15 for the operation of the air carrier to whom such certificate is issued. The air
16 OPERATOR certificate shall be issued only to aircrafts registered under the provisions
17 of this Act.

18
19 AN AIR OPERATOR CERTIFICATE HOLDER MAY OPERATE AND USE
20 FOREIGN REGISTERED AIRCRAFT PROVIDED THAT ITS STATE OF
21 REGISTRATION DELEGATES TO THE DIRECTOR GENERAL THE
22 TECHNICAL AND SAFETY OVERSIGHT FUNCTIONS OVER THE AIRCRAFT
23 AND/OR ITS CREW, AS APPLICABLE.

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

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

43 (v) Adopt a system for the registration of aircraft as hereinafter provided;
44

SEC 18. Section 40 of the Same Act is hereby amended as follows:

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

The FSIS shall perform the following functions:

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

SEC. 19. Section 73 of the same Act is hereby amended to read as follows:

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

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

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

SEC. 20. A new section 84-A is hereby inserted in Republic Act 9497, to read as follows:

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

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

SEC. 21. *Repealing Clause* –REPUBLIC ACT 10149 AND REPUBLIC ACT 7656 AND OTHER LAWSdecrees, executive orders, rules and regulations and other issuances or part thereof, which are inconsistent with this Act, are hereby repealed, amended, or modified accordingly.

1 SEC. 22. *Effectivity* – This Act shall take fifteen (15) days after its publication in two (2)
2 newspapers of general circulation.
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4 Approved