



HOUSE OF REPRESENTATIVES

H. No. 8691

BY REPRESENTATIVES GARCIA-ALBANO, NIETO, SACDALAN,
SARMIENTO (C.), DEL MAR, ZAMORA (M.C.), NOGRALESS (J.J),
PIMENTEL, ALONTE AND ORTEGA (V.N.), PER COMMITTEE
REPORT NO. 981

AN ACT CREATING THE DAVAO INTERNATIONAL AIRPORT
AUTHORITY AND PROVIDING FUNDS THEREFOR

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

1 SECTION 1. *Title.* – This Act shall be known as the “Charter
2 of the Davao International Airport Authority”.

3 SEC. 2. *Creation of the Davao International Airport*
4 *Authority.* – There is hereby established a body corporate to be
5 known as the Davao International Airport Authority, hereinafter
6 referred to as “Authority”, which shall be attached to the
7 Department of Transportation (DOTr). The principal office of the
8 Authority shall be located at the Francisco Bangoy International
9 Airport in Davao City.

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

1 SEC. 3. *Objectives.* - The Authority shall principally
2 undertake the economical, efficient, and effective control,
3 management, and operation of the Francisco Bangoy International
4 Airport in Davao City, and such other airports as may be
5 established in the Provinces of Davao del Sur, Davao del Norte,
6 Compostela Valley, Davao Oriental, and Davao Occidental, as well
7 as in any province that may be created in the Davao Region in the
8 future. In addition, it shall have the following objectives:

9 (a) To encourage, promote, and develop international and
10 domestic air traffic in Davao Region as a means of making the
11 region a center of international trade and tourism, and in
12 accelerating the development of the means of transportation and
13 communications in the country; and

14 (b) To upgrade the services and the facilities of the Francisco
15 Bangoy International Airport and formulate international
16 acceptable standards of airport accommodation and service.

17 SEC. 4. *Duties and Functions.* - The Authority shall have
18 the following powers and functions:

19 (a) To formulate a comprehensive and integrated
20 development policy and programs for the Francisco Bangoy
21 International Airport and implement, review, and update such
22 policy and program periodically;

23 (b) To supervise, control, construct, maintain, operate, and
24 provide such facilities or services as shall be necessary for the
25 efficient functioning of the Francisco Bangoy International Airport;

26 (c) To promulgate rules and regulations governing the
27 planning, development, maintenance, operation and improvement of

1 the Francisco Bangoy International Airport, and to supervise and
2 control the construction of any structure or the rendition of any
3 service within the Francisco Bangoy International Airport;

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

7 (e) To acquire, purchase, own, administer, lease, mortgage,
8 sell or otherwise dispose of any land, building, airport facility, or
9 property of whatever kind and nature, whether movable or
10 immovable, or any interest therein: *Provided*, That any asset
11 located in the Francisco Bangoy International Airport important to
12 national security shall not be subject to alienation nor mortgage by
13 the Authority nor transfer to any entity other than the National
14 Government;

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

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

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

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

26 (j) To provide services, whether on its own or otherwise,
27 within the Francisco Bangoy International Airport and the

1 approaches thereof as may be necessary, or in connection with the
2 maintenance and operation of the Francisco Bangoy International
3 Airport and their facilities.

4 SEC. 5. *Police Authority.* - The Authority shall have the
5 power to exercise such police authority as may be necessary within
6 its premises or areas of operation to carry out its functions and
7 attain its purposes and objectives: *Provided,* That the Authority
8 may request the assistance of the law enforcement agencies,
9 including request for deputization as may be required. Such police
10 authority shall be exercised in connection with the following:

11 (a) Maintenance of security to passengers, cargoes, aircraft,
12 airport equipment, structures, facilities, personnel, funds and
13 documents;

14 (b) Regulation of the entry to, exit from, and movement
15 within the airports;

16 (c) Maintenance of peace and order within the premises of the
17 Francisco Bangoy International Airport;

18 (d) Regulation and supervision of private security agencies
19 operating in the Francisco Bangoy International Airport;

20 (e) Enforcement of the rules and regulations promulgated by
21 the Authority pursuant to law; and

22 (f) In case of emergencies or imminent danger involving
23 national security within the airport premises, the Philippine Air
24 Force Security Command shall take charge.

25 SEC. 6. *Board of Directors.* - The corporate powers of the
26 Authority shall be exercised by and vested in the Board of Directors,
27 hereinafter referred to as the Board, which shall be composed of a

1 chairperson, a vice chairperson, and nine (9) members. The
2 Secretary of Transportation and the General Manager of the
3 Authority shall be the *ex officio* chairperson and vice chairperson of
4 the Board, respectively.

5 The Director General of the Civil Aviation Authority of the
6 Philippines (CAAP), the Secretaries of the following executive
7 departments or any Undersecretary or Assistant Secretary
8 designated by the respective Secretaries of the Department of
9 Finance, Department of Justice, and Department of Tourism, and
10 an appointive official of Davao City, to be designated by the
11 Mayor of Davao City, shall be the *ex officio* members of the Board.
12 Five (5) members shall constitute the appointive members from the
13 private sector to be appointed by the President of the Philippines for
14 a term of four (4) years, from a list of ten (10) persons recommended
15 by the Mayor of Davao City.

16 Except for the *ex officio* members, the members of the Board
17 shall be appointed or reappointed by the President of the
18 Philippines in accordance with the provisions of Republic Act
19 No. 10149, otherwise known as the "GOCC Governance Act of
20 2011", and shall serve for a term of one (1) year unless sooner
21 separated from service due to death, voluntary resignation, or
22 removal for cause: *Provided*, That appointment to any vacancy in
23 the Board shall only be for the unexpired term of the predecessor.

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

1 SEC. 7. *Functions, Powers and Duties of the Board.* – The
2 Board shall have the following functions:

3 (a) To define and approve the policies, plans, and programs,
4 procedures, and guidelines of the Authority for the development and
5 operation of the Francisco Bangoy International Airport;

6 (b) To appoint annually from among their ranks, pursuant to
7 the “GOCC Governance Act of 2011”, the General Manager who
8 shall be the chief executive officer of the Authority;

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

14 (d) To approve the salary ranges, benefits and other terms
15 and conditions of service for all officers and employees of the
16 Authority, upon the recommendation of the General Manager,
17 subject to the approval of the President of the Philippines upon
18 the recommendation of the Governance Commission for
19 Government-Owned and -Controlled Corporations (GCG): *Provided,*
20 *That the officials and employees of the Davao International Airport*
21 *Authority shall be exempted from the Salary Standardization Law;*

22 (e) To fix the rate of dues, charges, fees, or assessments for
23 the use of the airport premises, works, appliances, facilities,
24 concessions, services and other fees and charges related to the
25 activities of the airport, upon the recommendation of the General
26 Manager; and

1 (f) To exercise all the functions and powers necessary or
2 incidental to attain the purposes and objectives of this Act.

3 SEC. 8. *Duties of the General Manager.* - The General
4 Manager shall be directly responsible to the Board and shall
5 exercise the following duties:

6 (a) To direct and supervise the day-to-day management,
7 operation, and administration of the Francisco Bangoy
8 International Airport;

9 (b) To implement and enforce decisions, orders, rules and
10 regulations issued, prescribed or adopted by the Board;

11 (c) To undertake researches, studies, investigations and other
12 activities related to the present operations and future improvement
13 of the Francisco Bangoy International Airport, and submit
14 comprehensive reports and appropriate recommendation to the
15 Board for proper action;

16 (d) To appoint, transfer, suspend, remove, or otherwise
17 discipline any subordinate officer or employee of the Authority,
18 subject to the approval of the Board and in accordance with the
19 existing rules and regulations of the Civil Service Commission;

20 (e) Within the limits of the authority delegated by the Board,
21 execute contracts, incur obligations, acquire and dispose of assets,
22 and deliver documents on behalf of the Authority;

23 (f) To grant permits or concessions to do business within the
24 airport in accordance with such rules and regulations to be
25 promulgated by the Authority for the purpose; and

1 (g) To perform such other duties as the Board may delegate or
2 assign or such acts as may be necessary and proper to implement
3 this Act.

4 SEC. 9. *Authorized Capital.* – The Authority shall have an
5 authorized capital stock equal to:

6 (a) The value of fixed assets, including airport facilities,
7 runways and equipment, and such other properties, movable and
8 immovable, currently administered by or belonging to the Francisco
9 Bangoy International Airport which shall be determined by an
10 independent and qualified appraiser or appraisers within six (6)
11 months from the effectivity of this Act;

12 (b) The value of such real estate owned or administered by
13 the Francisco Bangoy International Airport; and

14 (c) Government contribution in such amount as may be
15 deemed appropriate and included in the annual General
16 Appropriations Act, including any outlay from the infrastructure
17 program of the National Government.

18 SEC. 10. *Resident Auditor.* – The Commission on Audit shall
19 appoint a representative who shall be the Auditor of the Authority,
20 together with the necessary personnel to assist said representative
21 in the performance of duties. The number and salaries of the
22 auditor and said personnel shall be determined by the Commission
23 on Audit, subject to its rules and regulations.

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

1 SEC. 11. *Annual Report.* – An annual report of the activities
2 and operations of the Authority, together with the audit report,
3 shall be submitted by the Board to the President of the Philippines
4 and to both Houses of Congress, through the Department of
5 Transportation.

6 SEC. 12. *Applicability of Civil Service Laws.* – The Authority
7 and its officials and employees shall be subject to civil service laws
8 and pertinent rules and regulations issued by the Civil Service
9 Commission.

10 SEC. 13. *Borrowing Power.* – The Authority may, in
11 accordance with Section 21, Article XII of the Constitution and
12 other existing laws, rules and regulations on local or foreign
13 borrowing, raise funds, either from local or international sources, by
14 way of loans, credits or securities, and other financing instruments
15 with the power to create pledges, mortgages and other voluntary
16 liens or encumbrances on any of its assets or properties, subject to
17 the prior approval of the President of the Philippines.

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

1 SEC. 14. *Tax Exemption.* – The Authority shall be exempt
2 from the payment of realty taxes imposed by the National
3 Government or any of its political subdivisions, agencies and
4 instrumentalities: *Provided,* That no tax exemption herein granted
5 shall extend to any subsidiary which may be organized by the
6 Authority.

7 SEC. 15. *Transfer of Existing Facilities and Intangible Assets.*
8 – All existing public airport facilities, runways, lands, buildings,
9 and other properties, movable or immovable, belonging to or
10 presently administered by the Francisco Bangoy International
11 Airport, and all assets, powers, rights, interests, and privileges
12 relating to airport works or air operations, including all equipment
13 which are necessary for the operation of air navigation, aerodrome
14 control towers, crash, fire, and rescue facilities are hereby
15 transferred to the Authority: *Provided, however,* That the
16 operational control of all equipment necessary for the operation of
17 radio aids to air navigation, airways communication, the approach
18 control office, and the area control center shall be retained by the
19 CAAP. No equipment, however, shall be removed by the CAAP
20 from the Francisco Bangoy International Airport without the
21 concurrence of the Authority. The Authority may assist in the
22 maintenance of CAAP equipment.

23 SEC. 16. *Projects in Progress.* – All ongoing projects relating
24 to the construction of the Francisco Bangoy International Airport
25 facilities and supply of equipment shall be administered and
26 undertaken by the Authority.

1 SEC. 17. *Statutory Counsel.* – The Office of the Government
2 Corporate Counsel (OGCC) shall act as the external legal counsel of
3 the Authority before any court of law or any quasi-judicial bodies of
4 the government without prejudice of any deputization or
5 designation that it may issue in favor of the in-house counsel of the
6 Authority.

7 SEC. 18. *Transfer of Liabilities and Debts.* – Upon the
8 transfer to and acceptance by the Authority of the existing physical
9 facilities, intangible assets, and completed projects referred to in the
10 preceding sections, all debts, liabilities and obligations of
11 government agencies or entities concerned in respect of such
12 physical facilities, intangible assets, and completed projects within
13 the Francisco Bangoy International Airport shall likewise be
14 assumed by the Authority.

15 SEC. 19. *Transitory Provision.* – The General Manager of
16 the Francisco Bangoy International Airport shall continue in office
17 and shall perform all powers and functions of the Authority until
18 such time that a General Manager is appointed in accordance with
19 the provisions of this Act. Officials and employees whose services
20 are terminated shall, if not eligible for retirement, be given
21 gratuities in accordance with existing laws.

22 SEC. 20. *Separability Clause.* – If any portion or part of this
23 Act is declared invalid or unconstitutional, such parts or provisions
24 not affected thereby shall remain in full force and effect.

25 SEC. 21. *Repealing Clause.* – All laws, executive orders,
26 letters of instruction, rules and regulations or provisions thereof

1 which are inconsistent with the provisions of this Act are hereby
2 repealed, amended or modified accordingly.

3 SEC. 22. *Effectivity.* – This Act shall take effect fifteen (15)
4 days after its publication in the *Official Gazette* or in a newspaper of
5 general circulation.

Approved,

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