

May 18, 2021

## **BUSINESS COMMENDS HOUSE COMMITTEE APPROVAL OF PHILIPPINE AIRPORTS AUTHORITY BILL; URGES SENATE DELIBERATION**



**AMCHAM**  
**PHILIPPINES**  
AMERICA

The Joint Foreign Chambers (JFC) and industry associations laud the approval in March by the House committees on Government Enterprises and Transportation of House Bill 7976 creating the Philippine Airports Authority (PAA). The two House committees are chaired by Rep. Eric Olivarez and Rep. Edgar Mary Sarmiento, respectively.



**ANZCHAM**  
Philippines  
AUSTRALIAN-NEW  
ZEALAND

The groups also encouraged the Senate to initiate hearings on the reform with a view to approving it by the end of 2021.



**CANADIAN**

In his sponsorship of the bill, Chairperson Olivarez (Paranaque City, 1st District) stated “the differences between the operational and supervisory controls of airports in the Philippines have resulted to conflicting policies and programs among airports concerning airport maintenance, operations and development leaving overall airport management in the country with much room for improvement.”



**EUROPEAN**

HB 7976 seeks to create an independent agency to undertake business and project developments for a reliable and efficient Philippine airport industry, including maintenance and operations. The bill recognizes the pressing need to upgrade existing international and domestic airports and air navigation-related facilities in the Philippines in order to comply with international standards and to better service growing tourist and business travel.

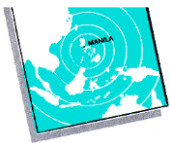


**JAPANESE**

According to Rep. Olivarez, “to bridge the gap between these conflicting policies and further endeavor to meet international standards of airport accommodation and services, HB 7976 proposes a unified approach in the operations of both domestic and international airports which shall be executed by one PAA. Through the creation of a separate autonomous regulatory body the formulation of comprehensive and integrated policies and programs for all domestic and international airport terminals shall be prioritized to comply with international standards of airport services and improve and upgrade airports in our country.”



**KOREAN**



**PAMURI**

Transportation Chairman Rep. Edgar Mary Sarmiento (Samar, 1<sup>st</sup> District) voiced support for the bill, underlining there is a sense of urgency to pass the bill.



In a recent letter sent to the House, the groups reiterated their long advocacy for reforms embodied in HB 7976.

A 2017 policy brief published by the JFC and PBGs recommended transfer to an independent entity that consolidates functions of planning, developing, maintaining all airports and regulating the privatized airports of CAAP. They proposed transfer of powers of the CAAP Board responsible for planning, development, construction, operation, and maintenance or expansion of airports to a new entity “to address coordination failures experienced in the past from shared responsibilities at both a Department of Transportation and a CAAP.”



Once created the PAA will: (a) undertake business and development projects for a more efficient airport industry; and (b) ensure an integrated manner of operating international and domestic airport terminals in the country, thus creating a high value proposition for our underutilized airport assets.



Due to the worsening state of aviation and allied industries in the country - as a result of the Covid-19 pandemic - it is very timely that a law creating a Philippine Airports Authority be enacted to assist the industry to recover when the pandemic ends, according to the groups.



House Speaker Lord Allan Velasco is supporting passage of reforms that improve the country’s business and investment climate. Creation of the PAA is one of the priority measures recommended to him by the groups to recover from the ongoing economic depression.



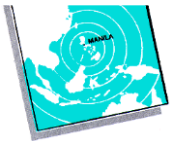
Other industry associations including the Safe Travel Alliance (STA), Air Carriers Association, and International Air Transport Association also support and recommend the bill.



STA Convenor Ms. Cherry Lyn Rodolfo is optimistic on passage of the bill not just for the air transport industries “but most importantly for the users, our Overseas Filipino Workers (OFW), our tourism industry, and our trade sector.”



Senate Bill 1490 filed by Senator Grace Poe is pending with the Senate Government Corporations Committee since May 4, 2020.



Approved by:



American Chamber of Commerce of the Philippines  
 Australian-New Zealand Chamber of Commerce of the Philippines  
 Canadian Chamber of Commerce of the Philippines  
 European Chamber of Commerce of the Philippines  
 Japanese Chamber of Commerce & Industry of the Philippines  
 Korean Chamber of Commerce of the Philippines  
 Philippine Association of Multinational Companies Regional Headquarters, Inc.  
 Semiconductor and Electronics Industries in the Philippines, Inc.