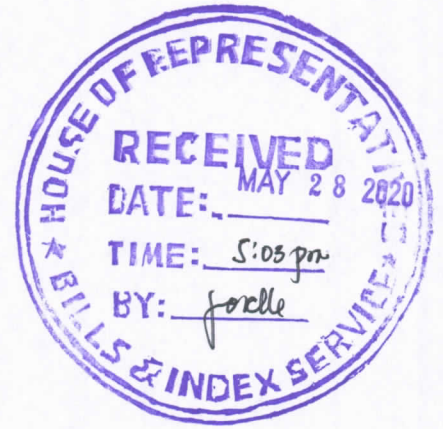




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

THE EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6863



AN ACT CREATING THE GENERAL PAULINO SANTOS INTERNATIONAL AIRPORT AUTHORITY, TRANSFERRING EXISTING ASSETS OF GENERAL SANTOS CITY AIRPORT TO THE AUTHORITY, VESTING THE AUTHORITY WITH SUCH POWERS TO ADMINISTER AND OPERATE GENERAL PAULINO SANTOS INTERNATIONAL AIRPORT, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Hon. Shirley L. Bañas-Nogales

EXPLANATORY NOTE

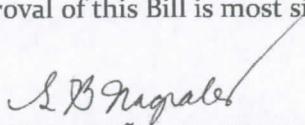
This Bill seeks the creation of General Paulino Santos International Airport Authority, a body corporate imbued with responsibilities and the autonomy that will help make such strategic facility of the National Government move forward to hasten the realization of the administration's own vision of growth and development in Soccsargen Region.

This motion will also more certainly bolster the foothold of one of the biggest airports in Mindanao to eventually become a premier world-class service facility in the island and at the same time operate as a promising revenue generator of the National Government, the same having been equipped with a 3,227-meter-long American-built runway – the country's third longest operating airstrip after Ninoy Aquino International Airport and Cebu-Mactan International Airport.

Moreover, this motion will even bring a more sustained stability and progress to the airport's operations as it will, thus, be managed to comply with the standards set forth by Batas Pambansa Blg. 68, otherwise known as "The Corporation Code of the Philippines" vis-à-vis Republic Act 10149, otherwise known as known as the "GOCC Governance Act of 2011" and, thereupon, pose as an effective medium of aviation, tourism and commerce.

The provisions hereof benchmarked after the best practices of Clark International Airport Authority, Francisco Bangoy International Airport Authority, and some other reliable references and resources, but redrafted to address the varied lessons brought to us by the dreaded Covid-19 pandemic, it is hoped that this Bill will contribute towards fostering some sort of a reconfigured paradigm on our way to the so-called "new normal" order of doing business.

In view of the foregoing, approval of this Bill is most sincerely sought.


SHIRLYN L. BAÑAS-NOGRALES



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THE AUTHORITY, VESTING THE AUTHORITY WITH SUCH POWERS TO ADMINISTER
AND OPERATE GENERAL PAULINO SANTOS INTERNATIONAL AIRPORT,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

Article I
General Provision

Section 1. Short Title. - This Act shall be known and cited as the "Charter of General Paulino Santos International Airport Authority."

Section 2. Coverage. - This Act shall apply to all persons, entities, and other political subdivisions as may be referred or connected with this Act and, to the extent herein provided, to officials, offices, and other departments, bureaus, instrumentalities, and other agencies of the national government and local government units.

Section 3. Construction and Interpretation. - This Act shall be construed and interpreted in the light of the State policy to promote integrity, accountability, and proper management of public affairs and public property. Any doubt shall be resolved thereupon by taking into account good, effective, and established GOCC practices and standards.

Article II
The Authority

Section 4. Creation of the General Paulino Santos International Airport Authority. - (a.) There is hereby established a body corporate to be known as General Paulino Santos International Airport Authority, hereinafter referred to as the "Authority", which shall be attached to the department of Transportation (DOTr).

(b) The Authority shall hold principal office and conduct official business at a designated area located within the airport complex.

(c.) The Authority may operate such branches, agencies or subsidiaries to be located outside of the airport complex as it may deem proper and necessary.

Section 5. Objectives. - The Authority shall principally undertake the economical, efficient, and effective control, management and supervision of General Paulino Santos International Airport in the City of General Santos.

In addition, the Authority shall have the following objectives:

(a) Encourage, promote and develop international and domestic air traffic in Socsksargen Region as a means of making the region a center of international trade and tourism, and accelerating the development of the means of transportation and communications around the country; and

(b) Upgrade the services and facilities of General Paulino Santos International Airport and formulate internationally acceptable standards of airport accommodation and service.

Section 6. Duties and Functions. - The Authority shall exercise the following duties and functions:

(a) Succeed in its corporate name; to sue and be sued in such corporate name and adopt, alter and use a corporate seal; and adopt, amend or repeal its own set of by-laws, rules or regulations;

(b) Formulate a comprehensive and integrated development policy and program for General Paulino Santos International Airport and implement, review, and update periodically, such policy and program;

(c) Control, supervise, construct, maintain, operate and provide such facilities or services as shall be necessary for the efficient functioning of General Paulino Santos International Airport, compliant with International Civil Aviation Organization (ICAO) standards;

(d) Promulgate rules and regulations governing the planning, development, maintenance, operation and improvement of General Paulino Santos International Airport, and control and supervise the construction of any structure or the rendition of any service located or conducted within General Paulino Santos International Airport;

(e) Exercise all the powers of a corporation under Batas Pambansa Blg. 68, otherwise known as "The Corporation Code of the Philippines" insofar as those powers are not inconsistent with the provisions of this Act;

(f) 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 established and located within the premises of General Paulino Santos International Airport which is 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;

(g) To enter into, make, perform and carry out contracts of every class, kind and description which are necessary or incidental to the realization of its purposes with any person, firm or corporation, private or public, and with foreign government entities;

(h) Exercise the power of eminent domain in the pursuit of its purposes and objectives;

(i) Levy and collect dues, charges, fees or assessments for the use of airport premises, works, appliances, facilities or concessions, or for any service provided by the Authority;

(j) Receive donations, grants, bequeaths, and assistance of all kinds from local or foreign governments and private sectors and utilize the same;

(k) Retain and appropriate dues, fees, and charges 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 its assigned tasks;

(l) Invest its idle funds, as it may deem proper or necessary, in government securities or other forms of business ventures: *Provided*, that this be concurred in by two-thirds (2/3) votes of all the members of the Board of Directors; and

(m) Provide such services, whether on its own or otherwise, within General Paulino Santos International Airport and the approaches thereof as may be necessary or in connection with the maintenance and operation of the Airport grounds or facilities.

Section 7. Police Authority. - The Authority shall have the power to exercise such police authority as may be necessary within its premises or areas of operation to carry out its functions and attain its purposes and objectives: *Provided*, that the Authority may request the assistance of law enforcement agencies, including request for deputations as may be required. Such police authority shall be exercised in connection with the following, among others:

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

(b) Regulation of the entry to, exits from, and movement within the airport grounds;

(c) Maintenance of peace and order within the premises of General Paulino Santos International Airport;

(d) Regulation and supervision of private security agencies operating inside General Paulino Santos International Airport;

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

(f) In case of such emergencies or imminent danger involving national security or public health within the airport premises, the Philippine Air Force Security Command in close coordination with the Department of Health (DOH) or other appropriate departments of agencies of government, shall take charge.

Article III The Board of Directors

Section 8. Board of Directors. - (a) 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 the DOTr and the General Manager of the Authority shall, respectively, be the ex officio Chairperson and Vice-Chairperson of the Board.

(b) The Director General of the Civil Aviation Authority of the Philippines (CAAP) or the duly appointed representative thereof 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, Department of Health,
Department of Agriculture, Department of Tourism, along with the

incumbent Local Chief Executive of the City of General Santos to sit, on a concurrent capacity, as ex officio member of the Board.

(c) In addition, four (4) members from the city's private sector groups who are residents of the City of General Santos for at least five (5) years, of good moral character, of unquestionable integrity, and of recognized competence in relevant fields including but not limited to economics, social sciences, national security administration or defense, international relations, engineering preferably naval or aeronautical, shall each be appointed by the President of the Philippines to the Board for a fixed three-year-term office, without eligibility for reappointment thereafter, subject to "fit and proper rule" applied for by the Governance Commission on Government-Owned or Controlled Corporations (GCG) pursuant to the pertinent provisions of Republic Act No. 10149, otherwise known as known as the "GOCC Governance Act of 2011".

(d) In the process thereof, the Local Chief Executive of the City of General Santos shall submit to GCG a longlist of fifteen (15) individual candidates for appointment pursuant to the preceding provision.

(e) The GCG after examining the submitted list and following "fit and proper rule" shall thereby endorse to the President a shortlist of seven (7) qualified candidates.

(f) From the shortlisted candidates, the President of the Philippines shall according to his own executive wisdom and discretion finally choose and appoint four (4) appointees who shall, thereupon, be seated as the authorized representatives of the city's private sector groups in the Board.

(g) The four (4) members coming from the city's private sector groups shall be appointed not later than (90) days after the Board shall have convened on its first regular session.

Section 9. Internal Rules of Procedure. – (a) On the first regular session following its constitution and within thirty (30) days thereafter, the Board shall adopt and promulgate its own rules of procedure relative to meetings, quorum requirements and also discuss, approve, and promulgate on matters relative to compensation and allowances of its members.

Section 10. Functions of the Board. - The Board shall exercise the following functions:

(a) Define and approve all programs, plans, policies, procedures, guidelines, rules and regulations etc. to be promulgated upon by the Authority for the operation, maintenance, and development of General Paulino Santos International Airport pursuant to Section 6(d), Article II of this Act;

(b) Concur on all forms contracts to be entered into by the Authority in the pursuit of its duties and functions as provided for under Section 6, Article II of this Act;

(c) Appoint the General Manager of the Authority who shall be the chief executive officer of the Authority and vice-chairperson of the Board;

(d) Approve the Authority's organizational and administrative structure, staffing pattern, operating and capital expenditures, and financial budgets, upon recommendation of the General Manager, subject to the final approval of the GCG;

(e) Upon recommendation by the GCG, approve salary ranges, benefits, and other terms and conditions of service for all officials and employees of the Authority which shall, as far as

practicable, be competitive with those offered in the private sector corporations or institutions, subject further to the approval of the President of the Philippines;

(f) Fix the rate 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 airports, upon recommendation of the General Manager; and

(g) Exercise all the functions and powers necessary or incidental to attain the purposes and objectives of this Act.

Article IV The General Manager

Section 11. Qualification and Appointment of the General Manager. - (a) The main office of General Paulino Santos International Airport in the City of General Santos shall be headed by a career official with the rank of General Manager and a corresponding salary equal to that of a Regional Director of the National Government.

(b) No person shall be appointed General Manager unless he is a natural-born citizen of the Philippines; of good moral character; holder of a Master's Degree in relevant fields including public administration or business management, social or health sciences, economics, national security administration or defense; architecture or engineering preferably naval or aeronautical; graduate of reputable college or university; a Career Service Professional eligible or its equivalent; and must have obtained at least ten (10) years of supervisory or managerial work experience in any government or private institution.

(c) The Governance Commission on Government-Owned or Controlled Corporations (GCG) shall be responsible in posting, accepting, validating, and shortlisting submitted applications to the position of General Manager of General Paulino Santos International Airport, taking into account established Civil Service rules and procedures on Recruitment and Selection vis-a-vis the "fit and proper rule."

(d) Within ninety (90) days after the Board shall have passed approval of its Internal Rules of Procedure, it shall pursuant to its powers proceed to discuss and pass a Board Resolution thereby appointing the General Manager of General Paulino Santos International Airport from among five (5) shortlisted applicants submitted by GCG.

(e) After the Board shall have formally acted to appoint the General Manager through a Board Resolution passed thereby, the GCG shall thereupon forward said Board Resolution to the Civil Service Commission for attestation and issuance of corresponding Certificate of Appointment and other necessary documentation processes pursuant to Civil Service rules and regulations.

Section 12. Duties of the General Manager. - The General Manager shall be directly responsible to the Board and shall exercise the following duties:

(a) Direct and supervise the day-to-day management, operation and administration of General Paulino Santos International Airport;

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

(c) Undertake researches, studies, investigations and other activities related to the present operations and future improvement of General Paulino Santos International Airport, and submit comprehensive reports and appropriate recommendations to the Board for proper action;

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

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

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

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

Article V Organization and Management of Capital

Section 13. Authorized Capital. - The Authority shall have an authorized capital stock equal to:

(a) The value of fixed assets, including airport facilities, runways and equipment and such other properties, movable and immovable, currently administered by or belonging to General Santos City Airport, as valued on the date of the effectivity of this Act;

(b) The value of such real estate owned or administered by General Santos City Airport; and

(c) Government contribution in such amount as may be deemed an appropriate initial balance. Such initial amount, as approved by the President of the Philippines, which shall be more or less equivalent to six (6) months working capital requirement of the Authority, is hereby authorized to be appropriated in the annual General Appropriations Act of the year following the effectivity of this Act.

(d) Thereafter, the government contribution to the capital of the Authority shall be provided for in the annual General Appropriations Act.

Section 14. Resident Auditor. - The Commission on Audit shall appoint a representative who shall be the auditor of the Authority, together with the necessary personnel to assist said representative in the performance of his duties. The number and salaries of the auditor(s) and said personnel shall be determined by the Chairman of the Commission on Audit, subject to Commission on Audit (COA) rules and regulations.

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

Section 15. Annual Report. - An annual report of the activities and operations of the Authority, together with the audit report shall be submitted by the Board to the President of the Philippines and both Houses of Congress of the Philippines through the DOTr and through posting of the said report in a website made for the Authority.

Section 16. Applicability of Civil Service Laws. - The Authority and its officials and employees shall be subject to the existing Civil Service laws and its rules and regulations.

Section 17. Borrowing Power. - (a) The Authority may, in accordance with Section 21, Article XII of the Constitution and other 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 financing instruments with the power to create pledges, mortgages and other voluntary liens or encumbrances on any of its assets or properties, subject to the prior approval of the President of the Philippines.

(b) 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 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 other voluntary liens or encumbrances on any asset or property of the Authority.

(c) 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.

Section 18. Tax Exemptions. - The Authority shall be exempt from realty taxes imposed by the local government or any of its political subdivisions, agencies and instrumentalities for the first ten (10) years of its operations: *Provided*, that no tax exemption herein granted shall extend to any subsidiary which may be organized by the Authority.

Section 19. Transfer of Existing Facilities and Intangible Assets. - (a) All existing public airport facilities, runways, lands, buildings and other properties, movable or immovable, belonging to or presently administered by General Santos City Airport and all assets, powers, rights, interests, and privileges relating to airport works or air operations including all equipment which are necessary for the operation of air navigation, aerodrome control towers, crash, fire, and rescue facilities are hereby transferred to the Authority: *Provided*, however, that the operational control of all equipment necessary for the operation of radio aids to air navigation, airways communication, the approach control office, and the area control center shall be retained and managed by the Civil Aviation Authority of the Philippines.

(b) No equipment, however, shall be removed by the Civil Aviation Authority of the Philippines from General Paulino Santos International Airport without the concurrence of the Authority.

(c) The Authority shall be responsible for the maintenance and repair of all airport assets and equipment transferred to the Authority by virtue of this Act.

Section 20. Projects in Progress. - All ongoing projects relating to the construction of airport facilities and supply of equipment shall be administered and undertaken by the Authority.

Section 21. Transfer of Liabilities and Debts. - Upon the transfer to and acceptance by the Authority of the existing physical facilities, intangible assets and completed projects referred to in the preceding sections, all debts, liabilities, and obligations of government agencies or entities concerned in respect of such physical facilities, tangible assets and completed projects within the premises of General Paulino Santos International Airport shall likewise be assumed by the Authority.

Article VI Standards on Quality Management

Section 22. Manual on Corporate Governance. – The Authority shall, consistent with the pertinent provisions of the aforementioned Republic Act No. 10149 and in pursuit of its commitment as partner of Government towards National Development, come up and publish its own Manual on Corporate Governance, thereby, adopting and applying some established and effective norms on good corporate governance including but not limited to the following:

- (a) Measurable quality objectives consistent with its mandates along with strategic directions of its mission and vision;
- (b) Procedures that provide consistency and predictability of output;
- (c) Measures or alternatives that ensure the provision of adequate resources to sustain service excellence, commitment, and accountability;
- (d) Principles of continued improvement reinforced by customer satisfaction and quality management standards;
- (e) Steps that promote care, diligence, skill, ethics, and transparency in the conduct of business;
- (f) Business-related transactions that are consistent with the spirit and intent of Republic Act No. 11032, otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018”;
- (g) Such other necessary or appropriate guidelines that will help boost General Paulino Santos International Airport to become a premier world-class airport of the Philippines.

Section 23. Concurrence by the Board. - (a) Such Manual on Corporate Governance shall not become effective unless concurred in by two-thirds (2/3) votes of all the members of the Board of Directors.

(b) Revision of the subsisting Manual shall be proposed as often as the Authority may deem necessary, subject to approval by the Board through the passage of a Resolution there for.

Article VII Corporate Social Responsibility

Section 24. Corporate Social Responsibility Provision. - Consistent with the pertinent provisions of the aforementioned Republic Act No. 10149 and other applicable laws, rules, and regulations, the Authority shall endeavor to cause the utilization of available resources to help the National Government address the concerns of regional growth and development and, in the process, undertake CSR programs or measures that may help promote health and well-being of its employees and their families; contribute towards reinforcing public health awareness and emergency response capabilities and facilities of the city’s local government unit and its neighboring communities; reduce stakeholders’ vulnerability or susceptibility to contract infectious diseases; support community preparedness to other forms of emergencies and natural calamities, and other related programs.

Article VIII Final Provisions

Section 25. Transitory Provision. – (a) The designated Manager of General Santos City Airport shall continue to be in office and shall perform all powers and functions of the Authority until such time that a new General Manager shall have been appointed in accordance with the provisions of this Act.

(b) Officials and employees whose services are terminated shall, if not eligible for retirement, be given gratuities equivalent to one (1) month salary for every year of continuous satisfactory service on the basis of the highest salary received in addition to other benefits accorded to them by existing laws.

Section 26. 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.

Section 27. Separability Clause. - If any provision or part of this Act is declared invalid or unconstitutional, such parts or provisions not affected thereby shall remain in full force and effect.

Section 28. Effectivity. - This Act shall take effect after fifteen (15) days following the completion of its full publication in the Official Gazette or in a newspaper of general circulation.

Approved,