

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

Thirteenth Congress
First Regular Session

HOUSE BILL NO. 2443



Introduced by Honorable Raul T. Gonzalez, Jr.

EXPLANATORY NOTE

This bill provides for the creation of the Iloilo River and Muelle Loney Development Authority which will pave the way for the gradual development of the long neglected Iloilo River and its inland harbor at Muelle Loney both as a business oriented harbor and centerpiece tourism project of Iloilo City.

The Constitution mandates in Section 16 of Article II on State Policies the "xxx the State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature xxx", yet no effective legislation to ensure the proper implementation of appropriate environmental policies nor an effective enforcement and coordinating agency is in place to protect and improve the Iloilo river and its environs from its further degradation.

This bill intends to create an institutional machinery to ensure an effective ecologic and economic management of the Iloilo River and the inland harbor at Muelle Loney.

In view thereof, the approval of this bill is highly recommended.


RAUL T. GONZALEZ, JR.

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AN ACT
CREATING THE ILOILO RIVER AND MUELLE LONEY DEVELOPMENT
AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING
APPROPRIATEIONS THEREFORE AND FOR OTHER PURPOSES.

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 "Iloilo River and Muelle Loney Development Authority Act of 2001".

SECTION 2. **Declaration of Policy.** – It is the declared policy of the State that all rivers belong to the State, are part of the public domain, and as such are beyond the commerce of men and not subject to acquisition. In view thereof, the utilization, exploitation, development, preservation and protection of the Iloilo river system shall be subject to control, regulation and administration of the State through the Iloilo River and Muelle Loney Development Authority as created under this Act.

SECTION 3. **Development Objective.** – The development objective of this Act shall be the improved living conditions in and around the Iloilo river system, raising the water quality therein and the contiguous environment.

SECTION 4. **Specific Objectives.** – This Act aims to accomplish the following specific objectives:

- (1) The coordination, planning, implementing and monitoring of environmental improvement activities for the Iloilo River System and its inland harbor at Muelle Loney.
- (2) The preparation of the plan of operation for the rehabilitation of the Iloilo River and the construction of infrastructure such as parks, promenades and roads along both sides of the river which would promote the area's potential for tourism and draw in both foreign and local tourism thereby improving the local economy.

SECTION 5. **Creation of the Iloilo River and Muelle Loney Development Authority.** – For purposes of carrying out and effecting the aforementioned policy and objectives, there is hereby created a body corporate to be known as the Iloilo River and Muelle Loney Development Authority, hereinafter referred to as the Authority, which shall be organized within ninety (90) days from the approval of this Act. The Authority shall execute the powers and functions herein vested and conferred upon it in such manner as will, in its judgment, aid to the fullest possible extent in carrying out the purposes set herein.

SECTION 6. **Office Location.** – The Authority shall have its principal office in Iloilo City, but may establish branch offices in other places in the Province of Iloilo as are necessary for the conduct of its business.

SECTION 7. Purposes – The Authority shall have the following purposes:

- (1) To prepare and design an integrated, complementary and coordinated phase by phase development program of the long neglected Iloilo River and its inland harbor at Muelle Loney in order to support existing national development policies.
- (2) To conform and support the current land use and development plan of Iloilo City which as the center of commerce, trade and industry, and tourism of the Western Visayas Region, with the historic, beautiful and meandering Iloilo River as the key component of the plan.
- (3) To encourage, stimulate and provide a definite direction for the growth and development of shipping along the inland port, the progression of tourism and its component infrastructures such as hotels, restaurants, tourist bars, places of entertainment and other related business within the jurisdiction of the Authority.
- (4) To provide for a sustained and effective management, supervision, regulation and control of all activities within the area of jurisdiction of the Authority.
- (5) To plan, design and execute the construction of the inland port, tourism infrastructures, roads, promenades and related infrastructure along both sides of the Iloilo river in order to attract both foreign and local tourist.
- (6) To provide and look for steady and definite sources of funds to support the gradual and continuous development of the beautiful inland harbor and the upper Iloilo River up to the Municipality of Oton, Iloilo.
- (7) To exercise supervisory and regulatory powers over its area of jurisdiction and the actual operations of the Authority in keeping with its autonomous character.

SECTION 8. Powers and Functions of the Authority. – The Authority shall have the following powers and functions:

- a. To succeed in its corporate name;
- b. To sue and to be sued in such corporate name;
- c. To adopt, alter and use a corporate seal;
- d. To adopt, amend and repeal its bylaws;
- e. To enter into contracts of any kind to enable it to carry out its purposes and functions under this Act;
- f. To acquire, buy, purchase, hold or lease such personal and real property as it deems necessary or convenient in the transaction of its business and/or in relations with the carrying out of its purposes under this Act, and to lease, mortgage, sell, alienate or otherwise encumber or dispose of any such personal and real property held by it;
- g. To borrow funds from any local or foreign financial institution, independent of the bonds it may issue or may continue to issue, to carry out the purposes of the Authority;
- h. To purchase, hold, alienate, mortgage pledge or otherwise dispose of the shares of the capital stock of, or any bond, security, or other evidence of indebtedness created by any other corporation, co-partnership or government agency or instrumentality; and with owner of said stock, to exercise all the rights of ownership including the right to vote thereon;
- i. For carrying on its business, or for the purpose of attaining or furthering any of its objectives, to perform any and all acts which a corporation, co-partnership or natural person is authorized to perform under the laws now existing or which may be enacted hereafter;
- j. To accept grants, donations, gifts, bequest, funds and/or properties in whatever form and whatever source in coordination with the appropriate agency and administer the same in accordance with the terms thereof, of in the absence of any condition, in such manner consistent with policy, objectives, and purposes of the Authority provided for in this Act; and
- k. To issue rules and regulations as may be necessary to effectively carry out the powers and purposes herein provided, including the plans, programs and projects of the Authority, the same to take effect thirty (30) days after publication thereof, in a newspaper of general circulation.

SECTION 9. Board of Directors, Composition. – The corporate powers of the Authority shall be vested in and exercised by the Board of Directors which shall be composed of nine (9) members, to wit:

- Regional Director of the National Economic development Authority (NEDA)
- Regional Director of the Philippines National Police (PNP)
- Regional Director of the Department of Public Works and Highways (DPWH)
- Regional Director of the Department of the Tourism (DOT)
- President of the Philippines Chamber of Commerce and Industry
- President of the Muelle Loney Ship owners Association
- Chairman of the Committee on Tourism, Sanggunian Panglungsod of Iloilo City
- Representative of the Lone District of Iloilo City
- Chairman of the City Planning and Development Office

SECTION 10. Board Meetings – The Board of Directors shall meet at least once a month, but in no case shall it meet more than once a week. The Board shall be convened by the Chairman or upon written request signed by majority of the members.

SECTION 11. Per Diems – The members of the Board shall receive, for every meeting actually attended, a per diem of five hundred pesos (500): Provided, That in no case shall the amount received by each member exceed the sum of two thousand pesos (P 2,000) per month. Members of the Board shall be reimbursed by the Authority for actual expenses, including traveling and representation expenses, incurred in the performance of their duties for the Authority as authorized by the Board.

SECTION 12. Powers and Functions of the Board – The Board of Directors of the Authority shall have the following powers, functions and duties.

- a. To prepare and approve a ten (10) year and a five (5) year development plan, review and expedite the execution of these plans when necessary;
- b. To assume all the powers, functions and authority of the Philippine Ports Authority, the Fisheries Commission and other agencies of the government relative to the inland port, mangroves, river control, fishponds and other areas which may affect the projected development of the inland port and the Iloilo River up to Municipality of Oton, Iloilo;
- c. To design, approve and execute specific policies and programs for the collection of wharfage fees, harbor fees, cargo fees, arrastre fees, permit fees, and other fees for the establishment of tourism infrastructures and to treat these funds as trust funds which would be plowed back to the infrastructure and development needs of the Iloilo River and Muelle Loney;
- d. To prepare, approve and promulgate guidelines, standards, rules and regulations in order to encourage, and stimulate the growth and development of shipping, commerce, trade, tourism, and infrastructure development within the area of operation of the Authority;
- e. To approve contracts such as leases, memoranda of agreements and other arrangements as long as it will promote shipping, tourism, and the growth of business and industry in the City of province of Iloilo;
- f. To receive local or foreign aid and donations as well as to engage in any form of fund raising for the purpose of gathering development funds for the projects along Iloilo River;
- g. To approve a lean and efficient organizational structure, and budget for the Authority after consultation with the consultation with the concerned sector;
- h. To appoint and discipline any employee, after according them due process in accordance with existing laws, together with rules and regulations of the Civil Service Commission;
- i. To elect from among the members of the Board of Directors the Following Executive Officers: 1) President/Chairman of the Board, 2) Vice-Pres/Vice-Chairman of the Board, 3) Secretary: Provided That, the Board shall likewise have the corresponding power to replace any of these officials after incurring 3 consecutive absences in the meeting of the board or for acts prejudicial to the

- j. To screen and approve the appointment of the following: General Manager, Assistant General Manager, Treasurer, Administrative Officers, Planning and Management Officer, Budget and Finance Officer, Legal Officer, Project Management officer, Engineering and Construction officer;
- k. To request a periodic or special audit of all its funds and properties from the Commission on Audits when the need arises;
- l. To adopt a seal and flag which is juridical noticed, determine the exact location of its office preferably near its area of operation, and adopt its own rules and procedure in meetings and general assemblies in accordance with the standards of transparency and democratic parliamentary procedures;
- m. To recommend to Congress, the NEDA and other government agencies the passage of laws and other rules and regulation in order to carry out the objectives of the Authority;
- n. To exercise such powers and perform such functions which are proper and necessary to implement the objectives of the Authority and to carry out the provisions of this Act.

SECTION 13. Terms of Office of the General Manager. – The general manager of the Authority shall serve for a fixed term of four (4) years, unless removed from office by a vote of two-thirds of the Board of Directors.

SECTION 14. Residence and Prohibition. – The General manager shall, if practicable, establish his residence within Iloilo City. He shall not, during his tenure of office, engage in any business, profession, or calling other than those connected with the performance of his official duties as the General Manager of the Authority.

SECTION 15. Powers and Duties of the General Manager. – The General manager shall have the following powers and functions:

- a. Submit, for consideration of the Board, the policies and measures which he believes to be necessary to carry out the purposes and provision of this Act,
- b. Execute and administer the policies, plans programs and projects approved by the Board;
- c. Direct and supervise the operation and internal administration of the Authority. The General Manager may delegate some of his administration responsibilities to other officers of the Authority subject to the rules and regulations of the Board;
- d. Prepare the annual budget of the Authority for consideration of the Board;
- e. Submit, within thirty (30) days after the close of each fiscal year an annual report to the board and such other reports as may be required; and
- f. Exercise such other powers as may be vested in him by the Board.

The General Manger is hereby vested the power to effect the arrest of any violator of this Act, subject to the provisions of the Article 125 and 126 of the Revised Penal Code, and subject further to the requirement of due process.

SECTION 16. Key Officials. – In carrying out the activities of the Authority, General Manager shall be assisted by the Assistant General Manager who shall have such powers, duties and functions that may be delegated to him by the General Manager, and shall act as General Manager in the absence of or during the temporary incapacity and/or until such time as a new General Manager is duly appointed.

The Authority shall have the following officers under the direct supervision and control of the General Manager:

- a. An Administrative Officer who shall be responsible for providing services relating to personnel, training, information, records, supplies, general services, equipment, and security.
- b. A Planning and Management Development Officer who shall be responsible for providing services relating to planning, programming, statistics and project development;

- c. A Budget and Finance Office who shall be responsible for providing staff advice and assistance on budgetary matters and safekeeping of corporate assets;
- d. A Legal Officer who shall represent the Authority in Legal actions and proceedings. The Legal Officers shall be responsible for staff advice and assistance on legal matter;
- e. A Project Management Officer who shall be responsible for the operation of approved projects, project evaluation and management improvement matters;
- f. An Engineering and Construction Officers who shall be responsible for providing services relating to detailed engineering plans and the construction and maintenance of project facilities.

SECTION 17. Capitalization. – The Authority shall have an authorized capital of Ten Million Pesos (P 10,000,000) divided into one million shares (1,000,000) at en pesos (P 10.00) par value which shall be fully subscribed by the Republic of the Philippines and shall be paid out as follows:

- a. The sum of Two Million Pesos (P 2,000,000) which is hereby appropriate out of any fund in the National Treasury not otherwise appropriated and from other sources of funds of the National Government which shall be released immediately upon the approval of this Act; and
- b. The sum of One Million (P1,000,000) for each fiscal year thereafter for a period of eight (8) years, form the same sources mentioned in paragraph (a) hereof, which is hereby appropriated for such subsequent years beginning with the third fiscal year following the year of the approval of this Act.

SECTION 18. Authority Directly Under the Department of Environment and Natural Resources. – Any provision of law to the contrary notwithstanding, the Authority shall operate as an independent corporation subject only to the supervision of the Department of Environment and Natural Resources.

SECTION 19. Audit by the Commission on Audit (COA). – All accounts and expenses of the Authority shall be audited bye the Commission on Audit or its duly authorized representative.

SECTION 20. Prohibited Acts). – It is herby declared unlawful:

- 1. To dump solid and hazardous waste and untreated sewage into the Iloilo river system;
- 2. To dump of throw garbage into the Iloilo river or its banck;
- 3. To squat or appropriate the Iloilo river banks for private use or gain, except for such reasonable augment of public use in the interest of recreation, navigation, floatage fishing and salonge; and
- 4. To fence off and/or encroach upon the Iloilo River System or any portion thereof by any means whatsoever, and converting the same into fishpens for their private and material gain; and/or have the same titled in his name.

SECTION 21. Penal Clause. – Any person who violates any of the acts herein prohibited shall be punished by imprisonment of not less than six (6) years and on day nor more than eight (8) years, and a fine of not less than Ten Thousand pesos (P10,000) nor more than One Hundred Thousand pesos (P100,000): Provided, however, That in case of violation of this Act by an association, club, partnership, corporations, or any entity, the incumbent officers thereof who have knowingly participated in the violation shall be heal liable: Provided, further,; That if the offender is an alien, he shall be immediately deported without further proceedings in the Bureau of Immigration and barred forever from entering the country after serving this sentence and paying his fine.

SECTION 22. Repealing Clause. – Any laws, decree, order, rules and regulations and other issuances or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 23. **Affectivity.** – This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation whichever comes earlier.

Approved,