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Bishop slams plan to convert Malampaya gas royalty into pork

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PUERTO PRINCESA CITY -- Palawan's top Catholic prelate, Bishop Pedro D. Arigo, on Sunday blasted Malacañang and local political leaders over a deal to convert the disputed Malampaya gas royalty into pork barrel.

Arigo led a petition to block the implementation of an executive order through a petition for a temporary restraining order in the Court of Appeals.

The petition, to be filed on Thursday, would seek to stop the implementation of Executive Order No. 386 issued on Dec. 1, 2007 by President Macapagal-Arroyo, Arigo told the Philippine Daily Inquirer.

EO 386 divides half of Palawan's share (which is now being disputed in the Supreme Court) between the national government and local officials, including Palawan's two congressmen, under a pork barrel arrangement where the local officials are allowed to identify projects for their districts.

An oil and gas consortium led by Shell is operating an offshore natural gas extraction facility 80 kilometers off El Nido in northern Palawan. It is paying the national government royalty from its sale of energy to power utilities supplying the Luzon grid through an underwater pipeline.

The national government is disputing Palawan's claim of 40 percent of the royalty, saying the Camago Malampaya gas reserves is outside of the province's political jurisdiction.

Palawan officials were hoping to receive more than P5 billion from the Department of Budget and Management and the proceeds of a securitization scheme that would be undertaken by the national government using the Malampaya royalty payments as guarantee.

Arigo, however, criticized the scheme as a coverup by Malacañang for its use of about P12 billion in Malampaya revenue that is being claimed by Palawan and is currently being held in escrow.

"I understand from former Energy Secretary Rafael Lotilla that the claim of Palawan had been used up by DBM to cover up the national government's fiscal deficit. They have devised this scheme and lined up the pork barrel of our congressmen and local leaders so that they will agree to a compromise," he said.

Gov. Joel T. Reyes, in a press conference before joining the President's visit to Switzerland and the United Arab Emirates, appealed to Arigo to refrain from questioning the EO, claiming that the scheme "is the best we can come up for Palawan."

Reyes explained that under EO 386, the DBM would transfer to Palawan half of the money remaining from the disputed Malampaya share after deducting the expenses already incurred for Palawan by the national government.

EO 386 also provides that Palawan's share will be divided equally into three parts, with equal shares going to the two congressional districts and the provincial government.

Reyes said he was not yet aware of the exact amount of the initial disbursement "because the DBM has yet to come up with a computation on how much money is still available to Palawan."

Arigo, however, said Palawan officials were expected to receive around P2.6 billion in pork funds. "And that is all Palawan is going to get because all of the money that is being disputed had already been used to cover up the deficit," he said.

Reacting to Reyes' appeal not to push through with the TRO, he called on local officials to study the implications of the executive order.

"Even the securitization scheme that is provided in the deal is dubious. No less than Secretary Lotilla admits that no bank will take this as guarantee for securitization," Arigo said.

Rep. Antonio Alvarez of Palawan's 1st district declined to comment on the petition.

"We respect their democratic rights but by doing this, they are committing a grievous crime against Palawan," provincial information officer Rolando Bonoan said in reaction to Arigo's move.

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