

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

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SENATE
P. S. R. No. 336

RECEIVED BY: _____

Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE COMMITTEE ON FOREIGN RELATIONS
AND THE COMMITTEE ON PUBLIC ACCOUNTABILITY TO CONDUCT
AN INQUIRY, IN AID OF LEGISLATION, ON THE
CANCELLED 2005 VENABLE CONTRACT

WHEREAS, Executive Order No. 34 dated 17 September 2001, reconstitutes the National Security Council as an advisory body to the President, and includes among its members not only the National Security Adviser, but also the chairpersons of three Senate committees: foreign relations; national defense and security; and public order and illegal drugs;

WHEREAS, at least the undersigned chair of the foreign relations committee was never informed of any meeting concerning the cancelled 2005 Venable contract, which under the Civil Code is apparently void, because its purpose is contrary to law and public policy; and unenforceable, for lack of legal authority;

WHEREAS, it appears that on 25 July 2005, in Manila, an Agreement was entered into by two parties: the first party is the Philippine Government, represented by National Security Adviser Norberto B. Gonzalez; and the second party is Venable LLP, a law firm represented by James Pitts and James George Jetras;

WHEREAS, under the Agreement, Venable will receive for one year a monthly retainer of US \$75,000 plus expenses, with the retainer alone totaling P50.4 million;

WHEREAS, it appears that on 18 September 2005, President Arroyo reportedly ordered Secretary Gonzalez to cancel the Venable contract, but such cancellation does not mitigate legal liability because the Anti-Graft and Corrupt Practices Act punishes the mere act of "entering, on behalf of the Government, into any contract manifestly and grossly disadvantageous to the same;"

WHEREAS, the Agreement violates international law and Philippine constitutional law, as follows:

One. The Agreement violates the basic principles in international law of state sovereignty and of non-interference in domestic affairs which, within a state's own territorial limits, are the undeniable foundation of international law as it has evolved, and of the world political and legal system;

Two. It violates the constitutional provision on self-determination, as provided in Article 2 Section 7: "The State shall pursue an independent foreign policy. In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination;"

Three. It violates the constitutional provision on the sharing of powers over foreign policy between the executive branch and the Senate, as provided in Article 7 Section 21: "No treaty or international agreement shall be valid and effective unless concurred in by at least two-thirds of all the Members of the Senate."

Four. It is illegal because by analogy, it violates the legal prohibition against foreign intervention in domestic affairs, as exemplified by the Election Code Section 95, which provides that it is a punishable election offense for foreigners and foreign corporations to make any contribution intended to influence the results of elections, or to pursue any partisan political activity;

WHEREFORE, be it hereby resolved by the Senate to direct the committee on foreign relations and the committee on public accountability to conduct an inquiry, in aid of legislation, on the cancelled 2005 Venable contract, with the following tasks:

- To reexamine the powers and functions of the National Security Council in general; and of the National Security Adviser in particular;
- To determine the legal liability, if any, of the National Security Adviser for entering into the contract with no authority, or for acting beyond his powers;
- To specify the alleged private patrons of the Agreement, and
- To determine, after reported cancellation of the Agreement, how much has been paid to Venable before cancellation, where the money came from, and if they were public funds, how reparation should be made, and by whom.

Adopted,


MIRIAM DEFENSOR SANTIAGO