

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS

First Regular Session

0341



INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

EXPLANATORY NOTE

Transportation security is a primordial concern globally as it is prone to lapses and breaches in strictly implementing existing protocols and non-compliance to international commitments. It is for such reasons that transportation security of nations are being reviewed and updated to ensure that sufficient measures are provided to protect lives and properties from different threats or unlawful acts that may lead to disruptions of various modal transport activities.

The Philippines as a signatory to international conventions and agreements is expected to step up and comply with international transport security administration such as maritime travel, civil aviation, pipeline transport, land and rail transportation systems.

On April 26, 2004, President Gloria Macapagal Arroyo issued Executive Order No. 311 on April 26, 2004, amending E.O. No. 277, and designated the Office of Transportation Security as the single authority for the security of all transportation modes in the country.

Up to this date, there are numerous government agencies administering transport security functions in compliance with their Charters and existing laws. However, it is crucial that there is a body that will ensure strict compliance to national and international standards and protocols and will provide the required systems of check and balance, public accountability and prevent conflict of interests in addressing present and future challenges.

The creation of a National Transportation Security Regulatory Commission will emphasize our commitment to address the need of our country and ensure compliance with international commitments. The Commission shall have jurisdiction, supervision, and control over all security arrangements and standards involving different modes of transportation whether land, air or sea including their respective facilities and transport systems.

The OTS will be transformed into a Commission and will be the single regulatory oversight body for the security of transportation systems with quasi-judicial and quasi-legislative powers to pursue effectively its mandate. It shall be attached to the Office of the President for administrative and budgetary purposes.

The threats to our transportation security is real and we have to be on top of the situation to deter these unlawful acts that will endanger the lives of the general public.

The strong support of the Members of Congress for the immediate passage of this refiled bill is earnestly sought.

A handwritten signature in black ink, appearing to read "X-JR", written over a horizontal line.

XAVIER JESUS D. ROMUALDO

Republic of the Philippines
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HOUSE BILL NO. **0341**

INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

AN ACT
TRANSFORMING THE OFFICE FOR TRANSPORTATION SECURITY INTO THE
NATIONAL TRANSPORTATION SECURITY REGULATORY COMMISSION AND
FOR OTHER PURPOSES

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

CHAPTER I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known and cited as the “Aviation and Transportation Security Act of 2018.” It shall hereinafter be referred to as the “Act.”

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to:

(a) Recognize the vital role of public transportation in nation building, economic growth, protecting and promoting the rights of its people to a secure transportation system through the adoption and promulgation of Transportation Security Programs covering all modes of transport: civil aviation; maritime; pipeline transport; and land and rail transportation systems, following international standards and practices;

(b) Ensure compliance with the Convention on International Civil Aviation (Chicago Convention) and the International Convention for the Safety of Life at Sea, 1974

(SOLAS Convention). As a member of the community of nations and signatory State to international conventions, the Philippines shall faithfully comply with the provisions of: Chapter XI-2 otherwise known as the International Ship and Port Facility Security Code (ISPS CODE) of the International Maritime Organization (IMO); Annex 17 of International Civil Aviation Organization (ICAO) and its other security related annexes; and such other transport security related international conventions, agreements and protocols;

(c) Ensure that responsibilities are properly delineated and allocated among and between government agencies responsible in the security of transportation systems to avoid conflict of interest and establish accountability;

(d) Ensure that prescribed transportation security standards, policies, and rules and regulations are in accordance with international agreements and conventions and the practices are in accordance with international norms. The National Transportation Security Regulatory Commission (NTSRC), hereinafter referred to as the "Commission", created under this Act, shall ensure that these policies and standards are enforced; and

(e) Harmonize all regulatory policies that are being implemented by various government regulatory agencies and ensure that they are consistent with the State's commitment under various international conventions.

SEC. 3. *Coverage.* – Any law to the contrary notwithstanding, the Commission shall have jurisdiction, supervision, and control over all security arrangements and standards involving airports; aircraft; ports; maritime transport, including their respective terminals; rail and land transport, including their respective terminals and stations; and pipeline transport systems throughout the Philippines: *Provided*, That pipeline transport systems considered as own use shall not be covered by the provisions of this Act.

SEC. 4. As used in this Act, the following terms are hereinbelow defined:

1
2 (a) "Government airport" refers to an airport owned and operated by the Philippine
3 government and/or any of its instrumentalities, including those with special charters and
4 those located in free ports and special economic zones, including, but not limited to:

5
6 (1) Diosdado Macapagal International Airport/Clark International Airport
7 Corporation (Clark Development Corporation);

8
9 (2) Mactan-Cebu International Airport Authority;

10
11 (3) Manila International Airport Authority;

12
13 (4) San Fernando Airport (Poro Point Management Corporation); and

14
15 (5) Subic International Airport (Subic Bay Metropolitan Authority)

16
17 (b) "Government port" refers to a port owned and operated by the Philippine government
18 and/or any of its instrumentalities, including those with special charters and those located
19 in free ports and special economic zones, including, but not limited to:

20
21 (1) Aurora Pacific Economic Zone and Freeport Authority

22
23 (2) Authority of the Freeport Area of Bataan;

24
25 (3) Cagayan Economic Zone Authority;

26
27 (4) Cebu Ports Authority;

28
29 (5) Philippine Ports Authority;

(6) Poro Point Management Corporation;

(7) Subic Bay Metropolitan Authority; and

(8) Zamboanga City Special Economic Zone Authority and Freeport

(c) “Pipeline” or “pipeline transport system” refers to all parts of a pipeline system connected together to convey hazardous liquids between stations and/or plants that are not adjacent to each other, including pipe, risers, pig taps, components, appurtenances, isolating valves, pipeline end manifolds, (PLEM) and sectionalising valves.

For the avoidance of doubt, the term “pipeline system” or “pipeline transport system” expressly excludes pipes and appurtenances that form part of a piping system within the operation of a facility, particularly for product transfers;

(d) “Private airports” refer to airports owned by any private person, natural or juridical;

(e) “Private ports” refer to ports owned by any private person, natural or juridical; and

(f) “Transport operator” refers to any person, natural or juridical, holding a government concession, franchise, or permit to operate any public means of transport and/or public transport facilities.

CHAPTER II

TRANSPORTATION SECURITY STRUCTURE

SEC. 5. *Organization.* – The transportation security structure shall be divided into four (4) sectors, namely: civil aviation; maritime; pipeline transport; and land and rail transport.

1 In line with the policy declaration of the State, the following agencies shall be subject to the
2 oversight power of the Commission: Civil Aviation Authority of the Philippines (CAAP); Land
3 Transportation Franchising Regulatory Board (LTFRB); Land Transportation Office (LTO);
4 Maritime Industry Authority (MARINA); Philippine Coast Guard (PCG); and Philippine Ports
5 Authority (PPA). Government and private airports & ports shall also be subject to the oversight
6 power of the Commission.

8 **CHAPTER III**

9 **NATIONAL TRANSPORTATION SECURITY PROGRAM**

10
11 SEC. 6. *Adoption and Formulation of National Transportation Security Programs.* – The State
12 shall adopt the National Civil Aviation Security Program (NCASP), in accordance with the
13 Convention on International Civil Aviation (Chicago Convention); a National Security Program
14 for Sea Transport and Maritime Infrastructure (NSPSTMI) in accordance with the International
15 Convention for the Safety of Life at Sea, 1974 (Solas Convention); and shall develop and
16 formulate National Security Programs for Pipeline Transport and Land & Rail Transportation.

17
18 SEC. 7. *Promulgation of Transportation Security Programs.* – Within six (6) months from the
19 effectivity of this Act, the National Civil Aviation Security Program (NCASP), the National
20 Security Program for Sea Transport and Maritime Infrastructure (NSPSTMI), the National
21 Security Program for Pipeline Transport (NSPPT), and the National Security Program for Land
22 and Rail Transportation (NSPLRT) shall be promulgated by the Commission. The Commission
23 shall conduct sectoral consultations with various stakeholders. The various transportation
24 Security Programs shall undergo mandatory review every five (5) years.

25
26 Pursuant to the Transportation Security Programs, the Commission shall also establish and
27 implement, for the four (4) modes of transportation, a National Transportation Security Training
28 Program (NTSTP), for the training of personnel involved in or responsible for the
29 implementation of transportation security measures; and a National Transportation Security

1 Quality Control Program (NTSQCP), for measuring compliance with and validating the
2 effectiveness of the Transportation Security Programs.

4 CHAPTER IV

5 THE COMMISSION

7 SEC. 8. *Transformation of the Office for Transportation Security (OTS)*. – (a) The OTS, created
8 by virtue of Executive Order No. 277 (s. 2004), as amended by Executive Order No. 311 (s.
9 2004), is hereby transformed into the Commission, an independent and single regulatory
10 oversight body for the security of transportation systems, with quasi-judicial and quasi-
11 legislative powers. The Commission shall be attached to the Office of the President for
12 administrative and budgetary purposes.

14 (b) The Commission shall be the authority with respect to the implementation of Annex 17 to
15 the International Convention on Civil Aviation (Chicago Convention) and other civil
16 aviation security related conventions; and shall be the Designated Authority and
17 Administration with respect to the implementation of the International Ship and Port
18 Facility Security (ISPS) Code of the 1974 Safety of Life as Sea (SOLAS) Convention.

20 (c) The Commission shall be composed of a Chairperson and six (6) members to be
21 appointed by the President of the Philippines. The Chairperson and the members of the
22 Commission shall be natural-born citizens and residents of the Philippines, persons of
23 good moral character, at least thirty-five (35) years of age, and of recognized competence
24 in any of the following fields: transportation security, transportation engineering,
25 transportation security management, with at least three (3) years actual and distinguished
26 experience in their respective fields of expertise: *Provided*, That of the six (6) members
27 of the Commission, one (1) shall come from the civil aviation sector; one (1) from the
28 maritime sector; one (1) from the pipeline transportation sector; and another from the
29 land transport or rail sector. They shall possess at least five (5) years of experience in
30 active practice in their respective fields: *Provided further*, that one (1) member shall be a

1 member of the Philippine Bar with at least five (5) years of experience in the practice of
2 law, preferably in the field of transportation.

3
4 (d) The Chairperson of the Commission shall act as the Chief Executive Officer of the
5 Commission.

6
7 (e) All members of the Commission shall have a term of seven (7) years: *Provided*, That for
8 the first set of appointees, the Chairperson shall hold office for seven (7) years, three (3)
9 members shall hold office for five (5) years, and the other three (3) members shall hold
10 office for three (3) years: *Provided further*, that there shall be no reappointment for
11 another term and in no case shall any member serve for more than seven (7) years in the
12 Commission. Members of the Commission shall not be suspended or removed from
13 office except for just cause as provided by law. In case of vacancy in the position of the
14 Chairperson of the Commission, the President shall appoint a new Chairperson from
15 among the two most senior members of the Commission, who shall continue to serve as
16 Chairperson until the completion of seven (7) years of service in the Commission. The
17 Chairperson and Members of the Commission must not have been a candidate for any
18 elective position in the elections immediately preceding their appointment.

19
20 (f) The Chairperson and members of the Commission shall assume office at the beginning of
21 their terms. The Commission shall meet at least once a month to tackle its order of
22 business. The majority of the members of the Commission may call for a special meeting
23 if the need arises. The President may, at any time, direct the Commission to convene to
24 discuss important transportation security issues.

25
26 (g) The presence of at least five (5) members of the Commission shall constitute a quorum
27 and the majority vote of members in a meeting where a quorum is present shall be
28 necessary for the adoption of any rule, ruling, order, resolution, decision, or other acts of
29 the Commission.

1 SEC. 9. *Enhancement of Technical Competence.* – (a) The Commission shall establish rigorous
2 training programs for its staff for the purpose of enhancing the technical competence of the
3 Commission in the following areas: impact assessment, evaluation and audit of technical
4 performance and monitoring of compliance with service and performance standards,
5 environmental standards, transportation security standards, transportation infrastructure
6 standards, transportation education and training, and such other areas as will enable the
7 Commission to adequately perform its functions or exercise its powers.

8
9 (b) The Commission shall establish its own educational and training institute for the
10 enhancement of knowledge and skills of personnel performing transportation security
11 related responsibilities within the transportation security industry: *Provided*, That the
12 Commission shall prioritize education and training programs not provided by private
13 entities: *Provided, further*, That education and training for the development of core
14 competencies necessary in the exercise of regulatory power of the Commission shall be
15 given priority in the education and training budget of the Commission.

16
17 SEC. 10. *Powers and Functions of the Commission.* – The Commission shall serve as the single
18 regulatory oversight body for promoting security in the transportation industry in order to ensure
19 public welfare and penalize violations of transportation security regulations. Towards this end, it
20 shall be responsible for the following key functions in the security of the transportation systems:

21
22 (a) Review, revise and approve National Transportation Security Programs, its training and
23 quality control program and other related programs;

24
25 (b) Ensure compliance with international minimum standards for transportation security,
26 especially for international conventions and multilateral/bilateral agreements where the
27 Philippines is a state party, through promulgation of protocols, standards, and rules and
28 regulations;

- 1 (c) Provide technical inputs to agreements being negotiated between the Philippines and
2 other countries in relation to transportation security concerns;
3
- 4 (d) Promote desirable and inhibit undesirable transportation policies of regulatory agencies
5 through the facilitation of evidence-based decision making;
6
- 7 (e) Assist the DOTr and other regulatory agencies within the transportation industry in the
8 strategic planning and design of regulatory policies;
9
- 10 (f) Issue guidelines on the quality of, or conduct security assessments and other evaluative
11 tools related to transportation security standards, rules and regulations;
12
- 13 (g) Review existing rules and regulations related to transportation security undertaken by
14 transportation industry stakeholders, and to recommend or require impact assessment or
15 changes to improve quality;
16
- 17 (h) Review proposed rules and regulations related to transportation security and recommend
18 or require security assessments and/or changes;
19
- 20 (i) Review newly issued rules and regulations related to transportation security and
21 recommend or require impact assessments and/or changes;
22
- 23 (j) Formulate and issue, after due notice and hearing, transport security standards, rules and
24 regulations, including penalties and sanctions;
25
- 26 (k) Issue specific security directives to transportation operators, law enforcement agencies
27 and other relevant entities charged with the security of the transportation system;
28
- 29 (l) Promote capacity building on transportation security;
30

1 (m) Adjudicate cases arising from non-compliance to transportation security standards, rules
2 and regulations: *Provided*, That the decisions of the Commission on such cases shall be
3 immediately executory: *Provided, further*, That decisions of the Commission may only
4 be restrained or enjoined by the Court of Appeals;

5
6 (n) Issue subpoena *duces tecum* and/or *ad testificandum* in any investigation or hearing;

7
8 (o) Cite persons for contempt;

9
10 (p) Impose fines and penalties for non-compliance with or breach of this Act, or its
11 Implementing Rules and Regulations (IRR), and the standards, rules & regulations issued
12 by the Commission, including but not limited to, recommending the suspension or
13 revocation of any license, permit or certificate which authorizes the operation of public
14 means of transport or public transport facilities;

15
16 (q) Before the end of April of each year, submit to the Office of the President of the
17 Philippines and the Congress, copy furnished the DOTr, an annual report containing such
18 matters or cases which have been filed before or referred to it during the preceding year,
19 the actions and proceedings undertaken and its decision or resolution in each case. The
20 Commission shall make copies of such reports available through its official website and
21 to any interested party upon payment of a charge which reflects actual reproduction costs.
22 The Commission shall publish all its decisions in at least one (1) newspaper of general
23 circulation, and publish in its official website and circulate to all interested transportation
24 industry stakeholders copies of its resolutions to ensure fair and impartial treatment;

25
26 (r) Monitor the activities in the transportation industry with the end view of promoting
27 security; and consequently, enjoin the transportation sector to cooperate and coordinate
28 with the Commission;

1 (s) In coordination with law enforcement agencies, access the premises of any transport
2 operators in case of an act of unlawful interference and if the access is necessary to
3 prevent such act;

4
5 (t) In the exercise of its oversight function, inspect, audit, survey and test *motu proprio*
6 through its duly authorized representative documents, records, facilities or systems, at
7 any time for purposes of determining compliance with transportation security standards,
8 rules and regulations;

9
10 (u) Protect passengers of air carriers; maritime vessels, including but not limited to, fast-
11 craft, *bancas*, and ferries; railways and light rails; and inter-provincial buses;

12
13 (v) Oversee compliance to security screening standards for passengers and cargo of air
14 carriers; maritime vessels, including but not limited to, fast-craft, *bancas*, and ferries;
15 railways and light rails; inter-provincial buses; and transport pipeline systems;

16
17 (w) Develop, formulate, and ensure compliance to uniform standards and procedures for
18 searching and detaining passengers and property to ensure the safety of passengers,
19 cargo, and transport facilities infrastructure;

20
21 (x) During a state of calamity or national emergency, as declared by the President through a
22 proclamation, the Commission shall, the provisions of any law to the contrary
23 notwithstanding;

24
25 (1) Exercise jurisdiction and control over port security; domestic transportation,
26 including aviation; maritime; pipeline, rail, and other surface transportation;

27
28 (2) Oversee the transportation-related responsibilities of the national government,
29 except for the Department of National Defense (DND), Armed Forces of the
30 Philippines (AFP), and the Philippine National Police (PNP); and

1 (3) Provide notice to other departments and agencies of the national government
2 relative to threats to transportation and transportation infrastructure:
3

4 *Provided*, That the foregoing authority of the Commission under subparagraphs (1), (2),
5 and (3) shall only be effective for the duration of the said national emergency or state of
6 calamity.
7

8 (y) Accredite and authorize third-party providers, including, but not limited to, airport
9 operators; transport operators, light rail transit concessionaires, to provide security
10 screening of passengers and cargo: *Provided*, That said providers shall strictly comply
11 with any and all standards set therefor by the Commission: *Provided, further*, That the
12 standards promulgated by the Commission shall be at par with international standards and
13 best practices: *Provided, finally*, That third-party providers who do not conform to, or
14 are found to have violated such standards shall be prohibited from providing such service
15 to any agency or instrumentality of the national government, including government-
16 owned or -controlled corporations, for a period of not less than one (1) year but not more
17 than five (5) years;
18

19 (z) Enforce the IRR of this Act; and
20

21 (aa) Perform such other functions as are appropriate and necessary in order to preserve and
22 promote transportation security.
23

24 SEC. 11. *Additional Powers and Functions of the Commission.* – In addition to the powers and
25 functions in the preceding Section, the Commission is hereby empowered to:
26

27 (a) Enter into agreements, as may be necessary, with other agencies of the national
28 government to share or otherwise cross-check, as necessary, data on individuals
29 identified by such agencies as posing a risk to transportation or national security;
30

(b) Establish procedures for notifying the Director-General of the CAAP and the concerned agencies of the national government, and airport and/or airline & transport security officers of the identity of individuals known to pose, or suspected of posing, a risk of air piracy or terrorism or a threat to passenger, transportation, or national security;

(c) In consultation with other agencies of the national government, require the concerned transport operators:

(1) To use information from government agencies to identify individuals on passenger lists who may be a threat to transport security or national security;

(2) If such an individual is identified, to notify the appropriate law enforcement agencies, prevent the individual from boarding an aircraft, maritime vessel, train, bus, or other vehicle, or take other appropriate action with respect to that individual; and

(3) Consider requiring transport operators to share passenger lists with the appropriate national government agencies for the purpose of identifying individuals who may pose a threat to transport safety or national security.

SEC. 12. *Enhancement of Technical Competence.* – (a) The Commission shall establish rigorous training programs for its staff for the purpose of enhancing the technical competence of the Commission in the following areas: impact assessment, evaluation and audit of technical performance and monitoring of compliance with service and performance standards, environmental standards, transportation security standards, transportation infrastructure standards, transportation education and training, and such other areas as will enable the Commission to adequately perform its functions or exercise its powers.

(b) The Commission shall establish its own educational and training institute for the enhancement of knowledge and skills of personnel performing transportation security

1 related responsibilities within the transportation security industry: *Provided*, That the
2 Commission shall prioritize education and training programs not provided by private
3 entities: *Provided, further*, That education and training for the development of core
4 competencies necessary in the exercise of regulatory power of the Commission shall be
5 given priority in the education and training budget of the Commission.

6
7 SEC. 13. *Transportation Security Committees.* – There is hereby created the National Civil
8 Aviation Security Committee (NCASC) to coordinate security activities between or among
9 departments, agencies and other instrumentalities of the government, airport and aircraft
10 operators, air traffic service providers and other entities concerned with or responsible for the
11 implementation of the various aspects of the National Civil Aviation Security Program
12 (NCASP).

13
14 The NCASC shall be composed of the following:

Chairman, NTSRC	Ex-Officio Chairman
Secretary, Department of Transportation	Vice Chairman
Secretary, Department of Interior and Local Government	Vice Chairman
Secretary, Department of National Defense	Member
Secretary, Department of Justice	Member
General Manager, Manila International Airport Authority	Member
General Manager, Mactan-Cebu International Airport Authority	Member
President, Clark International Airport Corporation	Member
Administrator, Subic Bay Metropolitan Authority	Member
Director General, CAAP	Member
Director, PNP Aviation Security Group	Member
Commissioner, Bureau of Customs	Member
Commissioner, Bureau of Immigration	Member
Undersecretary for Policy, Department of Foreign Affairs	Member

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The members of the NCASC may designate a permanent alternate to represent his or her agency:
Provided, That the rank of any official serving as the permanent alternate should not be lower than an Undersecretary or its equivalent.

The NCASC, through its Chairperson, may invite resource persons from other agencies of the government and from the private sector, as may be necessary.

The Commission may likewise create security committees for maritime, pipeline, and land transportation systems to facilitate the allocation of tasks and coordination of responsibilities and activities between or among various stakeholders.

SEC. 14. *Transportation Security Regulation Fund (TSRF)*. – The Commission is hereby authorized to set, adjust, collect, or levy fees and charges for licenses, permits, and certificates issued and other services rendered to transportation security stakeholders, which shall form part of the TSRF. Such fees shall and charges shall become effective after publication in a newspaper of general circulation or the *Official Gazette*.

The Aviation Security Fund mandated by Letters of Instruction No. 414 (s. 1976), as amended shall form part of the TSRF.

The port and airport authorities, including privately operated airports and ports, are hereby authorized and directed to collect transportation security fees which shall also form part of the TSRF. The TSRF shall accrue to the Commission to support its operations, subject to existing accounting and auditing rules and regulations.

The TSRF shall be released annually to the Commission, subject to the schedule to be determined by the Department of Budget and Management (DBM).

1 **CHAPTER V**

2 **ADMINISTRATIVE OFFENSES AGAINST TRANSPORTATION SYSTEM**

3
4 SEC. 15. *Other Offenses.* – Administrative liability shall attach to any person or entity who:

5
6 (a) refuses or fails, without reasonable justification, to provide information or to give access
7 to transportation facilities, necessary in the performance of the regulatory or oversight
8 functions of the Commission;

9
10 (b) refuses or fails, without reasonable justification to comply with the standards, rules and
11 regulations issued by the Commission; and/or

12
13 (c) refuses or fails, without reasonable justification to comply with security directives issued
14 by the Commission;

15
16 SEC. 16. *Administrative Penalties.* – The Commission shall have the power to impose fines and
17 penalties for violation of Section 15 of this Act, consisting of:

18
19 (a) a fine of not less than one hundred thousand pesos (P 100,000.00) but not exceeding one
20 million pesos (P 1,000,000.00); and/or

21
22 (b) recommending the suspension or revocation of any license, permit or certificate to
23 operate public transportation to, as the case may be, to the CAAP; CAB; LTO; LTFRB;
24 MARINA; or the PCG.

25
26 **CHAPTER VI**

27 **TRANSITORY PROVISIONS**

28
29 SEC. 17. *Transfer of Powers and Functions.* – The powers and functions of the OTS are hereby
30 transferred to the Commission.

1 The foregoing transfer of powers and functions shall include all applicable funds and
2 appropriations, records, equipment, property, and personnel as may be necessary.

3
4 SEC. 18. *Transfer of Rights, Assets, and Liabilities.* – The Commission shall, by virtue of this
5 Act, be subrogated to all the rights and assume all the liabilities of the OTS and all the funds,
6 records, property, assets, equipment, and such personnel as necessary, including unexpended
7 appropriations and/or allocations. All contracts and liabilities of the OTS are hereby transferred
8 to and assumed by the Commission and shall be acted upon in accordance with the *Auditing*
9 *Code* and other pertinent laws, rules, and regulations: *Provided*, That the officers and employees
10 of the OTS shall continue in a holdover capacity until such time as the new officials and
11 employees of the Commission shall have been duly appointed pursuant to the provisions of this
12 Act.

13
14 SEC. 19. *Structure and Staffing Pattern.* – The organizational framework and staffing pattern of
15 the Commission shall be prescribed and approved by the Chairperson of the Commission within
16 sixty (60) days after the approval of this Act and the authorized positions created therein shall be
17 filled by regular appointments by the President or the Chairperson, as the case may be:
18 *Provided*, That, in the filling of positions created, preference shall be given to the personnel of
19 the OTS: *Provided, however*, That if such individuals possess the same qualifications, seniority
20 shall be given priority.

21
22 SEC. 20. *Compensation and Other Emoluments for Personnel of the Commission.* – The
23 compensation and other emoluments for the Chairperson and members of the Commission and
24 its personnel shall be exempted from the coverage of Republic Act No. 6758, otherwise known
25 as the “Salary Standardization Act”. For this purpose, the schedule of compensation of the
26 Commission personnel, except for the salaries and compensation of the Chairperson and
27 members of the Commission, shall be submitted for approval to the President of the Philippines.
28 The new schedule of compensation shall be implemented within six (6) months from the
29 effectivity of this Act and may be upgraded by the President of the Philippines as the need arises:
30 *Provided*, That in no case shall the rate be upgraded more than once a year.

1 The Chairperson and members of the Commission shall be entitled to the same salaries,
2 allowances and benefits as those of the Presiding Justice and the Associate Justices of the Court
3 of Appeals, respectively. The Chairperson and the members of the Commission shall, upon
4 completion of their term or upon becoming eligible for retirement under existing laws, be
5 entitled to the same retirement benefits and the privileges provided for the Presiding Justice and
6 Associate Justices of the Court of Appeals, respectively.

7
8 SEC. 21. *Separation Benefits of Officials and Employees of the Office for Transportation*
9 *Security (OTS).* – Officials and employees of the OTS who opt to be separated from the service
10 as a result of the transformation of the OTS into the Commission shall be entitled to either
11 separation pay and other benefits in accordance with existing laws, rules or regulations or
12 benefits and other privileges provided under a separation plan which shall be proposed by the
13 Commission subject to the approval of the President: *Provided,* That the separation and other
14 benefits should conform to the provisions of Republic Act No. 6656.

15
16 *Provided, however,* That officials and employees of the OTS who avail of the said separation
17 plan may reapply to and be reappointed to the Commission shall start their government service
18 anew: *Provided, further,* that in no case shall there be any diminution of benefits under the
19 separation plan until the full implementation of the transformation of OTS into the Commission.

20 21 **CHAPTER VII**

22 **FINAL PROVISIONS**

23
24 SEC. 22. *Appropriations.* – The amount of FIVE HUNDRED MILLION PESOS (P
25 500,000,000.00) is hereby allocated for the initial operation of the Commission. Any deficit
26 shall initially be sourced from the Office of the President of the Philippines. Thereafter, the
27 amount needed for the operation and maintenance of the Commission shall be included in the
28 annual *General Appropriations Act*: *Provided, however,* That not less than two percent (2%) of
29 the total allocation for the Maintenance and Other Operating Expenses (MOOE) budget shall be
30 used for relevant trainings of personnel of the Commission.

1 Subject to existing rules and regulations, the funds and monies collected or which otherwise
2 come into the possession of the Commission from fees, surcharges, fines, and penalties which
3 the Commission may impose and collect under this Act.

4
5 SEC. 23. *Conflict of Interest.* – The Chairperson and members of the Commission shall ensure
6 transparency in governance and shall submit to the President, the congressional committees with
7 jurisdiction over the Commission, and the Civil Service Commission (CSC), the list of their
8 relatives, within the fourth civil degree of consanguinity or affinity, legitimate or illegitimate,
9 holding any and all interest whatsoever, either as investor, stockholder, officer or director, in any
10 company or entity engaged in: private security; the transportation sector; and/or in any entity that
11 manufactures, imports, and/or distributes equipment that could be used for security purposes.

12
13 Immediately prior to assuming office, the Chairperson, members, and employees of the
14 Commission, whether permanent, co-terminous, contractual, or casual, shall divest, through sale
15 or other legal disposition, any and all such interest: *Provided*, That such sale or disposition to
16 any person within the fourth degree of consanguinity or affinity is hereby prohibited.

17
18 The divestment prescribed in the preceding paragraph shall likewise apply to the members of the
19 immediate family within the second degree of consanguinity having interest in any institution or
20 activity which falls under the regulatory jurisdiction or supervision of the Commission.

21
22 The Chairperson, members, officials, and employees of the Commission shall not practice their
23 profession during their tenure. They shall accept no other form of employment during their
24 tenure.

25
26 No spouse or relative by consanguinity or affinity within the fourth civil degree and no law,
27 business or professional partner or associate of the Chairperson or members may appear as
28 counsel or agent, appearing for or on behalf of the Chairperson or members for pecuniary
29 interest, on any matter pending before the Commission or transact business directly or indirectly
30 therewith.

1 The disqualification shall apply during the tenure of the Chairperson, member, official, or
2 employee concerned one (1) year from separation from the Commission.

3
4 SEC. 24. *Statutory construction.* – The provisions of this Act shall be liberally construed to
5 achieve the preservation and promotion of transportation security.

6
7 SEC. 25. *Privacy protection.* – Nothing in this Act shall be construed as weakening the
8 protections mandated by Republic Act No. 10173, otherwise known as the “Data Privacy Act of
9 2012”.

10
11 SEC. 26. *Implementing Rules and Regulations (IRR).* – Within one hundred and twenty (120)
12 days from the effectivity of this Act and after consultations with the concerned stakeholders in
13 hearings conducted nationwide, the Commission shall formulate and issue the necessary
14 implementing rules and regulations for the effective implementation of this Act: *Provided:* That
15 the rank of any official representing a government agency in the crafting of the IRR should not
16 be lower than an Undersecretary or its equivalent.

17
18 SEC. 27. *Separability Clause.* – If for any reason, any provision of this Act is declared
19 unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby
20 shall continue to be in full force and effect.

21
22 SEC. 28. *Visitorial Powers.* – The Chairperson’s or Commission’s representative shall have
23 visitorial and examining authority over nongovernment entities with contracts for security and
24 other services made under the provisions of this Act.

25
26 During such examination, the nongovernment entity concerned shall produce all the reports,
27 records, books of accounts, and other papers that may be required.

1 The refusal by any such nongovernment entity to allow an examination of its books of accounts
2 and pertinent records or its concealment of any material information concerning its services shall
3 constitute a legal ground for the cancellation thereof.
4

5 SEC. 29. *Repealing Clause.* – The following laws and executive orders, and all other laws,
6 decrees, letters of instructions, executive orders and rules and regulations, or part or parts thereof
7 inconsistent with any provision of this Act, are hereby repealed, amended or otherwise modified
8 accordingly:
9

10 (a) Presidential Decree No. 505, as amended by Presidential Decree No. 857;
11

12 (b) Letter of Instructions No. 414 (1976), as amended by Letter of Instructions No. 414-A (s.
13 1976);
14

15 (c) Executive Order No. 778 (s. 1982), as amended by Executive Order No. 903 (s. 1983);
16

17 (d) Executive Order No. 69 (s. 1986);
18

19 (e) Republic Act No. 6958, otherwise known as the “Charter of the Mactan-Cebu
20 International Airport Authority”;
21

22 (f) Republic Act No. 7227, otherwise known as the “Bases Conversion and Development
23 Act”;
24

25 (g) Republic Act No. 7621, otherwise known as the “Charter of the Cebu Port Authority”;
26

27 (h) Republic Act No. 7903, otherwise known as the “Zamboanga City Special Economic
28 Zone Act of 1995”;
29

30 (i) Executive Order No. 246 (s. 1995);

(j) Republic Act No. 7922, otherwise known as the “Cagayan Special Economic Zone Act of 1995”;

(k) Executive Order No. 30 (s. 1998);

(l) Executive Order No. 277 (s. 2004), as amended by Executive Order No. 311 (s. 2004);

(m) Republic Act No. 9490, otherwise known as the “Aurora Special Economic Zone Act of 2007”; and

(n) Republic Act No. 9728, otherwise known as the “Freeport Area of Bataan (FAB) Act of 2009”

SEC. 30. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days following its complete publication in at least two (2) newspapers of general circulation or in the *Official Gazette*.

Approved,