



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Seventeenth Congress
Second Regular Session

HOUSE BILL NO. **7165**

Introduced by Representative Erico Aristotle C. Aumentado

EXPLANATORY NOTE

This bill seeks to create the Panglao Airport Authority to administer and operate the Bohol International Airport.

The Province of Bohol has a lot to offer as a center of international trade and tourism. Thus, Bohol has been the perennial “first choice” destination among tourists, especially among Asian tourists, like the Chinese, Koreans and the Japanese.

Presently, a new airport known as the Bohol International Airport is under construction in the Municipality of Panglao, Province of Bohol to support Bohol’s increased passenger traffic due to booming tourism. The new airport is projected to be completed and operational in the middle of 2018. When the Bohol International Airport becomes operational, the Tagbilaran Airport, the 11th busiest airport in the country, will immediately be closed. The new airport is part of the government’s plan for Central Philippines to become a major tourist destination and to serve as a gateway for major tourist destinations in Bohol from other parts of the country and abroad. The new airport will be able to accommodate international flights aside from the regular domestic and regional flights, thus bringing in more tourists. With such scenario, investments will definitely pour in, and jobs will be generated, giving more livelihood and wider economic opportunities for Boholanos.

In this light, this proposed measure seeks to create the Panglao Airport Authority, a body clothed with the corporate personality and sufficient powers to

manage and administer the Bohol International Airport. Although it is the Air Transportation Office which will have the operational control of all the equipment necessary for the operation of radio aids to air navigation, airways communication and the area control center of the Bohol International Airport, it is the Authority which will principally undertake the economical, efficient and effective control, management and supervision of the Bohol International Airport. It will promote and develop international and domestic air traffic in Bohol as a means of making the province a center of international trade and tourism. It will also accelerate the development of air transportation in the country. All these can best be achieved by an office specifically tasked to do the job, the Panglao Airport Authority.

In view of the foregoing, approval of this bill is highly and earnestly recommended.

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke at the end, positioned above the printed name.

ERICO ARISTOTLE C. AUMENTADO



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AN ACT

**CREATING THE PANGLAO AIRPORT AUTHORITY TO
ADMINISTER AND OPERATE THE BOHOL INTERNATIONAL
AIRPORT AND APPROPRIATING FUNDS THEREFOR**

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

SECTION 1. **Short Title.** – This Act shall be known and cited as the

“Panglao Airport Authority.”

SEC. 2. **Panglao Airport Authority.** – There is hereby established a body
corporate to be known as the Panglao Airport Authority, hereinafter referred to
as the “Authority,” which shall be attached to the Department of Transportation.
The principal office of the Authority is located at the Bohol International Airport
in the Municipality of Panglao, Province of Bohol.

The Authority may have such branches, agencies or subsidiaries as it may
deem proper and necessary.

1 SEC. 3. ***Objectives.*** – The Authority shall principally undertake the
2 economical, efficient and effective control, management and supervision of the
3 Bohol International Airport in Panglao, Bohol.

4 In addition, the Authority shall have the following objectives:

5 a) Encourage, promote, and develop international and domestic
6 air traffic in Bohol as a means of making it a center of international trade
7 and tourism, and accelerating the development of the means of
8 transportation in the province; and

9 b) Provide and formulate internationally acceptable standards of
10 airport accommodation, facilities and service.

11 SEC. 4. ***Duties and Functions.*** – The Authority shall exercise the
12 following duties and functions:

13 a) Formulate a comprehensive and integrated development,
14 policy and program for the Bohol International Airport and any other
15 airports that it may operate in the province, and to implement, review and
16 update such policy and program periodically;

17 b) Control, supervise, construct, maintain, operate, expand and
18 provide such facilities or services as shall be necessary for the efficient
19 functioning of the Bohol International Airport, or other airports in the
20 province;

1 c) Promulgate rules and regulations governing the planning,
2 development, maintenance, operation and improvement of the Bohol
3 International Airport, and control and supervise the construction of any
4 structure or the rendition of any service within the Bohol International
5 Airport;

6 d) Exercise all the powers of a corporation under Batas
7 Pambansa Blg. 68, otherwise known as the "*Corporation Code of the*
8 *Philippines*," insofar as those powers are not inconsistent with the
9 provisions of this Act;

10 e) Acquire, purchase, own, administer, lease, mortgage, sell or
11 otherwise dispose of land, building, airport facility, or property of whatever
12 kind and nature, whether movable or immovable, or any interest therein:
13 *Provided*, That any asset located in the Bohol International Airport
14 important to the national security shall not be subject to alienation or
15 mortgage by the Authority nor to transfer to any entity other than the
16 National Government;

17 f) Exercise the power of eminent domain in the pursuit of its
18 purposes and objectives;

19 g) To sue and be sued;

1 h) Levy and collect dues, charges, fees or assessment for the use
2 of airport premises, works, appliances, facilities or concessions, or for any
3 service provided by the Authority;

4 i) Retain and appropriate dues, fees, and charges collected by
5 the Authority relative to the use of the airport and for such measures as
6 may be necessary to make the Authority more effective and efficient in the
7 discharge of its assigned tasks;

8 j) Invest its idle funds, as it may deem proper, in government
9 securities and other evidences of indebtedness; and

10 k) Provide services, whether on its own or otherwise, within the
11 Bohol International Airport and the approaches thereof as may be
12 necessary or in connection with the maintenance and operation of the
13 Bohol International Airport and its respective facilities.

14 SEC. 5. ***Police Authority.*** – The Authority shall have the power to exercise
15 such police authority as may be necessary within its premises or areas of
16 operation to carry out its functions and attain its purposes and objectives:
17 *Provided, That the Authority may request the assistance of law enforcement*
18 *agencies, including request for deputization as may be required. Such police*
19 *authority shall be exercised in connection with the following, among others:*

20 a) Maintenance of security to passengers, cargoes, aircraft,
21 airport equipment, structures, facilities, personnel, funds and documents;

b) Regulation of the entry to, exits from and movement within the airports;

c) Maintenance of peace and order within the premises of the Bohol International Airport ;

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

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

f) In case of emergencies or imminent danger involving national security within the airport premises, the Philippine Air Force Security Command shall take charge.

SEC. 6. **Board of Directors.** – The corporate powers of the Authority shall be exercised by and vested in the Board of Directors which shall be composed of a chairperson, a vice-chairperson and nine (9) members. The Secretary of Transportation and the general manager of the Authority shall be the *ex officio* chairperson and vice-chairperson of the Board, respectively.

The Assistant Secretary of the Air Transportation Office and the Secretaries of the following executive departments or any Undersecretary or Assistant Secretary designated by the respective Secretaries shall be *ex officio* members, to wit: Department of Finance, Department of Justice and Department of Tourism. In addition, four (4) members from the private sector who are

1 residents of the Province of Bohol shall be appointed by the President of the
2 Philippines for a term of four (4) years. The mayor of Panglao or a duly authorized
3 representative of the mayor shall be the ninth member.

4 The Board shall promulgate its rules relative to meetings, quorum
5 requirements and compensation or allowances of the members of the Board.

6 SEC. 7. ***Functions of the Board.*** – The Board shall exercise the following
7 functions:

8 a) Define and approve the programs, plans, policies, procedures
9 and guidelines of the Authority for the development and operation of the
10 Bohol International Airport;

11 b) Appoint the general manager of the Authority who shall be
12 the chief executive officer of the Authority;

13 c) Approve the Authority's organizational and administrative
14 structure, staffing pattern, operating and capital expenditures, and financial
15 budgets, upon the recommendation of the general manager, subject to
16 existing laws, rules and regulations;

17 d) Approve salary ranges, benefits and other terms and
18 conditions of service for all officers and employees of the Authority, upon
19 recommendation of the general manager, which shall, as far as possible, be
20 competitive with those offered in the private sector, subject to existing
21 laws, rules and regulations;

1 e) Fix the rate of dues, charges, fees, or assessments for the use
2 of airport premises, appliances, facilities, concessions, services and other
3 fees and charges related to the activities of the airports, upon
4 recommendation of the general manager; and

5 f) Exercise all the functions and powers necessary or incidental
6 to attain the purposes and objectives of this Act.

7 SEC. 8. ***Duties of the General Manager.*** – The general manager shall be
8 directly responsible to the Board and exercise the following duties:

9 a) Direct and supervise the day-to-day management, operation
10 and administration of the Bohol International Airport;

11 b) Implement and enforce decisions, orders, rules and
12 regulations issued, prescribed or adopted by the Board;

13 c) Undertake researches, studies, investigations and other
14 activities related to the operations and future improvement of the Bohol
15 International Airport, and submit comprehensive reports and appropriate
16 recommendations to the Board for proper action;

17 d) Appoint, transfer, suspend, remove or otherwise discipline
18 any subordinate officer or employee of the Authority, subject to the
19 approval of the Board and in accordance with the existing rules and
20 regulations of the Civil Service Commission;

1 e) Execute contracts, incur obligations, acquire and dispose of
2 assets, and deliver documents on behalf of the Authority;

3 f) Grant permits or concessions to do business within the
4 airports in accordance with such rules and regulations to be promulgated
5 by the Authority for the purpose; and

6 g) Perform such other duties as the Board may delegate or
7 assign, and such acts as may be necessary and proper to implement this
8 Act.

9 SEC. 9. *Authorized Capital.* – The Authority shall have an authorized
10 capital stock equal to:

11 a) The value of fixed assets, including airport facilities, runways
12 and equipment and such other properties, movable and immovable,
13 administered by or belonging to the Bohol International Airport as valued
14 on the date of the effectivity of this Act;

15 b) The value of such real estate owned or administered by the
16 Bohol International Airport; and

17 c) Government contribution in such amount as may be deemed
18 an appropriate initial balance. Such initial amount, as approved by the
19 President of the Philippines, which shall be more or less equivalent to six
20 (6) months working capital requirement of the Authority, is hereby

1 authorized to be appropriated in the annual General Appropriations Act of
2 the year following the effectivity of this Act.

3 Thereafter, the government contribution to the capital of the Authority
4 shall be provided for in the annual General Appropriations Act.

5 SEC. 10. ***Resident Auditor.*** – The Commission on Audit shall appoint a
6 representative who shall be the resident auditor of the Authority, together with
7 the necessary personnel to assist said representative in the performance of the
8 representation duties. The number and salaries of the resident auditor and said
9 personnel shall be determined by the chairperson of the Commission on Audit,
10 subject to the rules and regulations of the Commission of Audit.

11 The resident auditor shall as soon as practicable, but not later than three (3)
12 months after the accounts have been submitted for audit, send an annual report to
13 the Board. The resident auditor may also submit such periodic or special reports
14 as the Board may deem necessary.

15 SEC. 11. ***Annual Report.*** – An annual report of the activities and
16 operations of the Authority, together with the audit report, shall be submitted by
17 the Board to the President of the Philippines and both Houses of Congress of the
18 Philippines through the Department of Transportation.

19 SEC. 12. ***Applicability of Civil Service Laws.*** – The Authority and its
20 officials and employees shall be subject to the existing civil service laws and its
21 rules and regulations.

1 SEC. 13. ***Borrowing Power.*** – The Authority may, in accordance with
2 Section 21, Article XII of the Constitution and other existing laws, rules and
3 regulations on local or foreign borrowing, raise funds, either from local or
4 international sources, by way of loans, credit or securities, and other financing
5 instruments with the power to create pledges, mortgages and other voluntary liens
6 or encumbrances on any of its assets or properties, subject to the prior approval
7 of the President of the Philippines.

8 All loans contracted by the Authority under this section, together with all
9 interests and other sums payable in respect thereof, shall constitute a charge upon
10 all the revenues and assets of the Authority and shall rank equally with one
11 another, but shall have priority over any other claim or charge on the revenue and
12 assets of the Authority: *Provided*, That this provision shall not be construed as a
13 prohibition or restriction on the power of the Authority to create pledges,
14 mortgages and other voluntary liens or encumbrances on any asset or property of
15 the Authority.

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

19 SEC. 14. ***Tax Exemptions.*** – The Authority shall be exempt from realty
20 taxes imposed by the National Government or any of its political subdivisions,

1 agencies and instrumentalities: *Provided*, That no tax exemption herein granted
2 shall extend to any subsidiary which may be organized by the Authority.

3 SEC. 15. ***Transfer of Facilities and Intangible Assets.*** – All public airport
4 facilities, runways, lands, buildings and other properties, movable or immovable,
5 that will belong to or will be administered by the Bohol International Airport once
6 completed and fully operational, and all other future assets, powers, rights,
7 interests and privileges relating to airport works or air operations, including all
8 equipment which are necessary for the operation of air navigation, aerodrome
9 control towers, crash, fire, and rescue facilities of the Bohol International Airport
10 will be transferred to the Authority: *Provided, however*, That the operational
11 control of all equipment necessary for the operation of radio aids to air navigation,
12 airways communication, the approach control office, and the area control center
13 shall be retained by the Air Transportation Office. No equipment, however, shall
14 be removed by the Air Transportation Office from Bohol International Airport
15 without the concurrence of the Authority. The Authority may assist in the
16 maintenance of the Air Transportation Office equipment.

17 SEC. 16. ***Transfer of Liabilities and Debts.*** – Upon the transfer to and
18 acceptance by the Authority of the physical facilities, intangible assets and
19 completed projects referred to in the preceding sections, all debts, liabilities, and
20 obligations of government agencies or entities concerned in respect of such

1 physical facilities, tangible assets and completed projects within the Bohol
2 International Airport shall likewise be assumed by the Authority.

3 SEC. 17. ***Repealing Clause.*** – All laws, executive orders, letters of
4 instructions, rules and regulations, or provisions thereof which are inconsistent
5 with the provisions of this Act are hereby repealed, amended or modified
6 accordingly.

7 SEC. 18. ***Separability Clause.*** – If any provision or part of this Act is
8 declared invalid or unconstitutional, such parts or provisions not affected thereby
9 shall remain in full force and effect.

10 SEC. 19. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its
11 publication in the *Official Gazette* or in a newspaper of general circulation.

12 Approved,