SIXTEENTH CONGRESS OF THE REPUBLIC) OF THE PHILIPPINES) Third Regular Session)

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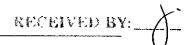
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P. S. R. No. _____**516**



Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE RECENT COMMISSION ON AUDIT REPORT THAT BY THE END OF 2014, TRANSCO FAILED TO USE ITS SUBSIDY OF \$\Pmathbb{P}\$1.5 BILLION FOR THE REPAIR AND REHABILITATION OF TRANSMISSION LINES DESTROYED BY SUPER TYPHOON YOLANDA

WHEREAS, the Constitution, Article 2, Section 28 states: "Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest";

WHEREAS, the Inquirer.net on 12 July 2015 cited the recent Commission on Audit (COA) report stating that the National Transmission Corporation (Transco) failed to use ₱1.5 billion in government subsidies for the repair and rehabilitation of transmission lines destroyed by super typhoon Yolanda in November 2013;

WHEREAS, the COA report stated that the subsidy remained unobligated and undisbursed as of 31 December 2014, thus defeating the purpose for which it was given;

WHEREAS, according to the COA, as early as one month after the typhoon toppled power lines, the national government already released the rehabilitation funds to Transco; however, the funds have remained intact and have earned interest income;

WHEREAS, since the public funds were left unused, the COA directed the Transco to return the unspent funds including all the interest it has earned to the treasury;

WHEREAS, based on Transco's 2014 financial transactions, the COA said the state-run power distributor also failed to collect more than \$\mathbb{P}803\$ million from its customers, which were mostly electric cooperatives;

WHEREAS, the state auditors also discovered that the National Grid Corporation of the Philippines (NGCP) assumed some of Transco's \$\textstyle{2}\text{803-million}\$ receivables but failed to remit them to Transco. NGCP is a private company that bought Transco's power transmission business;

WHEREAS, upon verification, the state auditors found that it was NGCP that spent for the restoration and rehabilitation of the damaged power lines; WHEREAS, the Congress, through relevant legislation, should put in place mechanisms that could prevent the delay in the utilization of budget allocations for the immediate delivery of relief assistance and rehabilitation, including power restoration, in the affected areas after a calamity or disaster;

WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct the proper Senate committee to conduct an inquiry, in aid of legislation, on the recent Commission on Audit report that by the end of 2014, Transco failed to use its subsidy of \$\mathbb{P}\$1.5 billion for the repair and rehabilitation of transmission lines destroyed by super typhoon "Yolanda";

Adopted,

MIRIAM DEFENSOR SANTIAGO

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