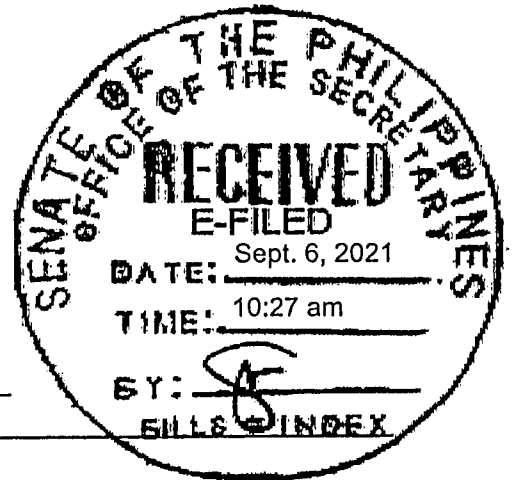


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Third Regular Session* )

SENATE  
P.S. Resolution No. 891



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Introduced by **SENATOR IMEE R. MARCOS**

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**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEE**  
**TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,**  
**INTO POSSIBLE UNDUE INFLUENCE OF FOREIGN ENTITIES AND**  
**COMPANIES INTO THE NATIONAL BROADBAND PLAN**

**WHEREAS**, Article XVI, Section 10 of the 1987 Constitution mandates the State to provide the policy environment for the full development of Filipino capability and the emergence of communication structures suitable to the needs and aspirations of the nation and the balanced flow of information into, out of, and across the country, in accordance with a policy that respects the freedom of speech and of the press;

**WHEREAS**, Article XII, Section 10 of the 1987 Constitution mandates the State, in the grant of rights, privileges, and concessions covering the national economy and patrimony, to give preference to qualified Filipinos and to regulate and exercise authority over foreign investments within its national jurisdiction and in accordance with its national goals and priorities;

**WHEREAS**, Article XII, Section 11 of the 1987 Constitution likewise (i) reserves the operation of public utilities to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least sixty per centum of whose capital is owned by such citizens, and, (ii) in the latter case, limits the participation of foreign investors in the governing bodies of such public utilities to their proportionate share in capital;

**WHEREAS**, Section 2-A of Commonwealth Act No. 108 otherwise known as "An Act to Punish Acts of Evasion of the Laws on the Nationalization of Certain Rights, Franchises or Privileges" prohibits the election or appointment of foreigners in management positions to prevent the circumvention of nationalization laws;

**WHEREAS**, R.A. No. 10929 otherwise known as the "Free Internet in Public Places Act", recognizes that fast and readily available internet connectivity has a crucial role in knowledge and nation-building, and declares that it is a state policy "to promote an environment for the development of structures that would ensure the

availability and accessibility to reliable and secure internet access suitable to the needs and aspirations of the nation”;

**WHEREAS**, the Department of Information and Communications Technology (DICT), as the primary policy, planning, coordinating, implementing, and administrative entity of the Executive Branch of the State, is tasked to plan, develop, and promote the national information and communications technology (ICT) development agenda, which includes the implementation of the “Free Internet in Public Places Act”;

**WHEREAS**, in the performance of its mandate, the DICT is also obliged to: (i) ensure and protect the provision of strategic, reliable, cost-efficient and citizen-centric information and communications technology (ICT) infrastructure, systems and resources as instruments of good governance and global competitiveness; and (ii) ensure and protect the rights and welfare of consumers and business users with respect to privacy, security and confidentiality in matters relating to ICT, in coordination with agencies concerned, the private sector and relevant international bodies;

**WHEREAS**, the DICT, as a part of its mandate which it has named its “connect-connect-connect” initiative, is pursuing the National Broadband Plan (NBP), which is the government’s blueprint to accelerate the deployment of fiber optic cables and wireless technologies across the country;

**WHEREAS**, the NBP includes the planned deployment of broadband capacity across the nation, especially in areas that are remote, inaccessible, and considered unprofitable by the private sector. The stated goal is to provide broader, faster, and more affordable access to the Internet for Filipinos, and for the government to have access to cheaper and more reliable Internet services that will reduce government spending on internet subscription;

**WHEREAS**, for Phase 1 of its NBP, the DICT plans to provide bandwidth to government clients and Free-WiFi beneficiaries by activating the Cable Landing Station (CLS) in Baler, Aurora. The DICT will connect the landing station through the Luzon Bypass Infrastructure to the National Grid Corporation of the Philippines (NGCP);

**WHEREAS**, the NGCP, through the State Grid Corporation of China (SGCC), is 40%-owned by China;

**WHEREAS**, the DICT disclosed in a brief that it also entered into a Framework Agreement in December 2016 and a Landing Party Agreement (LPA) November 2017, with the Bases Conversion and Development Authority (BCDA), and that pursuant thereto, the two CLS in Baler Station and San Fernando, LU Station, and a 240-km fiber conduit have been constructed. These projects will be conducted by the DICT, the BCDA, and a third party - Facebook (Edge), which is a 100 percent, foreign-owned entity;

**WHEREAS**, the DICT further disclosed that it is also looking at subsea cable network Pacific Light Data Cable (PLDC) as part of the NBP. However, PLDC has potential ties to the Chinese government, as its owner Dr. Peng Telecom & Media Group Co., Ltd is one of China's largest broadband companies. There also exists the "APRICOT Project" which is a proposed partnership / joint investment in a cable system that is co-owned by PLDT with foreign companies Facebook (Edge), Google and NTT;

**WHEREAS**, foreign companies and foreign governments have their own agendas that will not always align with Philippine interests. Moreover, if the technicians and staff manning the ICT are non-Filipinos, they may not be subject to Philippine control and will have to comply with orders from their employers/ respective governments;

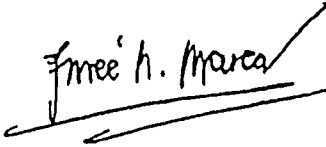
**WHEREAS**, excessive foreign involvement in the NBP is a threat since ICT services must remain impartial, in accordance with the Filipino internet consumer's right to be provided safe, neutral, and fair online information and services, and to not be subjected to "digital colonialism";

**WHEREAS**, according to an internal report in 2019, the Philippines' power grid is under the full control of the Chinese government and could be shut off in time of conflict. The report further warned that the Chinese government has the "full capability to disrupt national power systems;

**WHEREAS**, it is important for Congress to be informed of the degree of participation of foreign companies to ensure compliance with the mandates of the Constitution, investigate any circumvention of nationalization laws, and to ensure the absence of threat of foreign government control or influence in the DICT's implementation of the NBP. This will allow the Congress to recommend or implement appropriate safeguards against unwarranted foreign influence over the Filipino consumer, and security, confidentiality, and integrity of ITC resources;

**NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED**, directing the appropriate Senate committee to conduct an inquiry, in aid of legislation, into the possible undue influence of foreign entities and companies into the National Broadband Plan.

*Adopted,*

  
**IMEE R. MARCOS**