

MALACAÑANG
MANILA

EXECUTIVE ORDER NO. 80

AUTHORIZING THE ESTABLISHMENT OF THE CLARK DEVELOPMENT CORPORATION AS THE IMPLEMENTING ARM OF THE BASES CONVERSION AND DEVELOPMENT AUTHORITY FOR THE CLARK SPECIAL ECONOMIC ZONE, AND DIRECTING ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES, AGENCIES AND INSTRUMENTALITIES OF GOVERNMENT TO SUPPORT THE PROGRAM

WHEREAS, the national leadership notes with deep concern the magnitude of the economic and social problems in Central Luzon, particularly in the City of Angeles, and the Municipalities of Mabalacat, Porac, Bamban and Capas, as a result of the Mt. Pinatubo eruptions and the withdrawal of the US Military Forces from Clark Air Base, and the need to address this immediate concern by way of providing employment and livelihood opportunities and resettlement and relocation sites;

WHEREAS, it is the policy of the Government to accelerate the sound and balanced conversion of the Clark military reservations and its contiguous extensions into alternative productive civilian uses to promote the economic and social development of Central Luzon in particular and the country in general.

WHEREAS, the Bases Conversion and Development Authority (BCDA) is mandated by Republic Act No. 7227 (RA 7227), otherwise known as the "Bases Conversion and Development Act of 1992", to adopt, prepare and implement a comprehensive and detailed plan for the conversion of the Clark military reservations and its contiguous extensions consistent with the plans and programs of the national and local governments;

WHEREAS, it is envisioned that Clark will be converted into an international civil aviation complex, a modern industrial estate and tourism, trade and business center for Luzon and Asia;

WHEREAS, the national leadership is cognizant of the vital role of the private sector and the local government units in the Clark conversion program.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order the following:

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Section 1. Creation of the Clark Development Corporation. - A body corporate to be known as the Clark Development Corporation (CDC) is hereby authorized to be formed as the operating and implementing arm of the BCDA to manage the Clark Special Economic Zone (CSEZ).

The CDC shall be a subsidiary corporation of the BCDA and shall be formed in accordance with the Philippine corporation law and existing rules and regulations promulgated by the Securities and Exchange Commission pursuant to Section 16 of RA 7227.

The CDC shall be subject to the policies, rules and regulations of the BCDA for the CSEZ.

Section 2. Powers and Functions of the Clark Development Corporation. - The BCDA, as the incorporator and holding company of its Clark subsidiary, shall determine the powers and functions of the CDC. Pursuant to Section 15 of RA 7227, the CDC shall have the specific powers of the Export Processing Zone Authority as provided for in Section 4 of Presidential Decree No. 66 (1972) as amended.

Section 3. Board of Directors. - The powers of the 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 is subject to the provisions of Section 16 of RA 7227.

The members of the Board representing the equity or capital stock in CDC of BCDA and other national government agencies shall be nominated by the President.

No person shall be nominated as a member of the Board representing national government capital stocks in CDC unless he 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 CSEZ.

Section 4. Capitalization. - The capitalization of CDC shall be determined by its incorporators and holding company, the BCDA, which shall include the following:

- 4.1. Cash equity provided by the BCDA and other agencies and instrumentalities of government;
- 4.2. Portions of or all of the lands embraced and covered by the CSEZ, as well as permanent improvements and fixtures therein upon proper inventory; and
- 4.3. All other assets which the President may transfer to the CDC as part of the equity contribution of the Government.

Section 5. Investment Climate in the CSEZ. - Pursuant to Section 5(m) and Section 15 of RA 7227, the BCDA shall promulgate all necessary policies, rules and regulations governing the CSEZ, including investment incentives, in consultation with the local government units and pertinent government departments for implementation by the CDC.

Among others, the CSEZ shall have all the applicable incentives in the Subic Special Economic and Free Port Zone under RA 7227 and those applicable incentives granted in the Export Processing Zones, the Omnibus Investments Code of 1987, the Foreign Investments Act of 1991 and new investments laws which may hereinafter be enacted.

The CSEZ Main Zone covering the Clark Air Base proper shall have all the aforecited investment incentives, while the CSEZ Sub-Zone covering the rest of the CSEZ shall have limited incentives. The full incentives in the Clark SEZ Main Zone and the limited incentives in the Clark SEZ Sub-Zone shall be determined by the BCDA.

Section 6. Local Autonomy. - Except as herein provided, the affected local government units shall retain their basic autonomy and identity. Angeles City shall be governed by its charter and the Municipalities of Porac, Mabalacat, Bamban and Capas shall operate and function in accordance with Republic Act No. 7160, otherwise known as the "Local Government Code of 1991". In case of conflict between the CDC and the local government units concerned on matters affecting the CSEZ other than defense and security, the decision of the CDC shall prevail.

Section 7. Role of Departments, Bureaus, Offices, Agencies and Instrumentalities. - All heads of departments, bureaus, offices, agencies and instrumentalities of the government are hereby directed to give full support to the Clark conversion program and to coordinate with the BCDA to facilitate the necessary approvals to expedite the implementation of the various projects of the conversion program.

Section 8. **Repealing Clause.** - All presidential issuances, rules and regulations or parts thereof which are inconsistent with the provisions of this Executive Order are hereby repealed, amended or modified accordingly.

Section 9. **Effectivity.** - This Executive Order shall take effect immediately.

DONE in the City of Manila, this 3rd day of April in the year of Our Lord, Nineteen Hundred and Ninety-Three. /d



By the President:



ANTONIO T. CARPIO
Chief Presidential Legal Counsel