

Republic of the Philippines
Congress of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session
2496
HOUSE BILL NO. _____

Introduced by Representative MANUEL JOSE M. DALIPE

EXPLANATORY NOTE

This bill seeks the creation of Zamboanga International Airport Authority (ZIAA) Authority), a government entity clothed with corporate personality and sufficient powers and authority to efficiently manage and administer the operations of the Zamboanga International Airport. This proposed measure was filed in the previous Congress and re-filed by the undersigned in the 18th Congress.

The Zamboanga International Airport in Zamboanga City is one of the country's major airports in Mindanao catering to thousands of travelers not only from Zamboanga City but also the from the rest of Western Mindanao including ARMM provinces of Basilan, Sulu, and Tawi-tawi.

With the creation of ZIA Authority, we hope to achieve the desired degree of efficiency, effectiveness, and economy in the operations of the ZIA being the center of air traffic in Western Mindanao. The people of Zamboanga City and the entire Western Mindanao will surely benefit from the establishment of ZIA Authority as it is expected to further boost city tourism and accelerate the growth and development of the region and nearby provinces.

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

A large, stylized handwritten signature in black ink, appearing to read "Dalipe".

MANUEL JOSE M. DALIPE
Representative, 2nd District, Zamboanga City

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AN ACT
CREATING THE ZAMBOANGA INTERNATIONAL AIRPORT AUTHORITY
AND PROVIDING FUNDS THEREFOR

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

SECTION 1. Title. - This Act shall be known as the "Charter of the Zamboanga International Airport Authority."

SEC. 2. Creation of the Zamboanga International Airport Authority. - There is hereby established a body corporate to be known as the Zamboanga International Airport Authority, hereinafter referred to as "Authority", which shall be attached to the Department of Transportation (DOTr). The principal office of the Authority shall be located at the Zamboanga International Airport, Zamboanga City.

The Authority shall have such branches, agencies, or subsidiaries as it deems proper and necessary.

SEC. 3. Objectives. - The Authority shall principally undertake the economical, efficient and effective control, management and operation of the Zamboanga International Airport in Zamboanga City. In addition, it shall have the following objectives:

- (a) To encourage, promote and develop international and domestic air traffic in Zamboanga Peninsula Region as a means of making the region a center of international trade and tourism, and accelerating the development of the means of transportation and communications in the country; and
- (b) To upgrade the services and the facilities of the Zamboanga International Airport and formulate international acceptable standards of airport accommodation and service.

SEC. 4. Duties and Functions. - The Authority shall have the following powers and functions:

- (a) To formulate a comprehensive and integrated development policy and program for the Zamboanga International Airport and implement review and update such policy and program periodically;
- (b) To supervise, control, construct, maintain, operate and provide such facilities or services as shall be necessary for the efficient functioning of the Zamboanga International Airport with ICAO standards;
- (c) To promulgate rules and regulations governing the planning, development, maintenance, operation and improvement of the Zamboanga International Airport, and to supervise and control the construction of any structure or the rendition of any service within the Zamboanga International Airport;
- (d) To exercise all the powers of a corporation under the Corporation Code of the Philippines, insofar as those powers are not inconsistent with the provisions of this Act;
- (e) To acquire, purchase, own, administer, lease, mortgage, sell or otherwise dispose of any land, building, airport facility, or property of whatever kind and nature whether movable or immovable or any interest therein; *Provided*, that any asset located in the Zamboanga International Airport important to national security shall not be subject to alienation or mortgage by the Authority nor transfer to any entity other than the National Government;
- (f) To exercise the power of eminent domain in the pursuit of its purposes and objectives;
- (g) To levy and collect dues, charges, fees or assessments for the use of the airport premises, works, appliances, facilities or concessions or for any service provided by the Authority;
- (h) To retain and appropriate dues, fees and charges collected by the Authority relative to the use of airport premises for such measures as may be necessary to make the Authority more effective and efficient in the discharge of the assigned tasks;
- (i) To invest idle funds, as it may deem proper in government securities and other evidences of indebtedness; and
- (j) To provide services, whether on its own or otherwise, within the Zamboanga International Airport and the approaches thereof as may be necessary or in connection with the maintenance and operation of the Zamboanga International Airport and their facilities.

SEC. 5. Police Authority. – The Authority shall have the power to exercise such police authority as may be necessary within its premises or areas of operation to carry out its functions and attain its purposes and objectives; *Provided*, That the Authority may request the assistance of the law enforcement agencies, including request for deputization as may be required. Such police authority shall be exercised in connection with the following, among others:

- (a) Maintenance of security to passengers, cargoes, aircraft, airport equipment, structures, facilities, personnel, funds and documents;
- (b) Regulation of the entry to, exits from, and movement within the airports;
- (c) Maintenance of peace and order within the premises of the Zamboanga International Airport;
- (d) Regulation and supervision of private security agencies operating in the Zamboanga International Airport;
- (e) Enforcement of the rules and regulations promulgated by the Authority pursuant to law; and

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

SEC. 6. Board of Directors. – The corporate powers of the Authority shall be exercised by and vested in the Board of Directors, hereinafter referred to as the Board, which shall be composed of a Chairperson, a Vice Chairperson, and nine (9) members. The Secretary of Transportation and the General Manager of the Authority shall be the *ex-officio* Chairperson and Vice Chairperson of the board, respectively.

The Director General of the Civil Aviation Authority of the Philippines (CAAP), the Secretaries of the following executive departments or any Undersecretary or Assistant Secretary designated by the respective Secretaries of the Department of Finance, Department of Justice, Department of Health, Department of Agriculture, and Department of Tourism shall be *ex officio* members of the Board.

In addition, three (3) members from the private sector shall be appointed by the President of the Philippines for a term of three (3) years, subject to the existing rules and regulations of the Governance Commission for GOCCs (GCG).

The Board shall promulgate its rules relative to meetings, quorum requirements and compensation or allowances of the members, subject to existing rules and regulations.

SEC. 7. Functions, Powers and Duties of the Board. – The Board shall have the following functions:

- (a) To define and approve the policies, plans and programs, procedures, and guidelines of the Authority for the development and operation of the Zamboanga International Airport;
- (b) To appoint the General Manager of the Authority who shall be the chief executive officer of the Authority;
- (c) To approve the Authority's organizational and administrative structure, staffing pattern, operating and capital expenditures and financial budgets upon the recommendation of the General Manager, subject to the final approval of the GCG;
- (d) To approve salary ranges, benefits and other terms and conditions of service for all officers and employees of the Authority, upon the recommendation of the GCG, which shall, as far as possible, be competitive with those offered in the private sector, subject to the approval of the President;
- (e) To fix the rate of dues, charges, fees, or assessments for the use of the airport premises, works, appliances, facilities, concessions, services and other fees and charges related to the activities of the airport, upon the recommendation of the General Manager, and
- (f) To exercise all the functions and powers necessary or incidental to attain the purposes and objectives of this Act.

SEC. 8. Duties of the General Manager. – The General Manager shall be directly responsible to the Board and shall exercise the following duties:

- (a) To direct and supervise the day-to-day management, operation and administration of the Zamboanga International Airport;

- (b) To implement and enforce decisions, orders, rules and regulations issued, prescribed or adopted by the Board;
- (c) To undertake researches, studies, investigations and other activities related to the present operations and future improvement of the Zamboanga International Airport and submit comprehensive reports and appropriate recommendation to the Board for proper action;
- (d) To appoint, transfer, suspend, remove or otherwise discipline any subordinate officer or employee of the Authority, subject to the approval of the Board and in accordance with the existing rules and regulations of the Civil Service Commission;
- (e) Within the limits of the authority delegated by the Board, execute contracts, incur obligations, acquire and dispose of assets and deliver documents on behalf of the Authority;
- (f) To grant permits or concessions to do business within the airport in accordance with such rules and regulations to be promulgated by the Authority for the purpose; and
- (g) To perform such other duties as the Board may delegate or assign or such acts as may be necessary and proper to implement this Act.

SEC. 9. *Authorized Capital.* - The Authority shall have an authorized capital stock equal to:

- (a) The value of fixed assets, including airport facilities, runways and equipment, and such other properties, movable and immovable currently administered by or belonging to the Zamboanga International Airport which shall be determined by an independent and qualified appraiser or appraisers within (6) months from the effectivity of this Act;
- (b) The value of such real estate owned or administered by the Zamboanga International Airport; and
- (c) Government contribution in such amount as may be deemed appropriate initial balance. Such initial amount, as approved by the President of the Philippines, which shall be more or less equivalent to six (6) months working capital requirement of the Authority, is hereby authorized to be appropriated in the annual General Appropriations Act of the year following the effectivity of this Act. Thereafter, the government contribution to the capital of the Authority shall be provided in the annual General Appropriations Act.

SEC. 10. *Resident Auditor.* - The Commission on audit shall appoint a representative who shall be the auditor of the Authority, together with the necessary personnel to assist said representative in the performance of duties. The number and salaries of the auditor and said personnel shall be determined by the Commission on Audit, subject to its rules and regulations.

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

SEC. 11. *Annual Report.* – An annual report of the activities and operations of the Authority, together with the audit report, shall be submitted by the Board to the President of the Philippines and to both Houses of Congress, through the Department of Transportation.

SEC. 12. *Applicability of Civil Service Laws.* – The Authority and its officials and employees shall be subject to civil service laws and pertinent rules and regulations issued by the Civil Service Commission.

SEC. 13. *Borrowing Power.* – The Authority may, in accordance with Section 21, Article XII of the Constitution and other existing laws, rules and regulations on local or foreign borrowing, raise funds, either from local or international sources, by way of loans, credits or securities, and other financing instruments with the power to create pledges, mortgages and other voluntary liens or encumbrances on any of its assets or properties, subject to the prior approval of the President of the Philippines.

All loans contracted by the Authority under this section, together with all interest and other sums payable in respect thereof, shall constitute a charge upon all revenues and assets of the Authority and shall rank equally, but shall have priority over any claim or charge on the revenue and assets of the Authority: *Provided*, That this provision shall not be construed as a prohibition or restriction on the power of the Authority to create pledges, mortgages and other voluntary liens or encumbrances on any asset or any asset or property of the Authority. The payment of the loans or other indebtedness of the Authority may be guaranteed by the National Government subject to the approval of the President of the Philippines.

SEC. 14. *Tax Exemptions.* – The Authority shall be exempt from realty taxes imposed by the local government or any of its political subdivisions, agencies and instrumentalities for the first ten (10) years of its operations: *Provided*, That no tax exemption herein granted shall extend to any subsidiary which may be organized by the Authority.

SEC. 15. *Transfer of Existing Facilities and Intangible Assets.* – All existing public airport facilities, runways, lands, buildings, and other properties, movable or immovable, belonging to or presently administered by the Zamboanga International Airport, and all assets, power, rights, interest, and privileges relating to airport works or air operations, including all equipment which are necessary for the operation of air navigation, aerodrome control towers, crash, fire, and rescue facilities are hereby transferred to the Authority: *Provided, however*, That the operational control of all equipment necessary for the operation of radio aids to air navigation, airways communication, the approach control office, and the area control center shall be retained by the CAAP. No equipment, however, shall be removed by the CAAP from the Zamboanga International Airport without the concurrence of the Authority. The authority may assist in the maintenance of CAAP equipment.

SEC. 16. *Projects in Progress.* – All ongoing projects relating to the construction of Zamboanga international Airport facilities and supply of equipment shall be administered and undertaken by the Authority.

SEC. 17. *Transfer of Liabilities and Debts.* – Upon the transfer to and acceptance by the Authority of the existing physical facilities, intangible assets, and completed projects referred to in the preceding sections, all debts, liabilities and obligations of government agencies or entities concerned in respect of such physical facilities, intangible assets and completed projects within the Zamboanga International Airport shall likewise be assumed by the Authority.

SEC. 18. *Transitory Provision.* – The General Manager of the Zamboanga International Airport shall continue in office and shall perform all powers and functions of the Authority until such time that a General Manager is appointed in accordance with the provisions of this Act. Official and employees whose services are terminated shall, if not eligible for retirement, be given gratuities equivalent to (1) month salary for every year of continuous satisfactory service on the basis of highest salary received in addition to other benefits accorded to them by existing laws.

SEC. 19. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, such parts or provisions not affected thereby shall remain in full force and effect.

SEC. 20. *Repealing Clause* – All laws, executive orders, letters of instruction, rules and regulations or provisions thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 21. *Effectivity* – This shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.