

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 427

Introduced by Honorable ERICO BASILIO A. FABIAN

EXPLANATORY NOTE

This Bill seeks to establish the Zamboanga City International Airport Authority, an independent government entity clothed with sufficient corporate powers and authorities to efficiently manage and administer the operations of the Zamboanga City International Airport (ZCIA).

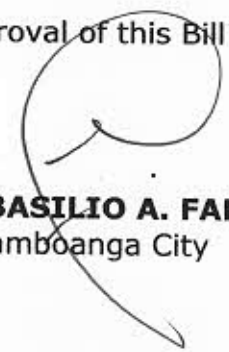
The Bill was originally filed in the 10th Congress as H.B. No. 3714 by the late Zamboanga City Representative Maria Clara L. Lobregat. It was favorably reported by the House Committee on Transportation & Communications, with certain amendments, and approved by the House on 3rd Reading on October 30, 1997. However, the bill was not acted upon by the Senate. In the succeeding 11th and 12th Congresses, former Zamboanga City Representative Celso L. Lobregat re-filed the bill as H.B. No. 3618 and H.B. No. 2557 respectively.

It was again filed by this representation on August 09, 2004 as H. B. No. 2245 during the 13th Congress and was filed again on July 24, 2007 as H.B. 1297 during the 14th Congress. It was jointly referred to the Committees on Government Enterprises & Privatization and Transportation & Communications, where it was pending upon adjournment of the 13th and 14th Congresses.

This Bill, if adopted, will effect the transfer of the jurisdiction and control of the ZCIA from the Air Transportation Office (ATO) and the Department of Transportation and Communications (DOTC) to the Authority. The ensuing scenario will be the same as that presently obtaining at the Ninoy Aquino International Airport and the Mactan-Cebu International Airport, which are managed and administered by their respective chartered Authorities.

The creation of the ZCIA Authority to manage and administer the ZCIA is deemed necessary in order to achieve the desired degree of efficiency, effectiveness, simplicity, and economy in the operations of the ZCIA, which is the center of air traffic in Western Mindanao. With its seven-man Board of Directors and an airport General Manager in direct and immediate control of the ZCIA, the Authority is expected to elevate the operational status of the ZCIA to international standards within a reasonable period of time, which will benefit not only Zamboanga City, but the entire Western Mindanao.

In view of the foregoing, approval of this Bill is earnestly requested.


ERICO BASILIO A. FABIAN
Zamboanga City

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AN ACT
CREATING THE ZAMBOANGA CITY INTERNATIONAL AIRPORT AUTHORITY,
DEFINING ITS POWERS AND FUNCTIONS, AND APPROPRIATING
FUNDS THEREFOR.

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

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

SEC. 2. **Creation of the Zamboanga City International Airport Authority.** There is hereby created a body corporate to be known as the Zamboanga City International Airport Authority, hereinafter also referred to as the "Authority", which shall be attached to the Department of Transportation and Communications (DOTC). The principal office of the Authority shall be located at the Zamboanga City International Airport, in the City of Zamboanga, Philippines.

SEC 3. **Primary Purposes and Objectives.** The Authority shall principally undertake the economical, efficient and effective control, management, and supervision of the Zamboanga City International Airport, hereinafter also referred to

as the "Airport", in the City of Zamboanga. In addition, it shall have the following objectives:

- a) To encourage, promote and develop international and domestic air traffic in Zamboanga City and Western Mindanao, and thereby assist and support the development of the entire area as a center of international trade and commerce and tourism; and
- b) To upgrade the services and facilities of the Airport, and to formulate and adopt internationally acceptable standards of Airport accommodation and service.

SEC. 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 program for the Airport, and to implement, review and update such policy and program from time to time;
- b) To control, supervise, construct, install, maintain, operate, and provide such facilities or services as may be necessary for the efficient operation and maintenance 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

the construction or installation of any structure or facility, 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 not inconsistent with the provisions of this Act;

e) To acquire, purchase, own, administer, lease, mortgage, sell, or otherwise dispose of any land, building, facility, or property of whatever kind and nature, whether movable or immovable, or any interest therein: *Provided, That* any property or asset located in the Zamboanga City International Airport directly related to national security, as deemed by the Authority, shall not be subject to alienation, mortgage, or transfer to any entity except upon prior approval of the Secretary of National Defense;

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

g) To levy and collect dues, charges, fees, or assessments for the use or enjoyment of Airport premises, works, appliances, facilities or concessions, or for any service provided by the Authority;

h) To retain and appropriate dues, fees, and charges collected by the Authority relative to the use or enjoyment of Airport premises for such expense as may be necessary to make the Authority more effective and efficient in the discharge of its functions;

i) To invest its idle funds, as it may deem proper, in government securities and other government-issued instruments of indebtedness; and

j) To provide services, whether on its own or otherwise, within the Airport and the approaches and vicinity thereof as may be necessary, or in connection with the maintenance and operation of the Airport and its facilities.

SEC. 5. **Police Authority.** The Authority shall have the power to exercise such police authority or power as may be necessary within the Airport premises or areas of control, operation, or jurisdiction in order to carry out its functions and attain its purposes and objectives: *Provided*, That the Authority may, at any time and when required, seek the assistance of any law enforcement agencies, including request for deputization. Such police authority shall be exercised in connection with, among other things, the following:

a) Maintenance of security to passengers, cargoes, aircrafts, Airport equipments, structures, facilities, personnel, 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 Airport;

d) Regulation and supervision of private security agencies operating in the Airport;

e) Enforcement of rules and regulations promulgated by the Authority; and

f) In case of emergencies or imminent danger involving national security, the Aviation Security Unit of the Philippine National Police, upon request of and in coordination with the Authority, shall take direct and principal charge of all police and security matters within the Airport premises.

SEC. 6. **Board of Directors.** The corporate powers of the Authority shall be exercised by and vested in a board of directors composed of seven (7) members, which shall include a chairman, a vice-chairman and five (5) members. The Secretary of Transportation and Communications, or his designee, and the general manager of the Authority shall be *ex-officio* chairman and vice-chairman of the Board, respectively. The City Mayor of Zamboanga and the head of the Air Transportation Office (ATO) shall be *ex-officio* members. In addition, three (3) individuals of proven competence and integrity, shall be appointed as members by the President of the Philippines for a term of five (5) years each without reappointment.

The Board shall promulgate its rules relative to meetings and quorum requirements. The chairman, vice-chairman, and the members of the Board shall be entitled to per diem for each meeting attended by them at such amount as may be fixed by the Board in accordance with existing laws, rules and regulations.

SEC. 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, subject to existing laws, rules and regulations;

d) To approve salary ranges, benefits and other terms and conditions of service for all officers and employees of the Authority, in accordance with the Revised Compensation and Position Classification system and the rules and regulations of the Civil Service Commission;

e) Fix the rates 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 Airport; and

f) Generally, to exercise all the functions and powers necessary or incidental to attain the purposes and objectives of this Act.

Sec. 8 ***Functions, Powers and Duties of the General Manager.*** The general manager shall be directly responsible to, and shall serve as such at the pleasure of the Board. He 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 decisions, orders, rules and regulations issued, prescribed or adopted by the Board;

c) To undertake researches, studies, investigations and other activities related to the present operations and future improvement of the Airport, and to submit comprehensive reports and appropriate recommendations to the Board for proper action;

d) To appoint, suspend, remove or otherwise discipline any subordinate officer or employee of the Authority, subject to prior approval of the Board and in accordance with existing rules and regulations of the Civil Service Commission;

e) Subject to the prior approval/authorization of 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 Airport premises subject to prior Board approval and in accordance with such rules and regulations as may be promulgated by the Board; and

g) To perform such other duties as the Board may delegate or assign to him, and such acts as may be necessary 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 equipments) and such other properties, movable and immovable, currently administered by or belonging to the Zamboanga City International 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 said Airport; and

c) Government contributions in such amount as may be deemed necessary and appropriate initial amount, as approved by the President of the Philippines, which shall be more or less equivalent to six (6) month working capital requirements of the Authority.

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

The Auditor, as soon as possible, but not later than three (3) months after all accounts have been submitted for audit, shall send his/her initial audit report to the Board. The auditor shall also submit such periodic and other reports to the Board as required by law.

SEC. 11. **Annual Report.** The Board shall submit to the President of the Philippines, through the DOTC, and to the Senate and House of Representatives of the Philippines, an annual report generally dealing with the activities and operations of the Authority, together with the audit report on the relevant accounts.

SEC. 12. **Applicability of Civil Service Laws.** All officials and employees of the Authority with the exception of the general manager, shall be subject to the Civil Service Law and its rules and regulations.

SEC. 13. **Borrowing Power.** The Authority may, subject to existing laws, rules and regulations on local or foreign borrowing, raise funds, either from local or international sources, by way of loans, credit or securities, and other borrowing instruments with the power to create pledges, mortgages and other voluntary liens or encumbrances on any of its assets or properties: *Provided*, That in case of foreign loans, the same shall be first approved by the Bangko Sentral ng Pilipinas.

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 revenues and assets of the Authority: *Provided*, That this provision shall not be construed as a prohibition or restriction on the power of the Authority to create pledges, mortgages and other voluntary liens or encumbrances on any asset or property of the Authority.

SEC. 14. ***Tax Exemptions.*** The Authority shall be exempt from the real property tax imposed by local government units as provided for under Republic Act No. 7160, otherwise known as the Local Government Code of 1991; *Provided*, That no tax exemption herein granted shall extend to any subsidiary which may be organized by the Authority.

SEC. 15. ***Transfer of Existing Facilities and Intangible Assets.*** All existing Airport facilities, runways, lands, buildings and other properties, movable or immovable, belonging to or presently administered by the Zamboanga City International Airport, and all assets, powers, rights, interests and privileges relating to Airport works or air operations, including all equipments which are necessary for the operation of air navigation, air traffic control and crash, fire, and rescue facilities, are hereby transferred and conveyed in ownership to the Authority. *Provided*, however, That the operational control of all equipments 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 (ATO). No equipment, however, shall be removed by the ATO from the Airport without the prior approval of the Authority. The Authority shall assist in the maintenance and improvement of all ATO-controlled equipments and facilities in the Airport.

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

SEC. 17. ***Transfer of Liabilities and Debts.*** Upon transfer to and acceptance by the Authority of the physical facilities, intangible assets and completed projects referred to in the preceding sections, all debts, liabilities, and obligations of the 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.

SEC. 18. **Appropriation.** The Secretary of the DOTC shall immediately include in its program the operationalization of the Zamboanga City International Airport Authority, the funding of which shall be included in the annual General Appropriations Act.

SEC. 19. **Abolition of the Zamboanga City International Airport as a Division in the Air Transportation Office.** The Zamboanga City International Airport, as a division under the Air Transportation Office, is hereby abolished. The Airport general manager of the Zamboanga City International Airport shall continue to discharge his present functions, until such time that the general manager of the Authority referred to in this Act, is appointed: *Provided*, That all other officials and employees of the Airport shall be retained and absorbed by the Authority, without loss of benefits or security: *Provided*, That those qualified or entitled to retire under existing laws and opt to so retire, may elect to be paid their retirement benefits in accordance with existing laws, rules and regulations.

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

SEC. 21. **Repealing Clause.** All laws, executive orders, letters of instruction, rules and regulations, or provisions thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 22. **Effectivity.** This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a national newspaper of general circulation.

Approved.