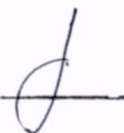


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

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SENATE

RECEIVED BY: _____



P.S. Resolution No. 414

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEES TO
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF
THE AIR PASSENGER BILL OF RIGHTS, AND THE AIRLINE COMPANIES' POLICIES
ON FARES, FEES AND OTHER CHARGES**

WHEREAS, Executive Order No. 219, "Establishing the Domestic and International Civil Aviation Liberalization Policy," signed on 3 January 1995, liberalized the country's domestic airline industry, reducing regulations on tariffs and fares while still subjecting the same to monitoring and approval by the Civil Aeronautics Board (CAB);

WHEREAS, Section 4(e) of Republic Act No. 776, otherwise known as the "Civil Aeronautics Act of the Philippines," states that the CAB shall foster competition between carriers to the extent necessary to assure the sound development of any transportation system properly adapted to the need of the foreign and domestic commerce of the Philippines, of the Postal Service, and of the National Defense;

WHEREAS, in 2012, the Department of Transportation and Communications (DOTC) and the Department of Trade and Industry (DTI) released Joint Administrative Order No. 01, otherwise known as the Air Passengers Bill of Rights, with the goal of infusing balance, fairness, and reasonableness between the passengers and the airline carriers;¹

WHEREAS, a paper on "The State of Competition and Market Structure of the Philippine Air Transport Industry," published by the Philippine APEC Study Center Network (PASCN) in 2001, noted that while the liberalization of the airline industry resulted to lower fares in major airline routes, significant reforms were still needed to foster a more competitive airline market in the Philippines;²

WHEREAS, in its "Report on Airlines' Cancellation and Refund Policy," dated 23 September 2015, the Office for Competition of the Department of Justice (DOJ-OFC) recommended that air carriers operating in the Philippines should adopt international

¹ http://dotr.gov.ph/images/front/air_passenger/dotc%20dti%20jao%20no%201%20s%202012%20-%20air%20passenger%20bill%20of%20rights_10%20december%202012.pdf

² <http://pascn.pids.gov.ph/files/Discussions%20Papers/2000/pascndp0012.pdf>

best practices and clarify their policies for rebooking and foregoing flights for various reasons;³

WHEREAS, according to the DOJ-OFC Report, while deregulation of the airline industry resulted in lower airfares, it also created a new set of consumer protection issues. Deregulation has created an environment where airline carriers are given much independence in determining their policies regarding fares, fees and other costs, which customers have no choice but to adhere to. The asymmetry of information on these charges and their terms and conditions triggered complaints related to the airline's service;⁴

WHEREAS, airlines operating in the country charge passengers with a substantial amount to rebook, reroute, or cancel their flights. Alongside these charges, airline companies employ policies that are unclear or not entirely transparent to the consumers through their General Conditions of Carriage (GCC), which are presented to the customers in full and abbreviated form in fine print before completing a booking. This results to information gaps that hinder passengers from making fully informed decisions;⁵

RESOLVED, AS IT IS HEREBY RESOLVED, by the Philippine Senate to direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the implementation of the Air Passenger Bill of Rights, with specific focus on service-related issues and the airline carriers' policies on fares, fees and other charges.

Adopted,



³ <https://www.doj.gov.ph/files/ofc/Report%20on%20Airlines%20Cancellation%20and%20Refund%20Policy.pdf>

⁴ <https://www.doj.gov.ph/files/ofc/Report%20on%20Airlines%20Cancellation%20and%20Refund%20Policy.pdf>

⁵ <https://www.doj.gov.ph/files/ofc/Report%20on%20Airlines%20Cancellation%20and%20Refund%20Policy.pdf>