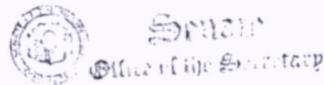


EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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SENATE



S. No. 891

19 AUG 13 A9:23

Introduced by SENATOR RAMON BONG REVILLA, JR.

RECEIVED

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**AN ACT
CREATING THE AKLAN AIRPORT AUTHORITY, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

With its white sand, talcum-fine beach, and crystalline waters, Boracay of the province of Aklan, is no doubt one of the top tourist destinations of the Philippines. It is worldly famous for its beautiful white sand and its party scenery. Business activities also flourish in the island which cater to foreign and local visitors.

Due to the high number of both domestic and foreign tourist arrivals coming to the island daily, the volume of passenger air traffic plying the Kalibo-Manila-Kalibo, Manila-Caticlan-Manila, and Kalibo-Cebu-Kalibo routes have greatly grown. 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.

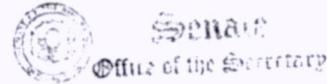
This bill then seeks to establish the Aklan Airport Authority to oversee the economical, efficient and effective control, management and supervision of the Kalibo Airport in the Municipality of Kalibo and the Caticlan Airport in the Municipality of Malay, both in Aklan.

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

A handwritten signature in black ink, appearing to read "RAMON BONG REVILLA, JR."

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**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. *Short Title.* – This Act shall be known as the "Charter of the Aklan
2 Airport Authority".

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

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

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

15 a) To encourage, promote and develop international and air traffic in the
16 central and western Visayas regions as a means of making the regions
17 centers of international trade and tourism, and accelerating the
18 development of the means of transportation and communication in the
19 country; and

1 b) To upgrade the services and facilities of the airports and to formulate
2 internationally acceptable standards of airports accommodation and service.

3 Sec. 4. *Functions, Powers and Duties.* – The Authority shall have the following
4 functions, powers and duties:

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

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

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

14 d) To exercise all the power of a corporation under the Corporation Code of
15 the Philippines, insofar as those powers are not inconsistent with the
16 provisions of this Act;

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

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

25 g) To levy and collect dues, charges, fees or assessment of the use of airport
26 premises, works, appliances, facilities or concessions, or for any service
27 provided by the Authority;

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

- i) To invest its 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 airports and the approaches thereof as may be necessary or in connection with maintenance and operation of the airports 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 objective: 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) Regulating the entry to, exit from and movement within the airports;
- c) Maintenance of peace and order within the premises of Authority;
- d) Regulation and supervision of private security agencies operating in the airports;
- e) Enforcement of the rules and regulations promulgated by the Authority pursuant to law; and
- f) In case of emergencies or imminent danger involving danger involving national security within the airport premises, the Philippine Air Force Security Command shall take charge.

Sec. 6. *Composition of the Board.* – The corporate powers of the Authority shall be exercised by the board of eleven (11) members, which shall be composed of a chairman a vice chairman and nine (9) members. The Secretary of Transportation and Communication and the General Manager of the Authority shall be the ex officio chairman and vice chairman of the boards, respectively. The Secretary of Finance, the Secretary of Tourism, The Chief of Staff of the Armed Forces of the Philippines, the Commissioner of Immigration and Deportation, and the Provincial Governor of Aklan, or their duly authorized representatives shall be ex-officio members together with four

1 (4) members from the private sector who shall be residents of Aklan to be appointed
2 by the board upon recommendation of the provincial Governor.

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

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

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

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

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

19
20 Sec. 9. *Capital.* – The Authority shall have an authorized capital stock equal to
21 or consisting of:

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

1 Sec. 10. *Distribution of Income.* – Should the Authority operate with a profit,
2 the net income shall be distributed as follows:

- 3 a) Thirty Percent (30%), shall be remitted to the National Government;
- 4 b) Ten Percent (10%) shall be remitted to the Provincial Government;
- 5 c) Five Percent (5%) shall be remitted to the Municipal Government of
6 Kalibo; and
- 7 d) Fifty-Five Percent (55%) shall be retained by the Aklan Airport Authority
8 for capital and other improvement.

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

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

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

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

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

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 shall
4 have priority over any other claim on charge on the revenue and assets of the
5 authority; Provided, that this provision shall not be construed 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 Sec. 15. *Tax Exemption.* - The Authority shaft be exempt from the payment of
12 corporate income taxes. The Authority shall likewise be exempt from realty taxes
13 imposed by the National Government or any of its political subdivisions, agencies and
14 subsidiary which may be organized by the authority shall be for period of five (5) years
15 from the effectivity of this Act.

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

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

27 Sec. 18. *Transfer Liabilities and Debts.* - Upon transfer to and acceptance by
28 the Authority of the physical facilities, intangible assets and completed projects
29 referred to in the preceding sections, all debts, liabilities and obligations of government
30 agencies or entities concerned in respect of such physical facilities, tangible assets and
31 completed projects within the airports shall likewise be assumed by the Authority.

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

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

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

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

20 Sec. 23. *Effectivity Clause*. - This act shall take effect fifteen (15) days after its
21 publication in two (2) newspapers of general circulation.
22

23 *Approved,*