

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 416



INTRODUCED BY REPRESENTATIVE ARTHUR C. YAP

EXPLANATORY NOTE

The port of Tagbilaran is the main seaport in the island province of Bohol. Travelers to and from Bohol uses the port as its main mode of entry, more so than the airport. The port attends to more or less 5,000 passengers daily on board fast crafts and regular ferries coming from Cebu, from Manila and other cities and provinces in the south like Cagayan de Oro, Iligan, Dipolog and Dumaguete. The Tagbilaran seaport also caters to cargo ships. It has an average cargo handling capacity of 49,000 tons. It can accommodate 10 to 20 footer vans with container traffic of 5,142 TEUs.

About 54 kilometers from Tagbilaran City, is the Tubigon seaport. It has just been newly renovated with newly completed 2 RORO terminals. There are several and regular shipping companies that service the port with several vessels plying the Tubigon-Cebu City route. Being almost adjacent to Cebu City, the port plays host solely to sea vessels plying the Tubigon-Cebu City route. It is a major choice of travelers bound for Cebu and vice versa because of its numerous boat schedules.

The third Bohol seaport is the Jagna Seaport. This seaport is considered as the gateway portal to Mindanao. It was once the main hub of maritime activities in Bohol. However, due to the upgrading of other ports of Bohol, the volume of passengers dwindled. Lately however, the Jagna Port was expanded. It is now part of the Strong Republic Nautical Highway (SRNH) system conceptualized by the government to interconnect by land and sea the island provinces of the country through RORO, cargo vessels, ferry boats, and fast crafts.

And then, there are the smaller ports. One is Talibon that serves travelers hailing from Cebu City. Also there is Ubay, which is a principal gateway to Leyte, and those coming via bus trips that pass by the Mayon Volcano, Sorsogon, crossing the sea on board a RORO boat to Samar, then to San Juanico Bridge and to Leyte. The port of Loon, wherein RORO vessels ply from Argao in Cebu. The port of Getafe, the nearest to Cebu City, and where many large outrigger boats ply. The other ports include the Asinan Port of Buenavista, the Daet River Quay and Inabanga Port in Inabanga, and the port of Clarin, all primarily designed for smaller vessels such as motorized bancas or outrigger boats and fishing boats.

These seaports are instrumental in enhancing investment opportunities in the province. They are likewise the keys to agro-industrial development and the flourishing of trade and commerce.

But most important, the ports are very important in promoting Bohol as a tourist destination. The province has consistently been in the top ten tourist destinations in the Philippines. As a primary eco-cultural tourism destination, the entire Island Province of Bohol, by virtue of Republic Act No. 9446, has been declared as a national tourism zone.

In order to further the progress of the local economy, to enhance its promotion as a tourist destination, and over all, to advance the development and welfare of the Boholanos, there is a need to drastically alter the systems and management of sea ports of the province. There is a need to establish an autonomous provincial port body similar to that in progressive Cebu Province.

Under this proposed measure, the Bohol Ports Authority is being created. This Authority shall be separated from the Philippine Ports Authority (PPA). It shall be independent in administering and managing all the facilities of the ports.

A Bohol Port Commission shall be established. It is to be composed of the Secretary of the Department of Transportation and Communication (DOTC) who shall be the Chairman, the Provincial Governor who shall be the Vice-Chairman, and five (5) Commissioners who shall elect among themselves the General Manager.

The Commissioners, who to be are appointed by the President of the Philippines, shall represent the ship-owners and shipping operators, cargo-handling labor sector and business sector. On the other hand, the General Manager shall direct and control the management of the day-to-day business and operations of the Ports.

With the passage of this bill, Bohol Province shall not be enjoy tourism growth, it shall also enjoy a robust economy and progressive society.

It is in this view that the immediate passage of the bill is earnestly sought.


ARTHUR C. YAP
Representative

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. _____ 416

INTRODUCED BY REPRESENTATIVE ARTHUR C. YAP

AN ACT
CREATING THE BOHOL PORTS AUTHORITY, DEFINING ITS
POWERS AND FUNCTIONS, PROVIDING APPROPRIATIONS
THEREFOR, 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 and cited as the "Charter
2 of the Bohol Ports Authority."

3 **SECTION 2. Declaration of Policy.** — It is the declared policy of the State to
4 promote the establishment and growth of autonomous provincial port bodies to produce
5 an efficient, safe, economical and coordinated system of movement of goods and persons
6 through the port, consistent with the constitutional mandate to give all provinces of the
7 country optimum opportunity to develop.

8 **SECTION 3. Creation of the Port Authority.** — There is hereby created
9 public-benefit corporation to be known as the Bohol Ports Authority, hereinafter referred
10 to as the Authority.

11 This Authority shall be under the supervision of the Department of Transportation
12 and Communications for purposes of policy coordination.

13 **SECTION 4. Definition of Terms.** — For purposes of this Act, unless the
14 context indicates otherwise, the terms used herein shall mean as follows:

1 (a) "Port facility" shall include wharves, piers, slips, docks, bulkheads, basins,
2 warehouses, cold storage, loading and unloading equipment, and passenger terminals and
3 accessories;

4 (b) "Transportation facility" includes passenger and cargo boats, ferry boats,
5 tugs, barges, scows, harbor craft of any kind, and any other kind of facility now in use or
6 hereafter designated for use of the transportation or carriage of persons or goods;

7 (c) "Navigable waters" means all navigable portions of the seas, estuaries and
8 inland waterways;

9 (d) "Wharf" means a continuous structure built parallel to or along the margin
10 of the sea or alongside riverbanks, canals or other waterways where vessels may lie
11 alongside to receive and discharge cargo or passenger, or lie at rest;

12 (e) "Pier" includes any stage, stair, landing stage, jetty, floating barge or
13 pontoon, and any bridge or other works connected therewith;

14 (f) "Dock" includes locks, cuts, entrances, graving docks, inclined planes,
15 slipways, quays and other works relative thereto;

16 (g) "Bulkhead" means any structure serving to divide land and water areas;

17 (h) "Basin" means any naturally or artificially enclosed or nearly enclosed
18 body of water in free communication with the sea;

19 (i) "Warehouse" means any building for storage or shed for cargo;

20 (j) "Lighter" means any large flat-bottomed boat or barge used in transporting
21 goods, or in loading or unloading of vessels not lying alongside piers or wharves;

22 (k) "Anchorage" means any place with sufficient depth of water where vessels
23 anchor or may ride at anchor within the harbor;

24 (l) "Goods" includes wares and merchandise of every description;

25 (m) "Rates" includes tolls, fees, dues and rent imposed by the Authority;

26 (n) "Vehicle" includes any carriage traveling on its own wheels or runners and
27 used or intended to be used for the conveyance or carrying of persons, animals or goods;
28 and

1 (o) "Vessels" includes any ship, boat or any waterborne craft used in the
2 conveyance or carrying of persons animals or goods.

3 **SECTION 5. Purposes and Objectives.** — The Authority shall have the
4 following purposes and objectives:

5 (a) To integrate and coordinate the planning, development, construction and
6 operations of ports and port facilities within its territorial jurisdiction, consistent with the
7 needs and requirements of the province;

8 (b) To enhance the flow of international and domestic commerce passing
9 through or utilizing the provincial ports; and

10 (c) To promote provincial development by providing support services to
11 sustain the growth of export and other priority industries in the province.

12 **SECTION 6. Territorial Jurisdiction.** — The territorial jurisdiction of the
13 Authority shall include all seas, lakes, rivers and all other navigable inland waterways
14 within the Province of Bohol, including waterways within the said province and all other
15 cities existing and which may hereafter be created therein.

16 **SECTION 7. Powers.** — The Authority shall have the power and responsibility
17 to:

18 (a) Have perpetual succession under its corporate name until otherwise
19 provided by law;

20 (b) Prescribe its bylaws and such rules and regulations as may be found
21 necessary to promote or enhance the business of the Authority;

22 (c) Adopt and use a seal;

23 (d) Sue and sued in any court;

24 (e) Enter into contracts, transactions, and undertakings of whatever nature,
25 which are necessary or incidental to its functions and objectives, with any natural or
26 juridical persons or with any government institutions, domestic or foreign;

27 (f) Acquire, own, hire, use, operate and dispose of personal property and to
28 acquire, own, use, lease, operate and dispose of real property and interests thereon and to
29 make improvements on such real property, including the reclamation, for port purposes,

1 of foreshore and submerged lands within its territorial jurisdiction; which reclaimed land
2 shall ipso facto be deemed transferred in ownership to the Authority; and to enter into
3 contracts with any public or private entity for such reclamation under such terms and
4 conditions as it may deem to be for the public interest; aisa dc

5 (g) Purchase, hold, alienate, mortgage, pledge or otherwise dispose of the
6 shares of the capital stock of, or any bond, security or other evidences or indebtedness
7 created by any other corporation or co-partnership of this or any other country, and while
8 the owner of said stock, to exercise all the rights of ownership, including the right to vote
9 thereon;

10 (h) Exercise the right of eminent domain;

11 (i) Exercise all other powers not contrary to law which may be necessary or
12 incidental to the effectuation of is authorized purposes or to the exercise of any of the
13 foregoing powers, except the power to levy taxes assessments and, in general, to exercise
14 in connection with property within its control all powers which may be exercised by a
15 natural or juridical person over its property and affairs;

16 (j) Levy dues and impose rates and charges for the use of the premises,
17 works, appliances, facilities or for services provided by or belonging to the Authority, or
18 any other organization concerned with port operations;

19 (k) Make expenditures in foreign countries to pay commissions and hire or
20 contract experts and consultants, both foreign and local;

21 (l) Make expenditures for promotion of the business affairs of the Authority;
22 and

23 (m) Exercise all the powers of a corporation under the Corporation Law
24 insofar as they are not inconsistent with the provisions of this Act.

25 **SECTION 8. Governing Body.** — The powers and functions of the Authority
26 shall be vested in and exercised by a Bohol Port Commission composed of a Chairman, a
27 Vice-Chairman and five (5) other Commissioners. The Chairman shall be the Secretary
28 of the Department of Transportation and Communications. The Vice-Chairman shall be

1 the Provincial Governor of Bohol. The Commissioners shall elect from among
2 themselves the designated Bohol Port General Manager.

3 The Commissioners shall be appointed by the President of the Philippines and
4 shall represent the following sectors:

- 5 (a) Shipowners and shipping operators;
- 6 (b) Cargo-handling labor sector; and
- 7 (c) Business sector.

8 **SECTION 9. Powers and Functions of the Commission.** — The powers and
9 functions of the Bohol Port Commission shall be as follows:

10 (a) To manage, administer, operate, maintain, improve and develop,
11 coordinate and otherwise govern the activities of all the ports within its territorial
12 jurisdiction;

13 (b) To investigate, prepare, adopt, implement and execute a comprehensive
14 and orderly plan for the overall development of all ports within its territorial jurisdiction,
15 and to update such plans, as may be warranted from time to time;

16 (c) To raise revenues for the Authority through fees, tolls, charges, rentals and
17 the like for the use of any property, equipment or facility owned or controlled by it;

18 (d) To raise and administer, together with such revenues as may by law accrue
19 to the Authority, capital outlays by means of loans from any local or foreign financial
20 institution to finance its projects;

21 (e) To determine by survey and establish by engineering design the exact
22 location, system and character of any and all port facilities which it may own, construct,
23 establish, effectuate, operate or control;

24 (f) To provide and maintain port facilities including accessory buildings and
25 installations within its territorial jurisdiction on its own or through the private sector;

26 (g) To prescribe and enforce rules and regulations on the use wharves, piers
27 and anchorages by ships and other watercraft;

28 (h) To determine the organization of the Authority and create such functional
29 units therein as it may deem necessary in the proper and efficient implementation of the

1 functions and purposes of the Authority, including the appointment of officials and
2 employees, it being understood that the security of tenure of these workers shall be
3 respected consistent with existing laws;

4 (i) To define the duties and fix the compensation and benefits of the General
5 Manager, Deputy General Manager, Port Managers, and other officers of the Authority,
6 in accordance with the rules and regulations of the Civil Service Commission and the
7 Department of Budget and Management;

8 (j) To approve the annual budget of the Authority and/or such supplemental
9 budgets thereof as may be submitted by the General Manager from time to time; and

10 (k) To perform such other duties as may be necessary and convenient for the
11 attainment of the objectives of the Authority.

12 **SECTION 10. Term of Office.** — The members of the Bohol Port Commission
13 shall be appointed for a term of three (3) years: Provided, That any person appointed to
14 fill a vacancy shall hold office only for the unexpired term of the Commissioner whom he
15 succeeds.

16 **SECTION 11. Quorum, Per Diems and Allowances.** — Four (4) members of
17 the Commission shall constitute a quorum for the transaction of business.

18 Unless otherwise fixed by the Commission, the Chairman and all the members
19 shall each receive a per diem of Five thousand pesos (P5,000), exclusive of traveling
20 expenses, for each day of meeting of the Commission, which shall not exceed four (4)
21 meetings a month.

22 **SECTION 12. General Manager.** — The management of the day- to-day
23 business and operations of the Authority shall be under the direction and control of the
24 General Manager. He shall have the following powers and duties:

25 (a) To manage, direct and supervise the operations and internal administration
26 of the Authority, subject to the control and supervision of the Commission;

27 (b) To prepare all memoranda pertaining to each and every item in the agenda
28 for the meetings of the Commission and to submit for the consideration thereof such

1 proposals or recommendations which he believes to be necessary to carry out effectively
2 and beneficially the business of the Authority;

3 (c) To implement the policies and administer the measures approved by the
4 Commission;

5 (d) To devise the executive organization pattern of the Authority, submit from
6 time to time to the Commission the corresponding organizational and functional charts,
7 and enforce the executive elements thereof;

8 (e) To appoint and employ the services of subordinate officials and employees
9 subject to the confirmation of the Commission;

10 (f) To prepare and submit to the Commission budget proposals of all kinds;
11 and

12 (g) To perform such other duties and exercise such other powers as may be
13 directed or authorized specifically by the Commission.

14 **SECTION 13. Prohibition Against Conflict of Interest.** — No members of the
15 Commission shall be financially interested, directly or indirectly, in any contract entered
16 into by the Authority or in any special privilege granted by it. Violation of this
17 prohibition shall constitute a ground for dismissal.

18 **SECTION 14. Application of Civil Service Laws.** — All officers and
19 employees of the Authority shall be subject to the Civil Service Commission and the
20 Department of Budget and Management rules and regulations, except those whose
21 positions may, upon recommendation of the Port Commission, be declared by the
22 President of the Philippines as policy determining, primarily confidential or highly
23 technical in nature.

24 **SECTION 15. Supplies and Services Other Than Personal.** — All purchases
25 or contracts for services, except for personal services, entered into by the Authority shall
26 be done only after public bidding therefor is held: Provided, That such bidding may be
27 required when an emergency, as explained and certified to by the General Manager,
28 requires immediate delivery of the supplies or performance of the services and the unit
29 costs or prices of such emergency procurement do not exceed the latest costs or prices

1 paid by the Authority for the same or similar goods or services: Provided, further, That
2 the General Manager shall report under oath to the Commission the details of any such
3 emergency procurement within two (2) weeks after its consummation, including a
4 statement of assurance that the transaction constitutes the best arrangement possible
5 under the circumstances.

6 **SECTION 16. Capitalization.** — The Authority shall have an authorized capital
7 stock equal to and consisting of:

8 (a) The value of fixed assets, including port facilities and equipment
9 administered by or belonging to the Port of Bohol and such other properties, movable and
10 immovable, within the territorial jurisdiction of the Authority as defined in Section 6
11 hereof, valued on the date of the effectivity of this Act; and

12 (b) Government contribution in such amount as may be deemed an
13 appropriate initial balance. Such initial amount, as approved by the President of the
14 Philippines, shall be more or less equivalent to six (6) months working capital
15 requirement of the Authority.

16 **SECTION 17. Auditor and Personnel.** — The Commission on Audit shall
17 appoint a representative who shall be the Auditor of the Authority and the necessary
18 personnel to assist said representative in the performance of his duties. The operating
19 expenses of the auditing office and the salaries of both officials and employees shall be
20 paid by the Authority.

21 **SECTION 18. Power to Issue Bonds.** — The Authority, to incur indebtedness or
22 to issue bonds to carry out approved capital investment projects, shall be approved by the
23 affirmative vote of at least four (4) of all members of the Commission in a special
24 meeting called for the purpose and approved by the President of the Philippines upon the
25 recommendation of the Secretary of Finance and the Central Bank of the Philippines.

26 **SECTION 19. Bond Limits.** — The bonds that may be issued by the Authority
27 shall in no case exceed the total amount of One billion pesos (P1,000,000,000): Provided,
28 That no single issue shall be made if at least seventy percent (70%) of the immediately
29 preceding issue is not yet sold.

1 The bonds shall be issued only in such amounts as will be needed at only one (1)
2 integral operation not exceeding one (1) year duration, taking into account the state at
3 which said bonds may be absorbed by the buying public and the fund requirements of the
4 project ready for execution, and considering further a proper balance between productive
5 and non-productive projects so that inflation shall be held to a minimum.

6 **SECTION 20. Form, Rate of Interest, etc. of Bonds.** — The Secretary of
7 Finance, in consultation with the Monetary Board, shall prescribe the form, the rate of
8 interest, the denominations, maturities, negotiability, convertibility, call and redemption
9 features, and all other terms and conditions of issuances, placement, sale, servicing,
10 redemption and payment of all bonds issued under the provisions of this Act.

11 The bonds issued by virtue of this Act shall be made payable both as to principal
12 and interest in Philippine currency and shall be acceptable as security in any transaction
13 with the Government in which such security is required.

14 **SECTION 21. Transfer of Existing Facilities and Intangible Assets.** — All
15 existing facilities including wharves, piers, slips, docks, bulkheads, cargo terminals,
16 warehouses, cold storage, loading and unloading equipment, and passenger terminals and
17 accessories, within the territorial jurisdiction of the Authority; other lands, buildings and
18 other properties, movable or immovable, belonging to or presently administered by the
19 Philippine Ports Authority; and all assets, powers, rights, interests and privileges relating
20 to port works or operations, including all equipment, are hereby transferred to the
21 Authority.

22 **SECTION 22. Projects in Progress.** — All ongoing projects relating to the
23 rehabilitation and/or construction of port facilities and supply of equipment shall be
24 administered and undertaken by the Authority.

25 **SECTION 23. Transfer of Liabilities and Debts.** — Upon the transfer to and
26 acceptance by the Authority of the existing physical facilities, intangible assets and
27 completed projects referred to in the preceding sections, all debts, liabilities and
28 obligations of the Philippine Ports Authority in respect of such physical facilities,

1 tangible assets and completed projects within the ports shall likewise be assumed by the
2 Authority.

3 **SECTION 24. Abolition of the Port Management Office of Bohol as a Port**
4 **Management Unit of the Philippine Ports Authority.** — The Port Management Office
5 of Bohol is hereby abolished. The General Manager of the Authority shall ensure the
6 smooth transfer of responsibility from the abolished entity to the Authority as well as the
7 determination of personnel to be retained: Provided, That all officials and employees
8 whose services are terminated shall, if not eligible for retirement, be given gratuities
9 equivalent to one (1) month salary for every year of continuous satisfactory service on the
10 basis of the highest salary received in addition to other benefits accorded to them by
11 existing laws.

12 **SECTION 25. Annual Report.** — An annual report of the Authority shall be
13 submitted to the President of the Philippines within sixty (60) days after the close of each
14 fiscal year.

15 The original of said report shall be submitted to the President of the Philippines
16 and copies thereof to the House of Representatives and the Senate of the Philippines and
17 the Department of Transportation and Communications. The report shall include a
18 financial statement duly certified by the Auditor of the Authority.

19 **SECTION 26. Appropriations.** — The amount necessary to carry out the
20 provisions of this Act shall be included in the General Appropriations Act of the year
21 following its enactment into law and thereafter.

22 **SECTION 27. Separability Clause.** — If any provision of this Act or the
23 application of such provision to any person or circumstance is declared unconstitutional,
24 the remainder of this Act or the application of such provision to other persons or
25 circumstances shall not be affected by such declaration.

26 **SECTION 28. Repealing Clause.** — All acts, charters, executive orders,
27 administrative orders, rules and regulations, or parts thereof, in conflict with this Act
28 hereby repealed or modified accordingly.

1 **SECTION 29. Effectivity Clause.** — This Act shall take effect fifteen (15) days
2 after its publication in at least two (2) national newspapers of general circulation or in the
3 Official Gazette, whichever comes earlier.

APPROVED.