

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



HOUSE OF REPRESENTATIVES
House Bill No. **2960**

Introduced by Representative Ben P. Evardone
Lone District, Eastern Samar

EXPLANATORY NOTE

Presidential Decree (PD) No. 910 was promulgated at a time when distorted governance prevailed over our motherland. It entered the Philippine legal system not in accordance with the ideal democratic legislative process where laws pass upon consensus of and after careful deliberation by legislators representing their respective district or territorial constituency. It was engendered by the sole will and mind of one man who was then wielding both executive and legislative powers at the same time.

Born on March 22, 1976, fathered by former President Ferdinand E. Marcos, PD No. 910 is certainly a product of presidential legislation, a martial law era baby.

PD No. 910 created the Energy Development Board which was tasked to implement the declared policy of the State to achieve self-reliance in the country's energy requirements primarily through the intensified and coordinated exploration, exploitation and development of indigenous energy resources in order to accelerate overall economic growth. (Sec. 2)

The Decree led to the discovery of the Camago-Malampaya oil and natural gas reserves, among others. Service Contract No. 38 (SC 38), which relates to the Malampaya natural gas field development and utilization off the coast of Palawan, was entered into pursuant to this Decree.

Under the 2nd paragraph, Section 8 of the Decree, "All fees, revenues and receipts xxx as well as the government share representing royalties, rentals, production share on service contracts and similar payments on the exploration, development and exploitation of energy resources, shall form part of a special fund to be used to finance energy resource development and exploitation programs and projects of the government and for such other purposes as may be hereafter directed by the President."

This specific portion of Section 8, 2nd paragraph remained untouched even with the restoration and re-institutionalization of the Doctrine of Separation of Powers under the 1987 Constitution, with a slight modification in view of LGU-Palawan's claim to a portion of the government share, specifically under SC 38, pursuant to the Local Government Code.

Recent events have exposed the anomalous exercise of the broad Executive discretion over the Malampaya 'special funds' (allegedly in the past administration) which resulted in dissipation of billions of pesos. This highlighted the urgent need for Congress to revisit and modify the law in the exercise of its constitutional duty to check on the activities of the Executive Branch, a co-equal body.

While recognizing that Section 8, paragraph 2, PD No. 910 came in handy in the rehabilitation of the Typhoons Ondoy and Peping devastations, this bill seeks to amend the same provision, hoping to limit the prerogatives of Chief Executive insofar as the disposition of the special funds, and thus avoid the recurrence of scandalous expenditure of moneys coming from said fund. This bill proposes the course of action Congress must take to restore the balance of power for the benefit of the people.

On this score, urgent passage of this bill is earnestly sought.



BEN EVARDONE

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AN ACT
AMENDING THE SECOND PARAGRAPH OF EIGHTH SECTION OF
PRESIDENTIAL DECREE NUMBERED NINE HUNDRED AND TEN (P.D. No.
910)

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

1 **SECTION 1.** The 2nd paragraph of Section 8, P.D. No. 910 is hereby amended to read as
2 follows:

3
4 **"Section 8.** Appropriations.

5
6 X x x.

7
8 All fees, revenues and receipts of the Board from any and all sources including
9 receipts from service contracts and agreements such as application and processing fees,
10 signature bonus, discovery bonus, production bonus; all money collected from
11 concessionaires, representing unspent work obligations, fines and penalties under the
12 Petroleum Act of 1949; as well as the government share representing royalties, rentals,
13 production share on service contracts and similar payments on the exploration, development
14 and exploitation of energy resources, shall form part of a special fund to be used to finance
15 energy resource development , [and] exploitation , **AND SUCH OTHER ENERGY-**
16 **RELATED** programs and projects of the government [and for such other purposes] as may
17 be hereafter directed by the President.

18
19 **SECTION 2.** All laws, decrees, executive orders, proclamations, rules and regulations, or
20 parts thereof inconsistent herewith are hereby repealed or modified accordingly.

21
22 **SECTION 3.** This Act shall take effect fifteen (15) days after its publication in at least two
23 (2) national newspapers of general circulation.

24
25 **Approved,**