

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3754



Introduced by HON. BAMBI B. EMANO

**AN ACT UPGRADING THE LAGUINDINGAN AIRPORT INTO AN
INTERNATIONAL AIRPORT, ESTABLISHING THE LAGUINDINGAN
INTERNATIONAL AIRPORT AUTHORITY (LIAA), AND APPROPRIATING
FUNDS THEREFOR**

EXPLANATORY NOTE

Mitigating airport congestion is one of the crucial issues that our former president Rodrigo Roa Duterte wanted to address in his Infrastructure Program (Build, Build, Build). Currently, our newly proclaimed President Bongbong Marcos stated in his State of the Nation Address (SONA) that he is in full support of the program and would therefore have an expanded version as the Manila International Airport has been facing millions of passengers experiencing delays and air traffic due to congestion. It greatly affects the on-time performance of airlines, operational reputation of airports and air travel experience of passengers.

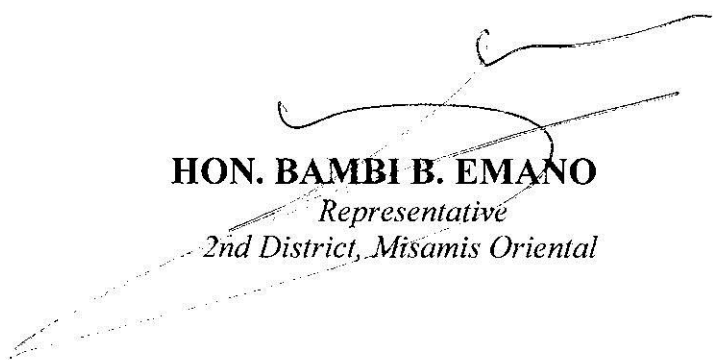
Laguindingan Airport seats as a gateway to all Northern Mindanao. This is the second busiest airport in Mindanao, serving travelers from numerous provinces and cities including portions of the BARRM particularly Lanao del Sur.

This bill seeks to upgrade the Laguindingan Airport to an international airport and to establish the Laguindingan International Airport Authority (LIAA), an organization that would effectively oversee and manage the Laguindingan International Airport's operations. This upgrade would enhance the airport's operational capabilities, decongest the Manila International Airport, and boost tourism in the unexplored tourist spots in the whole province.

Additionally, this calls for an improvement in the capacity of security and safety features of the airport facilities. It would also entail expanding or creating new runways, modernizing airport facilities, remodeling current terminals, boosting the airport's staff, and adding new navigational and air traffic control aids. By no longer passing through Manila, Misamis Oriental residents, Muslims, OFWs, and tourists can save money and time. Furthermore, with the creation

of the Laguindingan International Airport Authority (LIAA), we hope to achieve the desired level of effectiveness and efficiency in the management of the Laguindingan International Airport.

In view of the foregoing, immediate approval of this bill is earnestly sought.



HON. BAMBI B. EMANO

Representative

2nd District, Misamis Oriental

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

SECTION 1. The Laguindingan Airport shall be upgraded into an international airport to be known as Laguindingan International Airport.

SECTION 2. The Department of Transportation shall create a task force to implement a master plan of action necessary to carry out the purpose of this Act. There shall be an upgrade of existing terminals, airport facilities, extension or construction of runways and installation of navigational and air traffic control aids.

SECTION 3. The amount necessary for the implementation of this Act shall be included in the current General Appropriations Act of the Department of Transportation, thereafter such sum necessary for the international airport shall be included in the General Appropriations Act.

SECTION 4. The Department of Transportation shall issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 5. There is hereby established a body corporate to be known as Laguindingan International Airport Authority (LIAA), hereinafter referred to as "Authority", which shall be attached to the Department of Transportation (DOTr). The principal office of the Authority shall be located at the Laguindingan International Airport, Misamis Oriental.

The Authority shall have such branches, agencies, or subsidiaries as it deems proper and necessary.

SECTION 6. The Authority shall principally undertake the economical, efficient, and effective control, management, and operation of the Laguindingan International Airport in Misamis Oriental. In addition, it shall have the following objectives:

- a) To encourage, promote and develop international and domestic air traffic in Northern Mindanao, as a means of making the region a center of international trade and tourism, and accelerating the development of the means of transportation and communications in the country; and
- b) To upgrade the services and facilities of the Laguindingan International Airport and formulate international acceptable standards of airport accommodation and service.

SECTION 7. The Authority shall have the following powers and functions:

- a) To formulate a comprehensive and integrated development policy and program for the Laguindingan International Airport and implement review and update such policy and program periodically;
- b) To supervise, control, construct, maintain, operate, and provide such facilities or services as shall be necessary for the efficient functioning of the Laguindingan International Airport with International Civil Aviation Organization (ICAO) standards;
- c) To promulgate rules and regulations governing the planning, development, maintenance, operation and improvement of the Laguindingan International Airport, and to supervise and control the construction of any structure or the rendition of any service within the Laguindingan International Airport;
- d) To exercise all the powers of a corporation under the Corporation Code of the Philippines, insofar as those powers are not inconsistent with the provisions of this Act;
- e) To acquire, purchase, own, administer, lease, mortgage, sell or otherwise dispose of any land, building, airport facility, or property of whatever kind and nature whether movable or immovable or any interest therein: *Provided*, that any asset located in the Laguindingan International Airport important to national security shall not be subject to alienation or mortgage by the Authority nor transfer to any entity other than the National Government;
- f) To exercise the power of eminent domain in the pursuit of its purposes and objectives;
- g) To levy and collect dues, charges, fees or assessments for the use of the airport premises, works, appliances, facilities, or concessions or for any service provided by the Authority;
- h) To retain and appropriate dues, fees and charges collected by the Authority relative to the use of airport premises for such measures as may be necessary to make the Authority more effective and efficient in the discharge of the assigned tasks;
- i) To invest idle funds, as it may deem proper in government securities and other evidence of indebtedness; and
- j) To provide services, whether on its own or otherwise, within the Laguindingan International Airport and the approaches thereof as may be necessary or in connection with the maintenance and operation of the Laguindingan International Airport and their facilities.

SECTION 8. The Authority shall have the power to exercise such police authority as may be necessary within its premises or areas of operation to carry out its functions and attain its purposes and objectives: *Provided*, That the Authority may request the assistance of the law enforcement agencies, including request for deputization as may be required. Such police authority shall be exercised in connection with the following, among others:

- a) Maintenance of security to passengers, cargoes, aircraft, airport equipment, structures, facilities, personnel, funds and documents;
- b) Regulation of the entry to, exits from, and movement within the airports;
- c) Maintenance of peace and order within the premises of the Laguindingan International Airport;
- d) Regulation and supervision of private security agencies operating in the Laguindingan International Airport;
- e) Enforcement of the rules and regulations promulgated by the Authority pursuant to law; and
- f) In case of emergencies or imminent danger involving national security within the airport premises, the Philippine Air Force Security Command shall take charge.

SECTION 9. The corporate powers of the Authority shall be exercised by and vested in the Board of Directors, hereinafter referred to as the Board, which shall be composed of a Chairperson, a Vice Chairperson, and nine (9) members. The Secretary of Transportation and the General Manager of the Authority shall be the *ex-officio* Chairperson and Vice Chairperson of the board, respectively.

The Director General of the Civil Aviation Authority of the Philippines (CAAP), the Secretaries of the following executive departments or any Undersecretary or Assistant Secretary designated by the respective Secretaries of the Department of Finance, Department of Justice, Department of Health, Department of Agriculture, and Department of Tourism shall be *ex-officio* members of the board.

In addition, three (3) members from the private sector shall be appointed by the President of the Philippines for a term of three (3) years, subject to the existing rules and regulations of the Governance Commission for GOCC's (GCG).

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

SECTION 10. The Board shall have the following functions:

- a) To define and approve the policies, plans and programs, procedures, and guidelines of the Authority for the development and operation of the Laguindingan International Airport;
- b) To appoint the General Manager of the Authority who shall be the chief executive officer of the Authority;

- c) To approve the Authority's organization and administrative structure, staffing pattern, operating and capital expenditures and financial budgets upon the recommendation of the General Manager, subject to the final approval of the GCG;
- d) To approve salary ranges, benefits and other terms and conditions of service for all officers and employees of the Authority, upon the recommendation of the GCG, which shall, as far as possible, be competitive with those offered in the private sector, subject to the approval of the President;
- e) To fix the rate of dues, charges, fees, or assessments for the use of the airport premises, works, appliances, facilities, concessions, services and other fees and charges related to the activities of the airport, upon the recommendation of the General Manager; and
- f) To exercise all the functions and powers necessary or incidental to attain the purposes and objectives of this Act.

SECTION 11. The General Manager shall be directly responsible to the Board and exercise the following duties:

- a) Direct and supervise the day-to-day management, operation, and administration of the Laguindingan International Airport;
- b) Implement and enforce decisions, orders, rules, and regulations issued, prescribed, or adopted by the Board;
- c) Undertake research, studies, investigations, and other activities related to the present operations and future improvement of the Laguindingan International Airport and submit comprehensive reports and appropriate recommendations to the Board for proper action.
- d) Appoint, transfer, suspend, remove, or otherwise discipline any subordinate officer or employee of the Authority, subject to the approval of the Board and in accordance with the existing rules and regulations of the Civil Service Commission.
- e) Within the limits of the authority delegated to him by the Board, execute contracts, incur obligations, acquire, and dispose of assets, and deliver documents on behalf of the Authority.
- f) Grant permits or concessions to do business within the airports in accordance with such rules and regulations to be promulgated by the Authority for the purpose; and
- g) Perform such other duties as the Board may delegate or assign, and such acts as may be necessary and proper to implement this Act.

SECTION 12. The Authority shall have an authorized capital stock equal to:

- a) The value of fixed assets, including airport facilities, runways and equipment and such other properties, movable and immovable, currently administered or belonging to the Laguindingan International Airport as valued on the date of the effectivity of this Act.
- b) The value of such real estate owned or administered by the Laguindingan International Airport; and
- c) Government contribution in such amount as may be deemed an appropriate initial balance. Such initial amount, as approved by the President of the Philippines, which shall be more or less equivalent to six (6) months working capital requirement of the

Authority, is hereby authorized to be appropriated in the annual General Appropriations Act of the year following the effectivity of this Act.

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

SECTION 13. The Commission on Audit shall appoint a representative who shall be the auditor of the Authority, together with the necessary personnel to assist said representative in the performance of his duties. The number and salaries of the auditor and said personnel shall be determined by the Chairman of the Commission on Audit, subject to the rules and regulations of the Commission on Audit.

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

SECTION 14. An annual report of the activities and operations of the Authority, together with the audit report shall be submitted by the Board to the President of the Philippines and both Houses of Congress of the Philippines through the Department of Transportation.

SECTION 15. The Authority and its officials and employees shall be subject to the existing civil service laws and its rules and regulations.

SECTION 16. The Authority may, in accordance with Section 21, Article XII of the Constitution and other existing laws, rules and regulations on local or foreign borrowings, raise funds, either from local or international sources, by way of loans, credit or securities, and other financing instruments with the power to create pledges, mortgages and other voluntary liens or encumbrances on any of its assets or properties, subject to the prior approval of the President of the Philippines.

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

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

SECTION 17. The Authority shall be exempt from realty taxes imposed by the National Government or any of its political subdivisions, agencies, and instrumentalities; *Provided*, that no tax exemption herein granted shall extend to any subsidiary which may be organized by the Authority.

SECTION 18. All existing public airport facilities, runways, lands, buildings, and other properties, movable or immovable, belonging to or presently administered by the Laguindingan International Airport, and all assets, powers, rights, interests, and privileges relating to airport works or air operations, including all equipment which are necessary for the operation of air navigation, aerodrome control towers, crash, fire, and rescue facilities are hereby transferred to the Authority. *Provided, however,* that the operational control of all equipment necessary for the operation or radio aids to air navigation, airways communication, the approach control office, and the area control center shall be retained by the Air Transportation Office. No equipment, however, shall be removed control center shall be retained by the Air Transportation Office from the Laguindingan International Airport without the concurrence of the Authority. The Authority may assist in the maintenance of the Air Transportation Office equipment.

SECTION 19. All ongoing projects relating to the construction of Laguindingan International Airport facilities and supply of equipment shall be administered and undertaken by the Authority.

SECTION 20. Upon the transfer to and acceptance by the Authority of the existing physical facilities, intangible assets and completed projects referred to in the preceding sections, all debts, liabilities, and obligations of government agencies or entities concerned in respect of such physical facilities, intangible assets and completed projects within the Laguindingan International Airport shall likewise be assumed by the Authority.

SECTION 21. The General Manager of the Laguindingan International Airport shall continue in office and shall perform all powers and functions of the Authority until such time as the General Manager is appointed in accordance with the provisions of this Act. Officials and employees whose services are terminated shall, if not eligible for retirement, be given gratuities equivalent to one (1) month salary for every year of continuous satisfactory service on the basis of the highest salary received in addition to other benefits accorded to them by existing laws.

SECTION 22. If any provision or part of this Act is declared invalid or unconstitutional, such parts or provisions not affected thereby shall remain in full force and effect.

SECTION 23. All laws, executive orders, letters of instructions, rules and regulations or provisions thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 24. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation.

Approved,