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SENATE

P. S. RES. NO. 522

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Introduced by **SENATOR LEILA M. DE LIMA**

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT
AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGATIONS OF
CORRUPTION AND POLITICAL INTERFERENCE LEADING TO THE
RESIGNATION OF DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY SECRETARY RODOLFO SALALIMA
AND ITS IMPLICATIONS ON NATIONAL SECURITY

WHEREAS, the Constitution, Article II, Section 27 provides:

Section 27. The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption;

WHEREAS, the Constitution, Article XI, Section 1 provides:

Section 1. Public office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives;

WHEREAS, the Constitution, Article XII, Section 11 provides:

Section 11. No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines, at least sixty per centum of whose capital is owned by such citizens; nor shall such franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years. Neither shall any such franchise or right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires. The State shall

encourage equity participation in public utilities by the general public. The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines.

WHEREAS, on 21 September 2017, *The Philippine Daily Inquirer* reported that Department of Information and Communications Technology (DICT) Secretary Rodolfo Salalima “has offered to resign from his post”, as reportedly confirmed by presidential spokesperson Ernesto Abella, who said that Salalima “had sent his resignation letter to President Rodrigo Duterte – ‘citing personal and work-related reasons’”;¹

WHEREAS, in the same article, it was reported that Sec. Salalima was “having difficulties dealing with the ‘bureaucracy and politics’ of public service”;²

WHEREAS, on 22 September 2017, *The Philippine Daily Inquirer* reported that, during an emergency assembly with DICT employees, Salalima, “[s]peaking with DICT employees, ... explained that he wanted to step down as the agency’s top official because he cannot deal with corruption and interference”;³

WHEREAS, it was further reported that Sec. Salalima, on the same occasion, “made multiple vague references to favors he rejected and the struggle to do ‘the right thing’ while [serving as] DICT secretary for the last 14 months”;⁴

WHEREAS, Sec. Salalima, reading portions of his resignation letter, reportedly said, “I accepted that this department shall have no corruption, because that is the President’s commandment to all of us. I rejected favors. I rejected and opposed corruption in this government... and this is what I meant. I have to resign”;⁵

WHEREAS, when initially asked to comment, Pres. Duterte said to reporters in Marawi City that Sec. Salalima resigned “out of delicadeza”;⁶

WHEREAS, however, after it was reported that Sec. Salalima had resigned because of corruption and interference in the agency, and had spoken of undue pressure exerted on him, Pres. Duterte is reported to have said that “it was he who

¹ Salaverria, Leila B., Miguel R. Camus, and Nestor Corrales. “Source: DICT chief Salalima offers to quit due to ‘bureaucracy and politics’”. *Inquirer.net* (21 September 2017). Retrieved from: <http://newsinfo.inquirer.net/932467/rodolfo-salalima-dict-resignation>. Accessed on 30 Sep 2017.

² *Ibid.*

³ Camus, Miguel R. “Salalima bares to DICT employees reasons for wanting to leave office.” *Inquirer.net* (22 September 2017). Retrieved from: <http://newsinfo.inquirer.net/932701/salalima-bares-to-dict-employees-reasons-for-wanting-to-leave-office>. Accessed on 1 October 2017.

⁴ *Ibid.*

⁵ *Ibid.*

⁶ Bosano Raphael, and DharelPlacido. “DICT chief Salalima quits post ‘out of delicadeza’ – Duterte.” *ABS-CBN News*. (21 September 2017). Retrieved from: <http://news.abs-cbn.com/news/09/21/17/dict-chief-salalima-quits-post-out-of-delicadeza-duterte>. Accessed on 1 October 2017.

asked Rodolfo Salalima to resign as secretary of the [DICT] over complaints of being partial to a private company”;⁷

WHEREAS, in the same report, Pres. Duterte was quoted as saying that “Salalima had also not acted on the entry of other telecommunication companies in the country, adding that he had wanted to open up the industry to more companies to bring down service costs”;⁸

WHEREAS, Pres. Duterte was further quoted saying, “I’m not saying he’s protecting someone, but on the other giant telecommunications of China, of Singapore, he had no action”;⁹

WHEREAS, Pres. Duterte was also quoted as saying, “There were a lot of complaints so I whispered [to someone], I said, “Tell Rudy to resign””;¹⁰

WHEREAS, Sec. Salalima’s resignation “comes as the DICT is about to implement a series of major projects, including the ₱77.9-billion national broadband project that would provide high-speed internet to either unserved or underserved areas in the Philippines”;¹¹

WHEREAS, last 11 March 2017, *Philippine Star* reported that “Chinese firm ZTE Corp. is one of the foreign firms interested in the government’s ₱72-billion national broadband network (NBN) project to be pursued by the Duterte administration”;¹²

WHEREAS, the same report described ZTE as “the company that bagged the \$329-million NBN deal under the administration of former president and now Pampanga Rep. Gloria Macapagal-Arroyo, which was shelved over allegations of overpricing and bribery”;¹³

WHEREAS, on 26 September 2017, *The Philippine Daily Inquirer* quoted Albay 1st District Rep. Edcel Lagman as saying, “I urge Salalima to disclose more thoroughly how, when and who exerted corrupt pressures and interferences on him”;¹⁴

⁷ Salaverria, Leila B. “Duterte says he told Salalima to resign.” *Inquirer.net*. (29 September 2017). Retrieved from: <http://newsinfo.inquirer.net/934190/duterte-says-he-told-salalima-to-resign>. Accessed on 1 October 2017).

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Supra* footnote #1.

¹² Ronda, Rainier Allan. “ZTE eyes another shot at Phl broadband project”. *PhilStar.com* (11 March 2017). Retrieved from: <http://www.philstar.com/headlines/2017/03/11/1679936/zte-eyes-another-shot-phl-broadband-project>. Accessed 1 October 2017.

¹³ *Ibid.*

¹⁴ Ballaran, Jhoanna. “Lagman to Salalima: Expose corruption at DICT.” *Inquirer.net* (26 September 2017). Retrieved from: <http://newsinfo.inquirer.net/933443/lagman-to-salalima-expose-corruption-at-dict-lagman-salalima-dict-corruption>. Accessed on 1 October 2017.

WHEREAS, Rep. Lagman was further quoted as saying, “The former DICT secretary must also reveal whether the bidding of the national broadband project was a subject of the fraudulent interference,” reportedly “referring to the government’s ambitious National Broadband Plan that aims to improve the country’s internet connection and digital infrastructure”;¹⁵

WHEREAS, Sec. Salalima’s allegations of corruption and interference are too significant to ignore, especially in the midst of the most ambitious government information technology (IT) project in history;

WHEREAS, it behooves the government to investigate these allegations of corruption, pursuant to its constitutional mandate to take positive and effective measures against graft and corruption, particularly considering the upcoming implementation by the DICT of a series of big-ticket projects involving billions of public funds, including the ₱77.9-billion national broadband project;

WHEREAS, if not addressed, and in spite of the President’s attempt to imply that Salalima’s resignation resolves the issue, it is evident that the very same problems that plagued Sec. Salalima will likely continue to beleaguer the agency, even after his departure and the appointment of his successor;

WHEREAS, there is a real danger that Sec. Salalima’s successor will succumb to undue and corrupt pressure, as it appears that there is no institutional infrastructure in place to protect and insulate the DICT against political interference;

WHEREAS, Sec. Salalima’s experience is, unfortunately, not unique, as it appears to be endemic to officials and agencies involved in handling valuable contracts for government projects, as demonstrated in past Senate hearings, including the 13 hearings conducted from September 2007 to September 2008 by the Senate Blue Ribbon Committee of the 14th Congress into the so-called NBN-ZTE deal, wherein the Committee chaired by Sen. Richard J. Gordon had occasion to describe the situation as “a story of how people in high places: the relatives of the most powerful men and women in government took advantage of their relationships ... to cajole the Executive into entering a contract that would obtain something our country did not need, and that is manifestly disadvantageous to the Filipino people”;¹⁶

WHEREAS, our country should learn from our past experiences regarding corruption in government projects, especially extremely costly ones that seem to attract the attention and interference from greedy elements both in the public and private sectors, the burden of paying for which will be borne by Filipino taxpayers, and even by future generations to come;

WHEREAS, there is, thus, a grave and urgent need to look into Sec. Salalima’s allegations of corruption, interference and pressure plaguing the DICT, in order to determine what legislative measures may be put in place in order to strengthen and protect the DICT and its officials, as well as similarly situated government agencies

¹⁵ *Ibid.*

¹⁶ Committee Report No. 743, submitted on 11 November 2009.

and public servants, against graft and corrupt practices that prevent them from effectively performing their duty to serve the people with utmost responsibility, integrity, loyalty, and efficiency;

WHEREAS, the Constitution prohibits foreign control of any public utility or common carrier by limiting foreign participation to 40% of ownership, and control over corporations granted franchises to operate public utilities and common carriers, including in the telecommunication and information technology sectors;

WHEREAS, the rationale behind maintaining domestic control over public utilities is the intention to keep out and prevent foreign control over public utilities, and involves the paramount interest of national security and defense;

WHEREAS, any proposed government national broadband network, in addition to serving as a public utility and common carrier of information and data, is primarily a matter of national security and defense, considering that it will facilitate control over, and access to, sensitive government information, databases, and communications;

WHEREAS, there is, thus, a clear need to involve the defense and intelligence sectors of the government, including the Department of National Defense (DND), the Armed Forces of the Philippines (AFP), the National Security Adviser (NSA), and the National Intelligence Coordinating Agency (NICA), and all other intelligence services of the government, as well as relevant congressional bodies, such as the Select Oversight Committee on Intelligence and Confidential Funds, Programs and Activities, in the plan to involve foreign companies and corporations, especially those with close links to, if not wholly-owned by, foreign governments, in the procurement and setting-up of a government national broadband network, towards the end of ascertaining, among others, whether access to and control over sensitive government information, databases, and communications, especially those pertaining to national security and national defense, will potentially be handed over to foreign interests or foreign power;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the allegations of corruption and political interference leading to the resignation of Department of Information and Communications Technology Secretary Rodolfo Salalima and its implications on national security.

Adopted,

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LEILA M. DE LIMA *10/09/17*