

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES
H. No. 113



Introduced by Representative Teodorico T. Haresco Jr.

EXPLANATORY NOTE

The Regional Office of Department of Tourism in Western Visayas has given half of the targeted tourist arrivals to Aklan specifically to Boracay. Of the 1.5 million target tourist arrivals for Region VI, 1.5 milion are expected to be visiting Boracay and the Island appears to be on the right track based on the tourist arrivals in the first quarter of 2013.

The number of tourists visiting Boracay Island for the first quarter of 2013 rose 10.17 percent to 357,225 according to the latest statistical data gathered on tourist arrivals at Caticlan Jetty Port and Passengers Terminal. Compared to same months last year, the first three months of 2012 totalled 324,254 tourist arrivals recorded giving this year an increase of 9.2%.

With international flights now being facilitated by the Kalibo International Airport and the ongoing development of the Caticlan airport and jetty ports, further growth in terms of tourism is highly ascertained. To cope with the increasing number of tourist arrivals in the Province, there is a need to establish a body that will oversee the economical, efficient and effective control, management and supervision of the two airports located in the Province - the Kalibo International Airport in Kalibo, and the Caticlan Airport in Malay.

This bill seeks to establish the Aklan Airport Authority to administer and operate the two airports, thus maximizing booming tourism industry of the Province of Aklan.

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


TEODORICO T. HARESCO
Representative

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

H. No. 113

Introduced by Representative Teodorico T. Haresco Jr.

AN ACT
CREATING THE AKLAN AIRPORT AUTHORITY AND FOR OTHER
PURPOSES

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

1 **Section 1. Title.** - This Act shall be known and cited as the "Charter of the Aklan
2 Airport Authority."

3 **Sec. 2. Creation of the Aklan Airport Authority.** – Aklan Airport Authority which
4 shall be attached to the Department of Transportation and Communications is
5 hereby created. The principal office of the Authority shall be located at Kalibo,
6 Province of Aklan. However, the Authority may have such branches, agencies or
7 subsidiaries as it may deem proper and necessary.

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

14 (a) To encourage, promote and develop international and air traffic in the
15 Central and Western Visayas regions as a means of developing regional
16 transportation hubs; and

17 (b) To upgrade the services the facilities of the airports and formulate
18 international acceptable standards of airports accommodation and service.

19 **Sec. 4. Functions, Powers and Duties.** - The Authority shall have the following,
20 powers and duties:

- (a) To formulate comprehensive and integrated development policy and programs for the airports and to implement, review and update such policy and program periodically;
- (b) To control, supervise, construct, maintain, operate and provide such facilities or services as shall be necessary for the efficient functioning of the airports;
- (c) To promulgate rules and regulations governing the planning, development maintenance, operation and improvement of the airports, to control and supervise the construction of any structure or the rendition of any service within the airports;
- (d) To exercise all the power of 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, airport facility, or property of whatever kind and nature, whether movable or immovable, or any interest therein: Provided that any asset located in the Kalibo International Airport and Caticlan 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 objectives;
- (g) To levy and collect dues, charges, fees or assessments of the use of the airport premises works, appliances, facilities or concession, or for any service provided by the Authority.
- (h) To retain appropriate dues and charge 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 the assigned tasks;
- (i) To invest idle funds, as it may deem proper in government securities and other evidence 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 the maintenance and operation of the airports and their facilities.

1 **Sec. 5. Police Authority.** – The Authority shall have the power to exercise such
2 police authority as may be necessary within its premises or areas of operation to
3 carry out its functions and attain its purposes and objective: Provided that the
4 Authority may request the assistance of the law enforcement agencies, including
5 request for deputization as may be required. Such police authority shall be exercise
6 in connection with the following among others:

- 7 (a) Maintenance of security to passengers, cargoes, aircraft, airport, equipment,
8 structures, facilities, personnel, funds and documents;
9 (b) Regulating the entry to, exit from and movement within the airports;
10 (c) Maintenance of peace and order within the premises of Authority;
11 (d) Regulation and supervision of private security agencies operating in the airports;
12 (e) Enforcement of the rules and regulations promulgated by the Authority pursuant
13 to law; and
14 (f) In case of emergencies or imminent danger involving danger involving national
15 security within the airport premises, the Philippine Air Force Security Command shall
16 take charge.

17 **Sec. 6. Boards of Directors.** - The corporate powers of the Authority shall be
18 exercised by the board of eleven (11) members, which shall be composed of a
19 chairman a vice chairman and nine (9) members. The Secretary of Transportation
20 and Communication and the General Manager of the Authority shall be the ex-officio
21 chairman and vice chairman of the boards, respectively. The Secretary of Finance,
22 the Secretary of Tourism, The Chief of Staff of the Armed Forces of the Philippines,
23 the Commissioner of Immigration and Deportation, and the Provincial Governor of
24 Aklan, or their duly authorized representatives shall be ex-officio members together
25 with four (4) members from the private sector who shall be residents of Aklan to be
26 appointed by the board upon recommendation of the provincial Governor.

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

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

1 (a) To define and approve the programs, plans, policies, procedure, and guidelines
2 of the Authority which shall be done by the Chief Executive Officer of the Authority;

3 (b) To recommend to the President of the Philippines for the appointment of a
4 general manager of the Authority who shall be the Chief Executive Officer of the Authority;

5 (c) To approve the Authority's organizational and administrative structure, staffing
6 pattern, operating and capital expenditures, and financial budgets upon recommendation of
7 the General Manager;

8 (d) To approve the salary ranges, benefits and other terms and condition of service
9 for all officers and employees of the authority upon recommendation of the General
10 Manager, which shall be subjected to existing laws, rules and regulation;

11 (e) To fix the rates of dues, charges, fees or assessments for the use of the airport
12 premises, works, appliances, facilities, concessions, services and other fees and charges
13 related to the activities of the airport, upon recommendation of the general manager, and

14 (f) To exercise all functions and powers necessary or incidental to attain the purpose
15 and objectives of this Act.

16 **Sec. 8. Functions, Powers and Duties of the General Manager.** – the General
17 Manager shall be directly responsible to the Board and shall have the following the
18 functions, power s and duties:

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

21 (b) To implement and enforce decisions, orders, rules and regulations issued,
22 prescribed or adopted by the Board;

23 (c) To undertake researches, studies, investigations and other activities related to
24 the present operations and future improvements of the airports, and to submit
25 comprehensive reports and appropriate recommendation to the Board for proper action;

26 (d) To appoint, transfer, suspend or remove any subordinate officers or employees
27 of the Authority, subject to the approval of the board;

28 (e) Within the limits of the Authority delegated to him by the Board, to execute,
29 contracts, incur obligations, acquire and dispose of assets, and deliver documents on behalf
30 of the Authority;

31 (f) To grant permits or concessions to do business with the airports in accordance
32 with such rules and regulations to be promulgated by the Authority for the purpose; and

1 (g) To perform such other duties as the Board may delegate or assign and such acts
2 as may necessary and proper to implement this Act.

3 **Sec. 9. Capital.** - The Authority shall have an authorized capital stock equal to or
4 consisting of:

5 (a) The value of fixed assets (including airport facilities, runways and equipment)
6 and such other properties, movable, currently administered by or belonging to the airports
7 as valued on the date of the effectivity of this Act;

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

9 (c) Government contribution in such amount as maybe deemed an appropriate initial
10 amount, as approved by the President of the Philippines which shall be more or less
11 equivalent to Sixty (60) months working capital requirement of the requirement of the
12 Authority which shall be provided under the General Appropriations Act.

13 **Sec.10. Distribution of Income.** - Should the Authority operate with a profit, the net
14 income shall be distributed as follows:

15 (a) Thirty Percent (30%) shall be remitted to the National Government;

16 (b) Ten Percent (10%) shall be remitted to the Provincial Government;

17 (c) Five Percent (5%) shall be remitted to the Municipal Government of Kalibo in the
18 case of the Kalibo International Airport or Five Percent (5%) shall be remitted to the
19 Municipal Government of Malay in the case of the Caticlan Airport; and

20 (d) Fifty-Five Percent (55%) shall be retained by the Aklan Airport Authority for
21 capital and other improvement.

22 **Sec. 11. Auditor.** – The Commission on Audit may appoint a representative who
23 shall be the auditor of the Authority together with the necessary personnel to assist said
24 representative in the performance of his duties. The number and salaries of the auditor and
25 said personnel shall be determined by the Chairman of the Commission on Audit in
26 accordance with the revised compensation and position classification system and other
27 applicable laws, rules and regulation.

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

31 **Sec. 12. Annual Report.** - The Board shall submit to the President though the
32 Department of Transportation and Communication and both Houses of Congress of the

Philippines, together with the audit report of the relevant accounts, an annual report generally dealing with the activities and operations of the Authority.

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

Sec. 14. Borrowing Power. – The Authority may, in accordance with existing laws, rules, and regulations on local and foreign borrowing, raise, either from local or international sources, by way of loans, credits or securities, and other borrowing instrument with the power to create pledges, mortgages and other voluntary liens or encumbrances or any of its assets or properties upon recommendation of the Secretary of the Transportation and Communications and 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 revenues and assets of the Authority and shall rank equally with one another, but shall have priority over any other claim on 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 voluntary liens or encumbrances on any assets or property of the Authority.

The Payment of the loans or other indebtedness of the Authority may be guaranteed by the National Government subject to the approval of the President of the Philippines.

Sec. 15. Tax Exemption. - The Authority shall be exempt from the payment of corporate income taxes. The Authority shall likewise be exempt from realty taxes imposed by the National Government or any of its political subdivisions, agencies and subsidiary which may be organized by the authority shall be for period of five (5) years from the effectivity of this Act.

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

Sec. 17. Projects in Progress. – All ongoing projects relating to the construction of airport facilities shall be continued by agency or agencies involved until their completion. Thereafter such projects shall be transferred to the Authority in accordance with agreement

1 among agencies concerned. Any disagreement relating to such transfer shall be submitted
2 to the President of the Philippines for final decision.

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

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

12 **Sec. 20. Repealing Clause.** - All laws, executive orders, letters of instructions, rules
13 and regulations or provisions thereof which are inconsistent with this Act are hereby
14 repealed, amended or modified accordingly.

15 **Sec. 21. Separability Clause.** - If any portion of this Act shall be held invalid or
16 unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions
17 hereof which shall remain in full force effect.

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

20 *Approved,*