

SIXTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session



HOUSE of REPRESENTATIVES
House Bill No. **4312**

Introduced by: MA. THERESA B. BONOAN
4th District, City of Manila

EXPLANATORY NOTE

The City of Manila has Manila de bay, a national wealth, in its territorial jurisdiction. The bay is considered to be one of the best natural harbours in Southeast Asia and one of the finest in the world. **Manila Bay** is a natural harbour which serves the Port of Manila. It facilitated commerce and trade between the Philippines and its neighboring countries, becoming the gateway for socio-economic development even prior to Spanish occupation.

It is provided in the Constitution that the City of Manila shall be entitled to an equitable share in the proceeds of the national wealth as well as in the utilization and development of it. Manila was never given a share in the income from its own national wealth. After 40 years of taking away of its Constitutional right, Manila is in now fighting not only for its share on the income on the port harbors, Manila is now fighting for its very existence for it has been financially cash strapped hardly could pay the salaries of its employees and its obligations, affecting the quality of its public service.

This bill seeks to establish the Manila Ports and Special Economic Region (MP-SER) non-port related area from the Philippine Ports Authority (PPA) system. The Bill returns to Manila its Constitutional right and privilege in its share in the income from the port harbor and in the participation in the planning and development of it.

The Manila Ports and Special Economic Region shall be managed and operated by the Administration which shall be known as MP-SERA. It is an administration of multi-sectoral representation coming from the national government from PPA and Philippine Navy, local government unit, investors, private sector, and worker working in the port area. It is believed by the proponent that it is in involving the different stakeholders of the ports can we induce great and brilliant ideas to be able to develop Manila Ports into a world class port facility and create a special economic

area with a goal of providing sustained high annual economic growth through an efficient and graft free administration, delivering safe, efficient and effective port services, administering sympathetic concern for the problems of businesses, prescribing responsible environmental stewardship, and exerting exemplary public service.

The government can utilize this high economic growth in terms of its income in the implementation of its programs and projects in providing better social services with end objective of improving the lives of Manileños and our Filipino brothers and sisters. This will also spawn economic activity in the area and generate jobs for the people, increase their productivity and individual incomes, and improve the level and quality of their living conditions.

In a timely pursuit in helping and supporting the National Government of its vision to give more programs and services to the Filipino people, the proposed measure ensures all taxes are paid in congruence with the rules and regulations of the Bangko Sentral ng Pilipinas (BSP), the Department of Finance (DOF), the Bureau of Customs (BOC) and Department of Trade and Industry (DTI), in accordance with the National Internal Revenue Code (NIRC) of 1997, as amended, and the Tariff and Customs Code of the Philippines.

With the ultimate goal of having globally competitive ports and a special economic located along Manila Bay effectively and efficiently serving world markets and major multinational corporations to achieve the high rate of annual economic growth of our country and of the City of Manila, the early passage of this bill is earnestly requested.


HON. MA. THERESA B. BONOAN
4th District, City of Manila

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AN ACT ESTABLISHING THE MANILA PORTS AND SPECIAL ECONOMIC REGION (MPSER) CREATING FOR THE PURPOSE THE MANILA PORTS AND SPECIAL ECONOMIC REGION ADMINISTRATION (MPSERA), APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. SHORT TITLE. - THIS ACT SHALL BE KNOWN AS THE "MANILA PORTS AND SPECIAL ECONOMIC REGION ACT OF 2013".

SECTION 2. DECLARATION OF POLICY. -

- A) Local Governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits. (Sec. 7 Art. X of the Constitution)
- B) The term national wealth shall mean all natural resources situated within the Philippine territorial jurisdiction including lands of public domain, waters, minerals, coal, petroleum, mineral oils, potential energy forces, gas and oil deposits, forest products, wildlife, flora and fauna, fishery and aquatic resources, and all quarry products." (Article 386 of the Local Government Code)
- C) "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments." (Sec. 20, Art II of the Constitution)
- D) It is hereby declared the policy of the state shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty

through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all. (Sec. 9 Art. 2 of the Constitution)

- E) "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." (Article II, Section 16 of the Constitution)

SECTION 3. DEFINITIONS:

- **"ANCHORAGE"** means a place with sufficient depth of water where vessels anchor or may ride at anchor or may ride at anchor within the harbor.
- **"BASIN"** means a naturally or artificially enclosed or nearly enclosed body of water in free communication with the sea.
- **DEVELOPMENTAL PROJECTS OR PROGRAMS** – Programs or projects that can generate income, increase employment rate, and increase real property tax for the City of Manila.
- **"DOCK"** includes locks, cuts, entrances, graving docks, inclined planes, slipways, quays, and other works and things appertaining to any dock.
- **DOCKAGE FEES** – Dockage or berthing fee is the amount assessed against a vessel engaged in international (foreign) trade for berthing. It is levied on cargo vessels based on the number of days of stay for the purpose of discharging and/or loading cargo; and on non-cargo vessels for the purpose of loading and/or taking passengers or for taking fresh water supply or receiving bunker fuel.
- **"DRYDOCK"** means a dock from which the water can be temporarily excluded, in order to effect repairs to hulls and keels of ships or vessels.
- **"DUES"** includes harbor fees, tonnage and wharfage dues, berthing charges, and port dues and any other dues or fees imposed by virtue of existing law or PD 857.

- **"ENTRE PORT"** provider of services such as whole sailing, warehousing, sorting, processing, credit, currency exchange, risk management, ship repair, provisioning, business information, adjudication of commercial disputes.
- **"FUNCTIONS"** includes powers and duties.
- **"GOODS"** includes animals, carcasses, baggage, and any movable property of any kind.
- **"NATIONAL WEALTH"** shall mean all natural resources situated within the Philippine territorial jurisdiction including lands of the public domain, **waters**, minerals, coal, petroleum, mineral oils, potential energy forces, gas and oil deposits, forest products, wildlife, flora and fauna, **fishery and aquatic resources**, and all quarry products" (Article 386 of the Local Government Code)
- **"NET EARNINGS"** shall mean income derived from whatever source, whether exempt or subject to tax, net of deductions allowed under Section 29 of the National Internal Revenue Code, as amended, and income tax and other taxes paid thereon, but in no case shall any reserve for whatever purpose be allowed as a deduction from net earnings.
- **"PIER"** means any structure built into the sea but not parallel to the coast line and includes any stage, stair, landing place, landing stage, jetty, floating barge or pontoon, and any bridge or other works connected therewith.
- **"PORT"** means a place where ships may anchor or tie up for the purpose of shelter, repair, loading or discharge of cargo, or for other such activities connected with water-borne commerce, and including all the land and all water areas and the structures, equipment and facilities related to these functions.
- **PORT DUES** – Vessels engaged in foreign trade, including those engaged in barter trade, that enter any port, whether private or government-owned, for loading and discharging cargoes, embarking/disembarking passengers, bunkering or taking provisions or repairs and changing members of the crew are charged with port dues based on the vessel gross revenue tonnage

(GRT). It is a one-time charge assessed against vessels anytime that they call at the port.

- **"RATES"** means any rates or charges including any toll or rent under existing law or imposed by the Authority by virtue of this Decree for facilities used or services rendered.
- **"TERMINAL FACILITY"** includes the seaport and its facilities of wharves, piers, slips, docks, dry docks, bulkheads, basins, warehouses, cold storage, and loading or unloading equipment.
- **"TRANSPORTATION FACILITY"** includes rails and railcars, highways, wheeled vehicles, bridges, tunnels, tramways, subways, passenger or cargo vessels, ferry-boats, lighters, tugs, barges, scows, ramps, and any kind of facility in use or for use of the transportation, movement, or carriage of goods or passengers.
- **"TRANSIT SHED"** means a building or shed which is situated at or near a quay, wharf or pier, and is used for the temporary or short-term storage of goods in transit, or to be shipped or discharge from a vessel.
- **"VESSEL"** includes any ship or boat, or any description of a vessel or boat
- **"WAREHOUSE"** means a building or shed used for the storage of cargo.
- **"WHARF"** means a continuous structure built parallel to along the margin of the sea or alongside riverbanks, canals or waterways where vessels may lie alongside to receive or discharge cargo, embark or disembark passengers, or lie at rest.
- **WHARFAGE DUES** – This refers to the charges levied on loaded/unloaded cargoes whether imports, exports, inbound, outbound, or transshipments. The computation is based on metric ton for non-containerized cargoes and per box for containerized cargoes.

SECTION 4. CREATION OF THE MANILA PORTS AND SPECIAL ECONOMIC REGION. – a) It is hereby established a

Manila Ports and Special Economic REGION, a public-benefit corporation under the Office of the President hereinafter referred to as the **"MP-SER"**. The specific metes and bounds of the MP-SER shall be where Manila de Bay and the lands along said bay within the territorial boundary of Manila between Pasay and Navotas including all lands within the territory of PPA within Manila. All properties therein shall be owned by the City of Manila, exclusively managed by MP-SERA.

- b) The Principal Office of the MP-SER shall be located inside the Manila Port and Special Economic Region.

SECTION 5. GOVERNING PRINCIPLES. - The MP-SER shall be managed and operated by the **Manila Ports and Special Economic Region Administration**, hereinafter referred to as the **MP-SERA**, under the following principles:

- a) Port-Related activities within the Manila Port shall be managed and operated by PPA which must be congruent to the policies set by the MP-SERA.
- b) The non-port related activities shall be managed and operated by MP-SERA.
- c) Within the framework and limitations of the Constitution, the MP-SER shall be developed into and operated as a decentralized, self-reliant and self-sustaining port/economic area serving world markets and major multinational corporations into becoming one of the world's busiest ports and successful economic region focused on high productivity projects in the following major sectors.
 - a) Regional entreport trade
 - b) Export oriented manufacturing companies of high-value added goods
 - c) Petroleum refining
 - d) shipping
 - e) Provision of specialized services for international market such as
 - Banking
 - Finance
 - Telecommunication
 - Tourism
 - Business Process Outsourcing (BPO)
 - I.T.
 - Logistic Services
 - Regional Warehouse

- d) The MP-SER shall be operated in accordance to the rules and regulations of the Bangko Sentral ng Pilipinas (BSP), Department of Finance (DOF), the Bureau of Customs (BOC) and Department of Trade and Industry (DTI), in accordance with the National Internal Revenue Code (NIRC) of 1997, as amended, and the Tariff and Customs Code of the Philippines.
- e) The MP-SER shall continue to be prioritized by the national government with transportation, infrastructure and facilities needed to help decongest traffic in Metro Manila and prevent traffic loss thru the construction/maintenance of the port infrastructures as well the construction/maintenance of the needed inland railway system originating from the ports going to the depot and vice-versa and other urban highway network development using Savings from the funds of DPWH.
- f) The MP-SERA may establish mutually beneficial economic relations with other entities or enterprises within the country or with foreign entities or enterprises;
- g) No real property managed by MP-SERA may be sold, mortgaged, disposed or donated.
- h) To have an efficient and graft-free administration. MP-SERA shall ensure of compliance on Sec 338(Prohibition against advance payments), Sec. 339 (Cash Advances), Sec. 343 (Prohibition against expenses for reception and entertainment) Of the 1991 Local Government Code.
- i) It shall adopt Sec 355- 383 Of the 1991 Local Government Code on the "Property and Supply Management".
- j) To observe and conscientiously implement a green renewable, reusable, recyclable, sustainable development.

SECTION. 6. FUNCTIONS AND POWERS EXCLUSIVELY VESTED IN MP-SERA:

- A) THE ADMINISTRATION SHALL HAVE THE FOLLOWING FUNCTIONS AND POWERS ON THE "SPECIAL ECONOMIC REGION":
 - (a) Formulate, coordinate and/or execute policies on the implementation of all programs, projects and activities of the government affecting or relating to MP-SER;

- (b) To exercise control of or administer any foreshore rights or leases which may be vested in MP-SERA;
- (c) Enter into contracts with any private persons or entity or any government agency, either domestic or foreign, whenever necessary for the effective discharge of its functions and responsibilities under such terms and conditions as it may deem proper and reasonable;
- (d) Acquire through sale, expropriation or other means, hold real and personal property as it may deem necessary or convenient in the successful prosecution of its work, and mortgage, sell alienate, or otherwise dispose any of its personal property; No land or real property may be sold, alienated or otherwise disposed.
- (e) Receive, take and hold by bequest, device, donation, gift, purchase or lease, from foreign or domestic sources, either absolutely or in trust for any of its purposes, any asset, grant or property, real or personal, subject to such limitations as are provided in existing laws and regulations; to convey such assets, grant or property; invest and reinvest the same and deal with and expand its assets and income in such manner as will best promote its objectives;
- (f) Initiate, plan, undertake and supervise the restoration, upkeep and maintenance of the economic area of MP-SER;
- (g) Prepare, adopt, revise and enforce such rules and regulations, implementing guidelines and standards as are necessary for the effective regulation of the land use and development activities in MP-SER of both the government and private entities and for the implementation of the MP-SER Plan, including, but not limited to development rules and regulations pertaining to the following:
 1. Land use allocation, use of buildings, their height, dimensions, architectural style and designs and other specifications of the building construction to be undertaken therein;
 2. Traffic management, street usage and other related matters;
 3. Size and character of display signs, advertising billboards, and other external signs and advertisements in buildings, in open spaces lots or roads;

- h) Expropriate properties within MP-SER;
- i) Prescribe reasonable amounts to be charged as lease or filing fees, inspection fees, permit fees, and other administrative or service fees necessary for the effective enforcement of its laws and regulatory measures, to be used and disbursed by it in the manner determined by it to promote its objectives;
- j) Exercise all powers necessary or incidental to the attainment of the objectives of this Law.

B) FUNCTIONS AND POWERS OF MP-SERA ON THE "PORTS":

- i. To formulate a comprehensive and practicable Port Development Plan and to program its implementation, renew and update the same annually in coordination with the Bureau of Lands, NEDA or any other government agency or corporation, in the development of any foreshore area and to compel compliance thereof.
- ii. To protect the environment and prescribe ways to diminish if not eradicate pollution in Manila de Bay and to investigate and penalize non-compliance thereof.
- iii. To ensure proper payment of charges, fees and dues duly collected by PPA.

SECTION. 7 THE CORPORATE POWERS OF MP-SERA SHALL BE AS FOLLOWS:

- i. To succeed in its corporate name.
- ii. To sue and be sued in such corporate name.
- iii. To adopt, alter, and use a corporate seal which shall be judicially noticed.
- iv. To adopt, amend, or repeal its by-laws.
- v. To make or enter of any kind or nature to enable it to discharge its functions under this Law.
- vi. To acquire, purchase, own, or lease any land, port facility, wharf, quay, or property of any kind, whether movable or immovable.

However, it cannot mortgage, sell, donate, or otherwise dispose any land, or real property of any kind.

- vii. To reclaim, excavate, enclose, or raise any part of the lands vested in the MP-SERA or any of its port districts.
- viii. To do all such other things directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the MP-SERA.
- ix. Generally, to exercise all the powers of a corporation under the Corporation Law insofar as they are not inconsistent with the provisions of this Law.

SECTION 8. AUTHORITY OF THE BUREAU OF CUSTOMS (BOC) TO EXAMINE THE ENTRY AND EXIT OF IMPORTED ARTICLES IN THE MP-SER. - The BOC, shall have the authority to examine the entry and exit of articles in the MP-SER or any of its port districts in accordance to their mandate prescribed by law.

SECTION 9. AUTHORITY OF PHILIPPINE PORT AUTHORITY (PPA) A) Philippine Port Authority (PPA) shall have the corporate powers & duties provided by PD 857.

B) The PPA shall have the authority to collect proper dues, fees and charges within the port MP-SER, to wit:

- a) Wharfage dues
- b) Share in Arrastre / Stevedoring Income
- c) Dockage Fees
- d) Port Dues
- e) Storage Charges
- f) Port Usage Fees
- g) Terminal Fees
- h) Vessel Traffic Management Service Fees
- i) Pilotage
- j) Lay-up Fees
- k) Berthing Charges
- l) and other existing port dues, charges or fees in force and effect before the effectivity of this Law
- m) And others to be imposed by PPA.

C) PPA shall have sole mandate to enter port-related contracts.

D) It shall also have the authority to conduct hearing on Tariff Adjustment Petition and to arbitrate, and decide on issue limited

only as to the reasonability of the increase or decrease of charges, fees, and dues.

- E) PPA shall protect Manila Bay from pollution as part of its mandate in developing ports. Ten (10%) of its budget provided in the General Appropriation Act (GAA) shall be set aside for this purpose.
- F) PPA shall maintain police force to investigate, to prosecute and prevent criminal activities as well as non-payment of proper custom taxes and PPA's charges, fees and dues in all ports whether private or public port within the Philippine territory.
- G) PPA shall maintain the harbor and shall develop, finance, operate, manage and supervise the ports facilities, port physical plants in accordance to the Port Development Plan defined by MP-SERA.

SECTION 10. AUTOMATIC RELEASE OF SHARES:

All collections by PPA within MP-SER and the latter's port districts shall be remitted, without need of any further action, directly to MP-SERA, on a quarterly basis within five (5) days after the end of each quarter, and which shall not be subject to any lien or holdback that may be imposed by the National Government for whatever purpose or by any entity as payment of obligations not directly incurred by MP-SERA.

SECTION 11. DANGEROUS CARGO. – The MP-SERA may make regulations for the conveyance, loading, discharging and storage of dangerous goods within any port, port district, and the approaches to the port.

SECTION 12. LOCATIONAL CLEARANCE, CONSTRUCTION AND OTHER PERMITS. All locational clearances and construction permits for the development of lands, introduction of improvements, and the use, change of use, construction, repair, alteration or re-construction of buildings within MP-SER and other forms of permits shall be issued by the MP-SERA on the basis of the approved MP-SER Development Plan and other implementing rules and regulations. The Administration may seek the assistance of Department of Public Works and Highways insofar as the minimum standards of safety of buildings, electrical, plumbing and drainage requirements are concerned.

The provisions of P.D. No. 1096, otherwise known as the National Building Code and other related laws which are not inconsistent with this Law and the rules and regulations promulgated by the MP-SERA shall have a suppletory effect to this law and to the development control regulations promulgated by the MP-SERA.

SECTION 13. REALTY TAXES – All entities, persons, individuals within MP-SER shall pay the necessary real property taxes imposed by the Republic of the Philippines, its agencies, instrumentalities or political subdivisions except if exempted by International Law or any law duly approved by Congress;

SECTION 14. BANKING RULES AND REGULATIONS. - Existing banking laws and rules and regulations of the BSP (Banko Sentral ng Pilipinas) shall apply to banks and financial institutions to be established in the MP-SER, such as those governing foreign exchange and other current account transactions (trade and non-trade), local and foreign borrowings, foreign investments, establishment and operation of local and foreign banks, foreign currency deposit units, offshore banking units and other financial institutions under the supervision of the BSP.

SECTION 15. BOARD OF DIRECTORS OF THE MP-SERA. - The powers of the MP-SERA shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

- (a) The chairman who shall, at the same time, be the administrator of the MP-SER
- (b) A vice chairman who shall come from among the members of the Board;
- (c) Members consisting of:
 1. One (1) representative from one of the highest official of PPA;
 2. One (1) representative from the one highest official of Philippine Navy;
 3. One (1) representative from the Mayor's Office;
 4. One (1) representative from the Vice Mayor's Office;
 5. One (1) representative from the investors in the ports of MP-SER;
 6. One (1) representative from one of the highest officials of Philippine Coast Guard.
 7. One (1) representative from any association providing services related to import and export representing either the customs brokers, or port users or truckers or any recognized group transacting business within MP-SER;

8. One (1) representative from the workers working in MP-SER.

The chairman, vice-chairman, and the members of the Board, except the ex-officio member, shall be appointed by the President of the Philippines; Provided, that the terms of office of the first appointees shall be fixed as follows: the Chairman shall be for six (6) years, the Vice-chairman for five (5) years, three (3) members shall be for four (4) year, and the last two (2) members shall be for two (2) years and may be renewed by President of the Philippines as the appointing officer: Provided, further, That upon the expiration of his term, a member shall serve as such until his successor shall have been appointed and qualified: Provided, finally, That no vacancy shall be filled except for the unexpired portion of any term.

All members of the Board must be equipped with the following qualifications:

- Must be a Filipino citizen, except for the representative of the business sector;
- Must be of good moral character, of probity and integrity, and
- Must be a degree holder in any of the following fields: economics, urban planning, business, law, management or their equivalent, or with at least five (5) years relevant working experience in port operations.

In addition to the above qualifications, the chairman/administrator must have acquired experience in development planning and/or administration of ports or economic area or any related field for at least five (5) years.

The members of the Board shall each receive per diem at rates to be determined by the Department of Budget and Management (DBM) in accordance with the existing rules and regulations. Provided, however, that the total per diem collected each month shall not exceed the equivalent of four (4) meetings.

SECTION 16. POWERS AND DUTIES OF THE CHAIRPERSON. - The chairperson shall have the following powers and duties on the MP-SE8R:

- (a) Direct, manage and supervise the operation and internal administrative affairs of the MP-SERA subject to the control and supervision of the Board;
- (b) Establish the internal organization of the MP-SERA under such conditions that the Board may prescribe;
- (c) Submit an annual budget and necessary supplemental budget to the Board for its approval;
- (d) Submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required;
- (e) To prepare all memoranda pertaining to each and every item in the agenda for every meeting of the Board and to submit for the consideration thereof such proposals or recommendations which are necessary to carry out effectively and beneficially the business of MP-SERA.
- (f) Create a mechanism in coordination with relevant agencies for the promotion of industrial peace, the protection of the environment and the advancement of the quality of life of the Manilenos; and
- (g) To implement the policies provided therein and to administer the measures approved by the Board and perform such other duties as may be assigned to him/her or which are necessary or incidental to his/her office.
- (h) Shall act as one of the members of the Board of Directors of PPA without any voting rights.

SECTION 17. ORGANIZATION AND PERSONNEL. - The Board of the MP-SERA shall provide for an organization and staff handling legal, operations, administration and management of MP-SER. The Chairman may hire or contract new staff, experts and consultants under such conditions that the Board may prescribe and subject to the confirmation of the latter;

Upon the recommendation of the chairperson, the Board shall appoint and fix the remuneration and other emoluments of its officers and employees in accordance with existing laws on compensation and position classification. Bonuses and incentives more than one month salary may be given provided it is with the approval of DBM and COA. Provided, That the Board shall have exclusive and final authority to promote, transfer, assign or re-assign officers of the MP-SERA: Provided, further, No

officer or employee of the MP-SERA shall be removed or suspended except for causes provided by the Labor Code.

The officers and employees of the MP-SERA, including all members of the Board, shall not engage directly or indirectly in partisan activities nor take part in any election, except to vote.

SECTION 18. CAPITAL EXTENSION. –

- a) The MP-SERA shall have capital extension of Five Billion Pesos (Php5,000,000,000.00) coming from the Retained Earnings of PPA to be utilized as follows:
 - (i) Primarily, to construct a Port linkage infrastructures to the proposed Connector Road with primary goal of decongesting traffic in Metro Manila and preventing traffic loss.
 - (ii) To construct multi-storey residential mixed-used condominium as relocation of the residents of the barangays within the Manila Port Area whose names are registered in the May 2013 Registered Voters of Comelec.
- b) Yearly cash contribution by the Government shall be thirty percent (30%) of the amount appropriated in the General Appropriation Act for port purposes pursuant to PD 857 to be used for the construction/maintenance of Manila ports and other urban highway network development as well as needed roads and railway system originating from the ports going to the depot and vice-versa.
- c) the amount of One Hundred Million Pesos (Php100,000,000.00) a year is hereby appropriated out of any fund in the National Treasury not otherwise appropriated for the capitalization of MP-SERA and/or for the construction or major maintenance of a multi-storey residential mixed-used condominium as relocation of the residents of the barangays within the Manila Port Area whose names are registered in the May 2013 Registered Voters of Comelec.

SECTION 19. CONSTITUTIONAL SHARE FROM THE GROSS PROFIT COMING FROM THE PORT REVENUES COLLECTED BY PPA TO MP-SER. The constitutional share of Manila is 12.5% of the gross profit of PPA generated in Manila which shall fully & exclusively utilized for the benefit of the City of Manila having no need to declare dividends under RA 7656 for the above share shall be deducted only after PPA has declared its dividends based on the latter's net earnings to the National Government as prescribed in RA 7656.

The 12.5% gross share of Manila shall initially be invested in the ff:

- d) In developmental programs or projects that generate income.
- e) In the continued construction, if still needed, multi-storey major repair of the residential mixed used condominium relocation of the residents of the barangays within the Manila Port Area.
- f) Or those developmental income-generating projects or programs that will directly or indirectly redound to the improvement and development of its port operations or port facilities port district or special economic areas.

The profit from operations generated from the developmental programs or projects of the above A & C of this Section and the fruits thereof shall also be fully automatically be delivered to the coffers of City of Manila without any conditions since it is the source of share of the City of Manila as prescribed in the Constitution.

SECTION 20. The fruits of the income generated from Sec. 19 shall be directly released to Manila and shall be appropriated as special funds for the following with corresponding percentages.

- 30% Developmental projects that generates income for Manila
- 20% Construction or necessary improvement of Mega Drainages
- 20% College Scholarship.
- 10% Training Pangkabuhayan
- 10% Medical Facilities and needs of Hospital
- 5% Expenses Necessary to implement said above project and Programs.
- 5% other social services of the City of Manila

If fruits of the income generated from Sec. 19 are not sufficient to fund all the developmental projects above, the Mayor of the City of Manila must give priority to College Scholarship, or College Scholarship and any of the following:

- Developmental projects that generates income for Manila
- Construction or necessary improvement of Mega Drainages or
- Medical equipment facilities and other needs of the Hospital.

SECTION. 21. SHARING OF NET PROFIT FROM THE SPECIAL ECONOMIC REGION

- 80% goes to City of Manila.
- 20% goes to MPSERA

Share of the City of Manila from the special economic region of MP-SER is directly and automatically released to Manila and shall be appropriated as special funds in the same percentages and programs provided in Sec. 20.

However, share of MP-SERA on the Special Economic Region shall be exclusively used for the development, improvement, operation and administrative expenditure on the special economic region of MP-SER or of the Manila Ports or any of its port districts, in their respective order of importance as written/stated in this Section.

SECTION. 22. SHARING FOR THE INHABITANTS WHO USED TO BE OCCUPYING THE LOT WITHIN THE MANILA PORT AREA SHARE OF BARANGAY WHICH IS ON USED TO BE SITUATED EQUALLY.

- The RPT share of all the barangays situated within MP-SER shall be equally divided among them.
- Ten percent of the share of said barangay shall be utilized for re-painting, repair of the facade and common areas and facilities of the housing built for the residents who are included in the May 2013 Comelec Registered Voter's List.

SECTION. 23. ASSURANCE OF NET INCOME - All Operating Expenses must be less than Fifty percent (50%) of its annual regular income for the next preceding fiscal year.

SECTION 24. CREATION OF RESERVES. – The balance of any revenue or income of the MPSERA remaining at the end of each year shall be applied to the creation of a general reserve or such other reserves and shall be utilized in accordance to what is originally prescribed in this Law.

SECTION 25. INVESTMENT OF FUNDS. – The MPSERA may, from time to time, invest any of its funds not immediately required to be expended in meeting its obligations or in the discharge of the functions of the MPSERA in such government securities approved by the Board.

SECTION 26. NO BORROWING POWERS. – a) The MP-SERA shall have no Borrowing Powers.

SECTION 27. ANNUAL BUDGET – a) The Board shall every year cause to be prepared and shall adopt annual estimates of income and expenditures and estimates of capital expenditure of the Authority for the ensuing year.

b) Supplementary estimates may be adopted at any of the meetings of the Board.

SECTION 28. ANNUAL ACCOUNTS – a) The Board shall cause proper accounts and other records of the Administration in relation thereto to be kept. An annual statement of account shall be rendered in respect to each year. MP-SERA shall maintain such accounts and other records under a commercial system of accounting.

b) The accounts of the MP-SERA shall be kept and made up to 31 December in each year.

c) The annual statement of accounts of the MP-SERA shall present a true and fair value of the financial position of the MP-SERA and of the results of the operations of the MP-SERA for the year to which it relates.

SECTION 29. AUDITOR – a) In consonance with existing laws and regulations, the Commission on Audit shall be appointed to audit the accounts of the MP-SERA. In the fulfillment of international contractual commitments of the MP-SERA, however, the Board may engage the services of any person or firm duly authorized by law for the audit of accounts, to audit the accounts of the MP-SERA.

b) The Auditor shall be paid out of the revenue of the MP-SERA such remuneration, compensation or expenses as the Board may determine.

SECTION 30. AUDITOR'S REPORT. – The Auditor shall as soon as practicable, but not later than three months after the accounts have been submitted for audit, send an annual report to the Board. The Auditor may also submit such periodical or special reports to the Board as may to him appear necessary.

SECTION 31. ANNUAL REPORT. – The Board shall submit to the President of the Philippines together with the Auditor's Report on the relevant accounts, an annual report generally dealing with the activities and operations of the MP-SERA during the preceding year and containing such information relating to the proceedings and policies of the MP-SERA.

SECTION 32. SUPERVISION AND COORDINATION OF DEVELOPMENT PLANS. - For purposes of policy direction and coordination, the MP-SERA shall be under the direct control and supervision of Office of the President.

SECTION 33. RELATIONSHIP WITH NATIONAL ECONOMIC DEVELOPMENT ADMINISTRATION (NEDA). - The MPSERA shall determine the development goals for the MP-SER within the framework of national development plans, policies and goals. The administrator shall, upon approval by the Board, submit the MPSERA plans, programs and projects to NEDA for inclusion and inputs to the overall regional development plan.

SECTION 34. LEGAL COUNSEL. - The MPSERA shall have its own internal legal counsel under the supervision of the Office of the Government Corporate Counsel (OGCC). When the exigencies of its businesses and operations demand it, the MP-SERA may engage the services of an outside counsel either on a case to case or on a fixed retainer basis.

SECTION 35. INTERPRETATION/CONSTRUCTION. - The powers, authorities and functions that are vested in the MP-SERA are intended to decentralize governmental functions and authority and promote an efficient and effective working relationship with the national government and the City of Manila. However, in case of conflict, the interpretation that is most advantageous for the development and success of MP-SER shall prevail.

SECTION 36. AUDITING. - The Commission on Audit shall appoint a representative who shall be a full-time auditor of the MP-SERA and assign such number of personnel as may be necessary to assist said representative in the performance of his/her duties. The salaries and emoluments of the assigned auditor and personnel shall be in accordance with pertinent laws, rules and regulations.

SECTION 37. SEPARABILITY CLAUSE. - If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SECTION 38. REPEALING CLAUSE. - All laws, executive orders or issuances or any part thereof which are inconsistent herewith are hereby repealed or amended accordingly.

SECTION 39. EFFECTIVITY CLAUSE. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

**AMENDMENTS TO MANILA PORT SPECIAL
ECONOMIC REGION BILL (MP-SER)**

- A. PPA SHALL HAVE "EXCLUSIVE" CONTROL AND MANAGEMENT ON PORT RELATED ACTIVITIES IN MANILA PORT.
- B. AS TO PORT ACTIVITIES IN MANILA, MP-SER SHALL CREATE A COMMITTEE THAT WILL ENSURE CONGRUENCE OF POLICIES RELATING TO THE DEVELOPMENT PLAN OF MANILA PORTS.
- C. FOR NON-PORT ACTIVITIES. MP-SER SHALL MANAGE, SUPERVISE, CONTROL THE SPECIAL ECONOMIC REGION.
- D. MP-SER SHALL ONLY ASK FOR 12.5% GROSS OF ITS CONSTITUTIONAL SHARE ON THE INCOME OF PPA INCURRED IN MANILA.