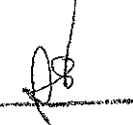


13th Congress of the Republic)
of the Philippines)
First Regular Session)

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SENATE
PS Res. **82**

RECEIVED BY: 

Introduced by Senator Aquilino Q. Pimentel, Jr.

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, INTO THE OPERATIONS OF THE METRO RAIL TRANSIT (MRT 3) AND THE FINANCIAL OBLIGATIONS OF THE METRO RAIL TRANSIT CORPORATION (MRTC) TO THE GOVERNMENT AND THE ALLEGED NEED TO INCREASE MRT 3 FARE.

Whereas, the Department of Transportation and Communications (DOTC) and the Metro Rail Transit Corporation (MRTC) have announced the proposed increase in Metro Rail Transit 3 (MRT) fares to augment the rising cost of operations and maintenance;

Whereas, in order to determine the reasonable amount of increase in the MRT fares, however, it is necessary that a financial audit of the MRTC be conducted in the light of an MRT 3 Task Force report dated December 2003 to DOTC Assistant Secretary Robert Castañares that raised several important financial issues;

Whereas, one such issue involves the US\$679 million spent for the construction of the MRT3. It appears that about US\$25 million of this amount was spent on items that are routinely disallowed by the DOTC. The government could reduce its equity payments by as much as 13% should the US\$25 million expenditure be disallowed;

Whereas, the DOTC is entitled to receive a share from MRTC as advertising and subleasing revenues. However, despite demands for its payment by the DOTC, the MRTC refuses to pay said obligation which now amounts to P600 million;

Whereas, the insurance of MRT 3, which for the past three years alone amounts to US\$ 14.5 million, should be paid by the contractor, MRTC. As such, all previous insurance payments should be recovered from the MRTC;

Whereas, the contract between DOTC and MRTC provides, among others, that a building for the DOTC shall be constructed by the MRTC. The building has not been constructed, and DOTC, therefore, leases office space, thereby incurring unnecessary expenses;

Whereas, if the said amounts were recovered by the DOTC from the MRTC, they would substantially reduce the amount needed to fund the operational and maintenance expenses of the MRT 3 resulting in lower MRT 3 fares.

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED to direct the appropriate Senate Committees to conduct an investigation, in aid of legislation, into the operations of the Metro Rail Transit (MRT 3) and the financial obligations of the Metro Rail Transit Corporation (MRTC) to the government and the alleged need to increase MRT 3 fare.

Adopted,


AQUILINO Q. PIMENTEL, JR.