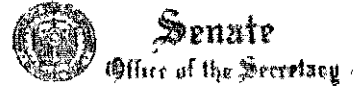


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'13 JUL -9 19:11

SENATE
S.B. No. 667

RECEIVED BY: *ji*

Introduced by Senator LOREN LEGARDA

EXPLANATORY NOTE

This bill seeks to establish the Aklan Airport Authority to oversee the economical, efficient and effective control, management and supervision of the Kalibo Airport in the Municipality of Kalibo and the Caticlan Airport in the Municipality of Malay, both in Aklan.

The world famous resort of Boracay in the Province of Aklan is one of the top tourist destinations of the Philippines. Business activities also flourished in the area to cater to foreign and local visitors.

Volumes of passenger air traffic plying the Kalibo-Manila-Kalibo, Manila-Caticlan-Manila, and Kalibo-Cebu-Kalibo routes have steadily grown due to both domestic and foreign tourist arrivals. Thus, there is a need to improve, expand, and upgrade the facilities in the two airports including night landing and all weather airport equipment and system, to cope with the demands of tourism and maximize the business and trade brought about by the same.

Through the passage of this bill, such need will be addressed.

In view of the foregoing, immediate passage of the bill is earnestly sought.


LOREN LEGARDA
Senator



'13 JUL -9 A9:11

SENATE

S.B. No. 667

RECEIVED BY: *ji*

Introduced by Senator Loren Legarda

AN ACT
CREATING THE AKLAN AIRPORT AUTHORITY AND FOR OTHER
PURPOSES

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

1 **Section 1. Title.** - This Act shall be known and cited as the "Charter of the
2 **Aklan Airport Authority."**

3
4 **Sec 2. Creation of the Aklan Airport Authority.** - There is hereby established
5 a body corporate to be known as Aklan Airport Authority which shall be attached to
6 the Department of Transportation and Communications. The principal office of the
7 Authority shall be located at Kalibo, Province of Aklan.

8
9 The Authority may have such branches, agencies or subsidiaries as it may
10 deem proper and necessary.

11
12 **Sec. 3. Primary Purpose and Objectives.** - The Authority shall principally
13 undertake the economical, efficient and effective control, management and
14 supervision of the Kalibo Airport in the Municipality of Kalibo and Caticlan Airport
15 in the Municipality of Malay, hereinafter collectively referred to as the airports, and
16 such either airports as may be established in the Province of Aklan. In addition, it
17 shall have the following objectives:

- 18
19 (a) To encourage, promote and develop international and air traffic in the central
20 and western Visayas regions as a means of making regions centers of
21 international communication in the country; and

1 (b) To upgrade the services the facilities of the airports and formulate
2 international acceptable standards of airports accommodation and service.
3

4 **Sec. 4. *Functions, Powers and Duties.*** - The Authority shall have the
5 following, powers and duties:
6

7 (a) To formulate comprehensive and integrated development policy and
8 programs of the airport and to implement, review and update such policy
9 and program periodically;

10 (b) To control supervise, construct, maintain, operate and provide such facilities
11 or services as shall be necessary for the efficient functioning of the airports;

12 (c) To promulgate rules and regulations governing the planning, development
13 maintenance, operation and improvement of the airports, to control and
14 supervise the construction of any structure or the rendition of any service
15 within the airports;

16 (d) To exercise all the power of the Corporation Code of the Philippines, insofar
17 as those powers are not consistent with the provisions of this Act;

18 (e) To acquire, purchase, own, administer, lease, mortgage, sell or otherwise
19 dispose of any land, building, airport facility, or property of whatever kind
20 and nature, whether movable or immovable, or any interest therein: Provided
21 that any asset located in the Kalibo Airport important to national security
22 shall not be subject to alienation or mortgage by the authority nor to transfer
23 to any entity other than the National Government;

24 (f) To exercise the power of eminent domain in the pursuit of its purposes and
25 objectives;

26 (g) To levy and collect dues, charges, fees or assessments of the use of the airport
27 premises works, appliances, facilities or concession, or for any service
28 provided by the Authority.

29 (h) To retain and appropriate dues, and charge collected by the Authority
30 relative to the use of airport premises for such measures as may be necessary
31 to make the authority more effective and efficient in the discharge of the
32 assigned tasks;

33 (i) To invest its idle funds, as it may deem proper in government securities and
34 other evidence of indebtedness: and

1 (j) To provide services, whether on its own otherwise, within the airports and
2 the approaches thereof as may be necessary or in connection with the
3 maintenance and operation of the airports and their facilities.
4

5 **Sec. 5. Police Authority.** - The Authority shall have the power to exercise
6 such police authority as may be necessary within its premises or areas of operation
7 to carry out its functions and attain its purposes and objective: Provided that the
8 Authority may request the assistance of the law enforcement agencies, including
9 request for deputization as may be required. Such police authority shall be exercise
10 in connection with the following among others:
11

12 (a) Maintenance of security to passengers, cargoes, aircraft, airport, equipment,
13 structures, facilities, personnel, funds and documents;

14 (b) Regulating the entry to, exit from and movement within the airports;

15 (c) Maintenance of peace and order within the premises of Authority;

16 (d) Regulation and supervision of private security agencies operating in the
17 airports;

18 (e) Enforcement of the rules and regulations promulgated by the Authority
19 pursuant to law; and

20 (f) In case of emergencies or imminent danger involving danger involving
21 national security within the airport premises, the Philippine Air Force
22 Security Command shall take charge.
23

24 **Sec. 6. Boards of Directors.** - The corporate powers of the Authority shall be
25 exercised by the board of eleven (11) members, which shall be composed of a
26 chairman a vice chairman and nine (9) members. The Secretary of Transportation
27 and Communication and the General Manager of the Authority shall be the ex-
28 officio chairman and vice chairman of the boards, respectively. The Secretary of
29 Finance, the Secretary of Tourism, The Chief of Staff of the Armed Forces of the
30 Philippines, the Commissioner of Immigration and Deportation, and the Provincial
31 Governor of Aklan, or their duly authorized representatives shall be ex-officio
32 members together with four (4) members from the private sector who shall be
33 residents of Aklan to be appointed by the board upon recommendation of the
34 provincial Governor.

1 The Board shall promulgate its rules relative to meetings, quorum
2 requirements and compensation or allowances of the members, provided, that said
3 compensation or allowance shall be in accordance with existing rules and
4 regulation.

5
6 **Sec. 7. Functions, Powers, and Duties of the Board.** - In addition to the
7 powers vested in the Board under the other sections of this Act, the board shall have
8 the following functions, powers and duties;

- 9
- 10 (a) To define and approve the programs, plans, policies, procedure, and
11 guidelines of the Authority who shall be done by the Chief Executive Officer
12 of the Authority;
 - 13 (b) To recommend to the President of the Philippines for the appointment, a
14 general manager of the Authority who shall be the Chief Executive Officer of
15 the Authority;
 - 16 (c) To approve the Authority's organizational and administrative structure,
17 staffing pattern, operating and capital expenditures, and financial budgets
18 upon recommendation of the General Manager;
 - 19 (d) To approve the salary ranges, benefits and other terms and condition of
20 service for all officers and employees of the authority upon recommendation
21 of the General Manager, which shall be subjected to existing laws, rules and
22 regulation;
 - 23 (e) To fix the rates of dues, charges, fees or assessments for the use of the airport
24 premises, works, appliances, facilities, concessions, services and other fees
25 and charges related to the activities of the airport, upon recommendation of
26 the general manager, and
 - 27 (f) To exercise all functions and powers necessary or incidental to attain the
28 purpose and objectives of this Act.
- 29

30 **Sec. 8. Functions, Powers and Duties of the General Manager.** - the General
31 Manager shall be directly responsible to the Board and shall have the following
32 functions, power and duties:

- 33
- 34 (a) To direct and supervise the day-to-day management, operation and
35 administration of the airports;

- 1 (b) To implement and enforce decisions, orders, rules and regulations issues,
2 prescribed or adopted by the Board;
- 3 (c) To undertake the researches, studies, investigations and other activities
4 related to the present operations and future improvements of the airports,
5 and to submit comprehensive reports and appropriate recommendation to
6 the Board of proper action;
- 7 (d) To appoint, transfer, suspend, remove or otherwise any subordinate officers
8 or employees of the Authority, the approval of the board;
- 9 (e) Within the limits of the Authority delegated to him by the Board, to execute
10 contracts, incur obligations, acquire and dispose of assets, and deliver
11 documents on behalf of the Authority;
- 12 (f) To grant permits or concessions to do business with the airports in
13 accordance with such rules and regulations to be promulgated by the
14 Authority for the purpose; and
- 15 (g) To perform such other duties as the Board may delegate or assign and such
16 acts as may necessary and proper to implement this Act.

17
18 **Sec. 9. Capital.** - The Authority shall have an authorized capital stock equal
19 to or consisting of:

- 20
21 (a) The value of fixed assets (including airport facilities, runways and
22 equipment) and such other properties, movable, currently administered by or
23 belonging to the airports as valued on the date of the effectivity of this Act;
- 24 (b) The value of such real estate owned and/or administered by the airports;
- 25 (c) Government contribution in such amount as maybe deemed an appropriate
26 initial amount, as approved by the president of the Philippines which shall be
27 more or less equivalent to sixty (60) months working capital requirement of
28 the requirement of the Authority shall be provided for the General
29 Appropriations Act.

30
31 **Sec. 10. Distribution of Income.** - Should the Authority operate with a profit,
32 the net income shall be distributed as follows:

- 33
34 (a) Thirty Percent (30%), shall be remitted to the National Government;
- 35 (b) Ten Percent (10%) shall be remitted to the Provincial Government;

- 1 (c) Five Percent (5%) shall be remitted to the Municipal Government of Kalibo;
2 and
3 (d) Fifty-Five Percent (55%) shall be retained by the Aklan Airport Authority for
4 capital and other improvement.
5

6 **Sec. 11. Auditor.** - The Commission on Audit may appoint a representative
7 who shall be the auditor of the Authority together with the necessary personnel to
8 assist said representative in the performance of his duties the number and salaries of
9 the auditor and said personnel shall be determined by the chairman if the
10 Commission on Audit in accordance with the revised compensation and position
11 classification system and other applicable laws, rules and regulation.
12

13 The Auditor shall as soon as possible but not later than three (3) months after
14 the accounts have been submitted for audit, send annual report to the Board. The
15 Auditor may also submit such periodic and special reports as the Board deem
16 necessary.
17

18 **Sec. 12. Annual Report.** - The Board shall submit to the President through the
19 Department of Transportation and Communication and both Houses of Congress of
20 the Philippines, together with the audit report of the relevant accounts, an annual
21 report generally dealing with the activities and operations of the Authority.
22

23 **Sec. 13. Applicability of the Civil Service Laws.** - The Authority and its
24 officials and employees shall be subjected to the civil service laws and its rules and
25 regulations.
26

27 **Sec. 14. Borrowing Power.** - The Authority may, in accordance with existing
28 laws, rules, and regulations on local and foreign borrowing, raise, either from local
29 or international sources, by way of loans, credits or securities, and other borrowing
30 instrument with the power to create the pledges, mortgages and other voluntary
31 liens or encumbrances or any of its assets or properties upon recommendation of the
32 Secretary of the Transportation and Communications and subject to the prior
33 approval of the President of the Philippines.
34

1 All loans contracted by the Authority under this section together with all
2 interests and other sums payable in respect thereof shall constitute a charge upon all
3 revenues and assets of the Authority and shall rank equally with one another, but
4 shall have priority over any other claim on charge on the revenue and assets of the
5 authority; *Provided*, that this provision shall not be constructed as a prohibition or
6 restriction on the power of the authority to create pledges, mortgages and voluntary
7 liens or encumbrances on any assets or property of the Authority.

8 The Payment of the loans or other indebtedness of the Authority may be
9 guaranteed by the National Government subject to the approval of the President of
10 the Philippines.

11
12 **Sec. 15. *Tax Exemption.*** - The Authority shall be exempt from the payment of
13 corporate income taxes. The Authority shall likewise be exempt from realty taxes
14 imposed by the National Government or any of its political subdivisions, agencies
15 and subsidiary which may be organized by the authority shall be for period of five
16 (5) years from the effectivity of this Act.

17
18 **Sec. 16. *Transfer of Existing Facilities and Intangible Assets.*** - All existing
19 public airport facilities, runways, lands, buildings and other properties movable and
20 immovable belonging to or presently administered by the airports, and all assets,
21 powers, rights, interest or privileges relating to airport works or air operation,
22 including all equipment which are necessary for operation of the air navigation, air
23 traffic control and crash fire, and rescue facilities are hereby transferred to the
24 Authority.

25
26 **Sec. 17. *Projects in Progress.*** - All ongoing projects relating to the
27 construction of airport facilities shall be continued by agency or agencies involved
28 until their completion thereafter such projects shall be transferred to the Authority
29 in accordance with agreement among agencies concerned. Any disagreement
30 relating to such transfer shall be submitted to the President of the Philippines for
31 final decision.

32
33 **Sec. 18. *Transfer Liabilities and Debts.*** - Upon transfer to and acceptance by
34 the Authority of the physical facilities, intangible assets and completed projects
35 referred to in the preceding sections, all debts, liabilities and obligations of

1 government agencies or entities concerned in respect of such physical facilities,
2 tangible assets and completed projects within the airports shall likewise be assumed
3 by the Authority.

4
5 **Sec. 19. Funding.** - The amount necessary to initially pay for the capital stock
6 of the Authority shall be included in the General Appropriations Act of the year
7 following its approval. Thereafter, subsequent government contribution to the
8 capital of the Authority shall be included in the General Appropriations Act.

9
10 **Sec. 20. Abolition of Kalibo Airport as a Division of the Air Transportation**
11 **Office.** - The Kalibo Airport including the Caticlan Airport as a division under the
12 Air Transportation Office is hereby abolished. The Airport General Manager of the
13 Kalibo Airport shall continue in office and shall perform all powers and functions of
14 the Authority until such time as the General Manager is appointed for the smooth
15 transfer of responsibility from the abolished entity to the Authority; *Provided*, that no
16 official or employee shall be terminated; and *Provided further*, that existing personnel
17 shall have the option either to be absorbed by the Authority or remain with the Air
18 Transportation Office.

19
20 **Sec. 21. Repealing Clause.** - All laws, executive orders, letters of instructions,
21 rules and regulations or provisions thereof which are inconsistent with this Act are
22 hereby repealed, amended or modified accordingly.

23 **Sec. 22. Separability Clause.** - If any portion of this Act shall be held invalid
24 or unconstitutional, such invalidity or unconstitutionality shall not effect the other
25 provisions hereof which shall remain in full force effect.

26
27 **Sec. 23. Effectivity Clause.** - This act shall take effect fifteen (15) days after its
28 publication in two (2) newspapers of general circulation.

29
30 Approved,