FIFTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES Second Regular Session

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SENATE

s. No. 3096

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Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

Pursuant to Section 15 of Republic Act 7227 known as the "Bases Conversion and Development Act of 1992", then President Fidel V. Ramos issued Executive Order No. 80 creating the Clark Development Corporation (CDC) to manage the conversion of the Clark Special Economic Zone (now Clark Freeport Zone). From being a military camp, the area has become one of the more booming zones of economic development in the region, playing host to productive enterprises largely because of an efficient management arm that is the CDC.

However, experience exposed a flaw in the mandate of the CDC as it suffered critical setbacks in a number of its meaningful programs mainly due to the unpredictable changes in management. Officers of the CDC remain to be political appointees serving at the pleasure of the one who sits as the appointing authority and a good initiative is to last only at the volatile tenure of its proponent. Important programs that would see implementation under one administration may only be scrapped at the takeover of another management team.

This measure seeks to address the seeming discontinuity of significant programs and initiatives for the development of the Clark Freeport Zone. A fixed tenure afforded to officers of the CDC would ensure that management would have enough time to develop public service programs and organizational capabilities which they can see implemented to their full extent. Further, an assurance of a term may help to inspire the management to endeavor in properly executing their programs, secured that they themselves may still be in office to take credit for the results.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

Senator

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AN ACT

PRESCRIBING FIXED TERMS FOR MEMBERS OF THE BOARD OF DIRECTORS OF THE CLARK DEVELOPMENT CORPORATION (CDC)

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

SECTION 1. Term of Office of the Board of Directors. - Any provision of law to the contrary notwithstanding, the powers of the Clark Development Corporation (CDC) shall be vested in and exercised by a Board of Directors ("Board") which shall be composed of eleven (11) members each of whom shall be a stockholder of the CDC: Provided that, The composition of the CDC Board shall be subject to the provisions of Section 15 of Republic Act No. 7227, otherwise known as the Bases Conversion and Development Act of 1992.

The members of the Board representing the equity or capital stock in CDC of the Bases and Conversion Development Authority (BCDA) and other national government agencies shall be nominated by the President of the Philippines to serve for a term of six (6) years, unless sooner removed for cause, except that any person appointed to fill a vacancy shall serve only for the unexpired term of the member whom he/she succeeds.

No person shall be nominated as a member of the Board representing national government capital stocks in CDC unless he/she is a Filipino citizen, of good moral character, and of recognized competence in relevant fields including but not limited to economics, management, international relations, law or engineering.

Preference in the designation of the members of the Board shall be given to residents within the local government units that concur to join the Clark Special Economic Zone.

- **SEC. 2.** Repealing Clause. All laws, orders, proclamations, rules and regulations, or part thereof, which are inconsistent with any provision of this Act are hereby repealed or modified accordingly.
- **SEC. 3. Separability Clause.** If any provision or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.
- **SEC. 4.** *Effectivity Clause.* This Act shall take effect fifteen (15) days from the date of its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,