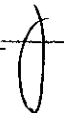


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SENATE
P. S. R. No. 1595

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION,
ON THE COMMISSION ON AUDIT REPORT THAT NO PAYMENT FOR A FOREIGN
LOAN OF ₱1.275 BILLION WAS REMITTED BY THE METROPOLITAN WATERWORKS
AND SEWERAGE SYSTEM TO THE BUREAU OF TREASURY DESPITE COLLECTIONS
OF ₱1.614 BILLION MADE FROM THE CONCESSIONAIRES

- 1 WHEREAS, the Constitution, Article 11, Section 1 provides:
- 2 Section 1. Public office is a public trust. Public officers and employees
3 must, at all times, be accountable to the people, serve them with utmost
4 responsibility, integrity, loyalty, and efficiency; act with patriotism and justice,
5 and lead modest lives.
- 6 WHEREAS, among the foreign loans under the Long-Term Liabilities of the
7 Metropolitan Waterworks and Sewerage System (MWSS) was the Japan Bank for International
8 Cooperation Overseas Economic Cooperation Fund (JBIC/OECF) loan of ₱1.275 billion;
- 9 WHEREAS, in 2013, the Commission on Audit (COA) reported that no payment for the
10 JBIC/OECF loan was remitted to the Bureau of Treasury (BTr) despite the collections made
11 from the concessionaires amounting to ₱1.608 billion;
- 12 WHEREAS, the MWSS explained that the non-remittance was due to the unresolved
13 issue on whether or not the loan was equity of the Government;
- 14 WHEREAS, the BTr informed the MWSS that there was no agreement stating that the
15 amount should be treated as a grant or subsidy of the government;
- 16 WHEREAS, the COA in its 2014 Audit Report observed that in 2014, no collections
17 were received by the MWSS from the concessionaires for the payment of the JBIC/OECF loan;
- 18 WHEREAS, the state auditors reiterated its prior year's recommendation that the MWSS
19 immediately remit to the BTr the amount collected from the concessionaires as payment for the
20 JBIC/OECF loan;

1 WHEREAS, the COA further found that MWSS cash and cash equivalents remained
2 insufficient to cover the unpaid foreign loans already billed by the BTr and all recognized Trust
3 Accounts;

4 WHEREAS, the COA noted that the insufficiency of cash to cover the loans will remain
5 an issue until the MWSS collects receivables from the Manila Water Services, Inc. totalling ₱607
6 million;

7 WHEREAS, government agencies are expected not to be remiss in the fulfilment of their
8 obligations, including payment of their outstanding loans;

9 WHEREAS, Congress should put in place measures to deter delayed and ineffective
10 collection of receivables due our government agencies;

11 WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct
12 the proper Senate committee to conduct an inquiry, in aid of legislation, on the report that no
13 payment for a foreign loan of ₱1.275 billion was remitted by the Metropolitan Waterworks and
14 Sewerage System to the Bureau of Treasury despite the collections made from the
15 concessionaires amounting to ₱1.614 billion.

Adopted,


MIRIAM DEFENSOR SANTIAGO
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