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SENATE  
P.S. Res. No. 93

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Introduced by **SENATOR LEILA M. DE LIMA**

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**RESOLUTION**

**URGING PRESIDENT RODRIGO ROA DUTERTE TO CANCEL THE DEVELOPMENT AGREEMENTS INVOLVING FUGA, GRANDE, AND CHIQUITA ISLANDS, AS WELL AS ANY OTHER LOCATION OF SIGNIFICANT STRATEGIC MARITIME SECURITY IMPORTANCE, TO PROTECT OUR COUNTRY FROM RISKS POSED BY AGGRESSIVE MILITARY ACTIVITIES BY THE PEOPLE'S REPUBLIC OF CHINA IN THE ASIA-PACIFIC REGION**

WHEREAS, the 1987 Constitution, Article II, Section 7 states that "[t]he State shall pursue an independent foreign policy. In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination";

WHEREAS, on 5 August 2019, it was reported that Chinese investors are targeting three strategic islands in northern Philippines for transformation into economic and tourism zones, namely: Fuga in Cagayan province, and adjacent Grande and Chiquita in Subic Bay, Zambales province<sup>1</sup>;

WHEREAS, Fuga Island, part of the country's second northernmost island group, provides access to the Pacific Ocean and the South China Sea, while Subic Bay is just 260 kilometers from Panatag Shoal that China seized from the Philippines in 2012<sup>2</sup>;

WHEREAS, according to Philippine Navy Spokesperson Capt. Jonathan Zata, Fuga and all other features in the Batanes Group of Islands are considered "strategic features" because "it can potentially control access to Luzon Strait"<sup>3</sup>;

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<sup>1</sup> Mangosing, Francis. *Chinese investors eye 3 PH isles*. Inquirer.net (5 August 2019). Retrieved from: <https://globalnation.inquirer.net/178612/chinese-investors-eye-3-ph-isles>

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

WHEREAS, Fuga Island is also considered “unique” by the Navy for its private airfield on one of the adjacent islets and lies astride a telecommunications submarine cable connecting the country with mainland Asia<sup>4</sup>;

WHEREAS, Grande and Chiquita are located on the mouth of Subic Bay, home to a free port zone and former US Navy base<sup>5</sup>;

WHEREAS, Defense Secretary Delfin Lorenzana said his office was “not also consulted when it was offered to the Chinese for development into a tourist destination”<sup>6</sup>;

WHEREAS, the Cagayan Economic Zone Authority revealed that there is a memorandum of understanding (MOU) with Xiamen-based Fong Zhi Enterprise Corp. to develop a \$2-billion Smart City in Fuga Island, to be patterned after the Chinese firm’s ongoing mega infrastructure project in Fujian province in China<sup>7</sup>;

WHEREAS, as part of the deals signed last April 2019, during President Duterte’s visit to Beijing in April for the Belt and Road Initiative forum, GFTG Property Holdings and Sanya CEDF Sino-Philippine Investment Corp. forged an agreement for a \$298-million project to develop the adjacent Grande and Chiquita islands under the Subic Bay Metropolitan Authority<sup>8</sup>;

WHEREAS, the Philippine Navy urged the proper authorities to consider that the important features and locations of the said islands “are essential in maintaining our strategic maritime security”<sup>9</sup>;

WHEREAS, Armed Forces of the Philippines (APF) spokesman B/Gen. Edgard Arevalo warned that plans by the government to allow Chinese investors to develop 3 tiny but strategic islands could “compromise” Manila’s security<sup>10</sup>;

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<sup>4</sup> *Ibid.*

<sup>5</sup> Zambrano, Chiara. *Navy raises alarm over alleged China-backed development of 3 islands*. ABS-CBN News (5 August 2019). Retrieved from: <https://news.abs-cbn.com/news/08/05/19/navy-raises-alarm-over-alleged-china-backed-development-of-3-islands>

<sup>6</sup> *Ibid.*

<sup>7</sup> Punongbayan, Michael. *DND concerned over Chinese plan to develop Philippine islands*. Philstar.com (6 August 2019). Retrieved from: <https://www.philstar.com/headlines/2019/08/06/1941024/dnd-concerned-over-chinese-plan-develop-philippine-islands>

<sup>8</sup> Mangosing. *Supra.*

<sup>9</sup> Punongbayan, *Supra.*

<sup>10</sup> *Philippine military warns on Chinese investment in key islands*. Rappler (6 August 2019). Retrieved from: <https://www.rappler.com/nation/237224-philippine-military-warns-chinese-investment-key-islands>



WHEREAS, apart from the islands, Arevalo said the military was “definitely alarmed” at the rise in the number of Chinese workers in the country, including “reports that tourists are taking pictures of our naval installations”<sup>11</sup>;

WHEREAS, a Chinese presence in the said islands would allow unrestricted access to both the Pacific Ocean and the South China Sea and could drag the Philippines in possible conflicts with Taiwan and Japan;

WHEREAS, China is sparking conflicts with countries around the South China Sea as it builds artificial islands thereat as military outposts<sup>12</sup>;

WHEREAS, Secretary Lorenzana was reported saying that if there is someone who is stirring up trouble in the West Philippine Sea, it is the Chinese, with their aggressive island building and militarizing artificial islands<sup>13</sup>;

WHEREAS, Secretary Lorenzana doubts the claim of China that they were merely building their military for self-defense, saying “a defensive capability can be turned into offensive capability in an instant”<sup>14</sup>;

WHEREAS, it was reported on 8 August 2019 that the Philippines may cancel the planned development of three islands backed by China if found to be a threat to national security, with Presidential Spokesperson Salvador Panelo quoted saying that, “*Hindi tayo papayag kung security threat*”<sup>15</sup>;

WHEREAS, no amount of guarantee of good behavior nor promise of economic gain from China would justify placing our country at risk by allowing foreign presence in strategic locations, especially by a government that has repeatedly expressed their claim over our territorial waters, as well as those of our neighboring states;

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<sup>11</sup> *Ibid*

<sup>12</sup> Kuronuma, Susumu. *Japan, US and Australia push back on China's South Pacific expansion*. Nikkei Asian Review. (3 July 2019). Retrieved from: <https://asia.nikkei.com/Politics/International-relations/Japan-US-and-Australia-push-back-on-China-s-South-Pacific-expansion>

<sup>13</sup> Wakefield, Francis. *Lorenzana: It's China stirring trouble in South China Sea*. Manila Bulletin (14 April 2019). <https://news.mb.com.ph/2019/04/14/lorenzana-its-china-stirring-trouble-in-south-china-sea/>

<sup>14</sup> *Lorenzana to China: What are Chinese research vessels, warships doing in our waters?* ABS-CBN News (9 August 2019). Retrieved from: <https://news.abs-cbn.com/news/08/09/19/lorenzana-to-china-what-are-chinese-research-vessels-warships-doing-in-our-waters>

<sup>15</sup> Merez, Arianne. *Palace: PH to reject China-backed island development if security threat found*. ABS-CBN News. (8 August 2019). Retrieved from: <https://news.abs-cbn.com/news/08/08/19/palace-ph-to-reject-china-backed-island-development-if-security-threat-found>

WHEREAS, increasing China's presence in our coasts would spark regional instability and cause international tension that could hamper our economic development and endanger our countrymen;

WHEREAS, it does not matter whether the development is commercial in nature as it would be easy to convert these locations to military assets and force them to serve military purposes;

WHEREAS, there is already sufficient basis to support the immediate cancellation of these development agreements;

WHEREAS, with claims from no less than our top military officials that Chinese presence in these strategic border islands would pose, if not guarantee, security risks to our country, President Duterte should go ahead and immediately cancel these development agreements with Chinese firms involving these islands;

**NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED,** to urge President Rodrigo Roa Duterte to cancel the development agreements involving Fuga, Grande, and Chiquita islands, as well as any other location of significant strategic maritime security importance, to protect our country from risks posed by aggressive military activities by the People's Republic of China in the Asia-Pacific Region.

Adopted,

  
LEILA M. DE LIMA