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SENATE

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COMMITTEE REPORT NO. 434

Prepared and submitted jointly by the Committees on Science and Technology, and Finance on SEP - 5 2018

Re: **Senate Bill No. 1983**

Recommending its approval in substitution of Senate Bill Nos. 1211, 1259 and 1572.

Sponsor: **Senator Paolo Benigno "Bam" Aquino IV**

MR. PRESIDENT:

The Committees on Science and Technology, and Finance to which were referred:

Senate Bill No. 1211, introduced by Senator Paolo "Bam" Aquino IV, entitled:

**"AN ACT
ESTABLISHING THE PHILIPPINE SPACE DEVELOPMENT AND UTILIZATION
POLICY AND CREATING THE PHILIPPINE SPACE AGENCY, AND FOR OTHER
PURPOSES"**

Senate Bill No. 1259, introduced by Senator Loren B. Legarda, entitled:

**AN ACT
ESTABLISHING A PHILIPPINE SPACE DEVELOPMENT POLICY AND CREATING
THE PHILIPPINE SPACE AGENCY (PHILSA), DEFINING ITS PURPOSE,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

And **Senate Bill No. 1572**, introduced by Senator Vicente C. Sotto III, entitled:

**AN ACT
ESTABLISHING THE PHILIPPINE SPACE DEVELOPMENT AND UTILIZATION
POLICY, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

have considered the same and have the honor to report them back to the Senate with recommendation that the attached bill, **Senate Bill No. 1983**, prepared by the Committees entitled:


**AN ACT
ESTABLISHING THE PHILIPPINE SPACE DEVELOPMENT AND UTILIZATION
POLICY AND CREATING THE PHILIPPINE SPACE AGENCY, AND FOR OTHER
PURPOSES**

be approved in substitution of Senate Bill Nos. 1211, 1259 and 1572 with Senators Aquino IV, Legarda and Sotto III as authors thereof.

Respectfully Submitted:

Chairpersons:

LOREN B. LEGARDA
Committee on Finance


SEN. PAOLO BENIGNO "BAM" AQUINO IV
Committee on Science and Technology

Vice Chairpersons


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Committee on Finance
Member, Committee on Science and Technology


SEN. JOSEPH VICTOR G. EJERCITO
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SEN. RISA HONTIVEROS
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SEN. RALPH G. RECTO
Senate President Pro – Tempore

HON. VICENTE C. SOTTO III
Senate President

SENATE

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S.B. No. 1983

(In substitution of Senate Bill Nos. 1211, 1259 and 1572)

Prepared and submitted jointly by the Committees on Science and Technology, and
Finance
with Senators Aquino IV, Legarda, and Sotto III as Authors thereof

AN ACT
ESTABLISHING THE PHILIPPINE SPACE DEVELOPMENT AND UTILIZATION
POLICY AND CREATING THE PHILIPPINE SPACE AGENCY, AND FOR OTHER
PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 **SECTION 1. *Short Title.*** - This Act shall be known as the "*Philippine Space Act.*"

2 **SECTION 2. *Declaration of Policy.*** - It is hereby declared the policy of the State:

- 3 (a) To safeguard Philippine sovereignty, territorial integrity, Philippine interest, and
4 the right to self-determination as mandated by Article II, Section 7 of the 1987
5 Constitution;
- 6 (b) To support and commit to the development, application and utilization of science
7 and technology that will foster patriotism and nationalism and accelerate social
8 progress, such as the development of space technology and applications for its
9 security and for the benefit of its citizens;
- 10 (c) To ensure access to space and its environs as a sovereign right in the promotion
11 of national security towards the attainment and protection of national interest;
- 12 (d) To recognize that there is an urgent need to create a coherent and unified
13 strategy for space development and utilization to keep up with other nations in
14 terms of space science and technology;
- 15 (e) To ensure that the Philippines has official representation in the international
16 space community for establishing cooperation agreements and linkages on space
17 development; and
- 18 (f) To ensure that the Philippines abides by the various international space treaties
19 and principles promulgated by the United Nations and is an active participant in

1 the international space community, including international rules and procedures
2 concerning the Outer Space Treaty and Liability Convention, among others.

3 **SECTION 3. Definition of Terms.** – As used in this Act the following terms shall
4 mean:

5 (a) **PhilSA** refers to the Philippine Space Agency created by virtue of this Act.

6 (b) **Space Science and Technology Applications (SSTA)** refers to the scientific
7 principles and their applications to space science, engineering and other allied
8 fields.

9 (c) **Satellites** include all objects launched into Earth orbit and artificial objects to be
10 placed in orbit of celestial bodies for the conduct of space exploration.

11 **SECTION 4. The Philippine Space Development and Utilization Policy.** – The
12 Philippine Space Development and Utilization Policy, or the Philippine Space Policy, will
13 serve as the country's primary strategic roadmap for space development and will
14 embody the country's central goal of becoming a space-capable and space-faring nation
15 within the next decade. It shall focus on areas of SSTA that would address national
16 issues, promote the efficient utilization of space assets and resources, establish
17 capacity-building measures for human resources development, strengthen national
18 defense, and enhance international cooperation.

19 **SECTION 5. Framework of the Space Policy.** – The Philippine Space Policy will
20 focus on six (6) Key Development Areas (KDAs) for SSTA development to ensure the
21 State's sustained progress:

22 (a) National Security and Development – The Philippines will focus on space
23 applications that can preserve and enhance the country's national security and
24 promote development that is beneficial to all Filipinos;

25 (b) Hazard Management and Climate Studies – The Philippines will develop and
26 utilize space science and technology applications to enhance its hazard
27 management and disaster mitigation strategy as well as ensure the nation's
28 resiliency to climate change;

29 (c) Space Research and Development – To spur rapid scientific growth, the
30 Philippines will focus on conducting research and development endeavors in vital
31 areas of space science, technology and allied fields;

1 (d) Space Industry Capacity Building – The Philippines will create a robust and
2 thriving space industry to support the country’s space program through private
3 sector involvement and cooperation;

4 (e) Space Education and Awareness – The Philippines aims to establish a sustainable
5 pool of trained space scientists, engineers and communicators that will be critical
6 for the country’s future space program and increasing public awareness on its
7 value and benefits;

8 (f) International Cooperation – Through international partnerships and
9 collaborations, the Philippines will become a key player in the ASEAN and global
10 space community by providing significant contributions and capabilities on space
11 science and technology applications.

12 **SECTION 6. *Creation of the Philippine Space Agency (PhilSA).*** – A Philippine
13 Space Agency, hereinafter referred to as the PhilSA, is hereby established as the central
14 government agency addressing all national issues and activities related to space science
15 and technology applications.

16 **SECTION 7. *Mandate.*** – The PhilSA shall be the primary policy, planning,
17 coordinating, implementing, and administrative entity of the Executive Branch of the
18 government that will plan, develop, and promote the national space program in line
19 with the Philippine Space Policy.

20 **SECTION 8. *Powers and Functions.*** – The PhilSA shall exercise the following powers
21 and functions:

22 I. Policy, Planning and Coordination

23 (a) Assist the State in the creation, development and implementation of national
24 and international space policies;

25 (b) Plan, direct, manage and implement programs and projects relating to scientific
26 space research and development and the application of space technology;

27 (c) Take hold of money, securities or other personal or moveable property by gift or
28 bequest and expend, administer or dispose of any such money, securities or
29 property subject to the terms, if any, on which the gift or bequest was made in
30 such manner as shall best promote the PhilSA’s objectives;

31 (d) Implement the Philippine Space Development and Utilization Policy;

1 (e) Coordinate all space activities of various sectors and stakeholders in the
2 Philippines, in accordance with existing laws;

3 (f) Provide appropriate and accurate advice to the President of the Philippines and
4 other government agencies on space-related issues and concerns;

5 II. Improved Public Access and Resource-Sharing

6 (a) Develop, construct, acquire, manage, maintain and operate space research,
7 development and operation facilities and systems on behalf of the Philippine
8 government for use of various government agencies and other stakeholders;

9 (b) Assist Departments and other agencies of the State, as well as the private sector,
10 in the utilization of SSTA and data/information to aid in the performance of their
11 respective mandates and duties;

12 III. Research and Development

13 (a) Perform basic and applied research and development relating to SSTA in
14 collaboration with universities, industries and other institutions;

15 (b) Design, develop and construct space systems and facilities necessary thereof, as
16 well as launch, track and operate the satellites on behalf of the Philippine
17 government;

18 (c) Promote the growth of space science and technology through research and
19 development;

20 IV. Education and Capacity Building

21 (a) Establish programs that would develop space education and promote public
22 awareness;

23 (b) Provide grants and contributions in support of programs or projects relating to
24 scientific or industrial space R&D and application of space technology;

25 (c) Provide services and facilities for the use by entities conducting academic R&D
26 relating to SSTA;

27 V. Industry Development

- 1 (a) Promote the development of a robust and vibrant local space industry and
2 economy;
- 3 (b) Promote the transfer and diffusion of space technology throughout the Philippine
4 industry;
- 5 (c) Encourage the commercial exploitation of space capabilities, technology,
6 information, facilities and systems.
- 7 (d) License, sell or otherwise make available any patent, copyright, industrial design,
8 trademark, trade secret or other like property controlled;
- 9 (e) Disseminate the results of R&D activities and promote the utilization thereof,
10 except when information is deemed confidential for national welfare and security
11 and for the protection of intellectual property rights;

12 VI. International Cooperation

- 13 (a) Cooperate with space-related agencies of other countries in the peaceful use
14 and development of space;
- 15 (b) Maintain a national registry of space objects in accordance with the United
16 Nations Convention on Registration of Objects Launched into Outer Space and
17 other international guidelines.
- 18 (c) Enter into contracts, memoranda of understanding/agreement or other
19 arrangements in behalf of the State, in consultation with the Department of
20 Foreign Affairs and/or other concerned agencies;
- 21 (d) Establish and maintain linkages with other national space agencies and
22 organizations.
- 23 (e) Represent the Philippines in the United Nations Committee on the Peaceful Use
24 of Outer Space and other similar space-related forums, assemblies and
25 organizations.

26 **SECTION 9. *Composition.*** – The PhilSA shall be an attached agency of the Office of
27 the President for purposes of policy and program coordination, to ensure alignment in
28 national policies and priorities. It shall be headed by a Director General. The PhilSA
29 proper shall be composed of the Office of the Director General, the Offices of the
30 Deputy Director General and various Divisions to be created as deemed necessary.

31 **SECTION 10. *Director General of the PhilSA.*** – The Director General shall have the
32 rank and compensation of a Cabinet Secretary and shall be appointed by the President,

1 subject to the confirmation by the Commission on Appointments. The Director General
2 shall have the following functions:

- 3 (a) Provide executive direction and supervision over the entire operations of the
4 PhilSA and its attached units;
- 5 (b) Establish policies and standards for the effective, efficient and economical
6 operation of the PhilSA, in accordance with the programs of the government;
- 7 (c) Review and approve requests for financial and manpower resources of all
8 operating offices of the PhilSA;
- 9 (d) Designate and appoint officers and employees of the PhilSA, excluding the
10 Deputy Directors, in accordance with the civil service laws, rules and regulations;
- 11 (e) Exercise disciplinary powers over officers and employees of the PhilSA in
12 accordance with law, including their investigation and the designation of a
13 committee or officer to conduct such investigation;
- 14 (f) Coordinate with other Departments, agencies and public and private interest
15 groups, including non-government organizations (NGOs) and people's
16 organizations (POs) on PhilSA policies and initiatives;
- 17 (g) Prepare and submit to the President through the Department of Budget and
18 Management (DBM) an estimate of the necessary expenditures during the next
19 fiscal year, on the basis of the reports and estimates submitted by the divisions
20 and offices under him/her;
- 21 (h) Serve as a member of the Government Procurement Policy Board (GPPB) as
22 established by Republic Act No. 9184;
- 23 (i) Serve as the Presidential Adviser on Space Matters and advise the President on
24 the promulgation of executive and administrative orders and formulation of
25 regulatory and legislative proposals on matters pertaining to SSTA development;
- 26 (j) Formulate such rules and regulations and exercise such other powers as may be
27 required to implement the objectives of this Act; and
- 28 (k) Perform such other tasks as may be provided by law or assigned by the
29 President.

30 **SECTION 11. Deputy Director General.** – The Director General shall be assisted by
31 three (3) Deputy Director General with the rank and compensation of a Department
32 Undersecretary who shall be appointed by the President upon the recommendation of
33 the Director General: *Provided*, That two (2) of the Deputy Director General shall be
34 career executive officers.

1 **SECTION 12. *Qualifications.*** – No person shall be appointed Director General or
2 Deputy Director General of the PhilSA unless he or she is a citizen and resident of the
3 Philippines, of good moral character, of proven integrity, with an advanced degree in
4 Space Science, Astronomy, Physics, Engineering or related fields of study, with at least
5 five (5) years of competence and expertise in any of the following: astrophysics, space
6 science, aerospace engineering, space systems engineering, remote sensing space
7 industry, or human capital development in the SSTA sector.

8 **Section 13. *Philippine Space Council.*** – A Philippine Space Council is hereby
9 created as the principal advisory body for the coordination and integration of policies,
10 programs and resources affecting space science and technology applications.

11 A. The Philippine Space Council shall be composed of the following:

- 12 1. President of the Philippines – Chairperson
- 13 2. Secretary of Science and Technology – Vice Chairperson
- 14 3. Secretary of National Defense – Vice Chairperson
- 15 4. Chair of Senate Committee on Science and Technology – Member
- 16 5. Chair of House Committee on Science and Technology – Member
- 17 6. Director General of the National Economic Development Authority – Member
- 18 7. Secretary of Finance – Member
- 19 8. Secretary of Foreign Affairs – Member
- 20 9. Secretary of Agriculture – Member
- 21 10. Secretary of Environment and Natural Resources – Member
- 22 11. Secretary of Trade and Industry – Member
- 23 12. Secretary of Information and Communications Technology – Member

24 The President may designate the Executive Secretary to preside over the
25 meetings of the Philippine Space Council in the President’s absence.

26
27 B. *Functions of the Philippine Space Council.* The Philippine Space Council shall
28 have the following functions:

- 29 a. Recommend and approve the implementation of Philippine space policies
30 in accordance with international conventions;

- 1 b. Ensure appropriate allocation of resources in support to the mandates of
2 the Philippine Space Agency;
3 c. Approve strategic directions and decisions for the implementation of the
4 Philippine Space Agency.

C. *Secretariat to the Philippine Space Council.* The Director General of the Philippine Space Agency shall serve as Head Secretariat to the Philippine Space Council together with the support staff of the PhilSA.

5 **SECTION 14. *Transfer of Astronomical and Space-related Functions.*** – To
6 consolidate the functions of PhilSA, the following shall be transferred from their parent
7 agency

8
9 (a) Philippines Space Science Education Program of the Science Education Institute,
10 Department of Science and Technology-Science Education Institute (DOST-SEI)

11 (b) The transfer of funds, functions, assets, equipment, properties, transactions,
12 personnel of the affected agencies, among others, shall be completed within
13 specified period to enable such transfer smoothly from their parent agencies to
14 the PHILSA.

15 (c) The filling up of positions in the PhilSA shall be subject to the provisions of RA
16 6656 or the security of tenure of the personnel.

17 Nothing in this Act shall diminish the functions and responsibilities of the support
18 agencies.

19 **SECTION 15. *Separation and Retirement from Service.*** – Employees who are
20 separated from service within six (6) months from the effectivity of this Act as a result
21 of consolidation and/or reorganization under the provisions of this Act shall receive
22 separation benefits to which they may be entitled under Executive Order No. 366, series
23 of 2004: *Provided,* That those who are qualified to retire under existing retirement laws
24 shall be allowed to retire and receive retirement benefits to which they may be entitled
25 under applicable laws and issuances.

26 **SECTION 16. *Structure and Staffing Pattern.*** – Subject to the approval of the
27 DBM, the PhilSA shall determine its organizational structure and create new divisions or

1 units as it may deem necessary, and shall appoint officers and employees of the PhilSA
2 in accordance with the civil service law, rules and regulations.

3
4 **SECTION 17. Official Site of PhilSA.** – A land area equivalent to at least thirty (30)
5 hectares out of the vast of land which are under the administration of the Bases
6 Conversion and Development Authority (BCDA) within the Clark Special Economic Zone
7 in Pampanga and Tarlac, shall be allocated exclusively for the PhilSA office and its
8 research facilities: Provided, That the PhilSA shall establish additional offices, research
9 facilities, and launch sites in strategic areas as it may deem necessary. Provided further,
10 That the boundaries and technical descriptions of these land areas shall be determined
11 by an actual and joint group survey.

12 **SECTION 18. Magna Carta.** – Qualified employees of the PhilSA and its attached
13 units shall be covered by Republic Act No. 8439, otherwise known as *Magna Carta* for
14 Scientists, Engineers, Researchers and other Science and Technology Personnel in the
15 Government.

16 **SECTION 19. Annual Report.** - The PhilSA shall submit to the President and to both
17 Houses of Congress, not later than the 30th of March of every year following the
18 effectivity of this Act, a report giving a detailed account of the status of the
19 implementation of this Act and recommended legislation, where applicable and
20 necessary.

21 **SECTION 20. Funds of the PhilSA.** – The funds of the PhilSA shall consist of:

- 22 (a) The Annual General Appropriation for the PhilSA;
23 (b) Income, fees, royalties and other revenues obtained from any other sources.

24 The funds shall be administered by the Director General of the PhilSA in accordance
25 with existing government budgeting, accounting and auditing rules and regulations.

26 **SECTION 21. Use of Income.** – The budget of PhilSA, based on an annual
27 appropriation from Congress, shall ensure that it has the financial and human resources
28 necessary to fulfill its assigned responsibilities under this Act. The PhilSA shall also be
29 authorized to use one-hundred percent (100%) of its income, donations, bequests,
30 grants, and all sums which may be appropriated for upgrading its physical and human

1 resources, for the conduct of its activities, and for the augmentation of its budget in
2 case of shortfalls. Seventy-five percent (75%) of its income shall be retained for the
3 upgrading of its equipment and physical facilities and the remaining twenty-five percent
4 (25%) shall be remitted to the National Treasury. The PhilSA may also solicit, receive
5 and retain donations, bequests, and grants.

6 **SECTION 22. *Philippine Space Development Fund.*** – There is hereby created the
7 Philippine Space Development Fund to be used exclusively for the PhilSA. The Philippine
8 Space Development Fund shall be administered by the Director General of the PhilSA in
9 accordance with existing government budgeting, accounting and auditing rules and
10 regulations. The Philippine Space Development Fund shall be sourced from the
11 following:

12 (a) The amount of ten billion pesos (P 10,000,000,000.00) to be taken from the
13 share of the National Government in the gross income of the Philippine
14 Amusement and Gaming Corporation (PAGCOR) and the Bases Conversion and
15 Development Authority (BCDA) For five (5) years after the effectivity of this Act,
16 an amount of two billion pesos (P 2,000,000,000.00) per year shall be released
17 to the PhilSA. The entire amount of ten billion pesos (P 10,000,000,000.00),
18 including any interest income thereon, shall be used exclusively for capital
19 outlay.

20 (b) Income from specialized products, services, and royalties produced by the
21 PhilSA.

22 (c) Loans, contributions, grants, bequests, gifts, and donations whether from local or
23 foreign sources. *Provided,* That acceptance of grants, bequests, contributions
24 and donations from foreign governments shall be subject to the approval of the
25 President upon the recommendation of the Director General of the PhilSA
26 through the Philippine Space Council.

27 **SECTION 23: National Registry of Space Objects.** - In accordance to the United
28 Nations Convention on Registration of Objects Launched into Outer Space, the
29 Philippine Space Agency shall maintain a National Registry of Space Objects which lists
30 all space objects launched under the responsibility of the Philippines as the Launching
31 State. The Philippine Space Agency shall furnish the UN Office for Outer Space
32 Affairs with information contained in the National Registry of Space Objects as required
33 under the Registration Convention.

1 **SEC. 24. Liability of the Philippines for National Space Objects.** – In
2 accordance with the United Nations Convention on International Liability for Damage
3 Caused by Space Objects and other similar international laws, the Philippine
4 government shall take responsibility for damages caused by space objects registered in
5 the Philippines' National Registry of Space Objects. This shall take into effect upon
6 ratification of the Liability Convention and Registration Convention by the Philippine
7 government.

8 **SECTION 25. Appropriations.** – The sum of One Billion Pesos (PHP
9 1,000,000,000.00) is hereby appropriated as initial operating fund of the PhilSA, taken
10 from the current fiscal year's appropriation of the Office of the President. Thereafter,
11 the amount needed for the operation and maintenance of the PhilSA shall be included in
12 the General Appropriations Act.

13 **SECTION 26. Implementing Rules and Regulations.** – Within ninety (90) days
14 from the effectivity of this Act, PhilSA, in coordination with DBM, CSC and other relevant
15 government agencies, shall promulgate the necessary rules and regulations for the
16 effective implementation of this Act.

17 **SECTION 27. Separability Clause.** – Should any provision herein be declared
18 unconstitutional, the same shall not affect the validity of the other provisions of this Act.

19 **SECTION 28. Repealing Clause.** – All laws, decrees, orders, rules, and regulations or
20 other issuances or parts inconsistent with the provisions of this Act are hereby repealed
21 or modified accordingly.

22 **SECTION 29. Effectivity.** – This Act shall take effect fifteen (15) days after
23 publication in the Official Gazette or in any two (2) newspapers of general circulation in
24 the Philippines.

25 *Approved,*