

Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5549



Introduced by Representative Rex Gatchalian

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

EXPLANATORY NOTE

On 12 April 2012, after 11 long years of scientific research and international legal advocacy, the UN, through recommendations of the Commission on the Limits of the Continental Shelf (CLCS), awarded the extended continental shelf of the Benham Rise (Rise) to the Philippines. This brought the entire 24.4 million hectares of the Rise under Philippine jurisdiction. Subsequently, Former President Rodrigo Duterte, on 16 May 2017, signed Executive Order No. 25 renaming "Benham Rise" to "Philippine Rise."

The Philippines is fortunate to have sovereign rights over the Rise for at least three reasons: *first*, the reefscales and varieties of fish found therein are important for their contributions to marine biodiversity; *second*, the large volume of various tuna species found therein shows a huge potential for commercial fishing; and *third*, the seabed of the Rise holds a potentially massive treasure trove of rare and precious mineral resources – the most impactful of which may be methane gas hydrates which are composed of natural gas encased in ice and usually found deep under the ocean in the seabed. They are highly touted for their potential as the so-called "fuel of tomorrow."

Inevitably, foreign interests pose a threat to the sovereign rights of the Philippines over the Rise. For instance, during the Senate Committee on Economic Affairs hearing on 16 May 2022, NSC Deputy Director-General Rufino Lopez Jr. disclosed that there were foreign incursions in the Rise. He also emphasized that the

Coast Guard and the limited assets of the Philippine Navy are trying their best to conduct proper reports of all these incursions.

This bill seeks to develop the natural resources in the Rise and protect it from unwanted foreign incursions through the establishment of the Philippine Rise Development Authority (PRDA). The PRDA is a “one-stop-shop” for everything concerning the Rise – including but not limited to policy formulation and advocacy, coordination, and support for scientific research and exploration, environmental protection, and investment promotions. This way, while Filipinos optimize the full potential of the Rise, the conservation of its ecology and resources can be ensured for future generations as well. The 15-member Board of the PRDA will be chaired by the President of the Philippines and will include representatives from pertinent cabinet departments and technical agencies. As to the unwanted foreign incursions, the creation of the PRDA is a definite exercise of Philippine jurisdiction over the extended continental shelf.

In view of the foregoing, approval of this bill is earnestly sought.



HON. REX GATCHALIAN

Representative

1st District, Valenzuela City

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

CHAPTER I

GENERAL PROVISIONS

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

1 exploration, study, and development, as well as the conservation and protection, of
2 the natural resources within the Philippine Rise.

3 The Authority shall also be the lead agency in conducting scientific research
4 and exploration and shall secure the rights of the State over the area.

5 Explorations must be done in partnership with the Department of Environment and
6 Natural Resources - Biodiversity Management Bureau (DENR-BMB), Department of
7 Agriculture - Bureau of Fisheries and Aquatic Resources (DA-BFAR), and academic
8 institutions with the necessary competence to conduct rigorous and comprehensive
9 studies in the Philippine Rise area.

10 The Authority shall be organized within one hundred eighty (180) days after
11 the approval of this Act. It shall have a term of fifty (50) years from its organization
12 and may be renewed for another fifty (50) years, unless otherwise provided by law. It
13 shall be an attached agency to the Office of the President.

14 It shall establish its first office in the Aurora Pacific Economic and Freeport
15 Zone and may put up such other offices as may be necessary to achieve the objectives
16 of this Act.

17
18 **SEC. 4. Coverage.** - The PRDA shall cover all natural resources located in the
19 undersea feature known as the Philippine Rise Region, within the Philippine
20 exclusive economic zone and continental shelf, as well as the outer limits of the
21 extended continental shelf pursuant to the recommendations of the Commission on
22 the Limits of the Continental Shelf (CLCS) issued on April 12, 2012, and bounded by
23 the coordinates 12°30'N to 20°30'N latitude and 122°30'E to 129°30'E longitude,
24 excluding the fifteen-kilometer municipal waters of adjacent coastal areas.

25
26 **SEC. 5. Powers and Functions of the Philippine Rise Development Authority.** -
27 In the exercise of its mandate, the Authority shall have the following powers and
28 functions:

29 (a) Formulate and advocate national policies that will foster the integrated,
30 balanced, and sustainable development framework for the Philippine Rise that is
31 consistent with the development initiatives of the national government, as far as
32 practicable;

33 (b) Develop, plan, program, prioritize, integrate, and implement, whenever
34 allowed and authorized by applicable laws, programs, projects, and activities at the
35 Philippine Rise;

1 (c) Recommend to or coordinate with the proper government agencies
2 programs, projects, and activities soliciting or requiring their direct or indirect
3 assistance including, but not limited to, technical support and physical assistance
4 for the prioritization of the region's environmental, agricultural, fisheries, marine and
5 non-marine biodiversity, energy, industrial, commercial, infrastructure, tourism,
6 technological, and scientific concerns;

7 (d) Review Philippine Rise programs, projects, and activities by the national
8 government and donor agencies, subject to existing laws, rules, and regulations, for
9 the purpose of ensuring consistency with national policies and plans, as well as
10 monitor, evaluate, and formulate recommendations in the implementation of such
11 programs, projects, and activities;

12 (e) Establish a complete, comprehensive, and integrated database on the
13 Philippine Rise prior to the conduct of any exploration activities, whenever possible.
14 For this purpose, the Authority may coordinate with academic institutions concerned
15 to conduct comprehensive survey and assessment and generate resource map of the
16 Philippine Rise which shall be the underlying foundation for all policy and
17 management decisions;

18 (f) Create an area research plan and coordinate research initiatives and
19 exploration in the Philippine Rise region, establish a repository of research data, and
20 provide incentives for such research and exploration activities;

21 (g) Promote the protection and conservation of important marine biodiversity
22 and fishery resources, including marine genetic resources, which are important for
23 ensuring climate change resiliency and food security;

24 (h) Promote and facilitate public and private investments that would enhance
25 the integrated, balanced, and sustainable development of the Philippine Rise, and
26 explore other sources of financing for priority Philippine Rise related programs,
27 projects, and activities, in close coordination with agencies primarily mandated to
28 undertake such functions;

29 (i) Receive and administer donations, contributions, grants, bequests, or gifts,
30 in cash or in kind, from foreign governments, international agencies, private entities,
31 and other sources, including Official Development Assistance, subject to existing
32 laws, rules, and regulations;

33 (j) Sue and be sued, and as approved by the Board, enter into contracts,
34 acquire, purchase, hold, lease, transfer, or dispose of properties of any kind or nature
35 to carry out the purposes of this Act;

1 (k) Issue clearances, including the necessary rules and standards, for all
2 proposals, plans, programs, projects, or any activity involving the Philippine Rise
3 Region including, but not limited to, marine science research, exploration, and
4 exploitation, whether conducted by Filipino or foreign nationals, in accordance with
5 Sec. 7 of this Act;

6 (l) Request the President of the Philippines and other government agencies for
7 any needed assistance in the enforcement of all applicable laws, rules, and
8 regulations, the exploration and scientific study of the entire region, the sustainable
9 exploitation of its natural bounties, and the protection of national security and
10 national interests, including law enforcement against illegal intruders and poachers;
11 and

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

14 The Authority, through its Administrator, shall submit to the President and
15 both Houses of Congress annual reports on its accomplishments and activities.
16

17 **SEC. 6. Board of Directors.** - The power of the Authority shall be vested in and
18 exercised by a Board of Directors, hereinafter referred to as the Board, which shall
19 manage and supervise the overall directions and thrusts. It shall be composed of the
20 following:

21 (a) The President of the Philippines who shall act as the Chairperson of the
22 Board;

23 (b) The Administrator of the Philippine Rise Development Authority who shall
24 act as the Vice-Chairperson of the Board;

25 (c) Thirteen (13) other members composed of the following:

26 (1) The NEDA Director-General or the duly authorized representative;

27 (2) The Department of Environment and Natural Resources (DENR)
28 Secretary or the duly authorized representative;

29 (3) The Department of Energy (DOE) Secretary or the duly authorized
30 representative;

31 (4) The Department of Agriculture (DA) Secretary or the duly authorized
32 representative;

33 (5) The Department of Science and Technology (DOST) Secretary or the
34 duly authorized representative;

35 (6) The Department of Finance (DOF) Secretary or the duly authorized
36 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;

1 (f) Approve contracts and enter into agreements to carry out the purposes of
2 this Act, except when authority to sign such contracts and/or agreements is vested
3 in a specific government officer or entity; and

4 (g) Perform such other functions as may be necessary to carry out the
5 purposes of this Act.
6

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

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

19 The Authority shall issue rules and standards concerning the clearance
20 required under this section: Provided, That, such clearance must be secured before
21 all other permits and/or licenses required under existing and applicable laws shall
22 be issued: Provided, further, That the grant or denial of an application for clearance
23 shall be made on the basis of this Act, other laws and regulations applicable to the
24 Philippine Rise, and the integrated, balanced, and sustainable development
25 framework formulated under Sec. 5(a) of this Act.
26

27 **SEC. 8. Accrual of Revenues and Receipts to the General Fund.** - All revenues
28 and receipts from any and all sources including the government share representing
29 royalties, rentals, production share on service contracts, and similar payments on
30 the development, exploration, and exploitation of energy resources within the
31 Philippine Rise shall be remitted to the National Treasury and shall accrue to the
32 General Fund.
33

34 **SEC. 9. Advisory Panel of Technical Experts.** - The Authority shall constitute
35 an advisory panel of technical experts consisting of practitioners in disciplines that

1 are related to oil and gas extraction and processing, hydrography, marine ecology,
2 surveying, hydrology, including, but not limited to, oceanography.

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

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

9
10 **SEC. 10. Administrator.** - The Authority shall have an Administrator who shall
11 be appointed by the President of the Philippines, upon recommendation of the Board.
12 The Administrator shall serve a term of six (6) years from the date of his/her
13 appointment unless sooner separated from service due to death, voluntary
14 resignation, or removal for cause: Provided, That no person shall be appointed as
15 Administrator unless he/she is a Filipino citizen, holder of a degree in law or a
16 masters degree in any of the following fields: economics, business, public
17 administration, law, management, or their equivalent, and have at least ten (10)
18 years of relevant experience in said fields: Provided, further, That he/she shall be a
19 resident of the Philippines for at least five (5) years before the appointment.

20
21 **SEC. 11. Powers and Duties of the Administrator; Secretariat.** - The
22 Administrator shall have the following powers and duties:

23 (a) Direct and manage the affairs of the Authority in accordance with the
24 policies of the Board; and

25 (b) Call and preside over meetings of the Board in the absence of the
26 Chairperson, and supervise and direct its Secretariat.

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

1 (c) Ensure the proper implementation of applicable policies, programs, and
2 rules and regulations, including the resolutions of the Board;

3 (d) Identify solutions to key issues and concerns, taking into account related
4 risks, affected parties, and impact, in coordination with the Board and key
5 stakeholders;

6 (e) Advocate the Authority's work among the various concerned sectors and
7 stakeholders;

8 (f) Call on any agency, group, individual member of the Board, local
9 government unit, and host community to address issues and concerns relating to
10 the implementation of major programs, projects, and activities;

11 (g) Supervise the monitoring and timely implementation of Philippine Rise
12 related programs, projects, and activities;

13 (h) Endorse to the Board all policy recommendations, plans, and programs for
14 approval;

15 (i) Accept, on behalf and upon approval of the Authority, donations,
16 contributions, grants, gifts, bequests, or devises, in cash or in kind, from members,
17 foreign governments, international agencies, private entities, or any individual for
18 purposes that will realize the functions of the Authority;

19 (j) Supervise administrative operations, including disbursement of any fund
20 of the Authority, subject to the usual accounting and auditing procedures, and
21 submit reports thereon;

22 (k) Execute and administer the policies and measures approved by the Board;

23 (l) Appoint all employees of the Authority, and remove, dismiss, or otherwise
24 discipline for cause, such employees in accordance with the standard guidelines for
25 recruitment, employment, and discipline under civil service law, rules, and
26 regulations;

27 (m) Represent the Authority in all dealings with other offices, agencies, and
28 instrumentalities of the government and with all persons and entities, public or
29 private;

30 (n) Sign agreements and/or contracts, on behalf of the Authority and upon
31 the Board's approval, including those for expert and consultant services and other
32 reports of accountabilities emanating from the Authority, except when authority to
33 sign such agreements, contracts, or reports is vested in a specific government entity;
34 and

35 (o) Perform such other functions that the Board may direct to carry out the
36 provisions of this Act or which are necessary or incidental to his/her office.

1
2 **SEC. 12. Organizational Structure.** - The Administrator shall determine the
3 organizational structure, staffing pattern, and pay scales of the Authority subject to
4 existing civil service and compensation laws. Subject to the approval of the Board,
5 the Administrator may reorganize the Authority and may create or abolish divisions,
6 units, or branches therein as the exigencies of the affairs of the Authority may
7 require.

8
9 **SEC. 13. Merit System.** - All officials and employees of the Authority shall be
10 selected and appointed on the basis of merit and fitness in accordance with civil
11 service law, rules, and regulations. The recruitment, transfer, promotion, and
12 dismissal of all its personnel, including temporary workers, shall be governed by a
13 merit system that will be established by the Authority in compliance with existing
14 laws, rules and regulations.

15
16 **SEC. 14. Appropriations.** - Such amounts necessary to finance the initial
17 implementation of this Act shall be sourced from the unprogrammed funds in the
18 current General Appropriations Act (GAA). Thereafter, such amounts necessary for
19 its continued implementation shall be included in the annual GAA.

20
21 **SEC. 15. Implementing Rules and Regulations.** - The Authority, subject to the
22 approval of the Board and in consultation with other stakeholders shall, within sixty
23 (60) days from the date of effectivity of this Act, promulgate and publish the rules
24 and regulations for the effective and faithful implementation of this Act: Provided,
25 That the failure of the promulgation of the said rules and regulations shall not
26 prevent the implementation of this Act upon its effectivity.

27
28 **SEC. 16. Separability Clause.** - If any portion or provision of this Act is
29 subsequently declared invalid or unconstitutional, other provisions hereof which are
30 not affected thereby shall remain in full force and effect.

31
32 **SEC. 17. Repealing Clause.** - All other laws, acts, presidential decrees,
33 executive orders, presidential proclamations, issuances, rules and regulations, or
34 parts thereof which are contrary to or inconsistent with any of the provisions of this
35 Act are hereby repealed, am ended, or modified accordingly.

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

Approved,