



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session

House Bill No. 2593

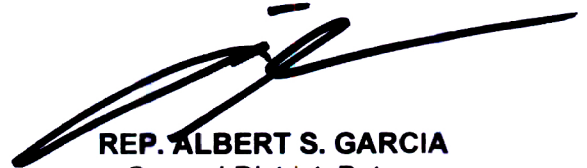


Introduced by Representative Albert S. Garcia

EXPLANATORY NOTE

This bill seeks to create a centralized planning and investment authority for Region III to be known as the *Regional Investment and Infrastructure Coordinating Hub of Central Luzon (RICH)*. As one of the most developed regions in the country, Central Luzon plays a vital role in the economic growth and development of the Philippines.

The creation of RICH will help ensure that the region's development and growth trajectory is properly planned and managed, with key LGUs and regional stakeholders properly aligned towards Central Luzon's development and investment goals.



REP. ALBERT S. GARCIA
Second District, Bataan



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1

AN ACT
CREATING THE REGIONAL INVESTMENT AND INFRASTRUCTURE
COORDINATING HUB OF CENTRAL LUZON AND PROVIDING
FUNDS THEREFOR

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

2 **SECTION 1. Short Title.** – This Act shall be known as the “*Regional Investment*
3 *and Infrastructure Coordinating Hub of Central Luzon.*”
4

5 **SEC. 2. Policy.** – It is hereby declared the policy of the State to promote enabling
6 policies and programs that encourage entrepreneurship and investments in tourism,
7 agriculture, and commercial enterprises that, in turn, will create jobs and business
8 opportunities, increase capital flow, release dormant capital, and create inclusive
9 wealth.

10 The State recognizes the indispensable role of the private sector and the
11 importance of establishing special economic or freeport zones in suitable and strategic
12 locations and further strengthening the Bases Conversion Development Authority
13 (BCDA), the Subic Bay Metropolitan Authority (SBMA), the Clark Development
14 Corporation (CDC), the Aurora Pacific Economic Zone and Freeport Authority
15 (APECO), the Authority of the Freeport Area of Bataan (AFAB), the Philippine Economic
16 Zone Authority (PEZA), and the Tourism Infrastructure and Enterprise Zone Authority
17 (TIEZA) through measures that effectively attract foreign and domestic investments.

18 Pursuant to this policy, infrastructure development and organization of the
19 interconnecting highways, railways, seaports, and airports in Central Luzon must be
20 maximized to encourage capital flow, effectively address bottlenecks and decongest
21 Metro Manila, lay the foundation for long-term growth of Central Luzon, and increase
22 the productivity of the people and their individual and family income, thereby improving
23 the quality of life.
24

1 **SEC. 3. *Purposes.*** – This Act shall have the following purposes:

2 (a) To develop policies and programs that promote entrepreneurship and
3 attract investments, thus creating more jobs and business opportunities for the people;

4 (b) To decongest Metro Manila by dispersing industries and population to
5 Central Luzon;

6 (c) To improve the quality of life by developing sustainable communities
7 where residents live near where they work and where institutions such as schools and
8 universities, hospitals, utilities, among others, are within close proximity;

9 (d) To optimize the use of the interconnecting highways and railways in
10 Central Luzon; seaports in Subic, Mariveles, Aurora, and Manila; and airports in Subic,
11 Clark, and Manila to serve as an investment corridor for Central Luzon and eventually,
12 the whole country;

13 (e) To act as a catalyst for unleashing dormant capital into productive
14 investments in infrastructure and industries within Central Luzon;

15 (f) To establish a platform that will encourage the local government units
16 (LGUs) to partner with existing special economic or freeport zones in Central Luzon,
17 that shall encourage the private and public sectors to establish other special economic
18 or freeport zones and provide incentives to attract and maximize investments in
19 infrastructure, from local and foreign business investors, resulting in numerous
20 economic livelihood and employment opportunities for the people;

21 (g) To strengthen the culture of cooperation and improve coordination among
22 the national government, the LGUs, and the private sector;

23 (h) To encourage business investments that are focused, fast, friendly,
24 flexible, and forward-looking, thus ensuring these to be self-sustaining, income-
25 generating, and revenue-contributing entities, with the integration of the BCDA, SBMA,
26 CDC, AFAB, APECO, PEZA, and TIEZA with the Regional Investment and
27 Infrastructure Coordinating Hub of Central Luzon (RICH), adhering to the principle of
28 global competitiveness;

29 (i) To encourage the creation of sustainable and industrial cities and
30 communities that balance economic growth and expansion, having regard to
31 environmental protection and preservation, thereby balancing economic progress and
32 future developments; and

33 (j) To cause the updating of comprehensive land use plans, in coordination
34 with the LGUs within Central Luzon, incorporating the plans already created for the
35 Subic-Clark-Tarlac area for a more cohesive and harmonious Central Luzon Master
36 Development Plan.

37 **SEC 4. *Regional Investment and Infrastructure Coordinating Hub.*** – There is
38 hereby created, under the supervision of the Office of the President of the Philippines,
39 a Regional Investment and Infrastructure Coordinating Hub of Central Luzon,

hereinafter referred to as "RICH", which shall replace the Subic-Clark Alliance for Development Council (SCADC). The powers of the RICH, as mentioned in Section 5 of this Act, shall be vested and exercised by the Board of Directors, hereinafter referred to as the Board, which shall be composed of twelve (12) members, as follows:

- (i) The President of the BCDA;
- (ii) The Chairperson and Administrator of the SBMA;
- (iii) The President of the CDC;
- (iv) The President of the APECO;
- (v) The Chairperson and Administrator of the AFAB;
- (vi) The Chairperson of the Regional Development Council of Region III;
- (vii) The Director-General of the PEZA;
- (viii) The General Manager/Chief Operating Officer of the TIEZA;
- (ix) One (1) representative of all the special economic or freeport zones from each of the provinces of Bulacan, Nueva Ecija, and Tarlac; and
- (x) One (1) representative of the private sector, appointed by the President of the Philippines.

Except for the member representing the private sector, the members of the Governing Board shall serve in an *ex officio* capacity. The Chairperson of RICH shall be appointed by the President, chosen among the *ex officio* members.

A majority of the Board shall constitute a quorum to conduct day-to-day business. A member of the Board may authorize a representative to attend and vote in the members' behalf: *Provided*, That the authorization shall be in writing, duly signed by the member, and filed before the scheduled meeting, and shall be valid and effective for a period not longer than one (1) year at any one time.

Regular meetings shall be conducted by the Board no less than once a month. Notice, in writing, must be given three (3) days before the scheduled meeting.

The members of the Board shall be entitled to receive commensurate and reasonable *per diems*, as may be determined by the Department of Budget and Management (DBM): *Provided*, That the *per diems* collected per month shall not exceed the equivalent of four (4) meetings, except in cases of extraordinary circumstances.

SEC. 5. Powers and Functions. – The RICH, through its Board, shall be vested with the following powers and functions:

(a) To develop and facilitate the construction of infrastructure projects particularly those that enhance national competitiveness and create employment and business opportunities;

(b) To develop feasibility studies supported by necessary technical, engineering, and commercial viability assessment for regional infrastructure projects;

(c) To promote the establishment of special economic or freeport zones, and other development programs and projects in Central Luzon;

(d) To require the submission by the LGUs of their respective recent or updated comprehensive land use plans, as well as the land use plans already existing for the Subic-Clark-Tarlac area and in consultation with all stakeholders, to evaluate, formulate, coordinate, and communicate a Comprehensive and Integrated Plan for Central Luzon, in accordance with Section 8 of this Act;

(e) To administer all fiscal and non-fiscal incentives provided in this Act and, including the Foreign Investments Law, the Omnibus Investments Code, the Philippine Economic Zone Act of 1995, and the Bases Conversion and Development Act of 1992;

1 (f) To formulate clear, consistent, and predictable regulations, for the grant of
2 registration agreements, permits, licenses, or clearances for infrastructure projects,
3 investments, business enterprises initiated through the RICH, in accordance with this
4 Act and subject to the compliance with the provisions of the Local Government Code;

5 (g) To identify and include areas outside the jurisdiction of any special economic
6 or Freeport zone, and which cannot be placed within the ambit of the jurisdiction of any
7 special economic or freeport zone, as certified by the special economic or freeport zone
8 near the identified areas; to consolidate, merge, purchase, develop, and create the
9 same, with the consent of the affected LGUs, into special economic or freeport zones,
10 new industrial townships, commercial and retail developments, agro-industrial zones,
11 and the like;

12 (h) To construct, acquire, own, lease, operate and maintain, on its own or through
13 contract, franchise, license, permit, public-private partnership, build-operate-transfer or
14 joint venture, the required utilities and infrastructure facilities, including additional roads,
15 bridges, airports, seaports, railroads, subways, and to fix just and reasonable rates,
16 fares, charges and other prices therefor;

17 (i) To coordinate and assist existing special economic or freeport zones in the
18 implementation of cross border projects along and within the Central Luzon economic
19 corridor pursuant to the objectives of the RICH;

20 (j) To generate its own revenues from the license, application, filing, and
21 registration fees, administrative and regulatory fees, and invest its funds and other
22 assets, as it may deem proper;

23 (k) To raise and borrow the necessary funds from local and international financial
24 institutions and to issue bonds, promissory notes, and other securities, subject to the
25 approval of the Secretary of the Department of Finance (DOF) and the Monetary Board
26 of the *Bangko Sentral ng Pilipinas* (BSP) and to secure the same by guarantee, pledge,
27 mortgage, deed of trust or assignment of properties;

28 (l) To enter into, make, perform and carry out contracts of every class, kind and
29 description which are necessary or incidental to the realization of this Act with any
30 person, firm or corporation, private or public, or with foreign government entities, upon
31 prior approval by the President of the Philippines;

32 (m) To formulate plans, programs and policies and provide assistance, and
33 coordinate with the concerned department or agency, if necessary, on any matter of
34 policy and ensure compliance therewith;

35 (n) To promote the RICH and the Central Luzon Investment Corridor to local and
36 international investors;

37 (o) To create a coordinating council per province to oversee the operations of
38 the businesses and investments established within their respective provinces and such
39 other functions, as may be delegated by a majority vote of the Board: *Provided, That,*
40 the Council shall submit a quarterly report, in writing, to the Board containing the
41 progress of the province and such other matters, as may be directed by the Board:
42 *Provided, further,* That the Council shall be composed of the Provincial Governor and
43 two (2) private sector members appointed and chosen by majority vote of the members
44 of the Board, from among five (5) individuals recommended by the Provincial Governor,
45 with the following minimum qualifications:

46 (i) A bona-fide resident of the concerned province; and
47 (ii) At least three (3) years of experience in management, planning and finance;
48 (p) To establish subsidiaries and serve as holding company of such subsidiaries,
49 if necessary, and as approved by the Board;

50 (q) To exercise the right of eminent domain;

1 (r) To adopt, implement, and enforce ecological and environmental standards
2 and measures for environmental pollution control and management;

3 (s) To strengthen and coordinate all existing security and firefighting forces
4 already established within Central Luzon and in existing special economic or freeport
5 zones, and formulate and implement measures to ensure the safety and preservation
6 of peace and order within Central Luzon;

7 (t) To establish a "One-Stop Shop" in every province of Central Luzon to promote
8 focused, fast, friendly, flexible, and forward-looking registration and operation of
9 businesses and investments;

10 (u) To encourage and assist in the use of alternative dispute resolution strategies
11 such as mediation, conciliation, arbitration, or any combination thereof as a means of
12 achieving speedy and efficient means of resolving disputes in accordance with Republic
13 Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004";

14 (v) To coordinate and regulate utilities within the existing special economic or
15 freeport zones and those created under this Act; and

16 (w) To promulgate rules and regulations and perform such other powers and
17 functions as may be necessary, appropriate, or incidental to this Act.

18
19 **SEC. 6. Chairperson and Chief Executive Officer.** – A Chairperson and Chief
20 Executive Officer (CEO) shall be appointed by the President of the Philippines, who
21 shall be chosen from among a list of three (3) individuals, by a majority vote of the
22 Board: *Provided*, That the incumbent Executive Director of the SCADC shall hold over
23 until the Chairperson and CEO shall have been chosen and qualified: *Provided, further*,
24 That the recommended individuals chosen by the Board shall have at least five (5) years
25 of work experience in infrastructure development, finance, administration, or
26 management.

27 The Chairperson and CEO shall have the following powers and functions:

28 (a) To administer and manage the business affairs of the RICH;

29 (b) To lead in the development and improvement of the RICH and the Central
30 Luzon Investment Corridor Master Plan, as approved by the Board;

31 (c) To promote commercial, tourism, and agriculture enterprises within Central
32 Luzon including existing special economic or freeport zones, to encourage more
33 investments and production, for domestic and international markets;

34 (d) To ensure that regulations established by the RICH are enforced and
35 implemented;

36 (e) To coordinate primary dispute settlements and resolutions within the special
37 economic or freeport zones, including labor disputes, in order to address local disputes
38 and prevent strikes or lockouts;

39 (f) To encourage LGUs to provide incentives to private sectors and entities who
40 decide to relocate from Metro Manila to the special economic or freeport zones under
41 the RICH; and

42 (g) To exercise such other powers and perform such other functions as
43 delegated or assigned by a majority vote of the Board.

44
45 **SEC. 7. Central Luzon Investment Corridor Master Plan.** – Immediately within
46 one hundred eighty (180) days upon the effectivity of this Act, the Board shall develop
47 the Central Luzon Investment Corridor Master Plan (Master Plan) through the active
48 participation of all stakeholders in planning and implementing the creation and
49 continuous operation of an aggregation of special economic or freeport zones within
50 Central Luzon.

1 The Master Plan shall include the provision of low-cost housing facilities within
2 the special economic or freeport zones to provide comfortable and livable homes that
3 are easily accessible by non-motorized means of transportation.

4 The Master Plan shall be approved upon a majority vote of the Board, which shall
5 contain a long-term strategy and their commitment to implement the Master Plan. The
6 Master Plan shall not be subject to frequent policy changes unless for key changes
7 essential to further improve the productivity within the area.

8
9 **SEC. 8. Responsibilities of the Local Government Units and Other Stakeholders.**

10 – The Master Plan shall be implemented by the RICH, through its Board, and it shall be
11 the overall coordinating body in the implementation of the Master Plan, specifically for
12 projects with cross border locations in established special economic or freeport zones.
13 The RICH shall coordinate and partner with LGUs in formulating, implementing, and
14 promoting the Master Plan. The LGUs shall be responsible in coordinating with the
15 Department of Environment and Natural Resources (DENR) for providing the zoning
16 and the comprehensive land use plan for the region. The LGUs shall assist in the
17 identification and conversion of lands in Central Luzon and shall be encouraged to
18 provide incentives to entities such as local tax incentives and streamlining of business
19 permits applications, processing and approval.

20 The LGUs shall, in close coordination with the Department of Public Works and
21 Highways (DPWH) and other concerned departments, ensure that all highways,
22 railways, airports, and seaports are in good condition and properly maintained.

23 The LGUs, in coordination with registered entities, shall be encouraged to
24 construct low-cost housing, in partnership with the Pag-IBIG Fund, within Central Luzon
25 to provide housing facilities with access to power, clean water and sewerage systems
26 to workers and their families to provide them with a comfortable and livable work-life
27 balance, at the same time decongesting Metro Manila and improving the traffic
28 condition.

29 Private entities shall be responsible for providing investments and infrastructure
30 within Central Luzon which shall observe international best practices in industrial
31 operations while complying with existing laws, rules and regulations, including those
32 intended for environmental preservation, and protection to labor. Private entities may
33 propose their own plans as long as these are in accordance with the Master Plan, as
34 described in Section 7 of this Act. The entities shall construct low-cost housing or
35 condominium facilities with access to electric power, clean water and sewerage
36 systems for their workers and their families, in partnership with the Pag-IBIG Fund,
37 which shall extend housing loans to qualified members availing of the housing facilities.

38 In the province of Bataan, the responsibilities of the LGUs mandated in the
39 preceding paragraphs shall be carried out and implemented through the Metro Bataan
40 Development Authority (MBDA) created under *Sangguniang Panlalawigan* Ordinance
41 No. 9 dated November 29, 2013, to optimize cooperation and ensure a seamless
42 integration and complementary execution of development initiatives both in the province
43 and in Central Luzon. The MBDA shall likewise continue coordinating and implementing
44 province-wide programs and services and exercise all other powers and functions
45 granted by Ordinance No. 9.

46
47 **SEC. 9. Registration and Availment of Incentives.** – Upon the effectivity of this
48 Act, any person, firm, association, partnership, corporation, or any other form of
49 business organization, regardless of nationality, control, or ownership of the working
50 capital thereof, intending to be registered under the RICH may apply for tax incentives,

1 in accordance with Title XIII (Tax Incentives) of the National Internal Revenue Code of
2 1997, as amended.

3
4 **SEC. 10. Tax Incentives.** – The RICH may administer tax incentives in
5 accordance with Title XIII (Tax Incentives) of the National Internal Revenue Code of
6 1997, as amended.

7
8 **SEC. 11. Availment of Fiscal Incentives by Existing Registered Enterprises.** –
9 Existing registered business enterprises with the PEZA, TIEZA, CDC, SBMA, APECO,
10 and AFAB may also register with the RICH and shall be qualified to avail of fiscal
11 incentives subject to Title XIII (Tax Incentives) of the National Internal Revenue Code
12 of 1997, as amended.

13
14 **SEC. 12. Revocation of Registration Agreement.** – The Board may automatically
15 revoke the Registration Agreement of any entity who violates any of the RICH rules and
16 regulations, including submitting false or fraudulent documents, declaring any false
17 material information in connection with its application, or any other act as may be
18 determined by the Board, and upon substantial proof. For purposes of this Act,
19 “Registration Agreement” shall refer to the final agreement executed by the RICH and
20 the registered entity setting forth the terms and conditions for the latter’s operation of
21 business or economic activity.

22
23 **SEC. 13. One-Stop Shop.** – Upon the effectivity of this Act and the joint
24 promulgation of a memorandum of agreement between the RICH and other investment
25 promotion agencies in Central Luzon, a “One-Stop Shop” shall be established for
26 enterprises who wish to be registered and are registered with PEZA, TIEZA, CDC,
27 SBMA, APECO, AFAB, and RICH. The One-Stop Shop shall facilitate the registration,
28 operation and maintenance of enterprises in Central Luzon. The RICH, PEZA, TIEZA,
29 CDC, SBMA, APECO, AFAB and other appropriate government agencies which are
30 involved in registering, licensing, or issuing Registration Agreements and other permits
31 to investors shall coordinate and, if necessary, assign a representative in every One-
32 Stop Shop to attend to investors’ requirements and applications. The One-Stop Shop,
33 in coordination with the agencies, shall maintain an online database for all transactions,
34 and shall act upon all applications within three (3) business days upon completion and
35 submission of requirements.

36 For this purpose, a “One-Stop Shop” refers to a center established, in
37 accordance with this Act, where a single common site or location is designated for all
38 concerned agencies in the registration, licensure and issuance of permits to enterprises
39 who wish to register and operate within Central Luzon: *Provided*, That each province
40 shall establish its own One-Stop Shop to facilitate the ease of doing business in the
41 region.

42 **SEC. 14. Eminent Domain.** – The areas comprising the special economic or
43 freeport zones may be expanded or reduced when necessary, in accordance with law.
44 For this purpose, the RICH shall have the power to acquire, either by purchase,
45 negotiation or condemnation proceedings, any private land within or adjacent to the
46 Zones for:

47 (a) Consolidation of lands for zone development purposes and infrastructure
48 projects;

49 (b) Acquisition of right of way to the zones; and

1 (c) Protection of watershed areas and natural assets valuable to the
2 prosperity of the zones.
3

4 **SEC. 15. *Land Reclassification and Conversion.*** – The Board may initiate the
5 reclassification and conversion of agricultural lands for residential, commercial,
6 industrial, and other nonagricultural purposes, in accordance with the comprehensive
7 land use plans of the concerned LGUs and the Master Plan approved by the RICH, and
8 subject to the provisions of laws and regulations on reclassification and conversion of
9 agricultural lands. *Provided*, That the reclassification and conversion shall be initiated
10 only based on a firm commitment to devote and utilize the land for the purpose
11 immediately upon approval of the reclassification and conversion.
12

13 **SEC. 16. *Presidential Land Grant.*** – The provisions of any existing law to the
14 contrary notwithstanding, the President of the Philippines may, upon the
15 recommendation of the DENR Secretary, grant to the RICH by donation, sale, lease or
16 otherwise, portions of land of the public domain as may be necessary for utilization or
17 expansion of special economic or freeport zones in Central Luzon to increase the
18 efficiency of its performance and achieve its purpose as an engine of growth for Central
19 Luzon and the Philippines.
20

21 **SEC. 17. *Coordination.*** – The BCDA, SBMA, CDC, APECO, AFAB, PEZA,
22 TIEZA, and the Board of Investments (BOI), as well as special economic or freeport
23 zones which may thereafter be established in Central Luzon, shall be in close
24 coordination with RICH, for purposes of domestic and foreign promotion, policy
25 direction, and ease of doing business.
26

27 **SEC. 18. *Utilities and Other Services.*** – The RICH may undertake and regulate
28 the operation and maintenance of utilities, such as electric power supply and such other
29 services within Central Luzon and fix just and reasonable fees, rates, and charges and
30 other forms of pricing in connection thereof, in accordance with existing laws, rules and
31 regulations, and without prejudice to any condition contained in a utility's Congressional
32 franchise.
33

34 **SEC. 19. *Capitalization.*** – The RICH shall have an authorized capital stock of
35 Two billion pesos (P2,000,000,000.00), divided into twenty thousand (20,000) no-par
36 shares fully subscribed and paid for by the national government with: (a) assets which
37 the President of the Philippines may transfer to the RICH as part of the equity
38 contribution of the government; and (b) cash contribution by the government in such
39 amount to be included in the General Appropriations Act.
40

41 **SEC. 20. *Personnel.*** – The Board shall provide for an organizational chart of
42 officers and employees, as may be deemed necessary, in coordination with the
43 Department of Trade and Industry (DTI), and fix a compensation plan consisting of the
44 salaries and benefits thereof: *Provided*, That the compensation plan shall be
45 comparable with the prevailing compensation plans in CDC, SBMA, APECO, AFAB,
46 TIEZA, and PEZA: *Provided, further*, That the compensation plan shall be subject to
47 review by the Board in no more than once every two (2) years.
48

49 **SEC. 21. *Legal Counsel.*** – Without prejudice to the hiring of an outside counsel,
50 the Office of the Government Corporate Counsel (OGCC) shall be the *ex officio* legal
counsel of the RICH. In the event that highly specialized legal services cannot be

1 provided for by the OGCC as may be required, the services of an outside counsel,
2 whose compensation shall be approved by the Board, may be engaged and no further
3 consent or approval of the OGCC shall be required.
4

5 **SEC. 22. *Injunctions or Restraining Orders.*** – The implementation of the
6 provisions of this Act is of national interest. Thus, no project bidding and undertaking in
7 the implementation of the provisions of this Act shall be restrained or enjoined by an
8 injunction or restraining order except by the Supreme Court of the Philippines.
9

10 **SEC. 23. *Implementing Rules and Regulations.*** – Upon consultation with the
11 stakeholders, the RICH, through its Board and the DPWH, DBM, DTI, National
12 Economic and Development Authority (NEDA), DOF, Bureau of Internal Revenue (BIR),
13 Bureau of Customs (BoC), Department of Agrarian Reform (DAR) and Department of
14 the Interior and Local Government (DILG), shall promulgate the implementing rules and
15 regulations of this Act within one hundred twenty (120) days after its effectivity.
16

17 **SEC. 24. *Repealing Clause.*** – All laws, decrees, executive orders, rules and
18 regulations or other issuances or parts thereof inconsistent with the provisions of this
19 Act are hereby repealed or modified accordingly.
20

21 **SEC. 25. *Separability Clause.*** – If any portion or provision of this Act is declared
22 unconstitutional, the remainder of this Act or any provision not affected thereby shall
23 remain in force and effect.
24

25 **SEC. 26. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
26 publication in the Official Gazette or in a newspaper of general circulation.

27 ***Approved.***