



Senate

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SENATE

RECEIVED BY:

P. S. Res. No. 187

Introduced by Senator Ralph G. Recto

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SAFE PHILIPPINES PROJECT, WITH THE END IN VIEW OF MITIGATING POTENTIAL RISKS TO NATIONAL SECURITY OR PUBLIC INTEREST ARISING FROM FOREIGN-ASSISTED PROJECTS CONTRACTED BY THE PHILIPPINE GOVERNMENT

1 WHEREAS, the Constitution provides that the maintenance of peace and order,
2 the protection of life, liberty, and property, and promotion of the general welfare are
3 essential for the enjoyment by all the people of the blessings of democracy;

4 WHEREAS, the Department of the Interior and Local Government (DILG) seeks
5 to improve the capabilities of the department and local government units towards
6 collaborative and more efficient management of public order, security, and safety
7 through the Safe Philippines Project;

8 WHEREAS, the Safe Philippines Project is conceived as a seamless integration
9 of emergency, crisis and disaster management system; law enforcement system;
10 traffic and fire management system; and peace and order, and public safety
11 management system that is shared among key government agencies, which could
12 help in providing swift, timely, accurate, and life-saving interventions and resolutions;

13 WHEREAS, the Safe Philippines Project promises to make use of available
14 modern information and communications technology (ICT)-driven subsystems and
15 solutions in the operationalization of a "video surveillance system linked via dedicated
16 communications infrastructure," an "integrated operations and command center for
17 National 911 Public Safety Answering Point" and "eighteen (18) city-level command
18 centers in Metro Manila and Davao City";

1 WHEREAS, the Secretary of the Interior and Local Government claimed that
2 with the Safe Philippines Project, the DILG can reduce crime by fifteen percent (15%)
3 and improve response time by twenty percent (20%);

4 WHEREAS, the initial implementation phase of the Safe Philippines Project is
5 estimated to cost around Twenty Billion Three Hundred Thirteen Million Nine Hundred
6 Twenty Thousand Pesos (P20,313,920,000.00), which would be financed and
7 implemented through an official development assistance by the Chinese government;

8 WHEREAS, the National Economic Development Authority (NEDA) Board
9 confirmed *ad referendum* the NEDA – Investment Coordination Committee approval
10 of the Safe Philippines Project on January 26, 2018;

11 WHEREAS, the Chinese Embassy transmitted on July 19, 2018 a short-list of
12 Chinese companies recommended by the Chinese Ministry of Commerce, which
13 includes: 1) consortium of Huawei Technologies Co., Ltd., Huawei Technologies Phils.,
14 Inc., and China Electronics Technology Group Corporation; 2) China International
15 Telecommunication Construction Corporation (CITCC); and 3) China Machinery
16 Engineering Corporation;

17 WHEREAS, the DILG transmitted on September 20, 2018 an approved budget
18 cost for the Safe Philippines Project to facilitate the loan application and negotiation
19 for the project to the Department of Finance;

20 WHEREAS, the Notice of Award for the Safe Philippines Project was issued on
21 November 16, 2018 in favor of CITCC;

22 WHEREAS, the supply contract was signed on November 19, 2018 between the
23 DILG and CITCC;

24 WHEREAS, the exchange of signed commercial contract between the DILG and
25 CITCC was witnessed on November 20, 2018 by President Rodrigo Duterte and
26 Chinese President Xi Jinping;

27 WHEREAS, a portion of the implementation cost for Safe Philippines Project has
28 been included under the Unprogrammed Appropriations in the National Expenditure
29 Program for Fiscal Year 2020;

30 WHEREAS, notwithstanding the issuance of the National Security Adviser of a
31 Certificate of No Security Issue in relation to the Safe Philippines Project Contractor,

1 recent developments placed considerable security risk in employing Chinese citizens,
2 corporation and organizations to implement government programs and projects;

3 WHEREAS, Article 7 of the National Intelligence Law of the People's Republic
4 of China mandates all Chinese organizations and citizens to cooperate with, collaborate
5 in, and guard the secrecy of, the Chinese national intelligence work, with a promise
6 that the Chinese State will protect the individuals and organizations that support,
7 cooperate with and collaborate in such undertaking;

8 WHEREAS, Article 12 of the National Intelligence Law of the People's Republic
9 of China allows Chinese intelligence agencies to establish cooperative relationships
10 with relevant individuals and organizations, and to commission the latter to carry out
11 relevant assignments;

12 WHEREAS, Article 14 of the National Intelligence Law of the People's Republic
13 of China authorizes Chinese intelligence agencies to demand necessary support,
14 assistance and cooperation from relevant institutions, organizations and citizens;

15 WHEREAS, Chinese companies and individuals have also been allegedly
16 involved in espionage and hacking activities over the recent years;

17 WHEREAS, the primary equipment supplier of the winning contractor for the
18 Safe Philippines Project – Phase 1, Huawei Technologies Co. Ltd., has been
19 increasingly embroiled in issues concerning national security and data protection;

20 WHEREAS, Huawei Technologies Co. Ltd., among other Chinese companies,
21 have been accused of causing, abetting, or enabling a technological backdoor that
22 surreptitiously channeled vast amounts of data from computer servers in the African
23 Union Building to "servers in Shanghai" from January 2012 until it was discovered in
24 January 2017;

25 WHEREAS, the Chief Financial Officer of Huawei Technologies Co. Ltd. was
26 apprehended in Canada in December 2018 for allegedly helping the company
27 circumvent the economic sanctions imposed by the United States against Iran;

28 WHEREAS, a former sales director of Huawei Technologies Co. Ltd in charge
29 with public sector clients in Poland was arrested in January 2019, along with a former
30 Polish security official currently employed by a European cellular service provider, on
31 charges of espionage;

1 WHEREAS, there is a mounting concern that China may be using Huawei
2 Technologies Co. Ltd as a proxy in Chinese intelligence operations or as a conduit to
3 access sensitive networks;

4 WHEREAS, countries like the United States, Japan, Australia, and New Zealand
5 have already banned public procurement of equipment from Huawei Technologies Co.
6 Ltd., or have blocked the latter from developing their country's ICT infrastructure due
7 to "rising security concerns";

8 WHEREAS, Republic Act No. 10175, otherwise known as the "Cybercrime
9 Prevention Act of 2012," recognizes the need to protect and safeguard the integrity of
10 computer, computer and communications systems, networks, and databases, and the
11 confidentiality, integrity, and availability of information and data stored therein, from
12 all forms of misuse, abuse, and illegal access;

13 WHEREAS, the National Security Policy for 2017-2022 highlighted the need to
14 safeguard the Philippine classified action plans and programs, government intentions,
15 and state secrets from espionage and other hostile actions, and the need to shield the
16 country from computer-generated attacks that could cause massive crises in our
17 economy, banking and financial institutions, communications, and other critical
18 infrastructure;

19 WHEREAS, it is imperative that the Philippine Government review and evaluate
20 government programs and projects and their impact on national security and public
21 interest: Now, therefore, be it

22 RESOLVED BY THE SENATE, as it is hereby resolved, To direct the appropriate
23 Senate Committee to conduct an inquiry, in aid of legislation, on the Safe Philippines
24 Project, with the end in view of mitigating the potential risks to national security or
25 public interest arising from foreign-assisted projects contracted by the Philippine
26 Government.

Adopted,

/mdg


RALPH G. RECTO