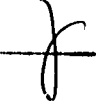




Senate
Office of the Secretary

SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

16 JUL 20 P3:08

RECEIVED BY: 

SENATE
S.B. No. 660

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT
AMENDING REPUBLIC ACT NO. 7227, AS AMENDED BY REPUBLIC ACT NO. 9400,
OTHERWISE KNOWN AS THE BASES CONVERSION AND DEVELOPMENT ACT OF
1992

EXPLANATORY NOTE

With the country experiencing sustained economic growth, we are flooded with opportunities for development in different industries and across a number of geographical areas in the country.

Subic Bay in Central Luzon is one such region with immense potential for foreign investment and overall economic development. This economic development in the Subic Bay Freeport Zone (SBFZ) translates to job opportunities and business opportunities for our countrymen.

With this in mind, the Republic Act No. 7227, otherwise known as the Bases Conversion and Development Act of 1992, was passed to assign Subic Bay Metropolitan Authority (SBMA) the responsibility to build a prosperous and self-sustaining Freeport in Subic Bay.

SBMA is tasked to promote both economic and social development in Subic Bay, creating a model for economic success and inclusive growth in the region and in the Philippines.

We are now in a position to clarify provisions of the decade-old legislation and apply revisions based on what we have learned in the past years, improving the policy and making SBMA a more effective and impactful governing body.

The Subic Bay Metropolitan Authority (SBMA) Reform Bill seeks to update the powers and responsibilities of SBMA in the hope that SBFZ can reach its full potential – attracting more foreign direct investments, supporting growth of local business, providing jobs, livelihood, and a wealth of opportunities for more Filipinos in Central Luzon and in the country as well.

Grow, Subic, grow!

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

A handwritten signature in black ink, appearing to read 'Bam Aquino', written in a cursive style.

Senator Paolo Benigno "Bam" A. Aquino IV

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

1 **SECTION 1.** Section 12 (c) of the Republic Act No. 7227, as amended, is hereby
2 further amended as follows:

3 "SECTION 12. *Subic Special Economic Zone.* - xxxx xxxx xxxx

4 (c) The provision of existing laws, and regulations to the contrary notwithstanding,
5 no national and local taxes shall be imposed within the Subic Special Economic Zone, In lieu
6 of [said] **ALL OTHER NATIONAL AND LOCAL** taxes, a five percent (5%) tax on gross income
7 earned shall be paid by all business enterprises within the Subic Special Economic Zone and
8 shall be remitted as follows: [three percent (3%)] **TWO PERCENT (2%)** to the National
9 Government, [and] **ONE PERCENT (1%)** to the Subic Bay Metropolitan Authority (SBMA)
10 **AND TWO PERCENT (2%)** for distribution to the local government units affected by the
11 declaration of and contiguous to the zone, namely: the City of Olongapo and the
12 municipalities of Subic, San Antonio, San Marcelino and Castillejos of the Province of
13 Zambales; and the municipalities of Morong, Hermosa and Dinalupihan of the Province of
14 Bataan, on the basis of population (50%), land area (25%), and equal sharing (25%).

15 xxxx xxxx xxxx

16 **SEC. 2.** Sections 13 (b) (3) (10) (11), (c) (3) (4) and (f) of Republic Act No. 7227, as
17 amended, is hereby amended as follows:

18 " SEC. 13. *Subic Bay Metropolitan Authority.* – xxxx xxxx xxxx

19 (b) Powers and Functions of the Subic Bay Metropolitan Authority. – The Subic Bay
20 Metropolitan Authority, otherwise known as the Subic Authority, **HAVING AUTHORITY AND**

1 **JURISDICTION OVER ALL BUSINESS AND ECONOMIC ACTIVITIES WITHIN THE SBF, EXCEPT**
2 **AS OTHERWISE HEREIN PROVIDED, shall have the following powers and functions:**

3 xxxx xxxx xxxx

4 (3) To undertake and regulate the establishment, operation and maintenance of
5 **[utilities] TELECOMMUNICATIONS**, other services and infrastructure in the Subic
6 Special Economic Zone including shipping and **MARITIME** related business**ES**,
7 stevedoring and port terminal services or concessions, incidental thereto and
8 airport operations in coordination with the Civil Aeronautics Board, and to fix **AND**
9 **IMPOSE** just and reasonable rates, fares, charges and other prices therefor;

10 xxxx xxxx xxxx

11 (10) xxxx xxxx xxxx xxxx xxxx xxxx; [and]

12 **(11) TO RECLAIM LANDS IN THE SUBIC SPECIAL ECONOMIC AND FREEPORT ZONE,**
13 **NOT LIMITED TO FORESHORE AND SUBMERGED AREAS, BY DREDGING, FILLING OR**
14 **OTHER MEANS, AND TO ACQUIRE, DEVELOP, IMPROVE, ADMINISTER, DEAL – IN,**
15 **SUBDIVIDE AND LEASE RECLAIMED LANDS INSIDE THE ZONE; TO PROVIDE FOR,**
16 **OPERATE OR ADMINISTER SUCH SERVICES AS MAY BE NECESSARY FOR THE**
17 **EFFICIENT, ECONOMICAL AND BENEFICIAL UTILIZATION OF THE RECLAIMED AREAS**
18 **IN THE ZONE;**

19 **(12) To exercise such powers as may be essential, necessary or incidental to the**
20 **powers granted to it hereunder as well as to carry out the policies and objectives of**
21 **this Act.**

22
23 *(c) Board of Directors* – The powers of the Subic Authority shall be vested in and
24 exercised by a Board of Directors, hereinafter referred to as the Board, which shall be
25 composed of fifteen (15) members, to wit:

26 xxxx xxxx xxxx

27 (3) Five (5) representatives from the private sector coming from [the present naval
28 stations, public works center, ship repair facility, naval supply depot and naval air
29 stations] **TOURISM, MANUFACTURING AND PRODUCTION, MARITIME AND**
30 **AVIATION, TRADE AND INDUSTRY, AND LOGISTICS SECTORS; and**

31 (4) The remaining balance to complete the Board shall be composed of
32 representatives from the business and investment sectors, **WITH ONE (1)**
33 **REPRESENTATIVE FROM THE MUNICIPALITY OF DINALUPIHAN, PROVINCE OF**
34 **BATAAN.**

35 xxxx xxxx xxxx

1 (f) OTHER OFFICERS AND EMPLOYEES. – ALL POSITIONS IN THE SUBIC AUTHORITY
2 SHALL BE GOVERNED BY THE COMPENSATION, POSITION CLASSIFICATION SYSTEM
3 AND QUALIFICATION STANDARDS APPROVED BY ITS BOARD OF DIRECTORS BASED
4 ON A COMPREHENSIVE JOB ANALYSIS OF ACTUAL DUTIES AND RESPONSIBILITIES
5 AT PAR WITH THAT OF THE BASES CONVERSION AND DEVELOPMENT AUTHORITY
6 (BCDA) OR THE CONVERSION AUTHORITY. THE COMPENSATION PLAN SHALL BE
7 COMPARABLE WITH THE PREVAILING COMPENSATION PLANS IN THE PRIVATE
8 SECTOR AND SHALL BE SUBJECT TO PERIODIC REVIEW BY THE BOARD OF
9 DIRECTORS OF THE SUBIC AUTHORITY ONCE EVERY TWO (2) YEARS, WITHOUT
10 PREJUDICE TO YEARLY MERIT OR INCREASES BASED ON THE SUBIC AUTHORITY'S
11 PRODUCTIVITY AND PROFITABILITY. THE SUBIC AUTHORITY SHALL, THEREFORE, BE
12 EXEMPT FROM EXISTING LAWS, RULES AND REGULATIONS ON COMPENSATION,
13 POSITION CLASSIFICATIONS AND QUALIFICATION STANDARDS. HOWEVER, THE
14 SUBIC AUTHORITY SHALL ENDEAVOR TO MAKE ITS SYSTEM CONFORM AS CLOSELY
15 AS POSSIBLE WITH THE PRINCIPLES UNDER REPUBLIC ACT NO. 6748 OR THE
16 COMPENSATION AND POSITION CLASSIFICATION ACT OF 1999 OTHERWISE
17 KNOWN AS THE SALARY STANDARDIZATION LAW, AS AMENDED.

18 **SEC. 3. *Repealing Clause.*** – If any provision of this Act is subsequently declared
19 unconstitutional, the validity of the remaining provisions hereof shall remain in full force
20 and effect.

21 **SEC. 4. *Separability Clause.*** – All laws, decrees, orders, rules and regulations or other
22 issuances or parts thereof inconsistent with the provisions of this Act, are hereby repealed
23 or modified accordingly.

24 **SEC. 5. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in
25 the Official Gazette or in two (2) newspaper of general circulation.

26 *Approved,*