

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

House Bill No.

3464

Introduced By Representatives Maximo B. Dalog, Eric G. Singson Jr., Victor F. Ortega, Randolph S. Ting, Carlos M. Padilla, Bernardo M. Vergara, Maria Jocelyn V. Bernos, Teddy Brawner Baguilat, Jr., Eufranio "Franny" C. Eriguel, M.D., Jose R. Ping-ay, Catalina G. Leonen-Pizarro, Ana Cristina Siquian-Go, Eleanor C. Bulut-Begtang, Patricio T. Antonio, Aurelio D. Gonzales, Jr., Jesus "Boying" F. Celeste, Ma. Rachel J. Arenas, Rodolfo C. Farinas, Imelda R. Marcos, Ronald V. Singson, Manuel S. Agyao, Henedina R. Abad, Ronald M. Cosalan, Rodolfo B. Albano, Jr., Napoleon S. Dy, Georgidi B. Aggabao, Dakila Carlo E. Cua, Juan C. Ponce Enrile, Jr., Leopoldo N. Bataoil, Ma. Georgina P. de Venecia, Carmen Kimi S. Cojuangco, Marlyn L. Primicias Agabas, Antonio M. Diaz, Francisco Emmanuel R. Ortega III, Robert Raymund M. Estrella, Ma. Theresa B. Bonoan-David, Vincent P. Crisologo, Romeo M. Acop, Vicente F. Belmonte, Jr. and Linabelle Ruth R. Villarica

EXPLANATORY NOTE

This bill seeks to create the North Luzon Development Authority which shall be responsible for the overall policy direction, coordination and supervision of the entire development efforts in the North Luzon Growth Area and its proposed transborder economic integration with neighboring East Asian economies.

It has been the policy of the government to disperse industries and economic growth outside traditional centers of development in order to balance the growth of the different regions of the country. In line with this policy, the three regions comprising North Luzon has been treated as a special growth area whose development is expected to stimulate trade, investment and tourism activities, all with the end-in-view of reducing the incidence of poverty in the area. The envisioned economic integration of North Luzon is in line with the principle of inter-LGU collaboration as embodied under the Local Government Code wherein "local government units may group themselves, consolidate or coordinate their efforts, services and resources for purposes commonly beneficial to them".

The northernmost part of Luzon, which is composed of Region 1, Region 2 and Cordillera Administrative Region, is an area full of economic potential. With a total land area of 57,971.60 square kilometers that represents about 20% of the total land area of the Philippines, North Luzon is a region endowed with bountiful man-made and natural resources. Its population of 10,034,426 (Statistical year 2007) which is roughly nine percent of the country's population is a veritable source of skilled manpower.

The North Quad Master Plan, considered as the area's blueprint for development, was completed on February 1994 by the Louis Berger International Inc. (LBII) with funding from the United States Agency for International Development (USAID). The Plan recommended development objectives, strategies, policies and priority projects and also recommended the "**coordinating council/commission**" model as the most appropriate structure of the North Quad Development Program.

In 1999, with recommendation from the United Nations Industrial Development Organization-Investment Promotion Service (UNIDO-IPS) based in Tokyo, Japan and upon the popular clamor of other areas in North Luzon to participate in the North Quad Development Program (as manifested in various municipal, provincial and regional resolutions), the North Quad's coverage area was expanded to include the whole of Region 1, Region 2 and CAR. With the issuance of Executive Order No. 114, the North Luzon Growth Area was born, covering 15 provinces with 289 municipalities and 11 cities.

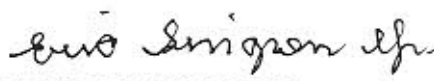
The integration of the three regions of North Luzon into a single growth area is not an end in itself; rather, it means to a greater end. It is North Luzon's response to the proven success of subregionalism and economic cooperation in engendering higher growth in the Asia-Pacific region. The creation of a larger tri-regional growth area is a necessary first step in an effort to establish transborder economic cooperation with countries in East Asia, linking economically North Luzon with Taiwan in the medium-term and the rest of East Asia (Japan, Korea, and Southern China including Hong Kong). This concept is largely patterned after existing "growth triangles", such as the Singapore-Johor-Riau Growth Triangle or SIJORI, the Northern ASEAN Growth Triangle consisting of Indonesia, Malaysia and Thailand, the Southern China Growth Triangle integrating southern China, Hong Kong and Taiwan; and the East ASEAN Growth Area or EAGA covering Brunei, Indonesia, Malaysia and Southern Philippines. These are cases in point to illustrate that regional economic cooperation has indeed bred prosperity in the Asia-Pacific.

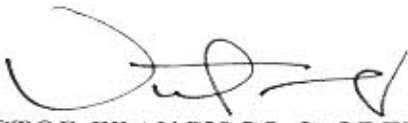
Through the North Luzon Growth Quadrangle Area-Program Management Office (NLGQA) and its forerunners, the North Luzon Growth Commission (NLGC) and the Northwestern Luzon Growth Quadrangle (NWLQG), North Luzon has been the subject of interregional planning and project cooperation involving the Regional Development Councils of Regions 1, 2 and CAR. This area has special growth centers / economic zones (John Hay, Poro Point, Baguio Export Processing Zone, CEZA, etc.) that can jumpstart transborder economic cooperation. The countries within Central East Asia (to include but not limited to Taiwan, Southern China, Japan, South Korea) represent economies that are dynamic and expanding with dollar surpluses for investment as well as official development assistance which provide complementarities for the formation of an economic cooperation with the NLGA as a member economy.

The management of the North Luzon Growth Area including the establishment of a transborder economic cooperation requires a permanent high level coordinating body operating directly under the Office of the President which shall exercise leadership in effectively mobilizing local support as well as national leadership assistance in developing the growth area and forging transnational relations. The creation of the North Luzon Development Authority is imperative as this will provide continuity of programs and projects and ensure a sustained development of the area.

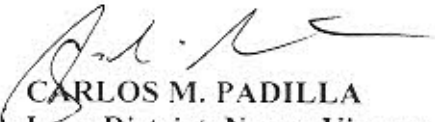
Passage of this bill is therefore respectfully recommended.


MAXIMINO B. DALOG
Lone District, Mountain Province


ERIC G. SINGSON, Jr.
Second District, Ilocos Sur



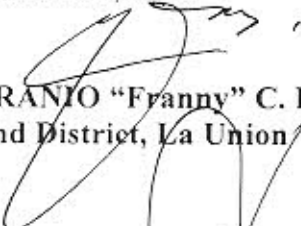
VICTOR FRANCISCO C. ORTEGA
First District, La Union



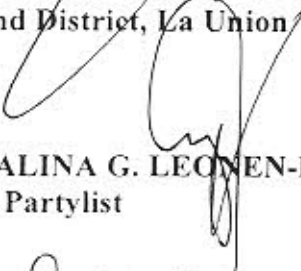
CARLOS M. PADILLA
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MARIA JOCELYN V. BERNOS
Lone District, Abra



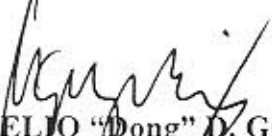
EUFRANIO "Franny" C. ERIGUEL, M.D.
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CATALINA G. LEONEN-PIZARRO
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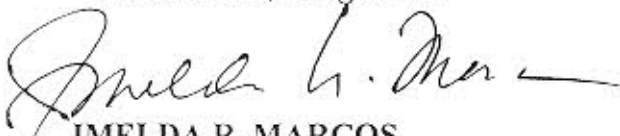


ELEANOR C. BULUT-BEGTANG
Lone District, Apayao



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Third District, Pampanga

MA. RACHEL J. ARENAS
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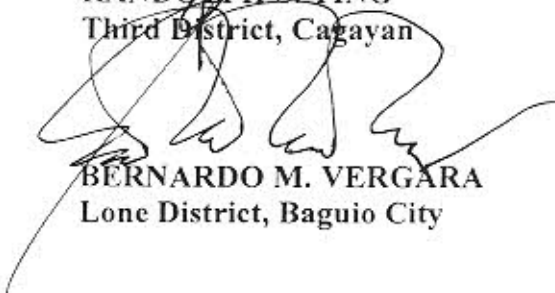


IMELDA R. MARCOS
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MANUEL S. AGYAO
Lone District, Kalinga

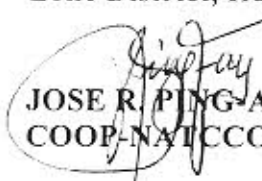


RANDOLPH S. TING
Third District, Cagayan

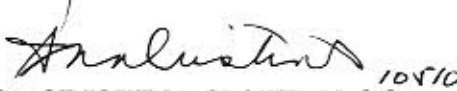


BERNARDO M. VERGARA
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First district, Ilocos Sur



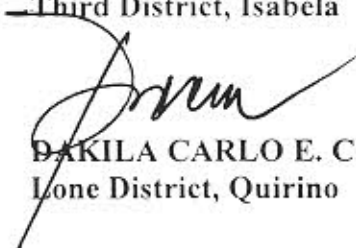
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RODOLFO B. ALBANO
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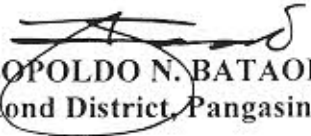


GEORGIDIO B. AGGABAO
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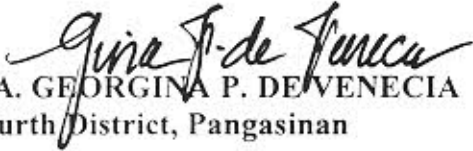
DAKILA CARLO E. CUA
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JUAN C. PONCE ENRILE, JR.
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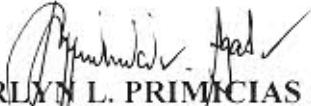
LEOPOLDO N. BATAOIL
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Lone District, Iligan City



LINABELLE RUTH R. VILLARICA
Fourth District, Bulacan

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Introduced By Representatives Maximo B. Dalog, Eric G. Singson Jr., Victor F. Ortega, Randolph S. Ting, Carlos M. Padilla, Bernardo M. Vergara, Maria Jocelyn V. Bernos, Teddy Brawner Baguilat, Jr., Eufranio "Franny" C. Eriguel, M.D., Jose R. Ping-ay, Catalina G. Leonen-Pizarro, Ana Cristina Siquian-Go, Eleanor C. Bulut-Begtang, Patricio T. Antonio, Aurelio D. Gonzales, Jr., Jesus "Boying" F. Celeste, Ma. Rachel J. Arenas, Rodolfo C. Farinas, Imelda R. Marcos, Ronald V. Singson, Manuel S. Agyao, Henedina R. Abad, Ronald M. Cosalan, Rodolfo B. Albano, Jr., Napoleon S. Dy, Georgidi B. Aggabao, Dakila Carlo E. Cua, Juan C. Ponce Enrile, Jr., Leopoldo N. Bataoil, Ma. Georgina P. de Venecia, Carmen Kimi S. Cojuangco, Marlyn L. Primicias Agabas, Antonio M. Diaz, Francisco Emmanuel R. Ortega III, Robert Raymond M. Estrella, Ma. Theresa B. Bonoan-David, Vincent P. Crisologo, Romeo M. Acop, Vicente F. Belmonte, Jr. and Linabelle Ruth R. Villarica

AN ACT
CREATING THE NORTH LUZON DEVELOPMENT AUTHORITY, PROVIDING
FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

- 1 SECTION 1. *Title*. – This Act shall be known as the "North Luzon Development
2 Authority Act of 2010."
- 3 SEC. 2. *Declaration of Policy*. – It is hereby declared the policy of the State to foster
4 and accelerate the integrated and balanced growth of North Luzon (Region I, Region II and the
5 Cordillera Administrative Region) and link North Luzon with the East Asian region to stimulate
6 trade, investment and tourism; expand businesses; generate jobs; develop infrastructure; protect,
7 harness and enhance environment and natural resources; and create export markets for local
8 produce, all with the end-in-view of reducing the incidence of poverty in the area. North
9 Luzon's strategic direction will be efficiently and effectively planned, supervised and
10 coordinated by a development authority as created therein, without prejudice to the authority of
11 the affected local government units and regions within the context of national plans and policies.

1 Pursuant to this policy, the North Luzon Growth Quadrangle Area - Project
2 Management Office (NLGQA-PMO) established under Executive Order No. 114, series of
3 1999, is hereby constituted as an office to handle special strategic growth area in the country
4 as well as in the East Asian region subject to the direct supervision of the President of the
5 Philippines.

6
7 SEC. 3. *Creation of the North Luzon Development Authority.* – There is hereby
8 created the North Luzon Development Authority, hereinafter referred to as Authority, to be
9 headed by a Chairman appointed by the President. It shall be organized within one hundred
10 and twenty (120) days after the approval of this Act. The Authority shall be responsible in
11 close cooperation with the Local Government Units (LGUs) and line agencies for the overall
12 policy direction and coordination of the entire North Luzon Growth Area development
13 efforts, execute the powers and functions herein vested and conferred upon it in such a
14 manner as will, in its judgment, aid to the fullest possible extent in carrying out the purposes
15 and objectives set forth.

16
17 SEC. 4. *Objectives of the Authority.* – The Authority shall have the following
18 objectives:

- 19
20 a. To establish the legal framework and mechanisms for the integration and
21 coordination of the regions composing the North Luzon Growth Area;
22
23 b. To develop world competitive industries and commodities to establish and
24 facilitate North Luzon's transborder economic relations with East Asian
25 economies;
26
27 c. To transform the Regions in the North Luzon Growth Area into highly
28 developed and sustainable centers of agriculture, natural resources, commerce,
29 education, tourism, banking, investment and finance, ICT knowledge-based
30 industries and other appropriate industries of the region;
31
32 d. To engage local and foreign investments with the active participation of LGUs
33 in providing attractive business climate thereby creating mass employment for
34 the people of North Luzon.

1 SEC. 5. ***Jurisdiction.*** – The Authority shall have jurisdiction encompassing the
2 provinces, cities and municipalities of Region I, Region II and the Cordillera Administrative
3 Region (CAR).

4
5 SEC. 6. ***Principal Office.*** – The Authority shall maintain its principal office in San
6 Fernando La Union in Region I, and establish branch offices in Tuguegarao, Cagayan for
7 Region II and in Baguio City for CAR, for the proper conduct of its business.

8
9 SEC. 7. ***Powers and Functions of the Authority.*** – The Authority shall have the
10 following powers and functions:

- 11
- 12 a. Update the comprehensive and integrated North Luzon Growth Area development
13 plan to guide regional agencies and local development plans in the area;
 - 14
 - 15 b. Promote foreign investments, trade and tourism in North Luzon which would enhance
16 socio-economic development in the area with focus on, but not limited to, developing
17 transborder economic cooperation with countries in East Asia;
 - 18
 - 19 c. Initiate and/or undertake, in coordination with concerned agencies and LGUs,
20 development and/or business projects in social and/or economic fields, whether in
21 agriculture, infrastructure, education, manufacturing, human resource, information
22 technology, natural resources, energy, public utilities, housing, land development and
23 other related fields;
 - 24
 - 25 d. Cause the preparation of project feasibility studies, master plans and other pre-
26 investment studies that will support and encourage North Luzon-wide economic and
27 social development;
 - 28
 - 29 e. Coordinate the related activities of concerned departments, Regional Development
30 Councils and specialized government development agencies in North Luzon, and
31 ensure their active, but coordinated participation in the program;
 - 32
 - 33 f. Advocate to the constituents of North Luzon, their elected representatives in
34 Congress, and the National Government national policies that will foster the

1 integrated and balanced development of North Luzon;

2
3 g. Provide the mechanism for extending the necessary planning, management and
4 technical assistance to prospective and existing investors in North Luzon;

5
6 h. Mobilize private sector participation as the primary actor for the development of
7 North Luzon;

8
9 i. Negotiate for sources of funds to include the Overseas Development Assistance on a
10 bilateral or multilateral basis in accordance with existing rules and regulations;

11
12 j. Receive and administer donations, contributions, grants, requests or gifts in cash or in
13 kind from foreign governments, international agencies, private entities and others,
14 including internal sources, for purposes that would contribute to the development of
15 North Luzon, subject to existing laws, rules and regulations;

16
17 k. Monitor, evaluate and formulate recommendations on the implementation of
18 development plans and programs in North Luzon;

19
20 l. Adopt rules, systems and procedures, and structures which the Authority may deem fit
21 to carry out its functions;

22
23 m. Perform such other functions and responsibilities as the President may direct.
24

25 SEC. 8. *The North Luzon Development Council.* – The policy-making body of the
26 Authority shall be the North Luzon Development Council, hereinafter referred to as Council,
27 which shall be composed of the Chairmen of the Regional Development Councils of Region
28 I, Region II and CAR.

29
30 The Council shall be headed by a Chairman who shall be appointed by the President and
31 who shall continue to hold office at the discretion of the appointing authority. He shall be
32 vested with the rank, rights, privileges, disqualifications and prohibitions of a cabinet
33 member.
34

1 The Chairman and members of the Council shall be entitled to allowance and per diems
2 in accordance with the existing policies, rules and regulations on the matter.

3
4 **SEC. 9. *Powers, Functions and Duties of the Council.*** – The Council shall have the
5 following powers, functions and duties:

- 6
7 a. To serve as the policy-making body of the Authority;
8
9 b. To approve and promulgate guidelines, standards, rules and regulations in order to
10 encourage, and stimulate the growth and development of infrastructure, tourism,
11 human resource, information technology, natural resources, education and trade
12 and commerce within the area of operations of the Authority;
13
14 c. To approve contracts such as leases, memoranda of agreements and other
15 arrangements to promote tourism and growth of business and industry in Region I,
16 Region II and CAR, upon recommendation of the Chairman of the Authority;
17
18 d. To approve a lean and efficient organizational and appropriate budget structures;
19
20 e. To determine the rate of the allowances and per diems of the members of the
21 Council as it deems necessary, to be effective during the term of the succeeding
22 Council;
23
24 f. To approve the annual budget of the Authority and submit it to the Office of the
25 President for inclusion;
26
27 g. To recommend to the President of the Philippines the Chairman of the Authority;
28
29 h. To exercise such powers and perform such functions which are proper and
30 necessary to implement the objectives of the Authority to carry out the provisions
31 of this Act.
32

33 **SEC. 10. *Functions and Term of Office of the Chairman of the Authority*** – The
34 Chairman of the Authority shall have the following functions:

- a. To appoint, subject to civil service laws, rules and regulations, all subordinate officers and employees of the Program Management Office of the Authority. The Chairman is hereby authorized to engage the services of experts/consultants either on full time or part-time basis as may be required in the performance of his functions and duties as may be determined by him;
- b. To execute the policies and measures approved by the Council and be responsible for the efficient and effective day-to-day management of the operations of the Authority;
- c. To receive local or foreign aid and donations and to source out funds for the projects of the North Luzon Growth Area;
- d. To recommend the annual budget for the operations of the Authority for approval of the Council;
- e. To submit for consideration and approval of the Council such other policies and measures as he may deem necessary to carry out the purposes and provisions of this Act;
- f. To prepare the staffing pattern and fix the number of subordinate officials and employees of the Authority, subject to the guidelines and policies set by the Council, and exercise the power to discipline subordinate officials and employees under the provisions of law;
- g. To prepare an annual report on the accomplishments of the Authority at the close of each year for submission to the Council, to Congress and to the President of the Republic of the Philippines;
- h. To create the various offices necessary to achieve its desired goals and objectives and shall organize and expand its working staff, fix the salaries and remuneration including per diems benefits and allowances of the personnel subject to existing requirements.

1 The Chairman of the Authority shall have a four (4) year term of office, subject to re-
2 appointment.

3
4 SEC. 11. *The Program Management Office.* – The Program Management Office
5 (PMO) of the North Luzon Growth Commission created under Executive Order No. 114
6 dated June 28, 1999 and retained under Executive Order No. 239 dated September 24, 2003
7 shall be transformed into a PMO of NLDA to serve as the implementing arm as well as the
8 technical and administrative secretariat of the Authority. The PMO shall be headed by the
9 Chairman of the North Luzon Development Authority. The PMO shall be strengthened and
10 expanded in proportion to the increase in its program coverage. Employee remuneration in
11 terms of salaries, allowances and other benefits shall also be increased in consultation with
12 and in accordance with existing DBM policies and guidelines. The PMO employees shall
13 enjoy security of tenure and may be removed for cause in accordance with law.

14
15 SEC. 12. *Advisory Committee.* – An Advisory Committee composed of the different
16 District Representatives of Region I, Region II and CAR, and members of the Special
17 Committee on North Luzon Growth Quadrangle will be constituted. As such, they may
18 provide support and assistance for the implementation of programs and projects identified in
19 the North Luzon Development Plan.

20
21 SEC. 13. *Technical Working Group.* – A Technical Working Group composed of
22 representatives from key regional line agencies, Government-owned and Controlled
23 Corporations (GOCCs), LGUs, NGOs and the private sector shall provide additional
24 technical inputs to the NLDA.

25
26 SEC. 14. *Role of the Implementing Bodies.* – National line agencies in the region,
27 government-owned and controlled corporations, local government units, non-government
28 organizations and the private sector shall, as appropriate, serve as implementing entities of
29 projects and activities of the Authority. In case where a national line agency is designated as
30 lead implementing entity, implementation shall be undertaken in close coordination with the
31 Authority through the PMO and concerned LGUs.

32
33 SEC. 15. *Non-Profit Character of the North Luzon Development Authority.* – The
34 Authority shall be non-profit and shall devote the use of its funds for the furtherance and

1 effective implementation of the policies provided for in this Act.

2
3 In consonance with this, the Authority is hereby declared exempt from the payment of all
4 taxes, duties, fees, imports, charges, costs and service fees in any court or administrative
5 proceedings in which it may be a party.

6
7 SEC. 16. *Employee Benefits and Privileges.* – The regular and professional personnel of
8 the Authority shall be permanent and career in status and they shall be entitled to the benefits
9 and privileges normally accorded to government employees. The Authority shall establish a
10 different pay scale for its consultants commensurate with prevailing rates in the government
11 and private sectors.

12
13 SEC. 17. *Implementing Rules and Regulations.* – The DTI, NEDA, and the Department
14 of Finance shall formulate the implementing rules and regulations of this Act within ninety
15 (90) days after its approval. Such rules and regulations shall take effect fifteen (15) days
16 after their publication in a newspaper of general circulation in the Philippines.

17
18 SEC. 18. *Appropriations.* – The initial operational requirement of the Authority shall be
19 sourced from the existing budget of the NLGQA-PMO.

20
21 Appropriations for the succeeding operations of the Authority shall be incorporated in the
22 annual General Appropriations Act.

23
24 SEC. 19. *Transitory Provision.* - To prevent disruption in the delivery of services
25 pending the full implementation of the North Luzon Development Authority's organizational
26 structure and staffing pattern, the Authority shall absorb the existing plantilla positions and
27 incumbent staff of NLGQA-PMO who shall continue to perform their respective duties and
28 responsibilities and receive the corresponding salaries and benefits.

29
30 The unexpended appropriations of the NLGQA-PMO is hereby transferred to NLDA
31 including its existing records, properties, equipment, facilities and other assets.

32
33 SEC. 20. *Construction.* – The powers, authorities and functions of the Authority are
34 intended to establish decentralization of government functions and authority as well as

1 efficient and effective working relationship between the Authority, the central government
2 and local government units.

3
4 SEC. 21. *Separability Clause.* – If any provisions or sections of this Act thereof are
5 declared unconstitutional, such declared of unconstitutionality shall not affect the validity of
6 the other provisions thereof.

7
8 SEC. 22. *Repealing Clause.* – All laws, acts, presidential decrees, executive orders,
9 proclamations and/or administrative regulations which are inconsistent with the provisions of
10 this Act are hereby amended, modified, superseded or repealed accordingly.

11
12 SEC. 23. *Effectivity Clause.* – This Act shall take effect after 15 days following its
13 complete publication in at least two (2) newspapers of general circulation.

14
15
16 Approved,