

REPUBLIC OF THE PHILIPPINES

PRESIDENTIAL DECREE NO. 813

AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED FORTY EIGHT HUNDRED FIFTY, OTHERWISE KNOWN AS THE “LAGUNA LAKE DEVELOPMENT AUTHORITY ACT OF 1966”

WHEREAS, rapid expansion of Metropolitan Manila, the suburbs and the lakeshore towns of Laguna de Bay, combined with current and prospective uses of the lake for municipal-industrial water supply, irrigation, fisheries, and the like, have created deep concern on the part of the Government and the general public over the environmental impact of such development on the water quality and ecology of the lake and its related river systems.

WHEREAS, inflow of polluted water from Pasig River, industrial, domestic and agricultural waste from developed areas around the lake and the increasing urbanization have induced the deterioration of the lake and water quality studies have shown that the lake deteriorates further if steps are not taken to check the same.

WHEREAS, floods in Metropolitan Manila areas and the lakeshores towns are also influenced by the hydraulic system of the Laguna de Bay, and any scheme of controlling the Roods will necessarily involve the lake and its river systems;

WHEREAS, the Laguna Lake Development Authority is empowered under Republic Act No. 4850 to conserve and develop the resource of the Laguna de Bay region and to promote socio-economic well-being of the people but in the exercise of these functions, deficiencies and ambiguities in the present provisions of the law were found which impede the accomplishment of the Authority's goal;

WHEREAS, under existing laws, other government agencies have varying degrees of jurisdiction and control of the lake resulting in problems of coordination, planning and management thereby hampering the efforts of the Authority to plan and implement its overall development plans for the conservation and utilization of the lake resources in accordance with the provisions of its charter;

WHEREAS, in view of the foregoing consideration, the passage into law of the amendments embodied in this Decree is necessary;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree, order and make as part of the law of the land the following amendments to Republic Act No. 4850;

SECTION 1. Section one of the Republic Act Numbered Forty-Eight Hundred and Fifty is hereby amended to read as follows:

“SECTION 1. Declaration of Policy . . . It is hereby declared to be the national policy to promote, and accelerate the development and balanced growth of the Laguna Lake area and the surroundings provinces, cities and towns hereinafter referred to as the region, within the context of the national and regional plans and policies for social economic development of the Laguna Lake region with due regard and adequate provisions for environmental management and control, preservation of undue ecological disturbances, deterioration and pollution.”

SECTION 2. The title and paragraphs (a), (d), (f), and (i) of Section4 of the same Act is hereby amended to read as follows:

“SECTION 4. Special Powers and Functions . . . The Authority shall exercise and perform the following powers and functions:

“(A) To make a comprehensive survey of the physical and natural resources and potentialities of the Laguna Lake region 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 particularly Laguna de Bay, to promote the region’s rapid social and economic development and 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 the said survey, public agencies shall submit and private entities shall provide necessary data except such data, which under existing laws are deemed inviolable.

"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 the region 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 of the Laguna Lake waters 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 within the Laguna de Bay region without a 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. Reasonable processing fees as may be fixed by the Authority's Board of Directors shall be collected by the Authority for the processing of such plans, programs and/or projects: Provided, finally, That expansion plans shall be considered as new plans subject to review of the Authority and to payment of the processing fees.

The Authority, national and local government offices, agencies and public corporations shall coordinate their plans, programs, projects and licensing procedures with respect to the Laguna Lake region for the purpose of drawing up a Laguna Lake development plan which shall be binding upon all parties concerned upon approval of the NEDA board.

“(F) To plan, program, finance and/or undertake infrastructure projects such as rivers, 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 resettlement of population within the region as may be deemed 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 conditions 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.”

“(I) To reclaim or cause to be reclaimed portions of the Lake or undertake reclamation projects and/or acquire such bodies of land from the lake which may be necessary to accomplish the aims and purposes of the Authority subject to the approval of the NEDA Board: Provided, That the land so reclaimed shall be the property of the Authority: Provided, further, That the resulting lakeshore area shall continue to be owned by the national government.”

SECTION 3 Section 4 of the same Act is hereby further amended by adding there to seven new paragraphs to be known as paragraphs (j), (k), (l), (m), (n), (o), (p), which shall read as follows:

“(J) The provisions of existing laws to the contrary notwithstanding, to engage in fish production and other aqua-culture activities in the Laguna de Bay and other bodies of water within its jurisdiction and in pursuance thereof to conduct studies and make experiments, whenever necessary; with collaboration and assistance from the Bureau of Fisheries and Aquatic Resources, with the end in view of improving present techniques and practices. 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 in Laguna de Bay. The Authority shall have exclusive jurisdiction to issue new permit for use of the lake waters for any project or activity in affecting the said lake including navigation, construction, and operation of fishpens, fish enclosures, fish corrals and the like, and to impose necessary safeguards for hake 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 subdivisions in such proportion as may be determined by the President of the Philippines upon recommendation of the Authority’s Board: Provided further, That the Authority’s Board may determine new areas of fishery development or activities which it may place under the supervision of the Bureau of Fisheries and Aquatic Resources taking into account the overall development plans and programs for Laguna de Bay and related bodies of water: Provided, finally, That the Authority shall subject to the approval of the President of the Philippines to promulgated such rules and regulations which shall govern fisheries development activities in Laguna de Bay which shall take into consideration among others the following: socio-economic amelioration of bona-fide resident fishermen whether individually or collectively in the form of cooperatives, lakeshore town development, a master plan for fish construction and from such other wrongful act of 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 4-B.** - The Authority is hereby empowered to collect annual fees as provided for in Sec. 4-K herein, 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 on the fees to be collected shall be subject to the approval of the President of the Philippines.”

SECTION 5. - Section 5, Paragraph (f) and (i) of the same Act is amended to read as follows:

“(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 the carrying out of 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 its, subject to prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof.”

“(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 instrumentalities; and with the owner of said stock to exercise all the rights of ownership, including the rights of ownership, including the right to vote thereon; Provided, That the Authority shall not invest its funds in any highly risky debt instrument issued without recourse to commercial banks or investment houses as well as in any highly speculative stocks.

SECTION 6. - Section 5 of the same Act is further amended by adding a new paragraph hereto to be known as paragraph (k), which shall read as follows:

“(K) To issue such rules and regulations as may be necessary to effectively carry out the powers and purpose 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 thereto, in a newspaper of general circulation,”

SECTION 7. - Section 6 of the same Act is amended to read as follows:

“**SECTION 6** - Capitalization and Financing - The Authority shall have an authorized capital of ONE HUNDRED MILLION PESOS (P 100,000,000) 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 (P100,000,000) shall be divided into ONE MILLION (P1,000,000) 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 rate 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-percent of the balance shall be subscribed by the Provinces of Laguna and Rizal in such proportion as may be agreed upon by both provincial governments in accordance with their

respective financial 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 8 - Section 8 of the same Act is hereby amended to read as follows:

“**SECTION 8** - Operating Expenses - For the operating expenses of the Authority, expenses of the Authority, the sum of ONE MILLION PESOS (P1,000,000) 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 sums as may be needed or necessary for its operating expenses.

SECTION 9 - Section 9 of the same Act is hereby amended to read as follows:

SECTION 9. - 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 so 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 its proposal to incur indebtedness or to issue bonds. This shall be considered authorized upon approval of the President of the Philippines.

SECTION 10 - Section 15 of the same Act is hereby amended to read as follows:

SECTION 15 – Incorporation - The members of the first Board of Directors shall be elected by the stockholders and the incorporation shall be held to have effected from the date of the first meeting of such Board.”

SECTION 11 - Section 16 of the same Act is hereby amended to read as follows:

“SECTION 16. Board of Directors: Composition. The Corporate power shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of eight (8) members. to wit: The Executive Secretary: the Secretary of Economic Planning: the Secretary of Natural Resources: the Secretary of Economic Planning: the- Secretary of Natural Resources; the Secretary of Industry: a representative of Laguna Province. who shall be designated by the Provincial Board of Laguna; a representative of Rizal Province to be designated by its 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 recomendees 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 by the Board.

The official next in rank to be above-mentioned members 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 12. Section 18 and 19 of the same Act are hereby repealed.

SECTION 13. Section 2 1 of the same Act is hereby amended to read as follows:

“SECTION 21. Qualification 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 personal shall be nominated as member of the Board unless he be of unquestioned integrity and competence.”

SECTION 14. Section 21 of the same Act is hereby amended to read as follows:

“SECTION 24. - Board Meetings. The Board shall meet at least once a month. The Board shall be convoked by the Chairman are upon written request signed by a majority of the members.”

SECTION 15. Section 25 of the same Act is hereby amended to read as follows:

“SECTION 25. Per Diems and Allowances. The members of the Board shall receive for every meeting attended a per diem to be determined by the Board: Provided, That in no case will the total amount received by each exceed the sum of ONE THOUSAND PESOS (P 1,000.00) for any one month. Members of the Board shall be entitled to commutable transportation and representation allowances in the performance of official functions for the

Authority as authorized by the Board the aggregate amount of which shall not exceed ONE THOUSAND PESOS (P 1,000.00) for any one month.”

SECTION 16. - A new section to be known as Section 25 is hereby inserted after Section 25 to read as follows:

“SECTION 25. A. Powers and Functions of the Board of Directors

a. To formulate, prescribed, 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 head and above, and others of comparable rank including the Assistant General Manager upon the recommendation of the General Managers;

c. By a majority vote of all members of the Board. to suspend. remove or otherwise discipline for just cause ail 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 17. - Section 26 of the same Act is hereby amended to read as follows:

SECTION 26. - 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 measured which he believes to be necessary to carry out the purpose 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 18 - Section 27 of the same Act is hereby repealed

SECTION 19 - Section 28 of the same Act is hereby repealed

SECTION 20. - Section 29 of the same Act is hereby amended lo read as follows:

“**SECTION 29.** Compensation. The General Manager shall receive a compensation of at least Thirty-Six Thousand pesos (P36,000.00) per annum which shall be charged against the annual appropriation of the Authority for operating expenses. The Board of Directors may provide per diems and allowances for the General Manager”

SECTION 21. - Section 3 t of the same Act is amended lo read as follows;

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 lo 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 division 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 approval 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 a 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 22. Section 32 of the same Act is hereby amended to read as follows:

“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 profession and technical personnel of the Authority shall be exempt from the coverage of the classification and compensation plans of the WAPCG and Civil Service rules and regulations: Provided, However, That such personnel shall be permanent in status and shall be entitled to the benefits and privileges normally accorded to government employees, such as retirement, GSIS insurance, leave and similar matters. Provided further. That the Directors General of the NEDA shall review and recommend the approval of the staffing pattern for profession 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 23 - Section 33 of the same Act is hereby repealed.

SECTION 24 - Section 34 of the same Act is hereby repealed.

SECTION 25 - Three new sections to be known as Section 34 - A, Section 34-B and Section 34-C are hereby inserted after Section 31 and before Section 35 which shall read as follows:

“SECTION 34-A. Supervision by the NEDA. The Authority shall be directly under the Neda for policy and program integration”

“SECTION 3-B. *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 34-C. 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 audit indicate mismanagement, the NEDA shall take appropriate measures as may be required by circumstances.”

SECTION 26. - Section 39 of the same Act is hereby repealed.

SECTION 27. - After Section 39, a new section shall be added to be known as Section 39 - A which shall read as follows:

SECTION 39 - A Penal and Civil Liability Clause - Any person, natural or juridical, who shall violate any of the provision of this Act or any rule 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 of both at the discretion of the court.

“If the violator be 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 28 - After Section 40 of the same Act a new section shall be added to be known as Section 40 - A which shall read as follows:

“SECTION 40 - A. Transitory Provision. When the Regional Development Council for the region becomes operational, the socio-economic planning functions as envisioned under this Charter shall be assumed by the aforementioned Regional Development Council in accordance with the provisions of the Integrated Reorganization Plan, as amended. All incumbent officials and employees shall continue in office and those qualified shall have preference in filling up new positions that may be created as a consequences of this Decree,”

SECTION 29 - Section 41 of the same Act is hereby amended by adding thereto a new paragraph. to be known as paragraph (11) which shall read as follows:

SECTION 41 - Definition of Terms

“(11) Laguna Lake or Lake. Whenever Laguna Lake or Lake issued in this Act. the same shall refer to Laguna de Bay which is that area covered by the lake waters 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 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.”

“**SECTION 30** - Repealing Clause. All laws, decrees, orders and rules which are contrary to or inconsistent with this decree are hereby repealed or modified accordingly.

This Decree shall take effect upon its approval Done in the City of Manila, this 17th day of October in the year of Our Lord, nineteen hundred and seventy-five.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

BY the President:

(SGD.) ROBERTO V. REYES