

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
QUEZON CITY

SEVENTEENTH (17th) CONGRESS
Second Regular Session

HB No. **6056**



Introduced by Bernadette Herrera-Dy

AN ACT
PROVIDING FOR A BILL OF RIGHTS FOR AIR PASSENGERS AND
CARRIER OBLIGATIONS

Explanatory Note

The Philippine aviation industry, under a liberalized aviation regime, and especially with the emerging dominance of low cost carriers, has dramatically expanded, as shown by the unprecedented and consistent double digit growth rates of domestic and international travel in recent years. Under DOTC-DTI Joint Administrative Order No. 1, s. 2012, it is the thrust of public policy to encourage the entry of more players in the air transportation industry and promote greater competition among air carriers, which, in turn will enhance air service availability and create more options for better, safer, and more efficient and affordable air transportation, in support of trade, tourism and public convenience. It is equally the objective of public policy to maintain a level playing field in the air transportation industry, conducive to sound, healthy and fair competition among industry players, as against disastrous and ruinous competition that can undermine public interest.¹

An air carrier ticket constitutes a contract of carriage between an air carrier and a passenger, whereby the air carrier, for consideration, obligates itself to transport a passenger by air safely, efficiently and conveniently along a stipulated route at a given date and time, subject to certain conditions and/or restrictions. Such a contract of carriage creates an asymmetrical relationship between an air carrier and a passenger, considering that, while a

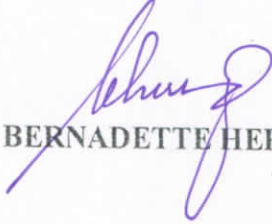
¹ See DOTC-DTI Joint Administrative Order No. 1, s. 2012 (Whereas clauses).

passenger has the option to buy or not to buy the service, the decision of the passenger to buy the ticket binds such passenger, by adhesion, to all the conditions and/or restrictions attached to the air carrier ticket on an all-or-nothing basis, without any say, whatsoever, with regard to the reasonableness of the individual conditions and restrictions attached to the air carrier ticket.

This bill addresses the need to infuse a certain measure of balance, fairness and reasonableness between the precarious position of a passenger vis-à-vis the vast resources at the disposal of the air carrier, especially in a liberalized and highly competitive aviation environment, which, if unfettered can lead to unsound business policies and practices of air carriers that are prejudicial to the rights and interests of the passengers.

This bill is based on the content of *DOTC-DTI Joint Administrative Order No. 1, s. 2012* and on S.B. 1059 (2016).

In view of the foregoing, the speedy approval of this measure is eagerly sought.


BERNADETTE HERRERA-DY

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

CHAPTER I
GENERAL PROVISIONS

Section 1. Short Title. This Act shall be known as the "*Air Passenger Bill of Rights Act of 2017*".

Section 2. Declaration of Policy. It is hereby declared that:

- a) The State shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity;
- b) The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments;
- c) The State adopts and implements a policy of full disclosure of all its transactions involving public interest according to Article II, Section 28 of the 1987 Philippine Constitution and that the right of the people to information on matters of public concern shall be recognized;
- d) The State and the airline industry are the duty bearers and the air passengers are the right holders in this bill of rights and as such, the State and the air carriers shall protect and fulfil these rights and shall refrain from interfering with the enjoyment of such rights;
- e) The State shall fulfil its obligation in taking positive actions to facilitate the enjoyment of these rights;
- f) The State has the duty to balance the interests of the airline industry that delivers the services to the public and the public that it serves.

1
2 **Section 3. Definition.** For the purpose of this Act:

3 3.1 "Air Carrier" refers to a Philippine-based carrier operating scheduled or non-
4 scheduled domestic and/or international flights to or from or serving a point within the
5 Philippines, or a foreign carrier operating scheduled or non-scheduled international
6 flights from the Philippines. Air carriers are also generally referred to as airlines.

7 3.2 "Baggage" is any personal property carried by the passenger, either by
8 check-in or hand-carry. "Off-loaded Baggage" refers to baggage which has been
9 checked in but has either not been put in or been subsequently removed from the
10 cargo hold of the carrier.

11 3.3 "Cancellation" is the act of calling off a flight. This shall include the following
12 instances:

13 (a) Cancellation by the air carrier before the estimated time of departure (ETD)
14 with or without its fault;

15 (b) Cancellation by the air carrier after an unduly long delay;

16 (c) Cancellation by the passenger holding a regular fare/ticket, or a situation
17 deemed cancelled as contemplated in Section 13.2;

18 3.4 "Check-in deadline" refers to the point in time before the published ETD on
19 or before which a passenger must present himself/herself to the air carrier at the
20 latter's check-in counter, which is usually not less than forty-five (45) minutes before
21 such ETD.

22 3.5 "Check-in period" is the time when the air carrier's check-in counters are
23 open for accepting and processing passengers checking in for their flights, which starts
24 at least two (2) hours before the ETD in international airports and in other airports
25 designated by the Department of Transportation (DOTr). In other airports, the check-
26 in period shall start at least one (1) hour before the ETD.

27 3.6 "Confirmed Reserved Seat" means a seat on a specific date and on a
28 specific flight and class of service of a carrier, which has been requested by a
29 passenger, and which the carrier or its agent has verified, by appropriate notation on
30 the ticket, as being reserved for the accommodation of the passenger.

31 3.7 "Convention" refers to the applicable international agreement, convention,
32 or treaty on carriage of goods or persons by air signed and/or ratified by the
33 Philippines.

34 3.8 "Delay" is the result of the deferment of a flight to a later time. "Terminal
35 Delay" is a delay that occurs while passengers are still inside the terminal waiting for
36 boarding, while "Tarmac Delay" is a delay that occurs while passengers are already
37 on board the aircraft.

1 3.9 "Denied Check-in" takes place when a passenger, who has presented
2 himself/herself for check-in at the appointed area and at the appointed time, is denied
3 or not processed for boarding a particular flight. "Denied Boarding" takes place when
4 a passenger, who holds a confirmed reserved seat, and who has presented
5 himself/herself for carriage at the proper time and place and fully complied with the
6 carrier's check-in and reconfirmation procedures, and who is acceptable for carriage
7 under the carrier's tariff, was not allowed to board the aircraft.

8 3.10 "Fare" is payment in consideration for the carriage of a passenger.
9 "Regular Fare" is any fare that is offered on a regular basis and does not qualify as
10 promotional fare. "Promotional Fare", which is generally lower than a regular fare, is
11 applied for before, and approved as such by, the Civil Aeronautics Board (CAB).

12 3.11 "Government requisition of space" refers to a formal request by the
13 government or its agencies to an air carrier company for the use of an aircraft, or any
14 part thereof, for regulatory, safety, security, and/or emergency purposes.

15 3.12 "No-show" is the failure of the passenger to appear at the check-in counter
16 within the check-in deadline or to show up at the boarding gate at the time indicated
17 on the boarding pass.

18 3.13 "Overbooking" is the practice by air carriers of selling confirmed reserved
19 space beyond the actual seat capacity of the aircraft.

20 3.14 "Passenger" shall refer herein to a person actually travelling by air. A
21 person who is named in the flight ticket shall be considered a passenger for the
22 purpose of these rules.

23 3.15 "Person with disability" or "PWD" includes those who have long-term
24 physical, mental, intellectual or sensory impairments, which, in interaction with various
25 barriers, may hinder their full and effective participation in society on an equal basis
26 with others.

27 3.16 "Sales Promotion" means techniques intended for broad consumer
28 participation which contain promises of gain, such as prizes, in cash or in kind, as
29 reward for the purchase of a product, security, service or winning in a contest, game,
30 tournament, and other similar competitions which involve determination of winner/s
31 and which utilize mass media and/or widespread media of information. It also means
32 techniques purely intended to increase the sales, patronage and/or goodwill of a
33 product.

34 3.17 "Senior citizen" refers to any resident citizen of the Philippines at least sixty
35 (60) years old. Passengers may be asked to present identification documents, in line
36 with Republic Act No. 9994, otherwise known as the Expanded Senior Citizens Act of
37 2010, and its Implementing Rules and Regulations, in order to avail of benefits and
38 privileges reserved for senior citizens.

39 **Section 4. Scope.** This Act shall apply to all aspects of contracts of carriage
40 for flights or portions of a flight into, from, and within the territory of the Philippines

operated by Philippine air carriers, and flights or portions of a flight from the territory of the Philippines operated by foreign air carriers.

Provided, that the compensation rules shall not apply to carriers flying into the territory of the Philippines, if the laws of the country of origin provide similar or higher compensation. Otherwise, these rules shall apply in full.

CHAPTER II: RIGHT TO BE PROVIDED WITH ACCURATE INFORMATION BEFORE PURCHASE

Section 5. *Right to Full, Fair, and Clear Disclosure of the Service Offered and All the Terms and Conditions of the Contract of Carriage.* Every passenger shall, before purchasing any ticket for a contract of carriage by the air carrier or its agents, be entitled to the full, fair, and clear disclosure of all the terms and conditions of the contract of carriage about to be purchased. The disclosure shall include, among others, documents required to be presented at check-in, provisions on check-in deadlines, refund and rebooking policies, and procedures and responsibility for delayed and/or cancelled flights. These terms and conditions may include liability limitations, claim-filing deadlines, and other crucial conditions.

5.1 An air carrier shall cause the disclosure under this Section to be printed on or attached to the passenger ticket and/or boarding pass, or the incorporation of such terms and conditions of carriage by reference. Incorporation by reference means that the ticket and/or boarding pass shall clearly state that the complete terms and conditions of carriage are available for perusal and/or review on the air carrier's website, or in some other document that may be sent to or delivered by post or electronic mail to the passenger upon his/her request.

5.2 The air carrier must also ensure that passengers receive an explanation of key terms identified on the ticket from any location where the carrier's tickets are sold, including travel agencies. In case of online bookings, the air carrier must establish a system wherein the purchaser is fully apprised of the required disclosures under this Section twice prior to the final submission of his/her online offer to purchase.

5.3 Aside from the printing and/or publication of the above disclosures, the same shall likewise be verbally explained to the passenger by the air carrier and/or its agent/s in English and Filipino, or in a language that is easily understood by the purchaser, placing emphasis on the limitations and/or restrictions attached to the ticket.

5.4 The key terms of a contract of carriage, which should include, among others, the rebooking, refunding, baggage allowance and check-in policies, must be provided to a passenger and shall substantially be stated in the following manner and, if done in print, must be in bold letters:

(English)

"NOTICE:

1 The ticket that you are purchasing is subject to the following
2 conditions/restrictions:

- 3 1. _____
4 2. _____
5 3. _____

6 Your purchase of this ticket becomes a binding contract on your part to follow
7 the terms and conditions of the ticket and of the flight. Depending on the fare
8 rules applicable to your ticket, non-use of the same may result in forfeiture of
9 the fare or may subject you to the payment of penalties and additional charges
10 if you wish to change or cancel your booking.

11 For more choices and/or control in your flight plans, please consider other fare
12 types."

13 (Filipino)

14 "PAALALA:

15 Ang tiket na ito ay binibili ninyo nang may mga kondisyon/ restriksyon:

- 16 1. _____
17 2. _____
18 3. _____

19 Sa pagpili at pagbili ng tiket na ito, kayo ay sumasang-ayon sa mga kondisyon
20 at restriksyon na nakalakip dito, bilang kontrata ninyo sa air carrier. Depende sa
21 patakarang angkop sa inyong tiket, ang hindi paggamit nito ay maaaring
22 magresulta sa pagwawalang bisa sa inyong tiket o sa paniningil ng karagdagang
23 bayad kung nais ninyong baguhin o kanselahin ang inyong tiket.

24 Para sa mas maraming pagpipilian at malawak na control sa inyong flight,
25 inaanyayahan kayong bumili ng iba pang klase ng tiket galing sa air carrier."

26 5.5 Any violation of the afore-stated provisions shall be a ground for the denial of
27 subsequent applications for approval of promotional fare, or for the suspension or
28 recall of the approval made on the advertised fare/rate.

29 **Section 6. Right to Clear and Non-Misleading Advertisements of, and**
30 **Important Reminders Regarding Fares.** Advertisements of fares shall be clear and
31 not misleading.

32 6.1 Major restrictions, such as those on rebookability or refundability, which
33 may be attached to certain fare types, shall be disclosed in full and in such a way that
34 the passenger may fully understand the consequences of purchasing such tickets and
35 the effect of non-use thereof.

36 6.2 Every air carrier causing the publication of fare advertisements in any
37 medium, shall likewise disclose the following:

- 1 (a) Conditions and restrictions attached to the fare type;
- 2 (b) Refund and rebooking policies, if any;
- 3 (c) Baggage allowance policies;
- 4 (d) Government taxes and fuel surcharges;
- 5 (e) Other mandatory fees and charges;
- 6 (f) Contact details of the carrier (i.e. phone number, website, e-mail, etc.); and
- 7 (g) Other information necessary to apprise the passenger of the conditions and
- 8 the full/total price of the ticket purchased.

9 *Provided*, that, in case of promotional fares, the additional information shall be
10 included:

- 11 (h) Number of seats offered on a per sector basis;
- 12 (i) The duration of the promo; and
- 13 (j) The CAB Approval No. of Fares.

14 *Provided*, further, that, where there are differing conditions, such as fuel surcharge in
15 relation to the points of destinations or origin, the advertisements of these carriers may
16 provide only the range thereof and not the actual surcharge of each route.

17 6.3 The above-mentioned required disclosures shall occupy not less than one-
18 third (1/3) of the advertising material. A copy of the same shall be printed on or
19 attached to the ticket in English and Filipino.

20 In the case of broadcast media, it shall be enough that the air carrier and/or
21 advertising agent incorporate the foregoing terms and conditions by reference, as
22 provided for in Section 5.1.

23 **Section 7. Right Against Misleading and Fraudulent Sales Promotion**
24 **Practices.** Consistent with the declared policy of the State to protect the interests of
25 the consumers, which includes protection from misleading and fraudulent sales
26 promotion practices, all sales promotion campaigns and activities of air carriers shall
27 be carried out with honesty, transparency and fairness, and in accordance with the
28 requirements of the Consumer Act of the Philippines, and its Implementing Rules and
29 Regulations.

30 Air carriers shall provide to DTI a copy of its promotional materials for post audit
31 not later than the publication, release, or launch date whichever is earlier.

32 It is understood that professional authorities for those engaged in advertising,
33 sales and promotion may impose additional standards or measures to regulate their
34 industry.

CHAPTER III
RIGHT TO RECEIVE THE FULL VALUE OF THE SERVICE PURCHASED

Section 8. *Right to Transportation and Baggage Conveyance.* Every passenger is entitled to transportation, baggage conveyance and ancillary services, in accordance with the terms and conditions of contract of carriage with the air carrier. Thus, any violation of the terms and conditions of the contract of carriage due to the fault or negligence of the air carrier shall entitle the passenger to compensation or alternative arrangements, as provided in this Air Passenger Bill of Rights, which are acceptable to the passenger.

Section 9. *Right to be Processed for Check-In.* In accordance with the usual air carrier procedures, a passenger holding a confirmed ticket, whether promotional or regular, with complete documentary requirements, and who has complied with the check-in procedures, shall be processed accordingly at the check-in counter within the check-in deadline. The airline shall, therefore, and subject to infrastructure limitations, clearly designate the boundaries of its assigned check-in area/s or counter/s.

A passenger within the air carrier's cordoned or other designated check-in area as herein defined at least one (1) hour before the published ETD shall not be considered late or a no-show, and shall not be denied check-in. The carrier shall exert utmost diligence in ensuring that passengers within the cordoned or other designated check-in area and/or lined up at the check-in counters are checked in for their flights before the check-in deadline.

A passenger who is late in accordance with the preceding paragraph may be denied check-in and directed to a standby or rebooking counter, as the case may be, for proper processing.

Any dispute under this Section shall be resolved by the air carrier on-site. For this purpose, the air carrier must present to the passenger proof, including, but not limited to, closed-circuit television monitor recordings, processing or number slips issued at the entrance of the check-in area, and other applicable or available means, that the latter failed to appear within the prescribed time for the check-in procedure.

Section 10. *Right to Sufficient Processing Time.* Passengers shall be given enough time before the published ETD within which to go through the check-in and final security processes. For this purpose, air carriers operating in international airports and in other airports designated by the DOTC shall open their check-in counters in such airports at least two (2) hours before the ETD. In other airports, air carriers shall open their check-in counters at least one (1) hour before the ETD.

10.1 Air carriers operating in international airports and in other airports designated by the DOTr shall open a separate dedicated counter for a flight nearing check-in deadline to facilitate the checking in of passengers at least one (1) hour before the published ETD.

10.2 To ensure that PWDs and senior citizens shall have equal access to air transportation services, air carriers shall at all times and in all instances adhere to the mandate of Batas Pambansa Blg. 344, otherwise known as An Act to Enhance the

1 Mobility of Disabled Persons by Requiring Certain Buildings, Institutions,
2 Establishments and Public Utilities to Install Facilities and Other Devices, the
3 provisions of the Expanded Senior Citizens Act of 2010, and other related laws.
4 Accordingly, an air carrier shall designate at least one (1) check-in counter which will
5 prioritize PWDs, senior citizens, and persons requiring special assistance or handling.
6 If this is not practicable, the air carrier shall instead provide for priority handling and
7 processing of such passengers. The air carrier shall likewise coordinate with the
8 appropriate authorities for the use of proper airport equipment, entryways, and/or
9 aerobridges, as the case may be, when the same are available, to facilitate
10 transactions, movement, boarding, and/or disembarkation of PWDs, senior citizens,
11 and/or persons requiring special equipment, at the airport.

12 Persons accompanying a PWD, a senior citizen, or a person requiring special
13 assistance or handling should also be accommodated at the designated check-in
14 counter mentioned in the preceding paragraph. It is the duty of an air carrier or its
15 authorized agent to inform its passengers if additional costs will be incurred for the use
16 of facilities designed for passengers needing special assistance in airports located in
17 other countries.

18 It is the responsibility of a PWD to declare his/her need for special assistance
19 or handling to the airline, upon booking his/her flight. If the PWD fails to do so, the
20 airline may not be held liable for any services it was not able to provide the passenger
21 and/or for any additional costs incurred for the use of special assistance facilities.

22 **Section 11. Right to Board Aircraft for the Purpose of Flight.** A passenger
23 checked in for a particular flight has the right to board the aircraft for the purpose of
24 flight, except when there is legal or other valid cause, such as, but not limited to,
25 immigration issues, safety and security, health concerns, non-appearance at the
26 boarding gate at the appointed boarding time, or government requisition of space as
27 provided for in Section 11.2. Other than these causes, no passenger may be denied
28 boarding without his/her consent.

29 11.1 While it is an accepted practice for an air carrier to overbook its flights, any
30 expense, consequence, or inconvenience caused to affected passengers must be
31 borne by the air carrier, as follows:

32 (a) The air carrier shall determine the number of passengers in excess of the
33 actual seat capacity of the aircraft.

34 (b) The air carrier shall announce that the flight is overbooked, and that it is
35 looking for volunteers willing to give up their seats in exchange for air carrier
36 compensation.

37 (c) The air carrier shall provide the interested passengers or volunteers a list of
38 amenities and offers, which they can choose from, which list of amenities shall always
39 include the option to be given priority booking in the next flight with available space or
40 to be endorsed to another air carrier upon payment of any fare difference, and provided
41 that space and other circumstances permit such accommodation, at the option of the
42 passenger, and/or a cash incentive.

(d) In case the number of volunteers is not enough to resolve the overbooking, the air carrier shall increase the compensation package by certain degrees or by adding more amenities/services until the required number of volunteers is met.

11.2 Government agencies and/or officials wanting to acquire aircraft space for official government purposes shall submit a written request justifying the requisition to the CAB, which shall then make the request to the air carrier concerned, detailing:

(a) The number, identities, and affiliation of the persons requesting for space;

(b) The date and time (if applicable) of the flight; and

(c) The destination.

Should government requisition result in passengers having to forego their confirmed space, the air carrier shall look for volunteers in accordance with Section 11.1.

Provided, that the air carrier shall have the right to claim from the requesting government entity the full-fare value of the seats requisitioned by the latter.

11.3 The settling of compensation for passengers pursuant to this Section shall not be an excuse for the undue delay of the flight's ETD.

CHAPTER IV RIGHT TO COMPENSATION

Section 12. *Right to Compensation and Amenities in Case of Cancellation of Flight.* In case of cancellation of flights, the following shall be observed:

12.1 In case of flight cancellation attributable to the carrier, a passenger shall have the right to:

(a) Be notified beforehand via public announcement, written/published notice and flight status update service (text);

(b) Be provided with the following, if he/she is already at the airport at the time of the announcement of the flight cancellation: sufficient refreshments or meals (e.g. snacks consisting of at least a bottle of water and a sandwich, or breakfast, lunch, or dinner, or a voucher for the same, as the case may be); hotel accommodation (conveniently accessible from the airport); transportation from the airport to the hotel, v.v.; free phone calls, text or e-mails, and first aid, if necessary; and

(c) Reimbursement of 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

(d) Be endorsed to another air carrier without paying any fare difference, at the option of the passenger, and provided that space and other circumstances permit such re-accommodation; or

(e) 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. However, for rebooking made in excess of the aforementioned thirty (30) days for a trip likewise within the validity of the ticket, fees and/or fare difference shall apply.

Provided, that in case a carrier cancels a flight at least twenty-four (24) hours before the ETD, it shall not be liable for the foregoing amenities, except, it shall be obliged to notify the passenger, and, in accordance with the preceding provisions, to rebook or reimburse the passenger, at the option of the latter.

12.2 In case the air carrier cancels the flight because of force majeure, safety and/or security reasons, as certified by the Civil Aviation Authority of the Philippines, a passenger shall have the right to be reimbursed for the full value of the fare.

12.3 The provisions of this Section shall be the minimum entitlement of a passenger in case of cancellation, and shall not prohibit the air carrier from granting more favorable conditions or recourses, as it may deem appropriate.

Section 13. Right to Compensation and Amenities in Case of Flight Delay and Exceptions Thereto.

13.1 In case of Terminal Delay of at least three (3) hours after the ETD, whether or not such is attributable to the carrier, a passenger shall have the right to:

(a) Be provided with refreshments or meals (sufficient snacks, breakfast, lunch, or dinner, as the case may be), free phone calls, text or e-mails, and first aid, if necessary; and

(b) Rebook or refund his/her ticket in accordance with the preceding Section or be endorsed to another carrier, in accordance with the preceding Section.

13.2 In case such Terminal Delay extends to at least six (6) hours after the ETD for causes attributable to the carrier, it shall be deemed cancelled for the purpose of making available to the passenger the rights and amenities required to be provided in case of actual cancellation, as provided for in Section 12.1; and in addition, an affected passenger shall be given the following:

(a) Additional compensation equivalent to at least the value of the sector delayed or deemed cancelled to be paid in the form of cash or voucher, at the discretion of the air carrier; and

(b) The right to board the flight if it takes place more than six (6) hours after the ETD and the affected passenger has not opted to rebook and/or refund. For this purpose, the air carrier is obliged to exert all efforts to contact the passenger for the flight.

13.3 A passenger shall likewise have the right to be provided with sufficient food and beverage, in cases of Tarmac Delay of at least two (2) hours after the ETD, reckoned from the closing of the aircraft doors, or when the aircraft is at the gate with the doors still open but passengers are not allowed to deplane.

1 13.4 The provisions of this Section shall be the minimum entitlement of a
2 passenger in case of delay and shall not prohibit the air carrier from granting more
3 favorable conditions or recourses, as it may deem appropriate.

4 **Section 14. Compensation under Section 10 as Liquidated Damages.** The
5 compensation provided in Section 11, if accepted by the passenger, shall constitute
6 liquidated damages for all damages incurred by the passenger as a result of the air
7 carrier's failure to provide the passenger with a confirmed reserved seat.

8 *Provided that, while a confirmed reservation is necessary to make a passenger*
9 *eligible for compensation, a written confirmation issued by the air carrier or its*
10 *authorized agent qualifies the passenger in this regard, even if the air carrier cannot*
11 *find the reservation in the electronic records, as long as the passenger did not cancel*
12 *the reservation or miss a reconfirmation deadline.*

13 **Section 15. Right to Compensation for Delayed, Lost, and Damaged**
14 **Baggage.** A passenger shall have the right to have his/her baggage carried on the
15 same flight that such passenger takes, subject to considerations of safety, security, or
16 any other legal and valid cause.

17 15.1 In case a checked-in baggage has been off-loaded for operational, safety,
18 or security reasons, the air carrier shall inform the passenger at the soonest
19 practicable time and in such manner that the passenger will readily know of the off-
20 loading (i.e. that his/her baggage has been off-loaded and the reason therefor). If the
21 passenger's baggage has been off-loaded, the air carrier should make the appropriate
22 report and give the passenger a copy thereof, even if it had already announced that
23 the baggage would be on the next flight.

24 The air carrier shall carry the off-loaded baggage in the next flight with available
25 space, and deliver the same to the passenger either personally or at his/her residence.
26 For every twenty-four (24) hours of delay in such delivery, the air carrier shall tender
27 an amount of Two Thousand Pesos (Php 2,000.00) to the passenger, as
28 compensation for the inconvenience the latter experienced. A fraction of a day shall
29 be considered as one day for purposes of calculating the compensation.

30 For the purposes of this section, the twenty four (24)-hour period shall
31 commence one (1) hour from the arrival of the flight of the passenger carrying such
32 baggage.

33 15.2 Should such baggage, whether carried on the same or a later flight, be lost
34 or suffer any damage attributable to the air carrier, the passenger shall be
35 compensated in the following manner:

36 (a) For international flights, the relevant convention shall apply.

37 (b) For domestic flights, upon proof, a maximum amount equivalent to half of
38 the amount in the relevant convention (for international flights) in its Peso equivalent.

39 15.3 For compensation purposes, a passenger's baggage is presumed to have
40 been permanently and totally lost, if within a period of seven (7) days, counted from

the time the passenger or consignee should have received the same, the baggage is not delivered to said passenger or consignee.

Section 16. Right to Compensation In Case of Death or Bodily Injury of a Passenger. For international flights, in case of death or bodily injury sustained by a passenger, the relevant Convention and inter-carrier agreement shall apply. However, for an international carriage performed under the 1966 Montreal Inter-Carrier Agreement, which includes a point in the United States of America as a point of origin, a point of destination or agreed stopping place, the limit of liability for each passenger for death, wounding or other bodily injury shall be the sum of Seventy-Five Thousand United States Dollars (US\$75,000.00), inclusive of legal fees and costs. *Provided*, in the case of a claim brought in a state where a provision is made for a separate award for legal fees and costs, the limit shall be the sum of Fifty-Eight Thousand United States Dollars (US\$58,000.00), exclusive of legal fees and costs.

For domestic flights, the compensation shall be based on the stipulated amount in the relevant convention which governs international flights, the same to be given in Peso denominations.

Section 17. Right to Immediate Payment of Compensation. An air carrier liable for any and all compensations provided by these rules shall make the same available to the affected passenger at the air carrier's counters at the airport on the date when the occasion entitling the passenger to compensation occurred, or at the main office or any branch of the air carrier at the discretion of the passenger. The air carrier shall tender a check for the amount specified, or cash, or the document necessary to claim the compensation or benefits mentioned above; *Provided*, that such document shall be convertible to cash within fifteen (15) days from the date when the occasion entitling the passenger to such compensation occurred.

CHAPTER V ADMINISTRATIVE MATTERS

Section 18. Air Carrier and CAB Complaint and Assistance Desks. Air carriers shall provide Customer Service Representatives who can address common problems, such as arranging for meals and hotel rooms for stranded passengers, settling denied boarding compensation, arranging luggage resolutions, and settling other routine claims or complaints, on the spot. In addition, the CAB may provide Complaints and Assistance Desks in all airports. These shall be manned by CAB or CAB-deputized personnel, who shall assist passengers whose rights to the service have not been fully satisfied by the air carrier. The said personnel shall assist in the filing and prosecution of the complaints of passengers whose rights have been violated and who wish to go after the concerned air carriers.

Section 19. Refund of Other Fees. Every air carrier must refund checked baggage fees and other optional service fees (i.e. insurance, donation to WWF, seat selector fee, etc.), if the passenger did not use his/her ticket *provided*, that the said ticket is refundable and that the passenger is not at fault. *Provided, further*, that refund of checked baggage fees will also apply, if the baggage was not delivered to the passenger within twenty-four (24) hours from the arrival of flight, on top of the compensation fee as mentioned in Section 15.1.

1 **Section 20. Written Reports.** Air carriers shall submit a monthly report to the
2 CAB on the following:

3 (a) The number of regular and promotional fare passengers who have been
4 denied boarding, or whose flights were delayed or cancelled;

5 (b) The number of regular and promotional fare passengers whose baggage
6 was lost, damaged, or off-loaded; and

7 (c) The number of regular and promotional fare passengers who died or
8 sustained an injury during the course of the flight or performance of the contract of
9 carriage, as well as the reasons and other circumstances of such occurrences.

10 *Provided*, that the air carriers shall maintain a database containing the names,
11 addresses, and/or other particulars of such passengers, their flights, concerns or
12 complaints, as well as records of the air carrier's personnel regarding the same, if any,
13 and other pertinent information, available to the CAB upon request.

14 **CHAPTER VI** 15 **FINAL PROVISIONS**

16 **Section 21. Periodic review.** This Act and its Implementing Rules and
17 Regulations (IRR) shall be reviewed periodically by an inter-agency body consisting
18 of representatives from the DOTC, the DTI, the CAB, and airport operators, in
19 consultation with the air carrier companies and/or other directly affected stakeholders.
20 Such review may include the assessment, modification, removal, and/or update of
21 provisions in accordance with issues arising from the implementation of this Order.

22 **Section 22. Implementing Rules and Regulations.** Within thirty (30) days
23 from the effectivity of this Act, the DOTr, the DTI, the CAB, in consultation with airport
24 operators and air carrier companies and/or other directly affected stakeholders, shall
25 promulgate the rules and regulations for the effective regulation of this Act.

26 **Section 23. Appropriations.** An amount of Twenty Million Pesos (Php
27 20,000,000.00) is hereby allocated for the initial implementation of this Act. Such
28 amounts as may be necessary for the continuing implementation of this Act shall be
29 included as a separate line-item under the appropriations of the DOTr under the
30 General Appropriations Act and may be augmented by grants, donations and
31 endowments from domestic and foreign sources, pursuant to existing laws and
32 regulations.

33 **Section 24. Separability Clause.** If any provision of this Act shall be held
34 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
35 full force and effect.

36 **Section 25. Repealing Clause.** All laws, executive orders, rules and
37 regulations inconsistent with or contrary to this Act, are hereby deemed accordingly
38 repealed or amended.

Section 26. Violations and Penalties. All violations of this Act shall be penalized in accordance with the pertinent provisions of the Civil Aeronautics Act of the Philippines, save for violations pertaining to Sections 5 and 6 which are governed by the relevant provisions of the Consumer Act of the Philippines, the implementing agency of which is DTI.

Failure on the part of the air carrier to comply with any of the obligations stated in this Act shall, after due hearing, be a ground for suspension of its license to operate.

Section 27. Effectivity. This Act shall take effect upon its approval and completion of publication in at least two (2) national newspapers of general circulation. A copy of this Regulation shall be deposited with the University of the Philippines Law Center in compliance with Revised Administrative Code.

Approved,