

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

04 JUL -2 18:38

SENATE

S. NO. 1282RECEIVED BY: 

Introduced by Senator Biazon

EXPLANATORY NOTE

Republic Act No. 7227 created the Bases Conversion Development Authority (BCDA) in order to accelerate the sound and balanced conversion into alternative productive uses of the former U.S. Bases, Clark and Subic and their extensions, to raise funds by the sale of portions of Metro Manila military camps, and to apply said funds as provided herein for the development and conversion to productive civilian use of the lands covered under the 1947 Military Bases Agreement between the Philippines and the United States of Americas, as amended. Thus, the law provided that the largest share from the net proceeds of the sale of former military bases should fund the AFP Modernization program

As mandated in Republic Act No. 7898, the funds for the modernization of the Armed Forces of the Philippines may be generated through the sale, lease or joint ventures of portions of military reservations and lands. The share of the AFP in BCDA controlled areas under RA 7229 is limited only to the net proceeds of the actual sale and it is not proportionate to its stake, considering that it is the custodian and owner of these properties.

In 1997, revenues generated by the BCDA from the sale of former military camps reached P6.617 billion, mostly from the Fort Bonifacio project. This brings to P25.869 billion the total amount of revenues from such sales remitted by BCDA to the National Treasury since 1993.

The BCDA has the power to recommend to the President further alienation of other military installations, which it may find essential for further development. It is the intent of this bill, to authorize the President to sell certain portion of lands, which are exempted from sale, and the proceeds thereof, shall exclusively be used for the AFP modernization program. The area to be sold is the one hundred hectares (100 has.) which form part of the 148.80 in Fort Bonifacio reserved for the National Capital Region (NCR) Security Brigade, Philippine Army (PA) officers' housing area, and Philippine National Police (PNP) jails and support services (presently Camp Bagong Diwa).

Furthermore, the share of the AFP should not be restricted to the sale of former military camps but shall include proceeds from lease, joint ventures and other arrangements for the productive use of these lands.

In view of the foregoing, the approval of this bill is earnestly requested.



RODOLFO G. BIAZON
Senator

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AN ACT
AMENDING SECTION 8 OF REPUBLIC ACT NO. 7227, OTHERWISE KNOWN AS
THE BASES CONVERSION AND DEVELOPMENT ACT OF 1992, AS AMENDED,
AUTHORIZING THE PRESIDENT TO SELL CERTAIN PORTIONS OF LAND
WHICH ARE HEREBY EXEMPTED FROM SALE AND THE PROCEEDS
THEREOF SHALL EXCLUSIVELY BE USED FOR THE AFP MODERNIZATION
PROGRAM.

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

SECTION 1. Section 6 of Republic Act No. 7227 is hereby further amended
to read as follows:

“Sec. 6. *Capitalization.* – The Conversion Authority shall have
an authorized capital of One hundred billion pesos
(P100,000,000.00) which may be fully subscribed by the Republic of
the Philippines and shall either be paid up from the proceeds of the
sales, **LEASE, JOINT-VENTURE AGREEMENTS AND OTHER
TRANSACTIONS INVOLVING MILITARY BASES AND
RESERVATIONS** [of its land assets,] as provided for in Section 8 of
this Act or by transferring to the Conversion Authority properties
valued in such amount.”

SEC. 2. Section 8 of the same Act is hereby amended to read as follows:

“Sec. 8. *Funding Scheme.* – The capital of the Conversion
Authority come from the [sales proceeds] **PROCEEDS FROM THE
SALE, LEASE, JOINT VENTURE AGREEMENTS AND OTHER
TRANSACTIONS INVOLVING MILITARY BASES AND**

RESERVATIONS and/or transfer of certain Metro Manila military camps, including all lands covered by Proclamation No. 423 series of 1957, commonly known as Fort Bonifacio and Villamor (Nichols) Air Base, namely:

Camp	Area in has. (more or less)
Phase I (for immediate disposal)	
1. Camp Claudio	2.0
2. Camp Bago Bantay	5.10
3. Camp Bago Bantay	135.10
4. Part of Fort Bonifacio	<u>498.40</u>
Total	640.50
Phase II	
1. Camp Ver	1.9
2. Camp Melchor	1.0
3. Camp Atienza	4.9
4. Part of Villamor Airbase	37.9
5. Part of Fort Bonifacio	224.90
6. Fort Abad	<u>.60</u>
Total	271.20

: *Provided*, That the following areas shall be exempt from sale:

“a) Approximately 148.80 hectares in Fort Bonifacio for the National Capital Region (NCR) Security Brigade, Philippine Army (PA) officers’ housing area, and Philippine National Police (PNP) jails and support services (presently Camp Bagong Diwa):” **THE PRESIDENT, HOWEVER, SHALL SELL ONE HUNDRED (100) HECTARES OUT OF THE ONE HUNDRED FORTY-EIGHT AND 80/100 (148.80) HECTARES AND THE ENTIRE PROCEEDS OF THE SALE, AFTER DEDUCTING ALL DISPOSITION EXPENSES RELATED TO THE SALE SHALL BE ADDED TO THE FUNDS ALLOTTED FOR THE AFP MODERNIZATION PROGRAM. THE FOLLOWING DISPOSITION EXPENSES SHALL BE CONSIDERED AS ACQUISITION AND TITLING OF REAL ESTATES AS WELL AS PREPARATION OF ALTERNATIVE RELOCATION SITES TO HOST RELOCATED MILITARY UNITS**

AND ITS FACILITIES AND RELATED TRANSFER EXPENSES; RELOCATION OF AFFECTED GOVERNMENT/NON-MILITARY AGENCIES AND SQUATTERS. *PROVIDED*, THAT THE PROVISIONS OF LAW CONTRARY NOTWITHSTANDING, THE PROCEEDS OF THE SALE, LEASE, JOINT-VENTURE AGREEMENTS AND OTHER TRANSACTIONS AS HEREIN PROVIDED SHALL NOT BE DIMINISHED AND ARE, THEREFORE, EXEMPT FROM ALL FORMS OF NATIONAL AND LOCAL TAXES, ASSESSMENTS, LICENSES AND FEES.

Sec. 3. Other provisions of Republic Act No. 7227, otherwise known as the Bases Conversion and Development Authority Act of 1992, as amended, which are not affected by the provisions of Section 8 hereof, shall remain in force and effect.

Sec. 4. *Rules and Regulations.* - The President of the Philippines shall promulgate such rules and regulations as may be necessary for the proper implementation of this Act.

SEC. 5. *Separability Clause.* - If any of the provisions of this Act is declared invalid, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SEC. 6. *Repealing Clause.* - All laws, decrees, ordinances, rules and regulations, executive or administrative orders, and other presidential issuances inconsistent with this Act, are hereby repealed, amended or modified accordingly.

SEC. 7. *Effectivity.* - This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved.