

FOURTEENTH CONGRESS OF THE }
 REPUBLIC OF THE PHILIPPINES }
 First Regular Session }

8 MAR 2008

RECEIVED BY

SENATE
 P. S. Res. No. 316

Introduced by Senator M.A. Madrigal

RESOLUTION

**STRONGLY CENSURING PHILIPPINE NATIONAL RAILWAYS
 GENERAL MANAGER JOSE MA. I. SARASOLA II FOR
 WITHHOLDING THE COPY OF THE MEMORANDUM OF
 AGREEMENT BETWEEN THE PHILIPPINE NATIONAL RAILWAYS
 (PNR) AND CHINA NATIONAL TECHNICAL IMPORT-EXPORT
 COOPERATION ON THE CONSTRUCTION OF THE SOUTHRAIL
 PROJECT AND INSTRUCTING THE SENATE TO COMPEL
 SUBMISSION OF SAID DOCUMENT IN THE INTEREST OF
 FERRETING OUT THE TRUTH ON CHARGES OF CORRUPTION
 SURROUNDING THE PROJECT**

WHEREAS reports of scandalous cases of corruption involving high-ranking government officials and the presidential family have sparked public agitation manifested in a number of mass actions participated in by various sectors of society;

WHEREAS at the center of these recent scandals is the NBN-ZTE project and the testimony of Engr. Rodolfo Noel Lozada in the Senate who corroborated the purported \$130 million overprice in the said project, further alleging a 22% overprice in all government projects, which he claimed was the standard operating procedure in the Macapagal-Arroyo government to pay off public officials;

WHEREAS during the Senate investigation, Lozada mentioned another project entered into by the government which was grossly overpriced: the Southrail project;

WHEREAS the Southrail project, according to Lozada "stinks" of corruption in the amount of \$70 million, which indeed is "abominable" in the face of widespread poverty and the shrinking allocation for social services, particularly for health and education;

WHEREAS the Constitution exacts the highest accountability of public officers at all times, to which end the principle of checks and balances is instituted that mandates the Senate to conduct investigations and check possible excesses and misdemeanors in other branches of government and to legislate the necessary remedial measures;

WHEREAS with the above end in view, on 13 February 2008, a copy of the Memorandum of Agreement between the Philippine National Railways (PNR) and

China National Technical Import-Export Cooperation on the Construction of the Southrail Project, signed on 27 April 2005, was requested by the office of this representation from PNR General Manager Jose Ma. I. Sarasola II;

WHEREAS despite formal communication sent to PNR General Manager Sarasola for the purpose, the latter however has unconvincingly denied capacity to produce the required document;

WHEREAS details about the Southrail project are posted in the PNR website *www.pnr.gov.ph/southrail.htm* and all news articles discussing the Southrail project quote PNR General Manager Sarasola as their source; thus, the claim that the document is not in their possession is flimsy and can only be averred as an attempt at a cover-up;

WHEREAS the document being requested is a matter of public concern which our Constitution guarantees the people to have access to as promulgated in Article II, which clearly states that:

Section 27. The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption.

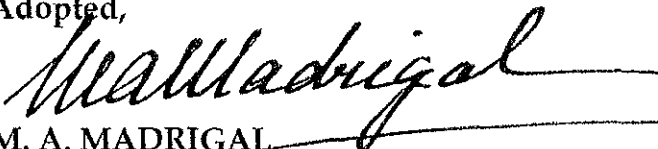
Section 28. Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest.

WHEREAS to tolerate such denial by the PNR General Manager is to tolerate purported corrupt acts;

WHEREAS public office is a public trust and the Senate must assert its constitutional authority to look into questionable government dealings and uphold such mandate to ensure honesty, integrity, transparency and accountability in public service at all times;

THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to strongly censure Philippine National Railways General Manager Jose Ma. I. Sarasola II for withholding the copy of the Memorandum of Agreement between the Philippine National Railways (PNR) and China National Technical Import-Export Cooperation on the construction of the Southrail project and instruct the Senate to compel submission of said document in the interest of ferreting out the truth on charges of corruption surrounding the project.

Adopted,


M. A. MADRIGAL