

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

SENATE

S.B. No. 1376

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Introduced by Senator Loren Legarda

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EXPLANATORY NOTE


This bill 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.

The world famous resort of Boracay in the Province of Aklan is one of the top tourist destinations of the Philippines. Business activities also flourished in the area to cater to foreign and local visitors.

Volumes of passenger air traffic plying the Kalibo-Manila-Kalibo, Manila-Caticlan-Manila, and Kalibo-Cebu-Kalibo routes have steadily grown due to both domestic and foreign tourist arrivals. 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.

Through the passage of this bill, such need will be addressed.

In view of the foregoing, immediate passage of the bill is earnestly sought.



LOREN LEGARDA  
Senator

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SENATE

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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. Title.** - This Act shall be known and cited as the "Charter of the  
2 **Aklan Airport Authority."**

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

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

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

- 18  
19           (a) To encourage, promote and develop international and air traffic in the central  
20 and western Visayas regions as a means of making regions centers of  
21 international communication in the country; and

1 (b) To upgrade the services the facilities of the airports and formulate  
2 international acceptable standards of airports accommodation and service.  
3

4 **Sec. 4. Functions, Powers and Duties.** - The Authority shall have the  
5 following, powers and duties:  
6

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

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

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

16 (d) To exercise all the power of the Corporation Code of the Philippines, insofar  
17 as those powers are not consistent with the provisions of this Act;

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

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

26 (g) To levy and collect dues, charges, fees or assessments of the use of the airport  
27 premises works, appliances, facilities or concession, or for any service  
28 provided by the Authority.

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

33 (i) To invest its idle funds, as it may deem proper in government securities and  
34 other evidence of indebtedness: and

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

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

12 (a) Maintenance of security to passengers, cargoes, aircraft, airport, equipment,  
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  
21 national security within the airport premises, the Philippine Air Force  
22 Security Command shall take charge.  
23

24 **Sec. 6. Boards of Directors.** - The corporate powers of the Authority shall be  
25 exercised by the board of eleven (11) members, which shall be composed of a  
26 chairman a vice chairman and nine (9) members. The Secretary of Transportation  
27 and Communication and the General Manager of the Authority shall be the ex-  
28 officio chairman and vice chairman of the boards, respectively. The Secretary of  
29 Finance, the Secretary of Tourism, The Chief of Staff of the Armed Forces of the  
30 Philippines, the Commissioner of Immigration and Deportation, and the Provincial  
31 Governor of Aklan, or their duly authorized representatives shall be ex-officio  
32 members together with four (4) members from the private sector who shall be  
33 residents of Aklan to be appointed by the board upon recommendation of the  
34 provincial Governor.

35 The Board shall promulgate its rules relative to meetings, quorum  
36 requirements and compensation or allowances of the members, provided, that said

1 compensation or allowance shall be in accordance with existing rules and  
2 regulation.

3  
4 **Sec. 7. Functions, Powers, and Duties of the Board.** - In addition to the  
5 powers vested in the Board under the other sections of this Act, the board shall have  
6 the following functions, powers and duties;

- 7  
8 (a) To define and approve the programs, plans, policies, procedure, and  
9 guidelines of the Authority who shall be done by the Chief Executive Officer  
10 of the Authority;
- 11 (b) To recommend to the President of the Philippines for the appointment, a  
12 general manager of the Authority who shall be the Chief Executive Officer of  
13 the Authority;
- 14 (c) To approve the Authority's organizational and administrative structure,  
15 staffing pattern, operating and capital expenditures, and financial budgets  
16 upon recommendation of the General Manager ;
- 17 (d) To approve the salary ranges, benefits and other terms and condition of  
18 service for all officers and employees of the authority upon recommendation  
19 of the General Manager, which shall be subjected to existing laws, rules and  
20 regulation;
- 21 (e) To fix the rates of dues, charges, fees or assessments for the use of the airport  
22 premises, works, appliances, facilities, concessions, services and other fees  
23 and charges related to the activities of the airport, upon recommendation of  
24 the general manager, and
- 25 (f) To exercise all functions and powers necessary or incidental to attain the  
26 purpose and objectives of this Act.

27  
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:

- 31  
32 (a) To direct and supervise the day-to-day management, operation and  
33 administration of the airports;
- 34 (b) To implement and enforce decisions, orders, rules and regulations issues,  
35 prescribed or adopted by the Board;

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

15  
16 **Sec. 9. Capital.** - The Authority shall have an authorized capital stock equal  
17 to or consisting of:

- 18  
19 (a) The value of fixed assets (including airport facilities, runways and  
20 equipment) and such other properties, movable, currently administered by or  
21 belonging to the airports as valued on the date of the effectivity of this Act;
- 22 (b) The value of such real estate owned and/or administered by the airports;
- 23 (c) Government contribution in such amount as maybe deemed an appropriate  
24 initial amount, as approved by the president of the Philippines which shall be  
25 more or less equivalent to sixty (60) months working capital requirement of  
26 the requirement of the Authority shall be provided for the General  
27 Appropriations Act.

28  
29 **Sec. 10. Distribution of Income.** - Should the Authority operate with a profit,  
30 the net income shall be distributed as follows:

- 31  
32 (a) Thirty Percent (30%), shall be remitted to the National Government;
- 33 (b) Ten Percent (10%) shall be remitted to the Provincial Government;
- 34 (c) Five Percent (5%) shall be remitted to the Municipal Government of Kalibo;  
35 and

1 (d) Fifty-Five Percent (55%) shall be retained by the Aklan Airport Authority for  
2 capital and other improvement.  
3

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

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

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

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

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  
27 or 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  
29 liens 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  
31 approval of the President of the Philippines.  
32

33 All loans contracted by the Authority under this section together with all  
34 interests and other sums payable in respect thereof shall constitute a charge upon all  
35 revenues and assets of the Authority and shall rank equally with one another, but  
36 shall have priority over any other claim on charge on the revenue and assets of the

1 authority; *Provided*, that this provision shall not be constructed as a prohibition or  
2 restriction on the power of the authority to create pledges, mortgages and voluntary  
3 liens or encumbrances on any assets or property of the Authority.

4 The Payment of the loans or other indebtedness of the Authority may be  
5 guaranteed by the National Government subject to the approval of the President of  
6 the Philippines.

7  
8 **Sec. 15. *Tax Exemption.*** - The Authority shall be exempt from the payment of  
9 corporate income taxes. The Authority shall likewise be exempt from realty taxes  
10 imposed by the National Government or any of its political subdivisions, agencies  
11 and subsidiary which may be organized by the authority shall be for period of five  
12 (5) years from the effectivity of this Act.

13  
14 **Sec. 16. *Transfer of Existing Facilities and Intangible Assets.*** - All existing  
15 public airport facilities, runways, lands, buildings and other properties movable and  
16 immovable belonging to or presently administered by the airports, and all assets,  
17 powers, rights, interest or privileges relating to airport works or air operation,  
18 including all equipment which are necessary for operation of the air navigation, air  
19 traffic control and crash fire, and rescue facilities are hereby transferred to the  
20 Authority.

21  
22 **Sec. 17. *Projects in Progress.*** - All ongoing projects relating to the  
23 construction of airport facilities shall be continued by agency or agencies involved  
24 until their completion thereafter such projects shall be transferred to the Authority  
25 in accordance with agreement among agencies concerned. Any disagreement  
26 relating to such transfer shall be submitted to the President of the Philippines for  
27 final decision.

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

35



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  
4 capital of the Authority shall be included in the General Appropriations Act.  
5

6           **Sec. 20. Abolition of Kalibo Airport as a Division of the Air Transportation**  
7 **Office.** – The Kalibo Airport including the Caticlan Airport as a division under the  
8 Air Transportation Office is hereby abolished. The Airport General Manager of the  
9 Kalibo Airport shall continue in office and shall perform all powers and functions of  
10 the Authority until such time as the General Manager is appointed for the smooth  
11 transfer of responsibility from the abolished entity to the Authority; *Provided*, that no  
12 official or employee shall be terminated; and *Provided further*, that existing personnel  
13 shall have the option either to be absorbed by the Authority or remain with the Air  
14 Transportation Office.  
15

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

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

23           **Sec. 23. Effectivity Clause.** – This act shall take effect fifteen (15) days after its  
24 publication in two (2) newspapers of general circulation.  
25

26           Approved,