

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

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SENATE
 P. S. RES. NO. 383

RECEIVED BY:

Introduced by Senator M. A. Madrigal

RESOLUTION

DIRECTING THE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGATION OF BRIBERY AND COUNTER-ALLEGATION OF EXTORTION BETWEEN HANJIN HEAVY INDUSTRIES CONSTRUCTION COMPANY, LTD. AND LOCAL GOVERNMENT OFFICIALS OF MISAMIS ORIENTAL INVOLVING THE CONSTRUCTION OF A 2-BILLION U.S. DOLLAR SHIPYARD PROJECT IN THE AREA

WHEREAS Hanjin Heavy Industries Construction Company, Ltd. (Hanjin) is a South Korean company which is constructing a \$2.7 billion shipyard project at Tagoloan, Misamis Oriental in Mindanao;

WHEREAS Tagoloan Mayor Paulino Emano narrated that he had ordered Hanjin to stop its construction after it failed to present pertinent documents such as the Environmental Compliance Certificate (ECC) and municipal building permit;

WHEREAS Mayor Emano said that to influence him in withdrawing his stoppage order, Hanjin had bribed him with 400 million pesos worth of contracts;

WHEREAS Mayor Emano said he reported the alleged bribe offer to President Gloria Macapagal Arroyo but instead of getting support, the President allegedly scolded him for issuing a stoppage order and directed him to reverse his order. He said he had no choice but to abide by the President's order;

WHEREAS on the other hand, Hanjin officials denied Mayor Emano's allegations and complained that the mayors of Tagaloan and Villanueva had extorted money from them in exchange for releasing the local permits for the company;

WHEREAS this controversy involving the allegations of bribery and counter-allegations of extortion between Hanjin Co. and Mayor Emano have led to Hanjin's alleged withdrawal from the project;

WHEREAS due to the reported intercession of President Gloria Macapagal Arroyo however, Hanjin reconsidered withdrawing from the project, and after an ensuing lengthy discussion with Presidential Management Staff Undersecretary Boy Ibarle, Mayor Emano and Villanueva town Mayor Juliet Uy gave Hanjin the go-signal to continue the construction;

WHEREAS it has been pointed out that the controversy stems in fact from Hanjin's non-compliance with the legal requirements of securing the necessary local building

permits and environment clearances, in much the same way that the Hanjin firm had also engaged in construction inside Subic without the requisite environment permits;


WHEREAS the Senate is now also looking into Hanjin's construction of two high-rise condominiums in the Subic Bay Freeport's protected rainforest after environmentalists protested that the project is illegal and damaging to the environment. Hanjin is also constructing a \$1.6-billion shipyard in Subic and said the condominiums are for the use of its staff;

WHEREAS the shipping facility under construction inside the Phividec Industrial Estate on Mindanao's northern tip is expected to create at least 40,000 jobs for skilled workers and will have a capacity of 830,000 tons per year when completed;

WHEREAS on the other hand, non-compliance with local building permits and environmental clearances as well as bribery are serious violations of Philippine law;

WHEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the Committee on Accountability of Public Officers and Investigations to conduct an inquiry, in aid of legislation, into the allegation of bribery and counter-allegation of extortion between Hanjin Heavy Industries Construction, Ltd. and local government officials of Misamis Oriental involving the construction of a 2-billion U.S. dollar shipyard project in the area.

Adopted by,


M.A. MADRIGAL