



**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN**



MEMORANDUM

FOR/TO : **The Directors**
Legal Affairs Service
Policy and Planning Service
Climate Change Service

The Executive Directors
Manila Bay Coordinating Office
Pasig River Coordinating and Management Office
River Basin Control Office
National Water Resources Board

The General Manager
Laguna Lake Development Authority

All Bureau Directors

The Regional Executive Directors
Regions III, IV-A, and NCR

FROM : **The Director**
Legislative Liaison Office

SUBJECT : **INVITATION TO TECHNICAL WORKING GROUP (TWG) MEETING ON THE CREATION OF MANILA BAY DEVELOPMENT AUTHORITY FROM THE COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION (CGEP) OF THE HOUSE OF REPRESENTATIVES**

DATE : 17 May 2024

In reference to electronic letter received by our Office, the Committee on Government Enterprises and Privatization (CGEP) of the House of Representatives is inviting the Department to its Technical Working Group (TWG) meeting on **22 May 2024, Wednesday, 10:00AM at Conference Room 3 & 4, Ramon V. Mitra Building, House of Representatives** to consolidate and refine the following legislative measures:

MEMO NO. 2024 - 455

- **HOUSE BILL NO. 2663** - AN ACT CREATING THE MANILA BAY, RIVERS, AND WATER AUTHORITY APPROPRIATING FUNDS THEREFOR (*Rep. Virgilio S. Lacson*); and
- **HOUSE BILL 6122** - AN ACT CREATING THE MANILA BAY DEVELOPMENT AUTHORITY, PRESCRIBING ITS POWERS, FUNCTIONS, AND DUTIES, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES (*Rep. Edwin L. Olivarez*).

In this regard, may we **request additional comments/recommendations on the abovementioned bills, if any**, in anticipation of the TWG meeting, as requested by the Committee. Kindly send them on or before **21 May 2024, at 5:00 PM** via email at denrlo@denr.gov.ph Further, kindly inform us of the name/s of the representative/s from your office who will participate in the Committee meeting so we may include him/her/them as resource person/s.

Attached herewith are the Letter invitation, Agenda, and House bills for your reference.


ROMIROSE B. PADIN

cc: Undersecretary for Special Concerns and Legislative Affairs



COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION

CTSS-I, Committee Affairs Department, 3rd Fl., RVM Building, House of Representatives, Constitution Hills, Quezon City
8931-5001 loc. 7727 • Direct: 8951-3028 • committee.governmententerprises@house.gov.ph • cgephrep@gmail.com

NOTICE OF TECHNICAL WORKING GROUP MEETING

15 May 2024

SECRETARY MARIA ANTONIA YULO LOYZAGA
Department of Environment & Natural Resources (DENR)
DENR Bldg. Visayas Avenue
Diliman, Quezon City

- Attention** :
- JACOB F. MEIMBAN, JR.**
Executive Director, Manila Bay Coordinating Office
 - JACQUELINE A. CAANCAN, CESO III**
Executive Director, Pasig River Coordinating and Management Office & Concurrent Director, Environmental Management Bureau
 - MARCIAL C. AMARO, JR. CESO II**
Director, Biodiversity Management Bureau
 - ROMIROSE B. PADIN**
Director, Legislative Liaison Office

Dear Secretary Loyzaga:

The Committee on Government Enterprises and Privatization (CGEP) would like to invite you to its Technical Working Group (TWG) meeting with the details indicated hereunder:

DATE/TIME	May 22, 2024 (Wednesday) 10:00 A.M. – 4:00 P.M.	VENUE	RVM Conference Rooms 3 & 4, Ramon V. Mitra Building House of Representatives, Quezon City
AGENDA	SUBSTITUTE BILL ON THE CREATION OF THE MANILA BAY DEVELOPMENT AUTHORITY <ul style="list-style-type: none">• House Bill No. 2663 by Rep. Virgilio S. Lacson• House Bill No. 6122 by Rep. Edwin L. Olivarez		

As a main stakeholder in the said measures, your input and expertise are earnestly requested.

Attached is the meeting agenda for your reference.

The Committee will furnish you the draft substitute bill copy on 20 May 2024 (Monday) afternoon.

Furthermore, we ask that you send your **list of meeting attendees and vehicle details** to committee.governmententerprises@house.gov.ph prior to the meeting.


For inquiries, you may contact Divina Mercedes Asis at 09190025660.

Thank you very much.

Very truly yours,

EDWIN L. OLIVAREZ
Chairperson

For the Chair:


MARLON T. VALENCIA
Service Director, CTSS 1
Concurrent Committee Secretary, CGEP



NINETEENTH CONGRESS
Second Regular Session

**COMMITTEE ON GOVERNMENT ENTERPRISES AND
PRIVATIZATION (CGEP)**

TECHNICAL WORKING GROUP MEETING

May 22, 2024 (Wednesday)
10:00 A.M. – 4:00 P.M.

*RVM Conference Rooms 3 & 4, Ramon V. Mitra Building
House of Representatives, Quezon City*

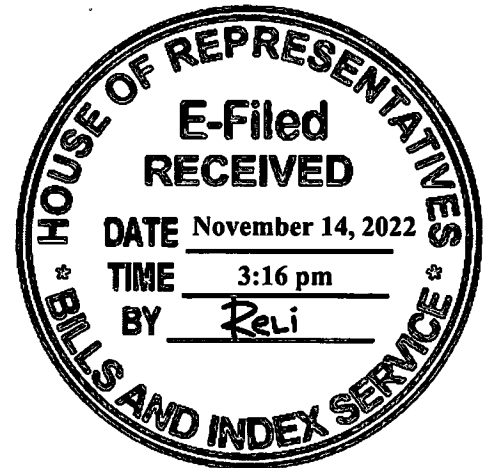
AGENDA

- I. CALL TO ORDER/ROLL CALL**
- II. ACKNOWLEDGMENT OF RESOURCE PERSONS/GUESTS**
- III. OPENING REMARKS**
TWG CHAIRPERSON VIRGILIO S. LACSON
- IV. REFINEMENT OF THE SUBSTITUTE BILL FOR THE FOLLOWING MEASURES:**
 - a. AN ACT CREATING THE MANILA BAY, RIVERS, AND WATERS AUTHORITY APPROPRIATING FUNDS THEREFOR**
House Bill No. 2663 by Rep. Virgilio S. Lacson
 - b. AN ACT CREATING THE MANILA BAY DEVELOPMENT AUTHORITY, PRESCRIBING ITS POWERS, FUNCTIONS, AND DUTIES, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**
House Bill No. 6122 by Rep. Edwin L. Olivarez
- V. ADJOURNMENT**

Republic of the Philippines
HOUSE OF REPRESENTATIVE
Constitution Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 6122



Introduced by: REPRESENTATIVE EDWIN L. OLIVAREZ

**AN ACT CREATING THE MANILA BAY DEVELOPMENT AUTHORITY,
PRESCRIBING ITS POWERS, FUNCTIONS, AND DUTIES, PROVIDING
FUNDS THEREFOR, AND FOR OTHER PURPOSES.**

EXPLANATORY NOTE

Throughout history, the Manila Bay has been the country's epicenter of commercial, industrial, shipping, fishing, aquaculture, and tourism activities. Famous for its scenic view and being one of the world's great harbors, the Manila Bay is a natural heritage and a witness to the country's historical events that shaped our culture. The Bay which encompasses a surface area of 1870 km² and a coastline of 190 kilometers which spans across Regions III, IV-A, and the National Capital Region (NCR), is a vital national asset, a prominent source of food, livelihood, employment, and leisure to a huge number of Filipinos.

The Manila Bay is also home to the Las Piñas Parañaque Wetland Park (LPPWP), formerly known as the Las Piñas Parañaque Critical Habitat and Ecotourism Area (LPPCHEA), the first critical habitat established in the country through President Proclamation No. 1412, issued on 22 April 2007, which existing mangrove, mudflats, and ecosystems were ensured to be protected by the State.

Forlornly, with the development in and around the Manila Bay throughout time, over-population, pollution from both land and sea sources, illegal, destructive, and over fishing, among others, threatened the sustainability of the bay and its diverse ecosystem.

With the issuance of the Supreme Court in the case of *Metro Manila Development Authority, et al. vs. Concerned Residents of Manila Bay, et al.* (G.R.

Nos. 171947-48, 18 December 2008 and 15 February 2011), of a Writ of Continuing Mandamus directing concerned government agencies and private entities to clean up, rehabilitate, preserve, restore, and maintain the waters of the Manila Bay to a level that is fit for swimming, skin-diving, and other forms of contact recreation, as well as to fully implement the Operational Plan for the Manila Bay Coastal Strategy (OPMBCS) pursuant to Section 19(c) of Republic Act No. 9275, steps were made by respective agencies and stakeholders.

To maintain such valiant efforts of these agencies and the private sector in the clean-up, rehabilitation, and conservation of the Manila Bay, there is a need for a law creating Manila Bay Development Authority which function is to promote and accelerate the sustainable development of Manila Bay while focusing on the maintenance of ecological balance and the protection and enhancement of its natural resources.



EDWIN L. OLIVAREZ

Republic of the Philippines
HOUSE OF REPRESENTATIVE
Constitution Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 6122

Introduced by: REPRESENTATIVE EDWIN L. OLIVAREZ

**AN ACT CREATING THE MANILA BAY DEVELOPMENT AUTHORITY,
PRESCRIBING ITS POWERS, FUNCTIONS, AND DUTIES, PROVIDING
FUNDS THEREFOR, AND FOR OTHER PURPOSES.**

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

CHAPTER I

DECLARATION OF POLICY AND CREATION OF AUTHORITY

SECTION 1. *Short Title.* - This Act shall be known as the "Manila Bay Development Authority Act."

SEC. 2. *Declaration of Policy.* - It is hereby declared to be the policy of the State to treat the Manila Bay Region as a special development and administrative region to promote and accelerate the sustainable development of Manila Bay while focusing on the maintenance of ecological balance and the protection and enhancement of its natural resources.

Towards this end, the State shall formulate and implement policies, plans, programs, and projects to ensure adequate provision for environmental management and control, the preservation of the quality of ecological systems, and the prevention of undue ecological disturbances, degradation, and pollution, with utmost regard and apposite provisions for the conservation, rehabilitation, preservation, restoration, and maintenance of the waters of the Manila Bay, consistent with the plans and

programs embodied in Republic Act No. 9275 (“Philippine Clean Water Act of 2004”), Republic Act No. 9003 or the “Ecological Solid Waste Management Act of 2000”, and other pertinent laws, and the *Writ of Continuing Mandamus* issued by the Supreme Court.

The State shall likewise ensure efficient, effective, orderly, and environmentally sound means of utilizing the wealth and natural resources of Manila Bay, encourage and promote the involvement of all sectors of society, and maximize people participation in natural resource management, conservation, and protection.

SEC. 3. *Creation of Manila Bay Development Authority.* - There is hereby created a government-owned and controlled corporation to be known as the Manila Bay Development Authority, hereinafter known as the “Authority”, to manage, develop, operate, preserve, and rehabilitate in accordance with the provisions of this Act the Manila Bay Development Zone, hereinafter referred to as the “Development Zone”.

The Authority shall exist for fifty (50) years counted from the effectivity of this Act.

The metes and bounds of the Development Zone shall include the entirety of Manila Bay encompassing the bay surface area of 1,870 kilometer square and coastline of 190 kilometers which spans across Regions III, IV-A, and the National Capital Region (NCR). The Development Zone may be extended by the President of the Philippines through an Executive Order.

The Development Zone shall be transformed into a self-sustaining commercial, financial, industrial, leisure, tourism, and investment center to generate employment opportunities and attract and promote local and foreign investments, while prioritizing the protection, preservation, and rehabilitation of the natural resources and biodiversity of Manila Bay: *Provided*, That the exercise of the Authority’s powers and functions shall in no way diminish the autonomy of the local government units (LGUs) concerning purely local matters within the framework and subject to the mandate and limitations of the Constitution and the pertinent provisions of the Local Government Code of 1991.

SEC. 4. *Location of Principal Office.* - The Authority shall maintain its principal office at a convenient place within the region, but it may have branch offices in such other places as are necessary for the proper conduct of its business.

SEC. 5. *Corporate Powers of the Authority.* - The Authority shall exercise the following powers and functions:

- a) To succeed on its corporate name;
- b) To sue and be sued in its corporate name;
- c) To adopt, alter, and use a corporate seal;
- d) To adopt, amend, and repeal its by-laws;
- e) To enter into contracts of any kind and description, to enable it to perform its purposes and functions under this Act;
- f) To acquire, buy, purchase, hold or lease, such personal and real property as it deems necessary or convenient in the transaction of its business and/or in relation with carrying out its purposes under this Act; and to lease, mortgage, sell, alienate, or otherwise encumber, utilize, exploit or dispose any such personal and real property held by it, subject to prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof.
- g) To exercise the right of eminent domain whenever the Authority deems it necessary for the attainment of its objectives under this Act;
- h) To borrow funds from any local or foreign financial institutions independent of the bonds it may issue or may continue to issue, to carry out the purposes of this Authority under this Act;
- i) To purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bond, securities, or other evidence of indebtedness created by any other corporation, co-partnership, or government agencies or instrumentalities; to exercise all the rights or ownership, including the right to vote thereon; *Provided*, That the Authority shall not invest its funds in any high risk debt instruments issued without recourse to commercial banks or investment houses, as well as in any highly speculative stocks;
- j) To perform any and all acts which a corporation, co-partnership, or natural person is authorized to perform under the law;
- k) To issue such rules and regulations as may be necessary to effectively carry out the powers and purposes herein provided including the plans, programs and projects of the Authority;
- l) To make a comprehensive survey of the physical and natural resources of the Development Zone, its social and economic conditions, hydrologic characteristics, power potentials, scenic and tourist spots, regional problems, and on the basis thereof, to draft a comprehensive and detailed plan designed to conserve and utilize optimally the resources within the Development Zone, and to implement the same including projects in line with said plan;

- m) To coordinate with the appropriate government agencies and the local government units (LGUs) concerned in the enforcement of its policies, rules, and regulations to ensure that plans, programs, and projects of all stakeholders are aligned with the developmental, management, and protection plans of the Authority;
- n) To regulate the maintenance of facilities, infrastructures, construction, and other services in the Development Zone, and fix reasonable rates and charges;
- o) To regulate in coordination with the concerned government agencies, the establishment, operation, and maintenance of public utilities, waste management systems, services, and infrastructure in the Development Zone such as shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, bridges, terminals, conveyors, water supply and storage, sewerage, drainage, economic aspect of air transportation, electricity and power supply, telecommunications facilities, and such other services or concessions or infrastructure, necessary or incidental to the accomplishment of the objectives of this Act;
- p) Identify and endorse the licensing of tourism projects: leisure, amusement, recreational, entertainment, eco-farm tourism and learning sites, medical tourism, and sports related activities, subject to priorities and standards set by law as implemented by concerned government agencies: *Provided*, That gaming facilities shall continue to be licensed by the Philippine Amusement and Gaming Corporation (PAGCOR) upon recommendation of the Authority: *Provided, furthermore*, That accreditation of eco-farm tourism and learning sites shall continue to be under the authority of the Department of Agriculture (DA) upon recommendation of the Authority: *Provided, finally*, That the designation and certification of hospitals and clinics for medical tourism purposes shall continue to be exercised by the DOH upon written endorsement of the Authority;
- q) Perform such other powers as may be necessary under existing laws to carry out the purposes of this Act.

SEC. 6. Board of Directors. - The powers of the Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of seventeen (19) members, as follows:

1. Chairperson of the Board to be appointed by the President of the Philippines;
2. Administrator and Chief Executive Officer of the Authority, as ex officio Vice Chairperson;

3. Secretary of the DENR as ex officio member;
4. Secretary of the DOT as ex officio member;
5. Secretary of the DTI as ex officio member;
6. Secretary of the DILG as ex officio member;
7. Administrator of PRA as ex officio member;
8. Governor of the Province of Bataan as ex officio member;
9. Governor of the Province of Bulacan as ex officio member;
10. Governor of the Province of Cavite as ex officio member;
11. Governor of the Province of Pampanga as ex officio member;
12. Mayor of the City of Las Piñas, as ex officio member;
13. Mayor of the City of Manila, as ex officio member;
14. Mayor of the City of Navotas, as ex officio member;
15. Mayor of the City of Parañaque, as ex officio member;
16. Mayor of the City of Pasay, as ex officio member; and
17. Three (3) representatives from the business sector.

The ex officio board members of the Authority may designate their respective alternates whose acts shall be considered the acts of their principals: *Provided*, that these alternates shall either be an Undersecretary of a cabinet secretary or a department head of the LGUs.

A member of the Board shall be a Filipino citizen, of good moral character, and of recognized competence in relevant fields including business, economics, environment, tourism, engineering, or law. Appointees to the Board shall observe and undergo the process of appointment in accordance with Chapter IV of Republic Act No. 10149 or the GOCC Governance Act of 2011.

SEC. 7. *Functions of the Board.* – The Board shall have the following powers and functions:

(a) Determine the organizational structure of the Authority and define the duties and responsibilities of all officials and employees in accordance with civil service laws, rules and regulations and evaluation and approval of the Department of Budget and Management (DBM);

(b) Create such divisions and positions as may be deemed necessary for the economical, efficient, and effective conduct of the activities of the Authority;

(c) Appoint all officials *Provided*, That all appointments shall be on the basis of merit and fitness and all personnel action shall be in accordance with Civil Service laws, rules and regulations;

(d) Prepare the annual budget of the Authority, and a supplemental budget when necessary; and

(e) Submit to the President of the Philippines, the Senate, and the House of Representatives of the Philippines an annual report and such other reports as may be required.

SEC. 8. *Board Meetings.* - The Board shall meet at least once every three (3) months, and its meetings shall be called by the Chairperson or upon written request signed by majority of the members. The Chairperson and the members of the Board, except ex officio members, shall be entitled to allowances and per diem in accordance with existing policies, rules and regulations.

SEC. 9. *Administrator of the Development Zone.* - The President of the Philippines shall appoint an Administrator for the Authority who shall also act as the Chief Executive Officer of the Development Zone. The Administrator shall have a term of office in accordance with Section 17 of Republic Act No. 10149 or the GOCC Governance Act of 2011.

In case the Administrator is removed for cause, any one appointed to the position shall serve only the unexpired portion of term of the Administrator. The Administrator shall be responsible to the Board and the President of the Philippines for the efficient administration and management of the Development Zone.

SEC. 10. *Qualifications of the Administrator.* - No person shall be appointed as Administrator unless one is a natural-born Filipino citizen, a resident of the Development Zone for at least ten (10) years, of good moral character and unquestionable integrity, has not participated in the preceding local elections for government office, with relevant ten (10) years of experience, and of recognized competence in the areas of business administration, economics, hotel and restaurant management, tourism promotions, tourism management, investment promotions, real estate development, real estate management, or law.

The Administrator and all officials and employees of the Authority shall be entitled to compensation and benefits in accordance with the Salary Standardization Law.

SEC. 11. *Powers and Functions of the Administrator.* - The Administrator shall have the following powers and duties:

- (a) Submit to the Board the policies and measures deemed necessary to carry out the purposes and provisions of this Act;
- (b) Execute and administer the policies, plans, programs, and projects approved by the Board;
- (c) Direct and supervise the operation and internal administration of the Authority and delegate certain administrative responsibilities to other officers, subject to the rules and regulations of the Board;
- (d) Develop and submit its organizational structure and staffing pattern, as approved by the Board, to the Civil Service Commission (CSC) and the Department of Budget Management (DBM) for consideration and approval;
- (e) Appoint officials and employees below the rank of division heads to positions in the approved organizational chart; and
- (f) Exercise such other powers and duties as may be vested by the Board from time to time.

SEC. 12. *Supervision, Capitalization, and Operating Start-up Capital.* - The Authority shall be under the direct control and supervision of the Office of the President of the Philippines for purposes of policy direction and coordination and shall execute the powers and functions herein vested and conferred upon, in such manner as will, in its judgement, aid to the fullest possible extent the fulfillment of the goals and purposes set forth in this Act.

It shall have an authorized capital of One Billion Pesos (P1,000,000,000.00) representing no par shares with a minimum issue value of Ten pesos (10.00) each.

The initial amount necessary to subscribe and pay for the shares of stock shall be included in the Annual General Appropriations Act of the year following its enactment into law and thereafter.

The Board may, from time to time, and with the written concurrence of the Secretary of Finance, increase the value of the shares representing the capital stock of the Authority. The National Government shall own one hundred per centum (100%) of the total shares issued and outstanding capital stock of the Authority.

SEC. 13. *Relationship with the Local Government Units.* -

(a) Notwithstanding the provisions of existing laws, rules, and regulations to the contrary, the Authority shall exercise administrative and rulemaking powers and shall be authorized to disburse funds, and to require the accreditation of enterprises to ensure compliance with the developmental, management, and protection plans in the Development Zone;

(b) In no case shall any provision of this Act result in the diminution of local taxing authority, which shall be limited to real property taxation, to which only reasonable rates, charges, and fees shall be imposed; and

(c) Basic social services to the general community, such as health and medical services, family planning, child care, school services, education, and disaster recovery services shall be under the authority of the LGUs concerned and to the extent that it can, shall be supported by the Authority.

SEC. 14. *Penal and Civil Liability.* - Any person, natural or juridical, shall be liable for imprisonment not exceeding five (5) years or a fine not exceeding One hundred thousand pesos (P100,000.00) or both at the discretion of the court for:

- a. Obstructing or impeding the execution of demolition orders;
- b. Disobeying cease and desist, closure, or suspension orders;
- c. Operating business establishments without the necessary permits and licenses from the Authority and other concerned government offices;
- d. Violating the conditions stipulated in the clearances or permits issued by the Authority; and
- e. Violating any of the provisions of this Act or any rules or regulations promulgated by the Authority.

If the violator is found to be a corporation, partnership, or association, the officer or officers of the organization concerned shall be liable thereof.

The Authority may file criminal charges and pursue separate civil actions for damages resulting from infractions of the provisions of this Act and rules and regulations issued pursuant thereto.

SEC. 15. *Implementing Rules and Regulations.* - Within ninety (90) days after the passage of this Act, the Board shall, after consultation with the stakeholders of the Authority and concerned government agencies promulgate the rules and regulations for the effective implementation of this Act.

SEC. 16. *Separability Clause.* - If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SEC. 17. *Repealing Clause.* - All laws, executive orders, memorandum circulars, guidelines, and other issuances or parts thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

SEC. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in newspaper of general circulation.

Approved,

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)

First Regular Session

HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 2663




Introduced by **REPRESENTATIVE VIRGILIO S. LACSON**

Our water resources are invaluable assets for the Filipino people. They contribute to the historical, political, economic and cultural development of the country. TThe destruction of our bays and rivers threatens the stability of our food supply. Destructive fishing practices, massive pollution, and unmitigated land conversion of wetlands and coastal areas have also contributed to the deterioration of our water resources.

While we recognize the economic benefits brought to the country by utilizing our water resources, there must be a balance of interests between economic progress and environmental protection. No less than the Constitution provides for the right to "a balanced and healthful ecology". Without proper management of our resources, we run the risk of losing one of the most important natural resources we have. Countless people depend on these resources for sustenance and livelihood. Additionally, its historical significance and environmental importance call for the need to create a body corporate that shall focus on its protection and preservation.

This Bill seeks to create the Manila Bay, Rivers, and Waters Authority, which shall have the sole mandate to promote, and accelerate the development, protection and balanced growth of all the water resources within the its jurisdiction with due regard and adequate provisions for environmental management and control, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution. The creation of a central body, which will be in charge of managing all of our water resources in key metropolitan areas, shall ensure that there is a delicate balance between our rapid industrial and economic development, and the protection of our environmental resources.

In this regard, the approval of this Bill is urgently sought.


HON. VIRGILIO S. LACSON
Manila Teachers Partylist

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)

First Regular Session

HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 2663

Introduced by **REPRESENTATIVE VIRGILIO S. LACSON**

AN ACT
CREATING THE MANILA BAY, RIVERS, AND WATERS AUTHORITY
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 as "Manila Bay, Rivers, and Waters Authority Act".

Section 2. Declaration of Policy. It shall be the policy of the State to promote, and accelerate the development, protection and balanced growth of all bodies of water with due regard and adequate provisions for environmental management and control, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution.

Section 3. Creation of the Authority. For the purpose of carrying out and effecting the declared policy, as provided for in Section 2 hereof, there is hereby created a body corporate to be known as the Manila Bay, Rivers, and Waters Authority, hereinafter referred to as the Authority, which shall be organized within one hundred twenty (120) days after the approval of this Act.

The Authority shall have jurisdiction over the Manila Bay, including all connected bodies of water and its tributaries. The Authority shall execute the powers and functions herein vested and conferred upon it in such a manner as will, in its judgment, aid to the fullest possible extent in carrying out the aims and purposes set forth below.

Section 4. Powers and Function. The Manila Bay, Rivers, and Waters Authority, otherwise known as the MBRWA, has the following powers and function:

V. Lacson

- a) To succeed on its corporate name;
- b) To sue and be sued in such corporate name;
- c) To adopt, alter and use a corporate seal;
- d) To adopt, amend, and repeals its by-laws;
- e) To enter into contracts of any kind and description, to enable it to carry out its purposes and functions under this Act;
- f) To acquire, buy, purchase, hold or lease, such personal and real property as it deems necessary or convenient in the transaction of its business and/or in relation with carrying out its purposes under this Act; and to lease, mortgage, sell, alienate, or otherwise encumber, utilize, exploit or dispose any such personal and real property held by it, subject to prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof.
- g) To exercise the right of eminent domain whenever the Authority deems it necessary for the attainment of the objectives of the Authority under this Act;
- h) To borrow funds from any local or foreign financial institutions independent of the bonds it may issue or may continue to issue, to carry out the purposes of this Authority under this Act;
- i) To purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bond, securities, or other evidence of indebtedness created by any other corporation, co-partnership, or government agencies or instrumentalities; and while the owner of said stock to exercise all the rights or ownership, including the right to vote thereon; *Provided*, That the Authority shall not invest its funds in any highly risky debt instruments issued without recourse to commercial banks or investment houses as well as in any highly speculative stocks.
- j) For carrying on its business, or for the purpose of attaining or furthering any of its objectives, to perform any and all acts which a corporation, co-partnership, or natural person is authorized to perform under the laws now existing or which may be enacted hereafter.
- k) To issue such rules and regulations as may be necessary to effectively carry out the powers and purposes herein provided including the plans, programs and projects of the Authority, subject to the approval of the NEDA, the same to take effect thirty (30) days after publication thereof, in a newspaper of general circulation.

V. Glace

Section 5. *Location of principal office.* The Authority shall maintain its principal office at a convenient place within Metro Manila, but it may have branch offices in such other places as are necessary for the proper conduct of its business.

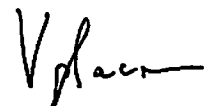
Section 6. *Special Powers and Functions.* The Authority shall exercise perform the following powers and functions:

(a) To make a comprehensive survey of the physical and natural resources and potentialities of all bodies of water located under its jurisdiction, particularly its social and economic conditions, hydrologic characteristics, power potentials, scenic and tourist spots, regional problems, and on the basis thereof, to draft a comprehensive and detailed plan designed to conserve and utilize optimally the resources within the region to promote the region's rapid social and economic development and upon approval by the National Economic and Development Authority (NEDA) Board of such plan, to implement the same including projects in line with said plan: *Provided*, that implementation of all fisheries plans and programs of the authority shall require prior consensus of the Bureau of Fisheries and Aquatic Resources to ensure that such plans and programs are consistent with the national fisheries plans and programs. For the purpose of said survey, public agencies shall submit and private entities shall provide necessary data except such data which under existing laws are deemed inviolable.

(b) To provide the machinery for extending the necessary planning, management and technical assistance to prospective and existing investors in the region;

(c) To make recommendation to the proper agencies on the financing, technical support, physical assistance and, generally, the level of priority to be accorded agricultural, industrial and commercial projects, soliciting or requiring direct help from or through the government or any of its instrumentalities;

(d) To pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices/agencies within the region, public corporations, and private persons or enterprises where such plans, programs and/or projects are related to those of the Authority for the development of all bodies of water under its jurisdiction as envisioned in this Act. The Authority shall issue the necessary clearance for approved proposed plans, programs, and projects within thirty days from submission thereof unless the proposals are not in consonance with those of the Authority or that those will contribute to the unmanageable pollution or will bring about the ecological imbalance of the region: *Provided, further*, That the Authority is hereby empowered to institute necessary legal proceeding against any person who shall commence to implement or continue implementation of any project, plan or program in any of the water resources covered in this Act, without previous clearance from the Authority: *Provided, furthermore*, That any local government office, agency, public corporation, private person, or enterprise whose plans, programs and/or projects have been disapproved by the Authority may appeal the decision of the



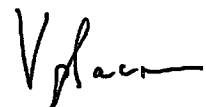
Authority to the NEDA within fifteen (15) days from receipt of such disapproval whose decision on the matter shall be final.

(e) To collect reasonable processing fees as may be fixed by the Authority's Board for the processing of such plans, programs, and/ or projects, and licensing procedures with respect to the water resources covered in this Act for the purpose of drawing up a Manila Water Resources Development Plan which shall be binding upon all parties concerned upon approval of the NEDA Board;

(f) To engage in agriculture, industry, commerce, or other activities in any of the water resources under its jurisdiction which may be necessary or directly contributory to its socio-economic development of the region, and, for this purposes, whether by itself or in cooperation with private persons or entities, to organize, finance, invest in, and operate subsidiary corporations: *Provided*, That the Authority shall engage only, unless public interest requires otherwise, in those activities as are in the nature of new ventures or are clearly beyond the scope, capacity, or interest or private enterprises due to consideration of geography, technical or capital requirements, returns on investment, and risk;

(g) To plan, program finance/or undertake infrastructure projects such as river, flood and tidal control works, waste water and sewerage works, water supply, roads, portworks, irrigation, housing and related works, when so required within the context of its development plans and programs including the readjustment, relocation or settlement of population within the region as may be necessary and beneficial by the Authority: *Provided*, That should any project be financed wholly or in part by the Authority, it is hereby authorized to collect reasonable fees and tolls as may be fixed by its Board of Directors subject to the approval of the NEDA Board from users and/or beneficiaries thereof to recover costs of construction, operation and maintenance of the projects: *Provided, further*, That if the Authority should find it necessary to undertake such infrastructure projects which are classified, as social overhead capital projects as determined by the NEDA, the Authority shall be authorized to receive financial assistance from the government in such amount as may be necessary to carry out the said projects subject to such terms and condition that may be imposed by the government, upon recommendation of the NEDA Board: *Provided, finally*, That such amount as may be necessary for the purpose is hereby authorized to be appropriated out of the funds of the National Treasury not otherwise appropriated.

(h) To make an annual report to the stockholders regarding the operation of the Authority more particularly a statement of its financial conditions, activities undertaken, progress of projects and programs and plans of actions for the incoming years: *Provided, however*, that a majority of the stockholders may require the Authority to submit report or reports other than the annual report herein required, which report must be submitted within a period of thirty (30) days from notice thereof;

A handwritten signature in black ink, appearing to read 'V. Glacra'.

(i) To lend or facilitate the extension of financial assistance and/or act as surety or guarantor to worthwhile agricultural, industrial and commercial enterprises;

(j) The provisions of existing laws to the contrary notwithstanding, to engage in fish production and other aqua-culture projects in bodies of water within its jurisdiction and in pursuance thereof to conduct studies and make experiments, whenever necessary, with the collaboration and assistance of the Bureau of Fisheries and Aquatic Resources, with the end in view of improving present techniques and practice. *Provided*, that until modified, altered or amended by the procedure provided in the following sub-paragraph, the present laws, rules and permits or authorizations remain in force;

(k) For the purpose of effectively regulating and monitoring activities, the Authority shall have exclusive jurisdiction to issue new permit for the use of the bay waters for any projects or activities in or affecting the said lake including navigation, construction, and operation of fishpens, fish enclosures, fish corrals and the like, and to impose necessary safeguards for lake quality control and management and to collect necessary fees for said activities and projects: *Provided*, That the fees collected for fisheries may be shared between the Authority and other government agencies and political sub-divisions in such proportion as may be determined by the President of the Philippine upon recommendation of the Authority's Board: *Provided, further*, That the Authority's Board may determine new areas of fisheries development or activities which it may place under the supervision of the Bureau of Fisheries and Aquatic taking into account the overall development plans and programs for all bodies of water under its jurisdiction: *Provided, finally*, That the Authority shall, subject to the approval of the President of the Philippines, promulgate such rules and regulations which shall govern fisheries development activities, which shall take into consideration among others the following: socioeconomic amelioration of bonafide resident fisherman whether individually or collectively in the form of cooperatives, lakeshore town development, a master plan for fishpen construction and operation, communal fishing ground for lakeshore town residents, and preference to lakeshore town residents in hiring laborers for fishery projects.

(l) The provisions of existing laws to the contrary notwithstanding, to exercise water rights over public waters within all bodies of water under its jurisdiction, whenever necessary to carry out the Authority's projects;

(m) To act in coordination with existing governmental agencies in establishing water quality standards for industrial, agricultural and municipal waste discharges into the lake and to cooperate with said existing agencies of the government of the Philippines in enforcing such standards, or to separately pursue enforcement and penalty actions as provided for in Section 4(d) and Section 39-A of this Act: *Provided*, That in case of conflict on the appropriate water quality standard to be enforced such conflict shall be resolved thru the NEDA Board;

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(n) To develop water supply from ground and/or lake water resources for municipal, agricultural and industrial usages, in coordination with the National Water Resources Council created by Presidential Decree No. 424 dated March 28, 1974 or its successors in interests, and to enter into agreements with municipalities, governmental agencies and corporations and the private sector to supply, distribute and market such water;

(o) Undertake studies on the improvement and maintenance of the desirable water quality of all bodies of water under its jurisdiction and in pursuance thereof, prepare a water quality management program on a continuing basis, subject to the approval of the NEDA, which the Authority shall carry out with the assistance and support of all national and local government units involved in water quality management.

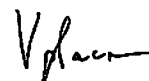
Section 7. Compensation for damages. Compensation for damages to the aquatic resources in all bodies of water under the jurisdiction of the Authority resulting from failure to meet established water and effluent quality standards or from such other wrongful act or omission of a person, private or public, juridical or otherwise, punishable under the law shall be awarded to the Authority to be earmarked for water quality control and management.

Section 8. Annual Fees. The Authority is hereby empowered to collect annual fees as provided, for the use of the lake waters and its tributaries for all beneficial purposes including recreation, municipal, industrial, agricultural, fisheries, navigation and waste disposal purposes. All the fees so collected shall be used for the management and development of the lake and its watershed areas: *Provided*, That the rates of the fees to be collected shall be subject to the approval of the President of the Philippines.

Section 9. Capitalization and Financing. The Authority shall have an authorized capital of One Hundred Million Pesos (P100,000,000) of which the amount of Fifty-One Million Pesos (P51,000,000) shall be subscribed by the national government and Forty-Nine Million Pesos (P49,000,000) shall be subscribed by cities, provinces, municipalities, government corporations and private investors; *Provided*, That at least twenty-five percent of the national government's subscription shall be fully paid: *Provided, further*, That the authorized capital stock may be increased upon the recommendation of NEDA.

The authorized capital stock of One Hundred Million pesos (P100M) shall be divided into One Million (1,000,000) Shares of stock with a par value of One hundred Pesos (P100) per share.

The shares of stock of the Authority shall be divided into (1) 700,000 common shares (voting) and (2) 300,000 preferred shares (non-voting) with such fixed rates of return as shall be determined by the Board. Of the common shares of 700,000 a minimum of 400,000 shares shall be subscribed by the national government and at least sixty per cent of the balance shall be subscribed by the City of Manila, Quezon, Caloocan, Las Pinas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Paranaque, Pasay, Pasig, San Juan, Taguig, Valenzuela, the municipality of Pateros, the Provinces of Bulacan, Cavite, Laguna, Rizal, Bataan in such proportion as may be agreed upon by both provincial governments in



accordance with their respective capacities. The remaining balance of the common shares shall be open for subscription to cities, provinces, municipalities and private investors.

Of the preferred shares of stock of 300,000 a minimum of 110,000 shares shall be subscribed by the national government. The balance of the preferred shares shall be available for subscription to cities, provinces, municipalities, government corporations, and private investors; *Provided, however,* that preferred shares shall enjoy preference with respect to distribution of dividends and assets in case of dissolution.

Section 10. *Powers of Municipal Corporations to Subscribe.* For purposes of attaining the purposes of this Authority, municipalities, cities and provinces are hereby authorized to subscribe, own, buy and hold shares of stock of this Authority.

Section 11. *Operating Expenses.* For the operating expenses of the Authority, the sum of Twenty Million Pesos (P20,000,000) is hereby appropriated annually for five (5) years from the general fund of the National Government not otherwise appropriated from the date of approval of this Decree.

The Board of Directors may appropriate out of the funds of the Authority such as may be needed or necessary for its operating expenses.

Section 12. *Power to Incur Debts and to Issue Bonds.* Whenever the Board of Directors may deem it necessary for the Authority to incur an indebtedness or to issue bonds to carry out the provisions of this Act, it shall by resolution declare and state the purpose for which the proposed debt is to be incurred. The resolution shall be confirmed by the affirmative vote of the stockholders representing a majority of the subscribed capital stock outstanding and entitled to vote.

The Authority shall submit to the NEDA Board and the Monetary Board of the Central Bank for approval of its proposal to incur indebtedness or to issue bonds, this shall be considered authorized upon approval of the President of the Philippines.

Section 13. *Bond Limit.* The bonds shall be issued in such amounts as will be needed at any one time, taking into account the rate at which said bonds may be absorbed by the buying public and the fund requirements of projects ready for execution, and considering further a proper balanced productive and non-productive projects so that inflation shall be held to the minimum.

Section 14. *Form, rates of interest, etc. of bonds.* The Board of Directors, shall prescribe the form, the rates of interest, the denominations, maturities, negotiability, convertibility, call and redemption features, and all other terms and conditions of issuance, placement, sale, servicing, redemption, and payment of all bonds issued by the Authority under this Act.

The bonds issued by virtue of this Act may be made payable both as to principal and interest in Philippine currency or any readily convertible foreign currency; Said bonds shall be



receivable as security in any transaction with the government in which such security is required.

Section 15. *Exemption from tax.* The Authority shall be exempt from all taxes, licenses, fees, and duties, incidental to its operations. This exemption shall extend to its subsidiary corporation: *Provided*, That its subsidiary corporations shall be subject to all said taxes, licenses, fees, and duties five (5) years after their establishment under a graduated scale as follows: twenty (20) per centum of all said taxes during the sixth year, forty (40) per centum of all said taxes during the seventh year, sixty (60) per centum of all said taxes during the eighth year, eighty (80) per centum of all said taxes during the ninth year, and one hundred (100) per centum of all taxes during the tenth year, after said establishment. Such examination shall include any tax or fee imposed by the government on the sale, purchase or transfer of foreign exchange. All notes, bonds, debentures and other obligations issued by the Authority shall be exempt from all taxes both as to principal and interest, except inheritance and gift taxes.

Section 16. *Sinking Fund.* A sinking fund shall be established in such manner that the total annual contribution thereto accrued at such rate of interest as may be determined by the Board of Directors as confirmed by the stockholders representing a majority of the subscribed capital stock outstanding and entitled to vote, shall be sufficient to redeem at maturity the bonds issued under this Act.

Such funds shall be under the custody of the treasurer of the Authority who shall invest the same in such manner as the Board of Directors may direct; charge all expenses of investment to said sinking fund, and credit the same with the interest on investment and other income belonging to it.

Section 17. *Guarantee by the government.* The Republic of the Philippines hereby guarantees the payment by the Authority of both the principal and the interest of the bonds, debentures, collaterals, notes or such other obligations issued by the Authority by virtue of this Act, and shall pay such principal and interest in the event that the Authority fails to do so. In case the Authority shall be unable to pay the said principal and interest, the Secretary of Finance shall pay the amount thereof which is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, and thereupon, to the extent of the amounts so paid, the Government of the Republic of the Philippine shall succeed to all rights of the holders of such bonds, debentures, collaterals, notes or other obligations, unless the sum so paid by the Republic of the Philippines shall be refunded by the Authority within a reasonable time.

Section 18. *Incorporation.* The members of the first Board of Directors shall be elected by the stockholders and the incorporation shall be held to have been effected from the date of the first meeting of such Board.

Section 19. *Board of Directors: Composition.* The corporate powers shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of nine (9) members, to wit: the Executive Secretary, the Secretary of Natural Resources, the Secretary of Trade and Industry, a representative from the National Capital Region, the Provinces of Bulacan, Cavite, Laguna, Rizal, Bataan, to be designated by its

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Provincial Board; the General Manager of the Authority to be appointed by the President of the Philippines, and a representative of the private investors, likewise to be appointed by the President of the Philippines from among a list of recommendees to be submitted by the private investors: *Provided*, That the incumbent representative of the private investors: shall continue as member until the President appoints his successor. The Board of Directors shall elect annually from among their members a Chairman and a Vice Chairman. There shall be a Corporate Secretary who shall be appointed to the Board.

The officials next in rank to the above-mentioned member shall serve as permanent alternate members and shall attend meetings of the Board in the absence of their principals and receive the corresponding per diems.

Section 20. *Acting Chairman.* In case of vacancy in the position of Chairman, or in the absence of or temporary incapacity of the Chairman, the Vice-Chairman shall act as such until a new Chairman is duly elected by the Board.

Section 21. *Effect of vacancies; quorum.* Vacancies in the Board as long as there shall be four members in office, shall not impair the powers of the Board to execute the functions of the Authority. The affirmative vote of four (4) members of the Board shall be necessary at all times to pass or approve any act or resolution.

Section 22. *Qualifications of Directors.* All members of the Board shall be citizens and residents of the Philippines. They shall have demonstrated executive competence and experience in the field of public administration, economic planning, resource management, or in the establishment and management of large agricultural, industrial or commercial enterprises. No person shall be nominated as member of the Board unless he be of unquestioned integrity and competence.

Section 23. *Prohibition against "Conflict of Interest."* No person member of the Board shall be financially interested, directly or indirectly, in any contract entered into by the Authority or in any special privileges granted by the Authority during his term of office. All contracts entered into in violation of this provision shall automatically be null and void. Any member of the Board found violating the provisions of this section by two-thirds (2/3) vote of the Board shall automatically be disqualified from serving his unexpired term, and he shall furthermore be perpetually disqualified for membership in the said Board.

Section 24. *Removal, courtesy resignation.* A member of the Board may be removed from office by a vote of the stockholders holding or representing three-fourths (3/4) of the subscribed capital stock outstanding and entitled to vote. No member of the Board shall be required to submit a courtesy resignation at any time during his term of office.

Section 25. *Board Meetings.* The Board shall meet at least once a month. The Board shall be convoked by the Chairman or upon written request signed by a majority of the members.

Section 26. *Powers and Functions of the Board of Directors.*

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- a. To formulate, prescribe, amend and repeal rules and regulations to govern the conduct of business of the Authority;
- b. To appoint and fix the compensation of all officials from division heads and above, and others of comparable rank including the Assistant General Manager upon the recommendation of the General Manager;
- c. By a majority vote of all members of the Board, to suspend, remove or otherwise discipline for just cause all officials appointed by the Board;
- d. To approve the annual and/or supplemental budgets of the Authority; and
- e. To do such other acts and perform such other functions as may be necessary to carry out the provisions of this Charter.

Section 27. *Powers and Functions of the General Manager.* The General Manager shall be the chief executive of the Authority. As such, he shall have the following powers and duties:

- a. Submit for consideration of the Board the policies and measures which he believes to be necessary to carry out the purposes and provisions of this Act;
- b. Execute and administer the policies, plans, programs and projects approved by the Board;
- c. Direct and supervise the operation and internal administration of the Authority. The General Manager may delegate certain of his administrative responsibilities to other officers of the Authority subject to the rules and regulations of the Board.
- d. Appoint officials and employees below the rank of division heads to positions in the approved budget upon written recommendation of the division head concerned using as guide the standard set forth in the Authority's merit system;
- e. Submit quarterly reports to the Board on personnel selection, placement and training;
- f. Submit to the NEDA an annual report and such other reports as may be required, including the details of the annual and supplemental budgets of the Authority, and
- g. Perform such other functions as may be provided by law.

Section 28. *Residence.* The General Manager shall establish his residence within the region. The General Manager shall not, during his term of office, engage in any business or profession or calling other than those connected in the performance of his official duties as General Manager of the Authority.

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Section 31. *Activities of the Authority: Key Officials.* In carrying out the activities of the Authority, the General Manager shall be assisted by an Assistant General Manager who shall have such powers, duties, and functions that may be delegated to him by the General Manager, and shall act as General Manager in the absence of or during the temporary incapacity of and/or until such time as a new General Manager is duly appointed.

The Authority shall have the following divisions under the direct supervision and control of the General Manager;

- a. An Administrative Division which shall be responsible for providing services relating to personnel, training, information, records, supplies general services, equipment and security;
- b. A legal Division, to be headed by a Legal Counsel who shall represent the Authority in legal actions and proceedings. This division shall be responsible for providing staff advice and assistance on legal matters;
- c. A Finance Division which shall be responsible for providing staff advice and assistance on budgetary and financial matters, and safekeeping of corporate assets;
- d. A Project Management Division which shall be responsible for the operation of approved projects, project evaluation and management improvement matters;
- e. A Planning and Project development Division which shall be responsible for providing services relating to planning, programming, statistics and project development; and
- f. An Engineering and Construction Division which shall be responsible for providing services relating to detailed engineering plans and the construction and maintenance of project facilities.

The business and activities of each of these divisions shall be directed by an officer to be known as its division head.

The Board may create such other divisions and positions as may be deemed necessary for the efficient, economical and effective conduct of the activities of the Authority.

Section 32. *Merit and Compensation System.* All officials, agents and employees of the Authority shall be selected and appointed on the basis of merit and fitness in accordance with a comprehensive and progressive merit system to be established by the Authority. The recruitment, transfer, promotion and dismissal of all personnel of the authority, including temporary workers, shall be governed by such merit system: *Provided*, That the regular professional and technical personnel of the Authority shall be exempt from the coverage of the classification and compensation plans of the WAPCO and Civil Service rules and regulations: *Provided, however*, That such personnel shall be permanent instates and shall be entitled to the benefits and privileges normally accorded to government employees, such as

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retirement, GSIS insurance, leave and similar matters: *Provided, further,* That the Director General of the NEDA shall review and recommend the approval of the staffing pattern for professional and technical personnel of the Authority including modifications thereof as may be necessary for five years from the date of approval of this Decree.

Section 33. *Supervision by the NEDA.* The Authority shall be directly under the NEDA for policy and program integration.

Section 34. *Submission of Financial Statement to NEDA.* The Authority shall submit audited financial statements to NEDA within 60 days after the close of the fiscal year, and it shall continue to operate on the basis of not more than the preceding year's budget until the said financial statements shall have been submitted.

Section 35. *Management Audit by the NEDA.* The NEDA, may, at its own instance, initiate a management audit of the Authority when there is a reasonable ground to believe that the affairs of the Authority have been mismanaged. Should such an audit indicate mismanagement, the NEDA shall take such appropriate measures as may be required by circumstances.

Section 36. *Auditing.* The Board of Directors shall provide and appoint an auditor who shall formulate an auditing system for the Authority. The auditor shall make a semestral and/or annual report covering the financial conditions and operation of the Authority to the Board. These auditing reports shall contain a statement of the resources and liabilities, including earnings and expenses, the amount of paid-up capital stock, surplus, reserves, and profits, as well as losses, bad debts and such other facts which, under auditing rules and regulations, are considered necessary to accurately described the financial conditions and operation of the Authority. The auditor shall report and be directly responsible to the Board.

Section 37. *Penal and Civil Liability Clause.* Any person, natural or juridical, who shall violate any of the provisions of this Act or any rules or regulation promulgated by the Authority pursuant thereto shall be liable to imprisonment of not exceeding three years or to a fine not exceeding Five Thousand Pesos or both at the discretion of the Court.

If the violator is a corporation, partnership or association, the officer or officers of the organization concerned shall be liable therefore.

The authority is hereby authorized to pursue separate civil actions for damages resulting from infractions of the provisions of this Act, rules or regulations issued pursuant thereto and/or conditions embodied in the clearances or permits issued by the Authority.

Section 38. *Separability Clause.* If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

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Section 39. *Repealing Clause.* All laws, decrees, orders, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Section 40. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation.

Approved,

V. Placer