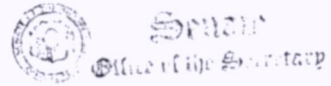


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

**SENATE**

**S. No. 891**



19 AUG 13 A9:23

**Introduced by SENATOR RAMON BONG REVILLA, JR.**

**AN ACT  
CREATING THE AKLAN AIRPORT AUTHORITY, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

With its white sand, talcum-fine beach, and crystalline waters, Boracay of the province of Aklan, is no doubt one of the top tourist destinations of the Philippines. It is worldly famous for its beautiful white sand and its party scenery. Business activities also flourish in the island which cater to foreign and local visitors.

Due to the high number of both domestic and foreign tourist arrivals coming to the island daily, the volume of passenger air traffic plying the Kalibo-Manila-Kalibo, Manila-Caticlan-Manila, and Kalibo-Cebu-Kalibo routes have greatly grown. Thus, there is a need to improve, expand, and upgrade the facilities in the two airports including night landing and all weather airport equipment and system, to cope with the demands of tourism and maximize the business and trade brought about by the same.

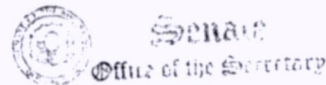
This bill then seeks to establish the Aklan Airport Authority to oversee the economical, efficient and effective control, management and supervision of the Kalibo Airport in the Municipality of Kalibo and the Caticlan Airport in the Municipality of Malay, both in Aklan.

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



**RAMON BONG REVILLA, JR.**

**SENATE**  
**S. No. 891**



'19 AUG 13 A9:24

**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT**  
**CREATING THE AKLAN AIRPORT AUTHORITY, AND FOR OTHER PURPOSES**

*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 as the “Charter of the Aklan  
2 Airport Authority”.

3 Sec. 2. *Creation of the Aklan Airport Authority.* – There is hereby established  
4 a body corporate to be known as Aklan Airport Authority which shall be attached to  
5 the Department of Transportation and Communications. The principal office of the  
6 Authority shall be located at Kalibo, Province of Aklan.

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

9 Sec. 3. *Primary Purpose and Objectives.* – The Authority shall principally  
10 undertake the economical, efficient and effective control, management and  
11 supervision of the Kalibo Airport in the Municipality of Kalibo and the Caticlan Airport  
12 in the Municipality of Malay, herein after collectively referred to as the airports, such  
13 as either airports as may be established in the province of Aklan. In addition, it shall  
14 have the following objectives:

- 15 a) To encourage, promote and develop international and air traffic in the  
16 central and western Visayas regions as a means of making the regions  
17 centers of international trade and tourism, and accelerating the  
18 development of the means of transportation and communication in the  
19 country; and



1           b) To upgrade the services and facilities of the airports and to formulate  
2           internationally acceptable standards of airports accommodation and service.

3           Sec. 4. *Functions, Powers and Duties.* – The Authority shall have the following  
4 functions, powers and duties:

5           a) To formulate a comprehensive and integrated development policy and  
6           programs of the airport and to implement, review and update such policy  
7           and program periodically;

8           b) To control supervise, construct, maintain, operate and provide such facilities  
9           or services as shall be necessary for the efficient functioning of the airports;

10          c) To promulgate rules and regulations governing the planning, development  
11          maintenance, operation and improvement of the airports, and to control and  
12          supervise the construction of any structure of the rendition of any service  
13          within the airports;

14          d) To exercise all the power of a corporation under the Corporation Code of  
15          the Philippines, insofar as those powers are not inconsistent with the  
16          provisions of this Act;

17          e) To acquire, purchase, own administer, lease, mortgage, sell or otherwise  
18          dispose of any land, building, airport facility, or property of whatever kind  
19          and nature, whether movable or immovable, or any interest therein:  
20          Provided that, any asset located in the Kalibo Airport important to national  
21          security shall not be subject to alienation or mortgage by the Authority nor  
22          to transfer to any entity other than the National government;

23          f) To exercise the power of eminent domain in the pursuit of its purposes and  
24          objectives;

25          g) To levy and collect dues, charges, fees or assessment of the use of airport  
26          premises, works, appliances, facilities or concessions, or for any service  
27          provided by the Authority;

28          h) To retain and appropriate dues, and charges collected by the Authority  
29          relative to the use of airport premises for such measures as may be  
30          necessary to make the Authority more effective in the discharge of its  
31          assigned tasks;

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

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

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

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

14 b) Regulating the entry to, exit from and movement within the airports;

15 c) Maintenance of peace and order within the premises of Authority;

16 d) Regulation and supervision of private security agencies operating in the  
17 airports;

18 e) Enforcement of the rules and regulations promulgated by the Authority  
19 pursuant to law; and

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

23 *Sec. 6. Composition of the Board.* – The corporate powers of the Authority  
24 shall be exercised by the board of eleven (11) members, which shall be composed of  
25 a chairman a vice chairman and nine (9) members. The Secretary of Transportation  
26 and Communication and the General Manager of the Authority shall be the ex officio  
27 chairman and vice chairman of the boards, respectively. The Secretary of Finance, the  
28 Secretary of Tourism, The Chief of Staff of the Armed Forces of the Philippines, the  
29 Commissioner of Immigration and Deportation, and the Provincial Governor of Aklan,  
30 or their duly authorized representatives shall be ex-officio members together with four



1 (4) members from the private sector who shall be residents of Aklan to be appointed  
2 by the board upon recommendation of the provincial Governor.

3 The Board shall promulgate its rules relative to meetings, quorum requirements  
4 and compensation or allowances of the members, provided, that said compensation  
5 or allowance shall be in accordance with existing rules and regulation.

6 *Sec. 7. Functions, Powers, and Duties of the Board.* – In addition to the powers  
7 vested in the Board under the other sections of this Act, the board shall have the  
8 following functions, powers and duties;

- 9 a) To define and approve the programs, plans, policies, procedure, and II  
10 guidelines of the Authority who shall be done by the Chief Executive  
11 Officer of the Authority;
- 12 b) To recommend to the President of the Philippines for the appointment,  
13 a general manager of the Authority who shall be the Chief Executive  
14 Officer of the Authority;
- 15 c) To approve the Authority's organizational and administrative structure,  
16 staffing pattern, operating and capital expenditures, and financial  
17 budgets upon recommendation of the General Manager;
- 18 d) To approve the salary ranges, benefits and other terms and condition of  
19 service for all officers and employees of the authority upon  
20 recommendation of the General Manager, which shall be subjected to  
21 existing laws, rules and regulation;
- 22 e) To fix the rates of dues, charges, fees or assessments for the use of the  
23 airport premises, works, appliances, facilities, concessions, services and  
24 other fees and charges related to the activities of the airport, upon  
25 recommendation of the general manager, and
- 26 f) To exercise all functions and powers necessary or incidental to attain the  
27 purpose and objectives of this Act.

28 *Sec. 8. Functions, Powers and Duties of the General Manager.* - The General  
29 Manager shall be directly responsible to the Board and shall have the following  
30 functions, power and duties:

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

20 Sec. 9. *Capital.* – The Authority shall have an authorized capital stock equal to  
21 or consisting of:

- 22 a) The value or fixed assets (including airport facilities, runways and  
23 equipment) and such other properties, movable, currently administered  
24 by or belonging to the airports as valued on the date of the effectivity of  
25 this Act;
- 26 b) The value of such real estate owned and/or administered by the airports;
- 27 c) Government contribution in such amount as maybe deemed an  
28 appropriate initial amount, as approved by the president of the  
29 Philippines which shall be more or less equivalent to sixty (60) months  
30 working capital requirement of the requirement of the Authority shall be  
31 provided for the General Appropriations Act.



1           Sec. 10. *Distribution of Income.* – Should the Authority operate with a profit,  
2 the net income shall be distributed as follows:

- 3           a) Thirty Percent (30%), shall be remitted to the National Government;
- 4           b) Ten Percent (10%) shall be remitted to the Provincial Government;
- 5           c) Five Percent (5%) shall be remitted to the Municipal Government of  
6           Kalibo; and
- 7           d) Fifty-Five Percent (55%) shall be retained by the Aklan Airport Authority  
8           for capital and other improvement.

9           Sec. 11. *Auditor.* –The Commission on Audit may appoint a representative who  
10 shall be the auditor of the Authority together with the necessary personnel to assist  
11 said representative in the performance of his duties the number and salaries of the  
12 auditor and said personnel shall be determined by the chairman if the Commission on  
13 Audit in accordance with the revised compensation and position classification system  
14 and other applicable laws, rules and regulation.

15           The Auditor shall as soon as possible but not later than three (3) months after  
16 the accounts have been submitted for audit, send annual report to the Board. The  
17 Auditor may also submit such periodic and special reports as the Board deem  
18 necessary.

19           Sec. 12. *Annual Report.* – The Board shall submit to the President through the  
20 Department of Transportation and Communication and both Houses of Congress of  
21 the Philippines, together with the audit report of the relevant accounts, an annual  
22 report generally dealing with the activities and operations of the Authority.

23           Sec. 13. *Applicability of the Civil Service Laws.* - The Authority and its officials  
24 and employees shall be subjected to the civil service laws and its rules and regulations.

25           Sec. 14. *Borrowing Power.* - The Authority may, in accordance with existing  
26 laws, rules, and regulations on local and foreign borrowing, raise, either from local or  
27 international sources, by way of loans, credits or securities, and other borrowing  
28 instrument with the power to create the pledges, mortgages and other voluntary liens  
29 or encumbrances or any of its assets or properties upon recommendation of the  
30 Secretary of the Transportation and Communications and subject to the prior approval  
31 of the President of the Philippines.

1 All loans contracted by the Authority under this section together with all  
2 interests and other sums payable in respect thereof shall constitute a charge upon all  
3 revenues and assets of the Authority and shall rank equally with one another, but shall  
4 have priority over any other claim on charge on the revenue and assets of the  
5 authority; Provided, that this provision shall not be constructed as a prohibition or  
6 restriction on the power of the authority to create pledges, mortgages and voluntary  
7 liens or encumbrances on any assets or property of the Authority.

8 The Payment of the loans or other indebtedness of the Authority may be  
9 guaranteed by the National Government subject to the approval of the President of  
10 the Philippines.

11 Sec. 15. *Tax Exemption.* - The Authority shall be exempt from the payment of  
12 corporate income taxes. The Authority shall likewise be exempt from realty taxes  
13 imposed by the National Government or any of its political subdivisions, agencies and  
14 subsidiary which may be organized by the authority shall be for period of five (5) years  
15 from the effectivity of this Act.

16 Sec. 16. *Transfer of Existing Facilities and Intangible Assets.* - All existing public  
17 airport facilities, runways, lands, buildings and other properties movable and  
18 immovable belonging to or presently administered by the airports, and all assets,  
19 powers, rights, interest or privileges relating to airport works or air operation, including  
20 all equipment which are necessary for operation of the air navigation, air traffic control  
21 and crash fire, and rescue facilities are hereby transferred to the Authority.

22 Sec. 17. *Projects in Progress.* - All ongoing projects relating to the construction  
23 of airport facilities shall be continued by agency or agencies involved until their  
24 completion thereafter such projects shall be transferred to the Authority in accordance  
25 with agreement among agencies concerned. Any disagreement relating to such  
26 transfer shall be submitted to the President of the Philippines for final decision.

27 Sec. 18. *Transfer Liabilities and Debts.* - Upon transfer to and acceptance by  
28 the Authority of the physical facilities, intangible assets and completed projects  
29 referred to in the preceding sections, all debts, liabilities and obligations of government  
30 agencies or entities concerned in respect of such physical facilities, tangible assets and  
31 completed projects within the airports shall likewise be assumed by the Authority.



1           Sec. 19. *Funding.* - The amount necessary to initially pay for the capital stock  
2 of the Authority shall be included in the General Appropriations Act of the year  
3 following its approval. Thereafter, subsequent government contribution to the capital  
4 of the Authority shall be included in the General Appropriations Act.

5           Sec. 20. *Abolition of Kalibo Airport as a Division of the Air Transportation Office.*  
6 – The Kalibo Airport including the Caticlan Airport as a division under the Air  
7 Transportation Office is hereby abolished. The Airport General Manager of the Kalibo  
8 Airport shall continue in office and shall perform all powers and functions of the  
9 Authority until such time as the General Manager is appointed for the smooth transfer  
10 of responsibility from the abolished entity to the Authority; Provided, that no official  
11 or employee shall be terminated; and Provided further, that existing personnel shall  
12 have the option either to be absorbed by the Authority or remain with the Air  
13 Transportation Office.

14           Sec. 21. *Repealing Clause.* - All laws, executive orders, letters of instructions,  
15 rules and regulations or provisions thereof which are inconsistent with this Act are  
16 hereby repealed, amended or modified accordingly.

17           Sec. 22. *Separability Clause.* - If any portion of this Act shall be held invalid or  
18 unconstitutional, such invalidity or unconstitutionality shall not affect the other  
19 provisions hereof which shall remain in full force effect.

20           Sec. 23. *Effectivity Clause.* - This act shall take effect fifteen (15) days after its  
21 publication in two (2) newspapers of general circulation.

22  
23           *Approved,*