

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS

First Regular Session

HOUSE BILL NO. **2131**



Introduced by Representative Jurdin Jesus M. Romualdo

EXPLANATORY NOTE

This is a refiled bill originally filed of Representative Xavier Jesus D. Romualdo in the 17th and 18th Congresses and was referred and deliberated upon by the Committee on Government Reorganization.

The explanatory note of the original bill is adapted as my rationale for pushing for this legislative proposal and the need to really institutionalize an agency of this nature:

“Transportation security is a primordial concern globally as it is prone to lapses and breaches in strictly implementing existing protocols and non-compliance to international commitments. It is for such reasons that transportation security of nations are being reviewed and updated to ensure that sufficient measures are provided to protect lives and properties from different threats or unlawful acts that may lead to disruptions of various modal transport activities.

The Philippines as a signatory to international conventions and agreements is expected to step up and comply with international transport security administration such as maritime travel, civil aviation, pipeline transport, land and rail transportation systems.

On April 26, 2004, President Gloria Macapagal Arroyo issued Executive Order No. 311 on April 26, 2004, amending E.O. No. 277, and designated the Office of Transportation Security as the single authority for the security of all transportation modes in the country.

Up to this date, there are numerous government agencies administering transport security functions in compliance with their Charters and existing laws. However, it is crucial that there is a body that will ensure strict compliance to national and international standards and protocols and will provide the required systems of check and balance, public accountability and prevent conflict of interests in addressing present and future challenges.

The creation of a National Transportation Security Regulatory Commission will emphasize our commitment to address the need of our country and ensure compliance with international commitments. The Commission shall have jurisdiction, supervision, and control over all security arrangements and standards involving different modes of transportation whether land, air or sea including their respective facilities and transport systems.

The OTS will be transformed into a Commission and will be the single regulatory oversight body for the security of transportation systems with quasi-judicial and

quasi-legislative powers to pursue effectively its mandate. It shall be attached to the Office of the President for administrative and budgetary purposes.

The threat to our transportation security is real and we have to be on top of the situation to deter these unlawful acts that will endanger the lives of the general public.”

The strong support of the Members of Congress for the immediate passage of this refiled bill is earnestly sought.


JURDIN JESUS M. ROMUALDO

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HOUSE BILL NO. 2131

INTRODUCED BY REPRESENTATIVE JURDIN JESUS M. ROMUALDO

AN ACT
TRANSFORMING THE OFFICE FOR TRANSPORTATION SECURITY INTO THE
NATIONAL TRANSPORTATION SECURITY REGULATORY COMMISSION AND
FOR OTHER PURPOSES

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

CHAPTER I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known and cited as the “Aviation and Transportation Security Act.” It shall hereinafter be referred to as the “Act.”

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to:

- (a) Recognize the vital role of public transportation in nation building, economic growth, protecting and promoting the rights of its people to a secure transportation system through the adoption and promulgation of Transportation Security Programs covering all modes of transport: civil aviation; maritime; pipeline transport; and land and rail transportation systems, following international standards and practices;
- (b) Ensure compliance with the Convention on International Civil Aviation (Chicago Convention) and the International Convention for the Safety of Life at Sea, 1974 (SOLAS Convention). As a member of the community of nations and signatory State to international conventions, the Philippines shall faithfully comply with the provisions of:

Chapter XI-2 otherwise known as the International Ship and Port Facility Security Code (ISPS CODE) of the International Maritime Organization (IMO); Annex 17 of International Civil Aviation Organization (ICAO) and its other security related annexes; and such other transport security related international conventions, agreements and protocols;

(c) Ensure that responsibilities are properly delineated and allocated among and between government agencies responsible in the security of transportation systems to avoid conflict of interest and establish accountability;

(d) Ensure that prescribed transportation security standards, policies, and rules and regulations are in accordance with international agreements and conventions and the practices are in accordance with international norms. The National Transportation Security Regulatory Commission (NTSRC), hereinafter referred to as the “Commission”, created under this Act, shall ensure that these policies and standards are enforced; and

(e) Harmonize all regulatory policies that are being implemented by various government regulatory agencies and ensure that they are consistent with the State’s commitment under various international conventions.

SEC. 3. *Coverage.* – Any law to the contrary notwithstanding, the Commission shall have jurisdiction, supervision, and control over all security arrangements and standards involving airports; aircraft; ports; maritime transport, including their respective terminals; rail and land transport, including their respective terminals and stations; and pipeline transport systems throughout the Philippines: *Provided*, That pipeline transport systems considered as own use shall not be covered by the provisions of this Act.

SEC. 4. As used in this Act, the following terms are hereinbelow defined:

(a) “Government airport” refers to an airport owned and operated by the Philippine government and/or any of its instrumentalities, including those with special charters and those located in free ports and special economic zones, including, but not limited to:

- (1) Diosdado Macapagal International Airport/Clark International Airport Corporation (Clark Development Corporation);
- (2) Mactan-Cebu International Airport Authority;
- (3) Manila International Airport Authority;

- (4) San Fernando Airport (Poro Point Management Corporation); and
- (5) Subic International Airport (Subic Bay Metropolitan Authority)
- (b) “Government port” refers to a port owned and operated by the Philippine government and/or any of its instrumentalities, including those with special charters and those located in free ports and special economic zones, including, but not limited to:
- (1) Aurora Pacific Economic Zone and Freeport Authority
- (2) Authority of the Freeport Area of Bataan;
- (3) Cagayan Economic Zone Authority;
- (4) Cebu Ports Authority;
- (5) Philippine Ports Authority;
- (6) Poro Point Management Corporation;
- (7) Subic Bay Metropolitan Authority; and
- (8) Zamboanga City Special Economic Zone Authority and Freeport
- (c) “Pipeline” or “pipeline transport system” refers to all parts of a pipeline system connected together to convey hazardous liquids between stations and/or plants that are not adjacent to each other, including pipe, risers, pig taps, components, appurtenances, isolating valves, pipeline end manifolds, (PLEM) and sectionalising valves.
- For the avoidance of doubt, the term “pipeline system” or “pipeline transport system” expressly excludes pipes and appurtenances that form part of a piping system within the operation of a facility, particularly for product transfers;
- (d) “Private airports” refer to airports owned by any private person, natural or juridical;
- (e) “Private ports” refer to ports owned by any private person, natural or juridical; and
- (f) “Transport operator” refers to any person, natural or juridical, holding a government concession, franchise, or permit to operate any public means of transport and/or public transport facilities.

CHAPTER II

TRANSPORTATION SECURITY STRUCTURE

- SEC. 5. *Organization.* – The transportation security structure shall be divided into four (4) sectors, namely: civil aviation; maritime; pipeline transport; and land and rail transport.

1
2 In line with the policy declaration of the State, the following agencies shall be subject to the
3 oversight power of the Commission: Civil Aviation Authority of the Philippines (CAAP); Land
4 Transportation Franchising Regulatory Board (LTFRB); Land Transportation Office (LTO);
5 Maritime Industry Authority (MARINA); Philippine Coast Guard (PCG); and Philippine Ports
6 Authority (PPA). Government and private airports & ports shall also be subject to the oversight
7 power of the Commission.

8 9 **CHAPTER III**

10 **NATIONAL TRANSPORTATION SECURITY PROGRAM**

11 SEC. 6. *Adoption and Formulation of National Transportation Security Programs.* –
12 The State shall adopt the National Civil Aviation Security Program (NCASP), in accordance
13 with the Convention on International Civil Aviation (Chicago Convention); a National Security
14 Program for Sea Transport and Maritime Infrastructure (NSPSTMI) in accordance with the
15 International Convention for the Safety of Life at Sea, 1974 (Solas Convention); and shall
16 develop and formulate National Security Programs for Pipeline Transport and Land & Rail
17 Transportation.

18 SEC. 7. *Promulgation of Transportation Security Programs.* – Within six (6) months
19 from the effectivity of this Act, the National Civil Aviation Security Program (NCASP), the
20 National Security Program for Sea Transport and Maritime Infrastructure (NSPSTMI), the
21 National Security Program for Pipeline Transport (NSPPT), and the National Security Program
22 for Land and Rail Transportation (NSPLRT) shall be promulgated by the Commission. The
23 Commission shall conduct sectoral consultations with various stakeholders. The various
24 transportation Security Programs shall undergo mandatory review every five (5) years.

25 Pursuant to the Transportation Security Programs, the Commission shall also establish
26 and implement, for the four (4) modes of transportation, a National Transportation Security
27 Training Program (NTSTP), for the training of personnel involved in or responsible for the
28 implementation of transportation security measures; and a National Transportation Security
29 Quality Control Program (NTSQCP), for measuring compliance with and validating the
30 effectiveness of the Transportation Security Programs.

1
2 **CHAPTER IV**

3 **THE COMMISSION**

4 SEC. 8. *Transformation of the Office for Transportation Security (OTS).* – (a) The OTS,
5 created by virtue of Executive Order No. 277 (s. 2004), as amended by Executive Order No. 311
6 (s. 2004), is hereby transformed into the Commission, an independent and single regulatory
7 oversight body for the security of transportation systems, with quasi-judicial and quasi-
8 legislative powers. The Commission shall be attached to the Office of the President for
9 administrative and budgetary purposes.

10 (b) The Commission shall be the authority with respect to the implementation of Annex 17 to
11 the International Convention on Civil Aviation (Chicago Convention) and other civil
12 aviation security related conventions; and shall be the Designated Authority and
13 Administration with respect to the implementation of the International Ship and Port
14 Facility Security (ISPS) Code of the 1974 Safety of Life as Sea (SOLAS) Convention.

15 (c) The Commission shall be composed of a Chairperson and six (6) members to be
16 appointed by the President of the Philippines. The Chairperson and the members of the
17 Commission shall be natural-born citizens and residents of the Philippines, persons of
18 good moral character, at least thirty-five (35) years of age, and of recognized competence
19 in any of the following fields: transportation security, transportation engineering,
20 transportation security management, with at least three (3) years actual and distinguished
21 experience in their respective fields of expertise: *Provided*, That of the six (6) members
22 of the Commission, one (1) shall come from the civil aviation sector; one (1) from the
23 maritime sector; one (1) from the pipeline transportation sector; and another from the
24 land transport or rail sector. They shall possess at least five (5) years of experience in
25 active practice in their respective fields: *Provided further*, that one (1) member shall be a
26 member of the Philippine Bar with at least five (5) years of experience in the practice of
27 law, preferably in the field of transportation.

28 (d) The Chairperson of the Commission shall act as the Chief Executive Officer of the
29 Commission.
30

1 (e) All members of the Commission shall have a term of seven (7) years: *Provided*, That for
2 the first set of appointees, the Chairperson shall hold office for seven (7) years, three (3)
3 members shall hold office for five (5) years, and the other three (3) members shall hold
4 office for three (3) years: *Provided further*, that there shall be no reappointment for
5 another term and in no case shall any member serve for more than seven (7) years in the
6 Commission. Members of the Commission shall not be suspended or removed from
7 office except for just cause as provided by law. In case of vacancy in the position of the
8 Chairperson of the Commission, the President shall appoint a new Chairperson from
9 among the two most senior members of the Commission, who shall continue to serve as
10 Chairperson until the completion of seven (7) years of service in the Commission. The
11 Chairperson and Members of the Commission must not have been a candidate for any
12 elective position in the elections immediately preceding their appointment.

13 (f) The Chairperson and members of the Commission shall assume office at the beginning of
14 their terms. The Commission shall meet at least once a month to tackle its order of
15 business. The majority of the members of the Commission may call for a special meeting
16 if the need arises. The President may, at any time, direct the Commission to convene to
17 discuss important transportation security issues.

18 (g) The presence of at least five (5) members of the Commission shall constitute a quorum
19 and the majority vote of members in a meeting where a quorum is present shall be
20 necessary for the adoption of any rule, ruling, order, resolution, decision, or other acts of
21 the Commission.

22 SEC. 9. *Enhancement of Technical Competence.* – (a) The Commission shall establish
23 rigorous training programs for its staff for the purpose of enhancing the technical competence of
24 the Commission in the following areas: impact assessment, evaluation and audit of technical
25 performance and monitoring of compliance with service and performance standards,
26 environmental standards, transportation security standards, transportation infrastructure
27 standards, transportation education and training, and such other areas as will enable the
28 Commission to adequately perform its functions or exercise its powers.

(b) The Commission shall establish its own educational and training institute for the enhancement of knowledge and skills of personnel performing transportation security related responsibilities within the transportation security industry: *Provided*, That the Commission shall prioritize education and training programs not provided by private entities: *Provided, further*, That education and training for the development of core competencies necessary in the exercise of regulatory power of the Commission shall be given priority in the education and training budget of the Commission.

SEC. 10. *Powers and Functions of the Commission.* – The Commission shall serve as the single regulatory oversight body for promoting security in the transportation industry in order to ensure public welfare and penalize violations of transportation security regulations. Towards this end, it shall be responsible for the following key functions in the security of the transportation systems:

(a) Review, revise and approve National Transportation Security Programs, its training and quality control program and other related programs;

(b) Ensure compliance with international minimum standards for transportation security, especially for international conventions and multilateral/bilateral agreements where the Philippines is a state party, through promulgation of protocols, standards, and rules and regulations;

(c) Provide technical inputs to agreements being negotiated between the Philippines and other countries in relation to transportation security concerns;

(d) Promote desirable and inhibit undesirable transportation policies of regulatory agencies through the facilitation of evidence-based decision making;

(e) Assist the DOTr and other regulatory agencies within the transportation industry in the strategic planning and design of regulatory policies;

(f) Issue guidelines on the quality of, or conduct security assessments and other evaluative tools related to transportation security standards, rules and regulations;

(g) Review existing rules and regulations related to transportation security undertaken by transportation industry stakeholders, and to recommend or require impact assessment or changes to improve quality;

- 1 (h) Review proposed rules and regulations related to transportation security and recommend
2 or require security assessments and/or changes;
- 3 (i) Review newly issued rules and regulations related to transportation security and
4 recommend or require impact assessments and/or changes;
- 5 (j) Formulate and issue, after due notice and hearing, transport security standards, rules and
6 regulations, including penalties and sanctions;
- 7 (k) Issue specific security directives to transportation operators, law enforcement agencies
8 and other relevant entities charged with the security of the transportation system;
- 9 (l) Promote capacity building on transportation security;
- 10 (m) Adjudicate cases arising from non-compliance to transportation security standards, rules
11 and regulations: *Provided*, That the decisions of the Commission on such cases shall be
12 immediately executory: *Provided, further*, That decisions of the Commission may only
13 be restrained or enjoined by the Court of Appeals;
- 14 (n) Issue subpoena *duces tecum* and/or *ad testificandum* in any investigation or hearing;
- 15 (o) Cite persons for contempt;
- 16 (p) Impose fines and penalties for non-compliance with or breach of this Act, or its
17 Implementing Rules and Regulations (IRR), and the standards, rules & regulations issued
18 by the Commission, including but not limited to, recommending the suspension or
19 revocation of any license, permit or certificate which authorizes the operation of public
20 means of transport or public transport facilities;
- 21 (q) Before the end of April of each year, submit to the Office of the President of the
22 Philippines and the Congress, copy furnished the DOTr, an annual report containing such
23 matters or cases which have been filed before or referred to it during the preceding year,
24 the actions and proceedings undertaken and its decision or resolution in each case. The
25 Commission shall make copies of such reports available through its official website and
26 to any interested party upon payment of a charge which reflects actual reproduction costs.
27 The Commission shall publish all its decisions in at least one (1) newspaper of general
28 circulation, and publish in its official website and circulate to all interested transportation
29 industry stakeholders copies of its resolutions to ensure fair and impartial treatment;
30

- 1 (r) Monitor the activities in the transportation industry with the end view of promoting
2 security; and consequently, enjoin the transportation sector to cooperate and coordinate
3 with the Commission;
- 4 (s) In coordination with law enforcement agencies, access the premises of any transport
5 operators in case of an act of unlawful interference and if the access is necessary to
6 prevent such act;
- 7 (t) In the exercise of its oversight function, inspect, audit, survey and test *motu proprio*
8 through its duly authorized representative documents, records, facilities or systems, at
9 any time for purposes of determining compliance with transportation security standards,
10 rules and regulations;
- 11 (u) Protect passengers of air carriers; maritime vessels, including but not limited to, fast-
12 craft, *bancas*, and ferries; railways and light rails; and inter-provincial buses;
- 13 (v) Oversee compliance to security screening standards for passengers and cargo of air
14 carriers; maritime vessels, including but not limited to, fast-craft, *bancas*, and ferries;
15 railways and light rails; inter-provincial buses; and transport pipeline systems;
- 16 (w) Develop, formulate, and ensure compliance to uniform standards and procedures for
17 searching and detaining passengers and property to ensure the safety of passengers,
18 cargo, and transport facilities infrastructure;
- 19 (x) During a state of calamity or national emergency, as declared by the President through a
20 proclamation, the Commission shall, the provisions of any law to the contrary
21 notwithstanding:
- 22 (1) Exercise jurisdiction and control over port security; domestic transportation,
23 including aviation; maritime; pipeline, rail, and other surface transportation;
- 24 (2) Oversee the transportation-related responsibilities of the national government,
25 except for the Department of National Defense (DND), Armed Forces of the
26 Philippines (AFP), and the Philippine National Police (PNP); and
- 27 (3) Provide notice to other departments and agencies of the national government
28 relative to threats to transportation and transportation infrastructure;
29

1 *Provided*, That the foregoing authority of the Commission under subparagraphs (1), (2),
2 and (3) shall only be effective for the duration of the said national emergency or state of
3 calamity.

4 (y) Accredit and authorize third-party providers, including, but not limited to, airport
5 operators; transport operators, light rail transit concessionaires, to provide security
6 screening of passengers and cargo: *Provided*, That said providers shall strictly comply
7 with any and all standards set therefor by the Commission: *Provided, further*, That the
8 standards promulgated by the Commission shall be at par with international standards and
9 best practices: *Provided, finally*, That third-party providers who do not conform to, or
10 are found to have violated such standards shall be prohibited from providing such service
11 to any agency or instrumentality of the national government, including government-
12 owned or –controlled corporations, for a period of not less than one (1) year but not more
13 than five (5) years;

14 (z) Enforce the IRR of this Act; and

15 (aa) Perform such other functions as are appropriate and necessary in order to preserve and
16 promote transportation security.

17 SEC. 11. *Additional Powers and Functions of the Commission.* – In addition to the
18 powers and functions in the preceding Section, the Commission is hereby empowered to:

19 (a) Enter into agreements, as may be necessary, with other agencies of the national
20 government to share or otherwise cross-check, as necessary, data on individuals
21 identified by such agencies as posing a risk to transportation or national security;

22 (b) Establish procedures for notifying the Director-General of the CAAP and the concerned
23 agencies of the national government, and airport and/or airline & transport security
24 officers of the identity of individuals known to pose, or suspected of posing, a risk of air
25 piracy or terrorism or a threat to passenger, transportation, or national security;

26 (c) In consultation with other agencies of the national government, require the concerned
27 transport operators:

28 (1) To use information from government agencies to identify individuals on
29 passenger lists who may be a threat to transport security or national security;

1 (2) If such an individual is identified, to notify the appropriate law enforcement
2 agencies, prevent the individual from boarding an aircraft, maritime vessel, train,
3 bus, or other vehicle, or take other appropriate action with respect to that
4 individual; and

5 (3) Consider requiring transport operators to share passenger lists with the
6 appropriate national government agencies for the purpose of identifying
7 individuals who may pose a threat to transport safety or national security.

8 SEC. 12. *Enhancement of Technical Competence.* – (a) The Commission shall establish
9 rigorous training programs for its staff for the purpose of enhancing the technical competence of
10 the Commission in the following areas: impact assessment, evaluation and audit of technical
11 performance and monitoring of compliance with service and performance standards,
12 environmental standards, transportation security standards, transportation infrastructure
13 standards, transportation education and training, and such other areas as will enable the
14 Commission to adequately perform its functions or exercise its powers.

15 (b) The Commission shall establish its own educational and training institute for the
16 enhancement of knowledge and skills of personnel performing transportation security
17 related responsibilities within the transportation security industry: *Provided*, That the
18 Commission shall prioritize education and training programs not provided by private
19 entities: *Provided, further*, That education and training for the development of core
20 competencies necessary in the exercise of regulatory power of the Commission shall be
21 given priority in the education and training budget of the Commission.

22 SEC. 13. *Transportation Security Committees.* – There is hereby created the National
23 Civil Aviation Security Committee (NCASC) to coordinate security activities between or among
24 departments, agencies and other instrumentalities of the government, airport and aircraft
25 operators, air traffic service providers and other entities concerned with or responsible for the
26 implementation of the various aspects of the National Civil Aviation Security Program
27 (NCASP).

28 The NCASC shall be composed of the following:

Chairman, NTSRC

Ex-Officio Chairman

Secretary, Department of Transportation	Vice Chairman
Secretary, Department of Interior and Local Government	Vice Chairman
Secretary, Department of National Defense	Member
Secretary, Department of Justice	Member
General Manager, Manila International Airport Authority	Member
General Manager, Mactan-Cebu International Airport Authority	Member
President, Clark International Airport Corporation	Member
Administrator, Subic Bay Metropolitan Authority	Member
Director General, CAAP	Member
Director, PNP Aviation Security Group	Member
Commissioner, Bureau of Customs	Member
Commissioner, Bureau of Immigration	Member
Undersecretary for Policy, Department of Foreign Affairs	Member
Director General, National Intelligence Coordinating Agency	Member

1 The members of the NCASC may designate a permanent alternate to represent his or her agency:

2 *Provided*, That the rank of any official serving as the permanent alternate should not be
3 lower than an Undersecretary or its equivalent.

4 The NCASC, through its Chairperson, may invite resource persons from other agencies of the
5 government and from the private sector, as may be necessary.

6 The Commission may likewise create security committees for maritime, pipeline, and
7 land transportation systems to facilitate the allocation of tasks and coordination of
8 responsibilities and activities between or among various stakeholders.

9 SEC. 14. *Transportation Security Regulation Fund (TSRF)*. – The Commission is
10 hereby authorized to set, adjust, collect, or levy fees and charges for licenses, permits, and
11 certificates issued and other services rendered to transportation security stakeholders, which shall
12 form part of the TSRF. Such fees shall and charges shall become effective after publication in a
13 newspaper of general circulation or the *Official Gazette*.

The Aviation Security Fund mandated by Letters of Instruction No. 414 (s. 1976), as amended shall form part of the TSRF.

The port and airport authorities, including privately operated airports and ports, are hereby authorized and directed to collect transportation security fees which shall also form part of the TSRF. The TSRF shall accrue to the Commission to support its operations, subject to existing accounting and auditing rules and regulations.

The TSRF shall be released annually to the Commission, subject to the schedule to be determined by the Department of Budget and Management (DBM).

CHAPTER V

ADMINISTRATIVE OFFENSES AGAINST TRANSPORTATION SYSTEM

SEC. 15. *Other Offenses.* – Administrative liability shall attach to any person or entity who:

- (a) refuses or fails, without reasonable justification, to provide information or to give access to transportation facilities, necessary in the performance of the regulatory or oversight functions of the Commission;
- (b) refuses or fails, without reasonable justification to comply with the standards, rules and regulations issued by the Commission; and/or
- (c) refuses or fails, without reasonable justification to comply with security directives issued by the Commission;

SEC. 16. *Administrative Penalties.* – The Commission shall have the power to impose fines and penalties for violation of Section 15 of this Act, consisting of:

- (a) a fine of not less than one hundred thousand pesos (P 100,000.00) but not exceeding one million pesos (P 1,000,000.00); and/or
- (b) recommending the suspension or revocation of any license, permit or certificate to operate public transportation to, as the case may be, to the CAAP; CAB; LTO; LTFRB; MARINA; or the PCG.

CHAPTER VI

TRANSITORY PROVISIONS

1 SEC. 17. *Transfer of Powers and Functions.* – The powers and functions of the OTS are
2 hereby transferred to the Commission.

3 The foregoing transfer of powers and functions shall include all applicable funds and
4 appropriations, records, equipment, property, and personnel as may be necessary.

5 SEC. 18. *Transfer of Rights, Assets, and Liabilities.* – The Commission shall, by virtue
6 of this Act, be subrogated to all the rights and assume all the liabilities of the OTS and all the
7 funds, records, property, assets, equipment, and such personnel as necessary, including
8 unexpended appropriations and/or allocations. All contracts and liabilities of the OTS are hereby
9 transferred to and assumed by the Commission and shall be acted upon in accordance with the
10 *Auditing Code* and other pertinent laws, rules, and regulations: *Provided*, That the officers and
11 employees of the OTS shall continue in a holdover capacity until such time as the new officials
12 and employees of the Commission shall have been duly appointed pursuant to the provisions of
13 this Act.

14 SEC. 19. *Structure and Staffing Pattern.* – The organizational framework and staffing
15 pattern of the Commission shall be prescribed and approved by the Chairperson of the
16 Commission within sixty (60) days after the approval of this Act and the authorized positions
17 created therein shall be filled by regular appointments by the President or the Chairperson, as the
18 case may be: *Provided*, That, in the filling of positions created, preference shall be given to the
19 personnel of the OTS: *Provided, however*, That if such individuals possess the same
20 qualifications, seniority shall be given priority.

21 SEC. 20. *Compensation and Other Emoluments for Personnel of the Commission.* – The
22 compensation and other emoluments for the Chairperson and members of the Commission and
23 its personnel shall be exempted from the coverage of Republic Act No. 6758, otherwise known
24 as the “Salary Standardization Act”. For this purpose, the schedule of compensation of the
25 Commission personnel, except for the salaries and compensation of the Chairperson and
26 members of the Commission, shall be submitted for approval to the President of the Philippines.

27 The new schedule of compensation shall be implemented within six (6) months from the
28 effectivity of this Act and may be upgraded by the President of the Philippines as the need arises:
29 *Provided*, That in no case shall the rate be upgraded more than once a year.

The Chairperson and members of the Commission shall be entitled to the same salaries, allowances and benefits as those of the Presiding Justice and the Associate Justices of the Court of Appeals, respectively. The Chairperson and the members of the Commission shall, upon completion of their term or upon becoming eligible for retirement under existing laws, be entitled to the same retirement benefits and the privileges provided for the Presiding Justice and Associate Justices of the Court of Appeals, respectively.

SEC. 21. *Separation Benefits of Officials and Employees of the Office for Transportation Security (OTS).* – Officials and employees of the OTS who opt to be separated from the service as a result of the transformation of the OTS into the Commission shall be entitled to either separation pay and other benefits in accordance with existing laws, rules or regulations or benefits and other privileges provided under a separation plan which shall be proposed by the Commission subject to the approval of the President: *Provided*, That the separation and other benefits should conform to the provisions of Republic Act No. 6656.

Provided, however, That officials and employees of the OTS who avail of the said separation plan may reapply to and be reappointed to the Commission shall start their government service anew: *Provided, further,* that in no case shall there be any diminution of benefits under the separation plan until the full implementation of the transformation of OTS into the Commission.

CHAPTER VII

FINAL PROVISIONS

SEC. 22. *Appropriations.* – The amount of FIVE HUNDRED MILLION PESOS (P 500,000,000.00) is hereby allocated for the initial operation of the Commission. Any deficit shall initially be sourced from the Office of the President of the Philippines. Thereafter, the amount needed for the operation and maintenance of the Commission shall be included in the annual *General Appropriations Act*: *Provided, however,* That not less than two percent (2%) of the total allocation for the Maintenance and Other Operating Expenses (MOOE) budget shall be used for relevant trainings of personnel of the Commission.

1 Subject to existing rules and regulations, the funds and monies collected or which
2 otherwise come into the possession of the Commission from fees, surcharges, fines, and penalties
3 which the Commission may impose and collect under this Act.

4 SEC. 23. *Conflict of Interest.* – The Chairperson and members of the Commission shall
5 ensure transparency in governance and shall submit to the President, the congressional
6 committees with jurisdiction over the Commission, and the Civil Service Commission (CSC), the
7 list of their relatives, within the fourth civil degree of consanguinity or affinity, legitimate or
8 illegitimate, holding any and all interest whatsoever, either as investor, stockholder, officer or
9 director, in any company or entity engaged in: private security; the transportation sector; and/or
10 in any entity that manufactures, imports, and/or distributes equipment that could be used for
11 security purposes.

12 Immediately prior to assuming office, the Chairperson, members, and employees of the
13 Commission, whether permanent, co-terminous, contractual, or casual, shall divest, through sale
14 or other legal disposition, any and all such interest: *Provided*, That such sale or disposition to
15 any person within the fourth degree of consanguinity or affinity is hereby prohibited.

16 The divestment prescribed in the preceding paragraph shall likewise apply to the
17 members of the immediate family within the second degree of consanguinity having interest in
18 any institution or activity which falls under the regulatory jurisdiction or supervision of the
19 Commission.

20 The Chairperson, members, officials, and employees of the Commission shall not
21 practice their profession during their tenure. They shall accept no other form of employment
22 during their tenure.

23 No spouse or relative by consanguinity or affinity within the fourth civil degree and no
24 law, business or professional partner or associate of the Chairperson or members may appear as
25 counsel or agent, appearing for or on behalf of the Chairperson or members for pecuniary
26 interest, on any matter pending before the Commission or transact business directly or indirectly
27 therewith.

28 The disqualification shall apply during the tenure of the Chairperson, member, official, or
29 employee concerned one (1) year from separation from the Commission.

SEC. 24. *Statutory construction.* – The provisions of this Act shall be liberally construed to achieve the preservation and promotion of transportation security.

SEC. 25. *Privacy protection.* – Nothing in this Act shall be construed as weakening the protections mandated by Republic Act No. 10173, otherwise known as the “Data Privacy Act of 2012”.

SEC. 26. *Implementing Rules and Regulations (IRR).* – Within one hundred and twenty (120) days from the effectivity of this Act and after consultations with the concerned stakeholders in hearings conducted nationwide, the Commission shall formulate and issue the necessary implementing rules and regulations for the effective implementation of this Act:

Provided: That the rank of any official representing a government agency in the crafting of the IRR should not be lower than an Undersecretary or its equivalent.

SEC. 27. *Separability Clause.* – If for any reason, any provision of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 28. *Visitorial Powers.* – The Chairperson’s or Commission’s representative shall have visitorial and examining authority over nongovernment entities with contracts for security and other services made under the provisions of this Act.

During such examination, the nongovernment entity concerned shall produce all the reports, records, books of accounts, and other papers that may be required.

The refusal by any such nongovernment entity to allow an examination of its books of accounts and pertinent records or its concealment of any material information concerning its services shall constitute a legal ground for the cancellation thereof.

SEC. 29. *Repealing Clause.* – The following laws and executive orders, and all other laws, decrees, letters of instructions, executive orders and rules and regulations, or part or parts thereof inconsistent with any provision of this Act, are hereby repealed, amended or otherwise modified accordingly:

(a) Presidential Decree No. 505, as amended by Presidential Decree No. 857;

(b) Letter of Instructions No. 414 (1976), as amended by Letter of Instructions No. 414-A (s. 1976);

- (c) Executive Order No. 778 (s. 1982), as amended by Executive Order No. 903 (s. 1983);
- (d) Executive Order No. 69 (s. 1986);
- (e) Republic Act No. 6958, otherwise known as the “Charter of the Mactan-Cebu International Airport Authority”;
- (f) Republic Act No. 7227, otherwise known as the “Bases Conversion and Development Act”;
- (g) Republic Act No. 7621, otherwise known as the “Charter of the Cebu Port Authority”;
- (h) Republic Act No. 7903, otherwise known as the “Zamboanga City Special Economic Zone Act of 1995”;
- (i) Executive Order No. 246 (s. 1995);
- (j) Republic Act No. 7922, otherwise known as the “Cagayan Special Economic Zone Act of 1995”;
- (k) Executive Order No. 30 (s. 1998);
- (l) Executive Order No. 277 (s. 2004), as amended by Executive Order No. 311 (s. 2004);
- (m) Republic Act No. 9490, otherwise known as the “Aurora Special Economic Zone Act of 2007”; and
- (n) Republic Act No. 9728, otherwise known as the “Freeport Area of Bataan (FAB) Act of 2009”

SEC. 30. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days following its complete publication in at least two (2) newspapers of general circulation or in the *Official Gazette*.

Approved,