

Republic of the Philippines
Congress of the Philippines
Metro Manila

Third Regular Session

Begun and held in Metro Manila on Monday, the twenty fourth day of
July, nineteen hundred and eighty-nine.

REPUBLIC ACT NO. 6958

AN ACT CREATING THE MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY, TRANSFERRING EXISTING ASSETS OF THE MACTAN INTERNATIONAL AIRPORT AND THE LAHUG AIRPORT TO THE AUTHORITY, VESTING THE AUTHORITY WITH POWER TO ADMINISTER AND OPERATE THE MACTAN INTERNATIONAL AIRPORT AND THE LAHUG AIRPORT, AND FOR OTHER PURPOSES.

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

SECTION 1. Title — This Act shall be known and cited as the "Charter of the Mactan-Cebu International Airport Authority".

SEC. 2. Creation of the Mactan-Cebu International Airport Authority. — There is hereby established a body corporate to be known as the Mactan-Cebu International Airport Authority which shall be attached to the Department of Transportation and Communications. The principal office of the Authority shall be located at the Mactan International Airport, Province of Cebu.

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

SEC. 3. Primary Purposes and Objectives. — The Authority shall principally undertake the economical, efficient and effective control, management and supervision of the Mactan International Airport in the Province of Cebu and the Lahug Airport in Cebu City, hereinafter collectively referred to as the airports, and such other airports as may be established in the Province of Cebu. In addition, it shall have the following objectives:

(a) To encourage, promote and develop international and domestic air traffic in the central Visayas and Mindanao regions as a means of making the regions centers of international trade and tourism, and accelerating the development of the means of transportation and communications in the country: and

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

SEC. 4. Functions, Powers and Duties. — The Authority shall have the following functions, powers and duties:

(a) To formulate a comprehensive and integrated development policy and program for the airports and to implement, review and update such policy and program periodically;

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

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

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

(e) To 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 Mactan 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) To exercise the power of eminent domain in the pursuit of its purposes and objectives;

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

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

SEC. 5. Police Authority — The Authority shall have the power to exercise such police authority as may be necessary within the 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 deputation 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) Regulating the entry to exit from movement within the airports;

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

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

(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 a Board of eleven (11) members, which shall be composed of a Chairman, a Vice-Chairman and nine (9) members. The Secretary of Transportation and Communications and the General Manager of the Authority shall be the ex officio Chairman and Vice-Chairman of the Board, respectively. The Assistant Secretary of the Air Transportation Office 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: the Department of Finance, the Department of Justice and the Department of Tourism. In addition, four (4) members recommended by the Governor of the Province of Cebu shall be appointed by the President of the Philippines for a term of four (4) years from the private sector. The governor of the Province of Cebu or his duly authorized representative shall be the ninth member.

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

SEC. 7. Functions, Powers and Duties of the Board. — In addition to the powers vested in the Board under the other sections of this Act, the Board shall have the following functions, powers and duties:

(a) To define and approve the programs, plans, policies, procedures and guidelines of the Authority for the development and operation of the airports;

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

(c) To 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 existing laws, rules and regulations;

(d) To approved salary ranges, benefits and other terms and conditions of service for all officers and employees of the Authority, upon recommendation of the General Manager, which shall, as far as possible, be competitive with those offered in the private sector, subject to existing laws, rules and regulations;

(e) To 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) Generally, to exercise all the functions and powers necessary or incidental to attain the purposes and objectives of this Act.

SEC. 8. Functions, Powers and Duties of the General Manager. — The General Manager shall be directly responsible to the Board and shall have the following functions, powers and duties:

(a) To direct and supervise the day-to-day management, operation and administration of the airports;

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

(c) To undertake researches, studies, investigations and other activities related to the present operations and future improvement of the airports, and to submit comprehensive reports and appropriate recommendations to the Board for proper action;

(d) To 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, to execute contracts, incur obligations, acquire and dispose of assets, and deliver documents on behalf of the Authority;

(f) To 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) To 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. Capital. — The Authority shall have an authorized capital stock equal to and consisting of:

(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 airports as valued on the date of the effectivity of this Act;

(b) The value of such real estate owned and/or administered by the airports; 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 General Appropriations Act of the year following its enactment into law.

Thereafter, the government contribution to the capital of the Authority shall be provided for in the General Appropriation Act.

SEC. 10. 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. — The Board shall submit to the President of the Philippines through the Department of Transportation and Communications and to both Houses of the Congress of the Philippines, together with the audit report on the relevant accounts, an annual report generally dealing with the activities and operations of the Authority.

SEC. 12. Applicability of Civil Service Laws. — The Authority and its officials and employees shall be subject to the Civil Service Law and its rules and regulations.

SEC. 13. Borrowing Power. — The Authority may, in accordance with Section 21, Article XII of the Constitution and the 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 borrowing 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 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 National Government or any of its political subdivisions, agencies and instrumentalities: 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 airports, 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 Air Transportation Office. No equipment, however, shall be removed by the Air Transportation Office from Mactan without the concurrence of the Authority. The Authority may assist in the maintenance of the Air Transportation Office equipment.

SEC. 16. Projects in Progress. — All ongoing projects relating to the construction of airport facilities and supply of equipment shall be administered and undertaken by the Authority.

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 airports shall likewise be assumed by the Authority.

SEC. 18. Abolition of the Mactan International Airport as a Division in the Air Transportation Office. — The Mactan International Airport, including the Lahug Airport as a division under the Air Transportation Office, is hereby abolished. The Airport General Manager of the Mactan 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 for the smooth transfer of responsibility from the abolished entity to the Authority, as well as the determination of personnel to be retained: Provided, That all 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. Repealing 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. Separatively Clause. — If any portion hereof shall be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions which shall remain in full force and effect.

SEC. 21. Effectivity. — This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,

JOVITO R. SALONGA
President of the Senate

RAMON V. MITRA
Speaker of the House
of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on June 5, 1990 and June 6, 1990, respectively.

EDWIN P. ACOBA
Secretary of the Senate

QUIRINO D. ABAD SANTOS, JR.
Secretary of the House of
Representatives

Approved: July 31, 1990

CORAZON C. AQUINO
President of the Philippines