



Republic of the Philippines  
House of Representatives  
Quezon City

SIXTEEN CONGRESS

HOUSE BILL NO. **4937**



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Introduced by Hon. Maria Jocelyn "Joy" Valera-Bernos

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#### EXPLANATORY NOTE

The **Abra River** is a Philippine river found in the province of Abra a landlocked province of the Philippines in the Cordillera Administrative Region with its capital town Bangued. It passes through the Mountain Province and Ilocos Sur as well as its namesake province, Abra. One of the 5 largest rivers in the Philippines, the Abra River has a vast river basin which is known to be the 6<sup>th</sup> largest in the Philippines. It is known for being the habitat of a unique species, the **Abra River eel**. The river flows during the rainy season, feeding a number of tributaries in the plains and valleys of Abra. However, during the summer, the riverbed drives up, exposing its extremely rugged and rocky gravel bottom. The Abra River originates from Mt. Data and flows to the west down to Cervantes, Ilocos Sur, then on to Abra. The Tineg River, which originates from the highlands of Abra, joins it in Abra province. The Abra River passes through Ilocos Sur once more then flows into the South China Sea.

The key strategies for an effective Abra River Basin development and management is based on the guiding principles and practices of Ecological Sustainability; Social and cultural Sustainability; Economic Sustainability; Institutional Sustainability and Political Sustainability.

On Ecological sustainability, recent analyses of the river's water have shown the river to possess dangerous levels of pollution, making the water unsafe for domestic use. In the past the Abra River was rich in aquatic resources, which were tapped by the people in the three provinces it passes through. However, the river has in recent years grown far too polluted to support aquatic life and provide water safe for human use due to the effects of industrialization, population growth, urbanization, deforestation, modern agricultural practices, and mining. Chemical analyses of the water of the Abra River conducted by scientist from Saint Louis University (SLU) College of Engineering's Applied Research and Development Studies and Department of Preventive and Community Medicine from the University of the Philippines Department of Biology have shown dangerously high levels of substances that are hazardous to humans. High levels of various toxic materials, including nitrates, heavy metals, and cyanides, have been

found in chemical analyses of the river water conducted from 2004 to 2007. The nitrates in all probability originated from fertilizers, domestic and industrial chemical agents, and animal waste. The heavy metals found in the water include lead, mercury, and chromium. They are present in excessive amounts, much higher than the acceptable percentage, and probably came from industrial waste. Cyanide, also found in concentrations that exceed the acceptable limits, most likely came from gold mines as it is commonly used to separate gold from ore. The toxic chemical cannot be broken down by sunlight and oxygen as it normally is, since the water lacks dissolved oxygen. This lack, combined with the presence of toxic chemicals in the water, has rendered the river unable to support aquatic life. So it is now in this regard that the environment, the land and the water resource base should be preserved for future generations through the Abra River Basin Development Authority. Water and watershed resources planning, development and management need to provide for the maintenance and enhancement of essential ecological processes, biological diversity and the natural resource base. A comprehensive Abra River basin planning shall take into account environmental needs and specifically carry out water balance, water allocation, water quality management and shall consider specific provisions of adequate quality water for environment flows in the Abra River. The Abra River Basin Authority shall ensure that the environmental sustainability is just not addressed through required environmental assessment analyses, but is an integral part of the basin project planning. The Abra River Authority will work hand in hand with the National Government in controlling the equitable allocation of water to the various users, in controlling the point and non-point sources of pollution in creeks and rivers taking into account the assimilative capacity of such water body and in preservation and management of the water/ inland fisheries, upland forests marshes/wetlands, and other habitats.

On Social and Cultural Sustainability, the utilization and development of water and watersheds resources should be undertaken in the manner that will increase people's control over their lives, should be compatible with the culture and values of the people affected by it, it will maintain and strengthen community, identify and ensure that the costs and benefits are shared equitably among communities and individual households.

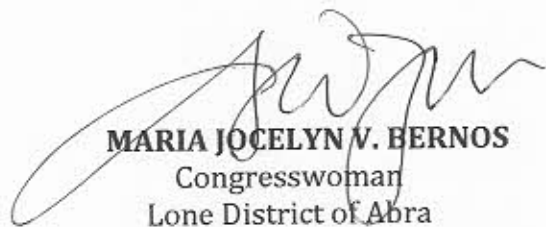
On Economic sustainability, the utilization and development of water and watersheds natural resources should be undertaken in the manner that will be economically efficient (cost-benefit theory) and which ensures that the resources are used and managed in a way that retain their potential to support future generations. It also means optimizing both tangible and intangible economic benefits for the greatest possible number of people in the province of Abra while ensuring, as far as the needs of sustainability of the Abra River Basin's natural resources permits, that no one suffers economic hardships.

On Institutional Sustainability, the Community based organizations, Non-Government Organizations, Local Government units covered by the Abra River Basin and the National Institutions responsible for conducting and supporting the planning, implementation and monitoring of the aforementioned shall have the capability to sustain the delivery of the services required from them.

On Political Sustainability, the Utilization and development of the Abra River Basin should be made in the manner that is consistent with sound basic and strategic policies for economic development and environmental protection and that will promote balance between and among various beneficiaries.

Further, the province of Abra is profusely visited by several typhoons and heavy rains, thus resulting to the flooding and inundation of its constituent municipalities. In particular, the municipalities of Lagangilang, Bangued, Bucay, Pidigan and La Paz are the most commonly affected areas. Our people had already suffered for much too long already and they live in constant fear, especially during rainy seasons, not only for their farm produce, but for their lives. There had been projects constructing a flood control system in some of the profound affected municipalities; however they are mostly devastated sooner or later due to the excessive rain pour and with the consensus of the different sectors of the community the establishment of the Abra River Basin Authority will eventually and surely solve the present problem of the province.

It is then prayed to the honourable tribunal of the 16<sup>th</sup> congress for the approval of this bill.



**MARIA JOCELYN V. BERNOS**  
Congresswoman  
Lone District of Abra



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**AN ACT CREATING THE ABRA RIVER BASIN DEVELOPMENT AUTHORITY,  
DEFINING ITS POWERS AND FUNCTIONS AND APPROPRIATING FUNDS THEREFOR**

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

**SECTION 1. Short Title.-**

This act shall be known as the Abra River Basin Development Authority Act of 2010.

**SECTION 2. Declaration of Policy.-**

It is hereby declared the policy of the State to promote and accelerate the preservation, protection, development and balanced ecology of the Abra River Basin and its tributaries, including its surrounding provinces, and municipalities, with in the context of the national plans and policies for social and economic development. Towards this end, the State shall focus its resources and capability to implement, manage and oversee the necessary measures and programs on flood control and drainage system in all the river systems in the region in order to eliminate the adverse effects of typhoons and floods during rainy seasons on the lives and properties of people residing along the area traversed by Abra River.

**SECTION 3. Abra River Authority.-**

There is hereby created a corporate body to be known as ABRA RIVER BASIN DEVELOPMENT AUTHORITY, hereafter referred to as the "ABRA RIVER AUTHORITY", which shall be organized within on hundred (100) days after the approval of this act.

The ABra River Authority shall be under the supervision of the Office of the President. All policies and programs, orders, rules and regulations promulgated, all appointments made and all transactions entered by Abra River Authority shall be subject to the approval of the President of the Philippines.

#### **SECTION 4. Mandate.-**

The Abra River Authority shall exercise the following mandates:

- a.) Prepare a master plan to preserve, protect and develop the Abra River and its major tributaries which shall include the Sinalang River and Banaoang and other rivers or river systems within the territorial jurisdiction of the Abra River Authority;
- b.) Conduct engineering surveys of the major rivers and river systems, assess and monitor water quality, pinpoint pollution sources and identify the rivers that need to be developed for exploitation or rehabilitation;
- c.) Plan, program, finance and undertake infrastructure projects such as river, flood and tidal control, waste and sewerage system, water supply, roads, port, irrigation, housing and related public works which are required within the context of its development plans and programs, including readjustment, relocation or resettlement of population as may be deemed necessary and beneficial by the Abra River Authority;
- d.) Initiate and facilitate planning, implementation, monitoring and evaluation of pertinent projects with positive impact of environment and development, including dredging, widening and deepening of river channels and improvement of river alignment, revetments, construction of dams and reforestation;
- e.) Prioritize rivers positively identified for development and rehabilitation and prepare a river-specific plan of operation for the development, rehabilitation and general improvement of environmentally degraded rivers;
- f.) Initiate funding arrangements with local and foreign donors, including fund raising, to finance priority development projects and provide direct funding of minor initiatives expected to create a positive impact on the environment and the projected area;
- g.) Recommend to proper agencies offering financial support, technical and physical assistance about the level of priority to be accorded to river system development and rehabilitation projects;
- h.) Coordinate and integrate such projects or operations of local governments, government agencies, public corporations and where clearly necessary and feasible, those of private entities, as will bear directly upon the plans and activities of Abra River Authority so as to make possible the accelerated and intensive development and rehabilitation of the rivers and river systems within the context of the master plan and to set up a compact and well-trained staff for effective liaison and consultation or joint planning and implementation with such government and public entities;
- i.) Investigate, identify natural washes and gullies, study the lay of the land, improve, construct and administer all flood control and drainage systems in the areas covered;

- j.) Investigate and identify available and possible water resources for the purpose of utilizing the same and implement the acquisition thereof.
- k.) Set the minimum depth and slope and standard of flood control and drainage systems so that water reach their natural outfalls; and
- l.) Plan, design, and construct the necessary flood control and drainage systems for the next twenty (20) years following the approval of this act.

#### **SECTION 5. Powers and Functions.-**

The Abra River Authority shall exercise the following powers and functions:

- a.) Cause, oversee, coordinate and monitor the implementation of, and periodically update the master plan to preserve, protect, develop and exploit the physical and natural resources of the Abra River and its major tributaries and areas along such rivers and tributaries;
- b.) Exercise supervision, control and regulation over the implementation of the infrastructure projects such as river, flood and tidal control, waste water and sewerage system, water supply, roads, port, irrigation, housing and related public works within its master plans and programs;
- c.) Exercise the right of eminent domain whenever the Commission deems it necessary to attain the mandate under this Act;
- d.) Enter into contracts of any kind and description to enable it to carry its mandate and functions;
- e.) Acquire, buy, purchase. Hold or lease, such personal and real properties as it deems necessary or convenient in the transaction of the business or in carrying out its mandate and to lease, mortgage, sell, alienate or otherwise encumber or dispose of any personal and real property held by the Abra River Authority;
- f.) Sue and sued in its corporate name;
- g.) Borrow funds from any local or foreign financial institutions, independent of the bonds it may issue or may continue to issue to carry out the purposes of the Abra River Authority under this Act;
- h.) Collect from the users drainage system such fees as may be necessary to finance the continuous operation and reimburse within a period of less than twenty five (25) years the cost of construction thereof;
- i.) Report annually to the President and the Congress of the Philippines of its activities including those in collaboration with the various government and private entities engaged in the implementation of the projects and programs. The report shall include, among others, a comparison of the developmental and rehabilitation

targets as set for the year ending, the extent to which actual accomplishments measure up to such targets and the appropriate administrative and legislative recommendations; and

- j.) Perform such functions as may be necessary to carry out the provisions of this Act.

#### **SECTION 6. Principal Office.-**

The Abra River Authority shall have its principal office in Bangued, Abra but it may have branch offices in such other places within the territorial jurisdiction of the Abra River Authority as are necessary for the proper conduct of its business.

#### **SECTION 7. Territorial Jurisdiction.-**

The territorial jurisdiction of the Abra River Authority shall include the Abra River, Tineg River and its tributaries and areas adjacent to them in the province of Abra and Ilocos Sur.

#### **SECTION 8 Board of Directors.-**

The duties and functions of the Abra River authority shall be directed, its properties managed and preserved and its corporate powers exercised, unless otherwise provided in this Act, any a Board of directors which shall be composed of the following:

- a.) Secretary of Public Works and Highways;
- b.) Director-general of the National Economic Development Authority;
- c.) Secretary of the Environment and Natural Resources;
- d.) Secretary of Agriculture;
- e.) Secretary of the Interior and Local Government;
- f.) Secretary of Finance;
- g.) Secretary of Tourism;
- h.) Administrator of the National Irrigation Administration;
- i.) Representative from the private sector;
- j.) Representative of the Lone District of Abra;
- k.) Provincial Governor of Abra;

The board of Directors shall elect from among themselves a chairman and a vice chairman.

The representative of the private sector shall be appointed by the president of the Philippines from among the list of recommended to be submitted by the private sector.

The officials next in rank to the above-mentioned members shall serve as permanent alternate members and shall attend meetings of the Board in the absence of their principals and shall receive the corresponding per diems.

The representative of the private sector shall be a Filipino Citizen, of good moral character, and with recognized competence in the field of public administration or directly related to waterworks management and engineering or allied services.

The members of the board shall reimburse the Abra River Authority for actual expenses, including travelling and subsistence, incurred by them in the performance of their duties.

No member of the Board shall have financial or pecuniary interest, directly or indirectly, in the business contract or transaction entered into by the Abra or in any privileged granted by it. Neither shall any member have any interest, financial or otherwise, in any undertaking or business with an inherent conflict of interest with the Abra River Authority.

#### **SECTION 9. Powers and Duties of the Board of Directors.-**

The Board of Directors shall exercise the following powers and duties:

- a.) Formulate, prescribe, amend and repeal rules and regulations to govern the conduct and operation of Abra River Authority;
- b.) Provide comprehensive policy guidance for the preservation, protection and development of its other tributaries as provided under this Act.
- c.) Decide the objectives, strategies and policies to be followed by the Abra River Authority;
- d.) Ensure that the Abra River Authority performs its functions in a proper, efficient and effective manner;
- e.) Determine the organizational structure of the Abra River Authority, establish a human resources management system based on merit and fitness, and adopt a rational compensation and benefit scheme;
- f.) Suspend, remove or otherwise discipline for just cause any staff member appointed by the Board;
- g.) Approve the annual and supplementary budgets for submission to the Congress of the Philippines
- h.) Submit an annual report to the President of the Philippines; and
- i.) Perform such other functions as may be necessary to carry out the purpose of this act.

#### **SECTION 10. Meetings.-**

The board shall meet regularly once a month and may hold special meetings to consider urgent matters upon call of the Chairman or any of its three (3) members. The majority of the Board shall constitute a quorum and the decisions of the board shall require the concurrence of at least five (5) members. The internal rules of procedures in the conduct of Board meetings shall be prescribed by the Board.

### **SECTION 11. Administrator.-**

The Abra River Authority shall be headed by an administrator who shall be the chief executive officer (CEO) of the Abra River Authority and shall be responsible for the general administration and management of the agency. The administrator must be a natural born citizen of the Philippines, at least forty five (45) years of age, with at least ten (10) years' experience in the field of public administration or the management of agricultural, industrial or commercial enterprises and a recognized authority on flood control and drainage or related fields.

The Administrator shall be appointed by the President of the Philippines upon the recommendation of the Board for a term three (3) years unless earlier removed for cause by the President.

For purposes of law enforcement, functions the Administrator are deemed a person in authority. All subordinate officials and personnel are deemed agents of person authority.

### **SECTION 12. Powers and Functions of the Administrator.-**

The administrator shall exercise the following powers and functions:

- a.) Execute, administer and implement the objectives, policies and programs of the Abra River Authority and enforce decisions, orders, rules and regulation approved or prescribed by the Board of Directors.;
- b.) Prepare the Agenda for the meeting of the Board and submit for consideration thereof the policies and measures which he believes necessary to carry out the provisions of this act;
- c.) Direct and supervise the operation and internal administration of the Abra River Authority. The administrator may delegate certain administrative responsibilities to other officers of the Abra River Authority subject to the rules and regulations of the Board; and
- d.) Exercise such other powers as may be directed by the Board.

### **SECTION 13. Compensation.-**

The Administrator shall receive a compensation to be determined by the Board which shall be charged against the annual appropriation of the Abra River Authority. The Board of Directors shall provide the per diems and allowances of the Administrator.

### **SECTION 14. Residence.-**

The Administrator shall establish his residence within the territorial jurisdiction of the Abra River Authority. The Administrator shall not, during his term of office, engage in any business or profession other than those connected in the performance of his official duties as Administrator.

### **SECTION 15. Administrative Staff.-**

The activities of the Abra River Authority shall be carried under the supervision and control of the Administrator through the following administrative officials:

- a.) An Assistant who shall be appointed by the President of the Republic of the Philippines upon the recommendation of the Board. He shall exercise such powers, duties and functions that may be delegated by the administrator and shall act as Administrator in the absence of or during the temporary incapacity of or until such time a new Administrator is duly appointed;
- b.) An Administrative Officer who shall be responsible for providing services related to personnel, training, information, records, supplies, general services, equipment and security;
- c.) A planning and Management Development Officer who shall be responsible for providing services to planning, programing, statistics and project development;
- d.) A Budget and Finance Officer who shall be responsible for providing staff advice and assistance on budgetary matters and safekeeping of corporate assets;
- e.) A Legal Officer who shall represent the Abra River Authority in legal actions and proceedings;
- f.) An Engineering and Construction Officer who shall be responsible for providing services related to detailed engineering plans and construction and maintenance of projects and facilities; and
- g.) An information Officer who shall take charge of re-orientation and education of personnel and the communities living along the river banks.

### **SECTION 16. Structure, Staffing, and Pay Scale.-**

The Board of Directors of Abra River Authorities shall determine the organizational structure and staffing pattern of Abra River Authority and pay scales of the officers and employees thereof conforming to that of existing government-owned or controlled corporations and subject to the evaluation and screening by the Civil Service Commission and the Organization Position Classification and Compensation Bureau of the Department of Budget and Management. The Board may recognize said structure, modify such pattern, or alter the same scale and create or abolish division, sections or units and any of its subsidiaries.

### **SECTION 17. Merit System.-**

All officials, agents and employees of the Abra River Authorities shall be selected and appointed on the basis of merit and fitness in accordance with a comprehensive and progressive merit system to be established by the Abra River Authority immediately upon its organization. The recruitment transfer promotion and dismissal of all its personnel including temporary workers shall be govern by such merit system.

#### **SECTION 18. Appointment by the Board.-**

The administrative officers and employees shall be appointed by the Board upon the recommendation of the administrator.

#### **SECTION 19. Authorized Capital Stock.-**

The authorized capital stock of the Abra River Authority shall be Four Hundred Million Pesos (P400,000,000.00) divide into 2,000,000 shares with P200 par value each: provided, that the ninety percent (90%) of the Authorized capital shall be fully subscribed by the National Government to be appropriated out of the funds of the National Treasury not otherwise appropriated of which at least fifty percent (50%) shall have been fully paid: Provided, that ten percent (10%) thereof shall be subscribed and paid by the Provincial Government of Abra.

#### **SECTION 20. Operating Expenses.-**

For the operating expenses of the Abra River Authority, the sum of twenty five million pesos (P 25,000,000.00) is hereby authorized to be appropriated annually for two (2) years. Thereafter, the Board of Directors shall appropriate out of the funds of the Abra River Authority such sums as may be needed for its operating expenses.

#### **SECTION 21. Tax Exemption.-**

Abra River Basin Development Authority shall be exempt from the payment of income taxes, franchise taxes, realty taxes and all kinds of taxes and licenses of the instrumentalities: Provide that its subsidiary corporations shall be subject to all said taxes five (5) years after their establishment. Such exemption shall include any tax or fee imposed by the government on the sale, purchase or transfer of foreign exchange and all notes, bonds and debentures, and other obligations issued by the Abra River Authority both as to principal and interests.

The importation of machinery, equipment, materials and supplies by the Abra River Authority paid from the proceeds of any loan, credit and indebtedness incurred under this act shall be exempt from all taxes, fees, imposts, other charges and restrictions imposed by the government of the Republic of the Philippines or any of its agencies and political subdivisions.

#### **SECTION 22. Audit.-**

The Chairman of the Commission and Audit shall appoint a representative who shall be the resident auditor of the Abra River Authority. He shall likewise appoint the necessary personnel to assist said representative in the performance of his duties. The salaries of the auditor and his staff shall be fixed by the Chairman of the Commission and Audit. The salaries and expenses for the Auditor's Office shall be included in the Budget of the Commission on Audit. The Auditor of the Abra River Authority and personnel under him may be removed only for cause for the chairman of the Commission on Audit.

### **SECTION 23. Annual Audit Report.-**

An Annual Audit Report shall be submitted by the Commission on Audit to the Board of Directors of the Abra River Authority and copies thereof shall be furnished to the President of the Philippines. The report shall set forth the scope of the audit and shall include the statement of assets and liabilities, capital and surplus or deficit; a statement and surplus or deficit analysis; statement of income and expenses; a statement of sources and application of funds; and such comments and information as maybe necessary,. Together with such recommendations with respect thereto as maybe advisable, including a report of any impairment of capital noted in the audit. The report shall also show specifically any program, expenditures or other financial transaction or undertaking observed in the course of audit, which in the opinion of the auditor, has been carried out or made without authority of Law.

### **SECTION 24. Applicability of the Corporation Code.-**

The provision of the Corporation Code, as amended, insofar as they are not inconsistent with this act, shall be applicable to the Abra River Development Authority.

### **SECTION 25. Repealing Clause.-**

All Laws, decrees, executive orders, rules and regulations and issuances, or parts thereof, inconsistent with the provisions of this act, are hereby repealed accordingly.

### **SECTION 26. Separability Clause.-**

If any part or provision of this act is declared unconstitutional, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

### **SECTION 27. Effectivity.-**

This act shall take effect upon approval.