

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

8 FEB 26 2017

SENATE
P. S. RES. NO. 309

RECEIVED BY: [Signature]

Introduced by Sen. Antonio F. Trillanes IV

RESOLUTION

DIRECTING THE COMMITTEES ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS (BLUE RIBBON), NATIONAL DEFENSE AND SECURITY AND ENVIRONMENT AND NATURAL RESOURCES TO INVESTIGATE, IN AID OF LEGISLATION, THE SUPPOSED "SPRATLY DEAL" PURPORTEDLY ENTERED INTO BY THE ARROYO GOVERNMENT WITH CHINA, A PACT REPORTEDLY INVOLVING THE TREACHEROUS SELLOUT OF PHILIPPINE INTEREST AND PHILIPPINE SOVEREIGNTY IN EXCHANGE FOR OVERPRICED LOANS FOR ANOMALOUS PROJECTS WHICH INCLUDE THE ZTE-NBN DEAL, THE NORTH RAIL AND SOUTH RAIL PROJECTS, AND THE DEP-ED'S CYBER-ED PROJECT, AMONG OTHERS.

WHEREAS, the Philippines has asserted a historic and legal claim over the Kalayaan Group of Islands which are internationally known as the "**Spratlys**" or "**Spratly Islands**" and the Philippines is one of the six (6) countries involved in the *Spratly Islands Dispute*.

WHEREAS, it was in fact the Philippines which first sought a united front and rallied the Association of South East Asian Nation (ASEAN) to confront China over its intrusion into Mischief Reef, a part of the Spratly Islands a decade earlier;

WHEREAS, this effort by the Philippines resulted into "**ASEAN-China Declaration of the Conduct of Parties**" in 2002;

WHEREAS, in a national newspaper, the Arroyo Administration has been accused of **TREASON** when it purportedly caused the signing of the so called "**SPRATLY DEAL**" with China in exchange for loans attended by bribery and corruption¹;

WHEREAS, there appears to be sufficient basis for this claim because during her visit to China in 2004, Mrs. Gloria Macapagal-Arroyo did in fact caused the signing of the "**Agreement for Seismic Undertaking for Certain Areas in the South China Sea by and Between China National Offshore Oil Corporation and Philippine National Oil Company**" ("**Subject Agreement**" hereinafter);

WHEREAS, Vietnam, one of the parties to the Spratly Islands Dispute, "*immediately voiced concern, declaring that the agreement, concluded*

¹ *Treason in dirty Chinese loans? Malaya, 23 February 2008)*

without consultation, was not in keeping with the spirit of the 2002 ASEAN-China Declaration of the Conduct of Parties²”;

WHEREAS, Vietnam stopped its objections in March 2005 when it joined China and the Philippines in turning the agreement into a tripartite undertaking;

WHEREAS, in an article³ published in the **Far Eastern Economic Review**, Barry Wain, writer-in-residence of the Singapore-based **Institute for Southeast Asian Studies**, accused Gloria Macapagal-Arroyo of “selling out to China the Philippine and regional interests in South China Sea” when Manila entered into the subject Agreement;

WHEREAS, what is worse, in the subject Agreement, the Philippines reportedly “made breathtaking concessions in agreeing to the area for study, including parts of its own continental shelf not even claimed by China and Vietnam”;

WHEREAS, Mr. Wain further argued in his article that “through its action, Manila has given a certain legitimacy to China’s legally spurious ‘historic claim’ to most of the South China Sea” and that the Arroyo government “had opted for Chinese favors at the expense of Asean political solidarity”;

WHEREAS, the Committees of the Accountability of Public Officers and Investigations (Blue Ribbon), Defense and National Security and Trade and Commerce of the Senate are currently conducting an investigation on the anomalous **NBN-ZTE Deal** where a number of witnesses have testified that on the bribery and corruption which have attended not only the NBN-ZTE Deal but also other projects to be financed by the tied-loans from China, particularly the North Rail Project, the South Rail Project as well as Department of Education’s (Dep-Ed) Cyber-Ed Project, thus, further giving credence to the claim against the Gloria Macapagal-Arroyo and her government;

WHEREAS, it appears that the Arroyo Government did not consult the **Department of Foreign Affairs (DFA)** and the **Philippine Navy** when it negotiated and signed the subject Agreement;

WHEREAS, the subject Agreement is tantamount to effectively giving away the national patrimony as it actually concedes the exploration and exploitation of natural resources to foreigners which, under the **“United Nations Convention on the Law of the Seas” (UNCLOS)**, clearly fall within the archipelagic waters, exclusive economic zone and continental shelf of the Philippines;

WHEREAS, considering the nature, scope and possible impact of the subject Agreement and considering the fact that the same actually involves matters affecting national sovereignty and the national patrimony, as well as national defense and security, it is submitted that the subject Agreement should have been treated as a treaty or an international agreement which should be subject to the ratification of the Senate under **Article VII**,

² *Arroyo accused of Sellout*; by Anthony Ian Cruz, **Malaya**, 23 February 2008.

³ *Asean: Manila’s Bungle in the South China Sea*; by Brian Wain, **Far Easter Economic Review**, January – February 2008 Issue.

⁴ Ibid

Section 21 of the **1987 Philippine Constitution**⁵ instead of being treated as a mere commercial contract;

WHEREAS, this action and actuation of the government of Mrs. Arroyo apparently constitute yet another attempt to circumvent the Constitution and to undermine the powers vested by the Constitution upon the Senate;

WHEREAS, worse, if proven to be true, the same apparently amounts to betrayal of public trust and treason⁶, for which the Gloria Macapagal-Arroyo and the other responsible members of her Government should be held accountable;

WHEREAS, there is a need for various Committees of the Senate to investigate this matter not only for the purpose of exposing the sordid details of this anomalous transaction but also in order to aid said committees in the enactment and deliberation of proposed legislation on the matter, including the various pending bills of the undersigned defining the national territory, protecting the national patrimony and the environment and natural resources and upholding the national sovereignty as well as protecting and preserving national defense and security;

NOW, THEREFORE, BE IT RESOLVED as it is hereby resolved to direct the Committees on the Accountability of Public Officers and Investigations (Blue Ribbon), *National Defense and Security and Environment and Natural Resources* to inquire, look into and investigate in aid of legislation the "**Spratly Deal**" purportedly entered into by the Government of Mrs. Gloria Macapagal-Arroyo with China involving the treacherous "**Sellout**" of Philippine Interest and Philippine Sovereignty in exchange for overpriced loans for anomalous projects which include the ZTE-NBN Deal, the North Rail Project, the South Rail Project and the Dep-Ed's Cyber-Ed Project, among others.

Gay Battung

ADOPTED.


ANTONIO F. TRILLANES IV
Senator

⁵ Article VII, Section 21 of the 1987 Philippine Constitution provides:

"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."

⁶ Treason here is used in its generic sense and not in accordance with its legal definition under the Revised Penal Code.