



SENATE

S. No. 2168

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PREPARED JOINTLY BY THE COMMITTEES ON GOVERNMENT  
CORPORATIONS AND PUBLIC ENTERPRISES, PUBLIC  
SERVICES; WAYS AND MEANS; AND FINANCE WITH  
SENATORS ZUBIRI, POE, ANGARA, LEGARDA, GORDON,  
AND EJERCITO AS AUTHORS THEREOF

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AN ACT CREATING THE DAVAO INTERNATIONAL  
AIRPORT AUTHORITY, TRANSFERRING  
EXISTING ASSETS OF FRANCISCO BANGYO  
INTERNATIONAL AIRPORT TO THE AUTHORITY,  
VESTING THE AUTHORITY WITH POWER TO  
ADMINISTER AND OPERATE THE FRANCISCO  
BANGYO INTERNATIONAL AIRPORT AND  
APPROPRIATING FUNDS THEREFOR

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

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

4           SEC. 2. *Creation of the Davao International Airport*  
5   *Authority.* – There is hereby established a body corporate

1 to be known as the Davao International Airport Authority,  
2 hereinafter referred to as the "Authority", which shall be  
3 attached to the Department of Transportation (DOTr). The  
4 principal office of the Authority shall be located at the  
5 Francisco Bangoy International Airport in Davao City.

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

8 SEC. 3. *Objectives.* – The Authority shall principally  
9 undertake the economical, efficient and effective control,  
10 management and supervision of the Francisco Bangoy  
11 International Airport in Davao City and such other  
12 airports as may be established in any of the provinces of  
13 Davao del Sur, Davao del Norte, Davao Oriental, Davao  
14 Occidental and Compostela Valley.

15 In addition, the Authority shall have the following  
16 objectives:

17 (a) Encourage, promote and develop international and  
18 domestic air traffic in Davao Region as a means of making  
19 the region a center of international trade and tourism, and

1 accelerating the development of the means of  
2 transportation and communications in the country; and

3 (b) Upgrade the services and facilities of the  
4 Francisco Bangoy International Airport and formulate  
5 internationally acceptable standards of airport  
6 accommodation and service.

7 SEC. 4. *Duties and Functions.* – The Authority shall  
8 exercise the following duties and functions:

9 (a) Formulate a comprehensive and integrated  
10 development policy and program for the Francisco Bangoy  
11 International Airport and implement, review and update  
12 such policy and program periodically;

13 (b) Control, supervise, construct, maintain, operate  
14 and provide such facilities or services as shall be necessary  
15 for the efficient functioning of the Francisco Bangoy  
16 International Airport compliant with ICAO standards;

17 (c) Promulgate rules and regulations governing the  
18 planning, development, maintenance, operation and  
19 improvement of the Francisco Bangoy International  
20 Airport, and control and supervise the construction of any

1 structure or the rendition of any service within the  
2 Francisco Bangoy International Airport;

3 (d) Exercise all the powers of a corporation under  
4 Batas Pambansa Blg. 68, otherwise known as the  
5 "Corporation Code of the Philippines" insofar as those  
6 powers are not inconsistent with the provisions of this Act;

7 (e) Acquire, purchase, own, administer, lease,  
8 mortgage, sell or otherwise dispose of any land, building,  
9 airport facility, or property of whatever kind and nature,  
10 whether movable or immovable, or any interest therein:

11 *Provided*, That any asset located in the Francisco Bangoy  
12 International Airport important to national security shall  
13 not be subject to alienation or mortgage by the Authority  
14 nor to transfer to any entity other than the National  
15 Government;

16 (f) Exercise the power of eminent domain in the  
17 pursuit of its purposes and objectives;

18 (g) Levy and collect dues, charges, fees or  
19 assessments for the use of airport premises, works,

1 appliances, facilities or concessions, or for any service  
2 provided by the Authority;

3 (h) Retain and appropriate dues, fees, and charges  
4 collected by the Authority relative to the use of airport  
5 premises for such measures as may be necessary to make  
6 the Authority more effective and efficient in the discharge  
7 of its assigned tasks;

8 (i) Invest its idle funds, as it may deem proper, in  
9 government securities and other evidences of indebtedness;  
10 and

11 (j) Provide services, whether on its own or otherwise,  
12 within the Francisco Bangoy International Airport and the  
13 approaches thereof as may be necessary or in connection  
14 with the maintenance and operation of the Francisco  
15 Bangoy International Airport and their respective  
16 facilities.

17 SEC. 5. *Police Authority.* – The Authority shall have  
18 the power to exercise such police authority as may be  
19 necessary within its premises or areas of operation to carry  
20 out its functions and attain its purposes and objectives:

1 *Provided*, That the Authority may request the assistance of  
2 law enforcement agencies, including request for  
3 deputization as may be required. Such police authority  
4 shall be exercised in connection with the following, among  
5 others:

6 (a) Maintenance of security to passengers, cargoes,  
7 aircraft, airport equipment, structures, facilities,  
8 personnel, funds and documents;

9 (b) Regulation of the entry to, exits from and  
10 movement within the airports;

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

13 (d) Regulation and supervision of private security  
14 agencies operating in the Francisco Bangoy International  
15 Airport;

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

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



1        SEC. 6. *Board of Directors.* – The corporate powers of  
2        the Authority shall be exercised by and vested in the Board  
3        of Directors which shall be composed of a Chairman, a  
4        Vice-Chairman and eleven (11) members. The Secretary of  
5        Transportation (DOTr) and the General Manager of the  
6        Authority shall be the *ex officio* Chairman and Vice-  
7        Chairman of the Board, respectively.

8        The Director General or the duly appointed  
9        representative of the Civil Aviation Authority of the  
10       Philippines (CAAP) and the Secretaries of the following  
11       executive departments or any Undersecretary or Assistant  
12       Secretary designated by the respective Secretaries shall be  
13       *ex officio* members, to wit: Department of Finance,  
14       Department of Justice, Department of Health, Department  
15       of Agriculture and Department of Tourism. In addition,  
16       five (5) members from the private sector who are residents  
17       of the provinces and cities of the Davao Region shall be  
18       appointed by the President of the Philippines for a term of  
19       one (1) year, subject to the existing rules and regulations of  
20       the Governance Commission on Government-Owned and

1 -Controlled Organization (GCG). The governors of Davao  
2 del Sur, Davao del Norte, Davao Oriental, Davao  
3 Occidental and Compostela Valley shall submit to GCG  
4 lists of candidates who are of known probity, competence  
5 and integrity on airport management, aviation, finance,  
6 business, law and other related fields to represent their  
7 respective provinces in the Board. The GCG after  
8 examining the list following the fit and proper rule and the  
9 standards on integrity, experience, education, training and  
10 competence shall recommend to the President a list of four  
11 (4) qualified candidates from each province and city, one  
12 (1) candidate from each of these lists shall be appointed by  
13 the President of the Philippines as the authorized  
14 representative of their respective provinces in the Board.

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

18 SEC. 7. *Functions of the Board.* – The Board shall  
19 exercise the following functions:



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

5           (b) Appoint the General Manager of the Authority  
6 who shall be the chief executive officer of the Authority;

7           (c) Approve the Authority's organizational and  
8 administrative structure, staffing pattern, operating and  
9 capital expenditures, and financial budgets, upon  
10 recommendation of the General Manager, subject to the  
11 final approval of the GCG;

12           (d) Approve salary ranges, benefits and other terms  
13 and conditions of service for all officers and employees of  
14 the Authority, upon recommendation of the GCG, which  
15 shall, as far as possible, be competitive with those offered  
16 in the private sector, subject to the approval of the  
17 President.

18           (e) Fix the rate of dues, charges, fees, or assessments  
19 for the use of airport premises, works, appliances,  
20 facilities, concessions, services and other fees and charges

1 related to the activities of the airports, upon  
2 recommendation of the General Manager; and

3 (f) Exercise all the functions and powers necessary or  
4 incidental to attain the purposes and objectives of this Act.

5 SEC. 8. *Duties of the General Manager.* – The General  
6 Manager shall be directly responsible to the Board and  
7 exercise the following duties:

8 (a) Direct and supervise the day-to-day management,  
9 operation and administration of the Francisco Bangoy  
10 International Airport;

11 (b) Implement and enforce decisions, orders, rules  
12 and regulations issued, prescribed or adopted by the  
13 Board;

14 (c) Undertake researches, studies, investigations and  
15 other activities related to the present operations and  
16 future improvement of the Francisco Bangoy International  
17 Airport, and submit comprehensive reports and  
18 appropriate recommendations to the Board for proper  
19 action;

1           (d) Appoint, transfer, suspend, remove or otherwise  
2 discipline any subordinate officer or employee of the  
3 Authority, subject to the approval of the Board and in  
4 accordance with the existing rules and regulations of the  
5 Civil Service Commission;

6           (e) Within the limits of the authority delegated to him  
7 by the Board, execute contracts, incur obligations, acquire  
8 and dispose of assets, and deliver documents on behalf of  
9 the Authority;

10          (f) Grant permits or concessions to do business within  
11 the airports in accordance with such rules and regulations  
12 to be promulgated by the Authority for the purpose; and

13          (g) Perform such other duties as the Board may  
14 delegate or assign, and such acts as may be necessary and  
15 proper to implement this Act.

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

18           (a) The value of fixed assets, including airport  
19 facilities, runways and equipment and such other  
20 properties, movable and immovable, currently

1 administered by or belonging to the Francisco Bangoy  
2 International Airport, as valued on the date of the  
3 effectivity of this Act;

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

7 (c) Government contribution in such amount as may  
8 be deemed an appropriate initial balance. Such initial  
9 amount, as approved by the President of the Philippines,  
10 which shall be more or less equivalent to six (6) months  
11 working capital requirement of the Authority, is hereby  
12 authorized to be appropriated in the annual General  
13 Appropriations Act of the year following the effectivity of  
14 this Act. Thereafter, the government contribution to the  
15 capital of the Authority shall be provided for in the annual  
16 General Appropriations Act.

17 SEC. 10. *Resident Auditor.* – The Commission on  
18 Audit shall appoint a representative who shall be the  
19 auditor of the Authority, together with the necessary  
20 personnel to assist said representative in the performance

1 of his duties. The number and salaries of the auditor and  
2 said personnel shall be determined by the chairman of the  
3 Commission on Audit, subject to the rules and regulations  
4 of the Commission on Audit.

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

10 SEC. 11. *Annual Report.* – An annual report of the  
11 activities and operations of the Authority, together with  
12 the audit report shall be submitted by the Board to the  
13 President of the Philippines and both Houses of Congress  
14 of the Philippines through the DOTr and through posting  
15 of the said report in a website made for the Authority.

16 SEC. 12. *Applicability of Civil Service Laws.* – The  
17 Authority and its officials and employees shall be subject to  
18 the existing civil service laws and its rules and regulations.

19 SEC. 13. *Borrowing Power.* – The Authority may, in  
20 accordance with Section 21, Article XII of the Constitution

1 and other existing laws, rules and regulations on local or  
2 foreign borrowing, raise funds, either from local or  
3 international sources, by way of loans, credit or securities,  
4 and other financing instruments with the power to create  
5 pledges, mortgages and other voluntary liens or  
6 encumbrances on any of its assets or properties, subject to  
7 the prior approval of the President of the Philippines.

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



1 National Government subject to the approval of the  
2 President of the Philippines.

3 SEC. 14. *Tax Exemptions.* – The Authority shall be  
4 exempt from realty taxes imposed by the local government  
5 or any of its political subdivisions, agencies and  
6 instrumentalities for the first ten (10) years of its  
7 operations: *Provided,* That no tax exemption herein  
8 granted shall extend to any subsidiary which may be  
9 organized by the Authority.

10 SEC. 15. *Transfer of Existing Facilities and Intangible*  
11 *Assets.* – All existing public airport facilities, runways,  
12 lands, buildings and other properties, movable or  
13 immovable, belonging to or presently administered by the  
14 Francisco Bangoy International Airport, and all assets,  
15 powers, rights, interests and privileges relating to airport  
16 works or air operations, including all equipment which are  
17 necessary for the operation of air navigation, aerodrome  
18 control towers, crash, fire, and rescue facilities are hereby  
19 transferred to the Authority: *Provided, however,* That the  
20 operational control of all equipment necessary for the

1 operation of radio aids to air navigation, airways  
2 communication, the approach control office, and the area  
3 control center shall be retained by the CAAP. No  
4 equipment, however, shall be removed by the CAAP from  
5 Francisco Bangoy International Airport without the  
6 concurrence of the Authority. The Authority shall be  
7 responsible for the maintenance and repair of all airport  
8 assets and equipment transferred to the Authority by this  
9 Act.

10       SEC. 16. *Projects in Progress.* – All on-going projects  
11 relating to the construction of Francisco Bangoy  
12 International Airport facilities and supply of equipment  
13 shall be administered and undertaken by the Authority.

14       SEC. 17. *Transfer of Liabilities and Debts.* – Upon the  
15 transfer to and acceptance by the Authority of the existing  
16 physical facilities, intangible assets and completed projects  
17 referred to in the preceding sections, all debts, liabilities,  
18 and obligations of government agencies or entities  
19 concerned in respect of such physical facilities, tangible  
20 assets and completed projects within the Francisco Bangoy

1 International Airport shall likewise be assumed by the  
2 Authority.

3 SEC. 18. *Transitory Provision.* – The General  
4 Manager of the Francisco Bangoy International Airport  
5 shall continue in office and shall perform all powers and  
6 functions of the Authority until such time as the General  
7 Manager is appointed in accordance with the provisions of  
8 this Act. Officials and employees whose services are  
9 terminated shall, if not eligible for retirement, be given  
10 gratuities equivalent to one (1) month salary for every year  
11 of continuous satisfactory service on the basis of the  
12 highest salary received in addition to other benefits  
13 accorded to them by existing laws.

14 SEC. 19. *Repealing Clause.* – All laws, executive  
15 orders, letters of instruction, rules and regulations, or  
16 provisions thereof which are inconsistent with the  
17 provisions of this Act are hereby repealed, amended or  
18 modified accordingly.

19 SEC. 20. *Separability Clause.* – If any provision or  
20 part of this Act is declared invalid or unconstitutional,

1    such parts or provisions not affected thereby shall remain  
2    in full force and effect.

3           SEC. 21. *Effectivity.* – This Act shall take effect fifteen  
4    (15) days after its publication in the *Official Gazette* or in a  
5    newspaper of general circulation.

          Approved,