

FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

8 AUG 13 09:53

SENATE

RECEIVED BY: 

S.B. No. 2534

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Introduced by Senator Loren Legarda

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### EXPLANATORY NOTE

Article II Section 16 of the Constitution provides that the State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. Pursuant to this constitutional mandate, Republic Act No. 4850 was enacted to create the Laguna Lake Development Authority (LLDA) to promote and accelerate the development and balanced growth of the Laguna Lake area and the surrounding provinces, cities and towns within the context of the national plans and policies for social and economic development.

Laguna de Bay is the largest and most essential inland body of water in the country. There are about 28,000 fisherfolk families that depend on it for livelihood. The lake contributes approximately 85,000 metric tons of fish annually to the fish supply of Metro Manila and adjacent provinces. It is a life support system to about 13 million Filipinos, of whom 3.5 million live along the lakeshore areas. The water resources of the lake and its tributary rivers are used for irrigation, power generation, recreation, domestic water supply, and navigation, among others.

Over the years, various stresses have resulted to immense changes in the Laguna de Bay and its watershed. A 2004 study by the LLDA entitled "*Addressing Freshwater Conflicts: The LLDA Experience in Laguna de Bay*" revealed that unrestrained population growth, deforestation, land conversion, extractive fisheries and rapid urbanization have led to problems relating to solid waste management, sanitation and public health, congestion of shoreland areas, rapid siltation and sedimentation, unmitigated input of domestic, agricultural and industrial wastes, flooding and loss of biodiversity, and water quality.

While the LLDA exercises policy and planning, regulatory, coordinative and developmental functions, it does not have control over all projects affecting the Laguna de Bay region. Overlapping and even conflicting mandates and programs of the many agencies, local governments and other entities the LLDA coordinates with have been identified as the stumbling block in managing the lake's resource and the intensified conflicts that arise from its multiple uses.

This bill, therefore, seeks to reorganize the LLDA to be the central authority, with stronger policy and regulatory roles, for Laguna Lake and watershed management. The salient provisions of which are as follows:

- (a) Granting the LLDA the exclusive jurisdiction to issue Environmental Compliance Certificates (ECCs) / Certificates of Non Coverage (CNCs) required under Presidential Decree No. 1586 and grant permits for any projects or activities in or affecting the Bay Region;
- (b) Adopting the integrated water resources management to promote sustainable development in the region;
- (c) Creating the Public Hearing Committee to strengthen LLDA's ability to resolve disputes; and
- (d) Mandating the National Police Commission to create the Laguna Lake Police exclusively for the Laguna de Bay region, trained especially for enforcement of fisheries and environmental laws and the rules and regulations duly promulgated by the LLDA.

This proposed measure envisions to strengthen the policy and regulatory powers of the LLDA, thereby ensuring the promotion and development of the country's important natural resource base, the Laguna de Bay region, in a sustainable manner.

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

  
**LOREN LEGARDA**  
Senator

FOURTEENTH CONGRESS OF THE )  
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AN ACT  
TO REORGANIZE THE LAGUNA LAKE DEVELOPMENT AUTHORITY (LLDA),  
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.

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

**SEC. 1. Short Title.** - This Act shall be known as the "*Laguna Lake Development Authority Reorganization Act of 2008.*"

**SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to promote and develop Laguna Lake in a sustainable manner along with the surrounding areas that comprise its region, hereinafter referred to as the Bay Region, with Laguna Lake as its focal point whose water resources must be systematically managed and protected for various uses.

For this purpose, the State adopts an integrated water resources management approach, using the lake's watersheds/sub-watersheds as planning units to interconnect and integrate its various ecosystems pursuant to Art. II, Sec. 16 of the 1987 Constitution: "The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature."

In accordance with the integrated water resources management approach, any development program in the region shall always be undertaken with due regard to sustainable environmental management and the prevention of undue ecological disturbances, resource deterioration and pollution with the end in view of enabling the lake to realize its full potentials including, among other uses, as a major resource in fish production of national importance.

**SEC 3. Laguna de Bay Region.** - For purposes of this Act, the Laguna de Bay Region, shall comprise the provinces of Laguna and Rizal; the cities of San Pablo, Pasay, Caloocan, Quezon, Manila, Makati, Mandaluyong, San Juan, Pasig, Marikina, Muntinlupa, Antipolo, Tagaytay, Calamba, Tanauan, Taguig and Lipa; the towns of Silang, Carmona and General Mariano Alvarez in Cavite Province; the towns of Lucban and Sampaloc in Quezon Province; the towns of Sto. Tomas and Malvar in Batangas; and the town of Pateros in Metro Manila: *Provided*, That any cities or towns that may be subsequently created in the future out of the aforementioned municipalities and cities surrounding Laguna Lake shall form part of the Bay Region.

**SEC. 4. *Laguna Lake Development Authority.*** - Pursuant to the original mandate of Republic Act No. 4850, as amended, the Laguna Lake Development Authority, hereinafter referred to as the LLDA, shall continue to pursue eco-friendly development of the Bay Region; shall have exclusive jurisdiction to issue Environmental Compliance Certificates (ECCs) / Certificates of Non Coverage (CNCs) required under Presidential Decree No. 1586 and grant permits for any projects or activities in or affecting the Bay Region including, but not limited to, industrial and commercial activities, navigation, irrigation, power generation, housing, resettlement and other forms of land developments, construction and operation of fishpens / fishcages, aquaculture development, reclamation, and similar or related activities.

**SEC. 5. *Powers and Functions.*** - The LLDA shall have the following powers and functions:

- (a) Periodically conduct and update a comprehensive survey of the Bay Region, including its socio-economic conditions, lake water quality, irrigation, water supply, transport route, reservoir of floodwater, hydroelectric power potentials, scenic and tourist spots, state of its watersheds, the tributary rivers and other physical and natural resource potentials on the basis of which it shall prepare a sustainable regional development master plan.

All concerned public and private agencies shall provide the LLDA the necessary data for the purposes of the said survey;

- (b) Lay down the necessary groundwork, including the provision of technical assistance, to attract more investments into the Bay Region in consonance with a regional master plan which shall be formulated in consultation with all stakeholders, local government units (LGUs) and civil society in the Bay Region;
- (c) Review for approval/disapproval all plans, programs and projects that relate to the development of the Bay Region, proposed and submitted by LGUs, public corporations and private persons or corporations. Such plans, programs and projects shall conform to the environmental standards prescribed by the LLDA.

The LLDA shall collect reasonable fees as may be determined by the Board for the processing of such plans, programs or projects. Any future expansion of such plans, programs, or projects shall be again subject to LLDA review and to payment of additional processing fees as may be further determined by the LLDA Board.

In drawing up a Laguna Lake development master plan, the LLDA shall coordinate all pertinent plans, programs, projects and the corresponding *licensing procedures with other concerned government agencies which shall be binding upon all parties;*

- (d) Engage, whether by itself or in cooperation with private persons or entities, in agriculture, industry, commerce, or to organize, finance, invest in, and operate subsidiary corporations or any other developmental activities within the Bay Region, which are in the nature of new ventures or are clearly beyond the scope, capacity, or interest of private enterprises by reason of geography,

technical or capital requirements, returns on investment and risk and when public interest so requires;

- (e) Undertake infrastructure projects such as flood control, solid waste management, wastewater and sewerage, water supply, roads, ports, irrigation, housing, leisure parks and related works, within the context of its development master plan, including the readjustment, relocation, or resettlement of population within the Bay Region that may be deemed necessary and beneficial in pursuit of the LLDA mandate. Should any of these projects be financed wholly or in part by the LLDA, it shall have authority to collect reasonable fees and tolls from users or beneficiaries to recover costs of construction, operation and maintenance of the projects. Should the LLDA find it vital and necessary to undertake infrastructure projects that are in the nature of social overhead capital projects, it shall be entitled to receive the corresponding financial assistance from the government to be appropriated out of the funds of the National Treasury not otherwise appropriated;
- (f) In coordination with the LLDA, the Department of Education shall integrate in the curriculum of all primary and secondary schools in the Bay Region, a subject on watershed protection and integrated lake resources management to enable the youth to understand the importance of environmental protection and conservation for them to become good stewards of the lake and its watershed in the future;
- (g) Undertake reclamation projects which may be necessary to accomplish the aims and purposes of the LLDA provided that the land so reclaimed shall become its property and the resulting lakeshore area shall remain the property of the national government through LLDA;
- (h) Engage in experimental and pilot fish production and similar aquaculture projects in Laguna de Bay and other bodies of water within its jurisdiction, in collaboration with the Bureau of Fisheries and Aquatic Resources (BFAR), with the end in view of improving present fishery techniques and practices and providing equitable access to the fishery resources;
- (i) Determine new areas of fishery development such as the propagation of ornamental fish taking into account the overall development plans and programs for Laguna de Bay and related bodies of water and promulgate rules and regulations governing fisheries development in the Bay Region, taking into account the socio-economic amelioration of small fishermen, improvement of their communal fishing grounds, sustainable aquaculture development and operation, and preference for qualified lakeshore town residents in hiring laborers for fishery-related projects;
- (j) Require LGUs within the Bay Region to establish watershed councils where suitable, designate appropriate zones particularly, regulate the use and occupancy of shoreland areas, and adopt such measures as may protect the same and perform such other acts to carry out the objectives of the LLDA. Shoreland areas shall be understood as referring to that area of the Laguna Lake covered by the lake water when it is at the average annual maximum lake level of elevation 12.50 meters, as referred to a datum 10.00 meters below

mean lower low water (M.L.L.W). Lands located at and below such elevation are public lands which form part of the bed of said lake;

- (k) Exercise surface and groundwater rights within the Bay Region;
- (l) Establish and enforce anti-pollution standards on industrial, agricultural and municipal wastewater and effluents being discharged into the lake in coordination with appropriate government agencies such as the Environmental Management Bureau, Department of Environment and Natural Resources (EMB-DENR);
- (m) Develop surface and groundwater supply sources for municipal, agricultural and industrial use, in coordination with the National Water Resources Board (NWRB), or Local Water Utilities Administration (LWUA), as the case may be, or its successors in interests, and enter into agreements with municipalities, governmental agencies and corporations and the private sector for the supply, distribution and marketing of such water;
- (n) Conduct a continuing research program in close coordination with the Department of Environment and Natural Resources and the Department of Science and Technology on lake water quality and integrated watershed management with the end in view of promoting sustainable development in the region;
- (o) Monitor water quality not only in the Lake proper but also in all its major tributary rivers;
- (p) Adopt rules and regulations governing the approval of sewage works and industrial waste disposal system and the issuance of clearance/permits in accordance with the provisions of this Act when necessary and inspect the construction and maintenance of sewage works and industrial waste disposal systems for compliance to clearance/permit conditions;
- (q) Issue, renew, or deny permits subject to reasonable guidelines for the discharge of sewage, industrial waste, or for the installation or operation of sewage works and industrial disposal system or parts thereof for the prevention and abatement of pollution and require subdivisions, condominiums, hospitals, public buildings and other similar human settlements to construct appropriate central sewerage system and sewage treatment works. The LLDA may impose reasonable fees and other similar charges for the issuance or renewal of all permits herein required;
- (r) Issue orders or decisions, after notice and hearing, to insure compliance with the provisions of this Act and its implementing rules and regulations;
- (s) After due notice and hearing, revoke, suspend or modify any permit issued under this Act whenever the same is necessary to prevent or abate pollution;
- (t) Deputize in writing, or request assistance of, appropriate government agencies or instrumentalities for the purpose of enforcing this Act and its implementing rules and regulations and the orders and decisions of the LLDA;

- (u) Impose administrative fines of Php 50,000.00 and other penalties it may deem reasonable and appropriate for non-compliance with permit conditions and for undertaking development without clearance from the LLDA against any person juridical or otherwise within the Bay Region who may be found violating, or have in fact violated, any of its rules and regulations;

The LLDA is likewise hereby authorized to institute the necessary legal proceedings against those who shall commence to implement any project, plan or program within the Bay Region not cleared and approved by the LLDA;

- (v) Authorize its bonafide representatives at all reasonable times to enter any public property and private property devoted to industrial, manufacturing, processing or commercial use for the purpose of inspecting and investigating conditions relating to pollution or possible or imminent pollution;
- (w) Exercise such powers and perform such other functions as may be necessary to carry out its duties and responsibilities under this Act;

**SEC. 6. Corporate Powers.** - The Authority has the following corporate powers:

- a) Succeed in its corporate name;
- b) Sue and be sued in its corporate name;
- c) Adopt, alter and use a corporate seal;
- d) Adopt, amend, or repeal its by-laws;
- e) Enter into contracts to enable it to carry out its purposes and functions under this Act;
- f) Acquire, buy, purchase, hold or lease, such personal and real property as it may deem necessary in the transaction of its business or in relation to 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 individual or communal right of private parties or of the government or any agency or enterprise thereof
- g) Exercise the right of eminent domain whenever the LLDA deems it necessary to achieve the objectives of this Act;
- h) Borrow funds from any local or foreign sources independent of the bonds it may issue or may continue to issue to carry out the purposes of this Act;
- i) 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 of ownership, including the right to vote thereon: *Provided*, That the LLDA 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) Perform any and all acts which a corporation, co-partnership or natural person is authorized to perform under the existing laws or which may be enacted hereafter;
- k) Issue such other rules and regulations as may be necessary from time to time to achieve the purposes of this Act, the same to take effect thirty (30) days after its publication in a newspaper of general circulation.

**SEC. 7. Board of Directors.** - The LLDA shall be governed by a Board of Directors, composed of the following:

- 1) Secretary of Environment and Natural Resources, Chairman
- 2) General Manager, LLDA, Vice-Chairman
- 3) Governor, Province of Laguna
- 4) Governor, Province of Rizal
- 5) Secretary, National Economic Development Authority
- 6) Secretary, Department of Public Works and Highways
- 7) Secretary, Department of Trade and Industry
- 8) Secretary of Agriculture
- 9) Chairman, Metro Manila Development Authority

**SEC. 8. Powers and Functions.** - The Board of Directors shall exercise the following powers and functions:

- a. Prescribe rules and regulations to govern the conduct of business of the LLDA;
- b. Approve the LLDA's organizational structure and corresponding staffing pattern;
- c. Fix the compensation of all officials from department heads, and others of comparable rank including two (2) Assistant General Managers upon the recommendation of the General Manager;
- d. Approve the annual work program and budget of the LLDA;
- e. Perform such other functions as may be necessary to carry out the provisions of this Act.

**SEC. 9. Board Meetings.** - The Board shall meet at least once a month.

**SEC. 10. Per Diems and Allowances.** - The members of the Board shall receive a per diem of Php 2,500.00 for every meeting but in no case will the total amount received exceed the sum of Php 5,000.00. Members of the Board shall be entitled to commutable transportation and representation allowances in the performance of official functions for the Authority the aggregate amount of Php 5,000.00 for any one month.

**SEC 11. Creation of a Technical Working Group** - The Board may create a Technical Working Group composed of council of advisers, grouped into Technical Advisory Council (government representatives) and Watershed Management Council (non-government representatives) to assist the Board in the conduct of public consultations with all the stakeholders in the Laguna de Bay Region whenever necessary in the formulation of LLDA plans and policies;

**SEC. 12. General Manager; Powers and Functions.** - The General Manager shall be the Chief Executive Officer of the LLDA. As such, he shall have the following powers and functions:

- a. Submit for consideration of the Board policies and measures which he believes to be necessary to carry out the purposes of this Act;
- b. Execute and administer the policies, plans, programs and projects approved by the Board;
- c. Manage and supervise the operation and administration of the LLDA;
- d. Appoint all officials and employees and submit quarterly reports to the Board on personnel selection, placement and training;



- e. Render an annual report to the Board and various stakeholders regarding the operation of the LLDA including its latest financial statement.
- f. Perform such other functions as may be provided by law.

**SEC. 13. *Tenure of Office of the General Manager.*** – The General Manager shall be appointed by the President of the Philippines for a fixed term of six (6) years, unless otherwise earlier removed from office for cause. In case of resignation, retirement, separation, transfer, re-assignment, removal and other cause of cessation from office, the replacement shall serve only for the unexpired portion of the term.

**SEC. 14. *Compensation.*** – The General Manager shall receive a compensation subject to the determination by the Board chargeable against the annual appropriation of the LLDA. The Board may provide him/her per diems and allowances to supplement his basic salary.

**SEC. 15. *Management Structure.*** – In carrying out the activities of the LLDA, the General Manager shall be assisted by two Assistant General Managers (one for Operations and another for Administration) who shall have such powers, duties, and functions as the General Manager may prescribe and/ or delegate and shall act as the 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 departments under the direct supervision and control of the General Manager;

- a) *Corporate Legal Affairs Department* which shall provide legal advice and support to all the corporate units on legal implications of the various undertakings of the Authority and divided into Litigation Division, and Research and Documentation Division.
- b) *Administrative Department* which shall be responsible for providing services relating to human resource management, records management, and general services.
- c) *Finance Department* shall be responsible on revenue planning, generation and enhancement, assistance on budgetary and financial matters, and safekeeping of corporate assets.
- d) *Policy Planning and Management Services Department* which will undertake policy research and development, and advise the General Manager on policy positions and public advocacy measures for approval of the Board.
- e) *Integrated Water Resources Management Services Department* which will serve as the main technical arm of the Authority and shall integrate the functions of Lake basin management and development. It shall oversee the management of the Laguna Lake and its river systems including the shorelands.
- f) *Environmental Protection Department* which will manage all the environmental regulatory functions of the Authority like permits and licensing, monitoring and surveillance, enforcement and adjudication and environmental quality compliance.

The Board shall periodically review the appropriateness of the existing organizational structure and amend the same whenever it may deem necessary and beneficial to achieve the purposes of this Act and to be able to respond efficiently and effectively to LLDA's mandate as herein provided.

**Sec. 16. Personnel**

The Board of Directors shall provide for an organization and staff of officers and employees of LLDA and upon recommendation of the General Manager, fix their remunerations and other emoluments: All positions in the LLDA shall be governed by the compensation, position classification system and qualification standards approved by the General Manager with the concurrence of the Board of Directors based on a comprehensive job analysis of actual duties and responsibilities.

The compensation plan shall be comparable with the prevailing compensation plans in the Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Clark Development Corporation (CDC), Bases Conversion Development Corporation (BCDA) and the private sector and shall be subject to the periodic review by the Board of Directors every two (2) years, without prejudice to yearly merit reviews or increases based on productivity and profitability. The LLDA shall, therefore be exempt from existing laws, rules, and regulations on compensation, position classification and qualification standard. It shall however endeavor to make its systems conform as closely as possible with the principles under Compensation and Position Classification Act of 1989 (Republic Act No. 6758, as amended)

The LLDA officers and employees including all Members of the Board shall not engage directly or indirectly in partisan activities or take part in any election, except to vote.

No officer or employee of the LLDA subject to Civil Service laws and regulations shall be removed or suspended except for cause, as provided by law.

**SEC.17. Damages.** - Compensation for any damage to the water and aquatic resources of Laguna Lake and its tributaries 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 LLDA for water quality control and management projects.

**SEC.18. Annual Fees.** - The LLDA is hereby authorized to collect annual fees for the use of the lake waters and its tributaries for all beneficial purposes including fisheries, aquaculture, municipal, industrial, agricultural including irrigation, hydroelectric power generation, transport and navigation, waste disposal purposes, and recreation, among others. All the fees so collected shall be accordingly appropriated for the sustainable development of the lake and its watershed areas. The LLDA collection of fees shall form part of its corporate funds and shall not be remitted to the National Treasury as an exception to the provisions of Presidential Decree No. 1234.

**SEC. 19. Capitalization and Financing.** - The LLDA shall have an authorized capital of ONE BILLION PESOS. The authorized capital stock of One Billion Pesos (P1, 000,000,000.00) shall be divided into Ten Million Pesos (P10, 000,000.00) shares of stock with a par value of One Hundred Pesos (100) per share. The National Government shall subscribe to Six Million Shares, the province of Laguna to One Million shares, the province of Rizal to One Million shares and the balance of Two Million Shares shall be open for subscription of other government agencies or LGUs within the Bay Region.

The shares of stock of the LLDA shall be divided into:

- 1) P 7,000,000.00 common shares (voting); and
- 2) P 3,000,000.00 preferred shares (non-voting)

With such fixed rates of return as shall be determined by the Board.

*Provided, however,* that preferred shares shall enjoy preference with respect to distribution of dividends and assets in case of dissolution.

**SEC. 20. Appropriations.** - The amount of Three Hundred Million Pesos (Php 300,000,000.00) is hereby appropriated to carry out the provisions of this Act which shall be included in the General Appropriations Act of the year following its enactment.

The additional amount of Three Hundred Million Pesos (Php 300,000,000.00) shall be divided to shares of stock in accordance with the proportion provided in the preceding paragraph.

**SEC. 21. Creation of a Public Hearing Committee** - For the purpose of effectively carrying out the quasi-judicial powers of the Authority within the Laguna de Bay Region, a Public Hearing Committee is hereby created composed of a Chairman and two (2) other members to be designated by the General Manager. Any decision, order or resolution must be concurred by the majority member of the Committee and duly approved by the General Manager.

**SEC. 22. Creation of Lake Police Force**

The National Police Commission shall constitute and assign a special police force, to be known as the Laguna Lake Police, exclusively for the Laguna de Bay Region, trained especially for enforcement of laws on fisheries and environmental laws and the rules and regulations duly promulgated by the LLDA.

The extent of operational supervision and control by the LLDA General Manager over the Laguna Lake Police shall be the same as that of local chief executives over police force of LGUs as defined in the Department of Interior and Local Government Act of 1990 (R.A. 6975), in relation to Sec. 73 of the Local Government Code of 1991 (R.A. 7160).

**SEC. 23. Exemption from Tax** - The LLDA shall be exempt from:

- a) all taxes, licenses, fees, imposts, charges costs, duties, incidental to its operations and service/filing fees in any court or administrative proceedings in which it may be a party, restrictions and duties to the Republic of the Philippines, its provinces, cities, municipalities and other government agencies and instrumentalities; and
- b) all income taxes, franchise taxes and realty taxes to be paid to the National Government, its provinces, cities, municipalities and other government agencies and instrumentalities.

**SEC. 24. Penal and Civil Liability Clause** - Any person, natural or juridical, who shall violate any of the provisions of this Act or any rules and regulations promulgated by the Authority pursuant thereto shall be liable to imprisonment of not exceeding three 3 years or to a fine not exceeding Fifty Thousand Pesos or both at the discretion of the court. This is without prejudice to the imposition of penalties as may be provided under relevant and existing laws, rules and regulations.

**SEC. 25. Repealing Clause.** - Republic Act No. 4850 as amended, Presidential Decree No. 813, and Executive Order No. 927, and all laws, orders, issuance, rules and regulations inconsistent herewith are hereby repealed.

**SEC. 26.**     *Separability Clause.* – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectiveness of the other provisions hereof.

**SEC. 27.**     *Effectivity.* - This Act shall take effect fifteen (15) days following its publication in at least two (2) national newspapers of general circulation.

Approved.