

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



23 JAN 10 P5:33

SENATE

S. No. 1646

RECEIVED BY:

Introduced by SENATOR RAMON BONG REVILLA, JR.

**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

The Civil Aviation Authority of the Philippines (CAAP) is the agency responsible for prescribing rules and regulations for all aircraft owned and operated in the Philippines. It is also tasked with the enforcement of laws governing air transportation.

The 10-hour technical glitch at the start of the year that recently paralyzed the operations of Ninoy Aquino International Airport, practically shutting down the Philippine airspace, has further highlighted the need for systems upgrade and the hiring of competent human resources and experts to operate the facilities.

The Department of Transportation (DOTr) has reported that the government needs more than P13 billion to upgrade its air traffic management system, which was estimated to be 10 years behind that of Singapore. CAAP has expressed hope that the fund will be looked into replacing its outdated air traffic control system.

This bill seeks to provide additional Development and Modernization Fund to CAAP for their consistent upgrade of its standards, systems and procedures prescribed for civil aviation and related functions to comply with the International Civil Aviation Organization and other international aviation standards.

Improving the country's overall air traffic services has a direct linkage to economic, tourism and job generation.

In view of ensuring an up-to-date civil aviation standard in the country, the passage of this measure is earnestly sought.


RAMON BONG REVILLA, JR.

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Office of the Secretary

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

1 Section 1. *Short Title.* - This Act shall be known as the "*CAAP Development and*
2 *Modernization Fund Act of 2023.*"

3 Sec. 2. *Declaration of Policy* - It is hereby declared the policy of the State to
4 provide safe and efficient air transport and regulatory services in the Philippines by
5 providing for the creation of a civil aviation authority with jurisdiction over the
6 restructuring of the civil aviation system, the promotion, development and regulation
7 of the technical, operational, safety, and aviation security functions under the civil
8 aviation authority.

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

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

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

4 Sec. 3. *Appropriation.* - The amount of Five Billion Pesos (Php
5 5,000,000,000.00) for the operations of the CAAP shall be chargeable against funds
6 for the purpose and other sources recommended by the Department of Budget and
7 Management (DBM). Thereafter, the appropriations for the CAAP shall be included in
8 the budget proposals under the Department of Transportation (DOTr).

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

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

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

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

23 Sec. 5. *Period of Implementation.* - The development and modernization
24 program under this Acts shall be implemented for an initial period of two (2) years:
25 *Provided*, That payments for multi-year contract obligations incurred under this Act
26 may extend beyond this period: *Provided*, further, That CAAP shall continuously
27 develop, modernize and update its operational capabilities to be aligned with current
28 global civil aviation practices and standards.

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

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

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

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

Approved,