



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

17 September 2019

CUSTOMS MEMORANDUM CIRCULAR
NO. 223 - 2019

To: The Assistant Commissioner
All Deputy Commissioners
All Directors and Division Chiefs
All District/Port Collectors
And Others Concerned

SUBJECT: Republic Act No. 11457

Attached is the letter dated 09 September 2019 of Atty. Concepcion Zeny E. Ferrolino-Enad, Director IV, Office of the President, Malacañang Records Office endorsing a copy of Republic Act No. 11457 which was approved on 30 August 2019 entitled:

"An Act Creating the Davao International Airport Authority, Transferring Existing Assets of Francisco Bangoy International Airport to the Authority Vesting the Authority with Power to Administer and Operate the Francisco Bangoy International Airport and Appropriating Funds Therefor".

For your information and guidance.

For record purposes, please confirm the dissemination of this circular throughout your offices within fifteen (15) days from receipt hereof.


REY LEONARDO B. GUERRERO

Commissioner

SEP 25 2019



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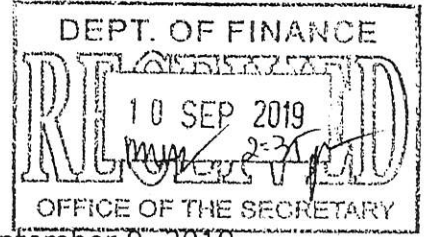
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Approved by: *LOREY REYES*
8/21/19



Office of the President
of the Philippines
Malacañang

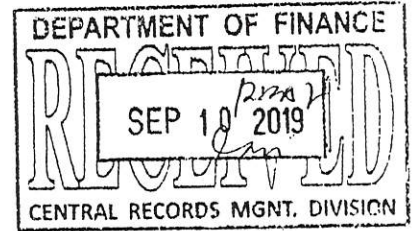
TO: AU USEC, COS/ASSEC
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MALACAÑANG RECORDS OFFICE



Manila, September 9, 2019

SECRETARY CARLOS G. DOMINGUEZ III
Department of Finance
Manila



Sir:

I have the honor to transmit for your information and guidance certified copies of the following Republic Acts:

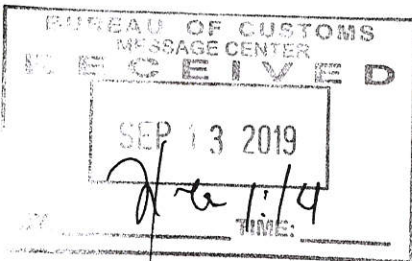
1. Republic Act No. 11453 which was approved on August 30, 2019 entitled "AN ACT FURTHER STRENGTHENING THE POWERS AND FUNCTIONS OF THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 9728, OTHERWISE KNOWN AS THE "FREEPORT AREA OF BATAAN (FAB) ACT OF 2009".
2. Republic Act No. 11457 which was approved on August 30, 2019 entitled "AN ACT CREATING THE DAVAO INTERNATIONAL AIRPORT AUTHORITY, TRANSFERRING EXISTING ASSETS OF FRANCISCO BANGOY INTERNATIONAL AIRPORT TO THE AUTHORITY, VESTING THE AUTHORITY WITH POWER TO ADMINISTER AND OPERATE THE FRANCISCO BANGOY INTERNATIONAL AIRPORT AND APPROPRIATING FUNDS THEREFOR".



BOC-09-06596

Thank you.

Very truly yours,



Atty. *Concepcion*
ATTY. CONCEPCION ZENY E. FERROLINO-ENAD
Director IV

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S. No. 2168
H. No. 8691

Republic of the Philippines
Congress of the Philippines
Metro Manila
Seventeenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.

[REPUBLIC ACT No. 11457]

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

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 and cited as the “Charter of the Davao International Airport Authority”.

SEC. 2. *Creation of the Davao International Airport Authority.* – There is hereby established a body corporate to be known as the Davao International Airport Authority, hereinafter referred to as the “Authority”, which shall be attached to the Department of Transportation (DOTr). The

principal office of the Authority shall be located at the Francisco Bangoy International Airport in Davao City.

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

SEC. 3. Objectives. – The Authority shall principally undertake the economical, efficient and effective control, management and supervision of the Francisco Bangoy International Airport in Davao City, the existing airports in the Davao Region, and such other airports as may thereafter be established in any of the provinces of the same region.

In addition, the Authority shall have the following objectives:

(a) Encourage, promote and develop international and domestic air traffic in Davao Region as a means of making the region a center of international trade and tourism, and accelerating the development of the means of transportation and communications in the country; and

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

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

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

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

(c) Promulgate rules and regulations governing the planning, development, maintenance, operation and

improvement of the Francisco Bangoy International Airport, and control and supervise the construction of any structure or the rendition of any service within the Francisco Bangoy International Airport;

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

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

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

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

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

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

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

Department of Finance, Department of Justice, Department of Health, Department of Agriculture and Department of Tourism. An appointive nonelective official of Davao City, to be designated by the Mayor of Davao City shall be the last *ex officio* member of the Board.

In addition, seven (7) members from the private sector who are residents of the provinces and cities of the Davao Region shall be appointed by the President of the Philippines for a term of one (1) year, subject to the existing rules and regulations of the Governance Commission on Government-Owned or -Controlled Corporations (GCG). Two (2) of the seven (7) private sector members shall come from the City of Davao. Davao del Sur, Davao del Norte, Davao Oriental, Davao Occidental and Compostela Valley shall have one (1) representative each. The mayor of Davao City and the governors of Davao del Sur, Davao del Norte, Davao Oriental, Davao Occidental and Compostela Valley shall submit to GCG lists of candidates who are of known probity, competence and integrity on airport management, aviation, finance, business, law and other related fields to represent their respective city and provinces in the Board.

The GCG after examining the lists following the fit and proper rule and the standards on integrity, experience, education, training and competence shall recommend to the President a list of four (4) qualified candidates from each province and city, from this list shall be selected two (2) candidates for the City of Davao and one (1) candidate from each of the provinces, who shall be appointed by the President of the Philippines as the authorized representative of the respective city and provinces in the Board.

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

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

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

- (a) Maintenance of security to passengers, cargoes, aircraft, airport equipment, structures, facilities, personnel, funds and documents;
- (b) Regulation of the entry to, exits from and movement within the airports;
- (c) Maintenance of peace and order within the premises of the Francisco Bangoy International Airport;
- (d) Regulation and supervision of private security agencies operating in the Francisco Bangoy International Airport;
- (e) Enforcement of rules and regulations promulgated by the Authority pursuant to law; and
- (f) In case of emergencies or imminent danger involving national security within the airport premises, the Philippine Air Force Security Command shall take charge.

SEC. 6. *Board of Directors.* – The corporate powers of the Authority shall be exercised by and vested in the Board of Directors which shall be composed of a Chairman, a Vice-Chairman and thirteen (13) members. The Secretary of the DOTr and the General Manager of the Authority shall be the *ex officio* Chairman and Vice-Chairman of the Board, respectively.

The Director General or the duly appointed representative of the Civil Aviation Authority of the Philippines (CAAP) and the Secretaries of the following executive departments or any Undersecretary or Assistant Secretary designated by the respective Secretaries shall be *ex officio* members, to wit:

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

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

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

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

(e) Fix the rate of dues, charges, fees, or assessments for the use of airport premises, works, appliances, facilities, concessions, services and other fees and charges related to the activities of the airports, upon recommendation of the General Manager; and

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

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

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

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

(c) Undertake researches, studies, investigations and other activities related to the present operations and future improvement of the Francisco Bangoy International Airport.

and submit comprehensive reports and appropriate recommendations to the Board for proper action;

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

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

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

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

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

(a) The value of fixed assets, including airport facilities, runways and equipment and such other properties, movable and immovable, currently administered by or belonging to the Francisco Bangoy International Airport, as valued on the date of the effectivity of this Act;

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

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

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on the revenue and assets of the Authority: *Provided*, That this provision shall not be construed as a prohibition or restriction on the power of the Authority to create pledges, mortgages and other voluntary liens or encumbrances on any asset or property of the Authority. The payment of the loans or other indebtedness of the Authority may be guaranteed by the National Government subject to the approval of the President of the Philippines.

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

SEC. 15. *Transfer of Existing Facilities and Intangible Assets.* - All existing public airport facilities, runways, lands, buildings and other properties, movable or immovable, belonging to or presently administered by the Francisco Bangoy International Airport, and all assets, powers, rights, interests and privileges relating to airport works or air operations, including all equipment which are necessary for the operation of air navigation, aerodrome control towers, crash, fire, and rescue facilities are hereby transferred to the Authority: *Provided, however*, That the operational control of all equipment necessary for the operation of radio aids to air navigation, airways communication, the approach control office, and the area control center shall be retained by the Civil Aviation Authority of the Philippines. No equipment, however, shall be removed by the Civil Aviation Authority of the Philippines from Francisco Bangoy International Airport without the concurrence of the Authority. The Authority shall be responsible for the maintenance and repair of all airport assets and equipment transferred to the Authority by this Act.

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

SEC. 10. *Resident Auditor.* - The Commission on Audit shall appoint a representative who shall be the auditor of the Authority, together with the necessary personnel to assist said representative in the performance of his duties. The number and salaries of the auditor and said personnel shall be determined by the Chairman of the Commission on Audit, subject to the rules and regulations of the Commission on Audit.

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

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

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

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

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

SEC. 17. *Transfer of Liabilities and Debts.* – Upon the transfer to and acceptance by the Authority of the existing physical facilities, intangible assets and completed projects referred to in the preceding sections, all debts, liabilities, and obligations of government agencies or entities concerned in respect of such physical facilities, tangible assets and completed projects within the Francisco Bangoy International Airport shall likewise be assumed by the Authority.

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

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

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

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

Approved,

GLORIA MACAPAGAL ARROYO

Speaker of the House of Representatives

VICENTE C. SOTTO III

President of the Senate

This Act which is a consolidation of Senate Bill No. 2168 and House Bill No. 8691 was passed by the Senate of the Philippines and the House of Representatives on June 4, 2019.

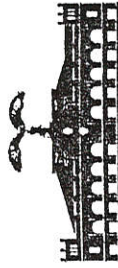
DANFE ROBERTO P. MAKLING
 Acting Secretary General
 House of Representatives

MYRA MARIE D. VILLARICA
 Secretary of the Senate

Approved: AUG 3 0 2019



RODRIGO ROA DUTERTE
 President of the Philippines



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 Atty. CONCEPCION ZENY E. FERROLINO-EMAD
 9-9-2019
 DIRECTOR IV