

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

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P.S. RESOLUTION **127**

SENATE

Introduced by Senator Aquilino Q. Pimentel, Jr.

RESOLUTION DIRECTING THE BLUE RIBBON COMMITTEE AND THE COMMITTEE ON TRADE AND INDUSTRY TO INVESTIGATE, IN AID OF LEGISLATION, THE CIRCUMSTANCES LEADING TO THE APPROVAL OF THE BROADBAND CONTRACT WITH THE ZTE AND THE ROLE PLAYED BY THE OFFICIALS CONCERNED IN GETTING IT CONSUMMATED, AND TO MAKE RECOMMENDATIONS TO HALE TO THE COURTS OF LAW, THE PERSONS RESPONSIBLE FOR ANY ANOMALY IN CONNECTION THEREWITH AND TO PLUG LOOPHOLES, IF ANY, IN THE BOT LAW AND OTHER PERTINENT LEGISLATIONS.

WHEREAS, a so-called 'broadband contract' was entered into by the government and the ZTE Corporation on April 21, 2007 in Boao, China by Sec. Leandro Mendoza of the Department of Transportation and Communications (DOTC), on behalf of the government, and ZTE Vice President Yu Yong, on behalf of the Corporation, in the presence of Pres. Gloria Macapagal Arroyo;

WHEREAS, the contract between the government and the ZTE Corporation will reportedly cost some \$329 million, money that will be borrowed by the government from a bank or other sources from China;

WHEREAS, the contract was originally intended to be a Build Operate and Transfer (BOT); one that will not cost the people any amount as the expenses to implement the contract were supposed to be borne exclusively by the project proponent, in this case, the ZTE;

WHEREAS, as it is now bruited about in the mass media that the government will shoulder the \$329 million cost of the broad band contract for which no public bidding was made;

WHEREAS, there is a need for the people to know the real story of the players and the circumstances that led to the signing of the broadband contract;

WHEREAS, a day or so after the signing of the contract in Boao, China, incredibly the contract was reportedly lost or stolen soon thereafter;

WHEREAS, there are reports that must be verified that Chairman Benjamin Abalos of the Comelec lobbied for the approval of the broadband contract before, during and after the last election period, making his intervention in the matter not only highly suspicious but blatantly irregular, if not unlawful;

WHEREAS, the broadband contract is reportedly overpriced by at least \$100 million to take care of the "boys" who facilitated its consummation;

WHEREAS, Comelec Chair Abalos has been reportedly widely as having gone back and forth to China to meet with ZTE executives at the expense of the latter;

WHEREAS, at the very least, the norms of transparency and accountability required by the Constitution and the laws of the land appear to have been trumped by the actuations of government officials involved in the transaction;

NOW, THEREFORE, be it resolved as it is hereby resolved by the Senate in Session Assembled to direct the Blue Ribbon Committee and the Committee on Trade and Industry to investigate, in aid of legislation, the circumstances leading to the approval of the broadband contract with the ZTE and the role played by the officials concerned in getting it consummated. And after due hearing to make recommendations to hale to the Courts of Law, the persons responsible for any anomaly in connection therewith and to plug loopholes, if any, in the BOT law and other pertinent legislations.

Adopted,


AQUILINO Q. PIMENTEL, JR.