

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7937



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

There are 50 million Filipino flyers in 2018¹ without one codified bill of rights to protect them from various abusive practices of domestic and international airlines. Flyers regularly complain of unreasonable flight delays, mishandled or lost baggage, overbooking, rebooking, ticket refunds, cancelled flights, misleading advertisements on fares, among many others. While there are pertinent provisions specifically addressing such concerns of flyers, these provisions are dispersed in different and often outdated local laws, and international conventions.

Due to the alarming number of complaints by airline passengers, the Department of Transportation and Communication (DOTC), together with the Department of Trade and Industry (DTI), approved Joint DOTC-DTI Administrative Order No. 1 Series of 2012, otherwise known as the "Air Passenger Bill of Rights," which took effect on Dec. 21, 2012. Among others, this issuance seeks to provide full, clear and accurate information to the passengers on the services offered by air carriers and the terms and conditions of the contract of carriage. While helpful, this administrative order neither has the force of law nor penal provisions to provide full, consistent and imperative protection to our flyers. In response to this, this Representation believes that it is high time that we institutionalize a much-needed and long-awaited bill of rights for our air passengers.

Our bill urges the swift passage of the "Magna Carta for Air Passengers Act". It echoes some of the pertinent provisions in existing laws, recognizes international conventions on air carriage, and adds new provisions reflective of contemporary practices and prices. Regulatory bodies are also compelled to review the existing pecuniary penalties on abusive practices, and accordingly upgrade the same when necessary.

¹ <https://malaya.com.ph/business-news/business/air-passenger-traffic-9>

Air transportation is only bound to expand as it gets more accessible to Filipinos, and more convenient with increased destinations and flights per day. In fact, this year alone, the Civil Aeronautics Board (CAB) has already recorded a 9% growth in air passenger traffic compared from last year. We can no longer allow more Filipinos to suffer from any sort of exploitative airline practices without putting in place an efficient system of remedies which awards them compensation for any inconvenience, and compels airlines to provide services in good faith.

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



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR

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AN ACT
PROVIDING FOR THE MAGNA CARTA OF AIRLINE PASSENGERS, IMPOSING
OBLIGATIONS ON AIR CARRIERS, AND PENALIZING ACTS IN VIOLATION
THEREOF

Be it enacted by the Senate and the House of Representatives in Congress assembled:

CHAPTER I
GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be known and cited as the "Magna Carta for Air Passengers Act."

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to promote the welfare of airline passengers and strengthen the regulatory framework that will ensure safe, efficient, convenient, and secure services to the riding public in civil aviation. The State shall pursue a policy mandating full disclosure of all aspects relating to the contract of air carriage. The State shall adopt the generally-accepted principles of relevant international laws to which the country is a signatory. Pursuant thereto, the State shall penalize any act of air carriers which violates the rights of air passengers as defined under this Act.

SECTION 3. Definition of Terms. – As used in this Act:

- a) **Air Carrier** refers to an airline providing transportation services in a contract of air carriage;
- b) **Baggage** refers to any personal property carried by the passenger which has been checked-in with the airline. Off-loaded baggage refers to checked baggage but has either not been put in or been subsequently removed from the cargo hold of the carrier;
- c) **Cancellation** refers to the act of calling off a flight. This shall include the following instances:
 - 1) Cancellation by the air carrier before the estimated time of departure (ETD) whether or not the reason for the cancellation is due to the air carrier's fault;

- 2) Cancellation by the air carrier after an unduly long delay;
 - 3) Cancellation by the passenger or a situation deemed cancelled as provided under this Act.
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- d) **Check-in Deadline** refers to a reasonable point in time before the published ETD as may be prescribed by the Civil Aeronautics Board (CAB) at which a passenger may physically present travel documents to the air carrier at the latter's check-in counter.
 - e) **Check-in Period** refers to the time when the air carrier's check-in counters are open for accepting and processing passengers checking in for their flights which starts at two (2) hours before the ETD in international airports and in airports designated by the Department of Transportation and Communications (DOTC). In other airports, the check-in period shall start at least one (1) hour before the ETD;
 - f) **Confirmed Reserved Seat** refers to a seat on a specific date and on a specific flight and class of service of a carrier, which has been requested by a passenger, and which the carrier or its agent has verified, by appropriate notation on the ticket, as being reserved for the accommodation of the passenger;
 - g) **Convention** refers to the applicable international agreement, convention, or treaty on carriage of goods or persons by air;
 - h) **Delay** deferment of a flight to a later time. Terminal delay refers to a delay that occurs while the passengers are still inside the terminal waiting for boarding, while tarmac delay is a delay that occurs while passengers are already on board the aircraft;
 - i) **Denied Boarding** refers to a situation where a passenger who has physically presented travel documents pertaining to a confirmed seat reservation at the proper time and place, and has fully complied with the carrier's check-in reconfirmation procedures, and the carrier's tariff requirement, was not allowed to board the aircraft;
 - j) **Denied Check-in** refers to a situation where a passenger, who has physically presented travel documents to an air carrier's check-in counter checked in at the appointed area and at the appointed time, is denied or is not processed for boarding a particular flight;
 - k) **Fare** refers to the payment in consideration for the carriage of a passenger but shall not include charges for ancillary services. Regular fare is any fare that is offered on a regular basis is non-discounted, and offers the advantage of cancellation, changing flight time or schedule, rerouting or rebooking, by the passenger, whether for a fee or penalty, or not. Promotional fare is any fare that is generally lower than a regular fare and is offered for a specific period. This includes offers of "no frills" fare, wherein the non-essential features for flights such as free food and drinks onboard flights have been

removed to keep the price low, and discounted fares which require prior approval by the CAB;

- l) **Free Tickets** refer to tickets provided by carriers to passengers, tickets available for free to employees, and tickets claimed based on mileage, which do not have confirmed status, are subject to space availability, and do not qualify as either regular or promotional fare;
- m) **General Sales Agent** means a person who is not a bona fide employee of an air carrier, and who is authorized by the air carrier, by itself or through an agent, sells or offers for sale any air transportation, or negotiates for, or holds out by solicitation, advertisement or otherwise as one who sells, provides, furnishes, contracts or arranges for, such air transportation;
- n) **Government Requisition of Space** refers to a formal request by the government or its agencies to an air carrier for the use of an aircraft, or any part thereof, for regulatory, safety, security, and emergency purposes. Such request shall be submitted by the requesting agency to the CAB which, in turn, shall make a request to the air carrier concerned, detailing the number, identities and affiliation of the persons requesting for space and date, time and destination of the flight;
- o) **No Show** refers to the failure of the passenger to appear at the check-in counter within the check-in deadline or to show up at the boarding gate at the time indicated on the boarding pass;
- p) **Non-scheduled Services** refer to an arrangement where an aircraft has more flexibility in terms of time, schedules, routes, and choices of airports and similar operational characteristics subject to the approval of the Civil Aviation Authority of the Philippines (CAAP) each time;
- q) **Overbooking** refers to the practice by air carriers of selling confirmed reserved seats beyond the actual seat capacity of the aircraft. This shall include a situation wherein an air carrier downgrades an aircraft for grounds other than safety or unforeseen operational reasons that results in the bumping off of passengers;
- r) **Passenger** refers to a person actually travelling by air. A person whose name is in the flight ticket shall be considered a passenger for the purpose of this Act;
- s) **Person with Disability or PWD** refers to those who have long-term physical, mental, or intellectual or sensory impairments, which in interaction with various barriers, may hinder their full and effective participation in society on an equal basis with others;
- t) **Philippine-based air carrier** refers to an air carrier holding a Certificate of Public Convenience and Necessity (CPCN) or a Temporary Operating Permit (TOP) issued by the CAB for scheduled or non-scheduled services;

- u) **Sales Promotion** refers to the techniques intended for broad consumer participation which contain promise of gain, such as prizes, in cash or in kind, as reward for the purchase of a product, security, service or winning in a contest, game, tournament, and other similar competitions which involve determination of winner/s and which utilize mass media and widespread media of information. It also means techniques purely intended to increase the sales, patronage and goodwill of a product; and
- v) **Scheduled Services** refer to an arrangement wherein an air carrier follows a fixed, regular, and published timetable and routes which does not have flexibility in terms of time, schedules, routes and choices of airports and similar operational characteristics.

SECTION 4. Scope of Application. – This Act shall apply to all aspects of air carriage for flights and portions of a flight, within the territory of the Philippines or from the territory of the Philippines, operated by Philippine-based air carriers, flights or portions of a flight from the territory of the Philippines operated by foreign air carriers, as well as charter flights and the conduct of individual ticketing: *Provided,* That the compensation provisions of this Act shall now apply to air carriers flying into the territory of the Philippines if the laws of the country of origin provide similar or higher compensation.

SECTION 5. Applicability of International Laws and Pertinent Conventions. – In case of conflict between the provisions of this Act and the provisions of any treaty or convention where the Philippines is not a signatory, the provisions of the latter shall prevail. Where the Philippines is not a signatory, the provisions of any treaty or convention shall have a suppletory effect in the implementation of this Act insofar as the same are not contrary to the provisions herein contained.

CHAPTER II CONTRACT OF CARRIAGE BY AIR

SECTION 6. Contract of Air Carriage. – By the contract of air carriage, an air carriage obliges itself to transport the passenger or one's baggage, if any, from one place to another, through airspace, without any damage or injury upon the latter's person, or loss, damage or unreasonable deterioration of his baggage, if any, and when the passenger obliges oneself to pay a just and reasonable air fare.

SECTION 7. Perfection of the Contract of Carriage. – The contract of air carriage is perfected from the air carriage and the passenger gives their respective consent to the said agreement. There is consent when the air carrier issues a confirmation of airline ticket in favor of a passenger, who accepts and holds it in his/her possession, with the corresponding full payment of the fare by said passenger.

SECTION 8. Diligence Required of the Carrier. – Air carriers, due to the nature of air transportation, it being imbued with public policy and interest, are obliged to observe extraordinary diligence in the performance of their obligations under the contract of air carriage. Air passengers are required to observe extraordinary diligence while the contract of air carriage is effective.

SECTION 9. Presumption of Negligence. – In case of damage or injury to the person of the air passenger, or loss, damage, or unreasonable deterioration of his/her baggage, if any, the air carrier shall be presumed negligent, unless it proves that it exerted extraordinary diligence to avert the same. Diligence observed in the selection and supervision of employees shall not be a defense to rebut this presumption. In the case of carriage of goods and baggage, the presumption of negligence shall not be a defense to rebut this presumption. In the case of carriage of goods and baggage, the presumption shall not apply if the loss, damage, or unreasonable deterioration is caused or occasioned by any of the following:

1. Flood, storm, earthquake, lightning, or other natural disaster or calamity;
2. Act of the public enemy in war, whether international or civil;
3. Act or omission of the shipper or owner of the baggage/goods;
4. The character of the goods or defects in the packing or in the containers; and
5. Order or act of competent public authority.

SECTION 10. Cancellation. – An air carrier may cancel a flight for any of the following:

1. Infrastructure limitation as certified by the CAAP;
2. Safety reasons due to a technical problem;
3. Security reasons;
4. During the occurrence of a fortuitous event. The passengers affected may avail such applicable remedies provided under this Act.

SECTION 11. Overbooking. – Overbooking shall not be allowed for all air carriers.

SECTION 12. Construction. – In case of doubt, the contract of air carriage shall be construed literally in favor of the passenger and strictly against the air carrier.

CHAPTER III RIGHTS AND OBLIGATIONS OF THE PASSENGERS

A. RIGHT TO FULL AND TRUTHFUL INFORMATION OF THE CONDITIONS OF THE CONTRACT OF CARRIAGE

SECTION 13. Clear, Truthful and Understandable Information – In addition to the information enumerated under Section 15 hereof, every passenger shall, before purchasing any ticket for a contract of carriage, have the right to the full access and fair and clear disclosure of information, in English and in Filipino, from an air carriage or general sales agent on the following terms and conditions in the contract of carriage:

- a) Fare and other fees and ancillary charges (taxes, insurance, fuel surcharge, seat reservation, etc);
- b) Travel restrictions;
- c) Baggage allowance and limitations;
- d) Check-in and boarding requirements and deadlines;
- e) Air carrier's responsibilities and passenger's rights and compensation for delayed and cancelled flights, and for death and injuries and lost, delayed or damaged baggage;
- f) Air carrier's liability limitations;
- g) Procedures for claims against the carrier;
- h) Services and amenities provided by the air carrier; and
- i) Other crucial and necessary conditions of the contract of carriage.

SECTION 14. Method of Disclosure. – An air carrier shall cause the disclosure under the immediately preceding section to be printed on or attached to the passenger ticket, boarding pass, or incorporate such terms and conditions of carriage by reference.

Incorporation by reference means that the ticket for boarding pass shall clearly state that the complete terms and conditions of carriage are available for perusal or review in the air carrier's website, or in some other document that may be sent to or delivered by post or electronic mail to a passenger upon request.

In case of booking through a ticketing office or agent, the disclosures shall be explained by the agent in a language that is easily understood by the purchaser.

In case of online booking, the air carrier must establish a system wherein a purchaser is fully apprised of the required disclosures under this section twice prior to the final submission of an online offer to purchase. The first disclosure shall include the full information to which the passenger has a right of access and disclosure. The second disclosure before the final submission of an online offer to purchase shall substantially include the following message, in English and Filipino:

By confirming purchase of this ticket, you agree to the terms and conditions which include:

- a) Refund policy;
- b) Rebooking policy;
- c) No-show policy; and
- d) Other important information specific to the ticket purchased.

Sa pagbili ng ticket na ito, kayo ay sumasang-ayon sa mga kondisyon at restriksyon kabilang na ang:

- a) Panuntunan sa pagsasauli ng ibinayad;
- b) Panuntunan sa pagpalit ng tiket;
- c) Panuntunan sa hindi pagdating sa tamang oras; at
- d) Iba pang importanteng impormasyon ukol sa tiket.

SECTION 15. Advertisements. – Advertisements of fares shall be clear, truthful, and not misleading and shall capacitate the passenger to make an informed purchase or availment of the airline ticket such that the passenger fully understands the consequences of purchasing such ticket.

The advertisement of the promotional fares shall be made only after the same has been approved by the CAB.

The following disclosures are required to be part of the airline advertisement in print medium which shall occupy not less than thirty percent (30%) of the advertising material:

- a) Conditions and restrictions attached to the fare type;
- b) Refund and rebooking policies; Government taxes and fuel surcharges;
- c) Other fees and charges;
- d) Contact details of the carrier which include phone numbers, websites, emails, and online accounts;
- e) Other information that is necessary to apprise the passenger of the conditions and full price of the ticket which may include the incorporation by reference of websites and other available information portal or office where the passenger can read or ask the full terms and conditions of the fare and the air passenger bill of rights; and
- f) In case of promotional fares, the number of seats offered on a per sector basis, the CAB permit or approval number and the duration of the promo.

B. RIGHT TO FAIR AND REASONABLE FARE AND TO THE FULL VALUE OF THE SERVICE PURCHASED

SECTION 16. Right to Receive the Full Value of the Service Purchased. – A passenger shall have the right to fair and reasonable fare and to receive the full value of the services that they purchased. An air carrier shall not deny nor diminish any service that an air passenger has paid for. However, an air carrier may upgrade its services in favor of a passenger free of charge, subject to the consent of the passenger.

This right includes the convenience on the part of the passenger during the flight.

SECTION 17. Right to Mandatory Fare Discount. – Qualified senior citizens, PWDs, and students are entitled to a twenty percent (20%) discount on all regular fares.

To avail of the discount, the persons concerned are required to show competent proof that they are senior citizens, PWDS or students. Competent proof includes government-issued identification cards or school identification cards.

To avail of the discount, a student at the time of the purchase of the airline ticket, must be enrolled in preschool, elementary, secondary or collegiate school or institution, whether academic, vocational or technical, duly recognized by the government. For the purpose of this Act, it does not include those taking up post-graduate courses like medicine, law, and masteral and doctoral degrees as well as short-term courses and seminars and classes like dancing, singing and driving lessons.

Qualified senior citizens, PWDs, and students are likewise exempt from the payment of the value-added tax.

Where the air carrier offers promotional fares, the fare that is more beneficial between the discounted fare and promotional fare shall be given to the passenger.

Where the air carrier offers promotional fares, the fare that is more beneficial between the discounted fare and promotional fare shall be given to the passenger.

For purposes of taxation, the discounts herein imposed shall be allowed as deduction on the gross income of the air carrier.

SECTION 18. Right to Refund. – Every passenger holding a refundable airline ticket shall have the right to the refund of fares. This includes the refund of other fees such as checked baggage fees and other optional service fees such as insurance, and seat selector, if any.

SECTION 19. Right to Cancel a Flight. – If the passenger cancels the confirmed flight more than twenty-four hours before the ETD, the passenger shall be reimbursed seventy-five percent (75%) of the cost of the ticket less charges for ancillary services, and the remaining twenty-five percent (25%) shall be retained as the cancellation fee. There shall be full reimbursement of such charges for ancillary services not availed of, including but not limited to, baggage fees and terminal fees.

SECTION 20. Right to Rebook a Flight. – Every passenger who has fully and truthfully informed that the ticket purchased is rebookable shall have the right to rebook the flight in accordance with the terms and conditions set forth in the revoking policy.

SECTION 21. Right to be Processed for Check-in. – A passenger holding a confirmed ticket, whether under a promotional or regular scheme, with complete documentary requirements, and who has complied with the air carrier's check-in procedures, shall be processed accordingly at the check-in counter within the check-in deadline. For this purpose, the CAB shall, consistent with global aviation practice, provide a uniform schedule of the opening of check-in counters and check-in deadline for both local and international flights giving the passenger enough time to be processed for check-in.

The air carrier shall, therefore, and subject to infrastructure limitations, clearly designate the boundaries of its assigned check-in areas or counters in a manner convenient to the passengers.

The air carrier shall ensure that all its passengers for a particular flight including those who are in queue prior to the check-in deadline have already checked-in before accepting passengers from previously delayed or cancelled flights, and chance passengers, in that order, when there are still seats available.

SECTION 22. Right Board Aircraft for the Purpose of Flight. – Except when the passenger is at fault, or due to legal or valid causes such as immigration issues, safety, security, and health concerns when there is a legal or other valid cause, a passenger who has checked-in for a particular flight has the right to board the aircraft for the purpose of flight. A passenger shall be considered at fault if such passenger is acting in violation of a law or the contract of air carriage affecting the safety and security of another passenger or crew during the voyage.

C. RIGHT AGAINST ANY ACT OF DISCRIMINATION AND VEXATION

SECTION 23. Right to Equal Protection. – Every passenger is entitled to all the rights set forth in this Act and in all aspects of the contract of carriage regardless of race, sex, gender, education, income, social status, language, physical characteristics, mental characteristics, sensory impairments, age, religion, marital status, political belief, and other circumstances. No air carrier shall deny a passenger from enjoying the rights set forth in this Act because of criminal or summary convictions, or a previous grievance against the air carrier.

SECTION 24. Right to Board Aircraft for the Purpose of Flight. – Air passengers shall have the right to be respected at all times by the air carrier. Airline employees and crews shall serve passengers with utmost courtesy and respect.

SECTION 25. Right to Baggage and Property Security. – A passenger shall have the right to be secured of his/her baggage and property, particularly during the process of baggage screening. Airport authorities, Civil Aeronautics Board (CAB) and the Civil Aviation Authority of the Philippines (CAAP) shall have the responsibility to ensure observance of this right and making passengers safe from schemes and/or practices that violate this provision. In this regard, the airport authorities, CAB and CAAP shall ensure the provision of sufficient security and screening personnel, equipment and facilities, charged within their respective appropriations and sources of funding.

D. RIGHT TO SAFETY

SECTION 26. Access to Emergency Measures, Medical Assistance, Safety Devices and Essential Services. – A passenger has a right to have access to and to use emergency and safety devices, medical assistance, and proper application of first aid procedures during emergency situations or when the passenger's health requires it. Air carriers shall train flight personnel and crews in handling and responding to emergency situations and shall provide at least one (1) flight crew who is certified to be trained in the application of first aid procedures. An air carrier shall

always inform its passengers of emergency measures in cases of evacuation before the start or during the first hour of the flight.

A passenger has a right to disembark from an aircraft while in the passenger's determination, continuing the journey or being onboard the aircraft constitutes a risk to health. The air carrier shall consult with the passenger who wishes to disembark and determine whether it is to the best interest of the passenger to deplane. A passenger shall have access to essential services such as adequate food and potable water, clean and safe lavatory facilities, and cabin ventilation and comfortable cabin temperatures.

E. RIGHT TO REDRESS AND COMPENSATION

SECTION 27. Right to Bring Action, Satisfaction or Relief of a Wrong or Injury.

– Every passenger has a right, without fear of retribution, to take action against the carrier for any wrong or injury caused to the passenger by reason of the contract of carriage under this Act and applicable treaties or conventions.

SECTION 28. Right to Immediate Payment of Compensation. – A passenger shall have the right to be compensated, promptly and expeditiously, in case of flight delay or cancellation, death or injury upon his/her person, and loss or deterioration to one's baggage and property, as the case may be. Compensation under this Act does not preclude passengers to seek redress in a court for damage caused by any violation of the rights of the passenger as provided for by this Act or any other laws or treaties concerning air transportation.

An air carrier liable for any of the required compensations provided under this Act 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 or cash for the amount specified, or the document necessary to claim the compensation herein stated.

If not paid within the prescribed period, the compensation granted in this chapter shall earn an interest computed at the current legal rate until full payment reckoned from the time of the expiration of the said period, unless the non-payment is prevented by a legal cause.

SECTION 29. Rights of a Passenger for Delayed Flights. – Every passenger has the right to be compensated for flights not flown within a reasonable time from ETD. The provisions of this section shall be the minimum entitlement of a passenger in case of delay and shall not prohibit the air carrier from granting more favorable conditions or recourses, as it may deem appropriate.

(a) Terminal Delay

In case the flight is delayed for at least two (2) hours after the ETD, whether or not such is attributable to the carrier or the airport operators, a passenger shall have the right to:

- 1) Be notified via public announcement of the reason for the delay and the ETD as soon as this information is available;
- 2) Be provided a minimum level of care immediately, on the spot at terminals/stations while waiting for the beginning or the continuation of the delayed journey;
- 3) Be offered free of charge: (i) sufficient meals and refreshments in a reasonable relation to the waiting time; (ii) free phone calls, text messaging, fax, emails, or other means of communications; (iii) free internet access; and (iv) first aid, if necessary. In applying this section, the operating air carrier shall pay particular attention to the needs of persons with reduced mobility and any person accompanying them, as well as to the needs of unaccompanied children; and
- 4) Declare that he/she is cancelling his/her reservation and ask for refund or rebooking in accordance with Sections 18 and 20 hereof; or ask for endorsement to another carrier.

In case the flight is delayed for at least three (3) hours after the ETD for causes attributable to the carrier, the flight shall be deemed cancelled and the affected passenger shall be entitled to the remedies provided under Section 29 (a).

(b) Tarmac Delay

Every passenger shall likewise have the right to adequate 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 still at the gate with the doors still open but passengers are not allowed to deplane. In case the delay exceeds three (3) hours, the passenger may request disembarkation.

If the said delay is due to the air carrier's negligence, it shall be liable to pay damages amounting to ten thousand pesos (PhP 10,000.00) or the actual damages suffered, whichever is higher.

In the case of a multi-sectoral journey where the air carrier is at fault, in addition to the rights and entitlements stated under this section, a passenger shall be entitled to an additional compensation at a rate which is equivalent to at least the value of the sector cancelled by reason of the delay; *Provided*, That in case of connecting flights with another, the passenger has allotted sufficient connecting time of at least three (3) hours for international flights and two (2) hours for domestic flights; *Provided, further*, That the passenger shall not be entitled to the compensation of the value of the sector deemed cancelled, if the passenger is endorsed to another carrier and the passenger is able to complete his/her journey.

SECTION 30. Rights of a Passenger for Cancelled Flights or Flights Deemed Cancelled. – A passenger has a right to compensation in cases of flight cancellation subject to the following rules:

a) If a flight is cancelled due to a cause attributable to the air carrier, a passenger shall have the right to:

- 1) Be notified beforehand or as soon as possible of the situation via public announcement, written/published notice and flight status update service either through text or electronic mail;
- 2) Be provided a minimum level of care immediately, on the spot at terminals/stations;
- 3) Be offered free of charge:
 - i. Sufficient meals and refreshments in a reasonable relation to the waiting time;
 - ii. Hotel accommodation near the airport in cases where a stay of one or more night becomes necessary, or where a stay additional to that intended by the passenger becomes necessary; and
 - iii. Transportation service between the airport and place of accommodation. In addition, passengers shall be offered free phone calls, text messaging, fax, emails, or other means of communications, free internet access, and first aid, if necessary. In applying this provision, the air carrier shall pay particular attention to the needs of persons with reduced mobility and any person accompanying them, as well as to the needs of unaccompanied children.
- 4) Subject to the provisions of Sections 10 and 19 hereof, be reimbursed within five (5) days, either by cash, by electronic bank transfer, bank orders or bank checks or with the signed agreement of the passenger, in travel vouchers and/or other part or parts of the journey not made and for the part or parts already made if the flight is no longer serving any purpose in relation to the passenger's original travel plan, together with, when relevant, a return flight to the first point of departure, at the earliest opportunity. If payment is made through credit card, the reimbursement should be credited back to the payor's credit card account within seven (7) days without additional cost to the passenger.
- 5) 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 accommodation; or
- 6) Rebook the ticket without any additional charge.

a) In the case of multi-sector journey, in addition to the rights and entitlements stated under this section, a passenger shall be entitled to an additional compensation at a rate which is equivalent to at least the value of the sector cancelled by reason of the cancellation.

- b) In case the carrier cancels the flight because of force majeure, safety, and/or security reasons as certified by the CAAP, a passenger shall have the right to:
 - 1) Rebook the trip to another trip in the future, subject to the payment of the fare difference, if any;
 - 2) Reimbursement of the value of the fare;
 - 3) Endorsement to another airline, at the option of the passenger.

This provision 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 31. Rights of Passengers Denied Boarding. – A passenger who has checked-in for a particular flight cannot be denied from boarding the aircraft except for legal or other valid cause such as immigration issues, safety, security, and health concerns.

In a case where a passenger is denied boarding because the number of volunteers not due to overbooking, government requisition of space, downgrading of an aircraft or legal orders, the flight in respect to the affected passenger shall be deemed cancelled and the compensation shall be governed by the following rules:

- a) If the denial of boarding the aircraft is by reason of overbooking, aircraft downgrading, the passenger concerned shall be compensated in accordance with the provisions of Section 29(a) hereof;
- b) If the denial of boarding the aircraft is for some legal or justifiable reason relating to the security or safety of the passengers of applicable regulations as sanctioned by the CAAP or legal order of other authorities, the passenger concerned shall be entitled to refund, rebooking or endorsement to another carrier subject to payment of fare difference or any administrative charges when applicable;
- c) If the denial of boarding the aircraft is due to government requisition of space, the affected passenger shall be compensated and shall be entitled to the remedies in the preceding paragraph with the cost chargeable against the air carrier subject to reimbursement by the requesting agency if allowed; and
- d) In the case where a passenger is denied boarding for acting in violation of law or the contract of carriage affecting the safety and security of another passenger or crew during this voyage, such passenger shall not be entitled to any relief provided under this Act.

Provided, That no passenger shall be denied boarding for two (2) consecutive times on the same day, except when public safety, order, health or moral requires; *Provided, further*, That PWDs, persons with special needs, senior citizens, pregnant women and unaccompanied children shall be given preference against denied boarding.

SECTION 32. Filling-up of Empty Seats. – Vacant seats due to cancellations by the passenger and no shows shall be offered by the air carrier, first to the passengers of delayed or cancelled flights of the same air carrier or of another carrier, through endorsement between the two (2) air carriers. If there are still empty seats remaining, it shall then be offered to the chance passengers.

SECTION 33. Loss, Damage and Delay of Baggage. – Every passenger has a right to compensation for any loss, damage, or delay of baggage attributable to the fault of the air carrier. Compensation for loss of baggage shall be in the following amounts:

- i. For international flights, twenty dollars (USD 20.00) per kilo for checked-in baggage and four hundred dollars (USD 400.00) for hand-carried baggage.
- ii. For domestic flights, the equivalent amount in pesos shall apply.

A passenger's baggage is presumed 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 the said passenger or consignee.

Once the baggage is declared to be permanently lost in case of domestic flights, the provisions set in the contract of carriage shall apply in the valuation of lost belongings. In case of international flights, the limits set by the Warsaw Convention or the Montreal Convention, whichever is applicable, shall apply.

In case a checked-in baggage has been off-loaded for operational, safety, or security reasons, the air carrier shall inform the passenger at the soonest practicable time and in such manner that the passenger shall readily know of the offloading that his/her baggage has been off-loaded and the reason thereof. If the passenger's baggage has been off-loaded, the air carrier shall make the appropriate report and give the passenger a copy thereof, even if it announced that the baggage shall be on the next flight.

The air carrier shall carry the off-loaded baggage in the next flight with available space, deliver the same to the passenger either personally or at his/her residence and tender an amount of one thousand pesos (PhP 1,000.00) for every two (2) days of late delivery, as compensation for the inconvenience. The passenger shall also have the right to the refund of the checked baggage fees if the baggage was not delivered to the passenger within twenty-four (24) hours from the flight.

Air carriers are liable for provable consequential damages up to the amount of their liability limit in connection with the loss and delay in the delivery of baggage, in accordance with the limits set by the Warsaw Convention or the Montreal Convention, whichever is applicable.

Damaged baggage shall be compensated at one hundred pesos (PhP 100.00) per kilogram if it is in a domestic flight unless the passenger has declared a higher valuation of the baggage at check-in time. For international flights, item (i) under this paragraph shall apply.

SECTION 34. Compensation for Death and Bodily Injuries. –

- a) In case of international flights, the rules of the relevant convention shall apply as compensation for death or bodily injuries sustained by a passenger in the contract of carriage.
- b) For domestic flights, the passenger shall be entitled to compensation subject to the provisions of the contract of carriage or the compensation as provided in the provisions of the relevant convention, in its Philippine currency equivalent, whichever is higher.

SECTION 35. Compensation for Violation of Airline Passenger Rights. – In case the air carrier violates the rights of air passengers, the former shall pay the latter damages amounting to at least fifty thousand pesos (PhP 50,000.00) exclusive of other damages or injury the air passenger has suffered.

**CHAPTER V
RIGHTS, DUTIES AND OBLIGATIONS OF AIR CARRIERS**

SECTION 36. Prevention of Harm to Passengers and Maintenance of Aircrafts. – An air carrier shall prevent harm and hazard to passengers by ensuring that it follows all regulations on the airworthiness of the aircraft, complies with rules on hazardous materials, protects the passengers from unreasonable harm, and actively responds to harm caused by the aircraft structure, materials and chemicals

SECTION 37. Designation of an “All-Flight” or “Per Route” Counters. – Air carriers may operate all-flight counters which shall serve passengers without regard to destination. As far as practicable, the air carrier shall, in addition to all-flight counters, open a separate counter dedicated for a flight nearing check-in deadline to facilitate the checking-in of passengers at least an hour before the published ETD.

SECTION 38. Special Accommodation of PWDs, Persons with Special Needs, Senior Citizens, Pregnant Women and Unaccompanied Children. – To ensure the full enjoyment of the rights enumerated under this Act, the provisions of the following laws and their implementing rules and regulations, whenever applicable, shall form part of this Act as far as the passengers of this section are concerned:

- a) Republic Act No. 7277 or the Magna Carta for Disabled Persons as amended by Republic Act No. 9442 and its implementing rules and regulations;
- b) Batas Pambansa Bilang 344 or the Accessibility Law;
- c) Republic Act No. 7432 as amended by Republic Act No. 9257 and Republic Act No. 9994 or the Expanded Senior Citizens Act of 2010 and its implementing rules and regulations.

The contract of air carriage shall clearly enumerate the necessary terms and conditions affecting the rights of the PWDs, senior citizens, persons with special needs, pregnant women and unaccompanied children.

Air carriers and its agents, in coordination with the agencies charged with protecting the rights and welfare of the abovementioned passengers, shall implement a system allowing this group of persons enough and convenient opportunity to comply with aviation requirements and their special needs, facilities and assistance by reason of their individual circumstances throughout the flight.

For this purpose, air carriers shall designate at least one (1) check-in counter dedicated for persons with disabilities (PWDs), senior citizens, persons with special needs, pregnant women, and unaccompanied children between seven (7) and twelve (12) years old.

SECTION 39. Responsibility of the Air Carrier When the Number of Passengers is Beyond the Capacity of the Aircraft. – If a certain flight has more ticketed passengers than the allowed capacity of the aircraft by reason of overbooking, government requisition of space, as well as the downgrading of the aircraft for safety or unforeseen operational reasons as certified by the CAAP, the air carrier shall perform the following:

- a) Determine the number of passengers in excess of the actual seat capacity of the aircraft;
- b) Announce that the flight is overbooked, and that it is looking for volunteers willing to give up their seats in exchange for air carrier compensation;
- c) Provide the interested passengers or volunteers a list of amenities and offers from which they can choose, which shall always include priority booking in the next available flight and/or cash incentive; and
- d) In cases the number of volunteers is not enough, the air carrier shall increase the compensation package by a certain degree by adding more amenities/services until the required number of volunteers is met.

No flight shall be delayed pursuant to the settlement of the air carrier's obligation under this section.

SECTION 40. Duty of the Carrier in the Event of Flight Deviation. – Flight deviation happens when there is a change in the airport of origin or destination. If such is the case, an air carrier shall provide the necessary transportation to ferry a passenger from the originally-designated airport of departure to the actual airport of departure or from the airport of actual destination to the airport of the originally-designated destination, as the case may be.

If, by reason of the deviation, a certain right of a passenger has been violated, the applicable provisions of this Act shall govern the availment and grant of remedies and compensation.

SECTION 41. Provision of Assistance Desk. – Air carriers shall provide Customer Service Representatives (CSR) who can address common problems on the spot, which include arranging for meals, hotel rooms and accommodation for stranded passengers, write checks for denied boarding compensation, arrange luggage resolutions, and settle other routine claims or complaints. In addition, the CAL shall provide Complaints and Assistance Desks manned by CAP or CAB-deputized personnel in all airports who shall assist passengers, whose rights have been violated, including the filing of the complaint.

SECTION 42. Remedies of the Passengers. – Every passenger whose right provided in this Act is violated shall have the following remedies:

- a) Go to the CSR of the air carrier at their designated counter. Ask for two (2) copies of the report form and write the nature of the complaint.
- b) Submit the forms to the CSR and get acknowledgement receipt. Give one (1) copy to the CSR for processing.
- c) Give the other copy at the Complaints and Assistance Desk (CAD) of CAB or CAB-deputized personnel at the airport and attach the report form from the CAB.
- d) Get acknowledgement receipt of the complaint from the CAB.
- e) Get resolution slip from the air carrier's CSR and attach it on the CAB report form and submit it to the CAB-CAD.
- f) If case is not resolved, go to the CAB-CAD and report such incident together with documents, and other evidence, to support the claim.

SECTION 43. Operational Spare. – An air carrier shall, in adopting its flight schedules, exert all efforts to manage the disposition of its aircraft in such a way as to be able to reallocate aircraft to take the place of another aircraft in case the latter cannot carry the passengers due to operational requirement, aircraft maintenance, and other similar situations.

SECTION 44. Immediate Reporting of Off-loaded Checked Baggage. – In case a checked baggage has been off-loaded for operational, safety or security reasons, the air carrier shall inform the concerned passenger, at the soonest practicable time and in such manner that the passenger shall readily know of such off-loading and the reason thereof. If the passenger's baggage has been off-loaded, the air carrier shall make the appropriate report and give the passenger a copy thereof, even if it announced that the baggage shall be on the next flight.

CHAPTER V

OBLIGATION OF THE CAAP, CAB AND AIRPORT OPERATORS

SECTION 45. Availability of Check-in Counters. – The CAAP, airport authorities or airport operators, as the case may be, shall provide adequate number of check-in counters for every air carrier operating in a particular airport.

They shall ensure that the number of check-in counters of an air carrier in a particular airport shall be proportionate to the volume of passengers who are

checking-in for a particular flight. In no case shall the queue exceed twenty (20) persons per check-in counter.

SECTION 46. Assignment of Technical Personnel in Airports. – The CAAP shall ensure that every commercial airport is manned by technical personnel capable of verifying and certifying reports of technical or infrastructure problems or other reasons leading to delays and cancellations. The technical personnel concerned shall submit a periodic report of all delays and cancellations and the corresponding reasons thereof to the CAAP Central Office.

SECTION 47. Liability of Airport Operators/Authorities. – In cases of flight cancellation, delay, death or injury of a passenger, loss or deterioration to one's baggage and property, and such other violation of a passenger's security, as the case may be, that are attributable to the airport authority/operator, a passenger has a right to be compensated and be granted of remedies and relief in accordance with the applicable provisions of this Act.

SECTION 48. Complaints Desk. – The CAB shall provide the necessary personnel to cater the unresolved complaints of passenger in every commercial airport. It shall be the duty of the assigned personnel to report all complaints to the CAB at the earliest time possible, taking into account the nature of the relief sought by the passenger.

CHAPTER VI REMEDIES AND GRIEVANCE PROCEDURES

SECTION 49. Amicable Settlement. – A passenger air carrier shall exhaust all efforts toward settling dispute amicably in accordance with the provisions set forth in this Act. If no amicable settlement is reached, the government, through CAB, may take cognizance of the case.

CHAPTER VII PENAL PROVISIONS

SECTION 50. Penalties. – Any violation of this Act shall be penalized in accordance with the pertinent provisions of Republic Act No. 776 or the Civil Aeronautics Act of the Philippines, Republic Act No. 7394 or the Consumer Act of the Philippines, Republic Act No. 9442, Batas Pambansa Bilang 344 and Republic Act No. 9994, as the case may be.

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

Grave and repetitive violations after the lifting of the suspension of its franchise or license to operate shall be a ground for revocation of such franchise or license to operate.

SECTION 51. Review of Penalties. – The CAB, in coordination and consultation with the DOTC, Department of Trade and Industry (DTI) and CAAP shall, after three (3) years from the effectivity of this Act and every three (3) years thereafter, review the applicability and enforcement of all foregoing pecuniary penalties and initiate actions for amending or upgrading the same as may be necessary in accordance with law.

CHAPTER VIII FINAL PROVISIONS

SECTION 52. Implementing Rules and Regulations (IRR). – Within sixty (60) days from the effectivity of this Act, the CAB shall, in coordination with the DOTC, DTI and CAAP after consultation with accredited passenger organizations, air carriers and other directly affected stakeholders, promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

SECTION 53. Congressional Oversight Committee. – A Congressional Oversight Committee for Air Passenger Rights is hereby constituted in accordance with the provisions of this Act. The Committee shall be composed of the Chairman of the Senate Committee on Public Services and the Chairman of the House Committee on Transportation and four (4) additional members from each House to be designated by the Senate President and the Speaker of the House of Representatives, respectively. The Committee shall, in aid of legislation:

- a) Monitor and ensure the proper implementation of this Act;
- b) Review the collection performance of the Authority; and
- c) Review the proper implementation of the programs of the Authority and the use of the collected fund.

In furtherance of these objectives, the Committee is empowered to require the DOTC, DTI, CAAP, and CAB, to submit all pertinent information, including complaints filed by the passengers and the complaints resolved by the air carriers and the CAB.

The Committee shall be in existence for a period of five (5) years, and thereafter, its oversight functions shall be exercised by the Senate Committee on Public Services and the House Committee on Transportation acting separately.

SECTION 54. Appropriations. – The Secretary of Transportation and Communications shall immediately include in the Department's program the needed operational requirement in upholding the enumerated rights in this Act, the initial funding of which shall be charged against the current appropriations for the CAB. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 55. Separability Clause. — If, for any reason, any provision of this Act is declared unconstitutional or invalid, such parts or portions not affected thereby shall remain in full force and effect.

SECTION 56. Repealing Clause. — All laws, executive orders, presidential decrees, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 57. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,