



Republic of the Philippines  
**CIVIL AVIATION AUTHORITY OF THE PHILIPPINES**

**MEMORANDUM CIRCULAR NO. 32-2020**

**TO : ALL AIR OPERATORS**

**FROM : THE DIRECTOR GENERAL**

**SUBJECT : PROMULGATING THE IMPLEMENTING RULES AND REGULATIONS FOR THE ASSISTANCE PROGRAM TO ASSIST CRITICALLY-IMPACTED BUSINESSES IN THE AVIATION SECTOR**

**DATE : 24 NOVEMBER 2020**

**WHEREAS**, Section 24 (k) of Republic Act No. 9497 or the Civil Aviation Authority Act of 2008 provides the Board of the Civil Aviation Authority of the Philippines (CAAP) to impose and fix reasonable charges for the use of government aerodrome or air navigation facilities;

**WHEREAS**, on 24 March 2020, Republic Act No. 11469 or the Bayanihan to Heal as One Act was passed declaring a state of national emergency over the entire country in view of the continuing rise of confirmed cases of COVID-19, the long-term adverse effects on the means of livelihood of our countrymen, and the severe disruption of economic activities;

**WHEREAS**, on 11 September 2020, Republic Act No. 11494 or the Bayanihan to Recover as One Act was passed declaring the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty, particularly in the aftermath of natural and man-made disasters, through policies that provide adequate social services, and promote full employment, a rising standard of living, and an improved quality of life for all;

**WHEREAS**, it is the policy of the State to reduce the adverse impact of COVID-19 on the economic well-being of all Filipinos through provision of assistance, subsidies, and other forms of socioeconomic relief; to mitigate the economic cost and losses stemming from the COVID-19 pandemic; accelerate the recovery and bolster the resilience of the Philippine economy through measures grounded as economic inclusivity, and collective growth through financial sustainability; and enhance the financial stability of the country to support government programs in combatting the COVID-19 pandemic;

**WHEREAS**, Section 4 (gg) (2) of Republic Act No. 11494 directed the Department of Transportation (DOTr) to provide grants for applicable regulatory fees to critically-impacted businesses in the transportation industry;

**WHEREAS**, on 26 October 2020, DOTr promulgated Department Order (DO) No. 2020-018 ("Guidelines on the Implementation of DOTr Interventions for Critically Impacted Businesses Pursuant to Section 4 (gg) of the Bayanihan to Recover as One Act");

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*M. Tabirao* 11-26-2020  
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Records Officer III  
Central Records and Archives Division



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**WHEREAS**, Section 2 of DO No. 2020-018 mandates Implementing Agencies to prescribe the eligibility requirements and other terms and conditions for assistance, subject to the guidelines issued under Section 4 (gg) of Republic Act No. 11494;

**WHEREAS**, Section 2 (a) of DO No. 2020-18 directs CAAP to promulgate rules, regulations, and guidelines for the undertaking and implementation of an Assistance Program in the amount of Three Hundred Million Pesos (PhP 300,000,000.00) to assist critically impacted businesses with the objective of subsidizing air navigation charges, landing and takeoff fees, and parking fees;

**WHEREAS**, DOTr and CAAP entered into a Memorandum of Agreement for the undertaking and implementation of the Assistance Program to assist critically impacted businesses in the aviation sector;

**NOW, THEREFORE BE IT RESOLVED**, as it is hereby resolved that CAAP shall implement and execute the following guidelines and procedures applicable to the Assistance Program for Critically Impacted Businesses in the Aviation Industry.

**RULE I  
PRELIMINARY PROVISIONS**

*Section 1.01. Title.* These Rules ("Rules") shall be known and cited as the Implementing Rules and Regulations (IRR) of the Civil Aviation Authority of the Philippines' Assistance Program for Critically-Impacted Business in the Aviation Sector (herein referred to as "Program").

*Section 1.02. Purpose.* These Rules are issued to prescribe the guidelines and procedures for the implementation of DO No. 2020-018, otherwise known as the Guidelines on the Implementation of DOTr Interventions for Critically Impacted Businesses Pursuant to Section 4 (gg) of the Bayanihan to Recover as One Act.


*Section 1.03 Interpretation Clause.* These Rules shall be liberally construed to ensure the fulfillment of the policy objectives stipulated in Section 3 of R.A. No. 11494 and DOTr DO No. 2020-018.

**RULE II  
DEFINITION OF TERMS**

*Section 2.01 Definition of Terms.* As used in these Rules, the following terms shall mean:

- (a) **Air navigation charges** - Refers to all operational charges for the use of enroute and airport/terminal navigation facilities and services provided by the Civil Aviation Authority of the Philippines to aircraft on international, domestic and general aviation operations flying into and out of airports in the Republic of the Philippines, and aircraft overflying the Manila Flight Information Region, without landing at any Philippine airport.
- (b) **Authority** – Refers to the Civil Aviation Authority of the Philippines.

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- (c) **Critically impacted businesses** – For the purpose of these Rules, critically impacted businesses in the aviation transportation industry shall refer to persons, organizations or enterprises holding an Air Operator Certificate issued by the Civil Aviation Authority of the Philippines.
- (d) **Commercial air transport** – An aircraft operation involving the transport of passengers, cargo or mail for remuneration or hire.
- (e) **Department** – Refers to the Department of Transportation.
- (f) **Landing and Takeoff fees** – Refers to fees charged for the use of aircraft of the airport facilities and services for landing and take-off.
- (g) **Parking fees** – Refers to all fees charged to aircraft for the use of facilities and services for parking at the terminal apron or remote parking areas from the time of landing up to the time of take-off.
- (h) **Scheduled commercial air transport** - Flights performed by aircraft for the transport of passengers, mail or cargo for remuneration, in such a manner that each flight is open to use by members of the public, and operated either (i) according to a published timetable, or (ii) with flights so regular or frequent as to constitute a recognizably systematic series.

**RULE III  
ASSISTANCE PROGRAM FOR  
CRITICALLY-IMPACTED BUSINESSES IN AVIATION**


*Section 3.01. Fund Source.* The Program shall be funded from the Department's appropriations authorized under Section 10 (g) (1) of R.A. No. 11494, of which Three Hundred Million Pesos (PhP 300,000,000.00) was allocated for the Authority's Program.

*Section 3.02. Fund Use.* The Program funds shall be used with the objective of subsidizing the air navigation charges, landing and takeoff fees, and parking fees accrued by critically impacted businesses, as defined in these Rules, during the effectivity of R.A. No. 11494.

Utilization and disbursement of the above financial assistance shall be subject to availability of funds and to the usual accounting and auditing rules and regulations.

*Section 3.03. Procedure.* Upon publication and effectivity of this Memorandum Circular, qualified beneficiaries falling under the definition of "critically impacted business" as defined in these Rules shall file a written request addressed to the Director General of the Authority formally requesting assistance and availment of the grant for regulatory fees subsidy under the R.A. No. 11494.

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The Flight Standards Inspectorate Service shall furnish the Office of the Director General with a list of air operators that meet the criteria of a critically impacted business. The said list shall be used by the latter to evaluate, verify and approve the written request.

Upon approval, the Director General shall furnish the qualified air operator a written notice of the same. The aforementioned approval shall be valid for the duration of the Program or until the lapse of the effectivity of R.A. No. 11494, whichever comes first.

All monthly billings for the aforementioned charges shall be prepared by the Area Centers following the regular process. Prior to dispatch, the Area Center shall coordinate with the Head Office with regards to the availability of funds and shall seek approval and concurrence of the Finance Department on the amount to be subsidized, which shall be reflected in the dispatched billing.

If the balance of the trust fund is insufficient to cover the total billings of all qualified beneficiaries for the month, each beneficiary's claims shall be subsidized on a pro-rated basis based on the remaining fund balance.

Upon approval of the Finance Department, the Area Center shall dispatch the billing reflecting the subsidized amount with the annotation "***These charges are paid for/subsidized in (full/part) by the Republic of the Philippines by virtue of R.A. No. 11494.***" and furnish the Head Office, through the Finance Department, copies of the same.

*Section 3.04 Liquidation.* The Authority shall submit a monthly liquidation report to the Department, attached with the following liquidation documents:

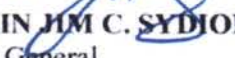
- (a) Journal Entry Voucher, consolidated per Area Center;
- (b) Summary of Dispatched Billings; and
- (c) Copy of Dispatched Billings.

**RULE IV  
EFFECTIVITY**

*Section 4.01. Separability Clause.* Should any provision herein be declared unconstitutional or contrary to law, the same shall not affect the validity of the other provisions of these Rules.

*Section 4.02. Effectivity.* These Rules shall take effect retroactively on 1 November 2020 and shall be valid in consonance with the effectivity of R.A. No. 11494.

For information and strict implementation.

  
**CAPTAIN JIM C. SYDIONGCO**  
Director General  
Civil Aviation Authority of the Philippines

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