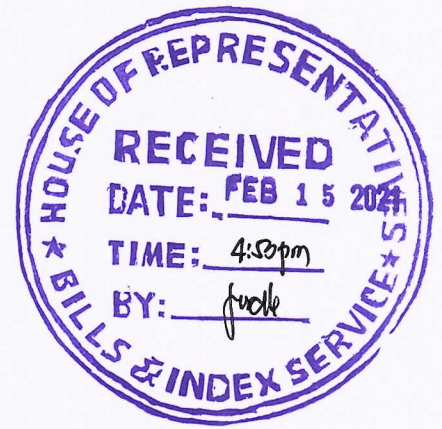


REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8700



Introduced by Rep. Edgar Mary S. Sarmiento

AN ACT
STRENGTHENING THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES,
AMENDING FOR THE PURPOSE REPUBLIC ACT 9497, OTHERWISE KNOWN
CIVIL AVIATION AUTHORITY ACT OF 2008

EXPLANATORY NOTE

The Civil Aviation Authority of the Philippines (CAAP) was created in 2008 by virtue of Republic Act No. 9497. It is part of the government's civil aviation reform program at that time. CAAP is an independent regulatory body with quasi-judicial and quasi-legislative powers tasked to provide safe and efficient air transport and regulatory services in the country.

More than a decade from its creation, amendments to the law are needed to ensure that our aviation industry remains competitive. CAAP should have the capability to respond to global changes and challenges. The significant amendments in the law are outlined in this bill:

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

Increasing the term of the Director General (DG) shall insulate the Director General from changes due to transfer of administration.

2. Exemption of CAAP from the Salary Standardization Law (SSL)

Exemption from the SSL will allow the CAAP to hire qualified individuals with highly-technical skills.

3. Enhanced fiscal autonomy

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

EDGAR MARY S. SARMIENTO
Representative, 1st District Samar

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

1 SECTION 1. Section 2 of Republic Act No. 9497, otherwise known as the Civil Aviation
2 Authority Act of 2008, is hereby amended to read as follows:

3
4 “SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to provide
5 safe and efficient air transport and regulatory services in the Philippines by providing
6 for the creation of a civil aviation authority with jurisdiction over the restructuring of
7 the civil aviation system, the promotion, development and regulation of the technical,
8 operational, safety, and aviation security functions under the civil aviation authority **IN**
9 **FURTHERANCE OF THE OBLIGATIONS OF THE PHILIPPINES TO THE**
10 **INTERNATIONAL COMMUNITY AS CONTRACTING STATE TO THE**
11 **CHICAGO CONVENTION. THE AUTHORITY SHALL COORDINATE WITH**
12 **OTHER GOVERNMENT AGENCIES IN ADVANCING AVIATION**
13 **SECURITY IN THE PHILIPPINES.**

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

19
20 **IN VIEW OF THE CRUCIAL ROLE, AND THE NATURE, POWERS AND**
21 **FUNCTIONS OF THE AUTHORITY, AS A GOVERNMENT**
22 **INSTRUMENTALITY WITH CORPORATE POWERS, IT SHALL ENJOY**
23 **FISCAL AND ADMINISTRATIVE AUTONOMY.”**

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

26
27 “SEC. 4. Creation of the Authority. - There is hereby created an independent regulatory
28 body with quasi-judicial and quasi-legislative powers and possessing corporate
29 attributes to be known as the Civil Aviation Authority of the Philippines (CAAP),

hereinafter referred to as the "Authority" attached to the Department of Transportation (DOTr) SOLELY for the purpose of policy coordination. For this purpose, the existing Air Transportation Office created under the provisions of Republic Act No. 776, as amended, is hereby abolished.

THE AUTHORITY SHALL BE EXEMPTED FROM THE PROVISIONS OF REPUBLIC ACT NO. 10149, OTHERWISE KNOWN AS THE GOCC GOVERNANCE ACT OF 2011 AND FROM THE JURISDICTION OF THE GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED OR CONTROLLED CORPORATION; PROVIDED, HOWEVER, THAT THE AUTHORITY SHALL BE REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS IN SECTION 25 CHAPTER V OF RA 10140 AND MAY BE SUBJECT TO THE SPECIAL AUDIT UPON THE DIRECTIVE OF THE COMMISSION ON AUDIT; PROVIDED, FURTHER, THAT NO PERFORMANCE INCENTIVE, BONUS, ANY KIND OF ADDITIONAL BENEFIT NOT PRESCRIBED UNDER THE LAW SHALL BE GRANTED UNLESS THE AUTHORITY HAS FULLY PAID ALL TAXES FOR WHICH IT IS LIABLE.

xxx

(a) [Establishment of Authority Headed by a] **APPOINTMENT AND TERM OF OFFICE** Director General - The Authority shall be headed by a Director General of Civil Aviation, referred to in this Act as the "Director General," who [shall be appointed by the President of the Philippines and] shall be responsible for all **NON-ECONOMIC ASPECTS OF** civil aviation in the Philippines and the administration of this Act. **NOTWITHSTANDING THE PROVISIONS OF REPUBLIC ACT 10149, [T]he Director General shall be appointed BY THE PRESIDENT OF THE PHILIPPINES** based on the qualifications herein provided and shall have a [tenure] **TERM** of office for a period of [four (4)] **SEVEN (7)** years. His appointment may be extended for another non-extendible term of [four (4)] **SEVEN (7)** years and shall only be removed for cause in accordance with the rules and regulations prescribed by the Civil Service Commission. **IN CASE THE DIRECTOR GENERAL FAILS TO COMPLETE HIS TERM, HIS SUCCESSOR SHALL ONLY SERVE FOR THE UNEXPIRED PORTION OF THE TERM OF HIS PREDECESSOR. NO DIRECTOR GENERAL CAN SERVE IN OFFICE FOR MORE THAN [EIGHT (8)] FOURTEEN (14) YEARS.**

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

xxx"

SEC. 3. Section 5 of the same Act is hereby amended to read as follows:

1 "SEC. 5. Composition of the Board Members. — The corporate powers of the
2 Authority shall be vested in a board, which is composed of [seven (7)] **NINE (9)**
3 members:

- 4
5 (a) The Secretary of the Department of Transportation and Communications shall act
6 as chairman ex officio;
7 (b) The Director General of Civil Aviation (DGCA) shall automatically be the vice
8 chairman of the Board;
9 (c) The Secretary of Finance;
10 (d) The Secretary of Foreign Affairs;
11 (e) The Secretary of Justice;
12 (f) The Secretary of the Interior and Local Government; [and]
13 (g) The Secretary of the Department of Labor and Employment;
14 **(H) THE SECRETARY OF THE DEPARTMENT OF TOURISM (PER**
15 **SECTION 96 OF REPUBLIC ACT NO. 9593); AND**
16 **(I) THE SECRETARY OF THE DEPARTMENT OF NATIONAL DEFENSE.**
17

18 The Directors listed under subsections (a) to [(g)] **(I)** shall be *ex officio* members of the
19 Board of Directors: **PROVIDED THAT, IN THE ABSENCE OF THE**
20 **CHAIRMAN, HE SHALL DESIGNATE AN UNDERSECRETARY OF THE**
21 **DOTC TO ACT IN HIS BEHALF AS CHAIRMAN; PROVIDED FURTHER,**
22 **THAT THE DIRECTOR GENERAL, IN HIS ABSENCE, SHALL DESIGNATE**
23 **HIS REPRESENTATIVE FROM THE AUTHORITY TO ACT AS VICE**
24 **CHAIRMAN:** Provided, That, in the absence of the Director appointed in subsections
25 (c) to [(g)] **(I)**, the Director concerned shall designate with full power and authority, in
26 writing, an officer in his department or office to act on his OR HER behalf as a
27 Director."
28

29 SEC. 4. Section 9 of the same Act is hereby amended to read as follows:
30

31 "SEC. 9. Qualifications of Director General. - No person shall be appointed [or
32 designated] as the Director General unless he is a Filipino citizen, at least thirty-five
33 (35) years of age, of good moral character, unquestionable integrity, recognized
34 competence and a degree holder with at least five (5) years supervisory or management
35 experience in the field of aviation."
36

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

38 "SEC. 12. Personnel. — [Qualified existing personnel of the Air Transportation Office
39 (ATO) shall be given preference in the filling up of plantilla positions created in the
40 Authority, subject to existing civil service rules and regulations.]

41 **THE DIRECTOR GENERAL SHALL EXERCISE APPOINTING AND**
42 **DISCIPLINING POWERS OVER ALL PERSONNEL OF THE AUTHORITY.**
43

44 **CONSIDERING THE HIGHLY TECHNICAL CHARACTER AND NATURE**
45 **OF THE FUNCTIONS OF THE AUTHORITY, ITS PERSONNEL SHALL BE**
46 **EXEMPTED FROM THE REQUIREMENTS PRESCRIBED UNDER THE**
47 **RULES GOVERNING THE CAREER EXECUTIVE SERVICE. ALL LAWS,**
48 **RULES, AND REGULATIONS, GOVERNING POSITIONS,**

CLASSIFICATIONS AND QUALIFICATION STANDARDS INCLUDING, BUT NOT LIMITED TO, PRESIDENTIAL DECREEE NO.985, REPUBLIC ACT NO.6758, AS AMENDED, JOINT RESOLUTION NO. 4 (2009 OF THE PHILIPPINE CONGRESS) AND REPUBLIC ACT 10149.”

SEC. 6. Section 15 of the same Act is hereby amended to read as follows:

“SEC. 15. Fiscal Autonomy. — The Authority shall enjoy fiscal autonomy. All moneys earned by the Authority from the collection/levy of any and all such fees, charges, dues, assessments and fines it is empowered to collect/levy under this Act shall be used solely to fund the operations of the Authority.

THE AUTHORITY SHALL LIKEWISE BE EXEMPTED FROM THE PROVISIONS OF REPUBLIC ACT No. 7656 OR THE DIVIDEND LAW. THE INCOME GENERATED BY THE AUTHORITY FROM AIR NAVIGATIONAL CHARGES SHALL BE UTILIZED FOR COMPLIANCE WITH INTERNATIONAL STANDARDS OF SAFETY.

The utilization of any funds coming from the collection and/or levy of the Authority shall be subject to the examination of the Congressional Oversight Committee (COCAAP). **THE COCAAP MAY REQUIRE THE AUTHORITY TO SUBMIT, FURNISH OR PROVIDE ANY AND ALL DOCUMENTS IN RELATION TO THE UTILIZATION OF FUNDS OF THE AUTHORITY AND ANY OTHER NON-FINANCIAL DOCUMENTS RELATIVE TO THE DUTIES, FUNCTIONS, OPERATIONS OF THE AUTHORITY.”**

SEC. 7. Section 18 of the same Act is hereby amended to read as follows:

“SEC. 18. Compensation and Other Emoluments of Authority Personnel. - Within six (6) months from the effectivity of this Act, the Board shall determine the new schedule of salaries of the employees of the Authority subject to the compliance with the existing compensation laws **AND REVISE THE SAME FROM TIME TO TIME AS IT MAY DEEM NECESSARY:** Provided, That the Board shall determine and fix the compensation, **EMOLUMENTS** and fringe benefits of employees holding technical positions [that are not common to the other agencies of the government which shall be specified in the Implementing Rules and Regulations]. **IT SHALL PROVIDE ANNUAL REVIEWS OR INCREASES BASED ON PRODUCTIVITY.”**

SEC. 8. A new section 18-A is hereby inserted to read as follows:

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

A PROGRESSIVE COMPENSATION STRUCTURE, BASED ON, AND EQUIVALENT TO THE STANDARDS OF THE AVIATION INDUSTRY, AS PRACTICED AND OBSERVED IN THE INTERNATIONAL AVIATION

1 INDUSTRIES, INCLUDING THE STANDARDS SET BY THE
2 INTERNATIONAL CIVIL AVIATION ORGANIZATION, SHALL BE
3 ADOPTED AS AN INTEGRAL COMPONENT OF THE AUTHORITY'S
4 HUMAN RESOURCES PROGRAM."

5
6 SEC. 9. A new section 18-B is hereby inserted to read as follows:
7

8 "SEC. 18-B. EXTRA COMPENSATION. - ALL RATED AND/OR LICENSED
9 AIRMEN AND SUCH OTHER PERSONS OF THE AUTHORITY WHO MAY
10 BE AUTHORIZED TO UNDERTAKE OR PERFORM REGULAR AND
11 FREQUENT FLIGHTS IN THE PERFORMANCE OF THEIR DUTIES,
12 SHALL RECEIVE, UPON APPROVAL OF THE AUTHORITY, IN ADDITION
13 TO THEIR BASE PAY, AN INCREASE IN COMPENSATION OF AT LEAST
14 FIFTY PERCENTUM (50%) OF THEIR RESPECTIVE BASE PAY;
15 PROVIDED, HOWEVER, THAT THE NUMBER OF HOURS ACTUALLY
16 FLOWN BY SUCH AIRMEN AND AUTHORIZED PERSONNEL SHALL NOT
17 BE LESS THAN FOUR (4) PER MONTH; PROVIDED, FURTHER, THAT THE
18 AFOREMENTIONED INCREASE IN COMPENSATION SHALL BE
19 MANDATORY ONLY IN THE FIRST INSTANCE FROM THE EFFECTIVITY
20 OF THIS ACT; PROVIDED, FINALLY, THAT FUTURE MANDATORY
21 INCREASES IN THE COMPENSATION OF THE RATED AND/OR
22 LICENSED AIRMEN AND SUCH OTHER PERSONS OF THE AUTHORITY
23 WHO MAY BE AUTHORIZED TO UNDERTAKE OR PERFORM REGULAR
24 AND FREQUENT FLIGHTS IN THE PERFORMANCE OF THEIR DUTIES,
25 MAY BE INCREASED BY THE AUTHORITY ONLY IF IT HAS SUFFICIENT
26 BUDGET FOR THE SAME AND IF IT WILL SERVE THE INTEREST OF THE
27 AVIATION INDUSTRY AS A WHOLE."
28

29 SEC. 10. A new section 18-C is hereby inserted to read as follows:
30

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

38 SEC. 11. Section 24 of the same Act is hereby amended to read as follows:
39

40 "SEC. 24. Powers of the Board. The Board shall have the following general powers:
41

42 xxx
43

44 ~~(d) ANY LAW TO THE CONTRARY NOTWITHSTANDING, ORGANIZE, RE-~~
45 ~~ORGANIZE, AND [D]determine the organizational structure of the Authority in~~
46 ~~accordance with the provisions of this Act, establish a human resources management~~
47 ~~system based on merit and fitness, CREATE, TRANSFER, RE-ALIGN AND~~
48 ~~ABOLISH OFFICES AND POSITIONS, and adopt a rational compensation and~~
49 ~~benefits scheme EQUIVALENT TO THE STANDARDS SET BY THE~~
50 ~~INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO);~~

1
2 [(e) Exercise appellate powers on any decisions, findings and rulings of the
3 Director General, to issue subpoena ad testificandum or subpoena duces tecum
4 requiring the attendance and testimony of witnesses in any matter or inquiry pending
5 before the Board and require the production of books, papers, contracts, agreements
6 and all other documents submitted for purposes of this section to be under oath and
7 verified by the person in custody thereof as to the truth and correctness of data
8 appearing in such books, papers, tariffs, contracts, agreements and all other
9 documents;

10
11 (f) Exercise appellate powers to order the taking of depositions in any proceeding,
12 or investigation, pending before the Board at any stage of such proceeding or
13 investigation;]
14

15 Xxx
16

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

34 Xxx
35

36 [(m) Adopt a system for the registration of aircraft as hereinafter provided;]
37

38 Xxx
39

40 [(q) Upon its own initiative or the recommendation of the Director General or an
41 application of a private person, grant exemption from the requirements of observing
42 rules or regulations issued in accordance with this Act: Provided, That said grant of
43 exemption is not prejudicial to flight safety;
44

45 (r) Formulate rules and regulations concerning compliance of the carrier and the
46 public for the safe transport of goods and materials by air pursuant to international
47 standards or Annexes to the Chicago Convention; and
48

49 (s) In coordination with the appropriate government agency tasked to provide airport
50 security, shall:

- 1
2 (1) Prescribe reasonable regulation requiring that all passengers and all property
3 intended to be carried in the aircraft cabin in commercial air transport be screened
4 by weapon-detecting procedure or facilities employed or operated by employees
5 or agents of the air operator or foreign air operator prior to boarding the aircraft
6 for such transportation;
7
8 (2) Prescribe such other reasonable rules and regulations requiring such parties,
9 methods and procedures as the Director General may find necessary to protect
10 persons and property aboard aircraft operating in commercial air transport against
11 acts of criminal violence and aircraft piracy; and
12
13 (3) To the extent practicable, require uniform procedures for the inspection, detention,
14 and search of persons and property in domestic commercial air transport and
15 international commercial air transport to assure their safety and to assure that they
16 will receive courteous and efficient treatment by air operators and their agents and
17 employees.]
18

19 **(Q) APPROVE POLICY ON LOCAL AND FOREIGN TRAVEL, AND THE**
20 **CORRESPONDING EXPENSES, ALLOWANCES, PER DIEMS OF**
21 **OFFICERS, EMPLOYEES, AGENTS OF THE AUTHORITY,**
22 **NOTWITHSTANDING THE PROVISIONS OF PRESIDENTIAL DECREE NO.**
23 **1177, EXECUTIVE ORDER 292, EXECUTIVE ORDER 248, AS AMENDED,**
24 **EXECUTIVE ORDER 298, AND SIMILAR LAWS;**
25

26 **(R) EXERCISE THE POWER OF EMINENT DOMAIN FOR THE PURPOSE**
27 **OF THIS ACT IN THE MANNER PROVIDED BY LAW, PARTICULARLY,**
28 **THE PREREQUISITES OF TAKING OF POSSESSION AND THE**
29 **DETERMINATION AND PAYMENT OF JUST COMPENSATION;**
30 **AND**
31

32 **(S) THE BOARD MAY PERFORM SUCH ACTS, THRU THE DIRECTOR**
33 **GENERAL OR APPROPRIATE OFFICE, CONDUCT SUCH**
34 **INVESTIGATION IN THE PERFORMANCE OF ITS QUASI JUDICIAL**
35 **FUNCTIONS, AS IT SHALL DEEM NECESSARY TO CARRY OUT THE**
36 **PROVISIONS OF THIS ACT.**
37

38 **IN EXERCISING THE POWERS GRANTED UNDER THIS ACT, THE**
39 **BOARD SHALL GIVE FULL CONSIDERATION TO THE REQUIREMENTS**
40 **OF NATIONAL DEFENSE, COMMERCIAL AND GENERAL AVIATION,**
41 **AND TO THE PUBLIC RIGHT OF TRANSIT THROUGH NAVIGABLE**
42 **AIRSPACE.”**
43

44 SEC. 12. Section 25 is hereby amended to read as follows:

45 “SEC. 25. Issuance of Rules and Regulations. - The [Board, in consultation with the]
46 Director General, shall issue and provide for the enforcement of such orders, rules and
47 regulations as may be necessary to give effect to the provisions of this Act. All rules and
48 regulations issued in accordance with the provisions of this Act shall be formally
49 promulgated and periodically reviewed and updated in accordance with the requirements

1 of the Administrative Code of the Philippines or any amendment or successor thereto and
2 the International Civil Aviation Organization Standards and Recommended Practices.
3 [Pending the promulgation of such new rules and regulations, the current rules and
4 regulations of the ATO shall continue to apply.]”

5 SEC. 13. Section 26 of the same Act is hereby amended to read as follows:
6

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

17 SEC. 14. Section 27 of the same Act is hereby amended to read as follows:

18 “SEC. 27. Issuance of Rules of Procedure and Practice. - The [Board may authorize the]
19 Director General [to] shall issue or amend rules of procedures and practice **BEFORE**
20 **THE AUTHORITY IN RELATION TO ITS REGULATORY FUNCTION** as may
21 be required to be issued pursuant to the provisions of this Act or issue and adopt rules and
22 regulations [and other] **TO IMPLEMENT THE REGULATORY** issuances of the
23 ICAO. [Pending the promulgation of such new rules of procedures and practice,
24 current rules of procedures and practices of the ATO shall continue to apply.]”
25

26 SEC. 15. Section 28 of the same Act is hereby amended to read as follows:

27 “SEC. 28. Appellate [Powers] Jurisdiction – [The Board, on an appeal properly taken
28 by an interested party from a decision, judgment or order of the Director General,
29 shall have the power to:

30 (a) Review, confirm, modify, revise, amend or reverse, as the case may be,
31 decisions, judgments and/or orders of the Director General;

32 (b) Confirm, remit, mitigate, increase or compromise, as the case may be, fines
33 imposed by the Director General pursuant with the provisions of this Act; and

34 (c) Review, confirm, modify, revise, amend or reverse, as the case may be,
35 impositions by the Director General of liens on personal and real properties of
36 entities, persons, corporations or partnerships in default, or those who have failed to
37 perform their obligations pursuant to rules and regulations promulgated under this
38 Act, or those who shall have failed to pay the fines or other pecuniary penalties for
39 violation thereof.

40 In no case that the Director General shall participate in the hearing and adjudication
41 of an appealed case before the Board where the subject of appeal is a judgment or
42 decision rendered by his office. In such case, it requires four (4) concurring votes of
43 the members of the Board who actively participated in the deliberation of the

1 appealed case before the judgment or decision of the Director General can be
2 modified or reversed.]

3 **ALL DECISIONS, RULINGS, RESOLUTIONS OF THE BOARD AND THE**
4 **DIRECTOR GENERAL ARE APPEALABLE TO THE COURT OF APPEALS."**

5 SEC.16. Section 30 of the same Act is hereby amended to read as follows:
6

7 "SEC. 30. Annual Budget. **THE AUTHORITY SHALL ADOPT AN ANNUAL**
8 **BUDGET TO FUND THE OPERATIONS OF THE AUTHORITY. UNLESS**
9 **THE AUTHORITY SHALL REQUIRE SUBSIDY AND/OR GUARANTEE OF**
10 **ITS LIABILITY FROM THE NATIONAL TREASURY, ITS BUDGET FOR**
11 **THE YEAR NEED NOT BE SUBMITTED TO CONGRESS FOR APPROVAL**
12 **AND INCLUSION IN THE GENERAL APPROPRIATIONS ACT.**
13 **SUPPLEMENTARY BUDGET MAY BE PREPARED AND ADOPTED AT A**
14 **BOARD MEETING CALLED FOR THE PURPOSE."**

15
16 SEC.17. Section 35 of the same Act is hereby amended to read as follows:
17

18 "SEC. 35. Powers and Functions of the Director General. - The Director General shall
19 be the chief executive and operating officer of the Authority. He shall have the
20 following powers, duties and responsibilities:
21

22 Xxx

23 **(d) DETERMINE THE ORGANIZATIONAL STRUCTURE OF THE**
24 **AUTHORITY IN ACCORDANCE WITH THE PROVISIONS OF THIS ACT,**
25 **ESTABLISH A HUMAN RESOURCES MANAGEMENT SYSTEM BASED ON**
26 **MERIT AND FITNESS, AND ADOPT A RATIONAL COMPENSATION AND**
27 **BENEFITS SCHEME; EXERCISE APPELLATE POWERS TO ORDER THE**
28 **TAKING OF DEPOSITIONS IN ANY PROCEEDING, OR INVESTIGATION,**
29 **PENDING BEFORE THE BOARD AT ANY STAGE OF SUCH PROCEEDING**
30 **OR INVESTIGATION;**

31 **(e) To issue air OPERATOR certificate in accordance with the minimum safety**
32 **standards for the operation of the air carrier to whom such certificate is issued. The air**
33 **OPERATOR certificate shall be issued only to aircrafts registered under the provisions**
34 **of this Act.**
35

36 **AN AIR OPERATOR CERTIFICATE HOLDER MAY OPERATE AND USE**
37 **FOREIGN-REGISTERED AIRCRAFT PROVIDED THAT THE STATE OF**
38 **REGISTRATION DELEGATES TO THE DIRECTOR GENERAL THE**
39 **TECHNICAL AND SAFETY OVERSIGHT FUNCTIONS OVER THE**
40 **AIRCRAFT AND/OR ITS CREW, AS APPLICABLE PURSUANT TO ICAO**
41 **ARTICLE 83B/IS, AND SUBJECT TO SUCH RULES AND REGULATIONS**
42 **PROMULGATED BY THE AUTHORITY.**

43 **(F) PROMULGATE RULES AND REGULATIONS AS MAY BE NECESSARY**
44 **IN THE INTEREST OF SAFETY IN AIR COMMERCE PERTAINING TO THE**
45 **ISSUANCE OF THE AIRMAN'S CERTIFICATE INCLUDING THE**

LICENSING OF OPERATING AND MECHANICAL PERSONNEL, TYPE CERTIFICATE FOR AIRCRAFT, AIRCRAFT ENGINES, PROPELLERS AND APPLIANCES, AIRWORTHINESS CERTIFICATES, AIR CARRIER OPERATING CERTIFICATES, AIR AGENCY CERTIFICATES, NAVIGATION FACILITY AND AERODROME CERTIFICATES; AIR TRAFFIC ROUTES; RADIO AND AERONAUTICAL TELECOMMUNICATIONS AND AIR NAVIGATION AIDS; AIRCRAFT ACCIDENT INQUIRIES; AERODROMES, BOTH PUBLIC AND PRIVATE-OWNED; CONSTRUCTION OF OBSTRUCTIONS TO AERODROMES; HEIGHT OF BUILDINGS; ANTENNAE AND OTHER EDIFICES; REGISTRATION OF AIRCRAFTS; SEARCH AND RESCUE; FACILITATION OF AIR TRANSPORTS; OPERATIONS OF AIRCRAFTS, BOTH FOR DOMESTIC AND INTERNATIONAL, INCLUDING SCHEDULED AND NON-SCHEDULED; METEOROLOGY IN RELATION TO CIVIL AVIATION; RULES OF THE AIR; AIR TRAFFIC SERVICES; RULES FOR PREVENTION OF COLLISION OF AIRCRAFTS, IDENTIFICATION OF AIRCRAFT; RULES FOR SAFE ALTITUDES OF FLIGHT; AND SUCH OTHER RULES AND REGULATIONS, STANDARDS, GOVERNING OTHER PRACTICES, METHODS AND/OR PROCEDURES AS THE DIRECTOR GENERAL MAY FIND NECESSARY AND APPROPRIATE TO PROVIDE ADEQUATELY FOR SAFETY REGULARITY AND EFFICIENCY IN AIR COMMERCE AND AIR NAVIGATION;

(v) Adopt a system for the registration of aircraft as hereinafter provided.”

SEC 18. Section 40 of the same Act is hereby amended to read as follows:

~~“SEC. 40. Creation of Flight Standards Inspectorate Service. --(a)-~~ [The Board, other than the offices it shall create in furtherance of this Act, shall establish a permanent office known as the Flight Standards Inspectorate Service (FSIS) that will] assist the Director General in carrying out the responsibilities of his office for certification and ongoing inspections of aircraft, airmen and air operators.

The FSIS shall perform the following functions:

(1) Airworthiness inspection;

(2) Flight operations inspection and evaluation; and

~~-(3) Personnel licensing.”~~

[Furthermore, the Board shall create, but not limited to, the following offices which will provide support to the functions of the FSIS, namely: Aircraft Registration, Aircraft Engineering and Standards, Airmen Examination Board and Office of the Flight Surgeon.]

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

1 "SEC. 73. Statutory Lien **AND POWER TO DETAIN.** - The Director General[, after
2 complying with the required legal formalities provided by law,] shall have the power
3 to impose lien on **AND DETAIN** aircraft and machinery:
4

5 (a) If the charges and other fees are not paid in full on due date or any part of the charges
6 or the late payment penalty thereto remains unpaid; and
7

8 (b) Failure to pay administrative fines arising from violation of any rules and
9 regulations promulgated by the Authority."
10

11 SEC. 20. A new section 81-B is hereby inserted to read as follows:
12

13 "SEC. 81.B Notwithstanding Section 81 (b), the penalties provided under Section 81,
14 paragraph (b), clauses (5), (6), (7), (8), (9),(10), (11), and (12), may be imposed by a
15 court of competent jurisdiction after the filing of a proper criminal complaint by an air
16 operator, airman, or crew member."
17

18 SEC. 21. A new section 84-A is hereby inserted to read as follows:
19

20 "**SEC. 84-A. EXECUTION OF MONETARY JUDGMENT. -THE DIRECTOR**
21 **GENERAL IS AUTHORIZED TO ENFORCE MONETARY JUDGMENTS**
22 **THROUGH THE SHERIFF WHO SHALL DEMAND THE IMMEDIATE**
23 **PAYMENT OF THE FULL AMOUNT STATED IN THE WRIT OF**
24 **EXECUTION TO BE IMPOSED FOR EACH VIOLATION OF THIS ACT.**
25

26 **FOR THIS PURPOSE, THE DIRECTOR GENERAL MAY ISSUE AN ORDER**
27 **DIRECTING THE SHERIFF TO REQUEST THE ASSISTANCE OF LAW**
28 **ENFORCEMENT AGENCIES TO ENSURE COMPLIANCE WITH THE**
29 **WRIT OF EXECUTION, ORDERS OR PROCESSES."**
30

31 SEC. 22. Section 91 of the same Act is hereby amended to read as follows:
32

33 "**SEC. 91. Congressional Oversight Committee.** — A Congressional Oversight
34 Committee, hereinafter referred to as the "Committee", is hereby constituted in
35 accordance with the provisions of this Act. The Committee shall be composed of the
36 Chairman of the Senate Committee on Public Services and Chairman of the House
37 Committee on Transportation and four (4) additional members from each House to be
38 designated by the Senate President and the Speaker of the House of Representatives,
39 respectively. The Committee shall, among others, in aid of legislation:
40

- 41 (a) Monitor and ensure the proper implementation of this Act;
42 (b) Review the collection performance of the Authority; and
43 (c) Review the proper implementation of the programs of the Authority and the use of its
44 collected fund **AND BUDGET.**
45

46 In furtherance of the hereinabove cited objectives, the Committee is empowered to
47 require the Authority to submit all pertinent information including, but not limited to,
48 its collection performance data and its annual audited financial statements certified by
49 the Commission on Audit. **ANY MEMBER OF THE COMMITTEE OR HIS OR**
50 **HER REPRESENTATIVE IS AUTHORIZED TO SIT AS AN OBSERVER IN**

1 **ANY OF THE MEETING OR FUNCTION OF THE BOARD.** The Congressional
2 Oversight Committee shall be in existence for a period of [five (5)] TEN (10) YEARS
3 **FROM THE EFFECTIVITY OF THIS ACT,** and thereafter, its oversight functions
4 shall be exercised by the Senate Committee on Public Services and the House
5 Committee on Transportation acting separately.
6

7 **SEC. 23. TRANSITORY PROVISIONS – ALL POWERS, DUTIES AND RIGHTS**
8 **VESTED BY LAW AND EXERCISED BY THE AUTHORITY RELATING TO THE**
9 **PLANNING, DEVELOPMENT, CONTROL, SUPERVISION, CONSTRUCTION,**
10 **MAINTENANCE, OPERATION, PROVISION OF SERVICES AND FACILITIES**
11 **AND THE EFFICIENT FUNCTIONING OF ALL DOMESTIC AND**
12 **INTERNATIONAL AIRPORTS PURSUANT TO REPUBLIC ACT NO. 9497, SHALL**
13 **REMAIN WITH THE AUTHORITY UNTIL THE AIRPORT GOVERNING**
14 **AUTHORITY TASKED TO IMPLEMENT THESE FUNCTIONS IS ESTABLISHED**
15 **NOT MORE THAN FIVE YEARS FROM THE EFFECTIVITY OF THIS ACT.**
16

17 **ALL ASSETS, REAL AND PERSONAL PROPERTIES, CONTRACTS,**
18 **RECORDS AND DOCUMENTS, FUNDS AND REVENUES OWNED BY OR VESTED**
19 **IN THE AUTHORITY IN RELATION TO THE ABOVE POWERS, DUTIES AND**
20 **RIGHTS SHALL BE TRANSFERRED TO THE AIRPORT GOVERNING**
21 **AUTHORITY. IN THE INTERIM, THE AUTHORITY SHALL SEPARATE THE**
22 **DEVELOPMENTAL AND COMMERCIAL FUNCTIONS BY IMPLEMENTING AN**
23 **ORGANIZATIONAL RESTRUCTURING THAT WILL ENABLE AND ENSURE THE**
24 **FUNCTIONAL SEPARATION WITHIN A PERIOD OF ONE (1) YEAR FROM THE**
25 **EFFECTIVITY OF THIS ACT.**
26

27 **SEC. 24. *Repealing Clause* –REPUBLIC ACT 10149 AND REPUBLIC ACT 7656**
28 **AND OTHER LAWS** decrees, executive orders, rules and regulations and other issuances or
29 part thereof, which are inconsistent with this Act, are hereby repealed, amended, or modified
30 accordingly.
31

32 **SEC. 25. *Effectivity* –** This Act shall take fifteen (15) days after its publication in two (2)
33 newspapers of general circulation.

Approved,