Republic of the Philippines  
House of Representatives  
Quezon City  

EIGHTEENTH CONGRESS  
Second Regular Session  

House Bill No. 7745  

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Introduced by Representative Jose Enrique S. Garcia III  

EXPLANATORY NOTE  

Infrastructures already existing in the country such as the interconnecting highways; railway in Luzon; seaports in Subic, Mariveles, Aurora, and Manila; and airports in Subic, Clark and Manila, when integrated and optimized effectively and efficiently with vast idle lands nearby, and utilized gainfully by the special economic zones shall accommodate the development of our national economy. The interconnecting infrastructures could serve as an economic engine of growth for Central Luzon to promote and encourage entrepreneurship and to create various jobs and business opportunities for the Filipino people.  

Moreover, because of the global accessibility and direct access of these transportation hubs to domestic and foreign markets, economic activities must not be highly concentrated in Metro Manila. With the establishment of Regional Investment and Infrastructure Coordinating Hub of Central Luzon, Metro Manila will be decongested, as industries and populations will be dispersed to other locations in Central Luzon by granting incentives thereto, thereby helping solve Metro Manila’s long standing traffic and congestion problem.  

The development of special economic zones in the areas of Central Luzon through the Regional Investment and Infrastructure Coordinating Hub must, thus, be encouraged, as this will create business and job opportunities for the Filipino workers. This is in line with the government’s policy to encourage, promote, induce, and accelerate a sound and balanced industrial, economic, and social development of the country.  

REP. JOSE ENRIQUE S. GARCIA III  
Second District, Bataan
Republic of the Philippines
House of Representatives
Quezon City

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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:

SECTION 1. Short Title. – This Act shall be known as the "Regional Investment and Infrastructure Coordinating Hub of Central Luzon."

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

The State recognizes the indispensable role of the private sector and the importance of establishing special economic or freeport zones in suitable and strategic locations and further strengthening the Bases Conversion Development Authority (BCDA), the Subic Bay Metropolitan Authority (SBMA), the Clark Development Corporation (CDC), the Aurora Pacific Economic Zone and Freeport Authority (APECO), the Authority of the Freeport Area of Bataan (AFAB), the Philippine Economic Zone Authority (PEZA), and the Tourism Infrastructure andEnterprise Zone Authority (TIEZA) through measures that effectively attract foreign and domestic investments.
Pursuant to this policy, infrastructure development and organization of the interconnecting highways, railways, seaports, and airports in Central Luzon must be maximized to encourage capital flow, effectively address bottlenecks and decongest Metro Manila, lay the foundation for long-term growth of Central Luzon, and increase the productivity of the people and their individual and family income, thereby improving the quality of life.

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

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

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

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

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

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

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

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

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

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

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

SEC 4. Regional Investment and Infrastructure Coordinating Hub. – There is hereby created, under the supervision of the Office of the President of the Philippines, 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 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;

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

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

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

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

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

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

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

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

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

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

(i) A bona-fide resident of the concerned province; and

(ii) At least three (3) years of experience in management, planning and
finance;

(p) To establish subsidiaries and serve as holding company of such
subsidiaries, if necessary, and as approved by the Board;
(q) To exercise the right of eminent domain;

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

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

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

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

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

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

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

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

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

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

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

(d) To ensure that regulations established by the RICH are enforced and implemented;
(e) To coordinate primary dispute settlements and resolutions within the special economic or freeport zones, including labor disputes, in order to address local disputes and prevent strikes or lockouts;

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

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

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

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

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

SEC. 8. Responsibilities of the Local Government Units and Other Stakeholders. — The Master Plan shall be implemented by the RICH, through its Board, and it shall be the overall coordinating body in the implementation of the Master Plan, specifically for projects with cross border locations in established special economic or freeport zones. The RICH shall coordinate and partner with LGUs in formulating, implementing, and promoting the Master Plan. The LGUs shall be responsible in coordinating with the Department of Environment and Natural Resources (DENR) for providing the zoning and the comprehensive land use plan for the region. The LGUs shall assist in the identification and conversion of lands in Central Luzon and shall be encouraged to provide incentives to entities such as local tax incentives and streamlining of business permits applications, processing and approval.

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

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

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

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

SEC. 9. Registration and Availment of Incentives. – Upon the effectivity of this Act, any person, firm, association, partnership, corporation, or any other form of business organization, regardless of nationality, control, or ownership of the working capital thereof, who wishes to be a registered entity under the RICH may apply for registration, in accordance with the Constitution, existing laws on tax incentives, and such other rules and regulations.

All activities and investments under the Investment Priorities Plan (IPP) and registered through the RICH, whether located inside or outside special economic or freeport zones, including tourism-related activities, may only be granted incentives under this Act.

SEC. 10. Tax Incentives. – The RICH may administer tax incentives in accordance with Executive Order No 226, or the Omnibus Investments Code, Republic Act No. 7916, as amended, and other existing laws on tax incentives.

SEC. 11. Existing Registered Enterprises. – Enterprises registered with the PEZA, TIEZA, CDC, SBMA, APECO, and AFAB under existing laws, rules and regulations shall continue to be entitled to the incentives under similar terms and conditions provided therein. The registered enterprise may also register with the RICH and shall be qualified to avail of the incentives provided herein, in accordance
with existing laws, rules and regulations and other rules and regulations as may be
determined by the RICH.

The provision of any law to the contrary notwithstanding, the CDC, SBMA,
APECO, and AFAB shall continue to exercise the power to grant and administer the
tax incentives provided for in their respective charters.

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

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

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

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

(a) Consolidation of lands for zone development purposes and
infrastructure projects;
(b) Acquisition of right of way to the zones; and

c) Protection of watershed areas and natural assets valuable to the
prosperity of the zones.

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

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

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

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

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

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

SEC. 21. Legal Counsel. – Without prejudice to the hiring of an outside counsel, 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 provided for by the OGCC as may be required, the services of an outside counsel, whose compensation shall be approved by the Board, may be engaged and no further consent or approval of the OGCC shall be required.

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

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

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

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

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

Approved.