



PARLIAMENTARY INTELLIGENCE - SECURITY FORUM

February 3-4, 2025
Manila, Philippines

February 3, Monday

OPENING AND KEYNOTE REMARKS

❑ **Hon. Ferdinand Martin G. Romualdez**

Speaker of the House of Representatives, Philippines

In his opening remarks, Speaker Ferdinand Martin G. Romualdez, welcomed participants to the Parliamentary Intelligence-Security Forum in Manila, emphasizing the Indo-Pacific's significance as a region of immense economic opportunity and strategic challenges. He highlighted the region's economic dynamism, geopolitical tensions, and non-traditional security threats, stressing the need for collective action.

Speaker Romualdez outlined three key areas of focus for the forum: *first*, on geopolitical stability that tackles the issue on West Philippine Sea and the importance of preserving a rules-based international order; *secondly*, on economic resilience that highlights the importance of securing the global supply chains against disruptions caused by geopolitical tensions or natural disasters, as well as protecting democratic institutions from external influence; and *thirdly*, on technological transformation that stresses the need for safeguards to prevent malicious use of technology.

The Speaker emphasized the importance of upholding territorial integrity and adherence to international law, particularly in the West Philippine Sea, enhancing economic frameworks, countering foreign interference, and leveraging technology for sustainability. Further, he urged parliamentarians to foster cooperation, uphold shared values, and address regional challenges through dialogue and decisive action. Specifically, he emphasized three guiding principles to ensure that the Indo-Pacific remains a beacon of peace, stability, and opportunity for future generations: Deterrence (to defend against security threats and maintain stability), Resilience (to strengthen our institutions and economies, and Commitment (to uphold sovereignty, the rule of law, and regional cooperation).

❑ **Hon. Robert Pittenger**

Former U.S. Representative

Chairman, Parliamentary Intelligence-Security Forum

In his speech, Hon. Robert Pittenger expressed heartfelt gratitude to Speaker Ferdinand Martin G. Romualdez for his leadership in bringing together global participants at the forum. He also thanked the dedicated team and key individuals for their exceptional efforts in making the event a success. Reflecting on his first visit to the Philippines in 1977, Hon. Pittenger commended the nation's enduring hospitality and partnership. Hon. Pittenger highlighted the global challenges, particularly the influence of China, and emphasized the importance of information sharing and intelligence collaboration among nations to address these threats. While underscoring the importance of leadership and cooperation in addressing global threats and challenges, he stressed the pivotal role of parliamentarians in shaping

laws and priorities as he called for continued dialogue and cooperation to prepare for future challenges effectively.

❑ **Senator Bill Cassidy**
United States Senate

Senator Bill Cassidy, in his video message, emphasized the critical importance of preserving democracy and the rule of law in the Indo-Pacific region, particularly in the face of growing Chinese influence. He highlighted the threat posed by the Chinese Communist Party and its involvement in transnational criminal organizations and corruption. Senator Cassidy stressed that the geopolitical importance of the Philippines is significant in the context of the global struggle against the Chinese Communist Party. He emphasized that China's disregard for international rules and norms poses a threat to freedom-loving nations. He cited the concept of "geostrategic corruption," where external actors use corrupt methods to influence the politics, economy, and society of other countries, as a significant concern.

Drawing parallels to the situation in Latin America, Senator Cassidy noted the pervasive influence of corruption and its detrimental impact on society and citizens. He emphasized the need for concrete actions to combat corruption, including strengthening anti-corruption safeguards and holding those involved accountable. He urged all participants to uphold the highest ethical standards and to resist the influence of corrupt actors, and as such maintain the trust of the people and preserve the trust in governments and institutions. Senator Cassidy concluded by emphasizing the importance of courage and conviction in serving one's nation and resisting the encroachment of the Chinese Communist Party. He urged everyone to serve with integrity and uphold the values of freedom and democracy.

❑ **Mr. Matt Pottinger**
Former Deputy National Security Advisor for President Trump

Mr. Matt Pottinger highlighted the importance of international cooperation in addressing global challenges, particularly those posed by China's actions. He explained that China's activities, such as pollution, biological warfare, the reckless cover up of the COVID outbreak in Wuhan, intellectual property theft, and dumping practices, greatly undermine global health, prosperity, security, and liberty. Beijing also continues to compromise global security by backing rogue dictators such as Russia, Iran, Venezuela, and North Korea.

Mr. Pottinger also criticized China's dual messaging, where it presents itself as a willing participant in the international system while hiding its true intentions. He argued that Chinese leaders promote myths, including the idea that the ruling party is communist in name only, when in fact, President Xi Jinping foresees the eventual demise of capitalism and the triumph of socialism. Further, he argued that contrary to claims by Beijing, it promotes autocratic models abroad and continues to spread the "Xi Jinping Thought" which advances the notion of Chinese political and cultural supremacy.

He concluded by sharing several principles to safeguard sovereignty and rights of citizens. *First* is speaking candidly, publicly, and at the highest possible level to Beijing about its actions that undermine

rights and sovereignty. *Second* is imposing steep cost on Beijing's actions. *Third* is tempering Xi Jinping through robust coordinated military deterrence and restricting China's access to technology, capital, and data. *Fourth* is preventing China from using the Internet to reshape perceptions and narratives, as seen in India's ban of Tiktok and WeChat. *Finally*, there is a need to protect Chinese citizens living and studying abroad from being discriminated, clearly distinguishing them from the Chinese Communist Party.

RULES-BASED INTERNATIONAL ORDER IN THE INDO-PACIFIC: VIEWS FROM THE REGION

☐ Hon. Maria Rachel J. Arenas

Chairperson, Committee on Foreign Affairs

Hon. Rachel Arenas highlighted that the Indo-Pacific region has been a battleground of empires, colonization and conflict—and that the region was later ushered in a new era that emphasizes fairness, diplomacy, and rule of law over force, dominance, and lawlessness. The emergence of the rules-based international order (RBIO), or the adherence to established norms, treaties and agreements, has enabled economies to flourish, lifted millions out of poverty, and promoted a fragile but real peace. It ensures that states, regardless of size and power, are treated with and respect and equity. However, she lamented that the RBIO framework is presently under siege and its continued disregard of this framework can bring about instability, conflict, and vulnerability.

The Philippines stood firm and subscribed to the RBIO instead of resulting to force when China laid sweeping and baseless claims over the South China Sea. Hon. Arenas thanked the countries that stood with the Philippines and their recognition of the arbitral award as binding and enforceable. The 2016 tribunal ruling was not only a victory for the Philippines but also a victory for every country that believes in fairness, legal order, and in peaceful dispute resolution. Despite the ruling, however, China has persisted on militarization, coercion and economic intimidation.

Emphasizing the importance and continued relevance of the RBIO, Hon. Arenas shared the Philippine view of the international order—i.e., it should be open by ensuring that states are free from coercion and intimidation, inclusive by strengthening cooperation and mutual respect, rules-based and governed by the rule of law, and informed by principles of equity and justice. Hon. Areas pointed out that the survival of smaller nations depends on the collective will to uphold these rules, emphasizing the need to defend the rules-based order to allow nations to prosper, cooperate and live in peace.

❑ **Hon. AR. Siti Rozaimeriyanthy Dato Haji Abdul Rahman**
Secretary General, ASEAN Inter-Parliamentary Assembly (AIPA)

Hon. Rahman emphasized that in today's interconnected world, cooperation and diplomacy is crucial in maintaining peace, stability and prosperity in the ASEAN region. The ASEAN has long upheld peaceful dialogue and non-interference as foundation for regional harmony, reflecting such in several agreements like the Bangkok Declaration and the Treaty of Amity and Cooperation (TAC), the latter being instrumental in establishing a framework for peaceful coexistence and conflict resolution.

ASEAN's strategic location and economic influence have made the region a hub for global trade, security and diplomacy. However, she emphasized that this role comes with responsibility, and as ASEAN navigates an increasingly complex global landscape, the question is how it can remain a pillar of stability amidst uncertainties brought about by geopolitical rivalries, territorial disputes, cyber risks, climate change, and transnational crimes.

Hon. Rahman stressed the importance of strengthening trust and cooperation within ASEAN to ensure effective navigation of global challenges without being shaped by the competing interests of major powers. By fostering greater parliamentary diplomacy and collaboration, ASEAN can address evolving challenges more cohesively and responsively. This includes reaffirming the collective commitment to a region built on cooperation, inclusivity, and lasting peace.

Open Forum

Mr. Brent Sadler of the Heritage Foundation asked whether the concept of RBIO is resonating among the people and that they are benefiting from it. According to Hon. Rahman, the AIPA has been emphasizing the importance of RBIO and its direct benefits to individuals in the resolutions that were enacted over the years. With regards to translating these sentiments into national-level legislation, there are AIPA monitoring mechanisms that track country progress. Achieving progress may take time, but there are notable progress based on the recently adopted resolutions in the AIPA's Political Committee.

Meanwhile, Hon. Arenas raised a concern that there seems to be a self-serving redefinition of RBIO by countries with other interests, and that the Philippines and other like-minded countries should protect what is contained in the UN Charter to avoid disinformation and misinformation by those that intend to rewrite the concept of RBIO.

US-CHINA STRATEGIC COMPETITION: IMPLICATIONS FOR THE INDO-PACIFIC

□ **Mr. Carl Timothy Delfeld**

Chairperson, Hay Seward Economic Security Council

Mr. Carl Delfeld began his presentation by referring to the Western Pacific region as the “silk curtain.” Its expanse reaches from the Sea of Japan to the Strait of Malacca, where a lot of shipping, trade, capital, and tourism flow. He described the region as flexible, permeable, and flammable due to the multiple claims of dominion over the very contested body of water. China has emerged as a maritime and manufacturing giant that aggressively asserted its influence using subterfuge and force.

To counter this, like-minded democratic states must cooperate and collaborate in reducing the gap that China has affected specifically in the critical minerals and shipbuilding sectors. Mr. Delfeld emphasized that national security is directly connected to economic security. The integrity of the supply chains for the manufacture of defense goods and technology must be protected. China can be deterred by fortifying the coalition’s economic advantage and upholding the rule-based, rights-based status quo. Short-term strategies must be carefully crafted and implemented while a long-term, more permanent solution is being sought. It is only through the collective efforts of the coalition of like-minded nations that peace can be maintained.

□ **Hon. Cristian-Tudor Bacanu**

Former Member of Parliament, Romania

Hon. Cristian Bacanu discussed China’s advancement in manufacturing electronic goods and defense equipment that rivals that of existing technology magnates such as the United States, Japan, and South Korea. Despite existing limitations in integrated circuit (IC) production capabilities, China recently had groundbreaking strides in creating 5th generation (5G) cellular network by using old microprocessors. However, instead of promoting a more connected, united community of nations, China utilized its achievements in technology to infiltrate the digital space of sovereign countries. It embedded its information and communication technology (ICT) products with harmful elements that can endanger the critical infrastructures of unwary consumer nations.

To address these pressing concerns, the United States and other values-based democracies imposed sanctions to China aiming to curtail the latter’s growing influence in ICT development and access to big data. China’s entry to the telecommunications market initiated the struggle between those who see technology as a tool for cooperation and those who see technology as a tool for conquest. As China attempts to consolidate its dominion over the “digital silk road,” the coalition of democratic nations must remain steadfast in upholding the rules-based, human rights and freedom-adhering social order.

❑ **Mr. John Strand**

CEO and Founder of Strand Consult, Denmark

Mr. John Strand gave a presentation on the new geopolitical reality that focus on building and protecting information society infrastructures. He highlighted the implications of being reliant to Chinese telecommunication equipment and technologies that pose risks in the virtual space and operations of client countries such as disruptions in supply chains, personal data exploitation, and espionage, to name a few. He recounted that European and some ASEAN countries are now opting out of investing on Chinese equipment, eventually phasing out or replacing the existing cheaper but suspicious Chinese suppliers to more costly but trustworthy vendors that will not take advantage of its clients' critical information and industrial infrastructures. He cited Vietnam, a fellow ASEAN member state that has a similar form of government and economic model as China but does not rely on the latter's communication technologies. Instead, Vietnam strived to build its own telecommunications networks with its nation's security and integrity in mind.

The challenge lies in China's ability to offer seemingly better deals. Its products are less costly and promise being at par, if not better, than its expensive counterparts. China tends to present alternatives that boast its innovative prowess in providing solutions that require the least resources. However, Mr. Strand underlined the dangers of transacting with adversarial countries like China that will leverage its exported goods and services to benefit the interests of its autocratic regime. Whatever anomalies may exist in these state-sponsored telecommunications ventures, Mr. Strand believes that the Chinese government is well aware of them.

KEYNOTE SPEAKER ON THE SOUTH CHINA SEA

❑ **Justice Francis H. Jardeleza (Ret)**

Former Associate Justice, Supreme Court of the Philippines

Former Solicitor General of the Philippines

Justice Francis Jardeleza highlighted the Philippines' landmark legal victory in the 2016 South China Sea arbitration case, which ruled in favor of the Philippines and declared China's actions in the West Philippine Sea unlawful. The tribunal found that China had violated Philippine sovereign rights, obstructed Filipino fishermen at Scarborough Shoal, breached UNCLOS obligations through land reclamation, and created maritime security risks. However, the case only sought a declaration of rights and did not pursue monetary damages.

Justice Jardeleza is advocating for a second case to seek financial compensation for damages caused by China. This move is said to be backed by Justice Secretary Crispin Remulla, who has confirmed ongoing discussions about the legal action. The case would build on four key points from the 2016 ruling: China's interference in Philippine petroleum exploration and fishing, violations of traditional fishing rights, environmental destruction from large-scale reclamation, and illegal obstruction of Philippine vessels.

As both countries are signatories to UNCLOS, the Philippines could file the new case under its legal framework, holding China accountable for its continued violations. Justice Jardeleza believes this approach would not only reaffirm the Philippines' maritime rights but also demand accountability through financial compensation. He mentioned Secretary Remulla has indicated that a decision on filing the case is expected soon, marking a significant step in asserting Philippine sovereignty and seeking justice for China's actions in the West Philippine Sea.

SOUTH CHINA SEA: THE STATE OF PLAY

☐ Hon. Neptali "Boyet" M. Gonzales II Chairperson, Committee on West Philippine Sea

Hon. Neptali Gonzales discussed the Philippines' stance on the South China Sea, emphasizing its strategic and economic importance as a major global trade route and resource-rich area. While multiple nations assert competing claims, the Philippines maintains sovereignty over the West Philippine Sea, including the Kalayaan Island Group, Scarborough Shoal, and its Exclusive Economic Zone (EEZ). The country's claims are backed by international law, particularly UNCLOS and the 2016 arbitration ruling, which reaffirmed its sovereign rights. However, China's aggressive militarization, gray-zone tactics, and interference with Philippine resource exploration continue to pose significant challenges.

Despite these threats, the Philippines remains steadfast in defending its territorial integrity. President Ferdinand Marcos Jr. has affirmed that no part of the country's territory will be ceded, leading to increased Philippine military and coast guard presence in the West Philippine Sea. Government agencies, including the National Task Force on the West Philippine Sea and the National Maritime Council, ensure coordinated efforts in defense, law enforcement, resource management, and diplomacy. The Philippines has also strengthened security alliances with the U.S., Japan, and Australia, engaging in joint patrols and military exercises under agreements like EDCA to enhance defense capabilities and maintain regional stability.

The Philippine Congress has played a vital role in reinforcing the country's maritime entitlements through legislation such as the Archipelagic Baseline Act, the Maritime Zones Act, and the Archipelagic Sea Lanes Act. These laws affirm the Philippines' maritime claims and legal rights under international law. Additionally, the Philippine government continues to modernize its defense forces through initiatives like the Self-Reliant Defense Posture Revitalization Act to deter and respond to external threats effectively. These collective efforts highlight the Philippines' firm commitment to protecting its sovereignty, upholding international law, and ensuring peace and security in the region.

☐ Hon. Emigdio P. Tanjuatco III Vice Chairperson, Committee on Foreign Affairs

Hon. Emigdio Tanjuatco highlighted the South China Sea's immense strategic, economic, and environmental importance. As a major global trade route handling 30% of world trade, it also plays a critical role in energy security with vast natural gas and crude oil reserves. Additionally, its rich marine

ecosystems contribute to global food security, providing 12% of the world's fish catch. However, China's increasing assertiveness threatens regional stability, as control over the area carries significant geopolitical implications, reshaping power dynamics in Asia and possibly all over the world.

The territorial disputes involve multiple claimants, but the Philippines focuses on the West Philippine Sea, where Filipino communities, such as those on Pag-asa Island, have long resided. Despite the 2016 arbitral ruling that invalidated China's sweeping claims, Beijing continues to assert control through military expansion, harassment of Philippine vessels, and interference with resource exploration. Chinese ships have repeatedly obstructed Philippine supply missions to the BRP Sierra Madre, escalating tensions. These provocations not only challenge Philippine sovereignty but also raise concerns over potential conflicts in the region.

Broader geopolitical tensions, especially China's ambitions over Taiwan, further complicate the situation. A conflict involving Taiwan could embolden China in the South China Sea, prompting stronger responses from the U.S., Japan, and other allies, leading to increased militarization and economic disruptions. Given its strategic location and alliance with the U.S., the Philippines plays a key role in regional security. Hon. Tanjuatco emphasized that diplomacy, adherence to international law, and multilateral cooperation are the best ways to maintain stability. The Philippine government continues to engage China diplomatically while strengthening ties with allies, enhancing naval and coast guard capabilities, and enacting laws like the Maritime Zones Act to safeguard its maritime rights.

❑ **MGen. Nestor C. Herico, PN (M)(Ret)**

Deputy Director General, National Security Council

MGen. Nestor Herico emphasized the ongoing geopolitical tensions in the South China Sea, where overlapping territorial claims have led to conflicts between China, the Philippines, Vietnam, Malaysia, Brunei, and Taiwan. The region remains a critical hub for global trade, energy resources, and military strategy, attracting interest from major powers like the United States. Despite the 2016 arbitral ruling that invalidated China's nine-dash line and deemed its reclamation activities illegal, Beijing continues to reject the decision and employs grey zone tactics—Illegal, Coercive, Aggressive, and Deceptive (ICAD) activities—to assert dominance. These include harassment of Philippine vessels, use of water cannons against the Philippine Coast Guard, and militarization of key maritime features like Subi Reef near Pag-asa Island.

China's militarization of artificial islands and large-scale reclamation projects have severely damaged marine ecosystems and disrupted the livelihoods of Filipino fishermen. Additionally, cyber operations and misinformation campaigns pose increasing threats to Philippine national security. A recent case involving a Chinese national arrested for espionage highlights the growing risks, as the suspects allegedly targeted critical infrastructure. In response, the Philippine government is reinforcing its diplomatic, political, and military strategies, expanding information campaigns, and enacting legislative measures. Strengthening international alliances, particularly trilateral cooperation with the U.S. and Japan, is a key part of the country's approach, alongside maintaining diplomatic channels with China to manage tensions.

Transparency and legal frameworks remain top priorities in asserting Philippine sovereignty. President Ferdinand Marcos Jr. recently signed the Philippine Maritime Zones Act and the Archipelagic Sea Lanes Act, which establish clear guidelines for protecting national interests while allowing safe passage for foreign vessels. The government also continues operations like the successful reprovisioning of BRP Sierra Madre in Ayungin Shoal, which the Armed Forces of the Philippines hailed as a diplomatic and operational victory. Additionally, joint military training exercises with allied nations, including casualty response drills and heavy weapons training, aim to enhance the country's defense posture and readiness against external threats.

SHINING A LIGHT: COUNTERING ILLEGAL, COERCIVE, AGGRESSIVE, AND DECEPTIVE ACTIONS IN THE SOUTH CHINA SEA

□ Hon. Eric Swalwell

U.S. House of Representatives

Hon. Eric Swalwell expressed his sincere gratitude to Congressman Pittinger and Speaker Romualdez for hosting the Parliamentary Intelligence-Security Forum. He noted that the effort of the leadership to foster global cooperation in security and economic resilience is invaluable and expressed appreciation for bringing together distinguished experts to provide crucial insights on security and economic challenges.

He observed that the world faces new challenges that threaten freedom, peace, and stability, which requires cooperation between nations fostered by forums such as the PI-SF to ensure that partnerships remain intact. He also emphasized the need to strengthen security, enhance technological cooperation, and build on economic ties between partner nations, as critical materials, semiconductors, artificial intelligence, and economic interdependencies are now a core challenge of national security policies.

Hon. Swalwell reiterated that the U.S. and the Philippines are allies in forging new partnership across the Asia-Pacific to untangle nations' dependence on China. He referred to the success of the Taiwan Semiconductor Manufacturing Company (TSMC) as an example, where investing in technology and innovation brought prosperity and security to Taiwan—making it an indispensable fixture on the global economy, a partner of geopolitical importance to the U.S., and also a central player in the modern digital economy.

Finally, Congressman Swalwell stated that he recognized the Philippines as an irreplaceable partner in the defense of freedom and democracy that a strong US-Philippines relationship was key to the effort.

□ RADM Rommel Jude G. Ong (Ret)

Ateneo School of Government

RADM Rommel Jude Ong outlined China's maritime ambitions through three key maritime axes of advance, reflecting its strategic expansion towards Europe, Oceania, and the Arctic. He highlighted the

growing imbalance between the U.S. and China's naval forces, which enabled Beijing's increasing control over the South China Sea using a combination of its navy, coast guard, militia, and occupied bases. He emphasized that China's grey zone activities, now termed ICAD (Illegal, Coercive, Aggressive, and Deceptive Actions), amount to economic and psychological warfare aimed at weakening Filipino resolve. These activities include blockades, mission-kill tactics against supply boats, and occupation of disputed areas. In response, the Philippines is focusing on transparency initiatives to counter Chinese propaganda and is enhancing military capabilities to deter Chinese dominance in the West Philippine Sea.

To address the challenge, RADM Ong proposed strengthening regional cooperation through minilateral partnerships such as trilateral (India, Australia, U.S.) or quadrilateral (India, Australia, U.S., Japan) alliances, alongside ASEAN maritime mechanisms. Applying counterinsurgency principles, he stressed ASEAN's central role in regional stability, the need for coalitions of like-minded states, and strategic, sustainable efforts to counterbalance China.

He introduced the "Filipino Theory of Victory," which hinges on national and political resilience. Key aspects include restoring the Philippines' maritime rights, fostering a patriotic electorate, resisting Chinese economic and political coercion, and advocating for a regional collective defense mechanism. In conclusion, RADM Ong called for a holistic maritime defense strategy, multi-domain security efforts across land, sea, air, cyber, and cognitive domains, and breaking down institutional barriers to improve coordination. He stressed leveraging alliances and securing strategic sea lanes as key priorities in future conflicts.

❑ **ADM Ronnie Gil L. Gavan**

Commandant, Philippine Coast Guard

ADM Ronnie Gil Gavan highlighted the ongoing challenges the Philippines faces in maintaining a rules-based international order, particularly due to China's persistent violations of Philippine maritime rights despite the 2016 arbitral ruling. He noted that China has intensified its illegal, coercive, aggressive, and deceptive (ICAD) actions in the West Philippine Sea, targeting Philippine state vessels and fishermen through harassment, shadowing, water cannons, and ramming. These actions directly impact the livelihoods of thousands of Filipino families who depend on resources from the sea.

Despite these threats, the Philippine Coast Guard (PCG) had remained firm and professional in defending national interests. Key efforts include enhancing maritime domain awareness through advanced surveillance technologies, intelligence-driven patrols, and an increased presence of modern vessels. The PCG had also strengthened intelligence-sharing with international partners and utilized new technologies such as artificial intelligence, automatic identification systems, and Canada's dark vessel detection system. These improvements, backed by greater budget allocations, have helped counter current threats in the West Philippine Sea.

The PCG had taken proactive steps to monitor and challenge the illegal presence of Chinese vessels in the Philippine EEZ. A notable example was the long-term deployment of the BRP Teresa Magbanua, which successfully patrolled for 152 days despite aggressive harassment from Chinese forces. ADM

Gavan emphasized that transparency was a crucial strategy in countering China's coercive efforts. By publicly exposing unlawful actions through verified reports, images, and videos, the PCG had increased global awareness, held aggressors accountable, and strengthened international support. This transparency initiative aligned with President Ferdinand Marcos Jr.'s stance that Filipinos do not yield.

❑ **Atty. Jay L. Batongbacal**

Professor, College of Law, University of the Philippines

Atty. Jay Batongbacal summarized South China Sea/West Philippine Sea developments, focusing on three key areas. *First*, China employed propaganda to paint the Philippines as a troublemaker for challenging its expansive claims. This obscured the reality of China's aggressive actions and highlighted the importance of international cooperation in addressing these issues, especially given the increasingly unpredictable global landscape.

Second, the maps revealed significant escalation of Chinese vessel activities since 2020, including its coast guard, militia, and disguised fishing vessels. These vessels engaged in persistent presence, harassing Filipino fishermen (including ramming incidents), and establishing maritime exclusion zones around key Philippine-claimed features like Scarborough Shoal and Second Thomas Shoal. China had also constructed artificial islands, transforming them into forward operating bases for its military and coast guard, further solidifying its control.

Third, China's activities were expanding beyond surface vessels. Increased aerial activity, including drones, aircraft, and even combat aircraft, had been observed, intimidating Philippine aerial patrols. Furthermore, China's deployment of marine scientific research vessels suggested the intention to exploit resources in the area, further eroding Philippine rights. The Philippines had responded by increasing transparency efforts to counter China's disinformation and asserted its resource rights within its EEZ, in recognition of the waters containing crucial fishing grounds and coral reefs vital for its food security. China's actions appeared to be driven by military and strategic concerns, aiming to secure its southern coast, with Taiwan and the Philippines seen as key areas.

**COUNTERING FOREIGN INTERFERENCE AND ECONOMIC COERCION:
THE EXPERIENCE OF THE INDO-PACIFIC**

❑ **Hon. Robert "Ace" S. Barbers**

Chairperson, Committee on Dangerous Drugs

Hon. Robert Barbers highlighted the importance of creating a secure present while strategically preparing for an uncertain future. He introduced the concept of "antifragility" — thriving in adversity, not just surviving. This mindset is necessary for countries in the Indo-Pacific, especially in the face of growing geopolitical tensions. Barbers explained that countries use both "soft power" (diplomacy, partnerships, cooperation) and "hard power" (covert interference, cyber operations, and military aggression) to advance national interests. He sounded the alarm on China's growing footprint in the region, particularly in the West Philippine Sea, where it uses a strategy of "public opinion warfare,"

"psychological warfare," and "legal warfare." These tactics aim to justify aggression while manipulating narratives to weaken opposition. The Philippines faces constant challenges from China's territorial claims and disinformation campaigns.

Several countries in Southeast Asia, like Singapore and Thailand, have enacted laws to counter foreign interference, including laws that regulate foreign activities and monitor financial transactions. Barbers proposed that the Philippines also needs to implement stronger countermeasures to safeguard national security. Hon. Barbers emphasizes the importance of three key elements to effectively address foreign interference: Sensemaking (understanding complex and unpredictable environments through data-driven research and analysis), Strategic Foresight (analyzing potential future developments and their implications on policy making), and Anticipatory Governance (embedding foresight into governance processes to systematically explore multiple future scenarios).

SAFE, ORDERLY, AND REGULAR MIGRATION: PROTECTING MIGRANT WORKERS AND THEIR FAMILIES/SECURITY CHALLENGES TO MIGRATION

□ Hon. Hans Leo J. Cacdac

Secretary, Department of Migrant Workers

Secretary Hans Cacdac recounted how migration has long been a part of Filipino society, from the Spanish colonial era through migration of workers during the 1970s in the middle east leading to the present day. The cycle of migration includes pre-departure, transit, entry, stay, and return stages. The pre-departure phase is critical and includes recruitment, documentation, orientation, and protection from illegal recruitment and human trafficking. Third-country recruitment is a security concern where workers are transferred from one country to another, potentially under abusive conditions. The return phase is relatively new, with reintegration programs for returning workers that include financial education and livelihood programs.

Security challenges in migration include human trafficking, illegal recruitment, and third-country recruitment abuses. Legal and regulatory challenges involve ensuring ethical recruitment practices and proper medical screening of workers. Terrorism and transnational crime pose risks related to radicalization, and migration can lead to economic disparities or xenophobia in host countries. There is also public health concerns related to migration, especially when migrants come from regions with differing health standards or inadequate healthcare.

The Philippines has been a strong proponent of international frameworks like the Global Compact for Migration and has ratified several International Labor Organization conventions to promote the rights and dignity of migrant workers. Bilateral and multilateral diplomacy is critical in securing agreements with host countries to protect migrant workers. The Department of Migrant Workers has 41 satellite offices worldwide, offering pre-departure and post-arrival education and assistance to Overseas Filipino Workers.

THE MATTER OF TAIWAN: EXPLORING A LONG-STANDING FLASH POINT OF THE INDO-PACIFIC

❑ **Prof. Renato de Castro**

Professor, International Studies Department, De la Salle University

Prof. Renato de Castro discussed how the Taiwan Crisis affects the Philippines, highlighting its potential to trigger a larger conflict between China and the U.S. in the Indo-Pacific. The crisis, which has been ongoing for decades, became a concern for the Philippine-U.S. alliance in 1996 when China fired ballistic missiles near Taiwan. However, the focus later shifted to counterterrorism and China's maritime expansion in the West Philippine Sea.

The 2022 Russia-Ukraine war reignited concerns in Southeast Asia, as the Philippines realized that a Taiwan conflict could result in refugee flows, the return of overseas Filipino workers, and possible military spillover into northern Luzon. In response, the Marcos administration strengthened security ties with the U.S., reaffirming the 1951 Mutual Defense Treaty and expanding the Enhanced Defense Cooperation Agreement (EDCA). Initially, four EDCA sites were designated for joint operations in case of conflict, but this number has since increased to nine, primarily in northern Luzon.

To further bolster defense, the Philippines developed the Comprehensive Archipelagic Defense Concept (CADC), a strategy aimed at enhancing the military's maritime capabilities. CADC focuses on improving radar coverage, acquiring air and naval assets, developing missile defense systems, and strengthening command operations. It also prepares the Armed Forces of the Philippines to secure key waterways like the Luzon Strait, Balintang Channel, and Bashi Channel, critical in a potential China-Taiwan conflict. Additionally, the CADC enables joint operations with U.S. forces, positioning the Philippines as a key player in regional security.

❑ **Atty. Neil Simon S. Silva**

Legal Officer, University of the Philippines (UP) Law Center

Institute of Maritime Affairs and Law of the Sea, College of Law, UP Diliman

Atty. Neil Silva discussed the Philippines' key interests in the Taiwan Strait, emphasizing national security, preventing a Taiwan takeover by a hostile power, avoiding armed conflict and escalation, and maintaining regional stability and alliances. He outlined four policy options: (1) promoting Mainland-Taiwan stability, (2) deterring China from forceful reunification while preventing provocation by Taiwan and Western allies, (3) limiting conflict escalation, and (4) preparing legal and policy decisions in case of war.

Regarding third-party involvement in a Taiwan conflict, he presented four possible stances: (1) complete non-involvement, (2) neutrality with refugee assistance, (3) limited logistical support for Taiwan, or (4) full co-belligerency by providing military aid. Finally, he argued that the Philippines should revisit its One China Policy, shifting its focus from accommodating China's stance to prioritizing Philippine and international interests.

❑ OPEN FLOOR

The discussion covered key military investments for the Philippines, with Prof. Castro emphasizing the need for BrahMos and land-based missiles to deter China in the Luzon and Surigao Straits. Atty. Silva noted that specific needs depend on evolving scenarios but highlighted the country's vulnerability to a Dongfeng missile attack. Congressman Pittenger recalled Dr. Henry Kissinger's past view that China was not expansionist but noted that both China and the Soviet Union have since become expansionist powers.

Ms. Pendi from Uganda expressed concerns about the Philippines' defense spending. Prof. Castro responded that national survival is costly but fuels industrialization, while Atty. Silva stressed that deterrence is more cost-effective than war and that the Philippines benefits from allied support.

On recognizing Taiwan as an independent state, Atty. Silva explained self-determination from ethical, legal, and political perspectives, suggesting *de jure* recognition is feasible but ultimately a political and economic decision. Regarding cybersecurity, Atty. Silva highlighted existing Philippine laws protecting information infrastructure, penalizing interference, hacking, and malware threats.

❑ **Hon. Raymond Democrito C. Mendoza**

Deputy Speaker, House of Representatives, Philippines

Hon. Raymund Mendoza stressed the importance of the PI-SF forum and how, like the urgent issue of climate change, there is also a global concern with the rise of artificial intelligence or AI. These two pressing forces of climate change and digital transformation are reshaping industries and societies, and venues such as the PI-SF must serve as avenues for exchanging ideas and cooperation among nations. Hon. Mendoza reiterated the country's commitment to continuous dialogue and cooperation with ASEAN and like-minded nations who champion peace and progress and promote global initiatives.

PARLIAMENTARY INTELLIGENCE - SECURITY FORUM

February 3-4, 2025

Manila, Philippines

February 4, Tuesday

PRAYER BREAKFAST

Hon. Bienvenido Abante who is Chairperson of the Committee on Human Rights led the prayer during a breakfast hosted for the forum participants. In his prayer, he implored the Lord for blessings and wisdom for the speakers of the forum. Part of the prayer is the realization that we are His ministers for the good of our country. He shared the prayer of Reinhold Niebuhr saying, “God give me the grace to accept with serenity the things that cannot be changed; courage to change the things which should be changed, and the wisdom to distinguish the one from the other.”

He continued the prayer with humility and realization of each one’s limitations, and prayed that each one get to know Jesus Christ in a very personal way. He shared the verse John 3:16, “God so loved the world, that He gave His only begotten Son; that whoever believes in Him should not perish, but will have everlasting life.” Finally, he thanked God for the opportunity and privilege that Members of Parliament from different nations were able to come together to talk about pressing issues and problems, and the things that can be done to solve them.

KEYNOTE REMARKS

- ❑ **Hon. Maria Cristina Aldeguer-Roque**
Secretary, Department of Trade and Industry

Secretary Maria Cristina Aldeguer-Roque addressed the participants of the PI-SF as a passionate advocate for free, fair, and open trade in the Indo-Pacific, recognizing the region as the engine of the global economy that generates 60% of the global GDP and over 80% of global merchandise trade. Highlighting the Philippines’ strategic location and dynamic economy, Secretary Aldeguer-Roque emphasized its pivotal role in shaping the Indo-Pacific economic future with the country’s active engagement in key regional initiatives such as the Regional Comprehensive Economic Participation (RCEP), the Comprehensive Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Indo-Pacific Economic Framework for Prosperity. She also emphasized the importance of strengthening the supply chains and promoting regional efforts toward decarbonization, clean economy transition, and more transparent tax, anti-corruption, and governance regimes.

On bilateral interests with the United States, Secretary Aldeguer-Roque highlighted priorities such as possible bilateral free-trade agreement and the reauthorization of the United States Generalized System of Preferences (GSP), and a critical minerals agreement. These initiatives, she explained, would amplify

the Philippines' role in global value chains and drive economic growth for both nations. She also discussed the proposed United States-Philippines Partnership Act, which aims to enhance deeper economic cooperation, particularly in critical minerals and infrastructure development.

Additionally, she emphasized the need for a new generation of trade agreements that uphold the highest standards of labor rights, environmental rights, and social inclusivity. The Philippine government under the Marcos administration is actively pursuing reforms like Amendments to the Foreign Investment Act, Public Service Act, and Retail Trade liberalization Act to attract investment and foster a more integral and vibrant market. In closing, she urged all stakeholders to collaborate in building a truly integrated Indo-Pacific where businesses thrive and prosperity is shared by all.

REIMAGINING TRADE TODAY: INDO-PACIFIC PRIORITIES / TRUMP 2.0: U.S. TRADE POLICY

□ Hon. Brent Sadler

Heritage Senior Research Fellow, Naval Warfare and Advanced Technology
Allison Center for National Security

Hon. Brent Sadler discussed some strategic objectives that the Trump Administration can focus on in the next 100 days, taking into consideration the confluence of economics, trade and military. He emphasized the need to integrate economic statecraft with diplomacy and military statecraft, particularly in areas like trade policy, combating illegal migration, and addressing issues like human trafficking and narcotics trafficking, which he linked to the Chinese Communist Party's influence through drug cartels.

In addition, Hon. Sadler discussed the importance of re-industrialization to improve the lives of American workers, with a particular focus on revitalizing the maritime industry and advancing the "Ships for America Act." He noted that unions play a crucial role in this process. He also highlighted the use of tariff to direct trade to the free and open market economies to counter Chinese market dominance. Finally, he stressed the need to enhance supply chain resiliency through re-industrialization, emphasizing the principle of reciprocity in trade and economic relations.

□ Hon. Lucian Pugliarse

President, Energy Policy Research Foundation, Inc. (EPRINC)

The discussion of Hon. Lucian Pugliarse centered on the North American Oil and Gas Production Platform, American Energy Dominance and Prospects in the Future. He said that the North American Energy Production Platform is a highly integrated market in which crude oil and products move back and forth across borders and out to the world market. The North American Oil and Gas Production Platform does not draw on world supplies, but instead is a net exporter

of petroleum and natural gas to the world market. He emphasized that disrupting the flow is harmful to productivity and long-term efficiency.

Hon. Pugliarse stated that the U.S. is a massive resource of natural gas that it has provided 84% of the increment in world oil demand in 2010-2020. He said that in the absence of America's ability and technology to produce the incremental oil, the world price of oil and gas could have been much higher. Meanwhile, Hon. Pugliarse highlighted the Philippines as one of the few Asian markets in the power sector that operates principally on market forces (without subsidies), and that it has huge opportunities for the development of LNG supplies to enhance energy security in the country. He does not see the tariffs as necessarily disruptive to the energy supplies and availability to the Asia market.

OPEN FLOOR

In response to Mr. Strand who asked where the Trump's Administration would be in three months, Hon. Sadler said that the world economic system is already changed and that the U.S. interests are secured with its allies and partners. He foresees reinvigoration of common economic, diplomatic and military interests. He said that the United States and its allies should consider and be prepared with its counter measures against the Chinese Communist Party.

Mr. Strand asked if China is going to be reclassified as a developed country given its financial advantage. Hon. Sadler responded that there are talks in Washington D.C. to take away the most favored nation status away from China, and diplomats are already showing signs that China is not a developing country. He said the odds are high that China will be treated as a developed country and as one that is not meeting its WTO obligations.

Gary Christopher, representing the ICTS Sovereign Trust and tribal community of the Philippines, asked how to merge the industries (e.g., mining and related activities) to work with the United States so that Philippine products enter directly to the US without having to go through China. Hon. Sadler responded that one of the tools that was created to enable such type of investment was the development finance corporation (DFC).

THE GEOPOLITICAL IMPACT OF DIGITAL CURRENCIES

❑ **Hon. Joey Sarte Salceda**

Chairperson, Committee on Ways and Means

Hon. Joey Salceda addressed the participants of the Parliamentary Intelligence-Security Forum, discussing digital currencies and their impact. He explained that while digital currencies will not fundamentally alter the ways of the world, they could weaken systems and institutions of financial control. To mitigate the negative geopolitical impacts, he emphasized the need for better governance over 'real' things traded with digital currencies.

He defined digital currency as any fiat currency in digital form and cited vital laws anticipating its rise, such as the Securities Regulation Code and Electronic Commerce Law of 2000. Referencing Tatsuo Tanaka's 1996 paper, "Possible Economic Consequences of Digital Cash," he emphasized that geopolitical implications remain relevant.

Rep. Salceda also warned of potential digital currency crises, citing past financial disruptions like Mexican and Asian Financial Crisis. He also outlined possible triggers such as security breaches or a global crackdown. He discussed how digital currencies could be organized through cooperation or competition, with middle powers like the Philippines adapting rather than leading. In closing, he called for global collaboration to set certain minimum standards that ensure no harm to the poor and the defenseless.

❑ **Dr. Francisco G. Dakila, Jr.**

Deputy Governor, Monetary and Economics Sector, Bangko Sentral ng Pilipinas

Dr. Francisco Dakila discussed digital currencies focusing on Bangko Sentral ng Pilipinas (BSP) initiatives. He categorized digital currencies into Central Bank Digital Currency (CBDC) and Private Digital Currency, highlighting global CBDC Initiatives like Project Nexus and Project mBridge for cross-border settlements.

Dr. Dakila elaborated on the BSPs Project Agila, a pilot wholesale CBDC project. He noted the rise in digital transactions of fiat currency amid increasing e-wallet subscriptions. He emphasized CBDCs potential as geopolitical instruments capable of reducing transaction costs and reliance on third-party service providers, especially for remittances. He also pointed out that the continued use of CBDCs could decrease reliance on the US dollar.

In closing, Dr. Dakila observed that despite the increasing volume of digital payments, the use of privately issued digital currencies as a means of payment in the Philippines remains limited. He added that majority of the central banks, as with the BSP, are taking a gradual approach to retail CBDCs due to policy concerns and are instead exploring use of wholesale CBDCs for cross-border settlement. He reiterated that the BSP adheres to the Bank for International Settlements "do no harm principle" for CBDC development.

SEMI-CONDUCTORS AND CRITICAL MINERALS: SECURING AND SUSTAINING GLOBAL SUPPLY CHAINS

□ Mr. Dave McMurtry

CEO, The McMurtry Group

(Investor and advisor in the lithium-ion battery supply chain industry)

Mr. Dave McMurtry discussed the importance of diversifying the global supply chain industry of lithium-ion batteries (lithium batteries). These batteries are essential parts used to manufacture cell phones, electronic vehicles and are alternative sustainable energy sources to petroleum. The worldwide production of Lithium batteries is dependent on China.

China became the dominant player in the global supply chain through strategic investments and financial support of key players. It controls 70% of the supply of lithium batteries. This has placed China in a political and economic advantage to influence national security and trade as it has the ability to manipulate market prices, restrict trade, and disrupt efforts to transition to clean energy.

Mr. McMurtry urged the diversification of global supply chains by investing in domestic production of lithium batteries, research and development to innovate battery technology, and in the capacity of countries to produce lithium batteries, and strengthening international collaboration to fulfill these objectives.

□ Dr. Sohan Dasgupta

Assistant Secretary for Trade and Economic Security, U.S. Department of Homeland Security

Dr. Sohan Dasgupta emphasized that economic security is tantamount to national security. He advocates for countries to strengthen the production and supply of semi-conductors which are essential parts used in the production of computers and phones. Semi-conductors had catalyzed investments in the United States and their sales revenue have reached up to USD7 billion. Demand for semi-conductors had outstripped supply which has been negatively impacted by piracy, illicit commerce and force majeure disruption of production, such as geopolitical conflict and the COVID-19 pandemic. Disruptions in semi-conductors supply have hurt medical device manufacturing, automotive and similar industries.

The semi-conductor supply chain is complex, multinational, and technologically multi-layered. The heterogeneity of semi-conductor applications further raises the complexity in its manufacturing and inventory management. Legislations have been enacted in various countries to provide grant incentives and investment tax credit to increase semi-conductor production.

He urged participants to consider economic security as part and parcel of national security. They who are economically strong are more able to protect themselves and their allies. Access to supply chain over significant matters is critical to economic and national security.

OPEN FLOOR

The Hon. Dave McCrtry was asked how President Donald Trump's policy to defund subsidies encouraging transition to renewable energy would impact production of lithium batteries in the United States. It was posited that based on past market behavior during technological transitions that subsidies would eventually be unnecessary to keep the market afloat.

Also discussed was how technological innovations could take years from being patented in order to be available to the general population. It was also recognized that currently, it is impossible to mass-produce lithium batteries without going through China.

Human rights violations occurring during mining for raw materials needed to create lithium batteries were also touched upon. The Hon. McCrtry acknowledged such problem presents an opportunity for key players to create socially responsible businesses compliant with international law.

ARTIFICIAL INTELLIGENCE: IMPLICATIONS AND CHALLENGES (FOR DEVELOPING COUNTRIES)

❑ Prof. Jamil Jaffer

Founder and Executive Director, National Security Institute
(Antonin Scalia Law School in George Mason University)
Board Member, U.S. Strategic Metals

Prof. Jamil Jaffer discussed about the advent of generative AI, and the opportunities and challenges it presents for countries worldwide. He believes in the advantages of AI's increased pace and scale of adaption and novel ways of problem solving that can take off the table the mundane and routine works. However, there are also huge issues that come along with AI: job displacement, disinformation, misinformation, deep fakes, and privacy and security issues, among others. He also mentioned the lack of transparency and explainability in AI systems, and the huge ethical issues that come with decision making by AI or AI-assisted systems including in the space of weapon deployment used in the context of defense.

In response to the challenges posed by AI, Prof. Jaffer acknowledged the need for effective regulation and governance. He pointed out the swift actions taken by European lawmakers, who passed a 114-page bill regulating AI, while in the U.S., an executive order under President Biden began a review of AI regulations. He stressed the importance of finding a balance between regulation and innovation, advocating for policies that allow AI to be used responsibly while ensuring safety, security, and transparency. Ultimately, he emphasized the need for education and legislative efforts that equip nations to harness AI's benefits, protect privacy, and safeguard against potential abuses, while making informed decisions about data usage and AI's societal impact.

❑ Prof. Eduardo Araral

Associate Professor, Lee Kuan Yew School of Public Policy
National University of Singapore (Live Streaming)

Prof. Eduardo Araral discussed the utilization of Artificial Intelligence (AI) in the creation, preparation, implementation and evaluation of policy. He explained that AI can be used in drafting and reviewing legislation, and creating models for comparative legal and predictive outcome analysis and data-driven scenario-based simulations of social problems. It can examine public sentiment and conduct consultation analysis on constituents. AI can predict parliamentary reaction to proposed policies, and it can prepare the budget, identify cost-saving measures, and create an automated reporting system.

Prof. Araral also highlighted that AI-powered anti-corruption measures such as anomaly and fraud detection, risk assessment in tenders, real-time monitoring, and cross-referencing stated costs with public data could promote good governance. AI models which improve operational monitoring, automate compliance checks and service delivery, and track any issues in implementation could vastly improve the application of social policies.

Lastly, he said that AI could assist in evaluating the effectiveness of social policy by analyzing its outcome, examining the sentiments of constituents and assessing its impact. Data could also be gathered for future policies through automated reporting.

OPEN FLOOR

A delegate from the African Parliamentary Network on Internet Governance raised whether it is advisable to ban AI in schools as it encourages laziness and inability to think independently. Prof. Jamil Jaffer replied that they advise students to develop their rational and logical thinking skills independently during the early years, and allow students to use AI as they progress. Students must be taught how to use AI to their advantage. He encourages a balance between self-learning and AI technology, teaching logical reason and using AI to compete in the global market.

Meanwhile, Prof. Eduardo Araral stated that banning AI in schools is ineffective, as students will certainly find ways to access and use it. The challenge is that teachers must balance teaching AI without compromising critical thinking, assigning students challenging projects, and balancing the burden on the students.

A Parliamentarian from Malaysia inquired on how to apply AI to combat corruption. Prof. Araral expressed that he and his students have built an AI model focusing on infrastructure projects, wherein the budget, contractors, bidding process, suppliers, project outcome and quality, and other key factors are analyzed by the AI model for fraud analysis.

When asked regarding the European approach to regulating AI vis-a-vis the US approach, Prof. Jaffer replied that the EU approach is a sensible high-medium-low approach, which categorizes AI risks according to risk levels. To regulate AI, it is imperative to allow innovation at the outset and regulate when gaps are identified. Recognizing that no one regulation fits all, Prof. Jaffer added that whether regulation is made upfront or later, it is important to stagger the regulation and to lay them out like the EU approach which categorizes the risk levels. Meanwhile, Mr. Strand from Denmark commented that

Europe represents only 1% of the global market internet-based companies and innovation capabilities need to be developed and prioritized.

Finally, Representative Maria Carmen Zamora from the Philippines emphasized the need for a holistic approach to AI. There should be a review of labor and educational policies to prepare countries for the emergence of AI, as courses and skills may soon become obsolete with the emergence of AI.

SPAGHETTI BOWL OF MARINE UNDERSEA CABLES: PROTECTING CONNECTIVITY AND COMMUNICATIONS

□ Dr. Lee Jaehyon

Principal Fellow, Center for Regional Studies
The Asian Institute for Policy Studies (live streaming)

Dr. Lee Jaehyon highlighted the crucial role of undersea cables in global communication and infrastructure, supporting activities like daily communications, smart grids, transportation, e-commerce, and online banking. These cables connect countries and enable critical data flow, but damage to them can cause widespread disruptions, with small island nations like Tonga particularly vulnerable due to their reliance on a single cable.

Threats to undersea cables include unintended damage (95%) from fishing activities or seismic events and intentional sabotage (5%) by military forces or submarines, as well as data tapping that compromises security without causing physical harm. Challenges in addressing these threats include the difficulty in identifying perpetrators (as intentional damage often occurs quietly in deep-sea locations) and the lack of maritime domain awareness and surveillance capabilities in many countries. Additionally, the protection of cables involves multiple agencies, such as the military, police, intelligence, and the private sector, leading to coordination difficulties.

Dr. Lee emphasized the need for regional cooperation and resilience, as no single country can protect and recover from undersea cable damage alone. Strengthening multilateral cooperation can enhance rapid repair capabilities and overall resilience. He also stressed the importance of greater government attention and investment to address the vulnerability of this critical infrastructure.

THE NEED FOR NAVAL STATECRAFT TO WIN THE NEW COLD WAR

□ Hon. Brent Sadler

Heritage Senior Research, Naval Warfare and Advanced Technology
Allison Center for National Security

Hon. Brent Sadler's discussion focused on Admiral Gary Roughhead's 2010-2011 initiative to rebalance the U.S. Navy in response to the growing China threat, known as the rebalance to the Asia Pacific. This initiative significantly influenced both the U.S. military and its allies, including the Filipino forces.

Hon. Sadler discussed key historical events to illustrate the successes and failures in addressing the China challenge. Failures included the 2012 Scarborough Shoal standoff, which resulted in Chinese control, and the 2013-2015 Chinese island-building campaign. Additionally, the 2014 Russian annexation of Crimea and support for the Donbas insurrection were cited as missed opportunities. Conversely, successes like the 2018-2019 Build Act and preventing a hostile takeover of Subic Bay were noted. The West Kapala incident in 2020 highlighted the importance of naval pressure and diplomacy alongside economic considerations.

The discussion highlighted the complex geopolitical landscape, characterized by partnerships between China, Russia, Iran, and North Korea. It emphasized the need to manage the economic, diplomatic, informational, and military arenas concurrently. Regarding U.S. military capabilities, the discussion noted lessons from the prolonged conflict in Ukraine emphasizing the importance of rearming and strengthening military capabilities. The inadequacy of current institutions to manage this new Cold War scenario was also highlighted, stressing the necessity for a new strategic framework.

CYBERSECURITY: WORKING WITH & PROTECTING EACH OTHER

□ Mr. Joseph Ian Dy

Undersecretary, Department of Information and Communications Technology (DICT)

DICT Undersecretary Joseph Dy explained that there are two competing spheres in cybersecurity—*consumer protection* and the concept of *national security*. Technology has created efficiency and expanded opportunities but it also introduced vulnerability. Thus, he underscored the need for cybersecurity measures in view of the increase in the reliance on digital platforms for governance and commerce.

By virtue of Executive Order No. 58, series of 2024, the National Security Operations Center and the National Computer Emergency Response Team (NCERT) were established pursuant to the National Cybersecurity Plan (NCP) 2023-2028. The NCERT allows for real-time collaboration with different government agencies during cyber-attacks. In 2024 alone, the NCERT managed to block 5.4 million cases of cyber-attacks or attempts to different government agencies, and processed 250 million logs from Security Information and Event Management.

Undersecretary Dy highlighted the fact that 95% of critical infrastructure pertaining to water, power and other critical sectors, is operated by the private sector, where government has no mandatory oversight and the regulatory framework is fragmented. Currently, there are ongoing discussions on the enactment of a Cyber Security Law which will establish a regulatory agency for critical infrastructure.

Aside from technology and regulation, the government is also focused on establishing a skilled workforce through capacity building programs, with emphasis on training and international collaborations with countries like Japan and the United States. Likewise, considering the cross-border issue of cybersecurity,

and noting the mutual legal assistance and other established mechanisms under the Budapest Convention, the need for international collaboration becomes even more crucial.

❑ **Hon. Allan S. Cabanlong**

Director for Southeast Asia Hub, Global Forum on Cyber Expertise (GFCE)

Former Assistant Secretary for Cybersecurity and Enabling Technologies, DICT

Hon. Allan Cabanlong emphasized that cybersecurity is no longer just a technical issue, but a matter concerning national security, economic stability, and societal resilience. In the face of cybersecurity challenges that transcend borders, response must be collective and strategic. The GFCE, established in 2015 in The Hague, Netherlands, is an international platform to find and support the partnerships and solutions that will close the cyber security capacity gap. The GFCE aims to avoid duplication of efforts by coordination, share knowledge and expertise, and match needs to offers for support. As of 2024, it has over 236 Member-states and Partners.

Among the services provided by GFCE are the Matchmaking Mechanism and the Cybil Portal. The GFCE Clearing House mechanism facilitates match-making between GFCE Members who have cyber capacity needs and GFCE Partners and implementers who can offer support. On the other hand, the Cybil Portal is a knowledge repository for cyber capacity building that hosts a large library of resources for governments, organizations or individuals working on cyber security issues.

Hon. Cabanlong underscored that due to the evolving digital landscape and the rise in sophisticated cybersecurity threats, there is a need for cybersecurity collaboration, particularly cross-sector collaboration with localized impact. Globally, cybersecurity issues include skills gap, fast technology evolution, and resource disparities. For the Philippines, these issues are compounded by limited expertise, underfunded research, and regulatory hurdles. By connecting governments and organization experts, GFCE ensures that all countries, regardless of their cybersecurity maturity have the knowledge, tools, and partnerships necessary to build cybersecurity resilience.

❑ **Mr. Mark Bryan Manantan**

Director of Cybersecurity and Critical Technologies, Pacific Forum

Mr. Mark Manantan discussed the Cyber ASEAN initiative, a capacity building initiative aimed at strengthening Southeast Asia's overall cybersecurity and resiliency posture. Cyber ASEAN embarked on consultations in four pilot partner countries, namely, the Philippines, Indonesia, Malaysia and Vietnam, emphasizing on the significance of local context and ownership in crafting cybersecurity tools and dealing with cybersecurity threats.

The Cyber ASEAN initiative found that cyber-attacks are borderless and that cyber threat actors had operations in various jurisdictions. It also identified lack of adoption and enforcement of cybersecurity standards as key issues that must be addressed, in order to build cybersecurity resilience. Results of an economic regression model shows the positive economic benefits of the adoption of cybersecurity standards.

Among the key findings of the study, Mr. Manantan highlighted that *backdoor diplomacy* remains prevalent in the ASEAN region, given the preference for quiet attribution over public attribution and the complex political security and economic inter-dependencies. In the pilot countries, restraint was seen as a positive kind of cyber defense. In this regard, there was also an issue in terms of *information-sharing* and *incident or threat management*, as there was a lot of trust deficit among ASEAN countries themselves. Lastly, Mr. Manantan zeroed in on the preference for *public-private people partnerships*. Rather than prescriptive regulatory laws that penalize industry players, preference is on collaborative public-private partnerships to strengthen cybersecurity resilience.

OPEN FLOOR

Responding to the query on how the Philippine government facilitates collaboration with industry stakeholders, Undersecretary Dy explained that the Philippines has a National Cybersecurity Inter-Agency Council chaired by the Executive Secretary, who is 10th in command under the Constitution. Furthermore, people in government are trained to handle cybersecurity issues and national security information. He also emphasized the importance that people understand that the Council was created as a “defensive agency” mandated to help address cybersecurity issues rather than to perform law enforcement functions perceived to prosecute the public.

COUNTERING FOREIGN INTERFERENCE AND ECONOMIC COERCION: THE EXPERIENCE OF THE INDO-PACIFIC

□ Mr. Jules Gerard V. Arceo

MA Faculty, Department of International Studies,
Institute of Arts and Sciences, Far Eastern University

Mr. Jules Arceo presented their study from the Ateneo School of Government entitled, “Strengthening Democratic Governance: Countering Malign Foreign Influence and Interference in the Philippines”, the primary objective of which is to provide insights into the influence operations of the Chinese Communist Party (CCP) in the Philippines, and the goal is to identify potential countermeasures to address them.

He underscored that the CCP’s malign influence operations manifest in politics, economics, and national security, affecting institutions both on the national (including the legislature and the subnational levels. The latter includes local government units (LGUs) and educational institutions, citing for instance the cases of sister-cities arrangements of LGUs and the Confucius Institutes. He provided the following mechanisms to counter malign foreign influence and interference: legislative reforms, investing in intellectual resources, activating technical civil society organizations, and integrating social cyber forensics.

Mr. Arceo recommended policy measures, which include among others, engaging the media on literacy campaigns and the Filipino-Chinese business communities to establish rapport, instilling logical and critical thinking in the youth, and imposing disclosure requirements for LGU officials travelling abroad.

He stressed that the proposed legislation on malign foreign influence and interference should consider areas of vulnerability, like privacy rights and constitutional protections.

❑ **Hon. Erik Bethel**

Distinguished Fellow, Chamber of Digital Commerce

Former U.S. Representative to the World Bank

Hon. Erik Bethel emphasized the need to understand “what we are dealing with” in order to make better decisions. He pointed out the significance of culture, juxtaposing the values of the Abrahamic religion societies, like the United States, who believe that lying and cheating are bad, and the ways of the Chinese who may be interested only in winning. He cited certain stratagems that the Chinese employ to prevail, such as “clamor in the East, attack in the West”, meaning creating a distraction in someplace while doing something somewhere else. He stressed that we should not be naive when dealing with such a very different cultural paradigm and the Chinese Communist Party which has lived through the Great Leap Forward and the Cultural Revolution, untethered by traditional values.

Speaking on his experiences as the U.S. representative to the World Bank, Hon. Bethel highlighted the observation that China has infiltrated the organization and other United Nations bodies. He drew attention to the fact that China is the largest recipient of World Bank loans even though it is the second largest economy with the second largest venture capital pool in the world. He explained that the World Bank exists to help impoverished nations, and that getting a loan from the WB means that one is a developing country, entitled to favorable benefits at the World Trade Organization. Hon. Bethel reiterated the importance of understanding the Chinese culture and mindset to be able to deal with China, and to make better policy decisions moving forward.

OPEN FLOOR

On the query, ‘how to change the direction in the World Bank considering that the US has the largest voting share,’ Mr. Bethel responded that the organization’s “dynamic formula”, where 80% constitutes GDP growth while the other 20% pertains to the money one puts into the system, should be addressed. He further stated that the World Bank is driven by people and that the influential part of the bureaucracy is Chinese or people working for the CCP, and that reshaping the institution needs a lot of effort from the U.S. and its allies.

In response as to whether China is a developing or a developed country, Mr. Bethel hinted on the possibility of doing away with such classification and instead ascertain the categories based on income (e.g., middle, upper-middle, etc). Meanwhile, on the possible effect of the Confucian thinking in China, he retorted that the CCP has almost obliterated to extinction all traditional Chinese values.

CHANGING SECURITY, CHANGING POLICY TOOLS: MEETING THE CHALLENGE OF CHINESE AUTHORITARIAN MERCANTILISM

□ Mr. Carl Timonhy Delfeld

Chairperson, Hay Seward Economic Security Council

Mr. Carl Delfeld underlined that mercantilism, as opposed to the classical free trade, refers to a closed and government-controlled economy and society. It is a top-down economic strategy designed to increase national wealth and power. He explained that in implementing a mercantilist approach, governments identify specific sectors—such as automobiles, electronics, textiles, and commodities—to dominate, thereby acquiring economic and political strength. He highlighted several tools used to achieve this, including regulations, subsidies, and protectionist measures for domestic companies.

He further discussed why countries often tolerate mercantilist practices, citing factors such as complacency (the belief that it will eventually pass), a lack of power to resist, and sometimes a strategic interest in seeing mercantilist countries grow stronger because it indirectly benefits the United States, as seen in the cases of Japan and other allies. However, Mr. Delfeld pointed out that while China adopted a similar mercantilist strategy, its immense size, scale, speed, and focus allowed it to succeed where others have failed. He observed that U.S. corporations, in pursuit of their own interests, relocated manufacturing to China and accepted its restrictive policies and technology theft, prioritizing profit over patriotism.

□ Hon. Erik Bethel

Distinguished Fellow, Chamber of Digital Commerce
Former U.S. Representative to the World Bank

Hon. Erik Bethel explained that there are reasons for practicing mercantilism, like aspiring for national strength by creating trade surplus, and other ways of accumulating wealth. He stated that the United States faces a big problem – it has outsourced manufacturing, adding that American companies live on quarterly earnings reports, CEOs make money on very short-term sighted goals, and Members of Congress operate on two-year election cycles. In effect, the country lacks a long-term strategy to make good decisions.

He emphasized how China, with inexpensive labor, enticed American companies although eventually “the noose tightened” on these companies and they became captive. He cited as an illustration of being “captive” the case of Germany where its car companies set up shop in China and ultimately China leveraged its position and pressured Germany to allow Chinese electric vehicles into the country, effectively sabotaging Germany’s car industry. This, Mr. Bethel argued, is not just mercantilist policy but leverage being used to its highest effect.

OPEN FLOOR

The question was raised on what is the right strategy for the United States moving forward. Addressing observations that U.S. President Donald Trump's actions and policies are becoming mercantilistic, Mr. Delfeld said the President is just pushing back—a natural impulse for a country which has been very complacent for some years. Recognizing that things are still evolving, he stressed however the importance of being disciplined in sticking with an identified strategy and likewise dealing with the side effects of such strategy or policy. Mr. Bethel shared that there are talks in the U.S. about decoupling from China, with people asking whether to pull out of China and locate their business elsewhere.

THE GEOPOLITICAL IMPACT OF DIGITAL CURRENCIES

□ **Hon. Erik Bethel**

Distinguished Fellow, Chamber of Digital Commerce
Former U.S. Representative to the World Bank

Hon. Erik Bethel emphasized the importance of leveraging technology to enhance efficiency in financial transactions. He highlighted the need to address transparency and governance issues in fund transfers, and to consider tracking World Bank loans transparently with blockchain technology which promises to revolutionize financial management and monitoring. He also discussed the U.S. dollar's dominance in global trade and central bank reserves, raising concerns about its status as the world's reserve currency and highlighting the impact of U.S. deficits on global financial stability and the risk of hyperinflation.

Additionally, Mr. Bethel highlighted emerging initiatives by BRICS countries to reduce reliance on the dollar in trade settlements and cited the collaboration to establish alternative cross-border payment systems outside the Society for Worldwide Interbank Financial Telecommunications (SWIFT) and the dollar's realm. He anticipated that these developments would have game-changing impact on economics, finance, and central banking.

FROM CRISIS TO GROWTH: SECURITY CHALLENGES TO AFFORDABLE AND RELIABLE ENERGY

□ **Dr. Kevin Dayaratna**

Acting Director, Chief Statistician, and Senior Research Fellow
Center for Data Analysis, The Heritage Foundation

Dr. Kevin Dayaratna discussed the relationship between energy access, economic prosperity, and public health. He analyzed the correlation between access to affordable and reliable energy and various societal factors, focusing on economic prosperity and public health outcomes. Using historical data and charts, he illustrated trends in energy consumption, GDP per capita, labor productivity, child mortality rates, and other global metrics.

The presentation particularly highlighted how increased energy access has led to greater labor productivity, allowing workers to produce the same amount of output with less labor input due to

technological advancements fueled by energy availability. He also presented forecasting models showing the economic impact of increased energy production and discussed the relationship between energy consumption and environmental metrics like air and water pollution. He briefly discussed the energy mix in the Philippines and highlighted the need for energy independence and diversification of energy sources.

In conclusion, Mr. Dayaratna argued that access to affordable and reliable energy is fundamentally linked to human flourishing, leading to economic growth, improved public health outcomes, and reduced mortality rates. While acknowledging potential environmental challenges, his contention is that the benefits of increased energy production outweigh the risks, particularly given technological advancements that mitigate the environmental impact.

☐ **Mr. Lucian Pugliaresi**

President, Energy Policy Research Foundation, Inc. (EPRINC)

Mr. Lucian Pugliaresi's presentation focused on energy policy and the visualization of complex data to help policymakers obtain a better grasp of vital information. Using animation, he showed the global distribution of power resources, highlighting the lack of power in Africa compared to more developed areas like the U.S., Europe, India, China, and South Asia. He also discussed the relationship between the Human Development Index and energy consumption which demonstrates that poorer countries have significantly less energy access. His presentation also delved into a wide range of policy issues relating to energy, such as net zero emissions. He observed that global aspirations for net zero emissions by 2050 is "unrealistic", with only minimal emission reductions.

☐ **Hon. Mark O. Cojuangco**

Chairperson, Committee on Nuclear Energy

Hon. Mark Cojuangco gave a brief presentation on the current outlook of the Philippine nuclear energy sector. He presented data showing current installed electric capacity and its high generation cost. He posited that transitioning to nuclear energy could reduce this cost as uranium has a significantly higher energy density than fossil fuels. He noted that the energy disparity between the Philippines and other emerging economies like Vietnam is further exacerbated by geopolitical factors such as rising coal prices. Hon. Cojuangco observed that, while the country has a fully constructed 620-megawatt nuclear power plant and potential logistical support from countries such as South Korea, it is far from achieving energy independence and security. He strongly advocated for the development of nuclear energy as an alternative source of energy.

☐ **Hon. Felix William "Wimpy" B. Fuentebella**

Undersecretary, Department of Energy

In his presentation, Hon. Wimpy Fuentebella characterized the Philippines as the most vulnerable country in the world due to natural hazards, internal conflicts, cyber security threats, geopolitical risks, and oil supply chain vulnerabilities. To address these challenges, he advocated for an energy security

strategy that is anchored on reliability, affordability, sustainability, and the alignment of the country's energy blueprint with its national development plans.

Hon. Fuentebella stressed that transitioning to clean energy involves a shift from coal to nuclear and renewable energy, and addressing coal supply issues caused by external dependencies. He emphasized the need to address infrastructure and security challenges such as aging infrastructure, grid capacity issues, limited renewable energy storage, and cyber security concerns. He emphasized the importance of improving energy security laws across the entire supply chain, and aligning these laws with the goal of achieving a healthy community and reducing pollution.

In his final remarks, Mr. Fuentebella advocated for the passage of critical energy security laws and the continued support for innovation in renewable and energy storage technologies. He highlighted the potential use of the mobile energy system and the importance of disaster resilience and cyber security. He also emphasized the need for a whole-of-nation collaboration to achieve the goals of the Philippine Energy Plan and ensure energy security.

CLOSING REMARKS

❑ Hon. Aurelio “Dong” D. Gonzales, Jr.

Senior Deputy Speaker of the House of Representatives, Philippines

In closing the two-day forum, Senior Deputy Speaker Aurelio “Dong” Gonzales, Jr. lauded the healthy and fruitful exchange of best practices and ideas from respected security, intelligence, and economic experts. Highlighting the forum's outputs, Hon. Gonzales stressed that economies cannot thrive amidst conflict and if the people are not secure, and that peace and security are elusive when the quest for development and economic survival is pursued without regard to the rights and entitlements of others. He reiterated that rules-based international order should remain as the only method to settle all conflicting interests.

Faced with the unrelenting march of technological advancement, Hon. Gonzales emphasized that such could also worsen existing inequalities, perpetuate human biases, and put people's well-being and human rights at risk—thus, the necessity of instituting appropriate state policies and a collective global stand on the regulation of technologies. He drew attention to the fact that while collaborative trade policies promote economic growth, a country may weaponize such policies in the pursuit of its own political goals, leading to adverse consequences in an interconnected world.

Recognizing that we are bound by our common resolve to act decisively, he exhorted everyone to continue to advocate for responsible, efficient and comprehensive policies, centered on collaboration and advancement; and to unceasingly take part in the healthy exchange of views, experiences, innovations, and best practices to tackle the challenges ahead. Hon. Gonzales expressed confidence that that with continued collective efforts and shared principles, this comprehensive and dynamic relationship will only grow stronger and will produce positive results for all. He sincerely thanked the participants for making the forum a resounding success and commended Hon. Robert Pittenger for his vision and leadership.