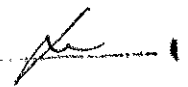


FOURTEENTH CONGRESS OF THE REPUBLIC)
 OF THE PHILIPPINES)
 Second Regular Session)

8 SEP 10 12:00

SENATE

RECEIVED BY P.S. Res. No. 625

Introduced by Sen. Antonio "Sonny" F. Trillanes IV

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS, AND OTHER APPROPRIATE COMMITTEES TO INQUIRE, LOOK INTO AND INVESTIGATE IN AID OF LEGISLATION, THE AUTHORITY GIVEN BY THE PRESIDENT OF THE REPUBLIC TO SECRETARY PETER FAVILA TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH THE ZTE INTERNATIONAL INVESTMENT LIMITED IN THE DEVELOPMENT AND IMPLEMENTATION OF VARIOUS INVESTMENT ACTIVITIES IN THE PHILIPPINES WHICH INCLUDE AMONG OTHERS THE EXPLORATION, DEVELOPMENT AND OPERATION OF MINING AREAS IN DIWALWAL WHICH CONSTITUTE A CLEAR VIOLATION OF SECTION 2, ART. XII OF THE CONSTITUTION, AND REPUBLIC ACT NO. 7942, OTHERWISE KNOWN AS 'THE PHILIPPINE MINING ACT OF 1995' WITH THE END IN VIEW OF PREVENTING SUCH UNWARRANTED ACTS FROM BEING REPEATED IN THE FUTURE

WHEREAS, on 12 July 2006, President Gloria Macapagal-Arroyo signed a Special Authority designating and authorizing Secretary Peter J. Favila of the Department of Trade and Industry to negotiate, conclude and sign, for and on behalf of the Republic of the Philippines, a Memorandum of Understanding (MOU) between the Philippine Government and the ZTE International Investment Limited of China, for the cooperation and implementation of various investment activities in the Philippines;

WHEREAS, these investment activities include, among others, the exploration, development and operation of mining areas in Diwalwal in Davao ;

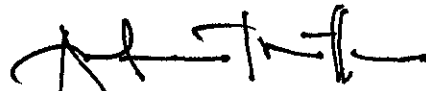
WHEREAS, the award to ZTE International Investment Limited is in clear violation of Section 2, Art. XII of the Constitution which provides that xxxxxx "The exploration, development, and utilization of natural resources shall be under the full control and supervision of the State. The State may directly undertake such activities, or it may enter into co-production, joint venture, or production-sharing agreements with Filipino citizens, or corporations or associations at least sixty *per centum* of whose capital is owned by such citizens xxxxxx";

WHEREAS, while the President is authorized under the same constitutional provision, to enter into agreements with foreign-owned corporations involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils according to the general terms and conditions provided by law, based on real contributions to the economic growth and general welfare of the country, Congress should be notified of the same within thirty days from the execution of every contract;

WHEREAS, such act of the President is in further violation of Sections 10 and 11 of DENR Administrative Order No. 96-40, with the revised implementing rules and regulations of R.A. 7942, otherwise known as the Philippine Mining Act of 1995 as the subject thereof;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved to direct the Committee on Accountability of Public Officers and Investigations, and other appropriate committees to inquire, look into, and investigate in aid of legislation, the authority given by the President of the Republic to Secretary Peter Favila to enter into a memorandum of agreement with the ZTE International Investment Limited in the development and implementation of various investment activities in the Philippines which include among others the exploration, development and operation of mining areas in Diwalwal which constitute a clear violation of Section 2, Art. XII of the Constitution and Republic Act No. 7942, otherwise known as the Philippine Mining Act of 1995, with the end in view of preventing such unwarranted acts from being repeated in the future.

ADOPTED,



ANTONIO "SONNY" F. TRILLANES IV
Senator