

CONGRESS OF THE PHILIPPINES
SIXTEENTH CONGRESS
First Regular Session

HOUSE OF REPRESENTATIVES
House Bill No. 781



Introduced by Representatives
GLORIA MACAPAGAL ARROYO and DIOSDADO MACAPAGAL ARROYO

EXPLANATORY NOTE

The Subic Bay Metropolitan Authority (SBMA) was created by law as the authority over the Subic Bay Freeport Zone (SBFZ), and the Clark Development Corporation (CDC) was created as an operating and implementing arm of the Bases Conversion Development Authority (BCDA) over the Clark Special Economic Zone (CSEZ). On 21 June 2001, the BCDA, SBMA, CDC and the Department of Trade and Industry (DTI) entered into a Memorandum of Understanding (MOU) creating the Subic-Clark Alliance Development (SCAD) Task Force, their policy-making body in their integrated development program with the SBFZ and CSEZ and the corridor between them, to be known as the Subic-Clark Alliance Development Program.

Realizing the development and investment opportunity of the area, then President Gloria Macapagal Arroyo declared the Subic-Clark corridor as one of the ten-point legacy agenda on June 20, 2004. It was envisioned that the Subic-Clark corridor shall be the most competitive international service and logistics center in the Asia Pacific Region.

Several other executive and administrative orders were issued to strengthen the organizational and institutional arrangements of the Subic-Clark Alliance Development (SCAD) Council to ensure an efficient mechanism to implement comprehensive and speedy development of the area.

While SCAD Council has achieved modest gains with these executive issuances, there is a need to further strengthen and enhance the powers and capabilities of the SCAD Council as a permanent institution and mechanism mandated to ensure the development of the area as a world-class mega-logistics hub and a global gateway to the

Asia Pacific Region. To achieve this end, it must be guided by a Comprehensive Subic-Clark Development Program (CSCDP) that will harmonize, integrate and rationalize the programs of national government agencies such as the Bases Conversion Development Authority (BCDA), Subic Bay Metropolitan Authority (SBMA), Clark Development Corporation (CDC) and Clark International Airport Corporation (CIAC) as well as the plans of the concerned local government, for the area.

In view of the prospective investments for the Subic-Clark corridor and the increasing competitiveness of our ASEAN neighbors, it is imperative to constitute the SCAD Council into a permanent government body tasked to implement the (CSCDP). The immediate passage of this measure is earnest requested.



GLORIA MACAPAGAL ARROYO
Representative, 2nd District, Pampanga



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Representative, 2nd District, Camarines Sur

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**AN ACT PROVIDING FOR THE COMPREHENSIVE SUBIC AND CLARK
DEVELOPMENT PROGRAM, ESTABLISH THE MECHANISM FOR ITS
IMPLEMENTATION, AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* This Act shall be known as the "Subic and Clark
Development Act of 2013."

SEC. 2. *Declaration of Policy.* It is the declared policy of the Senate to pursue
growth in regional areas as a means to achieve sustainable economic development.
Likewise, the State recognizes the need to rationalize, harmonize, consolidate and
integrate government efforts to maximize impact and to achieve long-term and
sustainable development.

SEC. 3. *Comprehensive Subic and Clark Development Program.* The Subic-Clark
Alliance Development (SCAD) Council in coordination with the Bases Conversion
Development Authority (BCDA), Subic Bay Metropolitan Authority (SBMA), Clark
Development Corporation (CDC) and Clark International Airport Corporation (CIAC), the
seventeen (17) concerned Local Government Units (LGUs) including the Municipalities
of Mabalacat, Porac and Floridablanca shall formulate the Comprehensive Subic and
Clark Development Program which will take into account the Subic-Clark Corridor
Framework Plan, Central Luzon Land Use Plan and the land use plans of the LGUs.

SEC. 4. *Subic Clark Alliance Development (SCAD) Council, Implementing Mechanism.* The SCAD Council is hereby tasked as the implementing institution of this Act.

SEC. 5. *Power and Functions of the SCAD Council.* The SCAD Council shall have the following powers and functions:

- a. Act as the institutional mechanism mandated to implement the Comprehensive Subic and Clark Development Program;
- b. Formulate policies and programs to develop Subic, Clark and the corridor in between them as a globally competitive Mega Logistics Hub;
- c. Review, identify and recommend priority infrastructure projects for implementation;
- d. Formulate common investment promotion activities;
- e. Harmonize in the SBFZ and CFZ such programs, policies, rules and regulations affecting investments, incentives, customs, immigration, leasing, privatization, and other matters necessarily related; and
- f. Perform such other functions as may be authorized to achieve the objectives of this Act.

SEC. 6. *Composition.* The SCAD Council shall be composed of the following:

- a. Chairman, to be appointed by the President, with Cabinet rank, and who shall be a member of the National Economic and Development Authority (NEDA);
- b. Secretary of Trade and Industry – Vice Chariman;
- c. Chairman, BCDA – Member;
- d. Chairman, SBMA – Member;
- e. Chairman, CDC – Member;
- f. Chairman, CIAC – Member;

- g. President, BCDA – Member;
- h. Administrator, SBMA – Member;
- i. President, CDC – Member;
- j. President, CIAC – Member;
- k. Governor, Province of Bataan – Member; and
- l. Governor, Province of Pampanga – Member

SEC. 7. *Powers and Functions of the SCAD Council Chairman.* The SCAD Chairman shall be a full-time head of the Council to rationalize resources and harmonize strategies that will ensure an integrated and coordinated approach to the development of the Subic-Clark corridor and achieve its objectives. The office of the SCAD Council Chairman shall have the following duties and functions:

- a. Act as the Chief EXECUTIVE Officer of the SCAD Council;
- b. Obtain the participation of strategic partners, domestic or foreign, from the public or private sector, to spur the growth and development of Central Luzon;
- c. Obtain the required participation, support and assistance of all relevant government agencies and entities as well as concerned local government units in the formulation of the development as well as the implementation of the key components of the said program;
- d. Represent the Office of the President in dealings with offices, agencies and instrumentalities of the Government and with persons and entities, public or private, domestic or foreign, insofar as contributory to the development of Subic, Clark and the corridor in between them as a globally competitive international service and logistics center; and,
- e. Exercise such other powers, functions and duties as may be directed by the President insofar as the development of the Subic-Clark hub is concerned.

SEC. 8. *Policy Oversight.* The Office of the President through the SCAD Council Chairman, with Cabinet rank, shall exercise policy oversight over the Bases Conversion Development Authority (BCDA), Subic Bay Metropolitan Authority (SBMA), Clark Development Corporation (CDC), Clark International Airport Corporation (CIAC) in so far as the development of Clark, Subic and the Corridor between them into a major logistics hub is concerned.

SEC. 9. *Organization.* The SCAD Council shall have staff support to fulfill its mandate and implement the provisions of this Act. For this purpose, the SCAD Council shall prepare its own staffing pattern subject to the approval of the Department of Budget and Management.

SEC. 10. *Role of Local Government Units, Departments, Bureaus, Offices, Agencies, and Instrumentalities.* All heads of the Local Government Units within the coverage of SCAD Corridor, departments, bureaus, offices, agencies, and instrumentalities of the government are hereby directed to give full support to the SCAD Council to expedite the implementation of the various programs and projects towards the attainment of the SCAD vision.

SEC. 11. *Funding.* The SBMA, BCDA, and CDC shall allocate from their respective yearly budgets an amount approved by the Department of Budget and Management for the SCADC Budget as their contributions. This fund shall be released every first week of January of the year to which it corresponds.

The SCAD Council shall have the authority to generate its own revenues or funds and to disburse its own funds in accordance with government accounting, rules and procedures.

SEC. 12. *Applicability and Repealing Clause.* All laws, presidential decrees, executive orders, issuances, rules and regulations, and part thereof which are contrary to or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 13. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,