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REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

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SENATE

RECEIVED

P. S. Res. No. 990

Introduced by Senator Ralph G. Recto

A RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SAFE PHILIPPINES PROJECT, WITH THE END IN VIEW OF MITIGATING POTENTIAL RISKS TO NATIONAL SECURITY OR PUBLIC INTEREST ARISING FROM FOREIGN-ASSISTED PROJECTS CONTRACTED BY THE PHILIPPINE GOVERNMENT

WHEREAS, the Constitution provides that the maintenance of peace and order, the protection of life, liberty, and property, and promotion of the general welfare are essential for the enjoyment by all the people of the blessings of democracy;

WHEREAS, the Department of the Interior and Local Government (DILG) seeks to improve the capabilities of the department and local government units towards collaborative and more efficient management of public order, security, and safety through the Safe Philippine Project;

WHEREAS, the Safe Philippines Project is conceived as a seamless integration of emergency, crisis and disaster management system; law enforcement system; traffic and fire management system; and peace and order, and public safety management system that is shared among key government agencies, which could help in providing swift, timely, accurate, and life-saving interventions and resolutionsⁱ;

WHEREAS, the Safe Philippines Project promises to make use of available modern information and communications technology (ICT)-driven subsystems and solutions in the operationalization of a “video surveillance system linked via dedicated communications infrastructure,” an “integrated operations and command center for National 911 Public Safety Answering Point” and “eighteen (18) city-level command centers in Metro Manila and Davao Cityⁱⁱ”;

WHEREAS, the Secretary of the Interior and Local Government claimed that with the Safe Philippines Project, the DILG can reduce crime by fifteen percent (15%) and improve response time by twenty percent (20%)ⁱⁱⁱ;

WHEREAS, the initial implementation phase of the Safe Philippines Project is estimated to cost around Twenty Billion Three Hundred Thirteen Million Nine Hundred Twenty Thousand Pesos (P20,313,920,000.00) ^{iv}, which would be financed and implemented through an official development assistance by the Chinese government;

WHEREAS, the National Economic Development Authority (NEDA) Board confirmed *ad referendum* the NEDA – Investment Coordination Committee approval of the Safe Philippines Project on January 26, 2018^v;

WHEREAS, the Chinese Embassy transmitted on July 19, 2018 a short-list of Chinese companies recommended by the Chinese Ministry of Commerce, which includes: 1) consortium of Huawei Technologies Co., Ltd., Huawei Technologies Phils., Inc., and China Electronics Technology Group Corporation; 2) China International Telecommunication Construction Corporation (CITCC); and 3) China Machinery Engineering Corporation^{vi};

WHEREAS, the DILG transmitted on September 20, 2018 an approved budget cost for the Safe Philippines Project to facilitate the loan application and negotiation for the project to the Department of Finance^{vii};

WHEREAS, the Notice of Award for the Safe Philippines Project was issued on November 16, 2018 in favor of CITCC^{viii};

WHEREAS, the supply contract was signed on November 19, 2018 between the DILG and CITCC^{ix};

WHEREAS, the exchange of signed commercial contract between the DILG and CITCC was witnessed on November 20, 2018 by President Rodrigo Duterte and Chinese President Xi Jinping^x;

WHEREAS, a portion of the implementation cost for Safe Philippines Project has already been appropriated under the Unprogrammed Appropriations in the National Expenditure Program for Fiscal Year 2019;

WHEREAS, notwithstanding the issuance of the National Security Adviser of a Certificate of No Security Issue in relation to the Safe Philippines Project Contractor, recent developments placed considerable security risk in employing Chinese citizens, corporation and organizations to implement government programs and projects;

WHEREAS, Article 7 of the National Intelligence Law of the People's Republic of China mandates all Chinese organizations and citizens to cooperate with, collaborate in, and guard the secrecy of, the Chinese national intelligence work, with a promise that the Chinese State will protect the individuals and organizations that support, cooperate with and collaborate in such undertaking^{xi};

WHEREAS, Article 12 of the National Intelligence Law of the People's Republic of China allows Chinese intelligence agencies to establish cooperative relationships with relevant individuals and organizations, and to commission the latter to carry out relevant assignments^{xii};

WHEREAS, Article 14 of the National Intelligence Law of the People's Republic of China authorizes Chinese intelligence agencies to demand necessary support, assistance and cooperation from relevant institutions, organizations and citizens^{xiii};

WHEREAS, Chinese companies and individuals have also been allegedly involved in espionage and hacking activities over the recent years;

WHEREAS, the primary equipment supplier of the winning contractor for the Safe Philippines Project – Phase 1, Huawei Technologies Co. Ltd., has been increasingly embroiled in issues concerning national security and data protection;

WHEREAS, Huawei Technologies Co. Ltd., among other Chinese companies, have been accused of causing, abetting, or enabling a technological backdoor that surreptitiously channeled vast amounts of data from computer servers in the African Union Building to “servers in Shanghai” from January 2012 until it was discovered in January 2017^{xiv};

WHEREAS, the Chief Financial Officer of Huawei Technologies Co. Ltd. was apprehended in Canada for allegedly helping the company circumvent the economic sanctions imposed by the United States against Iran^{xv};

WHEREAS, a former sales director of Huawei Technologies Co. Ltd in charge with public sector clients in Poland was arrested, along with a former Polish security official currently employed by a European cellular service provider, on charges of espionage^{xvi};

WHEREAS, there is a mounting concern that China may be using Huawei Technologies Co. Ltd as a proxy in Chinese intelligence operations or as a conduit to access sensitive networks^{xvii};

WHEREAS, countries like the United States, Japan, Australia, and New Zealand have already banned public procurement of equipment from Huawei Technologies Co. Ltd., or have blocked the latter from developing their country's ICT infrastructure due to "rising security concerns";

WHEREAS, Republic Act No. 10175, otherwise known as the "Cybercrime Prevention Act of 2012," recognizes the need to protect and safeguard the integrity of computer, computer and communications systems, networks, and databases, and the confidentiality, integrity, and availability of information and data stored therein, from all forms of misuse, abuse, and illegal access;

WHEREAS, the National Security Policy for 2017-2022 highlighted the need to safeguard the Philippine classified action plans and programs, government intentions, and state secrets from espionage and other hostile actions, and the need to shield the country from computer-generated attacks that could cause massive crises in our economy, banking and financial institutions, communications, and other critical infrastructure^{xviii};

WHEREAS, it is imperative that the Philippine Government review and evaluate government programs and projects and their impact on national security and public interest;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the Safe Philippines Project, with the end in view of mitigating the potential risks to national security or public interest arising from foreign-assisted projects contracted by the Philippine Government.

Adopted,

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RALPH G. RECTO

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- ⁱⁱⁱ Department of the Interior and Local Government. (2018, December 17). *Safe PH Project to improve police response time, deter crime*. Retrieved from Philippine News Agency: <http://www.pna.gov.ph/articles/1056846>
- ^{iv} National Economic Development Authority. *NEDA Board Approved Projects From June 2016 to June 2018*. Retrieved from National Economic Development Authority: <http://www.neda.gov.ph/list-neda-board-confirmed-icc-approved-projects/>
- ^v National Economic Development Authority. *NEDA Board Approved Projects From June 2016 to June 2018*. Retrieved from National Economic Development Authority: <http://www.neda.gov.ph/list-neda-board-confirmed-icc-approved-projects/>
- ^{vi} Department of the Interior and Local Government. (2018). *Safe Philippines Project Phase 1: Project Development Stage Timeline*. Quezon City: Department of the Interior and Local Government.
- ^{vii} National Economic Development Authority. (2018). *Safe Philippines Project Phase 1: Project Milestones*. Pasig City: National Economic Development Authority.
- ^{viii} Department of the Interior and Local Government. (2018). *Safe Philippines Project Phase 1: Project Development Stage Timeline*. Quezon City: Department of the Interior and Local Government.
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- ^x Department of the Interior and Local Government. (2018). *Safe Philippines Project Phase 1: Project Development Stage Timeline*. Quezon City: Department of the Interior and Local Government.
- ^{xi} National People's Congress of the People's Republic of China. (2017, June 27). *National Intelligence Law of the People's Republic*. Retrieved from Chinese National People's Congress Network: http://www.npc.gov.cn/npc/xinwen/2017-06/27/content_2024529.htm
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- ^{xiii} National People's Congress of the People's Republic of China. (2017, June 27). *National Intelligence Law of the People's Republic*. Retrieved from Chinese National People's Congress Network: http://www.npc.gov.cn/npc/xinwen/2017-06/27/content_2024529.htm
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