

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



TWENTIETH CONGRESS
First Regular Session

House Bill No. **3972**

Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

The Philippine Aerospace Development Corporation (PADC) was established and created by virtue of Presidential Decree No. 286 as the government's arm for the development of the Philippine aviation and aerospace industry. In 2019, then Pres. Rodrigo Duterte signed Executive Order (EO) No. 78, s. 2019, placing PADC under the administrative supervision of the Department of National Defense, in recognition of the vital role of PADC in addressing internal and external threats, achieving self-reliance as regards defense equipment, and promoting transfer of technology from neighbor countries.

Among PADC's major accomplishments are the development of PADC Defiant 300 (a single prototype light aircraft), and PADC Hummingbird (a prototype helicopter) and the assembly of forty-four (44) BO-105 helicopter , sixty-seven (67) BN Islander aircrafts, eighteen (18) SF 260 TP single-engine turbo prop trainer, six (6) Lancaster ES, and two (2) Lancaster IV. PADC has also established a maintenance, repair, and overhaul (MRO) center for various aircraft utilized by the Philippine Air Force.

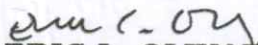
With the aim of further strengthening its capabilities to enable it to fully perform its functions, PADC has been negotiating several joint venture agreements with foreign and local MRO service providers. PADC also seeks to revive local/regional air passenger and cargo transport in the performance of its functions.

In light of the impending expiration of PADC's corporate life on 05 September 2023, this bill seeks to extend PADC's life for another fifty (50) years. Otherwise, PADC would cease to exist and operate, effectively paralyzing the government arm in the aviation and aerospace industry. Without PADC, the nation would be vulnerable to internal and external threats and would trail behind other countries in the modernization of civil and defense aviation. On the other hand,

extending its corporate life is the first step in realizing the following promising aspirations of the PADC:

- (1) Restructuring and aligning the corporation per its mandate;
- (2) Fulfilling the current needs of its target customer of quality products and services;
- (3) Serving both the public and private sectors for a more competitive and viable Philippine aviation and aerospace industry;
- (4) Promoting growth and development of the Philippine aviation and aerospace industry;
- (5) Regulating aircraft, spacecraft, missiles, avionics, major flight-vehicle subsystems and importation of aircraft parts; and
- (6) Representing the nation in both international and local aerospace industries, to tap potential beneficial partnerships.

In view of the foregoing reasons, the approval of this bill is earnestly requested.


ERIC L. OLIVAREZ

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**AN ACT EXTENDING THE LIFE OF THE PHILIPPINE AEROSPACE
DEVELOPMENT CORPORATION (PADC) BY ANOTHER FIFTY (50) YEARS,
AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 286, AS
AMENDED, ENTITLED "AUTHORIZING THE CREATION OF A PHILIPPINE
AEROSPACE DEVELOPMENT CORPORATION, APPROPRIATING FUNDS
THEREFORE, AND FOR OTHER PURPOSES"**

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

SECTION 1. Section 1 of Presidential Decree No. 286, as amended, is hereby further amended to read as follows:

"Section 1. Creation of the Corporation. There is hereby created a body corporate and politic under the Office of the President of the Philippines to be known as the Philippine Aerospace Development Corporation, hereinafter referred to as the Corporation, which shall be governed by this Decree and its by-laws as authorized hereunder. The Corporation's corporate term is hereby extended for another period of fifty (50) years from the expiration of its original term on 05 September 2023. The principal office of the Corporation shall be located in a place to be determined by the Board of Directors."

SEC. 2. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,