

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



'22 JUL 11 P 4 :30

**SENATE**

S. No. 266

RECEIVED BY: \_\_\_\_\_

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT  
DIRECTING THE CONVERSION OF SANGLEY POINT IN CAVITE CITY INTO  
AN INTERNATIONAL LOGISTICS HUB**

**EXPLANATORY NOTE**

In line with the government's concerted effort to promote economic reforms, it has become an undeclared policy of the government to exhaust all possible means to support the country's continued search for genuine sustainability. To achieve this end, there is a need, among others, to provide infrastructure for more efficient and cheaper transportation of inputs and outputs of industrial goods.

One of the major projects being envisioned is the provision of an international container port complex which will include an airport and seaport. This facility can best be achieved through converting the US Naval Sangley Point located in Cavite City into such a complex.

U.S. Naval Station Sangley Point was a major ship-repair and supply facility of the United States Navy, which occupied the northern portion of the Cavite City peninsula and is surrounded by Manila Bay, approximately eight miles southwest of Manila, the Philippines. Up until World War II, the station was headquarters of the U.S. Asiatic Fleet. The naval station was turned over to the Philippine government in

1971. At present, Sangley Point is being used by the Philippine Navy for ship repair and dry docking purposes.

Sangley Point has the following comparative advantages and potentials for growth: A bay location that provides potential for sea transport, existing air and port facilities which could be upgraded and improved, it has a military airport which has a concrete runway of 229 x 22 meters, and road links, which provide access to Manila and CALABARZON growth corridors.

His Excellency, then President Rodrigo Roa Duterte has already directed the utilization of Sangley Point. This proposed measure seeks to complement the policy directive of the President. The economic opportunity that Sangley Point offers to the country must not be put to waste, especially now that the country is in continuous search of possible springboards for economic take-off.

This bill seeks to convert the almost idle but very promising facility of Sangley Point into an international logistics hub to facilitate further economic growth and social development of the Province of Cavite and the Philippines, in general.

In this light, the passage of this bill is earnestly sought.

  
**RAMON BONG REVILLA, JR.**

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

1 Section 1. *Short Title.* – This Act shall be known as the “Sangley Point  
2 Conversion Act.”

3  
4 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the  
5 Government to accelerate the sound and balanced conversion into alternative  
6 productive uses of the Sangley Point in Cavite City.

7  
8 It is likewise the declared policy of the Government to enhance the benefits to  
9 be derived from said conversion in order to promote the economic and social  
10 development of Cavite City in particular and the country in general.

11  
12 Sec. 3. *The Sangley Point International Logistics Hub.* - In accordance with the  
13 foregoing declared policy, there is hereby established an international logistics hub,  
14 comprising a Container Port and Airport Complex and an Economic Processing Zone  
15 with Cyber or Technoparks, to be known as the Sangley Point International Logistics  
16 Hub, hereinafter known as the Hub, located at the northern portion of the Cavite City

1 peninsula and is surrounded by Manila Bay, approximately eight miles away from  
2 Manila.

3  
4 *Sec. 4. Governing Principles.* — The Sangley Point International Logistics Hub  
5 shall be managed and operated under the following principles:

6  
7 (a) Under the framework and limitations of the Constitution and  
8 the applicable provisions of the financial, investment, and  
9 tourism/recreational center and free port with Local Government  
10 Code, the Hub shall be developed into and operated as a self-  
11 sustaining, commercial, industrial and logistic hub and suitable  
12 for retirement/residential purposes, in order to create  
13 employment opportunities in and around the Hub, and to  
14 effectively encourage and attract legitimate and productive  
15 foreign and local investments therein;

16  
17 (b) The Hub shall be operated and managed as a separate  
18 customs territory ensuring free flow or movement of goods and  
19 capital within, into and exported out of the Hub, as well as  
20 provide incentives such as tax and duty-free importations of raw  
21 materials, capital and equipment. However, exportation or  
22 removal of goods from the territory of the Hub to the other parts  
23 of the Philippine territory shall be subject to customs duties and  
24 taxes under the Tariff and Customs Code of the Philippines, as  
25 amended, the National Internal Revenue Code of 1997, as  
26 amended, and other relevant tax laws of the Philippines;

27  
28 (c) The provision of existing laws, rules and regulations to the  
29 contrary notwithstanding, no national and local taxes shall be  
30 imposed within the Hub. In lieu of said taxes, a five percent (5%)  
31 tax on gross income earned shall be paid by all business  
32 enterprises within the Hub and shall be remitted as follows: two

1 percent (2%) to the National Government, and two percent (2%)  
2 to the Sangley Point Authority referred in Section 5 of this Act,  
3 and one percent (1%) to the Cavite City Government;

4  
5 (d) Existing banking laws and Bangko Sentral ng Pilipinas (BSP)  
6 rules and regulations shall apply on foreign exchange and other  
7 current account transactions (trade and non-trade), local and  
8 foreign borrowings, foreign investments, establishment and  
9 operation of local and foreign banks, foreign currency deposit  
10 units, offshore banking units and other financial institutions  
11 under the supervision of the BSP;

12  
13 (e) Any foreign investor who establishes a business enterprise  
14 within the Hub and who maintains capital investment of not less  
15 than One hundred fifty thousand United States dollars  
16 (US\$150,000) shall be granted, along with his or her spouse,  
17 dependents, and unmarried children below twenty-one (21)  
18 years of age, a permanent resident status within the Hub. The  
19 responsibility and authority to grant such permanent resident  
20 status is hereby delegated to the Sangley Point Authority.

21  
22 Such foreign investor and his or her spouse, dependents, and  
23 unmarried children below the age of twenty-one (21) years, shall  
24 have the freedom of ingress and egress to and from the Hub  
25 without need of any special authorization from the Bureau of  
26 Immigration.

27  
28 Likewise, the Sangley Point Authority, referred herein Section 5,  
29 shall issue working visas renewable every two (2) years to foreign  
30 executives and foreign technicians with highly specialised skills  
31 which no Filipino possesses, as certified by the Department of  
32 Labor and Employment.

1  
2 The names of foreigners granted permanent resident status and  
3 working visas by the Sangley Point Authority shall be reported to  
4 the Bureau of Immigration within thirty (30) days from such  
5 grant.

6  
7 The foregoing is without prejudice to a foreigner acquiring  
8 permanent resident status in the Philippines in accordance with  
9 applicable immigration, retirement, and other related laws; and

10  
11 (f) Except as otherwise provided herein, the local government  
12 units totally or partially embraced within the Hub shall retain and  
13 maintain their basic autonomy and identity. Cavite City shall  
14 operate and function in accordance with Republic Act No. 7160,  
15 otherwise known as the Local Government Act of 1991, insofar  
16 as the areas within its jurisdiction covered in this Act are  
17 concerned.

18  
19 *Sec. 5. Creation of the Sangley Point Authority.* — A body corporate to be  
20 known as the Sangley Point Authority, hereinafter referred to as the SPA, is hereby  
21 created to manage and operate, in accordance with the provisions of this Act, the  
22 Sangley Point International Logistics Hub. This corporate franchise shall expire in fifty  
23 (50) years counted from the first day of the fifth (5th) calendar year after the  
24 effectivity of this Act, unless otherwise extended by Congress.

25  
26 *Sec. 6. Powers and Functions of the Sangley Point Authority.* — The Sangley  
27 Point Authority shall have the following powers and functions:

28  
29 (a) To adopt, change, use a corporate seal; to contract, lease,  
30 buy, sell, acquire, own and dispose, movable and immovable as  
31 well as personal and real property of whatever nature (including  
32 but not limited to shares of stock or participation in private

1 corporations or in limited partnerships, or in joint ventures with  
2 limited liability), bonds, precious metals in bullions, ingots, and  
3 easily convertible foreign exchange; to sue and be sued in order  
4 to carry out its duties, responsibilities, privileges, powers and  
5 functions as granted and provided for in this Act; and to exercise  
6 the power of eminent domain for public use and public purpose;

7  
8 (b) Within the limitation provided by law, to raise or borrow  
9 adequate and necessary funds from local or foreign sources to  
10 finance its projects and programs under this Act, and for that  
11 purpose to issue bonds, promissory notes, and other form of  
12 securities, and to secure the same by a guarantee, pledge,  
13 mortgage, deed of trust, or an assignment of all or part of its  
14 property or assets;

15  
16 (c) To approve, accept, accredit and allow any local or foreign  
17 business, enterprise or investment in the Hub subject only to such  
18 rules and regulations as SPA may promulgate from time to time  
19 in conformity with the provisions of this Act and the limitations  
20 provided in the Constitution;

21  
22 (d) To authorize or undertake, on its own or through others, and  
23 regulate the establishment, operation and maintenance of public  
24 utilities, services, and infrastructure in the Hub such as shipping,  
25 barging, stevedoring, cargo handling, hauling, warehousing,  
26 storage of cargo, port services or concessions, piers, wharves,  
27 bulkheads, bulk terminals, mooring areas, storage areas, roads,  
28 bridges, terminals, conveyors, water supply and storage,  
29 sewerage, drainage, airport and ports operations in coordination  
30 with the Civil Aeronautics Board and Philippine Ports Authority,  
31 and such other services or concessions or infrastructure necessary  
32 or incidental to the accomplishment of the objectives of this Act:

1                    *Provided, however,* That the private investors in the Hub shall be  
2 given priority in the awarding of contracts, franchises, licenses, or  
3 permits for the establishment, operation and maintenance of  
4 utilities, services and infrastructure in the Hub;

5  
6                    (e) To construct, acquire, own, lease, operate and maintain on its  
7 own or through others by virtue of contracts, franchises, licenses,  
8 or permits under the build-operate-transfer scheme or under a  
9 joint venture with the private sector any or all of the public utilities  
10 and infrastructure required or needed in the Hub, in coordination  
11 with appropriate national and local government authorities and in  
12 conformity with applicable laws thereon;

13  
14                    (f) To operate on its own, either directly or through a subsidiary  
15 entity, or license to others, tourism-related activities, including  
16 games, amusements, recreational and sports facilities such as  
17 horse racing, dog racing, gambling casinos, golf courses, and  
18 others, under priorities and standards set by the SPA;

19  
20                    (g) To form, establish, organize and maintain subsidiary  
21 corporations, as its business and operations may require, whether  
22 under the laws of the Philippines or not;

23  
24                    (h) To adopt, implement and enforce reasonable measures and  
25 standards to control pollution within the Hub;

26  
27                    (i) To provide security for the Hub in coordination with the  
28 national and local governments. For this purpose, SPA may  
29 establish and maintain its own security force and firefighting  
30 capability or hire others to provide the same;

31



1 (j) To plan, program and undertake the adjustment, relocation,  
2 or resettlement of population within the Sangley Point military  
3 reservations and their extensions as may be deemed necessary  
4 and beneficial by the SPA, in coordination with the appropriate  
5 agencies and local government units.

6  
7 (k) To issue rules and regulations consistent with the provisions  
8 of this Act as may be necessary to implement and accomplish the  
9 purposes, objectives and policies herein provided; and

10  
11 (l) To exercise such powers as may be essential, necessary or  
12 incidental to the powers granted to it hereunder as well as those  
13 that shall enable it to carry out, implement, and accomplish the  
14 purposes, objectives and policies of this Act.

15  
16 *Sec. 7. Board of Directors of SPA.* — The powers of the Sangley Point Authority  
17 shall be vested in and exercised by a Board of Directors, hereinafter referred to as the  
18 Board, which shall be composed of nine (9) members, to wit:

19  
20 Chairman: *Chairman* of the Philippine Reclamation  
21 Authority

22 Co-Chairman: *Governor* of the Province of Cavite or his  
23 authorized representative

24 Members: *Secretary*, Department of Transportation or his  
25 authorized representative

26 *Secretary*, Department of National Defense or  
27 his authorized representative

28 *Director General*, National Economic and  
29 Development Authority or his authorized  
30 representative

31 *Secretary*, Department of Trade and Industry  
32 or his authorized representative

1                                    *Secretary, Department of Environment and*  
2                                    *Natural Resources or his authorized*  
3                                    *representative*

4                                    *Secretary, Department of Public Works and*  
5                                    *Highways or his authorized representative*

6                                    *Director General, Philippine Economic Zone*  
7                                    *Authority or his Authorized representative*

8  
9                                    Members of the Board shall receive a reasonable per diem which  
10                                    shall not be less than the amount equivalent to the representation  
11                                    and transportation allowances of the members of the Board  
12                                    and/or as may be determined by the Department of Budget and  
13                                    Management: *Provided, however,* That the total per diem  
14                                    collected each month shall not exceed the equivalent per diem for  
15                                    four (4) meetings. Unless and until the President of the Philippines  
16                                    has fixed a higher per diem for the members of the Board, such  
17                                    per diem shall not be more than Ten thousand pesos (P10,000.00)  
18                                    for every Board meeting.

19  
20                                    *Sec. 8. Administrative and Chief Executive Officer.* — The President of the  
21                                    Philippines shall appoint a full-time professional and competent administrator and chief  
22                                    executive officer for the SPA whose compensation shall be determined by its Board  
23                                    and shall be in accordance with the revised compensation and position classification  
24                                    system. The administrator as chief executive officer of SPA shall be responsible to the  
25                                    Board and the President of the Philippines for the efficient management and operation  
26                                    of the Hub.

27                                    *Sec. 9. Capitalization.* — The SPA shall have an authorized capital stock of two  
28                                    billion pesos (P2,000,000,000) divided into 200,000,000 with a minimum issue value  
29                                    of Ten pesos (P10.00) per share. The national government shall initially subscribe and  
30                                    fully pay three hundred million (300,000,000) shares of such capital stock. The initial  
31                                    amount necessary to subscribe and pay for the shares of stock shall be included in the  
32                                    General Appropriations Act of the year following its enactment into law and

1 thereafter. The Board of Directors of SPA may, from time to time and with the written  
2 concurrence of the Secretary of Finance, increase the issue value of the shares  
3 representing the capital stock of the SPA. The Board of Directors of SPA, with the  
4 written concurrence of the Secretary of Finance, may sell shares representing not  
5 more than forty per centum (40%) of the capital stock of the SPA to the general public  
6 with such annual dividend policy as the Board and the Secretary of Finance may  
7 determine. The national government shall in no case own less than sixty per centum  
8 (60%) of the total issued and outstanding capital stock of the SPA.

9  
10       Sec. 10. *Supervision.* — The Hub shall be under the direct control and  
11 supervision of the Office of the President of the Philippines for purposes of policy  
12 direction and coordination.

13  
14       Sec. 11. *Relationship with the Local Government Units.* — In case of any conflict  
15 between the Hub and the local government unit totally or partially embraced within  
16 the Hub, on matters affecting the Hub, other than in defense and security matters,  
17 the decision of SPA shall prevail.

18  
19       Sec. 12. *Legal Counsel.* — The SPA and the corporations in which SPA owns a  
20 majority of the issued capital stock shall have its own internal legal counsel under the  
21 supervision of the government corporate counsel. When the exigencies of its  
22 businesses and operations demand it, the SPA may engage the services of an outside  
23 counsel either on a case to case basis or on a fixed retainer.

24  
25       Sec. 13. *Auditor.* — The Commission on Audit shall appoint a representative  
26 who shall be a full-time auditor of the SPA and its subsidiaries, and assign such number  
27 of personnel as may be necessary to assist said representative in the performance of  
28 his or her duties. The salaries and emoluments of the assigned auditor and personnel  
29 of the Commission on Audit shall be in accordance with the revised compensation and  
30 position classification system. The Commission on Audit shall render an annual report  
31 to the President of the Philippines and to Congress on the business activities,  
32 transactions and operations of the SPA.

1

2           Sec. 14. *Mechanisms for Those Affected by the Conversion.* – There shall be  
3 designated a relocation for affected military camps and other facilities, either within  
4 the Sangley Point Area or outside, consistent to existing laws, and regulations.  
5 Provided further that an appropriation to support the relocation cost of the combined  
6 facilities of the Philippine Navy and the Philippine Air Force which shall come from the  
7 proceeds of the lease, joint venture and transactions entered into by the Authority.

8

9           Sec. 15. *Separability Clause.* — If any provision of this Act shall be held  
10 unconstitutional or invalid, the other provisions not otherwise affected shall remain in  
11 full force and effect.

12

13           Sec. 16. *Repealing Clause.* — All laws, executive orders or issuances, or any  
14 parts thereof which are inconsistent herewith are hereby repealed or amended  
15 accordingly.

16           Sec. 17. *Effectivity Clause.* — This Act shall take effect fifteen (15) days upon  
17 its publication in at least two (2) newspapers of general circulation.

*Approved,*