

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 881

Introduced by HON. ROQUE R. ABLAN, JR..

EXPLANATORY NOTE

The Laoag International Airport in Laoag City, Province of Ilocos Norte is the country's principal airport in Northern Luzon. It is the perfect gateway of tourists to the northern part of the country. The significant growth in the volume of both domestic and international air traffic in the country and the accelerated tourism development thrust of the government necessitates an upgrading of the country's international airport facilities to provide world-class standard of services.

In this light, the proposed Bill seeks to create the **Laoag International Airport Authority** , a body clothed with corporate personality and sufficient powers specifically to manage and administer the airport. The objective of providing internationally acceptable standards of airport operations and services can be best achieved by an office specifically tasked to do the job.

As could be seen in the fast track development and industrialization of Cebu with the establishment of the Mactan-Cebu International Airport Authority, it is hoped that the establishment of the Laoag International Airport Authority would accelerate the growth and development of the region's and the city's tourism industry and the economic and business activities therein.

ROQUE R. ABLAN, JR.

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AN ACT
CREATING THE LAOAG INTERNATIONAL AIRPORT AUTHORITY TRANSFERRING EXISTING ASSETS OF THE LAOAG INTERNATIONAL AIRPORT TO THE AUTHORITY, VESTING THE AUTHORITY WITH POWER TO ADMINISTER AND OPERATE THE LAOAG INTERNATIONAL AIRPORT, AND FOR OTHER PURPOSES.

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

Section 1. ***Title.*** – This Act shall be known and cited as the "Charter of the Laoag International Airport Authority."

Section 2. ***Creation of the International Airport Authority***. – It is hereby established a body corporate to be known as the Laoag International Airport Authority , hereinafter referred to as the Authority which shall be attached to the Department of Transportation and Communications. The principal office of the Authority shall be located at the Laoag International Airport, Province of Ilocos Norte.

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

Section 3. ***Primary Purpose and Objectives***. – The Authority shall principally undertake the economical, efficient and effective control, management and supervision of the Laoag International Airport in the Province of Ilocos Norte.

hereinafter referred to as the airport. In addition it shall have the following objectives:

(a) To encourage, promote and develop international and domestic air traffic in the Ilocos and the Northern Luzon regions 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 facilities of the airports and to formulate internationally acceptable standards of airport accommodation and service.

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

(a) To formulate a comprehensive and integrated development policy and programs periodically;

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

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

(d) To exercise all the powers of a corporation under the Corporation Code of the Philippines, insofar as those powers are 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 Laoag International Airport, important to national security shall not be subject to alienation or mortgage by the Authority nor to transfer to any entity other than the national government.

(f) To exercise the power of eminent domain in the pursuit of its purposes and objective.

(g) To levy and collect dues, charges, fees, or assessments, facilities or concessions, or for any services 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 its 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 airport and the approaches thereof as may be necessary or in connection with the maintenance and operation of the airport and its facilities.

Section 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 purpose and objectives:

(a) Maintenance of security to passengers, cargoes, aircrafts, airport equipment, structures, facilities, personnels, funds and documents;

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

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

(d) Regulation and supervision of private security agencies operating in the airport.

(e) Enforcement of rules and regulation 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.

Section 6. *Board of Directors*. - The corporate powers of the Authority shall be exercised and vested in a Board of nine (9) members, which shall be composed of a chairman, a Vice Chairman and seven (7) members. The secretary of Transportation and Communications and the General Manager of the Authority shall be the ex-officio chairman and vice- chairman of the Board, respectively. The Assistant Secretary of the Air Transportation Office and the secretaries of the following executive departments, or any undersecretary or assistant secretary designated by the respective secretaries shall be ex-officio members to wit: the Department of Finance, the Department of Justice and the Department of Tourism, and to include the General Manager of the Philippine Tourism Authority. In addition, two (2) members from the private sector recommended by the governor of the province of Ilocos Norte shall be appointed by the President of the Philippines for a term of four (4) years.

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

Section 7. ***Functions, Powers and Duties of the Board.*** - In addition to the powers vested in the Board under the other sections of this Act., the Board shall have the following functions, powers and duties:

(a) To define and approve the programs, plans, policies, procedures and guidelines of the Authority for the development and operation of the 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 recommendation of the General Manager, subject to existing laws, rules and regulation;

(d) To approve salary ranges, benefits and other terms and conditions of services for all officers and employees of the Authority, upon recommendation of the General Manager, which shall, as far as possible, be competitive with those offered in the private sector, subject to existing laws, rules and regulations;

(e) To fix the rate of dues, charges, fees or assessments for the use of airport premises, works, appliances, facilities, concessions, services and other fees and charges related to the activities of the airports, upon objectives of this Act.

Section 8. ***Functions, Powers and Duties of the General Manager.*** – The General Manager shall be directly responsible to the Board and shall have the following functions, powers and duties;

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

(b) To implement and enforce decision, 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 airport, and to submit comprehensive reports and appropriate recommendations 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 to him by the Board, to 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 airports 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, and such acts as may be necessary and proper to implement this Act.

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

(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 airport as valued on the date of the effectivity of this Act;

(b) The value of such real estate owned and/or administered by the airport; and,

(c) Government contribution in such amount as may be deemed an 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 General Appropriations Act of the year following its enactment into law.

Thereafter, the government contribution to the capital of the Authority shall be provided for in the General Appropriations Act.

SEC. 10. ***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 his duties. The number and salaries of the auditor and said personnel shall be determined by the Chairman of the Commission on Audit, subject to the rules and regulations of the Commission of Audit.

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

Section. 11 ***Annual Report.*** – The Board shall submit to the President of the Philippines through the Department of Transportation and Communications and to both Houses of the Congress of the Philippines, together with the audit report on the relevant accounts, an annual report generally dealing with the activities and operations of the Authority.

Section. 12. ***Applicability of Civil Service Laws.*** – The Authority and its officials and employees shall be subject to the Civil Service Law and its rules and regulations.

Section 13. ***Borrowing Power.*** – The Authority may, in accordance with Section 21, Article II of the Constitution and other existing laws, rules funds, either from local or foreign borrowing, raise funds, either from local or international sources, by way of loans, credit or 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 interests and other sums payable in respect thereof, shall constitute a charge upon all the revenues and assets of the Authority and shall rank equally with one another, but shall have priority over any other 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 the any asset or property of the Authority. The payment of the loans or other indebtedness of the Authority may be guarantee by the national government subject to the approval of the President of the Philippines.

Section 14. ***Tax Exemptions.*** - The Authority shall be exempt from realty taxes imposed by the national government or any of its political subdivision, agencies and instrumentalities: *Provided*, that no tax exemption herein granted shall extend to any subsidiary which may be organized by the Authority.

Section 15. ***Transfer of Existing Facilities and Intangible Assets.*** – All existing public airport facilities, runways, lands, building and other properties, movable or immovable, belonging to or presently administered by the Laoag International Airport and all assets, powers, right, interest and privileges 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 Air Transportation Office. No equipment, however, shall be removed by the Air Transportation Office from Laoag without the concurrence of the Authority. The Authority may assist in the maintenance of the Air Transportation Office equipment.

Section 16. ***Projects in Progress.*** – all ongoing projects relating to the construction of airport facilities and supply of equipment shall be administered and undertaken by the Authority.

Section 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 of sections, all debts, liabilities, and obligations of government agencies or entities concerned in respect of such physical facilities, tangible assets and completed projects within the airport shall likewise be assumed by the Authority.

Section 18. ***Abolition of the Laoag International Airport as Division in the Air Transportation Office.*** – The Laoag International Airport is hereby abolished. The Airport General Manager of the Laoag International Airport shall continue in office and shall perform all powers and functions of the Authority until such time as the General Manager is appointed for the smooth transfer of responsibility from the abolished entity to the authority as well as the determination of personnel to be retained: *Provided,* That all officials and employees whose services are terminated shall, if not eligible for retirement, be given gratuities equivalent to one (1) month salary for every year of continuous satisfactory service on the basis of the highest salary received in addition to other benefits accorded to them by existing laws.

Section 19. ***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.

Section 20. ***Separability Clause.*** – If any portion hereof shall be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions which shall remain in full force and effect.

Section 21. ***Effectivity*** – This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,