

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

TWENTIETH CONGRESS

First Regular Session

House Bill No. 752



INTRODUCED BY REPRESENTATIVE JURDIN JESUS M. ROMUALDO

EXPLANATORY NOTE

This bill is a refiled measure originally filed by Representative Xavier Jesus D. Romualdo during the 17th and 18th Congresses and previously referred to the Committee on Government Reorganization.

The core rationale for this legislative proposal remains relevant today—arguably even more urgent—given the increasing complexity and frequency of transportation-related threats in the country. Transportation security continues to be a critical national concern, and lapses in enforcement, fragmented authority, and non-compliance with international standards remain persistent issues that must be addressed through comprehensive institutional reform.

Recent events further underscore this need. In 2024, Metro Manila alone recorded over 86,000 road traffic incidents, a significant uptick from previous years. A tragic crash in Cotabato in March 2024 claimed 17 lives, while just this May 2025, an SUV plowed into NAIA Terminal 1, resulting in casualties and raising alarm over terminal security protocols. Meanwhile, threats to aviation security are also growing. In late 2024, a Manila-bound international flight had to undergo full security procedures after a bomb threat was identified in coordination with Australian authorities. At sea, the country witnessed a major maritime incident in July 2024, when the MT Terranova sank off Bataan, spilling over 1.5 million liters of industrial oil—highlighting lapses in enforcement of maritime safety regulations.

Moreover, cyberattacks targeting transportation agencies are becoming more frequent and sophisticated. In 2024, the Maritime Industry Authority (MARINA) fell victim to a malware attack that compromised sensitive databases including vessel and licensing records. On a broader scale, government institutions, including transport-related ones, now face an average of over 4,000 cyberattacks weekly, with some breaches reaching up to 10 GB in stolen data. In the realm of public mass transit, while incidents may appear less severe, they reveal deep systemic issues. Between January and July 2024, at least 67 pickpocketing incidents were reported across LRT-1 operations, prompting the deployment of additional security forces, K9 units, and law enforcement—yet the need for long-term structural solutions remains unaddressed.

In view of these realities, this bill proposes the transformation of the Office for Transportation Security (OTS) into the National Transportation Security Regulatory Commission, a permanent, centralized regulatory body with jurisdiction over the security of all modes of transportation—land, air, and sea—including terminals, infrastructure, and systems. The Commission shall be attached to the Office of the President for administrative and budgetary support and shall be vested with quasi-legislative and quasi-judicial powers to enforce national and international transport security protocols, conduct audits, and impose sanctions when necessary.

The creation of this Commission will not only demonstrate the Philippines' commitment to ensuring transport safety but will also fulfill our obligations under international conventions on transportation security. It will eliminate duplication of functions among agencies, close gaps in the enforcement of security standards, and institute a framework of public accountability, oversight, and regulatory coherence. With growing threats—both physical and digital—targeting our transport infrastructure, the establishment of a strong, singular regulatory authority is no longer optional, but imperative.

The immediate passage of this bill is therefore earnestly sought.



JURDIN JESUS M. ROMUALDO

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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;

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

6 (e) Harmonize all regulatory policies that are being implemented by various government
7 regulatory agencies and ensure that they are consistent with the State’s commitment
8 under various international conventions.
9

10 **SEC. 3. Coverage.** – Any law to the contrary notwithstanding, the Commission shall
11 have jurisdiction, supervision, and control over all security arrangements and standards involving
12 airports; aircraft; ports; maritime transport, including their respective terminals; rail and land
13 transport, including their respective terminals and stations; and pipeline transport systems
14 throughout the Philippines: *Provided*, That pipeline transport systems considered as own use
15 shall not be covered by the provisions of this Act.
16

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

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

- 21 (1) Diosdado Macapagal International Airport/Clark International Airport
22 Corporation (Clark Development Corporation);
- 23 (2) Mactan-Cebu International Airport Authority;
- 24 (3) Manila International Airport Authority;
- 25 (4) San Fernando Airport (Poro Point Management Corporation); and
- 26 (5) Subic International Airport (Subic Bay Metropolitan Authority)

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

- 30 (1) Aurora Pacific Economic Zone and Freeport Authority
- 31 (2) Authority of the Freeport Area of Bataan;
- 32 (3) Cagayan Economic Zone Authority;
- 33 (4) Cebu Ports Authority;
- 34 (5) Philippine Ports Authority;
- 35 (6) Poro Point Management Corporation;
- 36 (7) Subic Bay Metropolitan Authority; and
- 37 (8) Zamboanga City Special Economic Zone Authority and Freeport

38 (c) “Pipeline” or “pipeline transport system” refers to all parts of a pipeline system connected
39 together to convey hazardous liquids between stations and/or plants that are not adjacent

1 to each other, including pipe, risers, pig taps, components, appurtenances, isolating
2 valves, pipeline end manifolds, (PLEM) and sectionalising valves. For the avoidance of
3 doubt, the term “pipeline system” or “pipeline transport system” expressly excludes pipes
4 and appurtenances that form part of a piping system within the operation of a facility,
5 particularly for product transfers;

6 (d) “Private airports” refer to airports owned by any private person, natural or juridical;

7 (e) “Private ports” refer to ports owned by any private person, natural or juridical; and

8 (f) “Transport operator” refers to any person, natural or juridical, holding a government
9 concession, franchise, or permit to operate any public means of transport and/or public
10 transport facilities.

11 12 **CHAPTER II**

13 **TRANSPORTATION SECURITY STRUCTURE**

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

16
17 In line with the policy declaration of the State, the following agencies shall be subject to the
18 oversight power of the Commission: Civil Aviation Authority of the Philippines (CAAP); Land
19 Transportation Franchising Regulatory Board (LTFRB); Land Transportation Office (LTO);
20 Maritime Industry Authority (MARINA); Philippine Coast Guard (PCG); and Philippine Ports
21 Authority (PPA). Government and private airports & ports shall also be subject to the oversight
22 power of the Commission.

23 24 **CHAPTER III**

25 **NATIONAL TRANSPORTATION SECURITY PROGRAM**

26 **SEC. 6. *Adoption and Formulation of National Transportation Security Programs.*** –
27 The State shall adopt the National Civil Aviation Security Program (NCASP), in accordance
28 with the Convention on International Civil Aviation (Chicago Convention); a National Security
29 Program for Sea Transport and Maritime Infrastructure (NSPSTMI) in accordance with the
30 International Convention for the Safety of Life at Sea, 1974 (Solas Convention); and shall
31 develop and formulate National Security Programs for Pipeline Transport and Land & Rail
32 Transportation.

33
34 **SEC. 7. *Promulgation of Transportation Security Programs.*** – Within six (6) months
35 from the effectivity of this Act, the National Civil Aviation Security Program (NCASP), the
36 National Security Program for Sea Transport and Maritime Infrastructure (NSPSTMI), the
37 National Security Program for Pipeline Transport (NSPPT), and the National Security Program
38 for Land and Rail Transportation (NSPLRT) shall be promulgated by the Commission. The
39 Commission shall conduct sectoral consultations with various stakeholders. The various
40 transportation Security Programs shall undergo mandatory review every five (5) years.

41 Pursuant to the Transportation Security Programs, the Commission shall also establish
42 and implement, for the four (4) modes of transportation, a National Transportation Security

1 Training Program (NTSTP), for the training of personnel involved in or responsible for the
2 implementation of transportation security measures; and a National Transportation Security
3 Quality Control Program (NTSQCP), for measuring compliance with and validating the
4 effectiveness of the Transportation Security Programs.

5 6 CHAPTER IV

7 THE COMMISSION

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

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

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

32 (d) The Chairperson of the Commission shall act as the Chief Executive Officer of the
33 Commission.

34 (e) All members of the Commission shall have a term of seven (7) years: *Provided*, That for
35 the first set of appointees, the Chairperson shall hold office for seven (7) years, three (3)
36 members shall hold office for five (5) years, and the other three (3) members shall hold
37 office for three (3) years: *Provided further*, that there shall be no reappointment for
38 another term and in no case shall any member serve for more than seven (7) years in the
39 Commission. Members of the Commission shall not be suspended or removed from

1 office except for just cause as provided by law. In case of vacancy in the position of the
2 Chairperson of the Commission, the President shall appoint a new Chairperson from
3 among the two most senior members of the Commission, who shall continue to serve as
4 Chairperson until the completion of seven (7) years of service in the Commission. The
5 Chairperson and Members of the Commission must not have been a candidate for any
6 elective position in the elections immediately preceding their appointment.

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

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

16
17 **SEC. 9. *Enhancement of Technical Competence.*** – (a) The Commission shall establish
18 rigorous training programs for its staff for the purpose of enhancing the technical competence of
19 the Commission in the following areas: impact assessment, evaluation and audit of technical
20 performance and monitoring of compliance with service and performance standards,
21 environmental standards, transportation security standards, transportation infrastructure
22 standards, transportation education and training, and such other areas as will enable the
23 Commission to adequately perform its functions or exercise its powers.

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

31
32 **SEC. 10. *Powers and Functions of the Commission.*** – The Commission shall serve as the
33 single regulatory oversight body for promoting security in the transportation industry in order to
34 ensure public welfare and penalize violations of transportation security regulations. Towards this
35 end, it shall be responsible for the following key functions in the security of the transportation
36 systems:

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

- 1 (b) Ensure compliance with international minimum standards for transportation security,
2 especially for international conventions and multilateral/bilateral agreements where the
3 Philippines is a state party, through promulgation of protocols, standards, and rules and
4 regulations;
- 5 (c) Provide technical inputs to agreements being negotiated between the Philippines and
6 other countries in relation to transportation security concerns;
- 7 (d) Promote desirable and inhibit undesirable transportation policies of regulatory agencies
8 through the facilitation of evidence-based decision making;
- 9 (e) Assist the DOTr and other regulatory agencies within the transportation industry in the
10 strategic planning and design of regulatory policies;
- 11 (f) Issue guidelines on the quality of, or conduct security assessments and other evaluative
12 tools related to transportation security standards, rules and regulations;
- 13 (g) Review existing rules and regulations related to transportation security undertaken by
14 transportation industry stakeholders, and to recommend or require impact assessment or
15 changes to improve quality;
- 16 (h) Review proposed rules and regulations related to transportation security and recommend
17 or require security assessments and/or changes;
- 18 (i) Review newly issued rules and regulations related to transportation security and
19 recommend or require impact assessments and/or changes;
- 20 (j) Formulate and issue, after due notice and hearing, transport security standards, rules and
21 regulations, including penalties and sanctions;
- 22 (k) Issue specific security directives to transportation operators, law enforcement agencies
23 and other relevant entities charged with the security of the transportation system;
- 24 (l) Promote capacity building on transportation security;
- 25 (m) Adjudicate cases arising from non-compliance to transportation security standards, rules
26 and regulations: *Provided*, That the decisions of the Commission on such cases shall be
27 immediately executory: *Provided, further*, that decisions of the Commission may only be
28 restrained or enjoined by the Court of Appeals;
- 29 (n) Issue subpoena *duces tecum* and/or *ad testificandum* in any investigation or hearing;
- 30 (o) Cite persons for contempt;
- 31
- 32 (p) Impose fines and penalties for non-compliance with or breach of this Act, or its

1 Implementing Rules and Regulations (IRR), and the standards, rules & regulations issued
2 by the Commission, including but not limited to, recommending the suspension or
3 revocation of any license, permit or certificate which authorizes the operation of public
4 means of transport or public transport facilities;

5 (q) Before the end of April of each year, submit to the Office of the President of the
6 Philippines and the Congress, copy furnished the DOTr, an annual report containing such
7 matters or cases which have been filed before or referred to it during the preceding year,
8 the actions and proceedings undertaken and its decision or resolution in each case. The
9 Commission shall make copies of such reports available through its official website and
10 to any interested party upon payment of a charge which reflects actual reproduction costs.
11 The Commission shall publish all its decisions in at least one (1) newspaper of general
12 circulation, and publish in its official website and circulate to all interested transportation
13 industry stakeholder's copies of its resolutions to ensure fair and impartial treatment;

14 (r) Monitor the activities in the transportation industry with the end view of promoting
15 security; and consequently, enjoin the transportation sector to cooperate and coordinate
16 with the Commission;

17 (s) In coordination with law enforcement agencies, access the premises of any transport
18 operators in case of an act of unlawful interference and if the access is necessary to
19 prevent such act;

20 (t) In the exercise of its oversight function, inspect, audit, survey and test *motu proprio*
21 through its duly authorized representative documents, records, facilities or systems, at any
22 time for purposes of determining compliance with transportation security standards, rules
23 and regulations;

24 (u) Protect passengers of air carriers; maritime vessels, including but not limited to, fast-
25 craft, *bancas*, and ferries; railways and light rails; and inter-provincial buses;

26 (v) Oversee compliance to security screening standards for passengers and cargo of air
27 carriers; maritime vessels, including but not limited to, fast-craft, *bancas*, and ferries;
28 railways and light rails; inter-provincial buses; and transport pipeline systems;

29 (w) Develop, formulate, and ensure compliance to uniform standards and procedures for
30 searching and detaining passengers and property to ensure the safety of passengers, cargo,
31 and transport facilities infrastructure;

32 (x) During a state of calamity or national emergency, as declared by the President through a
33 proclamation, the Commission shall, the provisions of any law to the contrary
34 notwithstanding;

35 (1) Exercise jurisdiction and control over port security; domestic transportation,
36 including aviation; maritime; pipeline, rail, and other surface transportation;

1 (2) Oversee the transportation-related responsibilities of the national government,
2 except for the Department of National Defense (DND), Armed Forces of the
3 Philippines (AFP), and the Philippine National Police (PNP); and

4 (3) Provide notice to other departments and agencies of the national government
5 relative to threats to transportation and transportation infrastructure:

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

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

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

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

22
23 **SEC. 11. *Additional Powers and Functions of the Commission.*** – In addition to the
24 powers and functions in the preceding Section, the Commission is hereby empowered to:

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

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

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

34 (1) To use information from government agencies to identify individuals on passenger
35 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 appropriate
6 national government agencies for the purpose of identifying individuals who may
7 pose a threat to transport safety or national security.
8

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

16 (b) The Commission shall establish its own educational and training institute for the
17 enhancement of knowledge and skills of personnel performing transportation security
18 related responsibilities within the transportation security industry: *Provided*, That the
19 Commission shall prioritize education and training programs not provided by private
20 entities: *Provided, further*, That education and training for the development of core
21 competencies necessary in the exercise of regulatory power of the Commission shall be
22 given priority in the education and training budget of the Commission.
23

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

30 The NCASC shall be composed of the following:
31

32	Chairman, NTSRC	Ex-Officio Chairman
33	Secretary, Department of Transportation	Vice Chairman
34	Secretary, Department of Interior and Local Government	Vice Chairman
35	Secretary, Department of National Defense	Member
36	Secretary, Department of Justice	Member
37	General Manager, Manila International Airport Authority	Member
38	General Manager, Mactan-Cebu International Airport Authority	Member
39	President, Clark International Airport Corporation	Member
40	Administrator, Subic Bay Metropolitan Authority	Member

1	Director General, CAAP	Member
2	Director, PNP Aviation Security Group	Member
3	Commissioner, Bureau of Customs	Member
4	Commissioner, Bureau of Immigration	Member
5	Undersecretary for Policy, Department of Foreign Affairs	Member
6	Director General, National Intelligence Coordinating Agency	Member

7
8 The members of the NCASC may designate a permanent alternate to represent his or her agency:
9 *Provided*, That the rank of any official serving as the permanent alternate should not be
10 lower than an Undersecretary or its equivalent.

11 The NCASC, through its chairperson, may invite resource persons from other agencies of the
12 government and from the private sector, as may be necessary.

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

16
17 **SEC. 14. *Transportation Security Regulation Fund (TSRF)*.** – The Commission is
18 hereby authorized to set, adjust, collect, or levy fees and charges for licenses, permits, and
19 certificates issued and other services rendered to transportation security stakeholders, which shall
20 form part of the TSRF. Such fees shall and charges shall become effective after publication in a
21 newspaper of general circulation or the *Official Gazette*.

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

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

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

30
31
32 **CHAPTER V**
33 **ADMINISTRATIVE OFFENSES AGAINST TRANSPORTATION SYSTEM**

34
35 **SEC. 15. *Other Offenses*.** – Administrative liability shall attach to any person or entity
36 who:

37 (a) refuses or fails, without reasonable justification, to provide information or to give access
38 to transportation facilities, necessary in the performance of the regulatory or oversight
39 functions of the Commission;

40 (b) refuses or fails, without reasonable justification to comply with the standards, rules and

1 regulations issued by the Commission; and/or

2 (c) refuses or fails, without reasonable justification to comply with security directives issued
3 by the Commission;

4
5 **SEC. 16. *Administrative Penalties.*** – The Commission shall have the power to impose fines
6 and penalties for violation of Section 15 of this Act, consisting of:

7 (a) a fine of not less than one hundred thousand pesos (P 100,000.00) but not exceeding one
8 million pesos (P 1,000,000.00); and/or

9 (b) recommending the suspension or revocation of any license, permit or certificate to
10 operate public transportation to, as the case may be, to the CAAP; CAB; LTO; LTFRB;
11 MARINA; or the PCG.

12
13 **CHAPTER VI**
14 **TRANSITORY PROVISIONS**

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

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

19
20 **SEC. 18. *Transfer of Rights, Assets, and Liabilities.*** – The Commission shall, by virtue
21 of this Act, be subrogated to all the rights and assume all the liabilities of the OTS and all the
22 funds, records, property, assets, equipment, and such personnel as necessary, including
23 unexpended appropriations and/or allocations. All contracts and liabilities of the OTS are hereby
24 transferred to and assumed by the Commission and shall be acted upon in accordance with the
25 *Auditing Code* and other pertinent laws, rules, and regulations: Provided, That the officers and
26 employees of the OTS shall continue in a holdover capacity until such time as the new officials
27 and employees of the Commission shall have been duly appointed pursuant to the provisions of
28 this Act.

29
30 **SEC. 19. *Structure and Staffing Pattern.*** – The organizational framework and staffing
31 pattern of the Commission shall be prescribed and approved by the Chairperson of the
32 Commission within sixty (60) days after the approval of this Act and the authorized positions
33 created therein shall be filled by regular appointments by the President or the Chairperson, as the
34 case may be: *Provided*, That, in the filling of positions created, preference shall be given to the
35 personnel of the OTS: *Provided, however*, That if such individuals possess the same
36 qualifications, seniority shall be given priority.

37
38 **SEC. 20. *Compensation and Other Emoluments for Personnel of the Commission.*** –
39 The compensation and other emoluments for the Chairperson and members of the Commission
40 and its personnel shall be exempted from the coverage of Republic Act No. 6758, otherwise

1 known as the “Salary Standardization Act”. For this purpose, the schedule of compensation of
2 the Commission personnel, except for the salaries and compensation of the Chairperson and
3 members of the Commission, shall be submitted for approval to the President of the Philippines.

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

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

13
14 **SEC. 21. *Separation Benefits of Officials and Employees of the Office for***
15 ***Transportation Security (OTS).*** – Officials and employees of the OTS who opt to be separated
16 from the service as a result of the transformation of the OTS into the Commission shall be
17 entitled to either separation pay and other benefits in accordance with existing laws, rules or
18 regulations or benefits and other privileges provided under a separation plan which shall be
19 proposed by the Commission subject to the approval of the President: *Provided*, That the
20 separation and other benefits should conform to the provisions of Republic Act No. 6656.

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

26 27 **CHAPTER VII**

28 **FINAL PROVISIONS**

29 **SEC. 22. *Appropriations.*** – The amount of FIVE HUNDRED MILLION PESOS
30 (P500,000,000.00) is hereby allocated for the initial operation of the Commission. Any deficit
31 shall initially be sourced from the Office of the President of the Philippines. Thereafter, the
32 amount needed for the operation and maintenance of the Commission shall be included in the
33 annual *General Appropriations Act*: *Provided, however*, That not less than two percent (2%) of
34 the total allocation for the Maintenance and Other Operating Expenses (MOOE) budget shall be
35 used for relevant trainings of personnel of the Commission.

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

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

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

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

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

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

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

27
28 **SEC. 24. Statutory construction.** – The provisions of this Act shall be liberally construed
29 to achieve the preservation and promotion of transportation security.

30
31 **SEC. 25. Privacy protection.** – Nothing in this Act shall be construed as weakening the
32 protections mandated by Republic Act No. 10173, otherwise known as the “Data Privacy Act of
33 2012”.

34
35 **SEC. 26. Implementing Rules and Regulations (IRR).** – Within one hundred and twenty
36 (120) days from the effectivity of this Act and after consultations with the concerned
37 stakeholders in hearings conducted nationwide, the Commission shall formulate and issue the
38 necessary implementing rules and regulations for the effective implementation of this Act:

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

1 **SEC. 27. Separability Clause.** – If for any reason, any provision of this Act is declared
2 unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby
3 shall continue to be in full force and effect.
4

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

8 During such examination, the non-government entity concerned shall produce all the
9 reports, records, books of accounts, and other papers that may be required.

10 The refusal by any such nongovernment entity to allow an examination of its books of accounts
11 and pertinent records or its concealment of any material information concerning its services shall
12 constitute a legal ground for the cancellation thereof.
13

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

- 18 (a) Presidential Decree No. 505, as amended by Presidential Decree No. 857;
- 19 (b) Letter of Instructions No. 414 (1976), as amended by Letter of Instructions No. 414-A (s.
20 1976);
- 21 (c) Executive Order No. 778 (s. 1982), as amended by Executive Order No. 903 (s. 1983);
- 22 (d) Executive Order No. 69 (s. 1986);
- 23 (e) Republic Act No. 6958, otherwise known as the “Charter of the Mactan-Cebu
24 International Airport Authority”;
- 25 (f) Republic Act No. 7227, otherwise known as the “Bases Conversion and Development
26 Act”;
- 27 (g) Republic Act No. 7621, otherwise known as the “Charter of the Cebu Port Authority”;
- 28 (h) Republic Act No. 7903, otherwise known as the “Zamboanga City Special Economic
29 Zone Act of 1995”;
- 30 (i) Executive Order No. 246 (s. 1995);
- 31 (j) Republic Act No. 7922, otherwise known as the “Cagayan Special Economic Zone Act of
32 1995”;
- 33 (k) Executive Order No. 30 (s. 1998);
- 34 (l) Executive Order No. 277 (s. 2004), as amended by Executive Order No. 311 (s. 2004);

1 (m) Republic Act No. 9490, otherwise known as the “Aurora Special Economic Zone Act of
2 2007”; and

3 (n) Republic Act No. 9728, otherwise known as the “Freeport Area of Bataan (FAB) Act of
4 2009”

5

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

Approved,