

[CAB RESOLUTION NO. 74 (2009), October 01, 2009]

GUIDELINES IN THE APPROVAL OF PROMOTIONAL FARES AND THE ADVERTISEMENT THEREOF

WHEREAS, the CAB under Section 10 (C) (2) of RA 776 is authorized to fix and determine reasonable individual, joint or special rates, charges or fares, which an air carrier may demand, collect or receive for any service in connection with air commerce and corollarily all other matters arising therefrom;

WHEREAS, R.A. No. 7394, otherwise known as the "Consumer Welfare Act of the Philippines" declares it as the Policy of the State to protect the interests of the consumer, promote his general welfare, and to establish standards of conduct for business and industry. Likewise, it declares unlawful any false, deceptive or misleading advertisement;

WHEREAS, the CAB has been receiving complaints on the advertisement posted by airlines relative to CAB approved promotional fares as being deceptive and misleading;

WHEREAS, these guidelines and procedures shall be applicable only to approval of promotional fares and the advertisement thereof, and does not include sales promotion campaigns and activities as defined under R.A. No. 7394, which falls under the exclusive jurisdiction of the Department of Trade and Industry (DTI);

WHEREAS, there is a need to establish parameters and procedures in approving promotional fares and the advertisement thereof in any medium for purposes of monitoring transparency, and compliance with the state policy enunciated under RA 7394, to protect public interest;

NOW, THEREFORE, the Board RESOLVED, as it hereby RESOLVES to adopt the following guidelines and procedures for the approval of promotional fares and the advertisement thereof.

1. An airline applying for promotional fares shall file before the Board a letter request addressed to the Executive Director, stating therein the restrictions, duration and other conditions of the said promotion, at least three (3) days before the intended implementation or publication thereof, whichever comes first. The applications shall be acted upon by the CAB with dispatch, which in no case shall be longer than two (2) days before the publication thereof;

2. The said letter request shall be evaluated in accordance with Section 10 (C) (2) of RA 776 which provides:

(2) To fix and determine reasonable individual, joint or special rates, charges or fares, which an air carrier may demand, collect or receive for