



Republic of the Philippines

# HOUSE OF REPRESENTATIVES



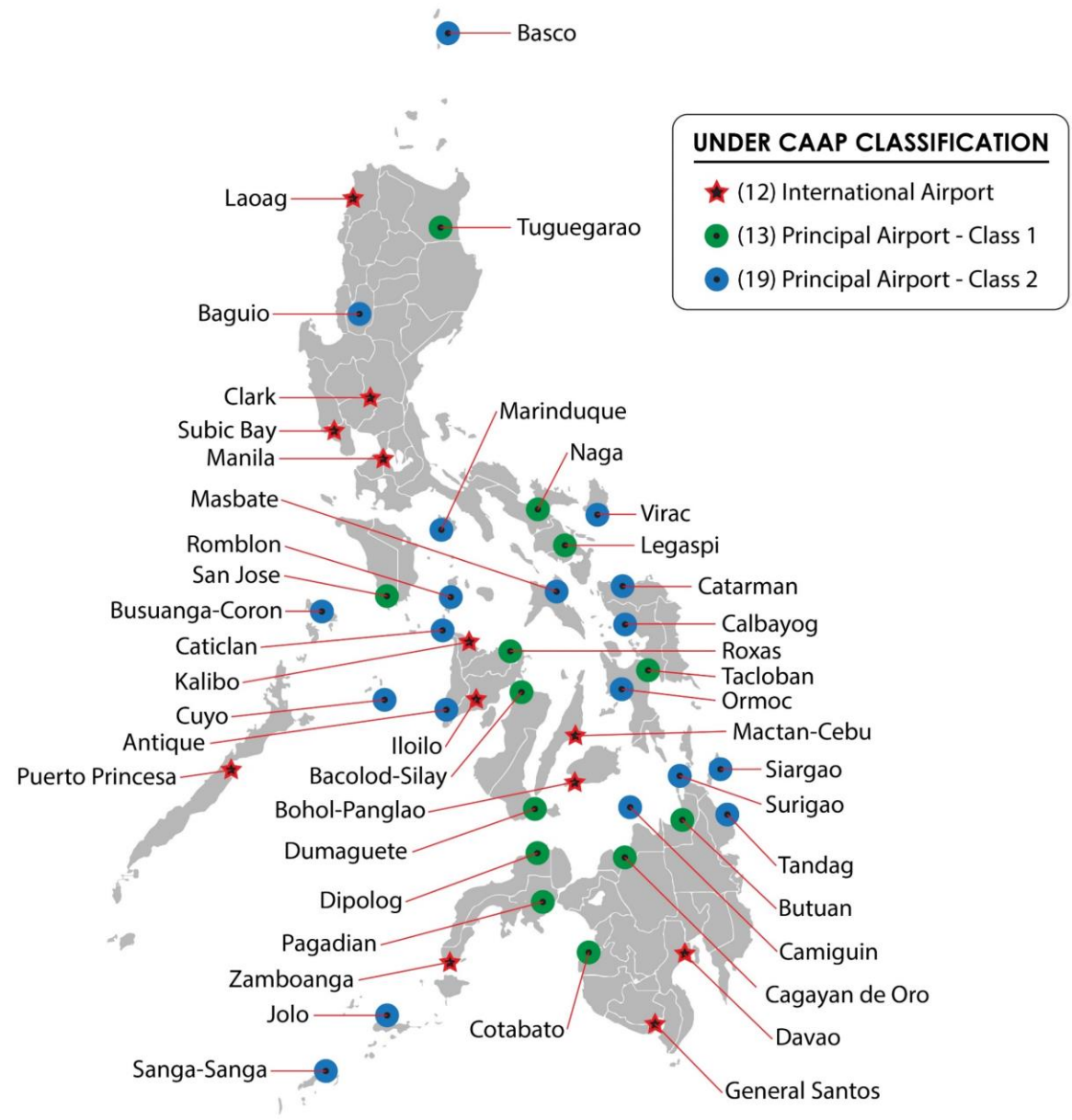
## **AMCHAM-RESPOND**

Special Reform Legislation Discussion  
Series: Aviation Reform Legislation

10 May 2021

| Virtual Meeting

# AIRPORTS OF THE PHILIPPINES



## NUMBER OF AIRPORTS IN THE PHILIPPINES

		Principal Airports		
	International Airports	Class 1	Class 2	Community Airports
LUZON	5	4	8	19
VISAYAS	4	4	5	12
MINDANAO	3	5	6	11
<b>TOTAL</b>	<b>12</b>	<b>13</b>	<b>19</b>	<b>42</b>

**Total Number of Airports: 86**

## TOTAL DOMESTIC AND INTERNATIONAL PASSENGER TRAFFIC IN THE PHILIPPINES

YEAR	TOTAL PASSENGER TRAFFIC
2019	60 Million

Source: Civil Aeronautics Board

## CIVIL AERONAUTICS BOARD (CAB) TOTAL DOMESTIC AND INTERNATIONAL PASSENGER TRAFFIC FORECAST

YEAR	TOTAL PASSENGER TRAFFIC
2020	63 Million
2021	66 Million
2022	69 Million

Source: Civil Aeronautics Board

# CAAP Act Amendments

**STATUS: House Bill 8700** An Act Strengthening the Civil Aviation Authority of the Philippines, amending for the purpose Republic Act 9497, otherwise known as Civil Aviation Authority Act of 2008 authored by Rep. Edgar Mary Sarmiento was **referred to the Committee on Transportation last February 17, 2021**

**WAYS FORWARD:** The bill will be reviewed by the other Committees involved (Appropriations and Ways and Means)

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
Second Regular Session

House Bill No. 8700

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Introduced by Rep. Edgar Mary S. Sarmiento

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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, 1<sup>st</sup> District Samar

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# What are the changes introduced by House Bill No. 8700 or the CAAP Amendments Bill? [SLIDE 5]

CURRENT	AMENDMENT	RATIONALE
Director General's term 4 years	Director General's term 7 years	Insulate CAAP leadership from changes in national government administration.
Board Members - seven (7) members .	Board Members - nine (9) members (+) Secretary of Tourism and Defense	Enhancing tourism and security.
The Board shall determine and fix the compensation and fringe benefits of employees holding technical positions.	-Exempting CAAP personnel from the requirements of the Career Executive Service	-To be able to hire more competent workers in accordance with international standards.
Funds subject to Dividends Law and examination of the Congressional Oversight Committee.	Exempt from Dividends Law  Remove requirement to submit budget to Congress for approval	To be able to utilize funds for the purpose of improving the aviation sector especially in terms of complying with safety and international standards.
Board of Directors have powers which involve day-to-day operations	Transfer some of the powers of the Board to the Director General	To expedite the operation of CAAP, the functions are transferred to the Director General which shall handle day-to-day operations of the CAAP
Some fees incurred by CAAP are not included in the cost of licenses and permits but are reimbursed by the licensee	Use principle of "cost recovery at an aggregate level" to determine and set charges	May increase and decrease charges using computed cost

# COMPARISON OF CIVIL AVIATION AUTHORITIES IN ASEAN COUNTRIES

	PHILIPPINES	MALAYSIA	THAILAND	SINGAPORE
Highest designated official	Director General 4 years	Chief Executive Officer Appointed by Minister of Transport	Director General	Director General
Fiscal Autonomy	<ul style="list-style-type: none"> <li>- With fiscal autonomy</li> <li>- Pays dividends to national government</li> </ul>	<ul style="list-style-type: none"> <li>- Aims to be financially independent/ fully autonomous</li> <li>- May utilize its own fund</li> </ul>	<ul style="list-style-type: none"> <li>- Civil Aviation Authority of Thailand (CAAT) is authorized to generate income and property</li> <li>- Income of CAAT shall belong to it as expenses and dues for proper operations without the necessity of remitting it to the Minister of Finance<sup>^</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Has funds which may be utilized for its own expenditure</li> </ul>
Salary of Staff	<ul style="list-style-type: none"> <li>- Proposed salary system needs approval of President and other agencies</li> <li>- Uses two systems of salary</li> </ul>	<ul style="list-style-type: none"> <li>- Uses government rates</li> <li>- Will transition to use of private sector rates but expenses may reach up to RM 500 M</li> </ul>	<ul style="list-style-type: none"> <li>- CAAT Board determines rules and regulations on organization, fiscal matters, human resource management, wages, compensation etc.<sup>^</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Employed according to Public Sector (Governance) Act 2018</li> </ul>
Salary of Air Traffic Controllers	\$ 1500	\$ 2,500	\$5,000	\$ 8,000



# Philippine Transportation Safety Board Act

## STATUS:

Under review by the House Management Committee

## BACKGROUND:

**9 House Bills** were primarily referred to the Committee on Government Reorganization; Secondarily referred to the Committee on Transportation

**ACTIONS TAKEN:** For second reading



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
Third Regular Session

**HOUSE BILL NO.** \_\_\_\_\_

(In substitution of House Bills Numbered 3565, 1101, 237, 342, 548, 2217, 2273, 2947 and 3813)

Introduced by

Representatives Edgar S. Sarmiento, Ron P. Salo, Alfred Vargas, Xavier Jesus D. Romualdo, Rozzano Rufino B. Biazon, Angelo Marcos Barba, Ramon "Mon-Mon" V. Guico, III, Ria Christina G. Fariñas, Rudys Cesar I. G. Fariñas, Rufus B. Rodriguez, Lorna C. Silverio, Tyrone G. Agabas, Arnold "Noli" D. Celeste, Michael L. Romero, Ph.D., "Kuya" Jose Antonio R. Sy-Alvarado, John Marvin "Yul Servo" C. Nieto, Deogracias Victor "DV" B. Savellano, Jose Gay G. Padiernos, Lord Allan Jay Q. Velasco, Mario Vittorio "Marvey" A. Mariño, Elisa "Olga" T. Kho, Ciriaño B. Gato, Jr., Ma. Victoria V. Umali, Romeo S. Momo, Sr., Isagani S. Amatong, Leonardo L. Babasa, Jr., Fernando T. Cabredo, Roberto V. Puno, Jose "Jun" L. Ong, Jose "Pingping" I. Tejada, Aloy Lim, Romulo "Kid" Peña, Jr., Mohamad Khalid Q. Dimaporo, Jose Christopher Y. Belmonte, Manuel Zubiri, Sergio C. Dagooc and Mark O. Go

**AN ACT**  
**ESTABLISHING THE PHILIPPINE TRANSPORTATION SAFETY BOARD,**  
**DEFINING ITS POWERS AND FUNCTIONS,**  
**AND APPROPRIATING FUNDS THEREFOR**

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

### ARTICLE I

#### GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the "*Philippine Transportation Safety Board Act.*"

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to maintain a safe, viable, efficient, and dependable transportation system as it plays an important role in nation-building and in promoting economic growth.

Consistent with this policy, the State recognizes the importance of preventing transportation accidents thereby saving lives and property. Towards this end, there shall be established a government agency tasked with promoting safety and efficiency in the

# Philippine Airports Authority Act

## STATUS:


House Bill 7976 authored by Rep. Eric Olivarez is pending with the **Committee on Government Enterprises and Privatization** since November 23, 2020.

## BACKGROUND:


Primarily referred to the Committee on Government Enterprises and Privatization;

Secondarily referred to the Committee on Transportation

Passed at the Committee level



Republic of the Philippines  
House of Representatives  
Quezon City



EIGHTEENTH CONGRESS  
Second Regular Session

House Bill No. 7976

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Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

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EXPLANATORY NOTE

Air transportation plays a vital role in the country's economy as it fuels the nation's tourism and trade. The importance of tourism and trade cannot be stressed enough as these two boost the economy, create thousands of employment opportunities and facilitate cultural exchange between Filipinos and foreigners.

As such, one of the top priorities of the country should be the formulation of measures that shall ensure the acceleration of the development of aviation as a mode of transportation in the country. However, the growth of air transportation relies heavily on the nation's aviation infrastructure.

Currently, there are eighty-five (85) domestic and international airports in the Philippines which, however, are under different operational and supervisory controls. To be specific, domestic airports are under the Civil Aviation Authority of the Philippines (CAAP) while the international airports are governed by specific authorities created by law for the purpose which include the Manila International Airport Authority (MIAA), the Clark International Airport Corporation (CIAC), and the Mactan-Cebu International Airport Authority (MCIAA). In effect, the differences between the operational and supervisory controls of the airports in the Philippines have resulted to





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