Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH (18TH) CONGRESS
First Regular Session

House Res. No. 1664

Introduced by Rep. BERNADETTE R. HERRERA

RESOLUTION
URGING THE HOUSE COMMITTEES ON GOVERNMENT ENTERPRISES AND PRIVATIZATION, GOOD GOVERNMENT AND PUBLIC ACCOUNTABILITY, AND ANY APPROPRIATE HOUSE COMMITTEE TO CONDUCT A LEGISLATIVE REVIEW OF THE ONGOING NEGOTIATIONS BETWEEN THE DEPARTMENT OF JUSTICE AND MAYNILAD, INC. AND MANILA WATER, INC. REGARDING THE CONCESSION AGREEMENTS.

WHEREAS, Republic Act No. 8041 empowered the Metropolitan Waterworks and Sewerage System (MWSS) to enter contracts with private entities for the provision of water and sewerage services across the National Capital Region;

WHEREAS, Subsequently, the MWSS was privatized and the service areas were divided (East Zone and West Zone), with each Zone services by Manila Water (MWC) and Maynilad through 25-year Concession Agreements;

WHEREAS, Over the years, numerous issues arose and were made public by well-intentioned sources and whistleblowers, whereby it was revealed that, among others, the Concessionaires increased rates at an exponential rate basing on a flawed rate rebasing scheme and other factors all to the detriment of the consumers;

WHEREAS, other issues included the increase in water rates based on future projects of the concessionaires, with some projects never being implemented, the passing on of the concessionaires of losses as a result of foreign currency differential adjustment, among many others;

WHEREAS, investigations have shown that the Concessionaires have also passed on by means of deductible expenses to corporate income taxes, including travel and junket costs, sponsorship of basketball teams, among others;

WHEREAS, despite the public being subjected to abhorrent rates, the consumers have suffered seriously inconsistent water services from both Concessionaires and close to inexistent sewerage services;
WHEREAS, at the height of summer in 2019, over one million families in Manila Water’s East Zone suffered a massive water supply crisis, where the concessionaire had a shortage that forced water interruptions of as long as 12 hours and many having no water for many days;

WHEREAS, two months later, the West Zone residents under the services of Maynilad suffered under similar conditions due to a similar water shortage;

WHEREAS, in 2020 President Duterte ordered the Department of Justice to review the Concession agreements because of these onerous provisions, followed by a new draft that was prepared by representatives of the Office of the President, Department of Finance, Department of Justice, Office of the Solicitor General, and the Office of the Government Corporate Counsel, and this draft is set to be discussed to the concessionaires;

WHEREAS, in the interest of ensuring the best services for the Filipino people, and to further avoid any onerous contractual situations with the concessionaires, further consultation and good governance oversight must be conducted prior to the approval and signing of the new drafts;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the members of the House of Representatives of the Philippines, urging the House Committees on Government Enterprises and Privatization, Good Government and Public Accountability, and any appropriate House Committee to conduct a legislative review of the ongoing negotiations between the Department of Justice and Maynilad, Inc. and Manila Water, Inc. regarding the concession agreements.

Adopted,

BERNADETTE HERRERA