

[EXECUTIVE ORDER NO. 132, October 03, 2002]

AUTHORIZING THE CREATION OF THE PORO POINT MANAGEMENT CORPORATION AS THE IMPLEMENTING ARM OF THE BASES CONVERSION DEVELOPMENT AUTHORITY OVER THE PORO POINT SPECIAL ECONOMIC AND FREEPORT ZONE AND RENAMING THE JOHN HAY PORO POINT DEVELOPMENT CORPORATION AS THE JOHN HAY MANAGEMENT CORPORATION

WHEREAS , Section 4 (a) of Republic Act No. 7227, otherwise known as the "*Bases Conversion Development Act of 1992*" (RA 7227) authorizes the Bases Conversion Development Authority (BCDA) to own, hold, and/or administer the former military installations such as the John Hay Air Station in Baguio City and the Wallace Air Station in Poro Point, San Fernando City, La Union;

WHEREAS , the BCDA is mandated under RA 7227 to adopt, prepare and implement a comprehensive and detailed plan for the sound and balanced conversion of these military reservations and their contiguous extensions consistent with the plans and programs of the national government and the local government units;

WHEREAS , Executive Order No. 103 Series of 1993 [EO 103] created the John Hay Development Corporation as the operating and implementing arm of the BCDA to manage the Club John Hay created under Proclamation No. 198 issued on June 29, 1993;

WHEREAS , under Proclamation No. 420 issued on July 5, 1994, the John Hay Special Economic Zone (JHSEZ) was created, designating a portion of the area covered by the former John Hay reservation within its coverage and establishing the BCDA as the governing body of the JHSEZ;

WHEREAS , Proclamation No. 216 issued on July 27, 1993 created the Poro Point Special Economic and Freeport Zone (PPSEFZ) covering the land and bay areas which include the Wallace Air Station, the San Fernando Airport, Seaport, Barangays Poro and San Vicente and portions of Barangays San Agustin, San Francisco and Canaoay of the Municipality of San Fernando, Province of La Union and establishing the BCDA as the governing body of the PPSEFZ;

WHEREAS , Executive Order No. 31 issued on October 7, 1998 [EO 31] amended EO 103 and created the John Hay Poro Point Development Corporation (JPDC) as the operating and implementing arm of BCDA to manage the JHSEZ and the PPSEFZ;

WHEREAS , Section 16 of RA 7227 authorizes the BCDA to form, establish, organize and maintain subsidiaries in accordance with Philippine Corporation Law;

WHEREAS , Section 17 of RA 7227 provides that the BCDA shall be under the direct control and supervision of the Office of the President for purposes of policy direction and coordination;

WHEREAS , there is a need to accelerate the development, management and utilization of the JHSEZ and the PPSEFZ as self-sustaining and environmentally sound industrial, commercial, financial, tourism, transshipment and investment centers;

WHEREAS , in order to separately focus on the development, management and maximum utilization of the potentials and resources of the JHSEZ and the PPSEFZ, and to provide administrative efficiency and strategic effectiveness in these economic zones, there is a need to establish separate subsidiaries to serve as the operating and implementing arm of the BCDA in the JHSEZ and the PPSEFZ.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO , President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Creation of the Poro Point Management Corporation. – A body corporate to be known as the Poro Point Management Corporation (PPMC) is hereby authorized to be formed as the operating and implementing arm of the BCDA to manage the PPSEFZ.

The PPMC 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 [SEC] pursuant to Section 16 of RA 7227.

The PPMC shall be subject to the policies, rules and regulations of the BCDA.

The PPMC shall be exempt from the coverage of the Civil Service Laws, rules and regulations.

SECTION 2. Capitalization, Powers and Functions of PPMC . – The BCDA, as the incorporator and holding company of the PPMC, shall determine the capitalization, powers and functions of the PPMC, which shall be substantially similar to that of the capitalization, powers and functions of the JPDC.

SECTION 3. Transfer of Powers, Functions, Rights, Assets, Liabilities, Personnel, etc. – All powers vested in, and the functions and duties heretofore conferred upon the JPDC relating to the operation, management, utilization and development of the PPSEFZ under existing laws, rules and regulations, and under its Articles of Incorporation and By-Laws, including all of its rights, assets, liabilities and personnel, shall be transferred to the PPMC upon its incorporation under the Philippine Corporation Law and rules and regulations promulgated by the SEC. For this purpose, the BCDA is directed to take all the necessary steps towards effecting the efficient transfer of powers, functions, duties, rights, assets, liabilities and personnel from JPDC to PPMC.

SECTION 4. Renaming the John Hay Poro Point Development Corporation as the John Hay Management Corporation . – The body corporate created under EO 103, as amended by EO 31 known as the John Hay Poro Point Development Corporation (JPDC) is hereby renamed as the John Hay Management Corporation (JHMC) and shall be the operating and implementing arm of the BCDA over the JHSEZ. The BCDA is further directed to cause the amendment of the Articles of Incorporation and By-Laws of JPDC to implement this Executive Order.

SECTION 5. Implementation . BCDA shall implement this Executive Order within a period of ninety (90) days from date of issuance of this Executive Order, including: