

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY

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SENATE

S. No. 461

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

Zamboanga City is located at 06°54'N Latitude and 122° 04'E Longitude at the Eastern tip of the Western Mindanao Peninsula facing the Basilan Strait. Its hinterland road network is linked to the main road traversing the eastern side of the Peninsula to Misamis province and the rest of Mindanao. It has an airport located at the northern part of the city which serves as an alternative international airport to Davao. The public port is at the southern tip of the city.

Zamboanga provides the main link between Region IX (composed of Basilan, Zamboanga del Sur and Zamboanga del Norte) and Manila. It is one of the principal ports of call for the main inter-island ships of the Manila-Cebu-Davao route. Situated at the southern tip of the Zamboanga peninsula, it is the only port of any significance for general cargo trade in the area except for Dapitan at the other extreme, and to a lesser extent, Pagadian. In addition to being an interisland port, it is also a ferry port of some significance for the island of Basilan and the Sulu Archipelago servicing principally passenger traffic. However the passengers bring with them large volumes of goods for sale in Zamboanga, taking back with them supplies to the islands. Zamboanga is not a transshipment point in the classical sense. Nevertheless, it is clear that Zamboanga City acts as a center of commerce for the region. In addition to this domestic trade, which is the main function of the public port, certain volumes of copra is at present exported through the Zamboanga port.

This bill proposes to establish the Zamboanga International Airport Authority to spearhead the development of its existing airport. With its rich heritage of ethnic and cultural traditions Zamboanga clearly has promising potentials as a tourist destination, aside from being a center of regional commerce and trade. The upgrading and maintenance of its airport facilities is a viable investment that will facilitate the flow of tourist, business and goods traffic and the integration of its Muslim communities and economy with the rest of the country.

In view of the foregoing, early approval of this bill is earnestly requested.

S. Osmeña III
SERGIO OSMEÑA III
Senator

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AN ACT
CREATING THE ZAMBOANGA INTERNATIONAL AIRPORT AUTHORITY,
TRANSFERRING EXISTING ASSETS OF THE ZAMBOANGA
INTERNATIONAL AIRPORT TO THE AUTHORITY, VESTING THE
AUTHORITY WITH POWER TO ADMINISTER AND OPERATE THE
ZAMBOANGA INTERNATIONAL AIRPORT, AND FOR OTHER PURPOSES

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

1 Section 1. **Title.** — This Act shall be known and cited as the "Charter of
2 the Zamboanga International Airport Authority."

3 Section 2. **Creation of the Zamboanga International Airport Authority.**
4 — There is hereby established a body corporate to be known as the Zamboanga
5 International Airport Authority, hereinafter referred to as the Authority, which shall
6 be attached to the Department of Transportation and Communications. The
7 principal office of the Authority shall be located at the Zamboanga International
8 Airport.

9 The Authority may have such branches, agencies or subsidiaries as it may
10 deem proper and necessary.

11 Section 3. **Primary Purposes and Objectives.** — The Authority shall
12 principally undertake the economical, efficient and effective control, management
13 and supervision of the Zamboanga International Airport in Zamboanga City, and

1 such other airports as may be established in Western Mindanao. In addition, it
2 shall have the following objectives:

3 (a) To encourage, promote and develop international and domestic air traffic
4 in the Western Mindanao Region as a means of making the region a
5 center of international trade and tourism, and accelerating the
6 development of the means of transportation and communications in the
7 country; and

8 (b) To upgrade the services and facilities of the airport and to formulate
9 internationally acceptable standards of airport accommodation and
10 service.

11 Section 4. ***Functions, Powers and Duties.*** — The Authority shall have
12 the following functions, powers and duties:

13 (a) To formulate a comprehensive and integrated development policy and
14 program for the airport and to implement, review and update such policy
15 and program periodically;

16 (b) To control, supervise, construct, maintain, operate and provide such
17 facilities or services as shall be necessary for the efficient functioning of
18 the airport;

19 (c) To promulgate rules and regulations governing the planning, development,
20 maintenance, operation and improvement of the airport, and to control and
21 supervise the construction of any structure or the rendition of any service
22 within the airport;

23 (d) To exercise all the powers of a corporation under the Corporation Code of
24 the Philippines, insofar as those powers are not inconsistent with the
25 provisions of this Act;

26 (e) To acquire, purchase, own, administer, lease, mortgage, sell or otherwise
27 dispose of any land, building, airport facility, or property of whatever kind

1 and nature, whether movable or immovable, or any interest therein:

2 Provided, That any asset located in the Zamboanga International Airport
3 important to national security shall not be subject to alienation or mortgage
4 by the Authority nor to transfer to any entity other than the National
5 Government;

6 (f) To exercise the power of eminent domain in the pursuit of its purposes
7 and objectives;

8 (g) To levy and collect dues, charges, fees or assessments for the use of
9 airport premises, works, appliances, facilities or concessions, or for any
10 service provided by the Authority;

11 (h) To retain and appropriate dues, fees, and charges collected by the
12 Authority relative to the use of airport premises for such measures as may
13 be necessary to make the Authority more effective and efficient in the
14 discharge of its assigned tasks;

15 (i) To invest its idle funds, as it may deem proper, in government securities
16 and other evidences of indebtedness; and

17 (j) To provide services, whether on its own or otherwise, within the airports
18 and the approaches thereof as may be necessary or in connection with
19 the maintenance and operation of the airports and their facilities.

20 Section 5. **Police Authority.** — The Authority shall have the power to
21 exercise such police authority as may be necessary within its premises or areas
22 of operation to carry out its functions and attain its purposes and objectives:
23 Provided, That the Authority may request the assistance of law enforcement
24 agencies, including request for deputization as may be required. Such police
25 authority shall be exercised in connection with the following, among others:

26 (a) Maintenance of security of passengers, cargoes, aircraft, airport
27 equipment, structures, facilities, personnel, funds and documents;

- 1 (b) Regulating the entry to, exit from and movement within the airports;
- 2 (c) Maintenance of peace and order within the premises of the Authority;
- 3 (d) Regulation and supervision of private security agencies operating in the
- 4 airports;
- 5 (e) Enforcement of rules and regulations promulgated by the Authority
- 6 pursuant to law; and
- 7 (f) In case of emergencies or imminent danger involving national security
- 8 within the airport premises, the Philippine Air Force Security Command
- 9 shall take charge.

10 Section 6. **Board of Directors.** — The corporate powers of the Authority
11 shall be exercised by and vested in a Board of eleven (11) members, which shall
12 be composed of a Chairman, a Vice-Chairman and nine (9) members. The
13 Secretary of Transportation and Communications and the General Manager of
14 the Authority shall be the ex officio Chairman and Vice-Chairman of the Board,
15 respectively. The Assistant Secretary of the Air Transportation Office and the
16 Secretaries of the following executive departments or any Undersecretary or
17 Assistant Secretary permanently designated by the respective Secretaries shall
18 be ex officio members, to wit: the Department of Finance, the Department of
19 Justice and the Department of Tourism. In addition, the governors of the
20 provinces of Zamboanga del Norte, Zamboanga del Sur and Basilan, the mayor
21 of Zamboanga City and the Chairman of the Regional Development Council of
22 Region IX shall be appointed by the President of the Philippines for a term of four
23 (4) years.

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

1 Section 7. ***Functions, Powers and Duties of the Board.*** — In addition
2 to the powers vested in the Board under the other sections of this Act, the Board
3 shall have the following functions, powers and duties:

4 (a) To define and approve the programs, plans, policies, procedures and
5 guidelines of the Authority for the development and operation of the
6 airports;

7 (b) To appoint the General Manager of the Authority who shall be the chief
8 executive officer of the Authority;

9 (c) To approve the Authority's organizational and administrative structure,
10 staffing pattern, operating and capital expenditures, and financial budgets,
11 upon recommendation of the General Manager, subject to existing laws,
12 rules and regulations;

13 (d) To approve salaries, benefits and other terms and conditions of service for
14 all officers and employees of the Authority, upon recommendation of the
15 General Manager, which shall, as far as possible, be competitive with
16 those offered in the private sector, subject to existing laws, rules and
17 regulations;

18 (e) To fix the rate dues, charges, fees or assessments for the use of airport
19 premises, works, appliances, facilities, concessions, services and other
20 fees and charges related to the activities of the airports, upon
21 recommendation of the General Manager; and

22 (f) Generally, to exercise all the functions and powers necessary or incidental
23 to attain the purposes and objectives of this Act.

24 Section 8. ***Functions, Powers and Duties of the General Manager.*** —
25 The General Manager shall be directly responsible to the Board and shall have
26 the following functions, powers and duties:

- 1 (a) To direct and supervise the day-to-day management, operation and
2 administration of the airport;
- 3 (b) To implement and enforce decisions, orders, rules and regulations issued,
4 prescribed or adopted by the Board;
- 5 (c) To undertake researches, studies, investigations and other activities
6 *related to the present operations and future improvement of the airport,*
7 and to submit comprehensive reports and appropriate recommendation to
8 the Board for proper action;
- 9 (d) To appoint, transfer, suspend, remove or otherwise discipline any
10 subordinate officer or employee of the Authority, subject to the approval of
11 the Board and in accordance with the existing rules and regulations of the
12 Civil Service Commission;
- 13 (e) Within the limits of the authority delegated to him by the Board, to execute
14 contracts, incur obligations, acquire and dispose of assets and deliver
15 documents on behalf of the Authority;
- 16 (f) To grant permits or concessions to do business within the airport in
17 accordance with such rules and regulations to be promulgated by the
18 Authority for the purpose; and
- 19 (g) To perform such other duties as the Board may delegate or assign, and
20 such acts as may be necessary and proper to implement this Act.

21 Section 9. ***Capital.*** — The Authority shall have an authorized capital
22 stock equal to and consisting of:

- 23 (a) The value of fixed assets (including airport facilities, runways and
24 equipment) and such other properties, movable and immovable, currently
25 administered by or belonging to the airport as valued on the date of the
26 effectivity of this Act;

1 (b) The value of such real estate owned and/or administered by the airport;
2 and

3 (c) Government contribution in such amount as may be deemed an
4 appropriate initial balance. Such initial amount, as approved by the
5 President of the Philippines, which shall be more or less equivalent to six
6 (6) months working capital requirement of the Authority, is hereby
7 authorized to be appropriated in the General Appropriations Act of the
8 year following its enactment into law.

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

11 Section 10. **Auditor.** — The Commission on Audit shall appoint a
12 representative who shall be the auditor of the Authority, together with the
13 necessary personnel to assist said representative in the performance of his
14 duties. The number and salaries of the auditor and said personnel shall be
15 determined by the Chairman of the Commission on Audit, subject to the rules
16 and regulations of the Commission on Audit.

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

21 Section 11. **Annual Report.** — The Board shall submit to the President of
22 the Philippines through the Department of Transportation and Communications
23 and to both Houses of the Congress of the Philippines, together with the audit
24 report on the relevant accounts, an annual report generally dealing with the
25 activities and operations of the Authority.

1 Section 12. ***Applicability of Civil Service Laws.*** — The Authority and its
2 officials and employees shall be subject to the Civil Service Law and its rules and
3 regulations.

4 Section 13. ***Borrowing Power.*** — The Authority may, in accordance with
5 Section 21, Article XII of the Constitution and other existing laws, rules and
6 regulations on local or foreign borrowing, raise funds, either from local or
7 international sources, by way of loans, credit or securities, and other borrowing
8 instruments with the power to create pledges, mortgages and other voluntary
9 liens or encumbrances on any of its assets or properties, subject to the prior
10 approval of the President of the Philippines.

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

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

22 Section 14. ***Tax Exemptions.*** — The Authority shall be exempt from
23 realty taxes imposed by the National Government or any of its political
24 subdivisions, agencies and instrumentalities: Provided, That no tax exemption
25 herein granted shall extend to any subsidiary which may be organized by the
26 Authority.

1 Section 15. ***Transfer of Existing Facilities and Intangible Assets.*** —

2 All existing public airport facilities, runways, lands, buildings and other properties,
3 movable or immovable, belonging to or presently administered by the airport, and
4 all assets, powers, rights, interest and privileges relating to airport works or air
5 operations, including all equipment which are necessary for the operation of air
6 navigation, aerodrome control towers, crash, fire, and rescue facilities are hereby
7 transferred to the Authority: Provided, however, That the operational control of all
8 equipment necessary for the operation of radio aids to air navigation, airways
9 communication, the approach control office, and the area control center shall be
10 retained by the Air Transportation Office. No equipment, however, shall be
11 removed by the Air Transportation Office from Zamboanga City without the
12 concurrence of the Authority. The Authority may assist in the maintenance of the
13 Air Transportation Office equipment.

14 Section 16. ***Projects in Progress.*** — All ongoing projects relating to the
15 construction of airport facilities and supply of equipment shall be administered
16 and undertaken by the Authority.

17 Section 17. ***Transfer of Liabilities and Debts.*** — Upon the transfer to
18 and acceptance by the Authority of the existing physical facilities, intangible
19 assets and completed projects referred to in the preceding sections, all debts,
20 liabilities, and obligations of government agencies or entities concerned in
21 respect of such physical facilities, tangible assets and completed projects within
22 the airport shall likewise be assumed by the Authority.

23 Section 18. ***Abolition of the Zamboanga City Airport as a Division in***
24 ***the Air Transportation Office.*** — The Zamboanga International Airport as a
25 division under the Air Transportation Office, is hereby abolished. The Airport
26 General Manager of the Zamboanga International Airport shall continue in office
27 and shall perform all powers and functions of the Authority until such time as the

1 General Manager is appointed for the smooth transfer of responsibility from the
2 abolished entity to the Authority, as well as the determination of personnel to be
3 retained: Provided, That all officials and employees whose services are
4 terminated shall, if not eligible for retirement, be given gratuities equivalent to one
5 (1) month salary for every year of continuous satisfactory service on the basis of
6 the highest salary received in addition to other benefits accorded to them by
7 existing laws.

8 Section 19. **Repealing Clause.** — All laws, executive orders, letters of
9 instruction, rules and regulations, or provisions thereof which are inconsistent
10 with the provisions of this Act are hereby repealed, amended or modified
11 accordingly.

12 Section 20. **Separability Clause.** — If any portion hereof shall be held
13 invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the
14 other provisions which shall remain in full force and effect.

15 Section 21. **Effectivity.** — This Act shall take effect fifteen (15) days
16 after its publication in at least two (2) national newspapers of general circulation.

Approved.