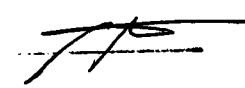


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**SENATE**  
P.S. Res. No. 736

RECEIVED BY 

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**Introduced by Senator Poe**

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**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON PUBLIC SERVICES AND OTHER APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE VARIOUS PUBLIC UTILITIES INCLUDING GAS, TRANSPORT, ELECTRICITY AND WATER AS THEY ARE AFFECTED BY THE INITIAL IMPLEMENTATION OF THE 'TRAIN LAW' WITH THE OBJECTIVES OF SUBMITTING REMEDIAL MEASURES, STRENGTHENING SUBSIDIES AND FINANCIAL ASSISTANCE, IF NEEDED AND RECOMMENDING OTHER APPROACHES TO HELP AFFECTED FILIPINO FAMILIES**

WHEREAS, Section 9, Article II of the 1987 Philippine Constitution provides: "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all";

WHEREAS, the Philippine Statistics Authority recently reported in April 2018 that inflation is moving at a much faster pace at 4.5 percent – breaching the Bangko Sentral ng Pilipinas' target of 2 to 4 percent for the year<sup>1</sup>;

WHEREAS, the same report pegged the annual inflation rate for public utilities such as water, electricity, and gas at 3 percent for the national level and at 4.7 in the National Capital Region (NCR), while inflation in the transportation sector was pegged at 4.9 percent for the national level and at 5.8 percent in the NCR;

WHEREAS, prior to the enactment of the Tax Reform for Acceleration and Inclusion (TRAIN) Law, the "Department of Trade and Industry (DTI) said higher

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<sup>1</sup> <https://psa.gov.ph/statistics/survey/price/summary-inflation-report-consumer-price-index-2012100-april-2018>.

transportation costs would have minimal effect on the prices of goods and, if at all, the increase in prices would only be in the range of 15 to 20 centavos”<sup>2</sup>;

WHEREAS, just since January 2018, the price in Metro Manila of diesel is now at Php44.35 per liter, up by over Php7, and gasoline is at Php55.37, up by some Php6.80, while an 11-kilo LPG tank is now more expensive at Php650 to Php750<sup>3</sup>;

WHEREAS, petitions for higher fares by the transport sector have begun piling up: for jeepney drivers and operators, a raise in the basic rate from Php8.00 to Php12.00; for ordinary bus operators within Metro Manila, a Php3.30 hike in the minimum fare, plus a peso for every succeeding kilometer, and Php2.95 more for minimum fare for provincial ones, a Php 4.00 hike in its per kilometer charge for the ride-hailing company Grab – all of which remain pending while PUV drivers’ average daily take home pay has reportedly eroded to Php500 to Php600<sup>4</sup>;

WHEREAS, beside fuel price spikes, power distribution utility MERALCO has implemented a TRAIN-triggered rate surge in February, which it imposed on an installment basis – Php0.75 per kilowatt hour (kwh) in February, Php0.85/kwh in March, Php0.23/kwh in April, which in turn resulted to higher bills triggering the collection of additional bill deposit to cover the higher actual monthly average bill of its consumers;

WHEREAS, Filipinos are feeling the pinch of higher utility rates and are bound to tighten their belts once more when regulators give the green light on petitions for fare hikes;

WHEREAS, it is feared that the “price increases from TRAIN are very permanent, and even if inflation moderates, this does not mean the prices will be lower”<sup>5</sup>;

WHEREAS, due consideration of available data on the ground is essential in order to strike a balance between the interests of public utilities and the plight of the consuming public;

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<sup>2</sup> <http://business.inquirer.net/250846/train-law-can-use-second-look#ixzz5FYKDM5op>.

<sup>3</sup> <http://ibon.org/2018/05/train-induced-price-increases-are-permanent-ibon/>.

<sup>4</sup> <http://bulatlat.com/main/2018/04/20/first-quarter-train-preview-worse-come-poor/>.

<sup>5</sup> <http://ibon.org/2018/05/train-induced-price-increases-are-permanent-ibon/>.

WHEREAS, the Senate, in the exercise of its oversight functions, should carefully assess the impacts of TRAIN on utility and transportation prices, and come up with possible mitigating measures to help the poor cushion the law's effects;

NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the Senate, to direct the Senate Committee on Public Services and other appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the various public utilities including gas, transport, electricity and water as they are affected by the initial implementation of the 'train law' with the objectives of submitting remedial measures, strengthening subsidies and financial assistance, if needed and recommending other approaches to help affected Filipino families

*Adopted,*

  
GRACE POE 2/1