

SENATE

S.B. No. 876

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Introduced by SEN. WIN GATCHALIAN

**AN ACT TRANSFERRING THE PERMANENT SEAT OF THE NATIONAL
GOVERNMENT TO NEW CLARK CITY, PAMPANGA, CREATING A
TRANSITORY COMMISSION, APPROPRIATING FUNDS THEREFOR,
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Metro Manila, the declared permanent seat of the Philippine government,¹ has a daytime population of around 15 million² people in 2015. It is also the most densely populated region in the Philippines with a population density of 20,785 persons per square kilometer,³ which is much higher than that of Mumbai, Paris and Tokyo.⁴

Official figures from the Philippine Statistics Authority (PSA) show that the metropolis had 12.88 million⁵ residents in 2015, a figure that has been growing 1.59 percent⁶ annually. This means that Metro Manila's population is projected to reach 13.93 million in 2020 and 14.94 million in 2025. Meanwhile, the population in the adjoining provinces of Bulacan, Cavite,

¹ Presidential Decree No. 940, June 24, 1976.

² <http://worldpopulationreview.com/world-cities/manila-population/>

³ <https://psa.gov.ph/content/philippine-population-density-based-2015-census-population>

⁴ *Ibid.* at 2.

⁵ *Id.* at 3.

⁶ This is the average 5-year population growth rate for 2016 to 2020 using 2015 PSA data. Metro Manila's population is projected to grow on the average at 1.41% annually from 2021 to 2025.

Laguna and Rizal in 2015 had reached 12.89 million – pegging Mega Manila’s population at 25.77 million in 2015, with projections of reaching 27.89 million in 2020 and 29.91 million in 2025. The PSA figures do not even include transients, workers from surrounding provinces and foreign and local tourists. We can thus surmise that at least 2 million people have been travelling every day in and out of Metro Manila.

In a study conducted by the Japan International Cooperation Agency (JICA) in 2014, traffic volume in Metro Manila has already exceeded road capacities, thereby reducing travel speed of road users and increasing uncertainty as to distinctions and punctuality in transport operation. It stated that traffic demand is at 12.8 million trips in Metro Manila and 6 million in the adjoining provinces of Bulacan, Rizal, Laguna and Cavite. While 69% of the total trips are done using the public transport, private transport takes up 78% of the road space. Accordingly, traffic congestion has been deterring the function and livability of Metro Manila. The same study also stated that the traffic congestion in the National Capital Region resulted in losses of at least Php 2.4 billion a day and could reach Php 6 billion a day if not solved.⁷ In its Follow-up Survey in 2017, JICA estimated that the Philippines loses Php 3.5 billion daily due to traffic congestion, and it is projected to lose Php 5.4 billion daily to traffic by 2035 if no interventions are made in Metro Manila.⁸

For several years, the government has been trying to ease traffic congestion in Metro Manila by building more roads and bridges and implementing various traffic policies such as the number coding scheme, the restriction against provincial buses and the “driver-only” vehicles along EDSA. However, these efforts are not enough to manage the daily traffic of around 15 million people within Metro Manila.

With our economy growing at 6% on the average and the rise of middle-income families who have the capacity to buy new vehicles, we need to move the seat of government to a new place to relieve Metro Manila of its traffic and population congestion problems.

⁷<https://newsinfo.inquirer.net/970553/jica-traffic-congestion-now-costs-p3-5-billion-a-day-metro-manila-traffic-jica-cost-of-traffic#ixzz5tRp6Y5rj>

⁸ <https://cnnphilippines.com/news/2018/09/19/JICA-study-traffic-5-billion.html>

This proposed measure, to be known as *Kabisera 2030*, seeks to transfer the permanent seat of the government from Metro Manila to New Clark City. Moving the permanent seat of government is not something new, and has been done in several countries including the United States, South Korea, Brazil, Kazakhstan, and our neighbor Malaysia which moved its administrative capital from Kuala Lumpur to the planned city of Putrajaya in 1999.⁹

In the case of the Philippines, the solution lies outside Metro Manila: at the New Clark City located in a Clark Special Economic Zone in Capas, Tarlac. It is a carefully master planned community that is strategically located in Central Luzon, patterned after the development of Putrajaya, and said to be the next big metropolis that can attract businessmen, workers and tourists away from Metro Manila. Beyond easing the congestion problems in Metro Manila, the transfer of the seat of government to New Clark City is expected to spread development to other parts of the country, generate jobs for Filipinos, and help the economy achieve sustainable growth. The development of New Clark City is already part of President Duterte's Build-Build-Build program, and is projected to contribute Php 1.57 trillion per year to the country's gross domestic product upon its completion.¹⁰ This 9,450-hectare development has already set aside 1,514 hectares for a National Government Administrative Center that will house government offices and its attached agencies. It will be the country's first smart, disaster-resilient and sustainable city that will have a mixed use of residential, commercial, agro-industrial, educational institutions, and information technology developments.

New Clark City is very accessible from Metro Manila through the North Luzon Expressway (NLEX) and the railway projects that are in the pipeline. It is near the new Clark International Airport. Its neighboring cities already have the infrastructure to support the massive migration of people to Pampanga and Tarlac. The construction of access roads inside the city will also provide interconnectivity and better logistics throughout the region, which will be

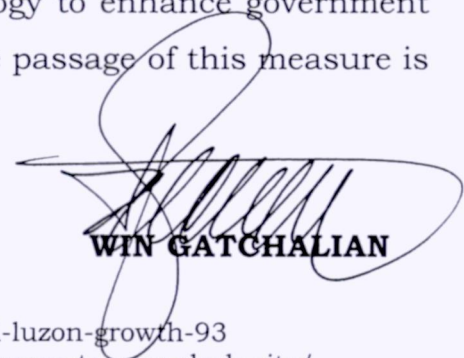
⁹<https://www.abc.net.au/news/2019-05-11/jakarta-indonesia-planning-to-move-its-capital/11090516>

¹⁰<https://business.mb.com.ph/2017/08/20/re-launched-new-clark-city-set-to-complete-initial-phase-in-2022/>

complemented by new toll roads in Metro Manila, such as the Skyway extension to Balintawak, the expansion of NLEX to the Port Area in Manila, the Metro Manila Subway, and other projects planned by the Department of Public Works and Highways and the private sector.¹¹ In fact, there are several government offices such as the Department of Transportation, Department of Science and Technology, and the Department of Public Works and Highways, that are planning or have started transferring their offices to the Clark Freeport Zone. Other government agencies are expected to move their offices to Clark over the next two years to drum up interest in the area and show the government's resolve to create a new center of economic activities.¹²

On one hand, with the transfer of the government seat to New Clark City, we have to consider how it will affect the delivery of government services, especially given the travel time and relocation of the employees of the affected government offices. Based on the Inventory of Government Human Resources by the Civil Service Commission, the total number of government personnel in the Executive branch in the National Capital Region as of December 31, 2017 is 490,944 with the following composition: 331,806 career service professionals; 49,723 non-career personnel; and 109,415 personnel with job orders or contracts of service. This bill provides a framework to address the transition in the continuous delivery of government services to the public, including the provision of benefits such as subsidized or low-cost housing for families of government employees who will be relocated, free transportation coasters or buses, and such other benefits as may be determined by a Transitory Commission.

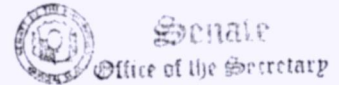
It is my fervent hope that by establishing a new administrative center at a new location like New Clark City, the opportunities to have a well-planned urban center with modern facilities and technology to enhance government efficiency and productivity will be boundless. The passage of this measure is earnestly sought.



WIN GATCHALIAN

¹¹ <https://bcda.gov.ph/clark-infrastructure-pushes-central-luzon-growth-93>

¹² <https://www.bworldonline.com/six-govt-agencies-set-to-move-to-new-clark-city/>



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

1 Section 1. *Short Title.* – This Act shall be known as “Kabisera 2030.”

2

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the
4 State to ensure efficient delivery of government services through continuous
5 development of its infrastructure and innovative improvements in the delivery
6 of its services. Thus, it is imperative for the government to make necessary
7 measures to provide and ensure smooth operation of government processes
8 and to ease congestion in its capital.

9 Towards this goal, the permanent seat of the national government of
10 the Republic of the Philippines shall be transferred so that it can spur
11 development in the countryside and deliver more efficient and effective
12 government services. Government offices in the National Capital Region shall
13 function independently from the offices transferred to the new permanent seat
14 of the government.

1 Sec. 3. *Objective.* – The objective of this Act is to transfer the permanent
2 seat of the national government of the Republic of the Philippines to New
3 Clark City in Capas, Tarlac and separate it from the commercial and financial
4 centers in Metro Manila in order to create opportunities for progress and spur
5 development in the countryside, while reducing migration, congestion, and
6 urban blight in Metro Manila.

7
8 Sec. 4. *Transfer of the Permanent Seat of Government.* – The permanent
9 seat of the national government of the Republic of the Philippines shall be
10 fully transferred by 2030 to New Clark City in Capas, Tarlac, where the
11 National Government Administrative Center shall be built.

12 The National Government Administrative Center shall be the new
13 location of the following offices:

- 14 a) Office of the President;
15 b) Office of the Vice-President;
16 c) National government agencies; and
17 d) Government-owned and controlled corporations.

18 The Office of the President, the Office of the Vice President and all other
19 offices under or attached thereto (Offices), and all central offices of national
20 government agencies (NGAs) and government-owned and controlled
21 corporations (GOCCs) that are located in the National Capital Region (NCR)
22 shall immediately take measures to transfer to the National Government
23 Administrative Center in New Clark City in order to ensure that their
24 respective offices will be fully-operational and functioning by 2030.

25 The non-critical functions of these Offices, NGAs and GOCCs, such as
26 but not limited to personnel, transportation, accounting, payroll, and human
27 resources, among others, shall be prioritized in the said transfer. These
28 Offices, NGAs and GOCCs shall ensure that only services catering to front-
29 line public needs shall remain within the NCR in various satellite offices.

30
31 Sec. 5. *Preparations Prior to Transfer.* – The national government,
32 through a Transitory Commission, shall immediately take action towards the
33 development and implementation of masterplans, strategies and timetables

1 that will provide the framework towards the development of New Clark City
2 as the new administrative center of the Philippine government. It shall be
3 developed as a green smart city equipped with the highest standard of modern
4 technology and environment-friendly facilities using energy-efficient and
5 green infrastructure solutions, fortified with digital information and
6 communications technology infrastructure, and designed with effective and
7 efficient transportation systems.

8
9 *Sec. 6. Provision of Integrated E-Government Services.* – In anticipation
10 of the transfer to New Clark City and to improve effectiveness and efficiency
11 in delivering government services, the Transitory Commission shall include in
12 its masterplan, strategies and timetable the establishment, development and
13 provision of integrated E-Government Services.

14 All affected Offices, NGAs and GOCCs shall immediately take measures
15 to set-up electronic and online systems to facilitate the delivery of government
16 services that are acceptable to the public and are using web-based software
17 developed by the Department of Information and Communications
18 Technology, and adopt innovative ways in improving government services,
19 with the aim of fully-providing integrated E-Government services to the public
20 by 2022. These affected Offices, NGAs and GOCCs shall develop their action
21 plans aligned with the masterplan and timetable developed by the Transitory
22 Commission.

23
24 *Sec. 7. Benefits Available to Government Employees upon Transfer.* –
25 Government employees who shall be affected by the transfer and who will
26 continue their government service with the main office in New Clark City shall
27 be accorded the following benefits by their respective offices:

- 28 a) Subsidized or low-cost and/or long-term payment options for
29 housing of families of government employees relocated in New Clark
30 City and neighboring cities;
31 b) Free transportation coasters or buses to New Clark City from a local
32 pick-up point within the NCR; and

1 c) Such other benefits as may be determined by the Transitory
2 Commission.

3 All regular or permanent employees who shall be affected by this Act
4 shall not suffer any loss of seniority or rank or decrease in emoluments.

5

6 *Sec. 8. Options Available to Government Employees.* – Government
7 employees who shall be affected and will not transfer to the main office in New
8 Clark City shall be given the following options as may be applicable:

9 a) Transfer to attached agencies and offices of their respective agencies
10 within the NCR;

11 b) Special voluntary severance package other than that provided under
12 Republic Act No. 6683, otherwise known as “An Act Providing
13 Benefits for Early Retirement and Voluntary Separation from
14 Government Service”;

15 c) Exemption from certain pension requirements, amending for this
16 purpose Section 11 (1) of Presidential Decree No. 1146, otherwise
17 known as the “Revised Government Service Insurance Act of 1977”,
18 as amended, for the early separation of government employees
19 because of the transfer as directed under this Act; and

20 d) Free retraining and reskilling programs conducted and developed by
21 the Technical Education and Skills Development Authority or the
22 Development Academy of the Philippines while awaiting employment
23 in the NCR office of other government agencies.

24

25 *Sec. 9. Creation of a Transitory Commission.* – A Transitory Commission,
26 chaired by the President of the Philippines and composed of six (6) members
27 representing the Civil Service Commission, Department of Budget and
28 Management, Department of Transportation, Department of Information and
29 Communications Technology, National Housing Authority, and the Bases
30 Conversion and Development Authority shall be established upon effectivity
31 of this Act.

32 The Transitory Commission shall have the following powers and
33 functions:

- 1 a) Lead and organize the preparation, development and
2 implementation of masterplans, strategies, processes and timetable
3 that will provide the framework towards the development of New
4 Clark City as the new administrative center of the Philippine
5 government;
- 6 b) Facilitate and oversee the establishment, development and provision
7 of integrated E-Government Services to the public aligned with the
8 masterplan, strategies and timetable for the transfer to New Clark
9 City;
- 10 c) Serve as oversight committee for transferring and transitioning
11 Offices, NGAs and GOCCs;
- 12 d) Determine capabilities of Offices, NGAs and GOCCs to transfer to
13 New Clark City and prescribe measures to continue or dismiss such
14 transfer;
- 15 e) Develop and approve necessary transfer and transition requirements
16 and conditions of Offices, NGAs and GOCCs, including possible
17 modes of transfer, safety measures, and labor standards;
- 18 f) Determine the amount necessary to implement the transfer to New
19 Clark City and recommend the same to the President for
20 incorporation in the proposed budget of the proper government
21 agencies;
- 22 g) Oversee the immediate implementation of the provisions of this Act;
- 23 h) Perform functions mentioned under the other provisions of this Act;
24 and
- 25 i) Perform such other functions as may be necessary or implied from
26 the provisions of this Act.

27 The Transitory Commission shall immediately convene upon approval
28 of this Act and shall cease to exist upon completion and full implementation
29 of the objectives of this Act, which shall not exceed twelve (12) years unless
30 further extended by Congress.

31
32 Sec. 10. *Appropriations.* – For its first year, the amount of Fifty Million
33 pesos (Php50,000,000.00) shall be initially appropriated for the use of the

1 Transitory Commission to implement the provisions of this Act. For the
2 succeeding fiscal years until its cessation, the Transitory Commission shall
3 include the amounts necessary for its operations and the implementation of
4 this Act in the annual General Appropriations Act (GAA).

5 The Office of the President, the Office of the Vice President and the
6 NGAs shall incorporate the amount necessary in the implementation of this
7 Act in the annual GAA. The GOCCs shall source the amount necessary for
8 the implementation of this Act from their respective corporate funds in the
9 corporate operating budgets approved by the Department of Budget and
10 Management.

11
12 Sec. 11. *Transitory Provisions.* – Upon the transfer of the permanent
13 seat of government to New Clark City in Capas, Tarlac by 2030, the following
14 shall be in effect:

- 15 a) Manila shall remain to be the capital of the Philippines and the area
16 prescribed as Metro Manila under Presidential Decree No. 824 shall
17 continue to be the country's commercial and financial center;
- 18 b) The offices previously occupied by the government agencies in Metro
19 Manila shall be converted into their NCR Regional Offices, as much
20 as practicable;
- 21 c) The official residence of the President shall remain in the
22 Malacañang Palace;
- 23 d) Buildings, offices, and infrastructures to be vacated as a result of
24 the relocation which have historical significance shall be
25 transferred, managed, and maintained by the National Historical
26 Commission; and
- 27 e) All government agencies and offices shall assist and support the
28 immediate and orderly implementation of this Act.

29
30 Sec. 12. *Implementing Rules and Regulations.* – Within ninety (90) days
31 from the effectivity of this Act, the Transitory Commission, in consultation
32 with appropriate government agencies and other stakeholders, shall

1 promulgate the necessary rules and regulations and other issuances as may
2 be necessary to ensure the effective implementation of this Act.

3
4 Sec. 13. *Separability Clause.* – If any provision of this Act is declared
5 invalid or unconstitutional, the remaining parts or provisions not affected
6 thereby shall remain valid.

7
8 Sec. 14. *Repealing Clause.* – All laws, decrees, executive orders,
9 administrative orders, proclamations, rules and regulations, and issuances,
10 or parts thereof which are inconsistent with the provisions of this Act, are
11 hereby repealed, amended, or modified accordingly.

12
13 Sec. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its
14 publication in the Official Gazette or in two (2) newspapers of general
15 circulation.

16
17 Approved,