

Presidential Decree No. 1462, s. 1978

Signed on [June 11, 1978](#)

MALACAÑANG

Manila

PRESIDENTIAL DECREE No. 1462

AMENDING CERTAIN SECTIONS OF REPUBLIC ACT SEVEN HUNDRED AND SEVENTY-SIX.

WHEREAS, Republic Act No. 776 was enacted into law on June 20, 1952;

WHEREAS, since then a need has been established for the Civil Aeronautics Board to be given more authority and flexibility to be able to meet the current and future demands on civil aviation development by Philippine trade, commerce and tourism;

NOW, THEREFORE, I FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby order and decree the following amendments to Republic Act No. 776;

Chapter II

General Provisions

Section 1. Section 3 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended by adding to it paragraphs (jj), (kk), and (ll) which read as follows:

“(jj) “General sales agent” means a person, not a bona fide employee of an air carrier, who pursuant to an authority from an airline, by itself or

through an agent, sells or offers for sale any air transportation, or negotiates for, or holds himself out by solicitation, advertisement or otherwise as one who sells, provides, furnishes, contracts or arranges for, such air transportation.

“(kk) “Cargo sales agent” means any person who does not directly operate an aircraft for the purpose of engaging in air transportation or air commerce and not a bona-fide employee of an air carrier, who, as principal or agent, sells or offers for sale any air transportation of cargo, or negotiates for, or holds himself out by solicitation, advertisement, or otherwise as one who sells, provides, furnishes, contracts or arranges for, such air transportation of cargo.

“(ll) “Air freight forwarder” means any indirect air carrier which, in the ordinary and usual course of its undertaking, assembles and consolidates or provides for assembling and consolidating such property or performs or provides for the performance of break-bulk and distributing operations with respect to consolidated shipments, and its responsible for the transportation of property from the point of receipt to point of destination and utilizes for the whole or any part of such transportation the services of a direct air carrier.”

Chapter III

Civil Aeronautics Board

Section 2. Section 5 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended to read as follows:

“Sec. 5. Composition of the Board. The Civil Aeronautics Board shall be composed of the Minister of Tourism as Chairman, the Director of the Civil Aeronautics Administration as Vice Chairman, the Commanding General of the Philippine Air Force and two members to be appointed by the President of the Philippines. They shall hold office at the pleasure of the President. All members of the Board shall be entitled to a per diem of Five Hundred Pesos per member for each meeting actually attended by them, which shall in no case exceed Two Thousand Pesos a month. In case of absence or incapacity of the Minister of Tourism, the Director of the Civil Aeronautics Administration shall act as Chairman.

No member of the Board shall have any pecuniary interest in, or own any stock or bond of, in any civil aeronautics enterprise.”

Section 3. Section 6 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended to read as follows:

“Sec. 6. Principal Office and Quorum. The Board shall have its principal office in Metro Manila and may hold hearings on any proceedings at such time and places within the Philippines as it may provide by order in writing. The Chairman or the Vice Chairman and two members of the Board shall constitute a quorum.”

Section 4. Section 7 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended to read as follows:

“Sec. 7. Permanent Personnel. The Board shall have an Executive Director, a Deputy Executive Director, and a Board Secretary who shall be a member of the Philippine Bar. The Executive Director shall be the Chief Executive of the Board and shall have a compensation of Thirty Seven Thousand Pesos per annum and such other allowances as may be authorized by the Board. He will be assisted by the Deputy Executive Director who shall receive a salary of Thirty Thousand Pesos per annum and such other allowances as the Board may authorize. The Board Secretary shall record all proceedings of the Board, take charge of and keep all its papers, and perform such other duties as may be prescribed by the Board. The Board shall have Chiefs of the Technical Divisions, and such other officers and employees as may be required by the Board in the performance of its functions and duties. The Board Secretary, together with the Chiefs of the Technical Divisions, shall receive a compensation of Twenty-Four Thousand Pesos per annum and such other allowances as the Board may authorize.

In the absence of the Executive Director and the Deputy Executive Directors, the Chairman may designate a senior member of the staff who shall act as Officer-in-Charge.”

Section 5. Section 8 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended to read as follows:

“Sec. 8. Temporary Personnel. The Chairman, upon recommendation of the Board, may engage, for temporary service such duly qualified consultants, experts and agencies and/or other qualified persons as are necessary and shall fix their compensation.”

Section 6. Paragraph (A), and Sub-paragraphs (3) and (4) of Paragraph (c) of Section 10 of Republic Act Numbered Seven and Seventy-Six are hereby amended to read as follows:

“Sec. 10. Powers and Duties of the Board. (A) Except as otherwise provided herein, the Board shall have the power to regulate the economic aspect of air transportation, and shall have the general supervision and regulation of, the jurisdiction and control over air carriers, general sales agents, cargo sales agents, and air freight forwarders as well as their property, property rights, equipment, facilities and franchise, insofar as may be necessary for the purpose of carrying out the provision of this Act.

“(C) (3) To authorize any type of charters whether domestic or international and special air services or flight under such terms and conditions as in its judgment public interest requires. Notwithstanding the existence of bilateral air agreement, the CAB is authorized to grant any foreign airline increase in frequencies and/or capacities on international routes when in its judgment the national interest requires it, provided that the utilization of the increase frequencies and capacities is not more than thirty days. All grants of frequencies and/or capacities shall be subject to the approval of the President.

“(C) (4) To approve or disapprove increase and/or decrease of capital, lease, purchase, sales or aircraft of air carrier engages in air commerce, consolidation, merger, purchase, lease and acquisition and control of operating contracts between domestic air carriers, between domestic and foreign air carrier, or between domestic air carriers or any persons engaged in any phase of aeronautics.”

Chapter IV

Certificate of Public Convenience and Necessity

Section 7. The first paragraph of Section 11, of Republic Act Numbered Seven and Seventy-Six is hereby amended to read as follows:

“Sec. 11. Nature, Terms and Conditions. Certificate of Public Convenience and Necessity is a permit issued by the Board authorizing a person to engage in air commerce and/or air transportation, foreign and/or domestic. No person shall engage in air commerce unless there is in force a permit issued by the Board.”

Section 8. A new paragraph is hereby added after the first paragraph of Section 11 Republic Act Numbered Seven Hundred and Seventy-Six, which read as follows:

“No general sales agent, cargo sales agent or aircraft forwarder shall engage in any of the activities mentioned in Section 3 paragraphs (jj), (kk), and (ll) respectively, unless there is in force a permit or any other form of authorization issued by the Board.”

Section 9. Section 23 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended to read as follows:

“Sec. 23. Transfer of Permit. No permit may be transferred without the prior approval of the Board.”

Chapter VII

Violation and Penalties

Section 10. Paragraph (B) of Section 42 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended to read as follows:

“B. Any air carrier or person who violates or fails to comply with any provision of this Act of the terms, conditions, or limitations in a permit or amendment thereto or any orders, rules or regulations issued by the Board, shall be subject to a fine not exceeding Five Thousand Pesos for each violation. In addition thereto, a fine not exceeding Two Hundred Pesos per day for every day during which such default or violation continues shall likewise be imposed. The Board is hereby empowered to impose such fine, after due notice and hearing.

“The fines so imposed shall be paid to the government of the Philippines through the Board, and failure to pay fines in any case within the time specified in the order or decision of the Board shall be a ground for the suspension of the permit of such air carrier until payment shall be made.

Payment may also be enforced by appropriate action brought to a court of competent jurisdiction.

“The other fines as penalty for violation prescribed elsewhere under this section are amended and/or modified accordingly.

Section 11. Section 51 of Republic Act Numbered Seven Hundred and Seventy-Six is hereby amended to read as follows:

“Sec. 51. Other Fees. When any act of service has been performed or rendered by the Civil Aeronautics Administration or the Civil Aeronautics Board under the provisions of this Act for which no fee has been fixed by law, such fees shall be collected as may from time to time be prescribed by the Civil Aeronautics Administration or the Civil Aeronautics Board, as the case may be: Provided, however, That those to be prescribed by the Civil Aeronautics Administration shall be with the approval of the Department Head.”

Section 12. All acts, part of acts, executive orders, ordinances, rules and regulations which are inconsistent with the provisions of this Decree are hereby repealed, amended or modified accordingly.

Done in the City of Manila, this 11th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) **FERDINAND E. MARCOS**

By the President:

(Sgd.) **JACOBO C. CLAVE**

Presidential Executive Assistant

Source: **Malacañang Records Office**