

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
First Regular Session

HOUSE BILL NO. 5002



Introduced by Representative Michael L. Romero

EXPLANATORY NOTE

The Civil Aviation Authority of the Philippines (**CAAP**) was created by virtue of **Republic Act No. 9497** which was approved on March 4, 2008. It is a declared the policy of the State “to provide safe and efficient air transport and regulatory services in the Philippines by providing for the creation of a civil aviation authority with jurisdiction over the restructuring of the civil aviation system, the promotion, development and regulation of the technical, operational, safety, and aviation security functions under the civil aviation authority”.

The creation of CAAP in 2008 is the main component of an intensive civil aviation reform program launched by the government., CAAP is “an independent regulatory body with quasi-judicial and quasi legislative powers and possessing corporate attributes attached to the Department of Transportation (**DOTr**) for the purpose of policy coordination”. The same provision also abolished the existing Air Transportation Office created under the provisions of Republic Act No. 776, as amended.

This House Bill seeks to provide additional **Developmental Funding** to the (**CAAP**), To ensure availability of technically qualified and currently qualified personnel, the Act empowers CAAP to update its standards, system and procedures prescribed for civil aviation inspectorate, licensing, and oversight

functions to comply with ICAO and other international aviation standards. It is allowed flexibility to incorporate new practices and procedures as they become available without the procedures required for promulgation of legally binding regulations.

Thus, the early passage of this bill is earnestly requested.

A handwritten signature in black ink, appearing to read 'Michael L. Romero', with a long horizontal flourish extending to the right.

MICHAEL L. ROMERO

Republic of the Philippines
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AN ACT

PROVIDING FOR DEVELOPMENTAL FUNDING FOR THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (**CAAP**), **TO** FOSTER UPGRADES IN REGARDS TO ITS STANDARDS, SYSTEM AND PROCEDURES PRESCRIBED FOR CIVIL AVIATION PRACTICES, AND FOR OTHER PURPOSES

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

SECTION 1. TITLE – This act shall be known as the “**CAAP Development Act of 2022**”.

SECTION 2. DECLARATION OF POLICY – It shall hereby be a declared policy of the State to provide safe and efficient air transport and regulatory services in the Philippines by providing for the creation of a civil aviation authority with jurisdiction over the restructuring of the civil aviation system, the promotion, development and regulation of the technical, operational, safety, and aviation security functions under the civil aviation authority.

SECTION 3. DEVELOPMENTAL FUND – The amount of Five Billion Pesos (**Php 5,000,000,000.00**) for the operation and administration of the CAAP shall be chargeable against funds for the purpose and other sources recommended by the Department of Budget and Management (**DBM**). Thereafter, appropriations for the **CAAP** shall be included in the budget proposals under the Department of Transportation (**DOTr**).

Thereafter, the amount needed for the continued implementation of the modernization program, shall be included in the annual General Appropriations Act (**GAA**).

SECTION 4. CAAP DEVELOPMENTAL FUND – There is hereby created the *CAAP Developmental Fund* to be used exclusively for the *CAAP Developmental Programs*.

The CAAP Developmental Fund shall be administered by the Secretary of the **DOTr** in accordance with existing government budgeting, accounting and auditing rules and regulations.

SECTION 5. PROGRESS REPORT – The Secretary of the **DOTr** shall prepare an annual report on the status of the implementation of the *CAAP Developmental Programs* which shall be submitted, to the Office of the President and to the Chairpersons of the Committee on Energy of the Senate and the House of Representatives.

SECTION 6. PERIOD OF IMPLEMENTATION – The modernization program under this Act shall be implemented for an initial period of two **(2)** years:

Provided, that payments for multi-year contract obligations incurred under this Act may extend beyond this period:

*Provided, further, That **CAAP** shall continue develop, modernize and constantly update its operational capabilities to keep pace with best global practices.*

SECTION 7. POWERS AND FUNCTIONS. – The CAAP shall continue to exercise and uphold the following:

The Authority shall have such powers as are granted to the Board and the Director General under the provisions of this Act.

Corporate Powers. - The Authority, acting through the Board, shall have the following corporate powers:

1. To succeed in its corporate name, to sue and be sued in such corporate name, and to adopt, use and alter its corporate seal, which shall be judicially noticed;
2. To adopt, amend or repeal its bylaws;
3. To enter into, make, perform and carry out contracts of every class, kind and description, which are necessary or incidental to the realization of its purposes, with any person, domestic or foreign private firm, or corporation, local or national government office, agency and with international institutions or foreign government;
4. To raise money, contract loans, indebtedness, credit and issue commercial papers and bonds, in any local or convertible foreign currency from any other international financial institutions under terms and conditions prescribed by law, rules and regulations;
5. To execute any deed of guarantee, mortgage, pledge, trust or assignment of any property for the purpose of financing the programs and projects deemed vital for the attainment of its goals and objectives;

6. To construct, acquire, own, hold, operate, maintain, administer and lease personal and real properties, including buildings, machinery, equipment, other infrastructure, agricultural land, and its improvements, property rights, and interests therein, and to encumber, mortgage, dispose, sell, or alienate or otherwise dispose the same at the fair market value it may deem appropriate; to lease its plant, machinery, equipment or goods not immediately required by it: *Provided*, That no real property thus acquired and any other real property shall be sold without the approval of the President of the Philippines;
7. To receive gifts, donations, grants, bequests, services, properties, whether personal or real, and assistance of all kinds, from private and public sources, firms, institutions, domestic and foreign governments, and international institutions, and utilize the same for the purposes set forth in this Act;
8. To invest its funds and other assets in such areas, ventures, and projects as it may deem wise;
9. To settle, under such terms and conditions most advantageous to it, any claim by or against it;
10. To determine and keep its own system of accounts following generally accepted principles of accounting, as well as the forms and contents of its contracts and other business documents; and
11. To perform such other acts, as are necessary or convenient in connection with the performance of its functions, to carry out the purposes of this Act.

SECTION 8. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given

six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 9. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty **(60)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 10. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 12. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,