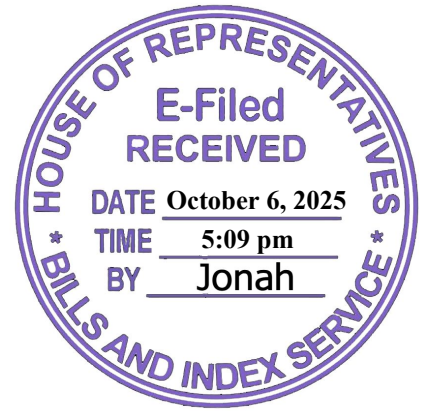




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5204



Introduced by
REPRESENTATIVE FRANZ S. PUMAREN

EXPLANATORY NOTE

The Civil Aviation Authority of the Philippines (CAAP) is mandated under Republic Act No. 9497 to provide safe and efficient air transport and regulatory services in the Philippines, with jurisdiction over the restructuring, promotion, development and regulation of the technical, operational, safety and aviation security functions of civil aviation.¹ It also has authority to establish and enforce rules for aircraft inspection and registration, supervise air traffic services and airport operations, and fix rates for public air-utility facilities.²

However, the legislation that gave life to the creation of CAAP requires revision to effectively adapt to modern challenges and enable the agency to fulfill its mandated obligations. Recent occurrences have highlighted this need. The agency has admitted to problems such as understaffing—largely due to private corporations offering more competitive salaries compared to CAAP’s standardized compensation scheme³—as well as lapses in air traffic equipment maintenance, which have led to operational disruptions.

¹ https://caap.gov.ph/wp-content/uploads/2023/09/03-CAAP2022_Executive_Summary.pdf

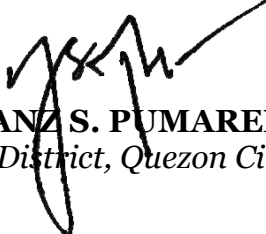
² <https://www.caap.gov.ph/mandates-and-function>

³ <https://www.sunstar.com.ph/davao/caap-davao-addresses-public-concerns-bares-budget-challenges>

One such incident was the Flight Data Processing System (FDPS) malfunction in May 2024⁴, which disrupted air traffic flow in and out of Manila.⁵

This legislation aims to elevate aviation safety oversight, align Philippine regulations with international civil aviation standards (ICAO), and institutionalize stronger safety, inspection, and investigative mechanisms. Key reforms include granting CAAP personnel exemption from the Salary Standardization Law to attract skilled aviation experts, creating special regulatory offices for air navigation, aerodrome safety, and carbon offsetting, and establishing an independent Aircraft Accident Investigation and Inquiry Board (AAIIB) under the Department of Transportation.

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



FRANZ S. PUMAREN
3rd District, Quezon City

⁴ <https://newsinfo.inquirer.net/1714906/caap-admits-lapses-in-maintenance-of-countrys-air-traffic-equipment>

⁵ <https://www.caap.gov.ph/summary-of-events-regarding-the-software-issue-encountered-at-the-atmc-on-20-may>



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TWENTIETH CONGRESS
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HOUSE BILL NO. 5204

Introduced by
REPRESENTATIVE FRANZ S. PUMAREN

**AN ACT AMENDING REPUBLIC ACT NO. 9497, THE CIVIL AVIATION
AUTHORITY ACT, STRENGTHENING THE CIVIL AVIATION AUTHORITY
OF THE PHILIPPINES (“CAAP”), AND FOR OTHER PURPOSES**

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

"SEC. 2. Declaration of Policy. - It is hereby 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 PROACTIVE MANAGEMENT OF SAFETY OF CIVIL AVIATION, AND** the promotion, development and regulation of the technical, operational, safety, and aviation security functions under the civil aviation authority. **FURTHER, IT IS HEREBY DECLARED THAT THE STATE REFRAINS FROM RESORTING TO THE USE OF WEAPONS AGAINST CIVIL AIRCRAFT IN FLIGHT AND THAT IN CASE OF INTERCEPTION, THE LIVES OF PERSONS ON BOARD AND THE SAFETY OF AIRCRAFT SHALL NOT BE ENDANGERED.**

SECTION. 2. – Section 3 of Republic Act No. 9497 (R.A. No. 9497), otherwise known as the "Civil Aviation Authority Act of 2008", is hereby amended to read as follows:

(i) "Aircraft accident" refers to an **OCCURRENCE ASSOCIATED WITH THE OPERATION OF AN AIRCRAFT WHICH, IN THE CASE OF A MANNED AIRCRAFT, TAKES PLACE BETWEEN THE TIME ANY PERSON BOARDS THE AIRCRAFT WITH THE INTENTION OF FLIGHT UNTIL SUCH TIME AS ALL SUCH PERSONS HAVE DISEMBARKED, OR IN THE CASE OF AN UNMANNED AIRCRAFT, TAKES PLACE BETWEEN THE TIME THE AIRCRAFT IS READY TO**

MOVE WITH THE PURPOSE OF FLIGHT UNTIL SUCH TIME AS IT COMES TO REST AT THE END OF THE FLIGHT AND THE PRIMARY PROPULSION SYSTEM IS SHUT DOWN, IN WHICH:

(A) A PERSON IS FATALLY OR SERIOUSLY INJURED AS A RESULT OF (I) BEING IN THE AIRCRAFT, OR (II) DIRECT CONTACT WITH ANY PART OF THE AIRCRAFT, INCLUDING PARTS WHICH HAVE BEEN DETACHED FROM THE AIRCRAFT, OR (III) DIRECT EXPOSURE TO JET BLAST, EXCEPT WHEN THE INJURIES ARE FROM NATURAL CAUSES, SELF-INFLICTED OR INFLICTED BY OTHER PERSONS, OR WHEN THE INJURIES ARE TO STOWAWAYS HIDING OUTSIDE THE AREAS NORMALLY AVAILABLE TO THE PASSENGERS AND CREW;

(B) THE AIRCRAFT SUSTAINS DAMAGE OR STRUCTURAL FAILURE WHICH (I) ADVERSELY AFFECTS THE STRUCTURAL STRENGTH, PERFORMANCE, OR FLIGHT CHARACTERISTICS OF THE AIRCRAFT, AND (II) WOULD NORMALLY REQUIRE MAJOR REPAIR OR REPLACEMENT OF THE AFFECTED COMPONENT, EXCEPT FOR ENGINE FAILURE OR DAMAGE, WHEN THE DAMAGE IS LIMITED TO A SINGLE ENGINE (INCLUDING ITS COWLINGS OR ACCESSORIES), TO PROPELLERS, WING TIPS, ANTENNAS, PROBES, VANES, TIRES, BRAKES, WHEELS, FAIRINGS, PANELS, LANDING GEAR DOORS, WINDSCREENS, THE AIRCRAFT SKIN (SUCH AS SMALL DENTS OR PUNCTURE HOLES), OR FOR MINOR DAMAGES TO MAIN ROTOR BLADES, TAIL ROTOR BLADES, LANDING GEAR, AND THOSE RESULTING FROM HAIL OR BIRD STRIKES (INCLUDING HOLES IN THE RADOME); OR,

(C) THE AIRCRAFT IS MISSING OR IS COMPLETELY INACCESSIBLE.

(X) "ACTS OF UNLAWFUL INTERFERENCE" REFERS TO AN ACT OR ATTEMPT TO ACT THAT WILL JEOPARDIZE THE SAFETY OF CIVIL AVIATION;

(X) "AIR NAVIGATION SERVICE" REFERS TO SERVICES PROVIDED TO AIR TRAFFIC DURING ALL PHASES OF OPERATIONS INCLUDING AIR TRAFFIC MANAGEMENT (ATM), PROCEDURE DESIGN SERVICE (PANS-OPS), COMMUNICATION, NAVIGATION, AND SURVEILLANCE (CNS) METEOROLOGICAL SERVICES FOR AIR NAVIGATION (MET), SEARCH AND RESCUE (SAR), AND AERONAUTICAL INFORMATION SERVICES (AIS) AND CHARTING;

(X) "AIR TRAFFIC SERVICE" REFERS TO A GENERIC TERM MEANING VARIOUSLY, FLIGHT INFORMATION SERVICE, ALERTING SERVICE, AIR TRAFFIC ADVISORY SERVICE, AIR TRAFFIC CONTROL SERVICE (AREA CONTROL SERVICE, APPROACH CONTROL SERVICE, OR AERODROME CONTROL SERVICE)

(X) "AIRCRAFT IN DISTRESS" REFERS TO A SITUATION WHERE THE AIRCRAFT OR PERSONS THEREIN ARE IN DANGER THAT THE CREWMEMBERS ARE UNABLE TO CONTROL OR WHEN THE AIRCRAFT HAS LOST RADIO COMMUNICATION AND ITS POSITION HAS NOT BEEN IDENTIFIED;

(X) "AUTHORIZED PERSON" REFERS TO A PERSON AUTHORIZED IN WRITING BY THE DIRECTOR GENERAL OF CIVIL AVIATION, OR EQUIVALENT OFFICIAL, TO ACT UNDER THE PROVISION IN WHICH THE EXPRESSION OCCURS;

(X) "HELIPORT" REFERS TO AN AERODROME OR A DEFINED AREA ON A STRUCTURE INTENDED TO BE USED WHOLLY OR IN PART FOR THE ARRIVAL, DEPARTURE, OR SURFACE MOVEMENT OF HELICOPTERS;

(X) "HIGH SEAS" REFERS TO ALL PARTS OF THE SEA THAT ARE NOT INCLUDED IN THE TERRITORIAL SEA OR IN THE INTERNAL WATERS OF A STATE;

(X) "INSPECTOR" REFERS TO A QUALIFIED PERSON AUTHORIZED BY THE STATE TO CARRY OUT OVERSIGHT ACTIVITIES FOR CIVIL AVIATION;

(X) "INTERNATIONAL AIRSPACE" REFERS TO THE AIRSPACE ABOVE THE HIGH SEAS;

(X) "ACCIDENT OR INCIDENT INVESTIGATOR" REFERS TO A PERSON CHARGED, ON THE BASIS OF HIS OR HER QUALIFICATIONS, WITH THE RESPONSIBILITY TO PARTICIPATE IN THE CONDUCT OR CONTROL OF AN INVESTIGATION;

(X) "INSTRUMENT FLIGHT PROCEDURE DESIGN SERVICE" REFERS TO A SERVICE ESTABLISHED FOR THE DESIGN, DOCUMENTATION, VALIDATION, CONTINUOUS MAINTENANCE AND PERIODIC REVIEW OF INSTRUMENT FLIGHT PROCEDURES NECESSARY FOR THE SAFETY, REGULARITY, AND EFFICIENCY OF AIR NAVIGATION;

(X) "SAFETY OVERSIGHT" REFERS TO THE FUNCTION PERFORMED BY A STATE TO ENSURE THAT INDIVIDUALS AND ORGANIZATIONS PERFORMING AN AVIATION ACTIVITY COMPLY WITH SAFETY-RELATED NATIONAL LAWS AND REGULATIONS;

(X) "SEARCH" REFERS TO AN OPERATION NORMALLY CONDUCTED BY A RESCUE COORDINATION CENTER OR RESCUE SUBCENTER USING AVAILABLE PERSONNEL AND FACILITIES TO LOCATE PERSONS IN DISTRESS;

(X) "SEARCH AND RESCUE REGION" REFERS TO AN AREA OF DEFINED DIMENSIONS, ASSOCIATED WITH A RESCUE COORDINATION CENTER, WITHIN WHICH SEARCH AND RESCUE SERVICES ARE PROVIDED;

(X) "SEARCH AND RESCUE SERVICE" REFERS TO A SERVICE ESTABLISHED FOR THE PERFORMANCE OF DISTRESSING MONITORING, COMMUNICATION, COORDINATION, AND SEARCH AND RESCUE FUNCTIONS INCLUDING INITIAL MEDICAL ASSISTANCE OR MEDICAL EVACUATION, THROUGH THE USE OF PUBLIC OR PRIVATE RESOURCES, AND COOPERATING AIRCRAFT, VESSELS, AND OTHER CRAFT AND INSTALLATIONS;

(X) "SERVICE PROVIDERS" REFERS TO AN ORGANIZATION PROVIDING AVIATION PRODUCTS AND/OR SERVICES, ENCOMPASSING APPROVED TRAINING ORGANIZATIONS, AIRCRAFT OPERATORS, APPROVED MAINTENANCE ORGANIZATIONS, ORGANIZATIONS RESPONSIBLE FOR TYPE DESIGN OR MANUFACTURE OF AIRCRAFT, ENGINES OR PROPELLERS, AIR TRAFFIC SERVICE, METEOROLOGICAL SERVICE UNMANNED AIRCRAFT SYSTEMS TRAFFIC MANAGEMENT (UTM), AND OTHER AIR NAVIGATION SERVICE PROVIDERS AND AERODROME OPERATORS;

(X) "STATE AIRCRAFT" REFERS TO AN AIRCRAFT USED IN MILITARY, CUSTOMS AND POLICE SERVICES;

(X) "RESCUE" REFERS TO AN OPERATION TO RETRIEVE PERSONS IN DISTRESS, PROVIDE FOR THEIR INITIAL MEDICAL OR OTHER NEEDS, AND DELIVER THEM TO A PLACE OF SAFETY;

(X) "REMOTELY PILOTED AIRCRAFT" REFERS TO AN UNMANNED AIRCRAFT WHICH IS PILOTED FROM A REMOTE PILOT STATION;

(X) "TERRITORY" REFERS TO THE LAND AND TERRITORIAL WATERS ADJACENT THERETO UNDER THE SOVEREIGNTY, SUZERAINITY, PROTECTION, AND MANDATE OF SUCH STATE;

SECTION. 3. – Section 18 of R.A. No. 9497 is hereby amended to read as follows:

"SEC. 18. Compensation and Other Emoluments of CAAP 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: Provided, That the Board shall determine and fix the compensation and fringe benefits of employees OF CAAP which shall be specified in the Implementing Rules and Regulations. **THE OFFICERS AND PERSONNEL OF THE CAAP SHALL BE EXEMPT FROM THE COVERAGE OF THE SALARY STANDARDIZATION LAW.**

THIS SECTION MAY ONLY BE MODIFIED, AMENDED, OR REPEALED BY A LAW THAT EXPRESSLY MODIFIES, AMENDS, OR REPEALS THIS SECTION OR A PORTION HEREOF, AND NOT BY IMPLICATION."

SECTION. 4. - The following Sections 18-A, 18-B, 18-C, and 18-D are hereby inserted into R.A. No. 9497 and shall respectively read as follows:

"SEC. 18-A. MANAGEMENT OFFICIALS AND EMPLOYEES; MERIT SYSTEM. - THE BOARD SHALL ESTABLISH A HUMAN RESOURCES MANAGEMENT SYSTEM BASED ON MERIT AND FITNESS, WHICH SHALL PROMOTE PROFESSIONALISM AT ALL LEVELS OF THE CAAP IN ACCORDANCE WITH SOUND PRINCIPLES OF MANAGEMENT.

A PROGRESSIVE COMPENSATION STRUCTURE, BASED ON, AND EQUIVALENT TO THE STANDARDS OF THE AVIATION INDUSTRY, AND PRACTICED AND OBSERVED IN THE REGIONAL AND INTERNATIONAL AVIATION INDUSTRIES, INCLUDING THE STANDARDS SET BY THE INTERNATIONAL CIVIL AVIATION ORGANIZATION, SHALL BE ADOPTED AS AN INTEGRAL COMPONENT OF THE CAAP'S HUMAN RESOURCES PROGRAM.

THE BOARD, UPON RECOMMENDATION OF MANAGEMENT, SHALL EXERCISE THE POWER TO CREATE, TRANSFER, REALIGN, AND ABOLISH OFFICES AND POSITIONS WITHIN THE AUTHORITY: PROVIDED, THAT SUCH POWER SHALL NOT BE EXERCISED WITHOUT DUE PROCESS."

"SEC. 18-B. FLIGHT COMPENSATION. - ALL RATED AND/OR LICENSED AIRMEN AND SUCH OTHER PERSONNEL OF THE CAAP, WHETHER RATED AND/OR LICENSED, WHO MAY BE AUTHORIZED TO UNDERTAKE OR PERFORM REGULAR AND

FREQUENT FLIGHTS IN THE PERFORMANCE OF THEIR DUTIES, SHALL BE ENTITLED TO CLAIM, IN ADDITION TO THEIR BASE PAY, AN INCREASE IN COMPENSATION OF AT LEAST FIFTY PER CENTUM (50%) OF THEIR RESPECTIVE BASE PAY: PROVIDED, HOWEVER, THAT TO BE ENTITLED TO SUCH CLAIM, TH NUMBER OF HOURS ACTUALLY FLOWN BY SUCH AIRMEN AND AUTHORIZED PERSONNEL SHALL NOT BE LESS THAN FOUR (4) HOURS PER MONTH.

WHENEVER THE DIRECTOR-GENERAL SHALL REQUIRE ANY EMPLOYEE BELOW THE RANK OF THE DIRECTOR GENERAL OF THE CAAP TO WORK BEYOND THE USUAL OFFICE HOURS OR ON HIS NON- WORKING DAY, SUCH EMPLOYEE SHALL BE ENTITLED TO RECEIVE AN ADDITIONAL COMPENSATION EQUIVALENT TO AT LEAST TWO HUNDRED PER CENTUM (200%) OF HIS REGULAR SALARY, PROPORTIONATE TO THE NUMBER OF HOURS RENDERED, NOTWITHSTANDING ANY LAW TO THE CONTRARY."

"SEC. 18-C. EMPLOYMENT OF EXPERTS, TECHNICAL PERSONS; HIGHLY CONFIDENTIAL POSITION; TEMPORARY PERSONNEL. – THE DIRECTOR GENERAL MAY ENGAGE FOR TEMPORARY SERVICE SUCH DULY QUALIFIED EXPERTS, CONSULTANTS, OR OTHER TECHNICALLY QUALIFIED PERSONS, TO PROVIDE EXPERTISE AS HE MAY FIND NECESSARY, WITH COMPENSATION, EQUIVALENT TO THE PRACTICE AND STANDARDS OF THE AVIATION INDUSTRY, LOCALLY, IN THE ASIA- PACIFIC REGION, OR AS SET BY THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO).

FURTHER, HE SHALL EXERCISE THE DISCRETION TO MAKE APPOINTMENTS TO HIGHLY CONFIDENTIAL POSITIONS, AS MAY BE REQUIRED BY THE FUNCTIONS AND RESPONSIBILITIES OF THE OFFICE. FINALLY, HE MAY EMPLOY TEMPORARY PERSONNEL TO PERFORM ADMINISTRATIVE, CLERICAL, AND GENERAL SERVICES, AS MAY BE REQUIRED BY THE CAAP, FROM TIME TO TIME."

"SEC. 18-D. EXEMPTION FROM THE PROVISIONS OF REPUBLIC ACT NO. 10149. - NOTWITHSTANDING ANY PROVISIONS OF LAW TO THE CONTRARY, THE CAAP SHALL BE EXEMPTED FROM THE PROVISIONS OF REPUBLIC ACT NO. 10149, OTHERWISE KNOWN AS THE GOCC GOVERNANCE ACT OF 2011. IN THIS REGARD, THE CAAP WILL FUNCTION AS A GOVERNMENT INSTRUMENTALITY WITH CORPORATE POWERS, INDEPENDENT OF THE REGULATORY OVERSIGHT OF THE GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED OR

CONTROLLED CORPORATIONS (GCG). THE CAAP BOARD OF DIRECTORS SHALL BE THE FINAL BODY THAT SHALL ESTABLISH THE CAAP'S ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN, AND THE COMPENSATION AND BENEFITS OF ALL CAAP EMPLOYEES WHICH MUST BE COMPETITIVE TO THE RATES AND STANDARDS OF THE AVIATION INDUSTRY.

SECTION. 5. – Section 22 of R.A. No. 9497 is hereby amended to read as follows:

"SEC. 22. Powers and Functions. - The Authority shall have such powers as are granted to the Board and the Director General under the provisions of this Act. **IN THE PERFORMANCE OF THESE POWERS, THE AUTHORITY, THROUGH THE BOARD AND THE DIRECTOR GENERAL, SHALL HAVE DUE REGARD TO ANY INTERNATIONAL AGREEMENT, TREATY, OR CONVENTION TO WHICH THE PHILIPPINES IS A PARTY AND SHALL NOT ACT CONTRARY TO THE INTERNATIONAL OBLIGATION OR INTERESTS OF THE PHILIPPINES.**

SECTION. 6. – Section 24 of R.A. No. 9497 is hereby amended to read as follows:

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

xxx

~~(j) Promulgate rules and regulations as may be necessary in the interest of safety in air commerce pertaining to the 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 WHICH DO NOT FALL WITHIN THE POWERS OF THE DIRECTOR GENERAL AS PROVIDED IN THIS ACT.~~

xxx

~~(m) Adopt a system for the registration of aircraft as hereinafter provided;~~

xxx

(o) Approve the annual and supplementary budget plan and utilization of retained revenue **IN ACCORDANCE WITH SECTION 30 OF THIS ACT;**

xxx

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

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

xxx

SECTION. 7. – Section 30 of R.A. No. 9497 is hereby amended to read as follows:

"SEC. 30. Annual Budget. - The Board shall adopt an annual budget to fund the operations of Authority, **PROVIDED, THAT THE APPROVAL OF THE PORTION OF THE BUDGET PERTAINING TO THE ACTIVITIES OF THE AUTHORITY IN RELATION TO ITS REGULATORY OVERSIGHT FUNCTIONS, AS DETERMINED AND RECOMMENDED BY THE DIRECTOR GENERAL, SHALL BE MINISTERIAL ON THE PART OF THE BOARD.**

SECTION. 8. – Section 35 of R.A. No. 9497 is hereby amended to read as follows:

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

(a) To carry out the purposes and policies established in this Act; **TO ISSUE AND AMEND RULES, REGULATIONS, ORDERS, CIRCULARS, ADVISORIES, AND OTHER SUCH ISSUANCES AS THE DIRECTOR GENERAL MAY DEEM NECESSARY TO CARRY OUT THE PROVISIONS OF THIS ACT;** to enforce the provisions of the rules and regulations issued in pursuance to said Act **AGAINST ANY PERSON OR AIR NAVIGATION SERVICE PROVIDER;** and he **OR SHE** shall primarily be vested with authority to take charge of the technical and operational phase of civil aviation matters.

xxx

(e) To issue air carrier operating certificate **AIR OPERATOR CERTIFICATE** in accordance with the minimum safety standards for the operation of the air carrier to whom such certificate is issued. **UNLESS OTHERWISE PROVIDED IN THIS ACT PURSUANT TO ARTICLE 83 BIS OF THE CHICAGO CONVENTION**, the air carrier operating certificate **AIR OPERATOR CERTIFICATE** shall be issued only to aircrafts registered under the provisions of this Act;

xxx

(h) To issue certificates of persons or civil aviation schools giving instruction in flying, repair stations, and other air agencies **AVIATION TRAINING AND APPROVED MAINTENANCE ORGANIZATIONS, AIRCRAFT MATERIAL DISTRIBUTOR, ORGANIZATION, DESIGN ORGANIZATION, AND ORGANIZATION CERTIFICATES**, and provide for the examination and rating thereof;

xxx

(p) To exercise and perform its powers and duties under this Act consistent with any obligation assumed by the Republic of the Philippines in any treaty, convention or agreement, **OR ANY AMENDMENTS THERETO**, on civil aviation matters;

xxx

(s) To issue, deny, suspend, cancel or revoke any certificate, AND/OR license pertaining to aircraft, airmen and air agencies **AERODROMES, AIR NAVIGATION SERVICE PROVIDERS AND OTHER AIR AGENCIES**: *Provided*, That any order denying, suspending, cancelling, revoking the certificate or license may be appealed to the Board, whose decisions shall be final within fifteen (15) days from the date of notification of such denial, cancellation or revocation. **IN CASE THE AFORESAID FUNCTION WAS DELEGATED BY THE DIRECTOR GENERAL TO ANY OFFICER, EMPLOYEE, OR ADMINISTRATIVE UNIT OF THE AUTHORITY, SAID DECISION MAY BE APPEALED TO THE DIRECTOR GENERAL WITHIN FIVE (5) DAYS FROM RECEIPT THEREOF, SUBJECT TO THE RULES OF PROCEDURE THE DIRECTOR GENERAL MAY ISSUE THEREFOR;**

xxx

(X) TO GRANT EXEMPTIONS FROM THE RULES, REGULATIONS, MEMORANDA, ADVISORIES, AND OTHER SUCH ISSUANCES ISSUED BY THE AUTHORITY UNDER THIS ACT, IF THE DIRECTOR GENERAL FINDS THAT SUCH GRANT WOULD BE IN THE PUBLIC INTEREST AND IS NOT

PREJUDICIAL TO FLIGHT SAFETY, PROVIDED THAT SUCH GRANT IS IN ACCORDANCE WITH THE RULES AND REGULATIONS FOR THE APPLICATION AND APPROVAL OF EXEMPTIONS, INCLUDING THE CRITERIA FOR THE CONDUCT AND REVIEW OF PRIOR STUDIES, SURVEY OR RISK ASSESSMENTS, AND MITIGATING ACTIONS AND LIMITATIONS, AS MAY BE APPROPRIATE, AND APPLICABLE ICAO ANNEXES, MANUALS, OR ANY AMENDMENT THERETO;

(X) PURSUANT TO A BOARD RESOLUTION, TO ENTER INTO AN AGREEMENT WITH ANOTHER STATE OR CIVIL AVIATION AUTHORITY RECOGNIZING THE VALIDITY OF CREW LICENSES, CERTIFICATES OF AIRWORTHINESS AND/OR RADIO STATION LICENSES ISSUED OR RENDERED VALID BY THE STATE OF REGISTRY BY VIRTUE OF THE CHICAGO CONVENTION OR ANY AMENDMENT THERETO;

(X) TO ESTABLISH, DESIGNATE, OPERATE AND MAINTAIN AIRPORT RADIO SERVICES, METEOROLOGICAL SERVICES, AND OTHER AIR NAVIGATION SERVICES AND FACILITIES TO FACILITATE INTERNATIONAL AIR NAVIGATION IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED STANDARDS AND RECOMMENDED PRACTICES;

(X) TO ADOPT AND IMPLEMENT THE APPROPRIATE INTERNATIONALLY ACCEPTED STANDARDS SYSTEMS OF COMMUNICATIONS PROCEDURE, CODES, MARKINGS, SIGNALS, LIGHTING, AND OTHER OPERATIONAL PRACTICES AND RULES;

(X) TO COLLABORATE IN INTERNATIONAL MEASURES TO SECURE THE PUBLICATION OF AERONAUTICAL MAPS AND CHARTS IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED STANDARDS AND RECOMMENDED PRACTICES;

(X) TO COORDINATE AND COLLABORATE WITH OTHER GOVERNMENT AGENCIES IN THE DEVELOPMENT OF A COMPREHENSIVE MECHANISM IN THE MANAGEMENT AND USE OF AIRSPACE AND LAND NEAR, WITHIN, AND/OR THE ADJACENT AREAS OF THE AIRPORT;

(X) TO COLLABORATE WITH OTHER LAW ENFORCEMENT AGENCIES IN SAFEGUARDING CIVIL AVIATION AGAINST UNLAWFUL INTERFERENCES;

(X) TO ISSUE SPECIAL AUTHORIZATION TO STATE AIRCRAFT OF ANOTHER COUNTRY INTENDING TO FLY OVER THE TERRITORIAL JURISDICTION OF THE PHILIPPINES;

(X) TO EXECUTE AN AGREEMENT WITH ANOTHER STATE TO DETERMINE THE RESPONSIBLE AUTHORITY FOR PROVIDING AIR TRAFFIC SERVICES OVER THE AREA NEXT TO THE TERRITORIAL SEAS OR THE AIRSPACE OF A SPECIFIED AREA IN THE REGION;

SECTION. 9. - Section 38 of R.A. No. 9497 is hereby amended to read as follows:

"SEC. 38. Right of Access for Inspection. - (A) The Director General or his authorized representative shall be authorized access to civil aircraft **AND AVIATION FACILITIES, INCLUDING AERODROMES, AIR NAVIGATION SERVICES FACILITIES, HANGARS, APPROVED MAINTENANCE ORGANIZATIONS, WORKSHOPS, RAMPS, FUEL STORAGE FACILITIES, CARGO HANDLING AREAS, AND AVIATION TRAINING ORGANIZATIONS FACILITIES, INCLUDING ALL AVIATION DOCUMENTS THEREAT SUCH AS MANUALS, CERTIFICATES, LICENSES, AND PERMITS,** without restriction wherever they are operated within the Philippines for purposes of **CARRYING OUT SURVEILLANCE ACTIVITIES, AS MAY BE NECESSARY,** and ensuring that those aircraft are airworthy and being operated in accordance with the Act, regulations issued under the Act, and applicable ICAO Annexes.

SECTION. 10. - Section 39 of R.A. No. 9497 is hereby amended to read as follows:

"SEC. 39. Authority to Prevent Flight. - (a) The Director General, **ON HIS OWN OR AS MAY BE RECOMMENDED BY INSPECTORS IN THE CONDUCT OF THEIR AUTHORIZED FUNCTIONS AND DUTIES,** is authorized to direct the operator or airman of a civil aircraft that the aircraft is not to be operated in situations where: xxx

SECTION. 11. - Section 40 of R.A. No. 9497 is hereby amended to read as follows:

"SEC. 40. Creation of Flight Standards Inspectorate Service CAAP REGULATORY OFFICES. - (a) The Board, other than the offices it shall create in furtherance of this Act, shall establish a permanent office **REGULATORY OFFICES known as the (I) AERODROME AND AIR NAVIGATION SAFETY OVERSIGHT OFFICE (AANSOO), (II) SAFETY QUALITY AND MANAGEMENT OFFICE (SQMO), (III) CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION (CORSA), AND (IV) 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 CONDUCT OF SAFETY OVERSIGHT ACTIVITIES SUCH AS BUT NOT LIMITED TO THE AUDIT, INSPECTION, AND SURVEILLANCE OF AIRLINES, AIR NAVIGATION SERVICE PROVIDERS, AND AERODROME OPERATORS AS WELL AS THE CERTIFICATION AND AUTHORIZATION OF SUCH OPERATIONS, LICENSING OF AIRMEN, AND REGISTRATION/CERTIFICATION OF AIRCRAFT AND MAINTENANCE ORGANIZATION, CONTINUING AIRWORTHINESS MANAGEMENT ORGANIZATIONS, AIRCRAFT MATERIAL DISTRIBUTORS, AND DESIGN AND PRODUCTION ORGANIZATIONS.

The FSIS shall perform the following functions:

- ~~(1) Airworthiness inspection;~~
- ~~(2) Flight operations inspection and evaluation; and~~
- ~~(3) Personnel licensing.~~

xxx

SECTION. 12. – Section 42 of R.A. No. 9497 is hereby amended to read as follows:

**CHAPTER VIII
AIRCRAFT ACCIDENT AND INVESTIGATION**

"SEC. 42. Aircraft Accident and Investigation and Inquiry Board. - Pending the establishment of an independent and separate government agency created to conduct investigation of accidents **AND INCIDENTS** on land, air and water, the ~~Director General shall organize an~~ Aircraft Accident Investigation and Inquiry Board (AAIIB) **IS HEREBY ESTABLISHED AS AN INDEPENDENT AND NON-REGULATORY BODY UNDER THE DEPARTMENT OF TRANSPORTATION, PRIMARILY RESPONSIBLE FOR THE INVESTIGATION OF AIRCRAFT ACCIDENTS AND INCIDENTS INVOLVING CIVIL AIRCRAFT WITHIN THE TERRITORY OR JURISDICTION OF THE PHILIPPINES, IN ACCORDANCE WITH THE STANDARDS AND RECOMMENDED PRACTICES SET FORTH IN ANNEX 13 OF THE CHICAGO CONVENTION.** ~~to be composed of personnel of the Authority specialized in the various disciplines of civil aviation. The Board shall appoint the head of the AAIIB.~~

THE AAIIB SHALL HAVE THE FOLLOWING POWERS AND FUNCTIONS:

- 1. INVESTIGATE AIRCRAFT ACCIDENTS AND INCIDENTS BY COLLECTING AND ANALYZING EVIDENCE, INTERVIEWING WITNESSES, AND COLLABORATING WITH RELEVANT**

ENTITIES. THE AAIB'S INVESTIGATIVE AUTHORITY SHALL INCLUDE OCCURRENCES

a. WITHIN OR OVER THE PHILIPPINES;

b. OUTSIDE THE PHILIPPINES INVOLVING A PHILIPPINE-REGISTERED AIRCRAFT OR AN AIRCRAFT OPERATED BY AN OPERATOR IN THE PHILIPPINES, UNDER THE FOLLOWING CONDITIONS:

i. THE OCCURRENCE IS IN NON-CONTRACTING STATES THAT DO NOT INTEND TO CONDUCT AN INVESTIGATION IN ACCORDANCE WITH ANNEX 13;

ii. WHERE THE INVESTIGATION HAS BEEN DELEGATED TO THE PHILIPPINES BY ANOTHER CONTRACTING STATE THROUGH MUTUAL AGREEMENT; OR,

iii. THE AUTHORITY TO PARTICIPATE IN THE INVESTIGATION OF ACCIDENTS AND INCIDENTS INVOLVING AIRCRAFT REGISTERED IN THE PHILIPPINES OCCURRING WITHIN THE TERRITORY OF A FOREIGN COUNTRY, CONSISTENT WITH ANY TREATY, CONVENTION, AGREEMENT, OR OTHER ARRANGEMENT BETWEEN THE PHILIPPINES AND THE COUNTRY IN WHOSE TERRITORY THE ACCIDENT OR INCIDENT OCCURRED.

c. IN LOCATIONS NOT DEFINITELY WITHIN ANY STATE'S TERRITORY, INVOLVING A PHILIPPINE-REGISTERED AIRCRAFT OR AN AIRCRAFT OPERATED BY A PHILIPPINE OPERATOR;

d. FROM WHICH AIR SAFETY LESSONS MAY BE DERIVED, EITHER WITHIN OR OUTSIDE THE PHILIPPINES, INVOLVING PHILIPPINE-REGISTERED AIRCRAFT OR PHILIPPINE OPERATORS; AND

e. RELATED TO ANY INCIDENTAL OR ANCILLARY FUNCTION NECESSARY TO ACHIEVE THE PURPOSES OF THIS ACT.

2. EXERCISE VISITORIAL AND INSPECTION POWERS OVER ALL AIR TRANSPORTATION SYSTEMS AND FACILITIES INCLUDING: ACCESS TO RELEVANT DOCUMENTS AND RECORDS OF TRANSPORTATION STAKEHOLDERS AND CONDUCT INTERVIEW FOR THE PURPOSE OF ASSESSING THE STANDARDS OF SAFETY FOR THE IMPLEMENTATION OF SAFETY PROCEDURES;

3. CALL THE ASSISTANCE, AND USE ANY AVAILABLE SERVICES, EQUIPMENT, AND FACILITIES OF THE DEPARTMENT OF JUSTICE (DOJ), CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP), PHILIPPINE COAST GUARD (PCG), DEPARTMENT OF NATIONAL DEFENSE (DND), DEPARTMENT OF HEALTH (DOH), METROPOLITAN MANILA DEVELOPMENT AUTHORITY (MMDA), DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH), PHILIPPINE NATIONAL POLICE (PNP), NATIONAL BUREAU OF INVESTIGATION (NBI), LOCAL GOVERNMENT UNITS (LGUS), AND OTHER AGENCIES AND INSTRUMENTALITIES OF THE GOVERNMENT.

4. CREATE ADVISORY COMMITTEES COMPOSED OF QUALIFIED PRIVATE CITIZENS AND GOVERNMENT OFFICIALS WITH WHOM THE BOARD MAY CONSULT IN THE IMPLEMENTATION OF ITS FUNCTIONS AND DUTIES AND TO PAY HONORARIA OF THESE PERSONS FOR MEETINGS ACTUALLY ATTENDED. WHENEVER NECESSARY, THE AAIIB MAY LIKEWISE APPOINT, OR ENGAGE THE SERVICES OF RECOGNIZED EXPERTS AS CONSULTANTS FOR THE CONDUCT OF INVESTIGATIONS, SUBJECT TO COMPLIANCE WITH PROCUREMENT LAWS AND REGULATIONS. SUCH CONSULTANTS SHALL BE PAID COMPENSATION AS FIXED BY THE DEPARTMENT OF TRANSPORTATION: PROVIDED, THAT NOT MORE THAN THREE (3) CONSULTANTS SHALL BE APPOINTED FOR EACH ACCIDENT OR INCIDENT BEING INVESTIGATED; PROVIDED, FURTHER THAT NO OFFICER, EXTERNAL AUDITOR, OR LEGAL COUNSEL OF ANY PRIVATE COMPANY OR ENTERPRISE PRIMARILY ENGAGED IN THE AIR TRANSPORTATION AND AVIATION INDUSTRY SHALL BE ELIGIBLE FOR APPOINTMENT AS A CONSULTANT OF THE AAIIB;

5. IN EXERCISING ITS POWERS, THE AAIIB AND ITS INVESTIGATORS SHALL ENSURE COMPLIANCE WITH THE PHILIPPINES' OBLIGATIONS UNDER THE CHICAGO CONVENTION AND OTHER INTERNATIONAL AGREEMENTS.

(A) PURPOSE OF THE INVESTIGATIONS. - THE SOLE OBJECTIVE OF INVESTIGATING AIRCRAFT ACCIDENTS OR INCIDENTS CONDUCTED UNDER THIS ACT SHALL BE THE PREVENTION OF FUTURE OCCURRENCES. INVESTIGATIONS SHALL NOT BE USED TO APPORTION BLAME OR DETERMINE CIVIL OR CRIMINAL LIABILITY.

ANY INVESTIGATIONS CONDUCTED BY THE AAIIB SHALL HAVE UNRESTRICTED ACCESS TO ALL EVIDENTIARY MATERIALS WITHOUT DELAY, SUBJECT TO THE LIMITATION

UNDER EXISTING LAWS, AND SEPARATE FROM ANY ADMINISTRATIVE OR JUDICIAL INVESTIGATION OR PROCEEDINGS. THE AAIB SHALL:

- 1. GATHER, RECORD, AND ANALYZE ALL RELEVANT INFORMATION OF AN ACCIDENT OR INCIDENT;**
- 2. ISSUE SAFETY RECOMMENDATION, *IF APPROPRIATE*;**
- 3. DETERMINE THE CAUSES AND CONTRIBUTING FACTORS, WHEN POSSIBLE, AND**
- 4. COMPLETE AND PUBLISH FINAL REPORTS.**

DRAFT REPORTS, DOCUMENTS, OR FINDINGS FROM INVESTIGATIONS SHALL NOT BE CIRCULATED, PUBLISHED, OR ACCESSED WITHOUT THE EXPRESS CONSENT OF THE AAIB, EXCEPT WHERE SUCH MATERIALS HAVE BEEN OFFICIALLY RELEASED.

(B) CONDUCT OF INVESTIGATIONS. - REGARDLESS OF ANY CONFLICTING LEGAL PROVISION, NO DEPARTMENT, AGENCY, OR OFFICE MAY INITIATE OR CONTINUE AN INVESTIGATION IF THE ACCIDENT OR INCIDENT HAS BEEN INVESTIGATED, IS BEING INVESTIGATED, OR IS GOING TO BE INVESTIGATED BY THE AAIB, EXCEPT:

- 1. GOVERNMENT AGENCIES OR INSTRUMENTALITIES MAY INVESTIGATE FOR PURPOSES OTHER THAN THOSE UNDER THIS ACT, PROVIDED SUCH INVESTIGATIONS DO NOT IMPEDE THE AAIB'S WORK; AND**
- 2. LAW ENFORCEMENT AGENCIES, AND OTHER REGULATORY AGENCIES MAY CONDUCT INVESTIGATIONS FOR PURPOSES WITHIN THEIR MANDATES, WITHOUT PREJUDICE TO THE AUTHORITY OF AAIB.**

FOR INVESTIGATIONS CONDUCTED UNDER THE PROVISIONS OF THIS ACT, AND IN CONSIDERATION OF THE IMMEDIATELY PRECEDING PARAGRAPH, THE AAIB SHALL:

- 1. HAVE UNRESTRICTED ACCESS TO AND CONTROL OVER THE SCENE OF THE ACCIDENT OR INCIDENT, WRECKAGE, AND RELEVANT MATERIALS, INCLUDING FLIGHT RECORDERS AN AIR TRAFFIC SERVICE RECORDS;**
- 2. ENSURE THE PRESERVATION AND PROTECTION OF EVIDENCE, MAINTAINING CUSTODY OF THE AIRCRAFT AND ITS CONTENTS AS NECESSARY FOR THE INVESTIGATION;**

- 3. CARRY OUT DETAILED EXAMINATION OF RELEVANT MATERIAL/EVIDENCE WITHOUT DELAY; AND**
- 4. RELEASE CONTROL OF THE SITE, AIRCRAFT, AND RELATED MATERIALS ONCE THEY ARE NO LONGER REQUIRED FOR THE INVESTIGATION.**

(C) DRAFT FINAL REPORTS ON INVESTIGATIONS. - PRIOR TO RELEASING THE FINAL REPORT OF AN INVESTIGATION, THE AAIB SHALL PROVIDE A DRAFT FINAL REPORT TO EACH OF THE FOLLOWING CONTRACTING STATES, INVITING THEIR SIGNIFICANT AND SUBSTANTIATED COMMENTS WITHIN A REASONABLE PERIOD:

- 1. THE STATE THAT INSTITUTED THE INVESTIGATION;**
- 2. THE STATE OF REGISTRY OF THE AIRCRAFT INVOLVED IN THE AVIATION OCCURRENCE;**
- 3. THE STATE OF THE OPERATOR OF THE AIRCRAFT INVOLVED IN THE AVIATION OCCURRENCE;**
- 4. THE STATE OF DESIGN OF THE AIRCRAFT INVOLVED IN THE AVIATION OCCURRENCE;**
- 5. THE STATE OF THE MANUFACTURE OF THE AIRCRAFT;**
- 6. ANY STATE WHICH ON REQUEST PROVIDES INFORMATION, FACILITIES, OR EXPERTS; AND**
- 7. THE RELEVANT GOVERNMENT AGENCIES AND ORGANIZATIONS THAT PARTICIPATED IN THE INVESTIGATION.**

(D) PROTECTION OF ACCIDENT AND INCIDENT INVESTIGATION RECORDS. - THE FOLLOWING RECORDS SHALL NOT BE DISCLOSED OR USED FOR PURPOSES OTHER THAN ACCIDENT OR INCIDENT INVESTIGATION UNLESS A COURT OF COMPETENT JURISDICTION DETERMINES THAT THE BENEFITS OF DISCLOSURE OUTWEIGH THE POTENTIAL ADVERSE DOMESTIC AND INTERNATIONAL IMPACT:

- 1. COCKPIT VOICE RECORDINGS, AIRBORNE IMAGE RECORDINGS, AND TRANSCRIPTS THEREOF;**
- 2. RECORDS IN THE CUSTODY OR CONTROL OF THE AAIB, INCLUDING:**
 - I. ALL STATEMENTS TAKEN BY THE AAIB IN THE COURSE OF ITS INVESTIGATION;**
 - II. ALL COMMUNICATIONS AMONG INDIVIDUALS INVOLVED IN THE OPERATION OF THE AIRCRAFT;**
 - III. MEDICAL OR PRIVATE INFORMATION OF PERSONS INVOLVED IN THE AIRCRAFT ACCIDENT OR INCIDENT;**

- IV. AIR TRAFFIC CONTROL RECORDINGS AND TRANSCRIPTS;
- V. ANALYSES AND OPINIONS DERIVED FROM FLIGHT RECORDER DATA AND OTHER INVESTIGATIVE INFORMATION
- VI. THE DRAFT FINAL REPORT OF THE INVESTIGATION.

(E) FINAL REPORTS. - TO PROMOTE ACCIDENT AND INCIDENT PREVENTION, THE AAIIB SHALL PUBLISH THE FINAL REPORT OF ITS INVESTIGATION AS SOON AS PRACTICABLE, AND IF FEASIBLE, WITHIN TWELVE (12) MONTHS FROM THE DATE OF THE ACCIDENT OR INCIDENT.

(F) RE-OPENING OF INVESTIGATIONS. - THE AAIIB MAY REOPEN AN INVESTIGATION IF NEW AND SIGNIFICANT EVIDENCE BECOMES AVAILABLE AFTER THE INVESTIGATION'S CLOSURE, PROVIDED THERE IS SUFFICIENT JUSTIFICATION TO REVISE FINDINGS OR CONCLUSIONS.

(G) SAFETY RECOMMENDATIONS. - AT ANY STAGE OF THE INVESTIGATION, THE AAIIB MAY ISSUE SAFETY RECOMMENDATIONS THROUGH A DATED TRANSMITTAL ADDRESSED TO THE APPROPRIATE AUTHORITIES, INCLUDING THOSE IN OTHER STATES, URGING IMMEDIATE PREVENTIVE ACTIONS TO ENHANCE AVIATION SAFETY.

SAFETY RECOMMENDATIONS ARISING FROM INVESTIGATIONS MAY ALSO BE COMMUNICATED TO ACCIDENT INVESTIGATION AUTHORITIES OF OTHER STATES AND TO THE INTERNATIONAL CIVIL AVIATION ORGANIZATION, PARTICULARLY WHEN ICAO DOCUMENTS ARE RELEVANT.

(H) REPORTS AS EVIDENCE. - NO PART OF ANY REPORT UNDER THIS CHAPTER SHALL BE ADMISSIBLE AS EVIDENCE OR USED IN ANY SUI OR ACTION FOR DAMAGES ARISING FROM MATTERS MENTIONED THEREIN, EXCEPT WHEN THE CRIMINAL LIABILITY OR ASPECTS OF THE ACCIDENT ARE PUT INTO ISSUE.

~~(a) Reporting of Accidents—The Board shall promulgate rules and regulations governing the notification and the reporting of accidents and incidents involving aircraft.~~

~~(b) General Authority to Investigate—Except as provided in subsection c of this section, the Director General shall have:~~

~~(1) The power to investigate, or arrange by contract or otherwise for the investigation of, accidents involving aircraft occurring in the Philippines and civil aircraft registered in the Philippines occurring outside the territory of any foreign country for the purpose of determining the facts, conditions and circumstance relating to each accident and the probable cause thereof; and~~

~~(2) The authority to participate in the investigation of accidents involving aircraft registered in the Philippines occurring outside the territory of a foreign country, consistent with any treaty, convention, agreement, or other arrangement between the Philippines and the country in whose territory the accident occurred.~~

~~(c) Accident Prevention—The Director General shall take any corrective actions which, on the basis of the findings of the accident investigations authorized under this section, that, in the judgment of the Director General, will tend to prevent similar accidents in the future.~~

~~(d) Investigation of Accidents Within Military Sites—Notwithstanding any other provision of this section, and, the investigation of an accident involving aircraft occurring within military sites in the Philippines, or an accident involving solely an aircraft of the armed forces of any foreign country occurring in the Philippines, shall be the responsibility of the military. For the purpose of this subsection, the term 'military sites' means those areas within the Philippines which are under the control of the military of the Philippines or the military of another country.~~

~~(e) Use as Evidence—No part of any report or reports of the Director General relating to any accident, or the investigation thereof, shall be admitted as evidence or used in any suit or action for damages arising out of any matter mentioned in such report or reports except when the criminal liabilities/aspects of the accident is put into issue.~~

SECTION. 13. – Section 55 of R.A. No. 9497 is hereby amended to read as follows:

CHAPTER IX
AVIATION SAFETY POWERS AND FUNCTIONS

“SEC. 55. *General Powers and Functions.* – (a) Promoting 1 Safety - The Director General shall have the power and duty to ensure the safety of civil

aviation by prescribing and revising from time to time as necessary, **RULES AND REGULATIONS THAT SHALL HAVE THE FORCE AND EFFECT OF LAW AND SHALL BE BINDING UPON ALL CIVIL AVIATION ACTIVITIES WITHIN THE JURISDICTION OF THE AUTHORITY, SUBJECT TO APPLICABLE LEGAL AND REGULATORY PROCEDURES, INCLUDING BUT NOT LIMITED TO:**

(1) **ADOPTION OF INTERNATIONAL STANDARDS.** - Reasonable rules and regulations implementing, at a minimum, all standards set forth in the Annexes to the Chicago Convention, **AS MAY BE AMENDED BY THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO);**

(2) **REGULATORY OVERSIGHT IN CIVIL AVIATION.** - **RULES AND REGULATIONS IN ACCORDANCE WITH INTERNATIONAL STANDARDS SET FORTH IN THE ANNEXES OF THE CHICAGO CONVENTION, OR ANY AMENDMENT THERETO, AS MAY BE NECESSARY IN THE INTEREST OF SAFETY IN COMMERCIAL AND NON-COMMERCIAL AIR TRANSPORT SUCH AS THE ISSUANCE OF THE AIRMAN'S CERTIFICATE INCLUDING THE LICENSING OF OPERATING AND MECHANICAL PERSONNEL, TYPE CERTIFICATE FOR AIRCRAFT, AIRCRAFT ENGINES, PROPELLERS AND APPLIANCES, AIRWORTHINESS-RELATED CERTIFICATES, AIR OPERATOR CERTIFICATES, AVIATION TRAINING AND APPROVED MAINTENANCE ORGANIZATIONS CERTIFICATES, AIR NAVIGATION FACILITY, AND AERODROME CERTIFICATES, REGISTRATION AND PERMITS; AIR TRAFFIC ROUTES; RADIO AND AERONAUTICAL TELECOMMUNICATIONS AND AIR NAVIGATION AIDS; AIRCRAFT ACCIDENT INQUIRIES; AERODROMES, BOTH PUBLIC AND PRIVATE OWNED; CONSTRUCTION OF STRUCTURES; HEIGHT OF BUILDINGS, STRUCTURES, CABLES, ANTENNAE AND OTHER EDIFICES; USE OF SIGNS, LIGHTS, AND APPARATUS IN THE VICINITY OF AERONAUTICAL TELECOMMUNICATIONS AND RADIO NAVIGATIONAL GROUND INSTALLATIONS OR WHICH MAY INTERFERE OR ENDANGER AIRCRAFT; REGISTRATION OF AIRCRAFTS; SEARCH AND RESCUE;**

COMPREHENSIVE SYSTEM FOR PROVIDING ASSISTANCE TO AIRCRAFT ACCIDENT VICTIMS AND THEIR FAMILIES, 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; SAFE TRANSPORT OF DANGEROUS GOODS AND MATERIALS; OBSTACLE RESTRICTION AND REMOVAL ON AND AROUND AERODROMES; WILDLIFE (BIRDS AND ANIMALS) STRIKE HAZARD STUDY OR ASSESSMENT FOR AERODROMES; CONTROL THE DEVELOPMENT OF FACILITIES LIKELY TO ATTRACT WILDLIFE ON OR IN THE VICINITY OF AN AERODROME; PROCEDURES FOR THE CONTINUOUS SURVEILLANCE OF AERODROME OPERATORS SAFETY MANAGEMENT SYSTEM (SMS) FOR AIR OPERATORS, APPROVED MAINTENANCE ORGANIZATIONS, AND INTERNATIONAL GENERAL AVIATION; RULES FOR THE TIMELY AMENDMENT OF ITS RULES AND REGULATIONS WHENEVER AMENDMENTS OF ANNEXES HAS BEEN RECEIVED; PROCEDURES FOR IDENTIFYING AND NOTIFYING DIFFERENCES, IF ANY, TO ICAO; RULES AND REGULATIONS, PROCEDURES AND MECHANISM TO ESTABLISH AND IMPLEMENT VOLUNTARY AND MANDATORY REPORTING SYSTEM: AND

(3) GENERAL RULEMAKING AUTHORITY. - Such other rules, regulations, **MANUAL OF STANDARDS, IMPLEMENTING STANDARDS, CIRCULARS, ORDERS,** or practices, methods, and procedures as the Director General may find necessary and appropriate to ensure the highest level of safety in civil aviation.

(B) IN CASE THE DIRECTOR GENERAL FINDS IT IMPRACTICABLE TO COMPLY WITH ANY SUCH INTERNATIONAL STANDARD OR PROCEDURE, OR TO BRING ITS OWN REGULATIONS OR PRACTICE INTO FULL ACCORD WITH ANY INTERNATIONAL STANDARD OR PROCEDURE AFTER THE AMENDMENT OF THE LATTER, OR OTHERWISE DEEMS IT NECESSARY TO ADOPT REGULATIONS OR PRACTICES DIFFERING IN ANY PARTICULAR ¹ RESPECT FROM THOSE ESTABLISHED BY AN INTERNATIONAL STANDARD, THE DIRECTOR GENERAL OR HIS AUTHORIZED REPRESENTATIVE SHALL GIVE IMMEDIATE NOTIFICATION TO THE ICAO OF THE DIFFERENCES BETWEEN ITS OWN PRACTICE AND THOSE STANDARDS OF THE ICAO.

xxx

SECTION. 14. – Insert a new Section 56 to be inserted after Section 55 of R.A. No. 9497 which shall read:

“SEC. 56. TRANSFER OF CERTAIN FUNCTIONS AND DUTIES. – (A) WHEN AN AIRCRAFT REGISTERED IN THE PHILIPPINES IS OPERATED UNDER A LEASE, CHARTER, INTERCHANGE, OR ANY SIMILAR ARRANGEMENT BY AN OPERATOR WHOSE PRINCIPAL PLACE OF BUSINESS, OR IN THE ABSENCE THEREOF, WHOSE PERMANENT RESIDENCE IS IN ANOTHER CONTRACTING STATE TO THE CHICAGO CONVENTION, THE AUTHORITY MAY, THROUGH AN ARTICLE 83 BIS AGREEMENT, TRANSFER TO SUCH OTHER CONTRACTING STATE ALL OR PART OF ITS FUNCTIONS AND DUTIES AS THE STATE OF REGISTRY IN RESPECT OF THE RULES OF THE AIR, AIRCRAFT RADIO EQUIPMENT, CERTIFICATES OF AIRWORTHINESS, AND PERSONNEL LICENSES AS PROVIDED IN THIS ACT. UPON THE EXECUTION, REGISTRATION, AND PUBLICATION OF SUCH ARTICLE 83 BIS AGREEMENT, THE AUTHORITY SHALL BE RELIEVED OF RESPONSIBILITY IN RESPECT OF THE FUNCTIONS AND DUTIES SO TRANSFERRED AND SHALL RETAIN ONLY THOSE NOT EXPRESSLY DELEGATED UNDER THE SAID AGREEMENT.

(B) THE IMMEDIATELY PRECEDING PARAGRAPH SHALL APPLY VICE VERSA IN CASES WHERE AN AIRCRAFT REGISTERED IN ANOTHER CONTRACTING STATE TO THE CHICAGO CONVENTION IS OPERATED BY AN OPERATOR WHOSE PRINCIPAL PLACE OF BUSINESS, OR IN THE ABSENCE THEREOF, PERMANENT RESIDENCE, IS IN THE PHILIPPINES.

IN SUCH CASES, THE AUTHORITY SHALL EXERCISE THE FUNCTIONS AND DUTIES OVER THE RULES OF THE AIR, AIRCRAFT RADIO EQUIPMENT, CERTIFICATES OF AIRWORTHINESS, AND PERSONNEL LICENSES PURSUANT TO THE ARTICLE 83 BIS AGREEMENT BETWEEN THE PHILIPPINES AND THE STATE OF REGISTRY.”

SECTION. 15. – Insert a new Section 57 which shall read:

“SEC. 57. RULES OF THE AIR. – ANNEX 2 (RULES OF THE AIR) OF THE CHICAGO CONVENTION SHALL APPLY TO ALL AIRCRAFT REGISTERED UNDER THIS ACT, FLYING OVER THE HIGH SEAS, AND WHEREVER IT MAY BE, TO THE EXTENT THAT THEY DO NOT CONFLICT WITH THE RULES PUBLISHED BY THE STATE HAVING JURISDICTION OVER THE TERRITORY OVERFLOWN.

SECTION. 16. – Section 65 of R.A. No. 9497 is hereby amended to read as follows:

“SEC. 65. Authority to Certificate Carriers and Establish Safety Standards.
- The Director General is authorized to issue air operator certificates and to establish **PRESCRIBE AND REVISE FROM TIME TO TIME AS NECESSARY REGULATIONS ESTABLISHING** minimum safety standards for the operation of the air carrier to which any such certificate is issued, **INCLUDING COMPLIANCE WITH INTERCEPTION ORDERS, REQUIRED DOCUMENTS TO BE CARRIED ONBOARD AIRCRAFT, AND MAINTENANCE OF JOURNEY LOGBOOKS.**

SECTION. 17. – Section 68 of R.A. No. 9497 is hereby amended to read as follows:

“SEC. 68. Air Navigation Facility Safety Standards. – xxx

(b) Certification of Airports **AERODROMES** - (1) The Director General is empowered to issue airport **AERODROME** certificates to, and to establish minimum safety standards for the operation of, airports that serve any scheduled or unscheduled passenger operations of air operator or foreign air operator aircraft.

(2) Any person desiring to operate an airport **AERODROME** that is described in this section and that is required by the Director General, by rule, to be certified may file with the Director General an application for an airport operating **AERODROME** certificate. If the Director General finds, after investigation, that such person is properly and adequately equipped and able to conduct a safe operation in accordance with the requirements of this Act and the rules and regulations, and standards prescribed thereunder, the Director General shall issue an airport operating **AERODROME** certificate to such person. Each airport operating **AERODROME** certificate shall prescribe such terms, conditions and limitations as are reasonably necessary to assure safety in commercial air transport. Unless the Director General determines that it would be contrary to public interest, such terms, conditions and limitations shall include, but not limited to, terms and conditions, relating to:

(i) The operation and maintenance of adequate safety equipment, including fire fighting and rescue equipment capable of rapid access to any portion of the airport **AERODROME** used for landing, takeoff, or surface maneuvering of aircraft; and

(ii) The condition and maintenance of primary and secondary runways **AND LANDING PADS** as the Director General determines to be necessary.

SECTION. 18. – Section 70 of R.A. No. 9497 is hereby amended to read as follows:

SEC. 70. Authority to Inspect. – xxx

(1) Make such inspections of **AERODROMES AND** aircraft, aircraft engines, propellers, and appliances used by an operator of civil aircraft as may be necessary to determine that the operators are maintaining the safe condition for the operation in which they are used; and

xxx

(b) Unsafe **AERODROMES**, Aircraft, Engines, Propellers and Appliances - When the Director General finds that any **AERODROME**, aircraft, aircraft engine, propeller or appliance, used or intended to be used by any operator in civil aviation, is not in a condition for safe operation, the Director General shall notify the operator. Such **AERODROME**, aircraft, aircraft engine, propeller or appliance then shall not be used in civil aviation or in such manner also to endanger civil aviation, unless found by the Director General to be in a condition for safe operation.

SECTION. 19. – Section 71 of R.A. No. 9497 is hereby amended to read as follows:

SEC. 71. Amendment, Modifications, Suspension and Revocation of Certificates. - (a) Re-inspection and Reexamination - The Director General may, from time to time, for any reason, reinspect or reexamine any **AERODROME**, civil aircraft, aircraft engine, propeller, appliance, air operator, school, with approved maintenance organization, **AIRCRAFT MATERIAL DISTRIBUTOR, CONTINUING AIRWORTHINESS MANAGEMENT, DESIGN AND PRODUCTION ORGANIZATION**, or any civil airman holding a certificate issued under this Act.

(b) Actions of the Director General - If, as a result of any such re-inspection or reexamination, or if, as a result of any other investigation made by the Director General, the Director General determines that safety in civil aviation or commercial air transport and the public interest requires, the Director General may issue an order amending, modifying, suspending or revoking, in whole or in part, any airworthiness certificate, airman certificate, air operator certificate or certificate for any airport **AERODROME**, school, or approved maintenance organization, **AIRCRAFT MATERIAL DISTRIBUTOR, CONTINUING AIRWORTHINESS MANAGEMENT, DESIGN AND PRODUCTION ORGANIZATIONS** issued under this Act.

xxx

SECTION. 20. – Section 81 of R.A. No. 9497 is hereby amended to read as follows:

SEC. 81. Penalties. - (a) The Director General, after due notice and hearing, is authorized to impose the following fines and penalties for each violation of this Act:

(b) The following penalties may only be imposed by a court of competent jurisdiction after the filing of a proper criminal complaint therein by the Director General or **HIS AUTHORIZED REPRESENTATIVE** and a finding of guilt:

SECTION. 21. Separability Clause. - If, for any reason, any provisions of this Act are declared invalid or unconstitutional, the other part or parts thereof which are not affected thereby shall continue to be in full force and effect.

SECTION. 22. Repealing Clause. - All laws, decrees, executive orders, issuances or rules and regulations, or portions thereof, that are inconsistent with this Act or any provision or provisions, thereof, are repealed or modified accordingly.

SECTION. 23. Effectivity. - This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,