

COMMITTEE REPORT NO. 476 '18 SEP 20 P3:03

Prepared and submitted jointly by the Committee on Economic Affairs and Committee
on Finance. **SEP 20 2018**

Re: Senate Bill No. 2024

Recommending its approval in substitution of **Senate Bill Nos. 312** and **1411**

Sponsor: **Senator Sherwin T. Gatchalian**

MR. PRESIDENT:

The Committees on Economic Affairs and Finance, to which were referred:
Senate Bill No. 312, introduced by Senator Sonny Angara and Senator Joel Villanueva, entitled:

"AN ACT CREATING THE BEHNHAM RISE DEVELOPMENT AUTHORITY (BRDA), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES"

and **Senate Bill No. 1411**, introduced by Senator Antonio "Sonny" F. Trillanes IV, entitled:

"AN ACT CREATING THE BENHAM RISE DEVELOPMENT COMMISSION (BRDC), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES"

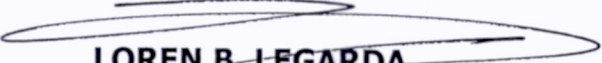
have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, **Senate Bill No. 2024** entitled:

**"AN ACT CREATING THE PHILIPPINE RISE DEVELOPMENT
AUTHORITY (PRDA), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING
FUNDS THEREFOR AND FOR OTHER PURPOSES"**

be approved in substitution of **Senate Bill Nos. 312** and **1411**, with **Senators Angara, Villanueva, Trillanes**, and **Gatchalian** as authors thereof.

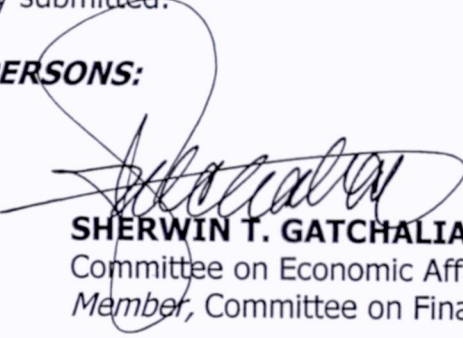
Respectfully submitted:

CHAIRPERSONS:



LOREN B. LEGARDA

Committee on Finance



SHERWIN T. GATCHALIAN

Committee on Economic Affairs;
Member, Committee on Finance

VICE CHAIRPERSONS:

JOEL VILLANUEVA

Committee on Economic Affairs;
Member, Committee on Finance


PAOLO BENIGNO "Bam" AQUINO IV

Committee on Finance



JOSEPH VICTOR G. EJERCITO

Committee on Finance;
Member, Committee on Economic Affairs



SONNY M. ANGARA

Committee on Finance

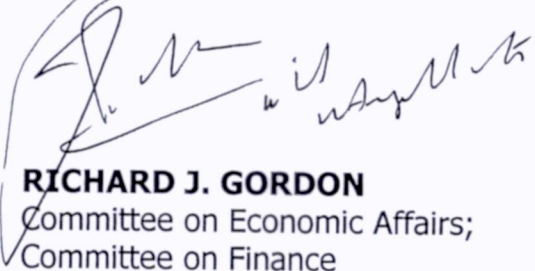


PANFILO M. LACSON

Committee on Finance

CYNTHIA A. VILLAR


Committee on Finance



RICHARD J. GORDON


Committee on Economic Affairs;
Committee on Finance

MEMBERS:



RISA HONTIVEROS

Committee on Finance

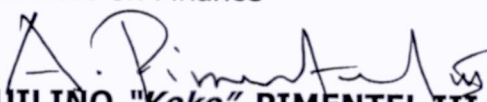


MARIA LOURDES NANCY S. BINAY

Committee on Economic Affairs;
Committee on Finance

GRACE POE

Committee on Finance



AQUILINO "Koko" PIMENTEL III

Committee on Economic Affairs;
Committee on Finance

GREGORIO B. HONASAN II

Committee on Finance

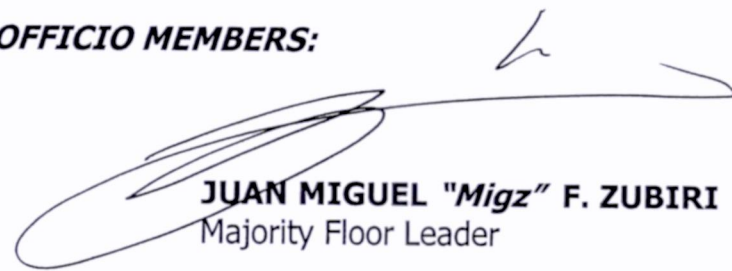
FRANCIS "Kiko" PANGILINAN
Committee on Economic Affairs;
Committee on Finance



ANTONIO "Sonny" P. TRILLANES IV
Committee on Economic Affairs;
Committee on Finance

FRANCIS "Chiz" G. ESCUDERO
Committee on Economic Affairs;
Committee on Finance

EX-OFFICIO MEMBERS:

RALPH G. RECTO
President Pro-Tempore


JUAN MIGUEL "Migz" F. ZUBIRI
Majority Floor Leader


FRANKLIN M. DRILON
Minority Floor Leader

VICENTE C. SOTTO III
President
Senate of the Philippines

SENATE BILL No. 2024



Senate
Office of the Secretary

(In Substitution of Senate Bill Nos. 312 and 1411)

18 SEP 20 P 3:04

Prepared and submitted by the Committees on Economic Affairs and Finance with Senators Angara, Villanueva, Trillanes, and Gatchalian as authors thereof

AN ACT
CREATING THE PHILIPPINE RISE DEVELOPMENT AUTHORITY (PRDA),
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR
AND FOR OTHER PURPOSES

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

1 Section 1. *Short Title.* – This Act shall be known as the "Philippine Rise
2 Development Authority Act" or "PRDA Act".

3
4 Sec. 2. *Declaration of Policy.* – It is hereby declared a policy of the State to
5 tap and accelerate the sound management and sustainable development of the
6 Philippine Rise, particularly on its potential to be a rich source of alternative energy
7 and marine resources, and as a possible tourism destination. Towards this end, an
8 effective institutional mechanism with due regard to the precautionary principle, as
9 well as ecosystem-based and science-based approaches, shall be established to
10 address the need for a coordinated and integrated approach in the formulation and
11 implementation of various development plans, programs, and projects that will
12 optimize the full potential of the Philippine Rise while conserving its ecology and
13 resources for the benefit of future generations.

14
15 Sec. 3. *Creation of the Philippine Rise Development Authority.* – There is
16 hereby created a body corporate to be known as the Philippine Rise Development
17 Authority, hereinafter referred to as the Authority, which shall promote, coordinate
18 and facilitate the active and extensive participation of all sectors to effect the

1 exploration, study, and development, as well as the conservation and protection, of
2 the natural resources within the Philippine Rise.

3
4 The Authority shall also be the lead agency in conducting scientific research
5 and exploration and shall secure the rights of the State over the area. Explorations
6 must be done in partnership with the Department of Environment and Natural
7 Resources–Biodiversity Management Bureau (DENR-BMB), Department of
8 Agriculture–Bureau of Fisheries and Aquatic Resources (DA-BFAR), and academic
9 institutions with the necessary competence to conduct rigorous and comprehensive
10 studies in the Philippine Rise area.

11
12 The Authority shall be organized within one hundred eighty (180) days after
13 the approval of this Act. It shall have a term of fifty (50) years from its organization
14 and may be renewed for another fifty (50) years, unless otherwise provided by law.
15 It shall be an attached agency to the Office of the President. It shall establish its first
16 office in the Aurora Pacific Economic and Freeport Zone and may put up such other
17 offices as may be necessary to achieve the objectives of this Act.

18
19 *Sec. 4. Coverage.* – The PRDA shall cover all natural resources located in the
20 undersea feature known as the Philippine Rise Region, within the Philippine exclusive
21 economic zone and continental shelf, as well as the outer limits of the extended
22 continental shelf pursuant to the recommendations of the Commission on the Limits
23 of the Continental Shelf (CLCS) issued on April 12, 2012, and bounded by the
24 coordinates 12^o30'N to 20^o30'N latitude and 122^o30'E to 129^o30'E longitude, excluding
25 the fifteen-kilometer municipal waters of adjacent coastal areas.

26
27 *Sec. 5. Powers and Functions of the Philippine Rise Development Authority.* –
28 In the exercise of its mandate, the Authority shall have the following powers and
29 functions:

- 30
31 a) Formulate and advocate national policies that will foster the integrated,
32 balanced, and sustainable development framework for the Philippine

1 Rise that is consistent with the development initiatives of the national
2 government, as far as practicable;

3
4 b) Develop, plan, program, prioritize, integrate, and implement, whenever
5 allowed and authorized by applicable laws, programs, projects, and
6 activities at the Philippine Rise;

7
8 c) Recommend to or coordinate with the proper government agencies
9 programs, projects, and activities soliciting or requiring their direct or
10 indirect assistance including, but not limited to, technical support and
11 physical assistance for the prioritization of the region's environmental,
12 agricultural, fisheries, marine and non-marine biodiversity, energy,
13 industrial, commercial, infrastructure, tourism, technological, and
14 scientific concerns;

15
16 d) Review Philippine Rise programs, projects, and activities by the national
17 government and donor agencies, subject to existing laws, rules, and
18 regulations, for the purpose of ensuring consistency with national
19 policies and plans, as well as monitor, evaluate, and formulate
20 recommendations in the implementation of such programs, projects, and
21 activities;

22
23 e) Establish a complete, comprehensive, and integrated database on the
24 Philippine Rise prior to the conduct of any exploration activities,
25 whenever possible. For this purpose, the Authority may coordinate with
26 academic institutions concerned to conduct comprehensive survey and
27 assessment and generate resource map of the Philippine Rise which shall
28 be the underlying foundation for all policy and management decisions;

29
30 f) Create an area research plan and coordinate research initiatives and
31 exploration in the Philippine Rise region, establish a repository of

1 research data, and provide incentives for such research and exploration
2 activities;

3
4 g) Promote the protection and conservation of important marine
5 biodiversity and fishery resources, including marine genetic resources,
6 which are important for ensuring climate change resiliency and food
7 security;

8
9 h) Promote and facilitate public and private investments that would
10 enhance the integrated, balanced, and sustainable development of the
11 Philippine Rise, and explore other sources of financing for priority
12 Philippine Rise related programs, projects, and activities, in close
13 coordination with agencies primarily mandated to undertake such
14 functions;

15
16 i) Receive and administer donations, contributions, grants, bequests, or
17 gifts, in cash or in kind, from foreign governments, international
18 agencies, private entities, and other sources, including Official
19 Development Assistance, subject to existing laws, rules, and regulations;

20
21 j) Sue and be sued, and as approved by the Board, enter into contracts,
22 acquire, purchase, hold, lease, transfer, or dispose of properties of any
23 kind or nature to carry out the purposes of this Act;

24
25 k) Issue clearances, including the necessary rules and standards, for all
26 proposals, plans, programs, projects, or any activity involving the
27 Philippine Rise Region including, but not limited to, marine science
28 research, exploration, and exploitation, whether conducted by Filipino or
29 foreign nationals, in accordance with Sec. 7 of this Act;

30
31 l) Request the President of the Philippines and other government agencies
32 for any needed assistance in the enforcement of all applicable laws,
33 rules, and regulations, the exploration and scientific study of the entire

1 region, the sustainable exploitation of its natural bounties, and the
2 protection of national security and national interests, including law
3 enforcement against illegal intruders and poachers; and

- 4
5 m) Discharge such other functions as may be deemed necessary to carry
6 out its mandate under this Act or as may be provided by law.

7
8 The Authority, through its Administrator, shall submit to the President and
9 both Houses of Congress annual reports on its accomplishments and activities.

10
11 Sec. 6. *Board of Directors.* – The power of the Authority shall be vested in
12 and exercised by a Board of Directors, hereinafter referred to as the Board, which
13 shall manage and supervise the overall directions and thrusts. It shall be composed
14 of the following:

- 15
16 a) The President of the Philippines who shall act as the Chairperson of the
17 Board;
- 18
19 b) The Administrator of the Philippine Rise Development Authority who shall
20 act as the Vice-Chairperson of the Board; and
- 21
22 c) Thirteen (13) other members composed of the following:
- 23 1. The NEDA Director-General or the duly authorized representative;
 - 24 2. The Department of Environment and Natural Resources (DENR)
25 Secretary or the duly authorized representative;
 - 26 3. The Department of Energy (DOE) Secretary or the duly authorized
27 representative;
 - 28 4. The Department of Agriculture (DA) Secretary or the duly authorized
29 representative;
 - 30 5. The Department of Health (DOH) Secretary or the duly authorized
31 representative;
 - 32 6. The Department of Education (DepEd) Secretary or the duly authorized
33 representative;

- 1 5. The Department of Science and Technology (DOST) Secretary or the
2 duly authorized representative;
- 3
- 4 6. The Department of Finance (DOF) Secretary or the duly authorized
5 representative;
- 6
- 7 7. The Department of Budget and Management (DBM) Secretary or the
8 duly authorized representative;
- 9
- 10 8. The Department of National Defense (DND) Secretary or the duly
11 authorized representative;
- 12
- 13 9. The Department of Foreign Affairs (DFA) Secretary or the duly
14 authorized representative;
- 15
- 16 10. The Department of Transportation (DOTr) Secretary or the duly
17 authorized representative;
- 18
- 19 11. The National Coast Watch Council (NCWC) Executive Director or the duly
20 authorized representative;
- 21
- 22 12. The National Security Council (NSC) National Security Adviser and
23 Director General or the duly authorized representative; and
- 24
- 25 13. The University of the Philippines (UP) President or the duly authorized
26 representative.

27 The members of the Board shall receive a per diem at a rate to be determined
28 by the Governance Commission for Government Owned or Controlled Corporations
29 (GCG), in accordance with existing rules and regulations: *Provided, however,* That the
30 per diem collected per month does not exceed the equivalent per diem of four (4)
31 meetings: *Provided, further,* That the amount of per diem for every Board meeting
32 may be increased by the President or GCG but such amount shall not be increased
33 within two (2) years from its last increase.

1 The Board shall have the following functions:
2

- 3 a) Provide direction and guidance for the Authority's work and thrusts for the
4 Philippine Rise;
- 5
6 b) Ensure that the goals and policies of the Authority are consistent with the
7 overall national development goals and objectives, and that the programs
8 of the Authority are consistent with regional and local development plans,
9 programs, and projects, and vice versa, for purposes of harmonization;
10
- 11 c) Explore sources for financing of priority Philippine Rise plans, programs,
12 projects, and activities;
- 13
14 d) Create committees or task forces as may be deemed necessary in the
15 accomplishment of its functions;
- 16
17 e) Determine schedules, establish voting procedures, criteria for the
18 constitution of a quorum, and other rules and regulations in the conduct
19 of Board meetings;
20
- 21 f) Approve contracts and enter into agreements to carry out the purposes of
22 this Act, except when authority to sign such contracts and/or agreements
23 is vested in a specific government officer or entity; and
24
- 25 g) Perform such other functions as may be necessary to carry out the
26 purposes of this Act.

27
28 *Sec. 7. Issuance of Clearances by the Authority.* – No proposals, plans,
29 programs, projects, or activities involving the Philippine Rise Region including, but not
30 limited to, marine science research, exploration, and exploitation, whether conducted
31 by Filipino and foreign nationals, shall be carried out, nor shall any license or permit
32 be issued in relation to the same, without the clearance of the Authority.

1 The Authority shall issue the necessary clearance for all approved proposals,
2 plans, programs, projects, or activities within twenty (20) calendar days from
3 submission thereof. In cases where the Authority fails to act within the same 20-day
4 period, the submissions shall be deemed approved. Any decision of disapproval by
5 the Authority may be appealed within fifteen (15) calendar days from receipt thereof
6 to the Office of the President whose decision shall be final.

7
8 The Authority shall issue rules and standards concerning the clearance required
9 under this section: *Provided, that,* Such clearance must be secured before all other
10 permits and/or licenses required under existing and applicable laws shall be issued:
11 *Provided, further,* That the grant or denial of an application for clearance shall be
12 made on the basis of this Act, other laws and regulations applicable to the Philippine
13 Rise, and the integrated, balanced, and sustainable development framework
14 formulated under Sec. 5(a) of this Act.

15
16 *Sec. 8. Accrual of Revenues and Receipts to the General Fund. —* All revenues
17 and receipts from any and all sources including the government share representing
18 royalties, rentals, production share on service contracts, and similar payments on the
19 development, exploration, and exploitation of energy resources within the Philippine
20 Rise shall be remitted to the National Treasury and shall accrue to the General Fund.

21
22 *Sec. 9. Advisory Panel of Technical Experts. —* The Authority shall constitute
23 an advisory panel of technical experts consisting of practitioners in disciplines that are
24 related to oil and gas extraction and processing, hydrography, marine ecology,
25 surveying, hydrology, including, but not limited to, oceanography.

26
27 The Advisory Panel shall perform research and development and provide
28 technical advice to the Authority in maritime science, technologies, and best practices
29 for the extraction and development of oil and gas fields.

30
31 The Authority shall set the qualifications and compensation for the technical
32 experts. It shall provide resources for the operations and activities of the Advisory
33 Panel.

1 Sec. 10. *Administrator.* – The Authority shall have an Administrator who shall
2 be appointed by the President of the Philippines, upon recommendation of the Board.
3 The Administrator shall serve a term of six (6) years from the date of his/her
4 appointment unless sooner separated from service due to death, voluntary
5 resignation, or removal for cause: *Provided,* That no person shall be appointed as
6 Administrator unless he/she is a Filipino citizen, holder of a degree in law or a masters
7 degree in any of the following fields: economics, business, public administration, law,
8 management, or their equivalent, and have at least ten (10) years of relevant
9 experience in said fields: *Provided, further,* That he/she shall be a resident of the
10 Philippines for at least five (5) years before the appointment.

11
12 Sec. 11. *Powers and Duties of the Administrator; Secretariat.* – The
13 Administrator shall have the following powers and duties:

- 14
15 a) Direct and manage the affairs of the Authority in accordance with the
16 policies of the Board;
17
18 b) Call and preside over meetings of the Board in the absence of the
19 Chairperson, and supervise and direct its Secretariat;

20
21 A Secretariat is hereby established to serve and assist the Board in the
22 effective implementation of this Act. The Head of the Secretariat shall be
23 appointed by the Administrator upon recommendation by the Board:
24 *Provided,* That no person shall be appointed as Head of the Secretariat
25 unless he/she is a Filipino citizen, holder of a degree in any of the
26 following fields: economics, business, public administration, law,
27 management, or their equivalent, and have at least five (5) years of
28 relevant experience in said fields: *Provided, further,* That he/she shall be
29 a resident of the Philippines for at least five (5) years prior to his/her
30 appointment and has the requisite eligibilities for third level career
31 service position pursuant to the career executive rank system;

- 1 c) Ensure the proper implementation of applicable policies, programs, and
2 rules and regulations, including the resolutions of the Board;
3
- 4 d) Identify solutions to key issues and concerns, taking into account related
5 risks, affected parties, and impact, in coordination with the Board and
6 key stakeholders;
7
- 8 e) Advocate the Authority's work among the various concerned sectors and
9 stakeholders;
10
- 11 f) Call on any agency, group, individual member of the Board, local
12 government unit, and host community to address issues and concerns
13 relating to the implementation of major programs, projects, and
14 activities;
15
- 16 g) Supervise the monitoring and timely implementation of Philippine Rise
17 related programs, projects, and activities;
18
- 19 h) Endorse to the Board all policy recommendations, plans, and programs
20 for approval;
21
- 22 i) Accept, on behalf and upon approval of the Authority, donations,
23 contributions, grants, gifts, bequests, or devises, in cash or in kind, from
24 members, foreign governments, international agencies, private entities,
25 or any individual for purposes that will realize the functions of the
26 Authority;
27
- 28 j) Supervise administrative operations, including disbursement of any fund
29 of the Authority, subject to the usual accounting and auditing
30 procedures, and submit reports thereon;
31
- 32 k) Execute and administer the policies and measures approved by the
33 Board;
34

- 1 l) Appoint all employees of the Authority, and remove, dismiss, or
2 otherwise discipline for cause, such employees in accordance with the
3 standard guidelines for recruitment, employment, and discipline under
4 civil service law, rules, and regulations;
5
6 m) Represent the Authority in all dealings with other offices, agencies, and
7 instrumentalities of the government and with all persons and entities,
8 public or private;
9
10 n) Sign agreements and/or contracts, on behalf of the Authority and upon
11 the Board's approval, including those for expert and consultant services
12 and other reports of accountabilities emanating from the Authority,
13 except when authority to sign such agreements, contracts, or reports is
14 vested in a specific government entity; and
15
16 o) Perform such other functions that the Board may direct to carry out the
17 provisions of this Act or which are necessary or incidental to his/her
18 office.

19
20 Sec. 12. *Organizational Structure.* — The Administrator shall determine the
21 organizational structure, staffing pattern, and pay scales of the Authority subject to
22 existing civil service and compensation laws. Subject to the approval of the Board,
23 the Administrator may reorganize the Authority and may create or abolish divisions,
24 units, or branches therein as the exigencies of the affairs of the Authority may require.

25
26 Sec. 13. *Merit System.* — All officials and employees of the Authority shall be
27 selected and appointed on the basis of merit and fitness in accordance with civil
28 service law, rules, and regulations. The recruitment, transfer, promotion, and
29 dismissal of all its personnel, including temporary workers, shall be governed by a
30 merit system that will be established by the Authority in compliance with existing
31 laws, rules, and regulations.
32

1 Sec. 14. *Appropriations.* – Such amounts necessary to finance the initial
2 implementation of this Act shall be sourced from the unprogrammed funds in the
3 current General Appropriations Act (GAA). Thereafter, such amounts necessary for its
4 continued implementation shall be included in the annual GAA.

5
6 Sec. 15. *Implementing Rules and Regulations.* – The Authority, subject to the
7 approval of the Board and in consultation with other stakeholders shall, within sixty
8 (60) days from the date of effectivity of this Act, promulgate and publish the rules and
9 regulations for the effective and faithful implementation of this Act: *Provided,* That
10 the failure of the promulgation of the said rules and regulations shall not prevent the
11 implementation of this Act upon its effectivity.

12
13 Sec. 16. *Separability Clause.* – If any portion or provision of this Act is
14 subsequently declared invalid or unconstitutional, other provisions hereof which are
15 not affected thereby shall remain in full force and effect.

16
17 Sec. 17. *Repealing Clause.* – All other laws, acts, presidential decrees,
18 executive orders, presidential proclamations, issuances, rules and regulations, or parts
19 thereof which are contrary to or inconsistent with any of the provisions of this Act are
20 hereby repealed, amended, or modified accordingly.

21
22 Sec. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its
23 publication in the Official Gazette or in at least two (2) newspapers of general
24 circulation.

25
26 Approved,