

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



HOUSE OF REPRESENTATIVES

HOUSE BILL No. 10489

Introduced by Rep. **DEOGRACIAS VICTOR "DV" B. SAVELLANO**

AN ACT
CREATING THE GOVANTES-MESTIZO RIVER DEVELOPMENT AUTHORITY,
PRESCRIBING ITS POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS
THEREFOR

EXPLANATORY NOTE

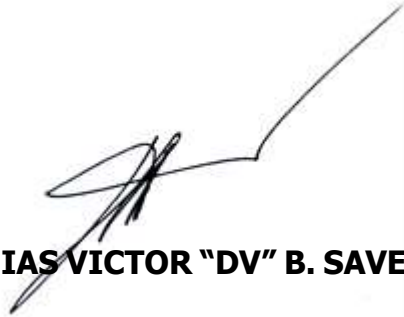
This bill seeks to create the Govantes-Mestizo River Development prescribing its powers and functions, and appropriating funds therefor.

In the Philippines setting, environmental advocacy most often require administrative response. Government action should be administered by a bureaucratic set up if policy objective is to be attained.

Bodies such as the Laguna Lake Development Authority and the Pasig River Rehabilitation Commission come as immediate examples. Structural response gets things moving faster. This is the premise for the rationale behind the proposed bill.

The very critical importance of the Govantes-Mestizo rivers to the overall ecosystem of the province of Ilocos Sur necessitates the creation of an administrative body. Hence, this bill.

Approval of this measure is thus, earnestly sought.


DEOGRACIAS VICTOR "DV" B. SAVELLANO

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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 "Govantes-Mestizo River Development Authority Act".

SEC. 2. Declaration of Principles and Policies. – It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accordance with the rhythm and harmony of nature. Towards this end, the State shall pursue a policy of sustainable economic growth in a manner consistent with the protection, preservation and revival of the quality of our river systems, including the Govantes-Mestizo River System. The State shall likewise ensure the implementation, management, and oversight of necessary measures and programs on flood control and drainage system in all the river systems connected to the Govantes-Mestizo River System to eliminate the adverse effects of typhoons and floods during rainy season and protect its ecology from pollution caused by mining and various industrial activities in the area.

SEC. 3. Definition of Terms. – As used in this Act,

(a) Discharge includes the act of spilling, leaking, pumping, pouring, emitting, emptying, releasing or dumping of any material into a water of body or onto land from which it might flow or drain into the water;

(b) Effluent refers to sewage passed into a body of water or land or industrial waste or wastewater flowing out of a manufacturing plant, industrial plant and domestic household including commercial and recreational facilities;

(c) Geographic Information System (GIS) Mapping refers to the computerized data management system to capture, store, manage, retrieve, analyze, and display spatial information in which data are geo referenced to the coordinates of a particular projection system which allows precise placement of features on the earth's surface and maintains the spatial relationships between mapped features such as slope, soil, hydrography, bathymetry, demography, wetlands and land use which can be combined to develop maps suitable for regulatory and planning decisions;

(d) Hazardous waste refers to solid waste or combination of solid waste which, because of its quantity, concentration, or physical, chemical or infectious characteristic, may cause or significantly contribute to an increase in mortality or serious irreversible or incapacitating illness, or pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported or disposed of or otherwise managed; and

(e) Land swapping refers to the process of land acquisition by exchanging land for another piece of land of equal value or for shares of stock in a government or quasi-government corporation whose book value is of equal value to the land being exchanged, for the purpose of planned and rational development such as provision for wastewater treatment facilities and socialized housing where land values are determined based on land classification, market value, and assessed value taken from existing tax declarations and wherein valuable lands owned by private persons may be exchanged with less valuable lands.

SEC. 4. Govantes-Mestizo River Development Authority. - There shall be created under the Office of the President of the Philippines, an independent regulatory body possessing corporate attributes with quasi-judicial and quasi-legislative powers to be known as the Govantes-Mestizo River Development Authority, hereinafter referred to as the "Authority". The Authority shall be the primary government agency that shall coordinate, plan, manage and implement the development programs and resource utilization in the Govantes-Mestizo River System. The Authority shall execute the powers and functions vested and conferred by this Act. For the purpose of this Act, the Govantes-Mestizo River System shall consist of all barangays located along the Govantes River and Mestizo River and their tributaries and adjacent areas in the province of Ilocos Sur that drain to or branch out from the Govantes and Mestizo Rivers and the industrial commercial, business, residential, recreational, and other private and public areas contiguous to the environmental preservation areas, as may be determined by the Authority.

SEC. 5. General Policies. – In the exercise of its powers and duties, the Authority shall be guided by the following policies:

(a) The rehabilitation and sustainable development of the Govantes-Mestizo River System shall be given due importance to preserve, protect, and develop its ecological balance;

(b) The preparation, development and implementation of a comprehensive and detailed twenty-five (25) -Year Govantes and Mestizo River Rehabilitation Roadmap and Master Plan based on the framework of sustainable water management shall be prioritized in consultation and coordination with the local government units (LGUs), Department of Environment and Natural Resources (DENR), Department of the Interior and Local Government (DILG), Department of Public Works and Highways (DPWH), National Economic and Development Authority (NEDA) and other appropriate government agencies and stakeholders;

(c) Consistent with the 25-Year Govantes-Mestizo River Rehabilitation Roadmap and Master Plan, the implementation of short and medium-term programs, activities and projects to attain the objectives of this Act shall be prioritized;

(d) Mining laws and regulations, including Republic Act No. 7492, otherwise known as the "Philippine Mining Act of 1995" and Executive Order No. 79, Series of 2012, among others, shall be implemented strictly in order to regulate commercial, industrial, and similar activities in areas along the Govantes-Mestizo River and its major tributaries;

(e) Participation and role of the LGUs specifically the barangays in the implementation and enforcement of existing environmental laws such as Republic Act No. 9275, otherwise known as the "Clean Water Act of 2004 and Republic Act No. 9003, otherwise known as the "Ecological Solid Waste Management Act of 2000", shall be strengthened to renew the ecology of the Govantes-Mestizo Rivers;

(f) Participation of the private sector and civil society organizations in transforming the Govantes-Mestizo River Basin System into a conducive environment for recreation, commerce, and other productive uses shall be encouraged through private sector-driven and clean technology-based investments in ecosystem development;

(g) Planning, programming, social preparation and adjustment, relocation, or resettlement of the population from the declared environmental preservation or protected areas (EPAs) of the Govantes-Mestizo River Basin System shall be implemented in coordination with appropriate government agencies and LGUs to ensure that relocation and resettlement areas have permanent access to adequate basic social services and livelihood opportunities; and

(h) Massive information and education campaign shall be conducted to amplify stakeholder awareness and voluntary participation on the importance of environmental

restoration, rehabilitation, protection, and conservation of the Govantes-Mestizo River Basin System in close coordination with LGUs and other government agencies.

Sec. 6. Powers and Functions. – The Authority shall exercise the following powers and functions:

(a) Work closely with the DENR, DPWH, National Irrigation Administration (NIA), Department of Agriculture (DA), and the Provincial Government of Ilocos Sur to ensure the provision of adequate, dependable, and reliable wastewater treatment facilities, and sewerage systems in all their authorized service areas, particularly in the unserved and underserved communities and barangays within the Govantes-Mestizo River Basin System;

(b) Periodically conduct comprehensive scientific surveys, studies, field sampling and laboratory testing, and GIS-mapping of the Govantes-Mestizo River Basin System, in coordination with the Department of Science and Technology (DOST), DENR-Environmental Management Bureau (EMB) and National Mapping and Resource Information Authority (NAMRIA) to monitor, evaluate, update, and analyze among others, its physical, biological, chemical, hydrologic, bathymetric and hydrographic characteristics including the socio-economic profile of the stakeholders, trade, industrial and commercial profile, status of the programs and projects of the national government agencies and LGUs, biometric tagging and identification of informal settlers, parcellary land use and zoning aspects, mapping of critical effluent discharge areas, and transportation and navigation attributes, historical and tourism-elements;

(c) Engage the services of the private sector through the Public-Private Partnership (PPP) process or through the Build-Operate and Transfer (BOT) Scheme under Republic Act No. 6957, entitled “An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and for Other Purposes” or other acceptable forms of partnerships and agreements in establishing its own water quality laboratory, environmental, biological and microbiological laboratory, GIS-mapping system, surveillance, monitoring, and enforcement systems through high-definition closed circuit televisions or other surveillance and monitoring technologies and new technologies on highly-specialized fields including sewerage and sewage treatment systems which require the expertise and investment of the private sector;

(d) Engage in land swapping in acquiring relocation and resettlement areas, and for sludge or contaminated sediment disposal and treatment sites whenever necessary, whether by itself or in cooperation with private persons or entities, and enter into acceptable exchange agreements related to social and ecological development projects; and

(e) Engage in experimental community-based integrated wastewater management technologies.

SEC. 7. Corporate Powers. – The Authority shall exercise the following corporate powers:

- (a) Succeed in its corporate name;
- (b) Sue and be sued in its corporate name;
- (c) Adopt, alter, and use a corporate seal;
- (d) Adopt, amend, or repeal its by-laws;
- (e) Enter into, make, perform and carry out contracts of any class, kind and description with any person, firm or corporation, private or public, and with foreign government entities necessary or incidental to the realization of its purpose;
- (f) Acquire, buy, purchase, hold, or lease such personal and real property as it deems necessary or convenient in the transaction of its business, or lease, mortgage, sell, alienate or otherwise encumber, utilize, exploit, or dispose of any such personal and real property held by it, subject to prior or existing individual or communal right of private parties or of the government in any agency or enterprise thereof: Provided, That real property within the Govantes-Mestizo River Basin System shall be sold or disposed of only with the approval of the President of the Philippines;
- (g) Receive and utilize donations, grants, bequeaths, and assistance of all kinds from local and foreign governments and private sectors;
- (h) Exercise the right of eminent domain whenever the Authority deems it necessary to carry out the objectives under this Act;
- (i) Borrow funds from any local or foreign sources independent of the bonds it may issue to carry out the purposes of this Act;
- (j) Purchase, hold, alienate, mortgage, pledge, or otherwise dispose of the shares of the capital stock or any bond, securities or other evidence of indebtedness created by any other corporation, co-partnership or government agencies or instrumentalities: Provided, That the Authority shall not invest its funds in any high-risk instruments or in any highly speculative stocks issued without recourse to commercial banks or investment houses;
- (k) Perform any acts which a corporation or a juridical person is authorized to perform under the existing laws;
- (l) Issue such other rules and regulations as may be deemed necessary to carry out the purposes of this Act.

SEC. 8. Board of Directors. – The corporate 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) Secretary of the DENR as ex-officio chairperson;

- (b) General Manager of the Authority, as vice chairperson;
- (c) Secretary of the DPWH, as ex-officio member;
- (d) Secretary of the DILG, as ex-officio member;
- (e) A representative from the Office of the Governor of the Province of Ilocos Sur; and
- (f) Two (2) representatives from the private sector who are stakeholders in the Govantes-Mestizo Rivers, as members. The ex-officio members of the Board may designate the officer next-in-rank as a permanent alternative representative to the Board. The appointment and qualification of the members of the Board shall be in accordance with the provisions of Republic Act No. 10149, otherwise known as the "GOCC Governance Act of 2011)". The Governance Commission for GOCCs (GCG) shall give utmost consideration, to the nominees of the General Manager (GM). The GM shall recommend at least three (3) names for every vacant position.

SEC. 9. Powers and Functions. – The Board shall exercise the following powers and functions:

- (a) Provide a comprehensive policy guidance for the rehabilitation and development of the Govantes-Mestizo River Basin System;
- (b) Prescribe and promulgate policies, rules, and regulations to govern the conduct of business of the Authority and ensure that the Authority performs its functions in a proper, efficient, and effective manner;
- (c) Decide the objectives, strategies, and policies of the Authority in accordance with the provisions of this Act;
- (d) Exercise appellate powers on the decisions of the General Manager;
- (e) Issue subpoena ad testificandum or subpoena duces tecum requiring the attendance and testimony of witnesses in any matter or inquiry pending before the Board and requiring the production of books, papers, contracts, agreements, and all other documents;
- (f) Exercise appellate powers to order the taking of depositions at any stage of any proceeding or investigation pending before the Board;
- (g) Approve the organizational and administrative structures and the corresponding staffing pattern of the Authority; fix their reasonable compensation, allowances, and other benefits in accordance with the Salary Standardization Law; prescribe their duties and establish such methods and procedures as may be necessary to ensure the efficient, honest and economical administration of the provisions and purposes of his Act: Provided, That all personnel of the Authority below the rank of the GM shall be appointed by the Chairperson of the Board: Provided, further, That the personnel appointed by the GM,

except those below the rank of department heads and others of comparable rank, shall be subject to the confirmation of the Board: Provided, finally, That the personnel of the Authority shall be selected only from those with civil service eligibility and shall be subject to civil service laws, rules and regulations;

(h) Approve the annual and supplemental budgets of the Authority and authorize such operating and capital expenditures and disbursements as may be necessary for the effective management, operation and administration of the Authority;

(i) Create and organize ad-hoc technical working groups composed of representatives from the government and other stakeholders to assist the Board; and

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

SEC. 10. Quorum. – The presence of at least five (5) members of the Board shall constitute a quorum and the majority vote of at least four (4) members in a meeting where a quorum is present shall be necessary for the adoption of any rule, ruling, order, resolution, decision or other acts of the Board in the exercise of its functions.

SEC. 11. Board Meetings. – The Board shall meet regularly once a month and may hold special meetings to consider urgent matters upon the call of the chairperson or upon the initiative of five (5) members. The rules and procedures in the conduct of the Board meetings shall be prescribed by the Board.

SEC. 12. Per Diems. – The members of the Board shall receive a per diem for each meeting actually attended. The per diem of the members of the Board shall be determined by the Board in accordance with existing rules and regulations.

SEC. 13. General Manager. – The day-to-day operations of the Authority shall be headed by the General Manager (GM) who shall be the chief executive officer and shall exercise the following powers and functions:

(a) Submit for consideration of the Board policies and measures that are necessary to carry out the purposes and objectives of this Act;

(b) Head and administer the Govantes-Mestizo River Basin Adjudication Panel as the implementing arm of the quasi-judicial powers of the Authority;

(c) Execute, administer, and implement the policies, plans, programs and projects approved by the Board;

(d) Manage and supervise the operation and administration of the Authority;

(e) Appoint all officials and employees of the Authority below the rank of the executive director or equivalent position and remove, suspend, or otherwise discipline the same for cause, in accordance with existing civil service laws, rules and regulations;

- (f) Submit quarterly reports to the Board on personnel selection, placement, and training;
- (g) Render an annual report to the Board and various stakeholders regarding the operation of the Authority including its latest financial statements;
- (h) Represent the Authority in all its dealings with offices, agencies and instrumentalities of the government and with all persons and other entities, public or private, domestic and foreign; and
- (i) Perform such other functions as may be provided in the by-laws and as may be vested by the Board. The GM shall be vested with the rights, privileges, disqualifications, and prohibitions of a GM as prescribed by existing Position Classification and Compensation System, laws, issuances and pertinent civil service rules and regulations.

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

SEC. 14. Qualifications. – The General Manager shall be:

- (a) A citizen and resident of the Philippines;
- (b) At least thirty-five (35) years of age;
- (c) With good moral character, of unquestionable integrity, and with recognized competence; and
- (d) A degree holder with at least five (5) years supervisory or management experience in the field of public administration, economic planning, environmental planning, and natural resource management, or in the establishment and management of large agricultural, commercial or industrial enterprises, or other related fields.

SEC. 15. Term of Office. – The GM shall be appointed by the President of the Philippines and shall have a term of six (6) years which may be extended for another non-extendible term of two (2) years. The GM shall only be removed for cause in accordance with the rules and regulations prescribed by the Civil Service Commission.

SEC. 16. Management Structure. – In carrying out the activities of the Authority, the GM shall be assisted by an Assistant General Manager (AGM) and four (4) department heads, as follows: enforcement and legal services, administration and finance, technical and environmental management and social development and advocacy services, who shall have such powers, duties and functions as the GM may prescribe or delegate. The AGM shall act as the GM in the absence or during the temporary incapacity of the GM or until such time that a new GM has been duly appointed.

The Authority shall have the following departments under the direct supervision and control of the GM:’

(a) An Enforcement and Legal Services Department which shall provide legal advice and support to all the corporate units or legal implications of the various undertakings of the Authority. It shall also provide professional assistance in the implementation of the quasi-judicial and regulatory functions of the Authority, which include enforcement of environmental protection, proper procedures in investigation, litigation, adjudication and voluntary arbitration. This department shall oversee and manage the operation of barangay waterways water quality surveillance, monitoring and enforcement unit;

(b) An Administration and Finance Department which shall be responsible for providing services related to administrative support services such as consolidation of major final output, preparation of personnel evaluation system, human resource management, revenue planning, generation and enhancement, budget and financial matters, records management, safekeeping of financial assets and general services;

(c) A Technical and Environmental Management Services Department which shall serve as the main regulatory and technical arm of the authority and shall oversee the integration of the functions on river basin management and development, including the management and operation of the GIS mapping unit and laboratories. This department shall also be responsible for providing scientific studies, technical policy planning, research and development and technology management services; and

(d) A Social Development and Advocacy Department which shall be responsible for resettlement and relocation of informal settlers including their social preparation. It shall also be responsible for dissemination of information and cultural campaign.

SEC. 17. Power to Administer Oaths. – The members of the Board, the GM, and other duly designated officers of the Authority, shall have the authority to administer oaths in the transaction and performance of their official duties.

SEC. 18. Consultative Assembly. – There shall be established a consultative assembly which shall serve as venue for public consultations and participation by stakeholders and presentation of the Authority's plans and programs or modification, amendment or revision of rules and regulations prior to its adoption or implementation within its jurisdiction. The consultative assembly shall be composed of the following:

(a) Mayors of the cities and municipalities comprising the Govantes-Mestizo River Basin System;

(b) The president of the association of barangay captains in cities and municipalities comprising the Govantes-Mestizo River Basin System;

(c) A representative of owners, proprietors, and authorized operators of all major private, commercial or industrial business establishments located in all barangays comprising the Govantes-Mestizo River Basin System; and

(d) One (1) representative each for the homeowners' associations, civil society organizations and peoples' organizations in the Govantes-Mestizo River Basin System.

The Authority shall convene an annual year-end general assembly to report and present its financial and fiscal status and updates on its plans, programs, and projects to its stakeholders and to the public. The required logistical support, such as food and transportation allowances shall be provided to the members of the Board and the consultative assembly during the meeting at the expense of the Authority subject to government accounting and auditing procedures.

SEC. 19. Additional Offices. – The Board may create additional offices it may deem necessary for the effective implementation of this Act not later than twelve (12) months from the date of effectivity of this Act.

SEC. 20. Enforcement Powers. – The Authority shall have enforcement powers within the Govantes-Mestizo Basin System to carry out its functions and attain the purposes and objectives declared under this Act. The grant of such powers shall be in conformity with the functions exclusively provided by law to be exercised by the Philippine National Police (PNP) and other government agencies. The Authority may request the assistance of other law enforcement agencies, including request for deputation as may be required. Such enforcement power shall be exercised in connection with the operations of barangay waterways water quality surveillance, monitoring and enforcement units and implementation of rules and regulations promulgated by the Board pursuant to the authority granted under this Act.

SEC. 21. Power to Investigate Violations. – The GM, motu proprio or at the instance of a private person or the Board, may conduct investigations based on the procedures that the Board may prescribe in accordance with the provisions of this Act, the Rules of Court serving as supplemental guidelines.

SEC. 22. Cease and Desist Order. – The GM, after due investigation, may issue a cease-and-desist order to immediately halt any activity found to be in violation of the provisions of this Act. Such order shall be without prejudice to the civil or criminal prosecution of persons under existing laws.

SEC. 23. Govantes-Mestizo River Adjudication Panel. – To carry out effectively the quasi-judicial powers of the Authority, there shall be created the Govantes-Mestizo River Basin Adjudication Panel, hereinafter referred to as the "Adjudication Panel". The Adjudication Panel shall be composed of the GM as the head, an ex-officio board member, and a board member from the private sector, to be elected by the board members from among themselves. The Adjudication Panel shall have the following powers and functions:

(a) Issue preliminary or permanent injunctions whether prohibitory or mandatory, in all cases in which it has jurisdiction;

(b) Issue subpoena ad testificandum and subpoena duces tecum and to summon witnesses to appear in the proceedings of the Adjudication Panel, and administer oaths and affirmations.

(c) Punish for contempt, both direct and indirect, in accordance with the pertinent provisions of and the penalties prescribed by the Rules of Court;

(d) Conduct investigations and hearings on the complaints for violations of environmental laws and this Act, issue show cause orders, decisions or rulings and impose fines and penalties for such violations; and

(e) Issue notices of violations or non-compliance, cease and desist orders and other related orders necessary for the enforcement of existing environmental laws and rules and regulations of this Act. The Adjudication Panel is mandated to take cognizance and adjudicate violations of this Act. Any decision, order, or resolution shall be concurred in by the majority members of the panel and duly signed by the GM. The decision, order, or resolution of the Adjudication Panel may be appealed to the Board within fifteen (15) days from receipt of the decision, order, or resolution. The decision of the Board may be further appealed to any court of competent jurisdiction in accordance with the provisions of the Rules of Court.

SEC. 24. Clean-Up Operations. – In addition to the penalties prescribed in Section 26 hereof, any person who causes the pollution of the Govantes-Mestizo Rivers or any of its tributaries in excess of the applicable and prevailing standards, shall be responsible to contain, remove, and clean-up the polluted area at the polluter's own expense: Provided, that in the event an emergency clean-up operation is necessary and the polluter fails to immediately undertake the same, the Authority, in coordination with other government agencies concerned, shall conduct containment, removal, and clean-up operations. The expenses incurred in said operations shall be reimbursed by the persons found to have caused such pollution upon proper administrative determination in accordance with this Act. Reimbursements of cost incurred shall be made to the Authority's fund for the development of the Govantes-Mestizo Rivers.

SEC. 25. Prohibited Acts. – The following acts are prohibited:

(a) Discharging, depositing or causing to be deposited matter of any kind directly or indirectly along the margins of or on the waters of the Govantes-Mestizo Rivers, where the same shall be liable to be washed into surface water either by the tide, storm, floods, or other occurrences which cause water pollution or impede the natural flow of the river;

(b) Discharging, injecting, or allowing to seep into the soil or subsoil, any substance in any form that would pollute the Govantes-Mestizo River Basin System's groundwater. In the case of geothermal projects, subject to the prior approval of the Authority, the regulated discharge for short-term activities such as well-testing, flushing,

commissioning, venting, and deep reinjection of geothermal liquids may be allowed: Provided, that safety measures are adopted to prevent the contamination of the groundwater;

(c) Operating facilities and discharging regulated water pollutants without the valid required permits or under a revoked permit in violation of any condition imposed by the Authority;

(d) Disposal of potentially infectious medical waste in the Govantes-Mestizo Rivers and its tributaries;

(e) Unauthorized transport or dumping of sewage sludge, solid waste, or commercial, industrial, and institutional waste into the Govantes-Mestizo Rivers and its tributaries and waterways;

(f) Transporting, dumping or discharging of prohibited chemicals, toxic substances, hazardous and nuclear waste into the Govantes-Mestizo Rivers;

(g) Operating facilities that discharge or seeps into the waterways, willfully or through gross negligence, prohibited chemicals, toxic, hazardous and nuclear waste, or pollutants, wherein the same shall be washed into the surface and ground water of the Govantes-Mestizo Rivers;

(h) Undertaking activities, development and expansion projects, or operating wastewater and sewerage facilities in violation of Environmental Impact Statement System established under Presidential Decree No. 1586 and its implementing rules and regulations;

(i) Discharging regulated water pollutants without the valid required discharge permit pursuant to this Act or after the permit was revoked for any violation of the condition therein;

(j) Refusal to allow entry, inspection, or monitoring by the Authority;

(k) Refusal to allow access by the Authority to relevant reports and records;

(l) Refusal or failure to submit reports whenever required by the Authority;

(m) Refusal or failure to designate pollution control officers whenever required by the Authority in accordance with this Act; and

(n) Directly using booster pumps in the distribution system or tampering with the water supply in such a way as to alter or impact the quality of water;

SEC. 26. Penal Clause. – Any person who commits any of the prohibited acts mentioned in Section 25 hereof or any rule and regulation promulgated pursuant thereto, shall be punished by imprisonment of not less than two (2) years but not more than four (4) years

or a fine of not less than Fifty thousand pesos (P50,000.00) but not more than One hundred thousand pesos (P100,000.00). or both. In case of failure or refusal to undertake clean-up operations mentioned in Section 24 hereof, any person who, willfully or through gross negligence, causes serious injury, loss of life, or irreversible water contamination of surface or ground water, shall be punished with imprisonment of not less than six (6) years and one day to not more than twelve (12) years or a fine of Five hundred thousand pesos (P500,000.00) per day for each day during which the omission or contamination continues. If the offender is a corporation or a juridical person, the officers thereof shall be held liable.

SEC. 27. Incentives. – The Authority may provide incentives to industries and commercial enterprises that undertake necessary measures to abate pollution within the Govantes-Mestizo River Basin System and to the government agencies involved in the construction of parks, river control structures, revetments along the river banks, anti-pollution devices, contraptions, appurtenances, bio-remediation and containment systems, cleaner technology systems for wastewater treatment and sewerage facilities and solid waste and garbage disposal systems, and other related equipment. Investment incentives shall be provided by the Authority to the industries, organizations, and persons whose activities will enhance the quality and utilization potential of the Govantes-Mestizo Rivers and its environs such as clean-up operations, dredging and sediment removal or desilting projects, recreation, tourism, and other programs that will revive, improve and enhance the ecological system of the Govantes-Mestizo River Basin System.

SEC. 28. Annual Fees. – The Authority shall be authorized to collect annual fees from private business establishments, individuals or corporations, including residential establishments such as townhouses, apartments, hotels, condominiums, condotels, medical hospitals and wet markets, both private and public, whose wastewater disposal facilities are connected to the sewerage system located within the Govantes-Mestizo River Basin System or which wastewater eventually drains or seeps to the Govantes-Mestizo Rivers. The fees collected shall be used solely for rehabilitation and sustainable development of the Govantes-Mestizo River Basin System.

SEC. 29. Fiscal Autonomy. – The Authority shall enjoy fiscal autonomy. All funds earned by the Authority from the collection or levy or from all fees, charges, dues, assessments, and fines collected pursuant to this Act shall be used solely to fund its operations.

SEC. 30. Capitalization and Financing. – The Authority shall have an authorized capital of Four hundred million pesos (P400,000,000.00). The authorized capital shall be divided into two million (2,000,000) shares of stocks with a par value of Two hundred pesos (P200.00) per share. The National Government shall fully subscribe to ninety percent (90%) of the authorized capital, of which at least fifty percent (50%) shall have been fully paid while ten percent (10%) of the shares shall be subscribed and paid by the Provincial Government of Ilocos Sur.

SEC. 31. Funding. – The amount necessary to subscribe and pay for them remaining shares of the National Government to the capital stock of the authority shall be included in the annual General Appropriations Act. For the Provincial Government of Ilocos Sur, the funds for subscription shall be taken from their internal revenue allotment and other local funds.

SEC. 32. Exemption from Taxes, Customs, and Tariff Duties. – The importation of equipment, machineries, spare parts, accessories and other materials including supplies and services which are used solely and exclusively for the operations of the Authority and are not available locally shall be exempt from all direct and indirect taxes, wharfage fees, and other charges. All obligations entered into by the Authority and any income derived therefrom including those contracted with private international banking and financial institutions shall be exempt from all taxes including the principal and interest. The Authority is also exempt from the payment of capital gains tax, documentary stamp tax, real property tax, estate tax, and all other national and local government taxes and fees.

SEC. 33. Auditor. – The Chairperson of the Commission on Audit (COA) shall be the ex-officio Auditor of the Authority. For this purpose, the COA Chairperson shall appoint a representative and the necessary personnel who shall audit the Authority. All accounts and expenses of the Authority shall be audited by the Commission on Audit or its duly authorized representative.

SEC. 34. Joint Congressional Oversight Committee. – There is hereby created a Joint Congressional Oversight Committee to monitor the implementation of this Act. The oversight committee shall be composed of five (5) Senators and five (5) Representatives to be appointed by the Senate President and the Speaker of the House of Representatives, respectively.

SEC. 35. Implementing Rules and Regulations. – Within ninety (90) days from the approval of this Act, the Board shall issue the necessary rules and regulations for the effective implementation of this Act. The implementing rules and regulations shall be published in the Official Gazette or in a newspaper of general circulation.

SEC. 36. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 37. 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.

SEC. 38. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,