HOUSE OF REPRESENTATIVES

H. No. 8001

By Representatives Garcia (A.), Garcia (M.A.), Valmayor, Mariño, Villa, Yap (C.), Gorriceta, Co-Pilar, Mercado, Tarriela, Nograles (M.), Rodriguez (R.), Legarda, Alvarez (M.), Marquez, Tan (K.M.), Maceda, Del Mar, Fuentebella, Loyola, Haresco, Lee, Padiernos, Alvarez (J.), Tamayo, Dionisio, Veloso-Tuazon, Pancho, Garcia (D.), Tanjuatco, Matibag, Tieng, Velasco, Cruz (R.), Go (M.), Limkaichong, Guintu, Bautista, Eudela, Solon, Aumentado, Bordado, Ungab, Delos Santos, Daza, Villafuerte (L.R.), Suansing (M.A.), Salceda, Quimbo, Cojuangco (J.), Chan, Violago, Momo, Sali, Oaminal, Dy (F.M.C.), Sacdalan, Horibata, Escudero, Bascug, Calixto, Unabia, Valeriano, Bondoc, Golez, Agarao, Gullas, Tolentino, Enverga, Duavit, Abunda, Castro (J.), Vergara, Chungalao, Biron, Abalos, Ongchuan, Espares, Tan (R.M.) and Go (E.C.), per Committee Report No. 507

AN ACT

STRENGTHENING FURTHER THE POWERS AND FUNCTIONS OF THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9728, OTHERWISE KNOWN AS THE "FREEPORT AREA OF BATAAN (FAB) ACT OF 2009", AS AMENDED BY REPUBLIC ACT NO. 11453

SECTION 1. Section 4 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

- "SEC. 4. Governing Principles. The FAB shall be managed and operated under the following principles:
- "(a) Within the framework and limitations of the Constitution and applicable provisions of the Local Government Code, the FAB shall be developed into and operated as a decentralized, self-reliant and self-sustaining industrial, commercial-trading, research and development, engineering, medical, education, information and communications technology including emerging and future technologies such as artificial technology, blockchain, business process outsourcing, cloud computing, cybersecurity, distributed ledger technology, financial technology solutions, SPACE TECHNOLOGY, internet of things, and virtual reality, retirement and healthcare services, agroindustrial, tourism, banking, financial, multinational trading and investment center with provision for suitable residential areas: PROVIDED, THAT ALL NON-ECONOMIC AFFAIRS WITHIN THE FAB AND ITS EXPANSION AREAS SHALL BE UNDER THE SOLE AND EXCLUSIVE MANAGEMENT AND OPERATION OF THE AFAB, TO THE EXCLUSION OF ANY LGU, PURSUANT TO ITS AUTONOMY AND SELF-RELIANCE IN ORDER TO ENSURE ITS INDEPENDENCE AND FREEDOM IN PROMOTING A JUST AND DYNAMIC SOCIAL ORDER OR SECURING ANY ASSISTANCE OR PARTNERSHIP WITH OTHER AGENCIES AND INSTRUMENTALITIES OF THE GOVERNMENT:

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"(g) The areas comprising the FAB may be expanded or reduced when necessary. For this purpose, the AFAB, with the concurrence of the appropriate and affected local government units (LGUs) and the agreement of appropriate national government agencies, government-owned and -controlled

corporations and instrumentalities, and UPON the approval of the AFAB Board in accordance and in compliance with existing laws [and local ordinances] shall have the power to acquire, procure, and/or expand either by purchase, negotiation, EXPROPRIATION OR condemnation proceedings, or any other arrangement, any private or alienable and disposable public lands and/or their respective water territories within the territorial jurisdiction of the Province of Bataan, if any, for the following purposes: xxx

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"(i) The defense of the FAB and the security of its perimeter fence shall be the responsibility of the National Government in coordination with the AFAB and the LGUs. [The AFAB shall provide its own internal security and firefighting forces.] FOR THE PURPOSE OF PUBLIC SAFETY AND SECURITY, LAW AND ORDER, AND DISASTER RISK REDUCTION MANAGEMENT (DRRM) AND RESILIENCY, THE AFAB SHALL HAVE ITS OWN INTERNAL POLICE FORCE, FIREFIGHTING FORCES, AND DRRM OFFICE."

SEC. 2. Section 7 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

- "SEC. 7. Incentive to Investors. Any foreign national who invests an amount of Seventy-five thousand US dollars (US\$75,000.00), either in cash and/or equipment, DIRECTLY TO THE AFAB OR in a registered enterprise shall be entitled to an investor's visa: Provided, That [he] THE FOREIGN NATIONAL [has] MEETS the following qualifications:
 - "(a) [He is] [a]At least eighteen (18) years of age;
 - "(b) [He] [h] Has not been convicted of a crime involving moral turpitude;
- "(c) [He] [i]Is not afflicted with any loathsome, dangerous or contagious disease; and
- "(d) [He] [h]Has not been institutionalized for any mental disorder or disability.

As a holder of **AN** investor's visa, [an alien] **A FOREIGN NATIONAL** shall be entitled to reside in the Philippines while [his] THE investment subsists.

For this purpose, [he] THE FOREIGN NATIONAL [should] SHALL submit
an annual report, in the form duly prescribed for the purpose, to prove that
[he] SUCH PERSON has maintained [his] THE investment in the country,
should said [alien] PERSON withdraw [his] THE investments from the
Philippines, then the investor's visa issued [to him] shall automatically
expire."

SEC. 3. Section 13 of Republic Act No. 9728, as amended, is hereby further amended and to read as follows:

"SEC. 13. Powers and Functions of AFAB. – The AFAB shall have the following functions:

sell, acquire, own and dispose properties of whatever nature, INCLUDING

"(a) To adopt, alter, use a corporate seal, to contract, lease, buy,

PUBLIC DOMINION OR PATRIMONIAL PROPERTY. THE AFAB IS AUTHORIZED TO SELL LANDS WHICH ARE HEREBY DECLARED ALIENABLE AND DISPOSABLE PURSUANT TO THE PROVISIONS OF EXISTING LAWS AND REGULATIONS GOVERNING SALES OF

GOVERNMENT PROPERTIES: PROVIDED, THAT NO SALE OF SUCH LANDS WILL BE UNDERTAKEN UNTIL A DEVELOPMENT PLAN IS SUBMITTED AND DULY APPROVED BY THE AFAB BOARD OF

DIRECTORS IN ACCORDANCE WITH THE FAB COMPREHENSIVE MASTER DEVELOPMENT PLAN:

"(b) To sue and be sued in order to carry out its duties, responsibilities, privileges, powers and functions as granted and provided for in this Act and to exercise the power of eminent domain for public use and public purpose OVER ANY PRIVATELY-OWNED PROPERTY LOCATED WITHIN THE FAB MAIN ZONE AND SUCH OTHER AREAS WITHIN THE PROVINCE OF BATAAN SUBJECT TO THE REQUIREMENTS OF THE CONSTITUTION AND PREVAILING LAWS;

1 "(c) xxx 2 3 "(d) xxx 4 5 "(e) xxx 6 7 "(f) xxx

"(G) TO RECLAIM AND DEVELOP, OR TO UNDERTAKE, ON ITS OWN OR THROUGH OTHERS, AND APPROVE RECLAMATION AND RELATED PROJECTS, IN ACCORDANCE WITH RELEVANT LAWS INSOFAR AS APPLICABLE TO THE AFAB, AS WELL AS TO OWN, HOLD, PURCHASE OR LEASE FORESHORE AREAS WITHIN OR ADJACENT OR APPROXIMATE TO THE AREAS: PROVIDED, HOWEVER, THAT THE AFAB SHALL COORDINATE WITH THE LGUS FOR THE DEVELOPMENT PLANS, ACTIVITIES AND OPERATION OF THE RECLAIMED AREA IN THE FAB AND ITS EXPANSION AREAS:

"(H) TO TAKE WATER, SAND, AND OTHER MATERIALS FROM ANY PUBLIC STREAM, RIVER, CREEK, LAKE, SPRING, WATERFALL, OR UNDERGROUND AQUIFERS, AS MAY BE NECESSARY FOR THE ATTAINMENT OF THIS ACT; TO ALTER, STRAIGHTEN, OBSTRUCT OR INCREASE THE FLOW OF WATER IN STREAMS OR IN WATER CHANNELS INTERCEPTING OR CONNECTING THEREWITH OR CONTIGUOUS TO ITS WORKS OR ANY PART THEREOF AND TO ISSUE THE CORRESPONDING WATER PERMITS AND OTHER CLEARANCES IN RELATION TO THE FOREGOING;

"(I) TO EXERCISE SOLE AND EXCLUSIVE PORT REGULATORY
AND ADMINISTRATIVE AUTHORITY WITHIN ITS TERRITORIAL
JURISDICTION, WHICH SHALL INCLUDE ALL SEAS, LAKES, RIVERS,
AND ALL OTHER NAVIGABLE INLAND WATERWAYS WITHIN THE FAB

MAIN ZONE AND ITS EXPANSION AREAS, INCLUDING WATERWAYS WITHIN THE FAB MAIN ZONE AND ALL ITS EXPANSION AREAS IN THE PROVINCE OF BATAAN:

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"[g] (J) To license, set fees, regulate, MANAGE, and undertake the establishment, operation and maintenance of utilities, other services, educational and medical institutions and infrastructure in the FAB such as, but not limited to, heat, light and power, water supply, telecommunications, mobile, internet and other data facilities, transport, toll roads and bridges, port services, etc. and to fix just, reasonable and competitive rates, fares, charges and prices thereof;

"[h] (K) xxx

"[i] (L) To operate on its own, either directly or through a license to other tourism-related activities, including games, amusements, recreational and sports facilities[, subject to the approval and supervision of the Philippine Amusement and Gaming Corporation (PAGCOR)];

"[i] (M) xxx

"[k] (N) To exclusively enforce and administer the provisions of the National Building Code of the Philippines and the Fire Code of the Philippines, as amended, AND MAY PRESCRIBE MEASURES AND GUIDELINES TO DEAL WITH NATURAL CALAMITIES SUCH AS EARTHQUAKES, FOREST FIRES, TYPHOONS AND STORM SURGES, within the territorial jurisdiction of the FAB: *Provided*, That the AFAB shall be fully responsible and accountable for the enforcement and administration of the National Building Code of the Philippines and the Fire Code of the Philippines, as amended, AND RELEVANT LAWS THERETO within the FAB. FOR THIS PURPOSE, THE AFAB FIRE AND EMERGENCY DIVISION AND ITS DULY AUTHORIZED REPRESENTATIVES SHALL

HAVE THE POWERS AND DUTIES TO INVESTIGATE ARSON AND OTHER FIRE INCIDENTS WITHIN THE FAB, INCLUDING THOSE IN FAB EXPANSION AREAS.

"The AFAB administrator, or his official designate, shall function as the AFAB building official, who shall issue all building permits and other related permits subject to the collection by AFAB of the corresponding permit fees: *Provided*, That the AFAB Building Official shall also be authorized to require owners of houses, buildings, or other structures constructed without the necessary AFAB permit/s, or those that are condemned and/or abated by the AFAB in accordance with the conditions set forth in the National Building Code or Civil Code, as the case may be, whether constructed on public or private lands, to remove or demolish such houses, buildings, or structures within fifteen (15) days from receipt of notice. Upon failure of such owner to remove or demolish such house, building, or structure within such period, the AFAB may summarily cause its removal or demolition at the expense of the owner and the occupants.

"The AFAB may evict any person who refuses to vacate such premises in accordance with Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992," and other existing laws. A temporary or permanent relocation site shall be made available for qualified individuals or families.

"[I] (O) To [provide] BE THE PRINCIPAL PROVIDER OF security [fer] IN the FAB in coordination with the national and local governments. For this purpose, the AFAB may establish and maintain its security forces and firefighting capability or hire others to provide the same, SUCH AS THE INSTALLATION OF SECURITY GATES TO ENCLOSE, RESTRICT, AND REGULATE THE INGRESS TO AND EGRESS FROM LOCAL AND NATIONAL ROADS. In the event that an assistance of the military force is necessary, it shall not interfere in the internal affairs of the FAB except to provide the necessary security and defense, and their expenses shall be

borne by the National Government. To ensure the maintenance of law and order within the boundaries of the FAB, including conducting police investigations, arrests, search and seizure for violation of penal laws inside the FAB, THE AFAB MAY SEEK ASSISTANCE FROM the Philippine National Police (PNP) WHICH shall establish a police substation, [if necessary], THAT SHALL BE under the supervision of the PNP Provincial Director, to be manned by such number of personnel as will allow them to effectively and efficiently pursue its mandate.

"The AFAB shall also be authorized to install control gates at strategic points of the national roads within the FAB, through which access into and departure from the FAB shall be fully controlled by the AFAB;

"[m] (P) To protect, preserve, maintain and develop the forests, beaches, corals and coral reefs, and maintain ecological balance within the FAB. For this purpose, the rules and regulations of the Department of Environment and Natural Resources (DENR) and other government agencies involved in the above functions shall be implemented by the AFAB: *Provided*, That the issuance, enforcement and monitoring of environmental compliance certificates (ECCs), tree cutting permits, foreshore leases, MISCELLANEOUS LEASES, and all other related permits and clearances, AS WELL AS THE PERMIT TO OPERATE AIR POLLUTION SOURCE AND CONTROL INSTALLATION, AND IMPLEMENTATION PERTAINING TO THE ISSUANCE OF DISCHARGE PERMIT, WATER PERMIT AND DRILLING PERMITS, AND ALL OTHER RELATED PERMITS [issued by the DENR and other government agencies] shall be under the exclusive control and jurisdiction of the AFAB;

"[n] (Q) To create, operate [and/or] OR contract to operate such functional units or offices of the AFAB as it may deem necessary;

"[ə] (R) To issue certificates of origin for products manufactured or processed in the FAB;

"[p] (S) xxx

"(q) (T) To ISSUE ON ITS OWN, OR TO recommend the issuance of working visas renewable every three (3) years to foreign executives and foreign technicians with highly specialized skill which no Filipino possesses, subject to the issuance of the Certification and Alien Employment Permit by the Department of Labor and Employment (DOLE);

"[f] (U) XXX

"[s] (V) xxx

"[‡] (W) To ISSUE ON ITS OWN, OR TO endorse THE ISSUANCE OF, Special Resident Retirees' Visas (SRRVs) for retirees that intend to reside in the FAB, in collaboration with the Philippine Retirement Authority (PRA), AND OTHER VISAS: *Provided*, That the PRA and the AFAB shall issue joint regulations WITH OTHER RELEVANT GOVERNMENT AGENCIES on the processing of SRRVs AND OTHER VISAS in accordance with existing laws;

"[u] (X) To establish, operate and maintain utilities, facilities, infrastructure, services, businesses, activities, and concessions in the FAB, pertaining to shipping and maritime business and activities including stevedoring and port terminal services or concessions; TO UNDERTAKE, ON ITS OWN OR THROUGH OTHERS, REGULATE AND ADMINISTER YACHT CLUBS OR YACHT DEVELOPERS FOR THEIR BERTHING FACILITIES TO BE ESTABLISHED IN THE FAB: *Provided*, That the Maritime Industry Authority (MARINA) shall continue to exercise its power to regulate and supervise the shipbuilding and ship repair of any merchant marine vessel

1 operated or to be operated in the domestic trade and the domestic shipping 2 industry within the FAB; 3 4 "[¥] (Y) xxx 5 "[₩] (**Z**) xxx 6 7 8 "[X] (AA) XXX." 9 10 SEC. 4. Section 14 of Republic Act No. 9728, as amended, is hereby further amended to read as follows: 11 "SEC. 14. Board of Directors of the [FAB] AFAB. - The powers of the 12 13 AFAB shall be vested in and exercised by a Board of Directors, hereinafter 14 referred to as the Board, which shall be composed of the following:xxx "(a) xxx 15 16 "(b) xxx "(c) Members consisting of: 19 "(1) xxx 20 "(2) xxx 21 "(3) One (1) representative from the district covering the site 22 of the FAB MAIN ZONE; 23 "(4) xxx 24 "(5) One (1) representative [from] FOR [the AFAB-25 Registered] domestic investors; 26 "(6) One (1) representative [from] FOR [the AFAB-27 Registered] foreign investors; and 28 "(7) One (1) representative from the [workers working in the 29 FAB] LABOR SECTOR:

"Provided, That all members of the Board shall be Filipino citizens.

"The administrator and the members of the Board shall be appointed by the President of the Philippines to serve for a term of six (6) years, WITH THE RIGHT TO HOLD OVER UNTIL A REPLACEMENT SHALL HAVE BEEN DULY APPOINTED AND QUALIFIED, unless sooner separated from service due to death, voluntary resignation or removal for cause. In case of death, resignation or removal for cause, the replacement shall serve only the unused portion of the term.

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SEC. 5. Section 24 of Republic Act No. 9728, as amended, is hereby amended to read as follows:

"SEC. 24. Relationship with Local Government Units. – Except as herein provided, the [M]municipalitIES [ef-Mariveles] in the Province of Bataan WHERE THE FAB MAIN ZONE AND ITS EXPANSION AREAS ARE LOCATED shall operate and function SEPARATELY AND INDEPENDENTLY FROM THE AFAB, in accordance with the Local Government Code of 1991. ALL ECONOMIC AND NON-ECONOMIC ACTIVITIES WITHIN THE FAB MAIN ZONE AND ITS EXPANSION AREAS SHALL BE UNDER THE DIRECT AND EXCLUSIVE CONTROL, ADMINISTRATION AND JURISDICTION OF THE AFAB, EXCEPT FOR NECESSARY COORDINATION AND COOPERATION WITH LGUS TO MIRROR EFFORTS OF THE NATIONAL GOVERNMENT. In case of any conflict between the AFAB and the local government units (LGUs) and the National Government (NG) on matters affecting the FAB other than defense and security matters, the decision of the AFAB shall prevail."

SEC. 6. Section 26 of Republic Act No. 9728, as amended, is hereby amended to read as follows:

"SEC. 26. Interpretation/Construction. – The powers, authorities and functions that are vested in the AFAB are intended to establish decentralization of governmental functions and authority and promote an efficient and effective

working relationship between the AFAB, the National Government and the LGU. IN CASE OF ANY CONFLICT BETWEEN THE AFAB AND THE LGUS AND THE NG ON MATTERS AFFECTING THE FAB OTHER THAN DEFENSE AND SECURITY MATTERS, THE DECISION OF THE AFAB SHALL PREVAIL."

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SEC. 7. Section 28 of Republic Act No. 9728, as amended, is amended to read as follows:

"SEC. 28. *Transitory Provisions.* – All properties, assets, funds, rights, obligations, and liabilities are hereby transferred to the AFAB except for the liabilities that are not properly accounted for as per the reports coming from the Commission on Audit, which shall be retained by the PEZA.

"The AFAB shall be responsible for the operations, administration, management and development of the FAB. The AFAB shall effect the transfer herein provided in a manner that will ensure the least disruption of ongoing programs of the BEZ. The qualified and necessary personnel of the BEZ shall be transferred to and absorbed by the AFAB: *Provided*, That the tenure, rank, salaries and privileges of such personnel are not reduced or adversely affected. The personnel whose services are not retained by the AFAB shall be granted separation pay and retirement and other benefits they are entitled to under existing laws but in no case shall the separation pay be less than one (1) month for every year of service.

"In the period prior to the actual assumption of duties by the AFAB, all officers and employees of the BEZ shall continue to exercise their functions and discharge their duties and responsibilities. The BEZ shall be deemed abolished upon the organization of the AFAB.

"THE LAND TITLES AND TAX DECLARATIONS OF ALL REAL AND PERSONAL PROPERTIES OWNED AND ADMINISTERED BY THE THEN EXPORT PROCESSING ZONE AUTHORITY (EPZA) AND

1	PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA) SHALL BE
2	AUTOMATICALLY TRANSFERRED TO AND BE OWNED BY THE AFAB
3	BY OPERATION OF LAW."
4 5	SEC 9 Section 20 of Depublic Act No. 0729, as amended is hereby amended
	SEC. 8. Section 29 of Republic Act No. 9728, as amended, is hereby amended to read as follows:
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8	"SEC. 29. Implementing Rules and Regulations. – THE BOARD [The DTI, the DOF, the LGU and the Department of the Interior and Local
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10	Government,] shall formulate the implementing rules and regulations of this
	Act within ninety (90) days after its approval. Such rules and regulations
11	shall take effect fifteen (15) days after their publication in a newspaper of
12 13	general circulation in the Philippines."
14	SEC. 9. Section 32 of Republic Act No. 9728, as amended, is hereby amended
15	to read as follows:
16	"SEC. 32. Repealing Clause. – Proclamation No. 740, as amended by
17	Proclamation No. 900 and Presidential Decree No. 545, insofar as these
18	laws convey the balance of the public land mentioned therein in favor of the
19	GSIS and the SSS, and mandate said agencies to develop the land for
20	construction of housing units [and/or] OR condominium houses, are hereby
21	repealed.
22 23	"All other laws, CHARTERS, decrees, executive orders, ADMINISTRATIVE
24	ORDERS, ISSUANCES, rules and regulations or parts thereof, inconsistent
25	with the provisions of this Act are hereby repealed or modified accordingly."
26	with the previous of time that are hereby repealed of meaning accordingly.
27	SEC. 10. Separability Clause Any portion or provision of this Act that may be
28	declared unconstitutional shall not have the effect of nullifying other portions or
29	provisions hereof as such remaining provisions can still subsist and be given effect.
30 31 32	SEC. 11. <i>Effectivity.</i> – This Act shall take effect fifteen (15) days following its publication in the <i>Official Gazette</i> or in a newspaper of general circulation.
	Approved,