

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

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SENATE

Senate Bill No. 1553

RECEIVED BY:

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

This measure is a consolidated/substituted bill drafted by the Committees on Government Corporations and Public Enterprises, Economic Affairs, Ways and Means and Finance during the 14th Congress.

After more than four (4) decades since the enactment of Republic Act No. 4850 entitled "An Act Creating the Laguna Lake Development Authority, Prescribing its Powers, Functions and Duties, Providing Funds Therefor and for Other Purposes" in 1966, there is a need to amend and strengthen this law to make it more responsive and effective in view of the social, economic and political development in the country.

Laguna de Bay is one of the important water resources in the country. It is our largest inland body of water which covers 14 cities and 17 municipalities located within the Provinces of Laguna and Rizal and parts of Batangas, Cavite, Quezon and Metro Manila. There are about 28,000 fisherfolk families that depend on it for livelihood. The water resources of the lake and its tributary rivers are used for irrigation, power generation, recreation, domestic water supply and navigation, among others.

However, the protection and conservation of Laguna de Bay is greatly affected by unrestrained population growth, deforestation, land conversion, extractive fisheries and rapid urbanization. These factors have led to problems relating to solid waste management, sanitation and public health, congestion of shoreland areas, rapid siltation and sedimentation, unmitigated input of domestic, agricultural and industrial wastes, flooding and loss of biodiversity and water quality

This bill seeks to strengthen the policy-making and regulatory powers of the LLDA to realize its vision of a self-sufficient and highly dynamic integrated water resource management authority, with competent and professional personnel who take the lead towards the sustainable development of Laguna de Bay.

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

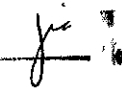
JINGGOY EJERCITO ESTRADA
Senator



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AN ACT
TO STRENGTHEN THE LAGUNA LAKE DEVELOPMENT AUTHORITY
(LLDA), REPEALING FOR THIS PURPOSE REPUBLIC ACT NO. 4850, AS
AMENDED, OTHERWISE KNOWN AS THE LAGUNA DEVELOPMENT
AUTHORITY ACT OF 1966, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "**Laguna Lake
Development Authority Act of 2013**".

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the
State to promote and develop Laguna Lake in a sustainable manner along with
the surrounding areas that comprise its region, hereinafter referred to as the Bay
Region, with Laguna Lake as its focal point whose water resources must be
systematically managed and protected for various uses.

For this purpose, the State hereby adopts an integrated water resources
management (IWRM) approach, using the lake's watersheds as planning units to
interconnect and integrate its various ecosystems pursuant to Art. II, Sec. 16 of
the 1987 Constitution: "The State shall protect and advance the right of the
people to a balanced and healthful ecology in accord with the rhythm and
harmony of nature."

In accordance with the IWRM approach, any development program in the
region shall always consider sustainable environmental management and the
prevention of any ecological harm, resource deterioration and pollution to allow
the lake to realize its full potentials including, among other uses, as a major
resource in fish production of national importance. Under Article XIII, Section 7 of
the 1987 Constitution, the State is mandated to protect, develop, and conserve
communal marine and fishing resources, both inland and offshore.

SEC. 3. Definition of Terms . - As used in this Act:

- 1) *Laguna Lake or Laguna de Bay.* - shall refer to that area covered
by the lake water when it is at the average annual maximum lake
level of elevation 12.50 meters, as referred to a datum 10.00
meters below mean lower low water. (M.L.L.W.) of Manila de Bay.

Lands located at and below such elevation are public lands which form part of the bed of said lake.

- 2) *Integrated Water Resources Management (IWRM)* - is a process that promotes the coordinated development and management of water, land and related resources in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems.
- 3) *Watershed* - is the term used to describe the geographic area of land that drains water to a shared destination or to an area of land that drains down slope to the lowest point. The water moves through a network of drainage pathways, both underground and on the surface. Other terms used interchangeably with watershed include *drainage basin* or *catchment basin*.
- 4) *Environment* - means the physical factors' of the total surroundings of human beings, including but not limited to the lakes and other bodies of water, land, air, atmosphere, climate, sound, odor, plants, insects, animals, its biological and physical factors, all its life support systems and all other surrounding matters that affect directly or indirectly the existence of human life and other life forms in a specific area.
- 5) *Shoreland / Lakeshore areas / Buffer Zone* - that part of the lake along the lakeshore lying at elevation 12.50 meters and below and alternately submerged or exposed by the annual or seasonal rising and lowering of the lake levels. This is a linear strip of land of approximately 14,000 hectares designed to separate the incompatible elements or uses, or to control pollution/nuisance and for identifying and defining development areas or zones.
- 6) *Ground water* - means sub-surface water that occurs beneath the water table in soils and rocks, or in geological formations.
- 7) *Aquaculture* - fishery operations involving all forms of raising and culturing fish and other fishery species in fresh, brackish and marine water areas.
- 8) *Aqua structure* - refers to a structure enclosing a particular area in the lake which makes use of poles usually made of bamboo or anahaw and surrounded by nets, fastened by a weight of sinkers embedded in the lake bed; may also refer to a fish cage which is an inverted mosquito net fastened to poles usually made of bamboo or such other structures used for fish or aquatic resource culture.
- 9) *Effluent* - means discharge from known sources which is passed into a body of water or land, or wastewater flowing out of a manufacturing plant or an industrial plant, including domestic, commercial and recreational facilities.
- 10) *Pollution* - shall mean any alteration of the physical, chemical and biological properties of any water, air and land resources of the Philippines or any discharge thereto of any liquid, gaseous or solid wastes as will be likely to create or to render such resources harmful, detrimental or injurious to public health, safety or welfare or which will adversely affect their utilization for domestic,

commercial, industrial, agriculture, recreational or other legitimate purposes.

SEC. 4. Laguna Lake Region. - For purposes of this Act, the Laguna Lake Region shall comprise the provinces of Laguna and Rizal; the cities of Calamba, Sta. Rosa, San Pablo, Pasay, Caloocan, Quezon, Manila, Makati, Mandaluyong, San Juan, Pasig, Marikina, Muntinlupa, Antipolo, Tagaytay, Tanauan, Taguig and Lipa; the towns of Silang, Carmona, Dasmariñas and General Mariano Alvarez in Cavite Province; the towns of Mauban, Real, Lucban and Sampaloc in Quezon Province; the towns of Sto. Tomas and Malvar in Batangas; and the town of Pateros in Metro Manila and all areas that drain into the Laguna Lake: *Provided*, That any cities or towns that may be subsequently created in the future out of the aforementioned municipalities and cities surrounding Laguna Lake shall automatically form part of the Laguna Lake Region.

SEC. 5. Laguna Lake Development Authority. - Pursuant to the original mandate of Republic Act No. 4850, as amended, the Laguna Lake Development Authority, hereinafter referred to as the LLDA, shall pursue the ecologically sustainable development of the Bay Region. It shall maintain its principal office at a convenient place within the region, and such branch offices in other places within the Bay Region as are necessary for the proper conduct of its business.

SEC. 6. Powers and Functions. - The LLDA shall have the following powers and functions:

- (a) Periodically conduct, monitor and update a comprehensive survey of the Bay Region, including its socio-economic conditions, water quantity and quality in the lake proper and all its major tributary rivers, irrigation, water supply, transport route, reservoir of floodwater, hydroelectric and other power potentials, scenic and tourist spots, state of its watersheds, the tributary rivers and other physical and natural resource potentials on the basis of which it shall prepare a sustainable regional development master plan.

All concerned public and private agencies shall provide the LLDA the necessary data for the purposes of the said survey;

- (b) Develop a long-term program to attract more private-sector-driven investments into the Bay Region in consonance with a regional master plan which shall be formulated in consultation with stakeholders, concerned government agencies, local government units (LGUs), and civil society in the Bay Region;
- (c) Review all plans, projects and programs that relate to the development of the Bay Region, proposed and submitted by LGUs, public corporations and private persons or corporations to ensure that they conform to the environmental standards prescribed by the LLDA and other similar laws;

The LLDA shall collect reasonable fees as may be determined by the Board for the processing of such plans, programs or projects. Any future expansion of such plans, programs, or projects shall be

again subject to LLDA review and to payment of additional fees as may be further determined by the LLDA Board;

- (d) Engage, whether by itself or in cooperation with private persons or entities, in agriculture, commerce, industry, or to organize, finance, invest in, and operate subsidiary corporations which are in the nature of new ventures or are clearly beyond the scope, capacity, or interest of private enterprises by reason of geography, technical or capital requirements, returns on investment and risk and when public interest so requires;
- (e) Implement infrastructure projects such as flood control, solid waste management, wastewater and sewerage, water supply, roads, ports; irrigation, housing, leisure parks and related works, within the context of its development master plan, including the readjustment, relocation, or resettlement of human population within the Bay Region that may be deemed necessary and beneficial in pursuit of the LLDA mandate. Should any of these projects be financed wholly or in part by the LLDA, it shall have authority to collect reasonable fees and tolls from users or beneficiaries to recover costs of construction, operation and maintenance of the projects. For infrastructure projects that are in the nature of social overhead capital projects, it shall be entitled to receive the corresponding financial assistance from the government;
- (f) Undertake a massive information campaign among the stakeholders, in close coordination with the LGUs and other government agencies within the Laguna de Bay Region to promote better understanding of the importance of environmental protection and conservation of the Laguna Lake and its watersheds;
- (g) Implement dredging and/or reclamation projects in close coordination with the Philippine Reclamation Authority (PRA)/Public Estates Authority (PEA) and LGUs concerned with the end-in-view of facilitating the approval thereof by the PRA/PEA pursuant to existing laws, executive orders and other issuances which may be necessary to accomplish the aims and purposes of the LLDA; *Provided*, That the land so reclaimed shall become the property of the national government through the LLDA;
- (h) Determine new areas of fishery development, taking into account the overall development plans and programs for Laguna Lake and related bodies of water and promulgate rules and regulations governing fisheries development in the Bay Region. Accordingly, it shall engage in experimental/pilot fish production such as the propagation of ornamental fish and similar aquaculture projects in Laguna Lake and other bodies of water within its jurisdiction, in collaboration with the Bureau of Fisheries and Aquatic Resources (BFAR). It shall improve present fishery techniques and practices to provide equitable access to its fishery resources for the socio-economic amelioration of small fisher folk, improvement of their communal fishing grounds, sustainable aquaculture development and operation. In hiring laborers for fishery-related projects, there shall be preference for qualified shore land residents;
- (i) Regulate the use and occupancy of shoreland areas by enjoining LGUs within the Bay Region to establish watershed management

councils or wetlands whenever suitable and consistent with LLDA policies;

- (j) Develop surface and groundwater supply sources for municipal, agricultural, commercial, and industrial use, in close coordination with the National Water Resources Board (NWRB), or Local Water Utilities Administration (LWUA), as the case may be, pursuant to existing laws, executive orders and other issuances which may be necessary to accomplish the aims and purposes of the LLDA;
- (k) Enter into agreements with LGUs, governmental agencies and corporations and the private sector for the supply, treatment, distribution and marketing of such water;
- (l) Establish and enforce anti-pollution standards on municipal, agricultural, commercial and industrial wastewater and effluents being discharged into the lake in coordination with appropriate government agencies;
- (m) Conduct a continuing research, development and extension program in close coordination with the academe, Department of Environment and Natural Resources (DENR), and the Department of Science and Technology (DOST) on lake water quantity and quality, integrated watershed management and enterprise development and management with the end in view of promoting sustainable development in the region;
- (n) Adopt rules and regulations governing the approval of sewage works and industrial waste disposal system and the issuance of clearance and/or permits in accordance with the provisions of this Act when necessary and inspect the construction and maintenance of sewage works and industrial waste disposal systems for compliance to clearance and/or permit conditions;
- (o) Require all projects or activities in or affecting the Laguna de Bay Region to secure Environmental Compliance Certificates (ECCs) required under Presidential Decree No. 1586 and grant clearance and/or permits for any projects or activities located within or affecting the Bay Region including, but not limited to, industrial and commercial activities, navigation, irrigation, power generation, housing, resettlement and other forms of land developments, construction and operation of aqua structures, aquaculture development, dredging/reclamation and similar or related activities and to impose necessary safeguards for lake water quantity and quality control and management and to collect necessary fees for said activities and projects;
- (p) Issue, renew, or deny permits subject to reasonable guidelines for the discharge of sewage, industrial waste, or for the installation or operation of sewage works and industrial disposal system or parts thereof for the prevention and abatement of pollution and require subdivisions, condominiums, clinical and medical establishments, mortuaries, public buildings, other similar human settlements, to construct appropriate central sewerage system and sewage treatment works. The LLDA may impose reasonable fees and other similar charges for the issuance or renewal of all permits herein required;

- (q) Issue orders or decisions to compel compliance with the provisions of this Act and its implementing rules and regulations after proper notice and hearing;
- (r) Make, issue, alter, or modify orders or decisions, after notice and hearing, requiring the discontinuance of pollution specifying the conditions and the time within which such discontinuance must be accomplished;
- (s) After due notice and hearing, revoke, suspend or modify any clearance and/or permit issued under this Act whenever the same is necessary to prevent or abate pollution;
- (t) Deputize or request assistance of appropriate government agencies or instrumentalities for the purpose of enforcing this Act and its implementing rules and regulations and the orders and decisions of the LLDA;
- (u) Authorize its bona fide representatives at all reasonable times to enter any public and private property devoted to agricultural, commercial and industrial use for the purpose of inspecting and investigating conditions relating to pollution and existing and/or imminent environmental danger;
- (v) Exercise such powers and perform such other functions as may be necessary to carry out its duties and responsibilities under this Act.

SEC. 7. Corporate Powers. - The Authority has the following corporate powers:

- a) Succeed in its corporate name;
- b) Sue and be sued in its corporate name;
- c) Adopt, alter and use a corporate seal;
- d) Adopt, amend, or repeal its by-laws;
- e) Enter into contracts to enable it to carry out its purposes and functions under this Act;
- f) Acquire, buy, purchase, hold or lease, such personal and real property as it may deem necessary in the transaction of its business or in relation to carrying out its purposes under this Act and to lease, mortgage, sell, alienate, or otherwise encumber, utilize, exploit or dispose any such personal and real property held by it, subject to individual or communal right of private parties or of the government or any agency or enterprise thereof;
- g) Exercise the right of eminent domain whenever the LLDA deems it necessary to achieve the objectives of this Act;
- h) Borrow funds from any local or foreign sources independent of the bonds it may issue or may continue to issue to carry out the purposes of this Act;
- i) Purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bond, securities, or other evidence of indebtedness created by any other corporation, co-partnership, or government agencies or instrumentalities; and while the owner of said stock to exercise all the rights of ownership, including the right to vote thereon: *Provided*, That the LLDA shall not invest its funds in any high risk debt instruments issued without recourse to

- commercial banks or investment houses as well as in *any* highly speculative stocks;
- j) Perform any and all acts which a corporation, co-partnership or juridical person is authorized to perform under the existing laws or which may be enacted hereafter;
 - k) Provide economic incentives to encourage the private sector to fully subscribe to its shares of stock;
 - l) Issue such other rules and regulations as *may* be necessary from time to time to achieve the purposes of this Act, the same to take effect thirty (30) days after its publication in a newspaper of general circulation.

SEC. 8. Board of Directors. - The LLDA shall be governed by a Board of Directors who shall be appointed by the President of the Philippines and shall be composed of the following:

- 1) Secretary of Environment and Natural Resources, Chairman
- 2) General Manager, LLDA, Vice-Chairman
- 3) Governor, Province of Laguna, *ex officio*
- 4) Governor, Province of Rizal, *ex officio*
- 5) Secretary, Department of Agriculture
- 6) Secretary, National Economic and Development Authority
- 7) Secretary, Department of Public Works and Highways
- 8) Chairman, Metro Manila Development Authority
- 9) Representative of the Bay Region City and Municipal Mayors' Association to be constituted Sixty (60) days from the passage of this Act from among the mayors of towns and cities that comprise the Bay Region as defined in Section 3 of this Act;
- 10) Representative of the Laguna fisherfolk;
- 11) Representative of the Rizal fisherfolk

The representatives of the Laguna fisher folk and the Rizal fisherfolk shall be appointed by the President of the Philippines to be chosen from among the nominees recommended by the Laguna Governor and the Rizal Governor, respectively, upon consultation with the concerned sector. The term of the appointive members shall be six (6) years without reappointment, or until their successors are duly appointed and qualified. Vacancy, other than through the expiration of the term, shall be filled for the unexpired term only.

Ex-officio Cabinet members can designate alternate representatives to the Board, given the demands of their Cabinet-level position.

SEC. 9. Powers and Functions. - The Board of Directors shall exercise the following powers and functions:

- a) Prescribe policies, rules and regulations to govern the conduct of business of the LLDA including the procedures of the Authority;
- b) Upon the recommendation of the General Manager, approve the LLDA's organizational and administrative structures and corresponding staffing pattern as may be deemed necessary: fix their reasonable compensation, allowances and other benefits in accordance with the salary standardization law; prescribe their duties and establish such methods and procedures as may be necessary to insure the efficient, honest and economical administration of the

provisions and purposes of this Act; *Provided, however,* That all personnel of the LLDA *below* the rank of Assistant General Manager shall be appointed by the General Manager; *Provided, further,* That all personnel appointed by the General Manager, except those below the rank of Department Heads, and others of comparable rank, shall be subject to the confirmation by the Board; *Provided, further,* That the personnel of the LLDA shall be selected only from civil service eligibles and be subject to civil service rules and regulations;

- c) Upon the recommendation of the General Manager, to approve the annual and supplemental budget of receipts and expenditures of the LLDA, and to authorize such operating and capital expenditures and disbursements of the LLDA as may be necessary or proper for the effective management, operation and administration of the LLDA;
- d) Create and organize a Technical Advisory Council composed of representatives from both the government and non-government sectors as the Board may determine to assist and advise the Board in the conduct of public consultations with Bay Region stakeholders towards a better considered formulation of LLDA plans and policies; and,
- e) Perform such other functions as may be necessary to carry out the provisions of this Act.

SEC. 10. Board Meetings. - The Board shall meet at least once a month.

SEC. 11. Per Diems. - The members of the Board shall each receive per diem at a rate in accordance with existing rules and regulations: *Provided,* however, that the total per diem collected each month shall not exceed the equivalent per diem for four (4) meetings.

SEC. 12. Sinking Fund. - A sinking fund shall be established in such manner that the total annual contribution thereto accrued at such interests as may be determined by the Board of Directors as confirmed by the stockholders representing a majority of the subscribed capital stock outstanding and entitled to vote, shall be sufficient to redeem at maturity the bonds issued under this Act.

Such funds shall be under the custody of the treasurer of the authority who shall invest the same in such manner as the Board of Directors may direct; charge all expenses of investment to said sinking fund, and credit the same with the interest on investment and other income belonging to it.

SEC. 13. General Manager; Powers and Functions. - The General Manager shall be the Chief Executive Officer of the LLDA. As such, he/she shall have the following powers and functions:

- a) Submit for consideration of the Board policies and measures which he believes to be necessary to carry out the purposes and objectives of this Act;
- b) Execute, administer, and implement the policies, plans, programs and projects approved by the Board;

- c) Manage and supervise the operation and administration of the LLDA;
- d) Appoint all officials and employees of LLDA below the rank of Assistant General Manager, remove, suspend or otherwise discipline them for cause, in accordance with existing civil service rules and regulations, and submit quarterly reports to the Board on personnel selection, placement and training;
- e) Render an annual report to the Board and various stakeholders regarding the operation of the LLDA, including its latest financial statement;
- f) Represent the LLDA in all dealings with offices, agencies and instrumentalities of the government and with all persons and other entities, public or private, domestic and foreign; and,
- g) Perform such other functions as may be provided in the By-Laws and as may be vested in him/her by the Board.

SEC. 14. Qualifications of the General Manager. - The General Manager shall be a *citizen* and resident of the Philippines. He/She shall have demonstrated executive competence and experience in the field of public administration, economic planning, environmental and natural resource management, or in the establishment and management of large agricultural, commercial or industrial enterprises. No person shall be nominated as General Manager unless he/she is of unquestioned integrity and competence.

SEC. 15. Tenure of Office of the General Manager. - The General Manager shall be appointed by the President of the Philippines for a fixed term of six (6) years. In case of resignation, retirement, separation, transfer, re-assignment, removal and other cause of cessation from office, the replacement shall serve only for the unexpired portion of the term.

SEC. 16. Compensation. - The General Manager shall receive compensation at rates in accordance with the salary standardization law.

SEC. 17. Management Structure. - In carrying out the activities of the LLDA, the General Manager shall be assisted by two Assistant General Managers - one for Operations and another for Administration - who shall have such powers, duties, and functions as the General Manager may prescribe and/or delegate and shall act as the General Manager in his/her absence or during his/her temporary incapacity of and/or until such time as a new General Manager is duly appointed.

The Authority shall have the following departments under the direct supervision and control of the General Manager:

- a) *Corporate Legal Affairs Department* which shall provide legal advice and support to all the corporate units on the legal implications of the various undertakings of the Authority and divided into Litigation Division, and Research and Documentation Division;

- b) *Administrative Department* which shall be responsible for providing services relating to human resource management, records management, and general services;
- c) *Finance Department* which shall be responsible on revenue planning, generation and enhancement, assistance on budgetary and financial matters, and safekeeping of corporate assets;
- d) *Policy Planning and Management Services Department* which will undertake policy research and development, and advise the General Manager on policy positions and public advocacy measures for approval of the Board;
- e) *Integrated Water Resources Management Services Department* which will serve as the main technical arm of the Authority and shall integrate the functions of lake basin management and development. It shall oversee the management of the Laguna Lake and its river systems including the shore lands;
- f) *Environmental Protection Department* which will manage all the environmental regulatory functions of the Authority like clearance/permits and licensing, monitoring and surveillance, enforcement and adjudication and environmental quality compliance.

The Board shall periodically review the appropriateness of the existing organizational structure and amend the same whenever it may deem necessary and beneficial to achieve the purposes of this Act and to be able to respond efficiently to LLDA's mandate as herein provided. Any proposed change in the organizational structure of the Authority shall be subject to the approval of the President of the Philippines.

SEC.18. Annual Fees. - The LLDA is hereby authorized to collect annual fees for the use of the lake waters, its tributaries and shoreland areas for all beneficial purposes including but not limited to fisheries, aquaculture, municipal, agricultural, irrigation, commercial, industrial, hydroelectric generation and other power potential, transport and navigation, waste disposal purposes, recreation and dredging/reclamation from all private and public entities whether government or non-government agencies, among others the water utilities sector. All the fees so collected shall be accordingly appropriated for the sustainable development of the lake and its watershed areas. *Provided*, that the fees collected for fisheries may be shared between the Authority and other government agencies and LGUs as follows: thirty-five percent (35%) of the fish pen fee goes to shore land LGUs, five percent (5%) goes to the Project Development Fund and the remaining sixty percent (60%) shall be retained by the LLDA.

SEC. 19. Capitalization and Financing. - The LLDA shall have an authorized capital of Seven Hundred Million Pesos (P700,000,000). The authorized capital stock of Seven Hundred Million Pesos (P700,000,000) shall be divided into Seven Million (7,000,000) shares of stock with a par value of One Hundred Pesos (P100) per share. The National Government shall subscribe to Four Million Two Hundred (4,200,000) shares, the province of Laguna to Seven Hundred Thousand (700,000) shares, the province of Rizal to Seven Hundred Thousand (700,000) shares, and the balance of One Million Four Hundred Thousand (1,400,000) shares shall be open for subscription to other government

agencies or LGUs and other private individuals or corporations within the Bay Region.

The shares of stock of the LLDA shall be divided into:

- 1) 4,900,000 ordinary shares (voting); and,
- 2) 2,100,000 preferred shares (non-voting).

SEC 20. Funding. - The amount necessary to subscribe and pay for the remaining shares of the national government to the capital stock of the LLDA shall be included in the annual General Appropriations Act. For LGUs, the funds shall be taken from their internal revenue allotment and other local funds.

SEC. 21. Creation of LLDA Environmental Adjudication Panel. - For the purpose of effectively carrying out the quasi-judicial powers of the Authority within the Bay Region, the LLDA Environmental Adjudication Panel (LEAP) is hereby created to be composed of a Chairman and two (2) other members representing the Office of the General Manager, the Corporate Legal Affairs Department and the concerned department depending on the matter under controversy to be designated by the General Manager. The LEAP is hereby mandated to take cognizance and adjudicate violations of this Act including all existing and relevant laws, LLDA policies, rules and regulations. Any decision, order or resolution must be concurred in by the majority of the panel and duly approved by the General Manager.

The Corporate Legal Affairs Department shall serve as Secretariat of the LEAP.

SEC. 22. Creation of a Lake Police Force. - The National Police Commission shall constitute and assign a special police force to be known as the Laguna Lake Police, exclusively for the Bay Region, trained especially for enforcement of laws on fisheries and environmental laws and the rules and regulations duly promulgated by the LLDA.

The extent of operational supervision and control by the General Manager over the Laguna Lake Police shall be the same as that of local chief executives over police force of LGUs as defined in the Department of Interior and Local Government Act of 1990 (R.A. 6975), in relation to Sec. 73 of the Local Government Code of 1991 (RA 7160). The LLDA Board, the local government units (LGUs) and the leadership of the Philippine National Police shall within sixty (60) days from the passage of this Act constitute a technical working group that will further delineate and define the nature and character of this unit in order to avoid any overlap and potential conflict with the LGU police units within the Bay Region.

SEC. 23. Exemption from Tax. - The Authority shall be exempt from all taxes, licenses, fees, imposts, charges, costs and duties except real property tax incidental to its operations and service/filing fees in any court or administrative proceedings in which it may be a party, restrictions and duties to the Republic of the Philippines, its provinces, cities, municipalities and other government agencies and instrumentalities. Such exemption shall include any tax or fee imposed by the government on the sale, purchase or transfer of foreign

exchange. All notes, bonds, debentures and other obligations issued by the Authority shall be exempt from all taxes both as to principal and interest.

SEC. 24. Fines and Penalties. - The LLDA is authorized to impose administrative fines and other penalties it may deem reasonable and appropriate within the bounds of existing law on the same or similar offenses as determined and approved by the Board for non-compliance with permit conditions and for undertaking development activities without clearance/permit from the LLDA against any person, juridical or otherwise, within the Bay Region who may be found violating, or have in fact violated, any of its rules and regulations.

Likewise, the LLDA is authorized to institute the necessary legal proceedings against those who shall commence to implement any development activities within the Bay Region not cleared nor approved by the LLDA.

SEC. 25. Damages. - Compensation for any damage to the shore land, water and aquatic resources of Laguna Lake and its tributaries resulting from failure to meet established water and effluent quality standards or from such other wrongful act or omission of a person, private or public, juridical or otherwise, punishable under the law shall be awarded to the LLDA for water quantity/quality control and management projects.

SEC. 26. Penal and Civil Liability Clause. - Any person, natural or juridical, who shall violate any of the provisions of this Act or any rules and regulations promulgated by the Authority pursuant thereto shall be liable to imprisonment of not exceeding three (3) years or to a fine not less than Fifty Thousand Pesos (P50,000.00) or both at the discretion of the court. This is without prejudice to the imposition of penalties as may be provided under existing and relevant laws, rules and regulations.

If the violator be a corporation, partnership or association, the officer / officers of the organization concerned shall be held liable.

The LLDA is hereby authorized to initiate, file, prosecute and defend all suits, actions or to pursue separate civil actions for damages resulting from infractions of the provisions of this Act, rules or regulations issued pursuant thereto and/or conditions embodied in the clearances or permits issued by the Authority.

SEC. 27. Auditor. - The Chairman of the Commission on Audit shall be the ex officio Auditor of the LLDA. For this purpose, he/she may appoint a representative who shall be the Auditor of the LLDA, and the necessary personnel to assist said representative in the performance of his/her duties.

The Chairman of the Commission on Audit or his/her authorized representative shall submit to the Board soon after the close of each calendar year, an audited statement showing the financial condition and progress of the LLDA for the calendar year just ended.

SEC. 28. Implementing Rules and Regulations. - The LLDA in coordination with the proper standing Committees of both the Senate and the House of Representatives and other concerned agencies shall promulgate the

implementing rules and regulations (IRR) for this Act, within six (6) months after its enactment: *Provided*, that the rules and regulations issued by other government agencies and instrumentalities for the prevention and/or abatement of water pollution not inconsistent with this Act shall supplement the rules and regulations issued by the LLDA pursuant to the provisions of this Act.

SEC. 29. Repealing Clause. - Republic Act No. 4850 as amended, Presidential Decree No. 813, and Executive Order No. 927, and all laws, orders, issuance, rules and regulations inconsistent herewith are hereby repealed.

SEC. 30. Separability Clause. - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectiveness of the other provisions hereof.

SEC. 31. Effectivity. - This Act shall take effect fifteen (15) days following its publication in at least two (2) national newspapers of general circulation.

Approved,