

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **2179**



INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

EXPLANATORY NOTE

The **Benham Rise**, was officially called the **Philippine Rise** by the Philippine government through an **Executive Order No. 25**, last May, 2017. It is a seismically active undersea region and extinct volcanic ridge located in the Philippine Sea approximately 250 km (160 mi) east of the northern coastline of the province of Isabela.

Under the Philippine Sea lie a number of basins including the West Philippine Sea Basin, inside of which is located the Central Basin Fault (CBF). The Benham Plateau is located in the CBF and its basement probably is a micro-continent. The Philippines claimed this feature as part of its continental shelf in a claim filed with the United Nations Commission on the Limits of the Continental Shelf on April 8, 2009, and which was approved under the United Nations Convention on the Law of the Sea (UNCLOS) in 2012.

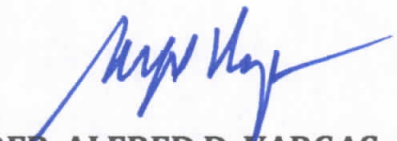
It is designated as a "**protected food supply exclusive zone**" by the Philippine government in May 2017. Mining and oil exploration is banned in the Benham Plateau as a protected area.

Almost Six (6) years after UNCLOS awarded the ownership of this territory, the government has still to maximized its potential and assert its sovereign rights and jurisdiction pursuant to the relevant provisions of the 1987 Philippine Constitution, national legislation, the UNCLOS, and applicable international laws.

Philippine Rise remains largely unexplored, however. Potential benefits particularly to the country's energy and food security, the underwater geographic feature needs to be

subjected to further scientific study. For the past years, scientists and marine researchers have discovered a vast and pristine coral reef ecosystem in Philippine Rise. There is a pressing need to scale up and sustain the scientific scrutiny and exploration of Philippine Rise. The extensive participation of several government agencies and other stakeholders will have to be coordinated meaningfully.

Hence, we propose that a Philippine Rise Exploration and Development Authority (PREDA), attached to the National Economic Development Authority (NEDA), as the lead agency in conducting scientific research and exploration in Philippine Rise should be created immediately. Once equipped with such information, the PREDA shall take the lead in formulating and implementing a development roadmap for Philippine Rise, ensuring that it is aligned with the country's Philippine Development Plan. As such, swift passage of the foregoing measure is earnestly sought.



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

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

SEC. 1. Title. This Act shall be known as the *"Philippine Rise Exploration and Development Authority"*.

SEC. 2. Declaration of Policy. It is hereby declared a policy of the State to tap and accelerate the sound and sustainable development of Philippine Rise, particularly on its potential to be a rich source of alternative energy, marine resources and as a possible tourism destination. Towards this end, an effective institutional mechanism 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 Philippine Rise.

SEC. 3. Creation of the Philippine Rise Exploration and Development Authority. There is hereby created a body corporate to be known as the Philippine Rise Exploration and 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, scientific study and development of 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 pursuant to the relevant provisions of the 1987 Philippine Constitution, national legislation, the UNCLOS, and applicable international laws.

The Authority shall be organized within one hundred eighty (180) days after 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 National Economic Development Authority (NEDA).

SEC. 4. Coverage. The Authority shall cover all natural resources located at the Philippine Rise, encompassing more or less the 13-million hectare underwater plateau within coordinates 119° 30'E to 132° 00'E and 12° 10'N to 20° 30'N latitude, as provided in the decision of the United Nations Convention on the Law of the Sea (UNCLOS) which provides that the aforementioned landmass is part of the Philippine's continental shelf and territory.

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

- (a) Formulate an integrated development framework for Philippine Rise that is consistent to the development initiatives of the national government, as far as practicable;
- (b) Integrate, prioritize, program and implement, whenever allowed and authorized by applicable laws, programs, activities and projects at the Philippine Rise, including Official Development Assistance (ODA) projects, subject to such limitations prescribed by existing laws, rules and regulations;
- (c) Recommend to and, whenever necessary, call upon the proper agencies on the technical support, physical assistance and, generally, the level of priority to be accorded to environmental, agricultural, fisheries, energy, industrial, commercial, infrastructure, tourism, technological and scientific programs and projects soliciting or requiring direct or indirect help from or through the national government or any of its agencies or instrumentalities;
- (d) Advocate national policies that will foster the integrated, balanced and sustainable development of Philippine Rise;
- (e) Promote and facilitate public and private investments in any field that would enhance the economic development of Philippine Rise in close coordination with agencies primarily mandated to undertake such functions;
- (f) Explore other sources of financing, if applicable or necessary, for priority Philippine Rise related programs, projects and activities;

(g) Coordinate and facilitate the extension of necessary planning, management and technical assistance to prospective and existing investors, complementary and in support of agencies primarily mandated to execute such functions,

(h) Establish a comprehensive and integrated database on Philippine Rise needed for planning and decision making;

(i) Monitor, evaluate and formulate recommendations in the implementation of development programs, activities and projects involving Philippine Rise;

(j) Provide strategic direction for the sustainable and long-term development of Philippine Rise;

(k) Establish appropriate mechanisms to ensure the timely implementation of Philippine Rise projects, whenever necessary, as far as practicable, including, but not limited to, public-private partnership;

(l) Explore and develop the area as a possible Eco-Tourism destination of the country;

(m) Review and recommend for approval by the National Economic and Development Authority (NEDA) Board such Philippine Rise programs, projects, and plans by the national government and donor agencies subject to existing laws, rules and regulations;

(n) Act as the official and permanent lead agency of the government in coordinating the formulation and implementation of policies and programs;

(o) 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 ODA, to be used in the development of Philippine Rise, subject to existing laws, rules and regulations;

(p) To sue and be sued, enter into contracts, acquire, purchase, hold, lease, transfer, dispose of property of any kind or nature to carry out the purposes to this Act; and,

(q) Discharge other functions that may be deemed necessary or as may be provided by law.

The Authority, through the Administrator, shall submit to the President and both Houses of Congress semi-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 NEDA Director-General, which shall act as the Chairman of the Board;

(b) The Administrator of the Philippine Rise Exploration and Development Authority, which shall act as the Vice-Chairman of the Board; and

(c) Nine (9) other members composed of the following:

i. The Department of Environment and Natural Resources (DENR) Secretary or the duly authorized representative;

ii. The Department of Energy (DOE) Secretary or the duly authorized representative;

iii. The Department of Agriculture (DA) Secretary or the duly authorized representative;

iv. The Department of Science and Technology (DOST) Secretary or the duly authorized representative;

v. Department of Finance (DOF) Secretary or the duly authorized representative;

vi. Department of Tourism (DOT) Secretary or the duly authorized representative;

vii. Three (3) representatives from the private sector to be appointed by the President, upon the recommendation of the of the other members of the Board, comprising of one (1) representative each from the:

(1) Business Sector;

(2) Academic Sector; and

(3) Non-govermental Organization (NGO) Sector.

The term of the three (3) representatives from the private sector shall be six (6) years: *Provided*, that at the initial appointment of such members, the second member to be appointed shall only serve a term of four (4) years and the third member to be appointed shall only serve a term of two (2) years: *Provided*, further, that they shall continue to hold office until their successors shall have been appointed. All vacancies, prior to the expiration of the term, shall be filled for the unexpired term only.

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;
- (c) Ensure that the programs of the Authority are consistent with regional and local development plans, programs and projects and vice versa for purposes of harmonization;
- (d) Explore sources for financing of priority Philippine Rise plans, programs, projects and activities,
- (e) Create committees/task forces as may be deemed necessary in the accomplishment of duties and functions;
- (f) Determine schedules, establish voting procedures, criteria for the constitution of a quorum and other rules and regulations in the conduct of Board meetings; and
- (g) Perform such functions as may be necessary to carry out the purposes of this Act.

SEC. 7. Administrator. The Authority shall be headed by an Administrator which shall be appointed by the President of the Philippines, upon recommendation of the NEDA Director General. 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 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 relevant experience in said fields: *Provided*, further, That he/she shall be a resident of the Philippines for at least (5) years before the appointment.

SEC. 8. Powers and Duties of the Administrator. The Administrator shall have the following powers and duties:

- (a) To direct and manage the affairs of the Authority in accordance with the policies of the Board;
- (b) Call and preside meetings of the Board and see to it that the policies, programs and rules and regulations are implemented properly;
- (c) Call on outstanding and credible individuals in the formulation and implementation of a comprehensive and integrated development plan for Philippine Rise, the preparation of investment programming priorities, annual reports and other pertinent documents approved by the Authority;
- (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 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 of the Authority, donations, contributions, grants and bequests or gifts, in cash or in kind, from members, foreign governments, international agencies, private entities or any individual for purpose 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 in the Civil Service Code;

(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, including those for expert and consultant services and other reports of accountabilities emanating from the Authority; 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. 9. Secretariat. A Secretariat is hereby established to serve and assist the Board in the effective implementation of this Act. The Secretariat shall be headed by an Executive Director, appointed by the President of the Philippines upon recommendation by the Administrator: *Provided*, That no person shall be appointed as Executive Director unless he/she is a 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 relevant experience in said fields: *Provided*, further, That he/she shall be a resident of the Philippines 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.

Section 10. *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. 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. 11. *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. 12. *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: *Provided*, That such amounts necessary for energy resource development and exploitation programs and projects in Philippine Rise shall be sourced from the proceeds of the Malampaya Fund, subject to existing laws, rules and regulations.

SEC. 13. *Implementing Rules and Regulations.* The Administrator, in close coordination with the DENR, DOE, DA, DOST, DOF, DOT, and NEDA 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. 14. *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. 15. *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. 16. *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,