

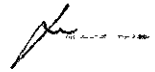
FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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SENATE

P.S. Resolution No. 342

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Introduced by Senator Loren Legarda

RESOLUTION

URGING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS AND THE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE INCENTIVES AND PRIVILEGES GRANTED BY THE SUBIC BAY METROLOPITAN AUTHORITY (SBMA) TO HANJIN HEAVY INDUSTRIES AND CONSTRUCTION LTD., WITH THE END IN VIEW OF DETERMINING LEGISLATIVE MEASURES TO ENSURE THAT PREFERRED STATUS OF INVESTORS IN ECONOMIC ZONES ARE NOT ABUSED

Whereas, the Subic Special Economic and Free-port Zone, whose metes and bounds were to be declared by Presidential Proclamation, and a corporate entity, the Subic Bay Metropolitan Authority (SBMA), the "operating and implementing arm of the Conversion Authority" with full powers over the affairs of the Subic Special Economic Zone, were created by Republic Act No. 7227, or the Bases Conversion and Development Act of 1992;

Whereas, R.A. 7227 specifically vested the SBMA with the function to protect, maintain and develop the forests within the former baselands, which would be "proclaimed as a national park and subject to a permanent total log ban";

Whereas, President Corazon Aquino issued Proclamation No. 926 on June 15, 1992, three months after the enactment of the BCDA, for "purposes of protecting, maintaining, or improving its water yield and providing a restraining mechanism for inappropriate forest exploitation and disruptive land use" of 10,000 hectares comprising the Subic Watershed Forest Reserve (SWFR) located on the Morong, Bataan side of the Subic free port and classified the SWFR as protected;

Whereas, by virtue of Section 5(a) of the National Integrated Protected Area System (NIPAS) Act, or R.A. 7586, passed in June 1992, which set the initial components of the System to include "all areas or islands in the Philippines proclaimed, designated or set aside, pursuant to a law, presidential decree, presidential proclamation or executive order as national park, game refuge, bird and wildlife sanctuary, wilderness area, strict nature reserve, watershed, mangrove reserve, fish sanctuary, natural and historical landmark, protected and managed landscape/ seascape as well as identified virgin forests before (its) effectivity," the SWFR became an initial component of the NIPAS;

Whereas, R.A. 7227 required the Subic Authority to create an Ecology Center to implement the rules and regulations of the Department of Environment and Natural Resources within its territory;

Whereas, the SBMA was further empowered to issue the Environmental Compliance Certificates (ECC) by virtue of a Memorandum of Agreement between former Environment Secretary Michael Defensor and SBMA officials signed a memorandum of agreement recognizing such "self-regulatory power";

Whereas, President Gloria Macapagal-Arroyo issued Executive Order 701 on January 22, 2008, directing all heads of departments, bureaus, offices, agencies of the government to support the investments projects of Hanjin Heavy Industries & Construction Ltd., specifically two shipbuilding and repair facilities at Subic Freeport Zone and at Phividec Industrial Estate;

Whereas, EO 701 particularly notes that the investment of about \$3.6 billion (about P150 billion) to put up the two facilities, \$1.6 billion for Subic and \$2 billion for Phividec in Misamis Oriental, is expected to generate a total of 50,000 new jobs;

Whereas, there are complaints regarding encroachment into the SWFR, citing in particular the granting of an ECC for two high-rise condominium buildings by Hanjin located within the Subic forest and constructed in violation of environmental standards, rules and regulations set by the DENR relevant to building and other structures to be constructed in protected areas;

Whereas, in consideration of additional complaints regarding the plight of workers who were killed and injured as well as residents who were relocated in the course of project implementation by Hanjin, both in Subic and in Phividec, there is a need to review government policy to prevent possible abuse of investor preferred status and its adverse impacts not only on the economy but on the welfare of communities and other stakeholders who are supposed to be directly benefited by the projects as well;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate of the Philippines, urging the Senate Committee on Economic Affairs and the Committee on Environment and Natural Resources to conduct an inquiry, in aid of legislation, into the incentives and privileges granted by the Subic Bay Metropolitan Authority (SBMA) to Hanjin Heavy Industries and Construction Ltd., with the end in view of determining legislative measures to ensure that preferred status of investors in economic zones are not abused.

Adopted,



LOREN LEGARDA
Senator