

EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session



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SENATE

S.B. No. 917

RECEIVED BY: SG

Introduced by SEN. WIN GATCHALIAN

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

EXPLANATORY NOTE

One of the greatest blessings bestowed upon the Filipino people is the abundance of ecological diversity and natural wealth found throughout the islands and seas of the Philippines. Unfortunately, despite the best efforts of many in advocating for the preservation and responsible development of these rich natural resources, our country's natural wealth has continually declined due to unjust exploitation and, at times, pure negligence.

Since the beginning, the Philippine scientific community and the Government of the Republic of the Philippines have worked hand-in-hand to establish and solidify our claim to sovereign rights over the Philippine Rise and the waters surrounding it. After 11 long years of scientific research and international legal advocacy, the United Nations Commission on the Limits of the Continental Shelf finally approved the claim of the Philippines in 2012 and recognized our sovereign rights over 13 million hectares of the Philippine Rise region as part of the Philippine Extended Continental Shelf. With 11.4 million hectares of the Rise already falling within our Exclusive Economic

Zone, this brought the entire 24.4 million hectares of the Rise under our jurisdiction.

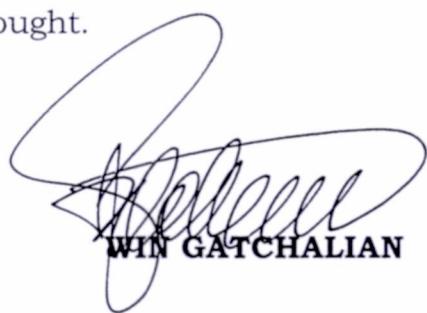
Truly, the Philippines has been made richer by its successful claim over the Philippine Rise. The reefscapes and varieties of fish found in the shallower Benham Bank, and throughout the entire Philippine Rise region, are important for their contributions to marine biodiversity. This is significant not only for ecological purposes, but also for bioprospecting. Meanwhile, the large volume of various tuna species found in the region showcases a huge potential for commercial fishing as well.

Last, but certainly not least, the seabed of the Philippine 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”.

This measure takes a responsible, proactive, and forward-looking approach to developing the natural resources of the Philippine Rise by establishing the institutional mechanism needed to facilitate a coordinated and integrated approach to optimizing the full potential of the Philippine Rise, while conserving its ecology and resources for the benefit of future generations. This institutional mechanism comes in the form of the Philippine Rise Development Authority (PRDA) – a coordinating, policymaking, and regulatory body which will serve as a sort of “one-stop-shop” for everything concerning the Philippine Rise. 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. The numerous areas of interest to be covered by the PRDA – policy formulation and advocacy, coordination and support for scientific research and exploration, environmental protection, and investments promotions – backs up the necessity of its creation.

This is a forward-looking piece of legislation that creates this institutional mechanism now, while the Philippine Rise remains pristine and undeveloped, so that we will be prepared to meet threats of ecological

degradation and irresponsible development when they present themselves in later years. Its immediate passage is earnestly sought.



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

1 Section 1. *Short Title.* – This Act shall be known as the “Philippine Rise
2 Development Authority Act” or “PRDA Act”.
3

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

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

8 The Authority shall also be the lead agency in conducting scientific
9 research and exploration and shall secure the rights of the State over the area.
10 Explorations must be done in partnership with the Department of
11 Environment and Natural Resources – Biodiversity Management Bureau
12 (DENR-BMB), Department of Agriculture – Bureau of Fisheries and Aquatic
13 Resources (DA-BFAR), and academic institutions with the necessary
14 competence to conduct rigorous and comprehensive studies in the Philippine
15 Rise area.

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

23

24 Sec. 4. *Coverage.* – The PRDA shall cover all natural resources located
25 in the undersea feature known as the Philippine Rise Region, within the
26 Philippine exclusive economic zone and continental shelf, as well as the outer
27 limits of the extended continental shelf pursuant to the recommendations of
28 the Commission on the Limits of the Continental Shelf (CLCS) issued on April
29 12, 2012, and bounded by the coordinates 12°30'N to 20°30'N latitude and
30 122°30'E to 129°30'E longitude, excluding the fifteen-kilometer municipal
31 waters of adjacent coastal areas.

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

4 (a) Formulate and advocate national policies that will foster the
5 integrated, balanced, and sustainable development framework for the
6 Philippine Rise that is consistent with the development initiatives of the
7 national government, as far as practicable;

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

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

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

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

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

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

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

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

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

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

21 (l) Request the President of the Philippines and other government
22 agencies for any needed assistance in the enforcement of all applicable laws,
23 rules, and regulations, the exploration and scientific study of the entire
24 region, the sustainable exploitation of its natural bounties, and the protection
25 of national security and national interests, including law enforcement against
26 illegal intruders and poachers; and

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

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

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

5 (a) The President of the Philippines who shall act as the Chairperson
6 of the Board;

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

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

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

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

14 (3) The Department of Energy (DOE) Secretary or the duly authorized
15 representative;

16 (4) The Department of Agriculture (DA) Secretary or the duly
17 authorized representative;

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

20 (6) The Department of Finance (DOF) Secretary or the duly
21 authorized representative;

22 (7) The Department of Budget and Management (DBM) Secretary or
23 the duly authorized representative;

24 (8) The Department of National Defense (DND) Secretary or the duly
25 authorized representative;

26 (9) The Department of Foreign Affairs (DFA) Secretary or the duly
27 authorized representative;

28 (10) The Department of Transportation (DOTr) Secretary or the duly
29 authorized representative;

30 (11) The National Coast Watch Council (NCWC) Executive Director or
31 the duly authorized representative;

32 (12) The National Security Council (NSC) National Security Adviser
33 and Director General or the duly authorized representative; and

(13) The University of the Philippines (UP) President or the duly authorized representative.

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

11 The Board shall have the following functions:

12 (a) Provide direction and guidance for the Authority's work and
13 thrusts for the Philippine Rise;

14 (b) Ensure that the goals and policies of the Authority are consistent
15 with the overall national development goals and objectives, and that the
16 programs of the Authority are consistent with regional and local development
17 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;

20 (d) Create committees or task forces as may be deemed necessary in
21 the accomplishment of its functions;

22 (e) Determine schedules, establish voting procedures, criteria for the
23 constitution of a quorum, and other rules and regulations in the conduct of
24 Board meetings;

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

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

31 Sec. 7. *Issuance of Clearances by the Authority.* – No proposals, plans,
32 programs, projects, or activities involving the Philippine Rise Region
33 including, but not limited to, marine science research, exploration, and

1 exploitation, whether conducted by Filipino and foreign nationals, shall be
2 carried out, nor shall any license or permit be issued in relation to the same,
3 without the clearance of the Authority.

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

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

19

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

26

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

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

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

7

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

19

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

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

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

26 A Secretariat is hereby established to serve and assist the Board in the
27 effective implementation of this Act. The Head of the Secretariat shall be
28 appointed by the Administrator upon recommendation by the Board:
29 *Provided*, That no person shall be appointed as Head of the Secretariat unless
30 he/she is a Filipino citizen, holder of a degree in any of the following fields:
31 economics, business, public administration, law, management, or their
32 equivalent, and have at least five (5) years of relevant experience in said fields:
33 *Provided, further*, That he/she shall be a resident of the Philippines for at least

1 five (5) years prior to his/her appointment and has the requisite eligibilities
2 for third level career service position pursuant to the career executive rank
3 system;

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

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

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

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

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

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

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

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

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

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

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

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

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

9

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

16

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

23

24 Sec. 14. *Appropriations.* – Such amounts necessary to finance the initial
25 implementation of this Act shall be sourced from the unprogrammed funds in
26 the current General Appropriations Act (GAA). Thereafter, such amounts
27 necessary for its continued implementation shall be included in the annual
28 GAA.

29

30 Sec. 15. *Implementing Rules and Regulations.* – The Authority, subject
31 to the approval of the Board and in consultation with other stakeholders shall,
32 within sixty (60) days from the date of effectivity of this Act, promulgate and
33 publish the rules and regulations for the effective and faithful implementation

1 of this Act: *Provided*, That the failure of the promulgation of the said rules and
2 regulations shall not prevent the implementation of this Act upon its
3 effectivity.

4

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

8

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

14

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

18 Approved,