

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
17th CONGRESS
Third Regular Session

House Bill No. 8608

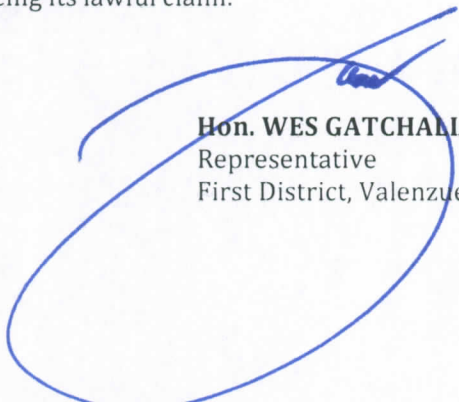


Introduced by **Representative Wes Gatchalian**

EXPLANATORY NOTE

The Philippine Rise, previously known as the Benham Rise, is a natural submarine prolongation of the Luzon Island extending up to 318 nautical miles (589 kilometers), from the Eastern Philippine Seaboard facing the Pacific Ocean. Under Article 76 of the United Nations Convention on the Law of the Sea (UNCLOS), coastal states have a legal continental shelf of up to 200 nautical miles from the baselines. In certain instances the prolongation of the continental margin may extend beyond 200 nautical miles but not exceeding 350 nautical miles from the baselines. For this purpose, a claim for an extended continental shelf must be submitted to the UN Commission on the Limits of the Continental Shelf (CLCS). It is in this context that the Philippines, on 8 April 2009, submitted to the CLCS its claim for an extended continental shelf in the Philippine Rise Region. In 2012, after a series of intensive deliberations, the CLCS adopted by consensus the recommendations of its sub-commission with regard to the Philippines' submission on the Philippine Rise Region. This confirmation solidified the Philippines' claim that the Philippine Rise is part of the country's exclusive economic zone. Under international law, this implies that the Philippines possess 'sovereign rights' over the area. Under the constitution, the State is mandated to protect the nation's exclusive economic zones and reserve its use and enjoyment exclusively to Filipino citizens. Seven years have passed after the international community confirmed the rights of our country, it is submitted by the author that it is now time for our government to take tangible and positive steps toward generating utility from this area.

The creation of the Philippine Rise Development Authority would enable the State to accelerate its ability in tapping the potential resources available in the Philippine Rise. Having an agency the spearheads the exploration and development of the area would ensure that all the projects are sustained and are properly coordinated. Finally, this will also be a positive act that signals to the rest of the international community that the Philippines is enforcing its lawful claim.


Hon. WES GATCHALIAN
Representative
First District, Valenzuela City

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House Bill No. _____

Introduced by *Representative* **Wes Gatchalian**

AN ACT
CREATING THE PHILIPPINE RISE DEVELOPMENT AUTHORITY (PRDA),
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR
AND FOR OTHER PURPOSES

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

Section 1. *Short Title.* – This Act shall be known as the "Philippine Rise Development Authority Act" or "PRDA Act".

Sec. 2. *Declaration of Policy.* – It is hereby declared a policy of the State to tap and accelerate the sound management and sustainable development of the Philippine Rise, particularly on its potential to be a rich source of alternative energy and marine resources, and as a possible tourism destination. Towards this end, an effective institutional mechanism with due regard to the precautionary principle, as well as ecosystem-based and science-based approaches, shall be established to address the need for a coordinated and integrated approach in the formulation and implementation of various development plans, programs, and projects that will optimize the full potential of the Philippine Rise while conserving its ecology and resources for the benefit of future generations.

Sec. 3. *Creation of the Philippine Rise Development Authority.* – There is hereby created a body corporate to be known as the Philippine Rise Development Authority, hereinafter referred to as the Authority, which shall promote, coordinate and facilitate the active and extensive participation of all sectors to effect the exploration, study, and development, as well as the conservation and protection, of the natural resources within the Philippine Rise.

The Authority shall also be the lead agency in conducting scientific research and exploration and shall secure the rights of the State over the area. Explorations must be done in partnership with the Department of Environment and Natural Resources-Biodiversity Management Bureau (DENR-BMB), Department of Agriculture-Bureau of Fisheries and Aquatic Resources (DA-

BFAR), and academic institutions with the necessary competence to conduct rigorous and comprehensive studies in the Philippine Rise area.

The Authority shall be organized within one hundred eighty (180) days after the approval of this Act. It shall have a term of fifty (50) years from its organization and may be renewed for another fifty (50) years, unless otherwise provided by law. It shall be an attached agency to the Office of the President. It shall establish its first office in the Aurora Pacific Economic and Freeport Zone and may put up such other offices as may be necessary to achieve the objectives of this Act.

Sec. 4. *Coverage.* – The PRDA shall cover all natural resources located in the undersea feature known as the Philippine Rise Region, within the Philippine exclusive economic zone and continental shelf, as well as the outer limits of the extended continental shelf pursuant to the recommendations of the Commission on the Limits of the Continental Shelf (CLCS) issued on April 12, 2012, and bounded by the coordinates 12030'N to 20030'N latitude and 122030'E to 129030'E longitude, excluding the fifteen-kilometer municipal waters of adjacent coastal areas.

Sec. 5. *Powers and Functions of the Philippine Rise Development Authority.*
– In the exercise of its mandate, the Authority shall have the following powers and functions:

- a) Formulate and advocate national policies that will foster the integrated, balanced, and sustainable development framework for the Philippine Rise that is consistent with the development initiatives of the national government, as far as practicable;
- b) Develop, plan, program, prioritize, integrate, and implement, whenever allowed and authorized by applicable laws, programs, projects, and activities at the Philippine Rise;
- c) Recommend to or coordinate with the proper government agencies programs, projects, and activities soliciting or requiring their direct or indirect assistance including, but not limited to, technical support and physical assistance for the prioritization of the region's environmental, agricultural, fisheries, marine and non-marine biodiversity, energy, industrial, commercial, infrastructure, tourism, technological, and scientific concerns;
- d) Review Philippine Rise programs, projects, and activities by the national government and donor agencies, subject to existing laws, rules, and regulations, for the purpose of ensuring consistency with national policies and plans, as well as monitor, evaluate, and formulate recommendations in the implementation of such programs, projects, and activities;

- e) Establish a complete, comprehensive, and integrated database on the Philippine Rise prior to the conduct of any exploration activities, whenever possible. For this purpose, the Authority may coordinate with academic institutions concerned to conduct comprehensive survey and assessment and generate resource map of the Philippine Rise which shall be the underlying foundation for all policy and management decisions;
- f) Create an area research plan and coordinate research initiatives and exploration in the Philippine Rise region, establish a repository of research data, and provide incentives for such research and exploration activities;
- g) Promote the protection and conservation of important marine biodiversity and fishery resources, including marine genetic resources, which are important for ensuring climate change resiliency and food security;
- h) Promote and facilitate public and private investments that would enhance the integrated, balanced, and sustainable development of the Philippine Rise, and explore other sources of financing for priority Philippine Rise related programs, projects, and activities, in close coordination with agencies primarily mandated to undertake such functions;
- i) Receive and administer donations, contributions, grants, bequests, or gifts, in cash or in kind, from foreign governments, international agencies, private entities, and other sources, including Official Development Assistance, subject to existing laws, rules, and regulations;
- j) Sue and be sued, and as approved by the Board, enter into contracts, acquire, purchase, hold, lease, transfer, or dispose of properties of any kind or nature to carry out the purposes of this Act;
- k) Issue clearances, including the necessary rules and standards, for all proposals, plans, programs, projects, or any activity involving the Philippine Rise Region including, but not limited to, marine science research, exploration, and exploitation, whether conducted by Filipino or foreign nationals, in accordance with Sec. 7 of this Act;
- l) Request the President of the Philippines and other government agencies for any needed assistance in the enforcement of all applicable laws, rules, and regulations, the exploration and scientific study of the entire region, the sustainable exploitation of its natural bounties, and the protection of national security and

national interests, including law enforcement against illegal intruders and poachers; and

- m) Discharge such other functions as may be deemed necessary to carry out its mandate under this Act or as may be provided by law.

The Authority, through its Administrator, shall submit to the President and both Houses of Congress annual reports on its accomplishments and activities.

Sec. 6. Board of Directors. – The power of the Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall manage and supervise the overall directions and thrusts. It shall be composed of the following:

- a) The President of the Philippines who shall act as the Chairperson of the Board;
- b) The Administrator of the Philippine Rise Development Authority who shall act as the Vice-Chairperson of the Board; and
- c) Thirteen (13) other members composed of the following:
 - 1. The NEDA Director-General or the duly authorized representative;
 - 2. The Department of Environment and Natural Resources (DENR) Secretary or the duly authorized representative;
 - 3. The Department of Energy (DOE) Secretary or the duly authorized representative;
 - 4. The Department of Agriculture (DA) Secretary or the duly authorized representative;
 - 5. The Department of Science and Technology (DOST) Secretary or the duly authorized representative;
 - 6. The Department of Finance (DOF) Secretary or the duly authorized representative;
 - 7. The Department of Budget and Management (DBM) Secretary or the duly authorized representative;
 - 8. The Department of National Defense (DND) Secretary or the duly authorized representative;
 - 9. The Department of Foreign Affairs (DFA) Secretary or the duly authorized representative;

10. The Department of Transportation (DOTr) Secretary or the duly authorized representative;
11. The National Coast Watch Council (NCWC) Executive Director or the duly authorized representative;
12. The National Security Council (NSC) National Security Adviser and Director General or the duly authorized representative; and
13. The University of the Philippines (UP) President or the duly authorized representative.

The members of the Board shall receive a per diem at a rate to be determined by the Governance Commission for Government Owned or Controlled Corporations (GCG), in accordance with existing rules and regulations: *Provided, however,* That the per diem collected per month does not exceed the equivalent per diem of four (4) meetings: *Provided, further,* That the amount of per diem for every Board meeting may be increased by the President or GCG but such amount shall not be increased within two (2) years from its last increase.

The Board shall have the following functions:

- a) Provide direction and guidance for the Authority's work and thrusts for the Philippine Rise;
- b) Ensure that the goals and policies of the Authority are consistent with the overall national development goals and objectives, and that the programs of the Authority are consistent with regional and local development plans, programs, and projects, and vice versa, for purposes of harmonization;
- c) Explore sources for financing of priority Philippine Rise plans, programs, projects, and activities;
- d) Create committees or task forces as may be deemed necessary in the accomplishment of its functions;
- e) Determine schedules, establish voting procedures, criteria for the constitution of a quorum, and other rules and regulations in the conduct of Board meetings;
- f) Approve contracts and enter into agreements to carry out the purposes of this Act, except when authority to sign such contracts and/or agreements is vested in a specific government officer or entity; and
- g) Perform such other functions as may be necessary to carry out the purposes of this Act.

Sec. 7. *Issuance of Clearances by the Authority.* - No proposals, plans, programs, projects, or activities involving the Philippine Rise Region including, but not limited to, marine science research, exploration, and exploitation, whether conducted by Filipino and foreign nationals, shall be carried out, nor shall any license or permit be issued in relation to the same, without the clearance of the Authority.

The Authority shall issue the necessary clearance for all approved proposals, plans, programs, projects, or activities within twenty (20) calendar days from submission thereof. In cases where the Authority fails to act within the same 20-day period, the submissions shall be deemed approved. Any decision of disapproval by the Authority may be appealed within fifteen (15) calendar days from receipt thereof to the Office of the President whose decision shall be final.

The Authority shall issue rules and standards concerning the clearance required under this section: *Provided, that*, Such clearance must be secured before all other permits and/or licenses required under existing and applicable laws shall be issued: *Provided, further*, That the grant or denial of an application for clearance shall be made on the basis of this Act, other laws and regulations applicable to the Philippine Rise, and the integrated, balanced, and sustainable development framework formulated under Sec. 5(a) of this Act.

Sec. 8. *Accrual of Revenues and Receipts to the General Fund.* - All revenues and receipts from any and all sources including the government share representing royalties, rentals, production share on service contracts, and similar payments on the development, exploration, and exploitation of energy resources within the Philippine Rise shall be remitted to the National Treasury and shall accrue to the General Fund.

Sec. 9. *Advisory Panel of Technical Experts.* - The Authority shall constitute an advisory panel of technical experts consisting of practitioners in disciplines that are related to oil and gas extraction and processing, hydrography, marine ecology, surveying, hydrology, including, but not limited to, oceanography.

The Advisory Panel shall perform research and development and provide technical advice to the Authority in maritime science, technologies, and best practices for the extraction and development of oil and gas fields.

The Authority shall set the qualifications and compensation for the technical experts. It shall provide resources for the operations and activities of the Advisory Panel.

Sec. 10. *Administrator.* - The Authority shall have an Administrator who shall be appointed by the President of the Philippines, upon recommendation of the Board. The Administrator shall serve a term of six (6) years from the date of his/her appointment unless sooner separated from service due to death, voluntary resignation, or removal for cause: *Provided*, That no person shall be appointed as Administrator unless he/she is a Filipino citizen, holder of a degree in law or a masters degree in any of the following fields: economics, business, public administration, law, management, or their equivalent, and have at least

ten (10) years of relevant experience in said fields: *Provided, further,* That he/she shall be a resident of the Philippines for at least five (5) years before the appointment.

Sec. 11. *Powers and Duties of the Administrator; Secretariat.* - The Administrator shall have the following powers and duties:

- a) Direct and manage the affairs of the Authority in accordance with the policies of the Board;
- b) Call and preside over meetings of the Board in the absence of the Chairperson, and supervise and direct its Secretariat;

A Secretariat is hereby established to serve and assist the Board in the effective implementation of this Act. The Head of the Secretariat shall be appointed by the Administrator upon recommendation by the Board: *Provided,* That no person shall be appointed as Head of the Secretariat unless he/she is a Filipino citizen, holder of a degree in any of the following fields: economics, business, public administration, law, management, or their equivalent, and have at least five (5) years of relevant experience in said fields: *Provided, further,* That he/she shall be a resident of the Philippines for at least five (5) years prior to his/her appointment and has the requisite eligibilities for third level career service position pursuant to the career executive rank system;

- c) Ensure the proper implementation of applicable policies, programs, and rules and regulations, including the resolutions of the Board;
- d) Identify solutions to key issues and concerns, taking into account related risks, affected parties, and impact, in coordination with the Board and key stakeholders;
- e) Advocate the Authority's work among the various concerned sectors and stakeholders;
- f) Call on any agency, group, individual member of the Board, local government unit, and host community to address issues and concerns relating to the implementation of major programs, projects, and activities;
- g) Supervise the monitoring and timely implementation of Philippine Rise related programs, projects, and activities;
- h) Endorse to the Board all policy recommendations, plans, and programs for approval;

- i) Accept, on behalf and upon approval of the Authority, donations, contributions, grants, gifts, bequests, or devises, in cash or in kind, from members, foreign governments, international agencies, private entities, or any individual for purposes that will realize the functions of the Authority;
- j) Supervise administrative operations, including disbursement of any fund of the Authority, subject to the usual accounting and auditing procedures, and submit reports thereon;
- k) Execute and administer the policies and measures approved by the Board;
- l) Appoint all employees of the Authority, and remove, dismiss, or otherwise discipline for cause, such employees in accordance with the standard guidelines for recruitment, employment, and discipline under civil service law, rules, and regulations;
- m) Represent the Authority in all dealings with other offices, agencies, and instrumentalities of the government and with all persons and entities, public or private;
- n) Sign agreements and/or contracts, on behalf of the Authority and upon the Board's approval, including those for expert and consultant services and other reports of accountabilities emanating from the Authority, except when authority to sign such agreements, contracts, or reports is vested in a specific government entity; and
- o) Perform such other functions that the Board may direct to carry out the provisions of this Act or which are necessary or incidental to his/her office.

Sec. 12. *Organizational Structure.* – The Administrator shall determine the organizational structure, staffing pattern, and pay scales of the Authority subject to existing civil service and compensation laws. Subject to the approval of the Board, the Administrator may reorganize the Authority and may create or abolish divisions, units, or branches therein as the exigencies of the affairs of the Authority may require.

Sec. 13. *Merit System.* – All officials and employees of the Authority shall be selected and appointed on the basis of merit and fitness in accordance with civil service law, rules, and regulations. The recruitment, transfer, promotion, and dismissal of all its personnel, including temporary workers, shall be governed by a merit system that will be established by the Authority in compliance with existing laws, rules, and regulations.

Sec. 14. *Appropriations.* – Such amounts necessary to finance the initial implementation of this Act shall be sourced from the unprogrammed funds in the

current General Appropriations Act (GAA). Thereafter, such amounts necessary for its continued implementation shall be included in the annual GAA.

Sec. 15. *Implementing Rules and Regulations.* – The Authority, subject to the approval of the Board and in consultation with other stakeholders shall, within sixty (60) days from the date of effectivity of this Act, promulgate and publish the rules and regulations for the effective and faithful implementation of this Act: *Provided*, That the failure of the promulgation of the said rules and regulations shall not prevent the implementation of this Act upon its effectivity.

Sec. 16. *Separability Clause.* – If any portion or provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

Sec. 17. *Repealing Clause.* – All other laws, acts, presidential decrees, executive orders, presidential proclamations, issuances, rules and regulations, or parts thereof which are contrary to or inconsistent with any of the provisions of this Act are hereby repealed, amended, or modified accordingly.

Sec. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,