MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

PROCLAMATION NO. 50

PROCLAIMING THE ADOPTION AND IMPLEMENTATION OF THE SUBIC CONVERSION PROGRAM AS A PRIORITY NATIONAL PROGRAM FOR ECONOMIC DEVELOPMENT AND DIRECTING ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES, AGENCIES AND INSTRUMENTALITIES OF GOVERNMENT TO SUPPORT THE PROGRAM

WHEREAS, it is the declared policy and a priority program of the Government to accelerate the balanced and sustainable conversion into alternative productive uses of the Subic military reservation and its contiguous extensions in order to jumpstart the economic and social development of Central Luzon in particular and the country in general;

WHEREAS, subject to the concurrence by resolution of the Sangguniang Panlungsod of the City of Olongapo and the Sangguniang Bayan of the Municipalities of Subic, Morong and Hermosa, Republic Act No. 7227 provides for the creation of a Special Economic and Free Port Zone in the lands occupied by Subic Naval Base and its contiguous extensions as defined by the 1947 Military Bases Agreement and within the territorial jurisdiction of the local governments abovecited, whose metes and bounds shall be delineated in a proclamation by the President of the Philippines;

WHEREAS, the government recognizes the regional importance of the Subic Bay Special Economic and Free Port Zone in view of its strategic location in Asia, inherent attractions and existing facilities;

WHEREAS, since the Subic Bay Special Economic and Free Port Zone is the first of its kind in the country, it is essential for all government departments, bureaus, offices, agencies and instrumentalities to be familiar with the policies and objectives of the conversion program;

WHEREAS, it is the policy of government to encourage the active participation of the private sector and foreign investments in transforming the Subic military reservation and its extensions into a highly productive Asian center for trade and commerce;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby proclaim the adoption and implementation of the Subic Conversion Program for economic development in consonance with the following:

SECTION 1. Policy Framework. Cognizant of the regional importance of the Subic Bay Special Economic and Free Port Zone as enunciated and adopted by Republic Act No. 7227, the conversion program shall be subject to the following policies:

1.1 The zone (including the adjoining communities) shall be developed with strong private sector participation into a self-sustaining industrial,

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commercial, financial and tourism center;

I.2   The zone shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital within, into and exported out of the zone;

I.3   The zone shall operate with minimum red tape from government without interfering with market forces; provide efficient and adequate range of support facilities and services for business locators;

1.4   An open door policy to overseas investors and expertise; and

I.5   Measures must be adopted to ensure the protection of the forest and the environment.

SEC. 2.   Objectives of the Conversion Program.   Subic Conversion Program shall have the following objectives:

2.1   Create an appropriate business environment that will enhance the Free Trade, Free Port Policy with minimum bureaucratic red tape;

2.2   To provide immediate employment opportunities and accelerate the transfer of technology to the Philippines;

2.3   To encourage the entry of productive local and foreign investments in the conversion and privatization of the former military facilities to commercial use in the following areas:

- export-oriented industrial development;

- tourism development;

- trade and service industry development;

- software and high technology industry development; and

2.4   To contribute to the rapid industrialization of the country.

SEC. 3.   Implementing Agency.   The Subic Bay Metropolitan Authority (SBMA) as mandated under Section 13 of Republic Act No. 7227 is hereby designated to implement the Subic Conversion Program.   The

SBMA shall promulgate implementing rules and regulations for the zone consistent with Republic Act No. 7227 in consultation with concerned departments, bureaus, offices, agencies and instrumentalities of government.

SEC. 4. Role of Departments, Bureaus, Offices, Agencies and Instrumentalities. All heads of departments, bureaus, offices, agencies and instrumentalities of the government are hereby directed to facilitiate the necessary approvals and to coordinate with the SBMA to expedite the implementation of the various projects of the conversion program.

SEC. 5. Privatization Policy. The following policies on privatization shall guide the SBMA and the government departments, bureaus, offices, agencies and instrumentalities in support of the conversion program:

5.1 SBMA shall encourage the participation of the private sector by privatizing the development and operations of the various facilities and projects necessary to fully implement the conversion program;

5.2 SBMA, unless otherwise authorized by the Office of the President, shall limit itself to lease of land within the base-lands;

5.3 SBMA may privatize through:

a) lease of land and improvements or sale of improvements;

b) management contract;

c) joint venture to operate and manage utilities and certain vital facilities;

d) build-operate-transfer scheme or its variants for capital intensive infrastructure development; and

e) other schemes allowed pursuant to Republic Act No. 7227.

SEC. 6. Effectivity. This Proclamation shall take effect immediately.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

DONE in the City of Manila, this   18th   day of   September ,
in the year of Our Lord, nineteen hundred and ninety-two.

By the President:

DIONISIO C. DE LA SERNA
Senior Deputy Executive Secretary