

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWNETIETH CONGRESS
First Regular Session

House Bill No. 5666



INTRODUCED BY REP. PATRICK MICHAEL “PM” D. VARGAS

AN ACT
PROVIDING FOR DEVELOPMENT AND MODERNIZATION FUND FOR
THE CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP), TO
ENSURE UPGRADES TO ITS STANDARDS, SYSTEMS, AND
PROCEDURES PRESCRIBED FOR CIVIL AVIATION PRACTICES AND
FOR OTHER PURPOSES

EXPLANATORY NOTE

As it is a policy of the State to provide safe and efficient air transport and regulatory services, Republic Act 9497 otherwise known as the Civil Aviation Authority Act was enacted in 2008, creating the Civil Aviation Authority of the Philippines.

Since its enactment, CAAP has been responsible for implementing policies on civil aviation to ensure safe, economical, and efficient air travel. In recent years, however, air travel has been among the most challenging in the country.

The Department of Transportation (DOTr) has reported that to modernize the air traffic control system, the government needs more than P13 billion. This is also supported by the findings of the Philippine Institute for Developmental Studies that among the prevailing issues of civil aviation is the funding for the operation and maintenance of transport infrastructure is usually not included in the budget.¹

This proposed measure seeks to provide additional Development and Modernization Fund to CAAP for the continuous upgrade of its standards, systems, and procedures prescribed for civil aviation and related functions to

¹ Philippine Institute for Developmental Studies. Public seminar. April 13, 2023

comply with the International Civil Aviation Organization and other international aviation standards.

Air transport is responsible for a significant portion of the country's gross domestic product and has been the leading facilitator of economic activities not only in the transport of goods and travel but also in the creation of millions of jobs directly or indirectly related to air transport.

In view of the foregoing immediate passage of the bill is earnestly sought.



REP. PATRICK MICHAEL "PM" D. VARGAS

Fifth District, Quezon City

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

SECTION 1. *Short Title.* - This Act shall be known as *the "CAAP Development and Modernization Fund Act."*

SECTION 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 promotion, development and regulation of the technical, operational, safety, and aviation security functions under the civil aviation authority.

SECTION 3. *Creation of CAAP Development and Modernization Fund.* - There is hereby created the CAAP Development and Modernization Fund to be used exclusively for the CAAP Development and Modernization Programs.

The primary objective of the fund is to ensure that CAAP is able to upgrade its physical and human resources, and operational techniques through the training and acquisition of state-of-the-art instruments, equipment and facilities to administer civil aviation in the country.

The said fund shall be administered by the Secretary of the Department of Transportation (DOTr), in coordination with the CAAP Director-General, in accordance with existing government budgeting, accounting and auditing rules and regulations.

SECTION 4. *Appropriation.* - The amount of Five Billion Pesos (Php 5,000,000,000.00) for the operations of the CAAP shall be chargeable against funds for the purpose and other sources recommended by the Department of Budget and Management (DBM). Thereafter, the appropriations for the CAAP shall be included in the budget proposals under the Department of Transportation (DOTr).

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

The above-stated amount may be augmented by grants, bequests, contributions, and donations whether from local or foreign sources: *Provided*, That acceptance of grants, bequests, contributions, and donations from foreign governments shall be subject to the approval of the President upon the recommendation of the Secretaries of the DOTr and the Department of Foreign Affairs (DFA).

This special appropriation will be valid for two (2) years from its effectivity.

SECTION 4. *Quarterly Progress Report to the Office of the President and Congress.* - DOTr shall submit a quarterly report on the implementation status of the CAAP Development Programs to the Office of the President and Congress of the Philippines, through the House Committee on Transportation Chairperson and Senate Committee on Public Services.

SECTION 5. *Period of Implementation.* - The development and modernization program under this Acts 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 continuously develop, modernize and update its operational capabilities to be aligned with current global civil aviation practices and standards.

SECTION 6. *Implementing Rules and Regulations (IRR).* - Within sixty (60) days after the effectivity of this Act, the DOTr, in coordination with CAAP, shall formulate the necessary IRR to implement the provisions of this Act.

SECTION 7. *Separability Clause.* - If any part or provision of this Act shall be declared invalid or unconstitutional, the other provisions hereof not affected shall continue to be in full force and effect.

SECTION 8. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 9. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication either in the *Official Gazette* or in two (2) newspapers of general circulation in the Philippines.

Approved,