

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7241



Introduced by: **REP. "KUYA" JOSE ANTONIO R. SY-ALVARADO** and
REP. CLAUDINE DIANA D. BAUTISTA

EXPLANATORY NOTE

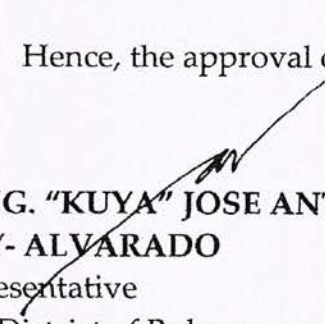
The Ninoy Aquino International Airport (NAIA), built in the 1980s, serves as the only airport in and nearby Metro Manila. Last year, NAIA handled 39.5 million passengers despite its designed capacity to handle 31 million passengers only. Once dubbed as one of the worst airports of the world, there are limited choices for expansion as the metro does not provide any room for such.

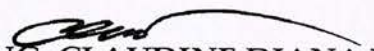
The proposed Bulakan Airport will be covering 2,500 hectares and will be able to accommodate 100 million passengers annually. The airport area would span 1,168 hectares and would be capable of having up to six runways. San Miguel Corporation will also be building an expressway to link its airport to the North Luzon Expressway through Marilao, Bulacan. It will also be complemented with a Metro Rail Transit Line-7 in San Jose Del Monte, Bulacan.

With the promise of the administration to boost the government's spending on infrastructure, the proposed Bulakan Airport will not only boost the capacity of Metro Manila to accommodate more air traffic, it will also be an opportunity for growth of businesses in the area as well as to decongest Metro Manila.

Considering the need to expedite the construction of a new airport that will serve the current and immediate future needs of Metro Manila, it is in the public interest that a franchise be granted to a qualified entity.

Hence, the approval of this bill is earnestly requested.


**CONG. "KUYA" JOSE ANTONIO
R. SY-ALVARADO**
Representative
First District of Bulacan


**CONG. CLAUDINE DIANA D.
BAUTISTA**
DUMPER PTDA
Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7241

Introduced by: **REP. "KUYA" JOSE ANTONIO R. SY-ALVARADO** and
REP. CLAUDINE DIANA D. BAUTISTA

AN ACT
GRANTING SAN MIGUEL CORPORATION A FRANCHISE TO CONSTRUCT,
DEVELOP, ESTABLISH, OPERATE AND MAINTAIN A DOMESTIC AND
INTERNATIONAL AIRPORT IN BULAKAN, BULACAN

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

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, there is hereby granted to **SAN MIGUEL CORPORATION**, hereunder referred to as the grantee, its successors or assignees, a franchise to construct, develop, establish, operate and maintain for commercial purposes and in the public interest, a domestic and international airport in the municipality of Bulakan, in the province of Bulacan, as well as construct, acquire, lease, operate and/or manage such properties as toll roads, railroads, hotels, warehouses and other facilities which are as convenient or essential to efficiently carry out the purpose of the franchise including the development of the areas adjacent to the airport into one integral and comprehensive airport city development (collectively, the "Airport City").

SECTION 2. *Authority of the Civil Aviation Authority of the Philippines (CAAP).*
– The grantee shall secure from the CAAP such appropriate certification, permit or license for the construction, installation and operation of the airport. In issuing the certificate, the CAAP shall have the power to impose such conditions relative to the construction, operation, and maintenance of the airport in compliance with international standards. The CAAP shall have the authority to regulate the construction and operation of the airport. The CAAP, however, shall not unreasonably withhold or delay the grant of any such authority, permit or license.

SECTION 3. *Responsibility to the Public.* – The grantee shall conform to the ethics of honest enterprise and not use the airport for subversive and treasonable acts.

The grantee shall operate and maintain the airport in a satisfactory manner at all times, and as far as economical and practicable, modify, improve, or change such systems and equipment used in the airport to keep abreast with the advances in science and technology.

SECTION 4. *Rates for Services.* - The charges and rates for the use of the airport shall be subject to the approval of the CAAP.

SECTION 5. *Concession.* - Considering the huge amount of capital expenditure that the grantee is expected to raise and spend to construct and develop the airport, the grantee is hereby allowed and authorized to conduct other businesses related to the airport including the development of the Airport City as well as the right to lease or sublease or assign interests in, and to collect and receive any and all income from, but not limited to, tolls and railroads connecting to the airport, advertising, car park, installation of cables, telephone lines, fiber optics or water mains, water lines and other business or commercial ventures or activities over all areas and aspects of the airport with commercial development potentials.

SECTION 6. *Right of Government.* - A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order: to temporarily take over and operate the airport; to temporarily suspend the operation of the airport in the interest of public safety, security, and public welfare; or to authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of the airport during the period when this shall be so operated.

SECTION 7. *Term of Franchise.* - This franchise shall be in effect for a period of fifty (50) years from the date of the effectivity of this Act in addition to the maximum period of construction (including the design and planning) of ten (10) years, unless sooner cancelled. This franchise shall be deemed ipso facto revoked in the event the grantee fails to comply with any of the following conditions:

- a. Commence construction within one (1) year from the effectivity of this Act;
- b. Commence operations within one (1) year from the approval of its operating permit from the CAAP;
- c. Commence operations within twelve (12) years from the effectivity of this Act; and
- d. Operate continuously for two (2) years.

At the expiration of this franchise, the grantee shall turn-over ownership of the airport to the Philippine government (or such government agency or instrumentality as the President of the Philippines may designate).

SECTION 8. *Acceptance and Compliance.* - Acceptance of this franchise shall be given in writing to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render this franchise void.

SECTION 9. *Bond.* – The grantee shall file a bond with the CAAP in the amount that it shall determine to guarantee compliance with and fulfillment of the conditions under which this franchise is granted. If, after three (3) years from the date of the approval of its permit by the CAAP, the grantee shall have fulfilled the conditions, the bond shall be cancelled by the CAAP. Otherwise, the bond shall be forfeited in favor of the government and the franchise ipso facto revoked.

SECTION 10. *Gross Receipts.* – The grantee, its successors or assignees, shall keep a separate account of the gross receipts of the business transacted by it and shall furnish the Commission on Audit (COA) and the National Treasury a copy of such account not later than the thirty-first (31st) day of January of each year for the preceding twelve (12) months.

SECTION 11. *Books and Accounts.* – The books and accounts of the grantee, its successors or assignees, shall always be open to the inspection of the COA and its duly authorized representatives. It shall be the duty of the grantee to submit to the COA two (2) copies of the quarterly reports on the gross receipts, the net profits and the general condition of the business.

SECTION 12. *Warranty in Favor of the National and Local Governments.* – The grantee shall hold the national, provincial, city, and municipal governments of the Philippines free from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the airport.

SECTION 13. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in parts, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation, or entity, without the prior approval of the Congress of the Philippines: Provided, That Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of said transaction: Provided, further, That failure to report to Congress such change of ownership shall render the franchise ipso facto revoked: Provided, finally, That any person or entity to which this franchise is sold, transferred or assigned shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

The foregoing notwithstanding, the grantee shall be allowed a one-time opportunity to assign its rights under this franchise to a subsidiary specifically formed and organized to perform and undertake the grantee's obligations and responsibilities under this franchise.

SECTION 14. *Right of Way.* – The grantee, in accordance with existing laws and local ordinances, shall have the power to acquire either by purchase, negotiation,

expropriation or condemnation proceedings, any private lands within or adjacent to the premises of the airport for the following purposes: (1) consolidation of lands for the development of the airport; and (2) acquisition of right of way to the airport.

SECTION 15. *Tax Benefits.* During the ten-year construction period, the grantee shall be exempt from all direct and indirect taxes. During the 50-year concession period, the grantee shall be exempt from income tax and real property tax. However, such exemption from the income tax and real property tax shall expire as soon as it is determined by competent authority that the grantee has fully recovered its cost and expenses including financing and borrowing expenses (the “Investment Cost”).

During the concession period and after competent authority has determined that the grantee has fully recovered its Investment Cost, the grantee shall be entitled to generate income equivalent to a project Internal Rate of Return (“IRR”) of 12% *per annum*. If the IRR exceeds 12% *per annum*, the grantee shall remit to the national government an amount in accordance with the following schedule:

IRR in excess of 12% but not more than 14%	50% to national government
IRR in excess of 14%	100% to national government

The IRR shall be reckoned and calculated at the end of the concession period. The share of the national government shall also be remitted after the end of the concession period once the IRR has been determined.

SECTION 16. *Dispersal of Ownership.* – In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital stock in any securities exchange in the Philippines within five (5) years from the commencement of its operations: Provided, That in cases where public offer of shares is not applicable, establishment of cooperatives operating public utilities must be implemented. Noncompliance therewith shall render the franchise ipso facto revoked.

SECTION 17. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of every year during the term of its franchise. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the CAAP.

SECTION 18. *Ecozone.* In accordance with the policy of the State to actively encourage, promote, induce and accelerate a sound and balanced industrial, economic and social development of the country in order to provide jobs to the people especially those in the rural areas, increase productivity and individual and family income, and thereby improve the level and quality of living condition through the establishment, among others, of special economic zones in suitable and strategic locations in the country and through measures that will attract legitimate and productive foreign investments,

the Airport City is hereby established as a special economic zone and freeport, (hereinafter referred to as the "Zone"), which shall cover the entire area embraced by the following coordinates:

A. The Economic Zone. The Zone shall be managed and operated under the following principles:

- a. Within the framework and limitations of the Constitution and applicable provisions of the Local Government Code, the Zone shall be developed into and operated as a decentralized, self-reliant and self-sustaining industrial, commercial, trading, agro-industrial, tourist, banking, financial and investment center with suitable residential areas;
- b. The Zone shall continue to be provided with transportation, telecommunications and other facilities needed to attract legitimate and productive investments, generate linkage industries and employment opportunities for the people of the Province of Bulacan and its neighboring cities and towns;
- c. The Zone may establish mutually beneficial economic relations with other entities or enterprises within the country or with foreign entities or enterprises;
- d. Foreign citizens and companies owned by non-Filipinos in whatever proportion may set up enterprises in the Zone either by themselves or in joint venture with Filipinos in any sector of industry, industrial trade and commerce within the Zone;
- e. The Zone shall be managed and operated as a separate customs territory ensuring free flow or movement of goods and capital within, into and out of its territory;
- f. The Zone shall provide incentives such as tax and duty-free importations of raw materials, capital and equipment to registered enterprises located therein. However, exportation or removal of goods from the territory of the Zone to the other parts of the Philippine territory shall be subject to customs duties and taxes under the Tariff and Customs Code of the Philippines, as amended (TCC), and the National Internal Revenue Code of 1997, as amended (NIRC);
- g. The areas comprising the Zone may be expanded or reduced when necessary. For this purpose, the Authority created under this Act, with the concurrence of the local government units (LGUs) affected, in accordance with existing laws and local ordinances shall have the power to acquire either by purchase, negotiation or condemnation proceedings, any private lands within or adjacent to the Zone for the following purposes: (1) consolidation of lands for the development of the Zone; (2) acquisition of right of way to the Zone; and (3) the protection of watershed and coastline areas and the maintenance and improvement of its water yield and natural assets valuable to the prosperity of the Zone, the management of solid and water waste and its impact to adjacent areas within the local government concerned.

The LGU/s and the Zone shall provide for a mechanism to address inappropriate exploitation of the natural environment and disruptive land use within the jurisdiction of the Zone;

- h. Goods manufactured by enterprises located in the Zone may be made available for immediate retail sale in the domestic market, subject to the payment of corresponding taxes on raw materials and other regulations that may be formulated by the Authority, together with the Philippine Economic Zone Authority (PEZA), the *Bangko Sentral ng Pilipinas* (BSP), the Department of Finance (DOF), the Bureau of Customs (BOC) and the Department of Trade and Industry (DTI) in accordance with the TCC and the NIRC.

However, in order to protect the domestic industries, a negative list of industries shall be drawn up and regularly updated by the PEZA. Enterprises engaged in industries included in such negative list shall not be allowed to sell their products locally; and

- i. The defense of the Zone and the security of its perimeter fence shall be the responsibility of the National Government in coordination with the Authority and the LGU/s.

B. Fiscal Incentives. – The registered enterprises operating within the Zone may be entitled to the existing pertinent fiscal incentives as provided for under Republic Act No. 7916 as amended by Republic Act No. 8748, also known as the Special Economic Zone Act of 1995, or those provided under Executive Order No. 226, as amended, otherwise known as the Omnibus Investment Code of 1987. The foregoing notwithstanding, the fiscal incentives that would be available to registered enterprises operating within the Zone will not be less favorable than any incentives granted to other similar special economic zones and/or freeports in the Philippines (including the Subic Bay Special Economic and Freeport Zone created under Republic Act No. 7227).

C. Imposition of a Tax Rate of Five Percent (5%) on Gross Income Earned. – No taxes, local and national, shall be imposed on business establishments operating within the Zone. In lieu thereof, said business establishments shall pay a five percent (5%) final tax on their gross income earned, to be distributed as follows:

- (a) One percent (1%) to the National Government;
- (b) One percent (1%) to the Province of Bulacan;
- (c) One percent (1%) to the Municipality of Bulakan; and
- (d) Two percent (2%) to the Authority.

D. Creation of the Airport City Economic Zone and Freeport Authority. - There is hereby created a body corporate to be known as the Bulacan Airport City Economic Zone and Freeport Authority (heretofore and hereinafter referred to as the "Authority"), which shall manage and operate the Zone, in accordance with the provisions of this Act.

The Authority shall maintain its principal office in the Airport City but it may establish liaison offices within the Philippines as may be necessary for the proper conduct of its business.

E. Incentive to Investors. – Any foreign national who invests an amount equivalent to Dollars One Hundred Fifty Thousand, United States currency (USD150,000.00), either in cash and/or equipment, in a registered enterprise shall be entitled to an investor's visa: Provided, That he has the following qualifications:

- (a) He is at least eighteen (18) years of age;
- (b) He has not been convicted of a crime involving moral turpitude;
- (c) He is not afflicted with any loathsome, dangerous or contagious disease; and
- (d) He has not been institutionalized for any mental disorder or disability.

As a holder of an investor's visa, an alien shall be entitled to reside in the Philippines while his investment subsists. For this purpose, he should submit an annual report, in the form duly prescribed for the purpose, to prove that he has maintained his investment in the country, and should said alien withdraw his investments from the Philippines or the value of his investments in the Philippines fall below the minimum USD150,000.00 investment requirement, then the investor's visa issued to him shall automatically expire.

Likewise, the Authority shall have the power to issue working visas renewable every two (2) years to foreign executives and foreign technicians with highly specialized skills which no Filipino possesses, as certified by the Department of Labor and Employment.

The names of foreigners granted investor's and working visas by the Authority shall be reported to the Bureau of Immigration within thirty (30) days from such grant.

The foregoing is without prejudice to a foreigner acquiring permanent resident status in the Philippine in accordance with applicable immigration, retirement and other related laws.

F. Administration, Implementation and Monitoring of Incentives. – For the proper administration, implementation and monitoring of tax incentives provided under this Act, the following are herein mandated:

- (a) The Authority shall be responsible for the administration and implementation of the incentives granted to its respective registered enterprises. Among others, it shall adopt and implement systems and procedures affecting trade and customs policies.

The BOC shall set up and establish a custom's controlled area outside the gate of the Zone to facilitate payment of applicable taxes and/or duties on goods entering the Philippine customs territory; and

- (b) The Authority shall likewise submit to the DOF its annual tax expenditures based on the tax incentives granted to its registered enterprises. The DOF, for its part,

shall create a single database of all incentives provided by the Authority. The DOF shall monitor the incentives granted, and submit an annual report to the President.

G. Extension of Period of Availment. – The availment period of the incentives provided herein may be extended by the Authority, in the event that the registered enterprise has suffered operational force majeure that has impaired its viability, equivalent thereto.

H. Duration of Incentives. – Enterprises registered with the Authority may enjoy income tax holiday (ITH) or the net operating loss carry-over (NOLCO) granted by the Authority prior to the availment of the five percent (5%) gross income earned.

Fiscal incentives under this Act shall be terminated after a cumulative period of twenty (20) years from date of registration or the start of commercial operations, whichever is applicable, except that it could be extended with regard to industries deemed indispensable to national development.

The industries exempted from this provision shall be determined by the Authority.

I. Power and Functions of the Authority. – The Authority shall have the following functions:

- (a) To adopt, alter, use a corporate seal, to contract, lease, buy, sell, acquire, own and dispose properties of whatever nature;
- (b) To sue and be sued in order to carry out its duties, responsibilities, privileges, powers and functions as granted and provided for in this Act and to exercise the power of eminent domain for public use and public purpose;
- (c) To operate, administer, manage, develop the Zone according to the principles and provisions set forth in this Act and to coordinate with the LGUs for the development plans, activities and operation of the Zone;
- (d) To recommend to the President the issuance of a proclamation to fix and delimit the site of the Zone;
- (e) To register, regulate and supervise the enterprises in the Zone in an efficient and decentralized manner, subject to existing laws;
- (f) To coordinate with the LGUs and exercise general supervision over the development plans, activities and operations of the Zone;
- (g) To authorize or undertake, on its own or through others, and to regulate the establishment, construction, operation and maintenance of public utilities, services, and infrastructure in the Zone such as shipping, baring, stevedoring, cargo, handling, hauling, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, bridges, reclamation projects, terminals, conveyors, water supply and storage, sewerage, drainage, airport operations in coordination with the Civil

Aeronautics Board and the Civil Aviation Authority of the Philippines, and such other services or concessions or infrastructure necessary or incidental to the accomplishment of the objectives of this Act: Provided, however, That the private investors in the Zone shall be given priority in the awarding of contracts, franchises, licenses, or permits for the establishment, operation and maintenance of utilities, services and infrastructure in the Zone;

- (h) To license, set fees, regulate and undertake the establishment, operation and maintenance of utilities, other services, educational and medical institutions and infrastructure in the Zone such as, but not limited to, heat, light and power, water supply, telecommunications, mobile, internet and other data facilities, transport, toll roads and bridges, port services, etc., and to fix just, reasonable and competitive rates, fares, charges and prices thereof;
- (i) To construct, acquire, own, lease, operate and maintain on its own or through contracts, franchises, licenses, bulk purchase from the private sector and build-operate-transfer scheme, or under a joint venture with the private sector, any or all of the public utilities and infrastructure required or needed for the operation and development of the Zone, in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon;
- (j) To operate on its own, either directly or through a subsidiary entity or license to others, tourism-related activities, including games, amusements, recreational and sports facilities (such as horse racing, dog racing, gambling casinos, golf courses and others as well as on-line/electronic versions thereof), in coordination with the Philippine Amusement and Gaming Corporation (PAGCOR);
- (k) To raise or borrow, within the limitation provided by law, adequate and necessary funds from local or foreign sources, to finance its projects and programs under this Act, and for that purpose, to issue bonds, promissory notes, and other forms of securities, and to secure the same by a guarantee, pledge, indenture, encumbrance, lien, mortgage, deed of trust, or an assignment of all or part of its property or assets;
- (l) To provide security for the Zone in coordination with the national and local governments. For this purpose, the Authority may establish and maintain its security forces and firefighting capability or hire others to provide the same. In the event that an assistance of the military force is necessary, such force shall not interfere in the internal affairs of the Zone except to provide the necessary security and defense, and their expenses shall be borne by the National Government;
- (m) To protect, preserve, maintain and develop the virgin forests, beaches, coral and coral reefs of, and maintain ecological balance within, the Zone. For this purpose, the rules and regulations of the Department of Environment and Natural Resources (DENR) and other government agencies involved in the above functions shall be implemented by the Authority;

- (n) To create, operate and/or contract to operate such functional units or offices of the Authority as it may deem necessary;
- (o) To issue certificates of origin for products manufacture or processed in the Zone;
- (p) To issue rules and regulations consistent with the provisions of this Act as may be necessary to implement and accomplish the purposes, objectives and policies provided herein;
- (q) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives and policies of this Act; and
- (r) To be vested with other powers enjoyed or exercised by other special economic zone and/or freeport authorities.

J. Board of Directors of the Authority. – The powers of the Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

- (a) The Chairman who shall, at the same time, be the Administrator of the Authority;
- (b) A Vice Chairman who shall be elected from among the Members of the Board of Directors;
- (c) Members consisting of:
 - (1) Two (2) representatives from the National Government;
 - (2) One (1) representative from the Province of Bulacan;
 - (3) One (1) representative from the legislative district covering the premises of the Zone;
 - (4) One (1) representative from the Municipality of Bulakan;
 - (5) One (1) representative from the domestic investors in the Zone;
 - (6) One (1) representative from the foreign investors in the Zone; and
 - (7) One (1) representative from the workers working in the Zone.

The Chairman and the Members of the Board shall be appointed by the President of the Philippines to serve for a term of six (6) years, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation or removal for cause, the replacement shall serve only for the unexpired portion of the term.

Except for the representatives from the business and labor sectors, no person shall be appointed by the President of the Philippines as a Member of the Board unless he is a Filipino citizen, of good moral character, of proven probity and integrity, and a degree holder in any of the following fields: economics, business, public administration, law, management or their equivalent, and with at least ten (10) years relevant working experience preferably in the field of management or public administration.

The Members of the Board shall each receive per diem at rates to be determined by the Department of Budget and Management (DBM) in accordance with existing rules and regulations: Provided, however, That the total per diem collected each month shall not exceed the equivalent per diem for four (4) meetings.

K. Powers and Duties of the Chairman-Administrator. - The Chairman-Administrator shall have the following powers and duties:

- (a) To direct and manage the affairs of the Authority in accordance with the policies of the Board;
- (b) To establish the internal organization of the Authority under such conditions that the Board may prescribe;
- (c) To submit an annual budget and necessary supplemental budget to the Board for its approval;
- (d) To submit, within thirty (30) days after the close of each fiscal year, an annual report to the Board and such other reports as the Board may require;
- (e) To submit to the Board, for its approval, policies, systems, procedures, rules and regulations that are essential to the operation of the Authority;
- (f) To create a mechanism in coordination with relevant government agencies and private organizations for the promotion of industrial peace, the protection of the environment, and the advancement of the quality of life in the Zone; and

To perform such other duties as may be assigned to him by the Board or which are necessary or incidental to his office.

SECTION 19. *Penalty Clause.* – Failure of the grantee to submit the requisite annual report to Congress shall be penalized with a fine of One Million Pesos (P1,000,000.00) per working day of noncompliance. The fine shall be collected by the CAPP from the delinquent franchise grantee separate from the reportorial penalties imposed by the CAAP.

SECTION 20. *Equality Clause.* – Any advantage, favor, privilege, exemption, or immunity granted under other existing franchises, or which may hereafter be granted, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: Provided, That the foregoing shall neither apply to nor affect the provisions of the franchise concerning territory covered by the franchise, the life span of the franchise, or the type of service authorized by the franchise.

SECTION 21. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 22. *Repealability and Non-exclusivity Clause.* – This franchise shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SECTION 23. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official gazette or in a newspaper of general circulation.

Approved,

