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Partition of Malampaya gas proceeds raises questions

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PUERTO PRINCESA CITY -- Malacañang and Palawan provincial officials have agreed in principle to jointly utilize some P12 billion in royalties from the Malampaya natural gas project off the province which are currently frozen due to a pending dispute in the Supreme Court over its ownership.

But the agreement immediately drew howls of protest from critics over what they perceive to be the conversion of the country's income from natural gas into a "pork barrel" for legislators.

After about a month of secret negotiations between Palawan officials and Malacañang, sources told the Inquirer President Macapagal-Arroyo had signed an executive order detailing the manner the money would be spent.

The EO, which is expected to be issued in the next few days, allocates P2 billion each to projects identified by the two congressmen from Palawan in their respective districts and another P2 billion to projects identified by the provincial government.

Another P6 billion will be utilized by the national government to fund major infrastructure projects in Palawan, including big-ticket items.

"It is signed, sealed and ready to be delivered," a source privy to the negotiations told the Inquirer.

The source said Malacañang originally wanted to hold the ceremonial signing of the EO this week but it was postponed "because there were some apparent kinks in the division of appropriations."

Provincial Information Officer Rolando Bonoan confirmed reports there had been discussions among key Palawan political leaders to review the position of the province with respect to the legal dispute pending in the Supreme Court.

The national government has questioned before the high court Palawan's claim to 40 percent of the royalties paid by the Shell-SPEX-led consortium which operates the natural gas pipeline project north of the province.

But Kilusan Love Malampaya (KLM) spokesperson, lawyer Joselito Alisuag, warned both Malacañang and the provincial government that the agreement "violates the relevant provisions of the Local Government Code pertaining to the distribution of benefits to local government units."

Alisuag said that under the code, any share from Malampaya's proceeds should be distributed to the provincial government, the municipality where the natural gas was found, and the barangay where it was actually located.

"There is no legal basis for them to treat this money as pork barrel," Alisuag said.

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