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REPUBLIC OF THE PHILIPPINES)
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Senate
Office of the Secretary

SENATE

P. S. Res. No. 84

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Introduced by Senator Ralph G. Recto

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RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE DEVELOPMENT PROJECTS OF FOREIGN ENTITIES IN THE ISLANDS OF FUGA, GRANDE AND CHIQUITA, AND OTHER LOCATIONS IN THE COUNTRY, WITH THE END IN VIEW OF STRENGTHENING GOVERNMENT MECHANISMS TO PRESERVE THE PHILIPPINE TERRITORIAL INTEGRITY AND TO MITIGATE POTENTIAL RISKS TO NATIONAL SECURITY OR PUBLIC INTEREST ARISING FROM ECONOMIC AND BUSINESS AGREEMENTS ENTERED INTO WITH FOREIGN GOVERNMENTS AND BUSINESS ENTITIES

1 WHEREAS, the Constitution provides that the goals of the national economy
2 shall be a more equitable distribution of opportunities, income, and wealth; a
3 sustained increase in the amount of goods and services produced by the nation for
4 the benefit of the people; and an expanding productivity as the key to raising the
5 quality of life for all, especially the underprivileged;

6 WHEREAS, the Philippine Government is mandated, pursuant to Republic Act
7 No. 7916, as amended, otherwise known as "*The Special Economic Zone Act of 1995*,"
8 to actively encourage, promote, induce and accelerate a sound and balanced
9 industrial, economic and social development of the country in order to provide jobs to
10 the people especially those in the rural areas, increase their productivity and their
11 individual and family income, and thereby improve the level and quality of their living
12 condition through the establishment, among others, of special economic zones in
13 suitable and strategic locations in the country and through measures that shall
14 effectively attract legitimate and productive foreign investments;

1 WHEREAS, the Philippine Government, in furtherance of these objectives, has
2 signed several business agreements with Chinese entities amounting to \$12.16 billion
3 (P633 billion) in April 2019 during the Second Belt and Road Initiative Forum in Beijing;

4 WHEREAS, the Philippine-China business agreements include six (6)
5 memoranda of understanding between the Cagayan Economic Zone Authority (CEZA)
6 and several Chinese firms for projects in the Island of Fuga in Aparri, Cagayan, and
7 other locations within the CEZA jurisdiction, and a framework agreement between
8 GFTG Property Holdings and Sanya CEDF Sino-Philippine Investment Corporation to
9 develop the islands of Grande and Chiquita in Subic Bay, Zambales;

10 WHEREAS, Dr. Jay Batongbacal, Director of the University of the Philippines
11 Institute for Maritime Affairs and the Law of the Sea, argued that there are valid
12 national security concerns over agreements that allow foreign entities to undertake
13 development projects in Philippine territories;

14 WHEREAS, foreign control of the islands of Fuga, Grande and Chiquita can
15 potentially provide a locus to access, surveil and control strategic locations in the
16 Pacific Ocean, West Philippine Sea, Luzon Strait, and Subic Bay;

17 WHEREAS, the island of Fuga is in proximity to telecommunications submarine
18 cables that connect the Philippines to territories in Mainland Asia and North America;

19 WHEREAS, the islands of Grande and Chiquita are located at the mouth of the
20 Subic Bay, potentially providing a vantage point to monitor the movements of civilian
21 and military naval assets in and around Subic Bay and West Philippine Sea;

22 WHEREAS, the Secretary of National Defense has raised concern over the plan
23 to allow foreign entities to develop Philippine islands into tourist destinations and
24 maintained that he was not consulted by the business sector on the security implications of
25 such undertakings;

26 WHEREAS, the Constitution provides that while individuals and private groups shall
27 have the right to own, establish, and operate economic enterprises, such right is subject to
28 the duty of the State to promote distributive justice and to intervene when the common good
29 so demands;

1 WHEREAS, the 2017-2022 Philippine National Security Policy identified
2 territorial integrity – the need to ensure that the territory of the country is intact and
3 inviolable, and under the effective control and jurisdiction of the Philippine
4 Government – as one of the national security interests of the Philippines;

5 WHEREAS the Philippines must be equipped and resolved not only to deter
6 foreign military aggressors, but also to protect the national interest of the country
7 from the socio-political, economic and security risks associated with development
8 projects of foreign entities on Philippine territories: Now, therefore, be it

9 RESOLVED BY THE SENATE, as it is hereby resolved, To direct the appropriate
10 Senate committee to conduct an inquiry, in aid of legislation, on the development
11 projects of foreign entities in the islands of Fuga, Grande and Chiquita, and other
12 locations in the country, with the end in view of strengthening government
13 mechanisms to preserve the Philippine territorial integrity and to mitigate potential
14 risks to national security or public interest arising from economic and business
15 agreements entered into with foreign governments and business entities.

Adopted,

/mdg


RALPH G. RECTO