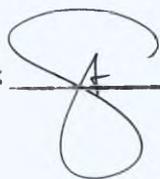


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



23 JUN 19 P6 :03

SENATE

RECEIVED BY: 

S.B. No. 2282

Introduced by **SENATOR JOEL VILLANUEVA**

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

EXPLANATORY NOTE

Republic Act No. 9728, otherwise known as the “Freeport Area of Bataan (FAB) Act of 2009” was enacted to promote local economic development, provide jobs, increase productivity and incomes, attract investments, and improve the level and quality of living in the province of Bataan. For this purpose, the Authority of the Freeport Area of Bataan (AFAB) was created to manage and operate the FAB.

Since then, the FAB has contributed significantly to national development. In a cost-benefit analysis conducted by the AFAB to measure the impact of the FAB on the national economy, it was revealed that AFAB’s net benefit in 2021 amounted to P316.75 billion. The FAB has also provided thousands of jobs since its first full year of operations in 2010. By the end of 2019, the total number of FAB workers has reached 43,990, representing a 263.58% increase in the number of FAB workers since 2011.

In addition, FAB now has 95 Registered Enterprises (RE) by the end of 2022, from the original 33 enterprises inherited from the Philippine Economic Zone Authority. Of these enterprises, majority or almost half (44 enterprises) are engaged in manufacturing, 11 enterprises are engaged in estate development, while nine enterprises are engaged in wholesale, retail, and repair of motor vehicles, and eight enterprises are in the information and communication sector.¹

¹ FAB Data. Available at <https://afab.gov.ph/fabdata/> (date last accessed: June 16, 2023).

With the enactment of Republic Act No. 11453 in 2019, the AFAB's autonomy and self-reliance have been strengthened with a renewed vision "to be a development catalyst in the Philippines by creating meaningful employment and inclusive economic growth in Central Luzon through pioneering efforts in governance and multi-sectoral collaboration."² R.A. No. 11453 also paved the way for FAB to expand the list of investments to include future technologies such as blockchain, artificial technology, internet of things, virtual reality, among others.³

To further maximize the gains of FAB and its potential as a major contributor to the development of the country, this measure seeks to further amend Republic Act No. 9728 to strengthen the powers and functions of the AFAB.

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


JOEL VILLANUEVA 

² FAB. Vision, Mission, Core Values, Quality Policy. Available at <https://afab.gov.ph/mission-and-vision/> (date last accessed: June 16, 2023).

³ Sec. 4(a).

1 operated as a decentralized, self-reliant and self-sustaining industrial,
2 commercial-trading, research and development, engineering, medical,
3 education, information and communications technology including emerging and
4 future technologies such as artificial technology, blockchain, business process
5 outsourcing, cloud computing, cybersecurity, distributed ledger technology,
6 financial technology solutions, **SPACE TECHNOLOGY**, internet of things, and
7 virtual reality, retirement and healthcare services, agro-industrial, and
8 investment center with provision for suitable residential areas;

9
10 x x x

11
12 (g) The areas comprising the FAB may be expanded or reduced when
13 necessary. For this purpose, the AFAB, with the concurrence of the appropriate
14 and affected local government units (LGUs) and/OR the agreement of
15 appropriate national government agencies, government-owned and -controlled
16 corporations and instrumentalities, and **UPON** approval of the Board in
17 accordance and in compliance with existing laws [~~and local ordinances~~] shall
18 have the power to acquire, procure, and/or expand either by purchase,
19 negotiation, **EXPROPRIATION OR** condemnation proceedings, or any other
20 arrangement, any private or alienable and disposable public lands and/or their
21 respective water territories within the territorial jurisdiction of the Province of
22 Bataan, if any, for the following purposes: (1) consolidation of lands for FAB
23 development and establishment of new industrial estates and economic zones
24 under FAB; (2) acquisition of right of way to the FAB; and (3) the protection,
25 and safeguard of watershed areas and the maintenance and improvement of
26 its water yield and natural assets valuable to the prosperity of the FAB, the LGU,
27 and the National Government, the effective management of solid and water
28 waste in compliance with existing national laws and local ordinances, and its
29 impact to adjacent areas within the local government concerned: *Provided*, That
30 any expansion shall be aligned with the comprehensive land use plan of the
31 affected LGUs: *Provided, further*, That the expansion outside the Municipality
32 of Mariveles may be revoked by the President of the Philippines: *Provided*,
33 *finally*, That the AFAB and the relevant LGUs and National Government
34 agencies shall provide for immediate and responsive mechanisms, best
35 management practices and suitable environmental protection programs for land
36 and coastal management to address any abuse and/or exploitation of the
37 natural environment within the jurisdiction of the FAB as provided in Section 3
38 of this Act. **SUBJECT TO APPLICABLE LAWS, RULES, AND**
39 **REGULATIONS, LGU CONCURRENCE, AND ALIGNMENT WITH THE**
40 **COMPREHENSIVE LAND USE PLAN HEREIN MENTIONED, EXPANSION**
41 **FOR PUBLIC USE, PUBLIC SERVICE AND/OR THE DEVELOPMENT OF**
42 **NATIONAL WEALTH MAY INCLUDE PRIVATELY-OWNED LANDS WHICH**
43 **SHALL BE REGULATED AND MANAGED BY THE AFAB UPON**
44 **DECLARATION AS SUCH;**

45
46 x x x

47
48 (i) The defense of the FAB and the security of its perimeter fence shall be the
49 responsibility of the National Government in coordination with the AFAB and the
50 LGUs. The AFAB shall provide its own internal security and firefighting forces.

1 **FOR THE PURPOSE OF PUBLIC SAFETY AND SECURITY, LAW AND**
2 **ORDER, AND DISASTER RISK REDUCTION MANAGEMENT (DRRM) AND**
3 **RESILIENCY, THE AFAB MAY HAVE ITS OWN INTERNAL POLICE FORCE,**
4 **FIREFIGHTING FORCES, AND DRRM OFFICE.”**
5

6 **SEC. 3.** Section 7 of Republic Act No. 9728, as amended, is hereby further
7 amended to read as follows:
8

9 “Sec. 7. Incentive to Investors. – Any foreign national who invests an amount
10 of Seventy-five thousand US dollars (US\$75,000.00), either in cash and/or
11 equipment, **DIRECTLY TO THE AFAB OR** in a registered enterprise shall be
12 entitled to an investor’s visa: *Provided*, That he has the following qualifications:
13

- 14 (a) He is at least eighteen (18) years of age;
15 (b) He has not been convicted of a crime involving moral turpitude;
16 (c) He is not afflicted with any loathsome, dangerous or contagious disease;
17 and
18 (d) He has not been institutionalized for any mental disorder or disability.
19

20 As a holder of **AN** investor's visa, an alien shall be entitled to reside in the
21 Philippines while his investment subsists. For this purpose, he should submit an
22 annual report, in the form duly prescribed for the purpose, to prove that he has
23 maintained his investment in the country, should said alien withdraw his
24 investments from the Philippines, then the investor's visa issued to him shall
25 automatically expire.”
26

27 **SEC. 4.** Section 13 of Republic Act No. 9728, as amended, is hereby further
28 amended to read as follows:
29

30 “Sec. 13. Powers and Functions of AFAB. – The AFAB shall have the following
31 functions:
32

33 (a) To adopt, alter, use a corporate seal, to contract, lease, buy, sell, acquire,
34 own and dispose properties of whatever nature. **THE AFAB IS AUTHORIZED**
35 **TO SELL LANDS THAT ARE DECLARED ALIENABLE AND DISPOSABLE**
36 **PURSUANT TO THE PROVISIONS OF EXISTING LAWS AND**
37 **REGULATIONS GOVERNING SALES OF GOVERNMENT PROPERTIES:**
38 **PROVIDED, THAT, NO SALE OF SUCH LANDS WILL BE UNDERTAKEN**
39 **UNTIL A DEVELOPMENT PLAN IS SUBMITTED AND DULY APPROVED BY**
40 **THE AFAB BOARD OF DIRECTORS IN ACCORDANCE WITH THE FAB**
41 **COMPREHENSIVE MASTER DEVELOPMENT PLAN;**
42

43 (b) To sue and be sued in order to carry out its duties, responsibilities, privileges,
44 powers and functions as granted and provided for in this Act and to exercise the
45 power of eminent domain for public use and public purpose **OVER ANY**
46 **PRIVATELY-OWNED PROPERTY LOCATED WITHIN THE FAB MAIN ZONE**
47 **AND SUCH OTHER AREAS WITHIN THE PROVINCE OF BATAAN,**
48 **SUBJECT TO THE REQUIREMENTS OF THE CONSTITUTION AND**
49 **PREVAILING LAWS;**
50

1 x x x
2

3 (f) To authorize or undertake, on its own or through others, and to regulate the
4 establishment, construction, operation and maintenance of public utilities,
5 services, and infrastructure in the FAB such as **TRANSSHIPMENT HUBS**,
6 shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage
7 of cargo, **PORTS**, port services or concessions, piers, wharves, bulkheads, bulk
8 terminals, mooring areas, storage areas, roads, bridges, reclamation projects,
9 terminals, conveyors, water supply and storage, sewerage, drainage, airport
10 operations in coordination with the Civil Aviation Authority of the Philippines and
11 such other services or concessions or infrastructure necessary or incidental to
12 the accomplishment of the objectives of this Act: *Provided, however,* That the
13 private investors in the FAB shall be given priority in the awarding of contracts,
14 franchises, licenses, or permits for the establishment, operation and
15 maintenance of utilities, services and infrastructure in the FAB;
16

17 **(G) TO RECLAIM AND DEVELOP, OR TO UNDERTAKE, ON ITS OWN OR**
18 **THROUGH OTHERS, AND APPROVE RECLAMATION AND RELATED**
19 **PROJECTS, IN ACCORDANCE WITH RELEVANT LAWS, AS WELL AS TO**
20 **OWN, HOLD, PURCHASE OR LEASE FORESHORE AREAS WITHIN,**
21 **ADJACENT, OR APPROXIMATE TO THE AREAS: PROVIDED, HOWEVER,**
22 **THAT THE AFAB SHALL COORDINATE WITH THE LGUS FOR THE**
23 **DEVELOPMENT PLANS, ACTIVITIES AND OPERATION OF THE**
24 **RECLAIMED AREA IN THE FAB AND ITS EXPANSION AREAS.**
25 **RECLAMATION PROJECTS AND ACTIVITIES HEREIN THAT EXTEND TO**
26 **MUNICIPAL WATERS WHICH ARE CONNECTED, ADJACENT AND**
27 **CONTIGUOUS TO THE FAB SHALL STILL BE UNDER ITS REGULATION**
28 **AND ADMINISTRATION, SUBJECT TO APPLICABLE LAWS, RULES, AND**
29 **REGULATIONS;**
30

31 **(H) TO TAKE WATER, SAND, AND OTHER MATERIALS FROM ANY**
32 **PUBLIC STREAM, RIVER, CREEK, LAKE, SPRING, WATERFALL, OR**
33 **UNDERGROUND AQUIFERS, AS MAY BE NECESSARY FOR THE**
34 **ATTAINMENT OF THE ACT; TO ALTER, STRAIGHTEN, OBSTRUCT OR**
35 **INCREASE THE FLOW OF WATER IN STREAMS OR IN WATER**
36 **CHANNELS INTERCEPTING OR CONNECTING THEREWITH OR**
37 **CONTIGUOUS TO ITS WORKS OR ANY PART THEREOF; AND TO ISSUE**
38 **THE CORRESPONDING WATER PERMITS AND OTHER CLEARANCES IN**
39 **RELATION TO THE FOREGOING, SUBJECT TO APPLICABLE LAWS,**
40 **RULES, AND REGULATIONS;**
41

42 **(I) TO EXERCISE SOLE AND EXCLUSIVE PORT REGULATORY AND**
43 **ADMINISTRATIVE AUTHORITY WITHIN ITS TERRITORIAL JURISDICTION,**
44 **WHICH SHALL INCLUDE ALL SEAS, LAKES, RIVERS, AND ALL OTHER**
45 **NAVIGABLE INLAND WATERWAYS WITHIN THE FAB MAIN ZONE AND ITS**
46 **EXPANSION AREAS, INCLUDING WATERWAYS WITHIN THE FAB MAIN**
47 **ZONE AND ALL ITS EXPANSION AREAS IN THE PROVINCE OF BATAAN,**
48 **SUBJECT TO APPLICABLE LAWS, RULES, AND REGULATIONS;**
49

1 [g] (J) To license, set fees, regulate, **MANAGE**, and undertake the
2 establishment, operation and maintenance of utilities, other services,
3 educational and medical institutions and infrastructure in the FAB such as, but
4 not limited to, heat, light and power, water supply, telecommunications, mobile,
5 internet and other data facilities, **MICROGRIDS, EMBEDDED POWER**
6 **PLANTS**, transport, toll roads and bridges, port services, etc. and to fix just,
7 reasonable and competitive rates, fares, charges and prices thereof;
8

9 [h] (K) To construct, acquire, own, lease, operate and maintain on its own or
10 through contracts, franchises, licenses, bulk purchase from the private sector
11 and build-operate-transfer scheme, or under a joint venture with the private
12 sectors, any or all of the public utilities and infrastructure required or needed for
13 the operation and development of the FAB, including transportation, access,
14 and connection to, and out of the FAB, in coordination with appropriate national
15 and local government authorities and in conformity with applicable laws thereon.
16 For this purpose, the AFAB shall exercise the power of eminent domain over
17 private lands granted in paragraph (b) of this section insofar as it may be
18 reasonably necessary, without prejudice to the execution of agreements with
19 public agencies, and subject to the limitations prescribed therein and the
20 observance of the prerequisites of taking of possession and the determination
21 and payment of just compensation in accordance with Republic Act No. 10752,
22 otherwise known as "The Right-of-Way- Act." **ALL ACCESS TO AND FROM**
23 **THE FAB, WHETHER BY AIR, SEA OR LAND, SHALL BE UNDER THE**
24 **JURISDICTION AND REGULATION OF THE AFAB, SUBJECT TO**
25 **APPLICABLE LAWS, RULES, AND REGULATIONS;**
26

27 [i] (L) To operate on its own, either directly or through a license to other tourism
28 - related activities, including games, amusements, recreational and sports
29 facilities [~~subject to the approval and supervision of the Philippine Amusement~~
30 ~~and Gaming Corporation (PAGCOR)];~~
31

32 [j] (M) x x x
33

34 [k] (N) To exclusively enforce and administer the provisions of the National
35 Building Code of the Philippines and the Fire Code of the Philippines, as
36 amended. **IT MAY PRESCRIBE MEASURES AND GUIDELINES TO DEAL**
37 **WITH NATURAL CALAMITIES, SUCH AS EARTHQUAKES, FOREST FIRES,**
38 **TYPHOONS AND STORM SURGES**, within the territorial jurisdiction of the
39 FAB: *Provided*, That the AFAB shall be fully responsible and accountable for the
40 enforcement and administration of the National Building Code of the Philippines
41 and the Fire Code of the Philippines, as amended, **AND RELEVANT LAWS**
42 **THERE TO** within the FAB. **FOR THIS PURPOSE, THE AFAB FIRE AND**
43 **EMERGENCY DIVISION AND ITS DULY AUTHORIZED REPRESENTATIVES**
44 **SHALL HAVE THE POWERS AND DUTIES TO INVESTIGATE ARSON AND**
45 **OTHER FIRE INCIDENTS WITHIN THE FAB, INCLUDING THOSE IN FAB**
46 **EXPANSION AREAS.**
47

48 The AFAB Administrator, or his official designate, shall function as the AFAB
49 Building Official, who shall issue all building permits and other related permits
50 subject to the collection by AFAB of the corresponding permit fees: *Provided*,

1 That the AFAB Building Official shall also be authorized to require owners of
2 houses, buildings, or other structures constructed without the necessary AFAB
3 permit/s, or those that are condemned and/or abated by the AFAB in
4 accordance with the conditions set forth in the National Building Code or Civil
5 Code, as the case may be, whether constructed on public or private lands, to
6 remove or demolish such houses, buildings, or structures within fifteen (15)
7 days from receipt of notice. Upon failure of such owner to remove or demolish
8 such house, building, or structure within such period, the AFAB may summarily
9 cause its removal or demolition at the expense of the owner and the occupants.

10
11 The AFAB may evict any person who refuses to vacate such premises in
12 accordance with Republic Act No. 7279, otherwise known as the Urban
13 Development and Housing Act of 1992," and other existing laws. A temporary
14 or permanent relocation site shall be made available for qualified individuals or
15 families.

16
17 **[I] (O) To [provide] BE THE PRINCIPAL PROVIDER OF security IN the FAB in**
18 **coordination with the national and local governments. For this purpose, the**
19 **AFAB may establish and maintain its security forces and firefighting capability**
20 **or hire others to provide the same, SUCH AS THE INSTALLATION OF**
21 **SECURITY GATES TO ENCLOSE, RESTRICT, AND REGULATE THE**
22 **INGRESS TO AND EGRESS FROM LOCAL AND NATIONAL ROADS.** In the
23 event that an assistance of the military force is necessary, it shall not interfere
24 in the internal affairs of the FAB except to provide the necessary security and
25 defense, and their expenses shall be borne by the National Government. To
26 ensure the maintenance of law and order within the boundaries of the FAB,
27 including conducting police investigations, arrests, search and seizure for
28 violation of penal laws inside the FAB, the AFAB **MAY SEEK ASSISTANCE**
29 **FROM** the Philippine National Police (PNP) **WHICH** shall establish a police
30 substation, ~~[if necessary]~~, **THAT SHALL BE** under the supervision of the PNP
31 Provincial Director, to be manned by such number of personnel as will allow
32 them to effectively and efficiently pursue its mandate.

33
34 The AFAB shall also be authorized to install control gates at strategic points of
35 the national roads within the FAB, through which access into and departure from
36 the FAB shall be fully controlled by the AFAB;

37
38 **[M] (P) To protect, preserve, maintain and develop the forests, beaches, coral**
39 **and coral reefs, and maintain ecological balance within the FAB. For this**
40 **purpose, the rules and regulations of the Department of Environment and**
41 **Natural Resources (DENR) and other government agencies involved in the**
42 **above functions shall be implemented by the AFAB: *Provided*, That the**
43 **issuance, enforcement and monitoring of environmental compliance certificates**
44 **(ECCs), tree cutting permits, foreshore leases, MISCELLANEOUS LEASES,**
45 **and all other related permits and clearances, AS WELL AS THE PERMIT TO**
46 **OPERATE AIR POLLUTION SOURCE AND CONTROL INSTALLATION, AND**
47 **IMPLEMENTATION PERTAINING TO THE ISSUANCE OF DISCHARGE**
48 **PERMIT, WATER PERMIT AND DRILLING PERMITS, AND ALL OTHER**
49 **RELATED PERMITS [issued by the DENR and other government agencies]**

1 shall be under the exclusive control and jurisdiction of the AFAB, **SUBJECT TO**
2 **APPLICABLE LAWS, RULES AND REGULATIONS;**

3
4 [n] (Q) x x x

5
6 [o] (R) x x x

7
8 [p] (S) x x x

9
10 [q] (T) To recommend the issuance of working visas renewable every three (3)
11 years to foreign executives and foreign technicians with highly specialized skill
12 which no Filipino possesses, **SUBJECT TO THE PROVISIONS OF THE**
13 **LABOR CODE OF THE PHILIPPINES AND** [subject to] the issuance of the
14 Certification and Alien Employment Permit by the Department of Labor and
15 Employment (DOLE);

16
17 [r] (U) x x x

18
19 [s] (V) x x x

20
21 [t] (W) **TO ISSUE ON ITS OWN, OR** to endorse **THE ISSUANCE OF**, Special
22 Resident Retirees' Visas (SRRVS) for retirees that intend to reside in the FAB,
23 in collaboration with the Philippine Retirement Authority (PRA): *Provided*, That
24 the AFAB shall issue joint regulations **WITH OTHER RELEVANT**
25 **GOVERNMENT AGENCIES** on the processing of SRRVs in accordance with
26 existing laws;

27
28 [u] (X) To establish, operate and maintain utilities, facilities, infrastructure,
29 services, businesses, activities, and concessions in the FAB, pertaining to
30 shipping and maritime business and activities including stevedoring and port
31 terminal services or concession: *Provided*, That the Maritime Industry Authority
32 (MARINA) shall continue to exercise its power to regulate and supervise the
33 shipbuilding and ship repair of any merchant marine vessel operated or to be
34 operated in the domestic trade and the domestic shipping industry within the
35 FAB;

36
37 (Y) **TO UNDERTAKE, ON ITS OWN OR THROUGH OTHERS, REGULATE**
38 **AND ADMINISTER YACHT CLUBS OR YACHT DEVELOPMENT FOR**
39 **BERTHING FACILITIES TO BE ESTABLISHED IN THE FAB; TO REGISTER**
40 **BOAT AND YACHTS OF INDIVIDUALS, JOINT OWNERS, CORPORATIONS,**
41 **AND YACHTING ENTITIES FROM ANY COUNTRY, WHETHER FOR**
42 **PERSONAL, BAREBOAT OR COMMERCIAL USE, DOCKING, BERTHING**
43 **OR ENTERING THE FAB'S TERRITORIES AND IN RELATION THERETO,**
44 **MAINTAIN THE CORRESPONDING OPEN VESSEL REGISTRY, SUBJECT**
45 **TO APPLICABLE LAWS, RULES, AND REGULATIONS;**

46
47 (Z) **TO HOST, FACILITATE, GIVE INCENTIVES TO, AND REGULATE NEW,**
48 **EMERGING AND FUTURE TECHNOLOGIES IN THE FAB, SUBJECT TO**
49 **APPLICABLE LAWS, RULES, AND REGULATIONS;**

50

1 [v] (AA) x x x

2
3 [w] (BB) x x x

4
5 [x] (CC) x x x”

6
7 **SEC. 5.** Section 14 of Republic Act No. 9728, as amended, is hereby further
8 amended to read as follows:

9
10 “Sec. 14. Board of Directors of the AFAB. – The powers of the AFAB shall be
11 vested in and exercised by a Board of Directors, hereinafter referred to as the
12 Board, which shall be composed of the following:

13
14 (a) xxx

15 (b) xxx

16 (c) Members consisting of:

17 (1) xxx

18 (2) xxx

19 (3) One (1) from the district covering the site of the FAB
20 **MAIN ZONE;**

21 (4) xxx

22 (5) One (1) representative from the [AFAB-Registered]
23 domestic investors

24 (6) One (1) representative from the [AFAB-Registered]
25 foreign investors

26 (7) One (1) representative from the [~~workers working in the~~
27 FAB] **LABOR SECTOR**

28
29 *Provided,* That all members of the Board shall be Filipino citizens.

30
31 The administrator and the members of the Board, shall be appointed by the
32 President of the Philippines to serve for a term of six (6) years, **WITH THE**
33 **RIGHT TO HOLD OVER UNTIL REPLACEMENT SHALL HAVE BEEN DULY**
34 **APPOINTED AND QUALIFIED,** unless sooner separated from service due to
35 death, voluntary resignation or removal for cause. In case of death, resignation
36 or removal for cause, the replacement shall serve only the unused portion of
37 the term.

38
39 No person shall be appointed by the President of the Philippines as a member
40 of the Board unless he is a Filipino citizen, of good moral character, of proven
41 probity and integrity, and a degree holder in any of the following fields:
42 economics, business, public administration, law, management or their
43 equivalent, and with at least ten (10) years relevant working experience
44 preferably in the field of management or public administration.

45
46 The members of the Board shall each receive per diem at rates to be determined
47 by the Department of Budget and Management (DBM) in accordance with
48 existing rules and regulations: *Provided, however,* That the total per diem
49 collected each month shall not exceed the equivalent per diem for four (4)
50 meetings.”

1
2 **SEC. 6.** Section 15 of Republic Act No. 9728, as amended, is hereby further
3 amended to read as follows:
4

5 “Sec. 15. Powers and Duties of the Administrator. – The administrator shall
6 have the following powers and duties:

7 (a) xxx;

8 (b) xxx;

9 (c) xxx;

10 (d) xxx;

11 (e) xxx;

12 (f) xxx; and

13 **(G) TO SIGN AND EXECUTE ALL CONTRACTS CONCLUDED BY THE**
14 **AFAB AND ENTER INTO ALL NECESSARY OBLIGATIONS REQUIRED OR**
15 **PERMITTED BY THE CHARTER UPON PROPER AUTHORIZATION BY THE**
16 **BOARD, UNLESS OTHERWISE PROVIDED; AND**

17 **[g] (H)** To perform such other duties as may be assigned to him by the Board
18 or which are necessary or incidental to his office.”
19

20 **SEC. 7.** Section 21 of Republic Act No. 9728, as amended, is hereby further
21 amended to read as follows:
22

23 “Sec. 21. Capitalization. – The capital stock to be contributed by the
24 Government shall be (a) ~~[Two]~~ **FIVE** billion pesos (Php ~~[2]~~ **5,000,000,000.00**),
25 with option to increase capitalization upon the discretion of the AFAB, (b) All
26 lands embraced and covered by the FAB, including those properties conveyed
27 to the Government Service Insurance System (GSIS) and/or the Social Security
28 System (SSS) under Proclamation No. 740, as amended by Proclamation No.
29 900, as well as permanent improvements and fixtures upon proper inventory
30 not otherwise alienated, conveyed, or transferred to another government
31 agency; and (c) All other assets which the President may transfer to the AFAB
32 as part of the equity contribution of the government.”
33

34 **SEC. 8.** Section 24 of Republic Act No. 9728, as amended, is hereby amended
35 to read as follows:
36

37 “Sec. 24. Relationship with Local Government Units. – Except as herein
38 provided, the ~~[Municipality of Mariveles]~~ **MUNICIPALITIES** in the Province of
39 Bataan **WHERE THE FAB MAIN ZONE AND ITS EXPANSION AREAS ARE**
40 **LOCATED** shall operate and function **SEPARATELY AND INDEPENDENTLY**
41 **FROM THE AFAB**, in accordance with the Local Government Code of 1991.
42 **ALL ECONOMIC AND NON-ECONOMIC ACTIVITIES WITHIN THE FAB**
43 **MAIN ZONE AND ITS EXPANSION AREAS SHALL BE UNDER THE DIRECT**
44 **AND EXCLUSIVE CONTROL, ADMINISTRATION AND JURISDICTION OF**
45 **THE AFAB, EXCEPT FOR NECESSARY COORDINATION AND**
46 **COOPERATION WITH LGUS TO MIRROR EFFORTS OF THE NATIONAL**
47 **GOVERNMENT.”**
48

49 **SEC. 9.** Section 26 of Republic Act No. 9728, as amended, is hereby amended
50 to read as follows:

1
2 "Sec. 26. Interpretation/Construction. – The powers, authorities and functions
3 that are vested in the AFAB are intended to establish decentralization of
4 governmental functions and authority and promote an efficient and effective
5 working relationship between the AFAB, the National Government and the LGU.
6 **IN CASE OF ANY CONFLICT BETWEEN THE AFAB AND THE LOCAL**
7 **GOVERNMENT UNITS (LGUS) ON MATTERS AFFECTING THE FAB**
8 **OTHER THAN DEFENSE AND SECURITY MATTERS, THE DECISION OF**
9 **THE AFAB SHALL PREVAIL."**

10
11 **SEC. 10.** Section 29 of Republic Act No. 9728, as amended, is hereby amended
12 to read as follows:

13
14 "Sec. 29. Implementing Rules and Regulations. – **THE AFAB BOARD OF**
15 **DIRECTORS, JOINTLY WITH THE DTI, the DOF, the LGU and the Department**
16 **of the Interior and Local Government, shall formulate the implementing rules**
17 **and regulations of this Act within ninety (90) days after its approval. Such rules**
18 **and regulations shall take effect fifteen (15) days after their publication in a**
19 **newspaper of general circulation in the Philippines."**

20
21 **SEC. 11. Separability Clause.** – If any provision of this Act is declared invalid
22 or unconstitutional, the other provisions not affected thereby shall remain in full force
23 and effect.

24
25 **SEC. 12. Repealing Clause.** – All laws, decrees, executive issuances, and
26 rules and regulations inconsistent with the provisions of this Act are hereby repealed
27 or modified accordingly.

28
29 **SEC. 13. Effectivity.** – This Act shall take effect fifteen (15) days after its
30 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,