

# GMA defends role in ZTE deal

By PAOLO ROMERO

President Arroyo defended yesterday her role in the canceled \$329-million national broadband network (NBN) contract with ZTE Corp. of China even as the Office of the Ombudsman was set to review the Senate report recommending the prosecution of nearly

everyone involved in the deal, including First Gentleman Jose Miguel Arroyo.

The report said Mrs. Arroyo had "a lot to answer for."

In her speech at the management conference of the Kapisanan ng mga Brodkaster ng

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Filipinas (KBP) in Tagaytay City, Mrs. Arroyo detailed how she had the scandal-tainted contract canceled even if the investigation she had ordered on the alleged corruption proved inconclusive.

She said the cost-effective buildup of the country's information and communications technology (ICT) was the reason why the Philippines sought financing from China to set up an NBN project.

Mrs. Arroyo said when then socio-economic planning secretary Romulo Neri informed her of a bribery attempt "involving a constitutional officer not under the administrative supervisory jurisdiction of the President of the Philippines," she immediately ordered Executive Secretary Eduardo Ermita and Interior Secretary Ronaldo Punzo to have the matter "discreetly investigated."

The constitutional officer she was referring to was former Commission on Elections chairman Benjamin Abalos. Neri testified at a Senate hearing that Abalos insinuated that he had reserved P200 million for him (Neri).

The President said Ermita ordered National Security Adviser Norberto Gonzales to investigate the allegation while Punzo conducted his own.

"The findings reported back to me were inconclusive. Nevertheless, for the sake of propriety, I moved to cancel the project," Mrs. Arroyo said.

"Unfortunately, there are a lot of unsubstantiated allegations, gossip and innuendoes mixed up with the facts of the case. This is part of our immature political system; it's part of our immature institutions. And this immaturity hurts the growth of the nation," she said.

She said the media could help clarify the issues and ensure greater accountability.

Mrs. Arroyo said the Philippines badly needs an ICT network that would help fuel its growth.

"If centuries ago, there was an agricultural revolution, then there was an industrial revolution, now we have an ICT revolution. And there's no stopping ICT from becoming the wave of our future whether in your industry or in any other industry. Our country should use it to enhance competitiveness, and I know you use it to enhance yours," she said.

Deputy presidential spokesperson Lorelei Fajardo said the Palace was not worried by the move of the Ombudsman to review the Senate report even if it had earlier cleared the First Couple of any wrongdoing.

"But whatever their (Ombudsman) decision might be, then we would be ready. President Arroyo's lawyers or legal advisers would be ready to defend her. But we have very little time left already, so I think it would be better for our officials, particularly our lawmakers, if we could adjust our priorities in Congress, like the passing of the budget for 2010," she said.

— With Aurea Calica