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SENATE

P.S. Resolution No. 16

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INTRODUCED BY **SEN. JINGGOY EJERCITO ESTRADA**

RESOLUTION

DIRECTING THE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES AND OTHER APPROPRIATE COMMITTEES TO INQUIRE, IN AID OF LEGISLATION, ON THE ALLEGED DISPOSAL BY THE SUBIC BAY METROPOLITAN AUTHORITY (SBMA) OF MATERIALS BELONGING TO LEGENDA INTERNATIONAL RESORTS, LIMITED (LIRL) WITHOUT A PUBLIC BIDDING

WHEREAS, the Legend International Resorts, Limited (LIRL), a Pagcor-licensed casino operator, has been operating in Subic Bay Special Economic Zone since 1990s;

WHEREAS, LIRL incurred huge debts to the Philippine government, including unpaid obligations to the Subic Bay Metropolitan Authority (SBMA), amounting to more than Php850 million;

WHEREAS, on February 9, 2009, the Regional Trial Court in Olongapo City granted the termination of rehabilitation proceeding of LIRL upon the motion of SBMA and lifted the stay order that the court has issued previously;

WHEREAS, SBMA sent the notices of default and demand letters to LIRL "in order to protect the interests of the government and collect the huge unpaid rentals and casino share of LIRL";

WHEREAS, on April 15, 2009, the SBMA was able to repossess the Legenda Suites, using a provision in the lease agreement that in case of default, it may "immediately reenter, renovate, or relet all or part of the property and cancel all rights and privileges granted to tenants";

WHEREAS, there have been reports that SBMA caused the dismantling of the tower crane and all the metal beams at the unfinished construction of Legenda Resort and Casino Subic Bay which is owned by the LIRL;

WHEREAS, the tower crane and all the metal beams reportedly costs more than Two Hundred Million Pesos (P200,000,000.00) and that the SBMA awarded and disposed of the structural steel / metal beams to a favored contractor and without the benefit of a public bidding;

WHEREAS, existing laws mandate that the disposal of unserviceable government property shall be conducted through a public bidding to ensure more

transparency, accountability, efficiency and economy in the government's procurement and disposal system and for the government to command a higher and better price;

WHEREAS, the alleged disposal by the SBMA of the structural steel / metal beams without a public bidding runs counter to existing laws and there is a need to look into the matter to ensure that existing laws are strictly adhered to by government agencies and instrumentalities in order that the government would generate higher benefits in terms of higher value and price;

THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED by the **Senate**, to direct the Committee on Government Corporations and Public Enterprises and other appropriate committees to inquire, in aid of legislation, on the alleged disposal by the Subic Bay Metropolitan Authority (SBMA) of materials belonging to Legenda International Resorts, Limited (LIRL) without a public bidding.

Adopted,


JINGGOY EJERCITO ESTRADA
Senator