


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

SECRETARY

SENATE
P. S. Res. No. 256

RECEIVED BY: 

Introduced by Senators M. A. Madrigal and Aquilino Q. Pimentel Jr.

RESOLUTION

DIRECTING THE COMMITTEES ON ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATION (BLUE RIBBON) AND ENERGY TO EXPEDITE THE INVESTIGATION, IN AID OF LEGISLATION, ON THE ALLEGED RIGGED BIDDING PROCESS OF THE NATIONAL TRANSMISSION CORPORATION (TRANSCO) IN FAVOR OF MONTE ORO GRID RESOURCES CONSORTIUM WHICH IS CONTROLLED BY A KNOWN ALLY OF THE PRESIDENT, INCLUDING THE APPARENT PARTIALITY AND UNDUE HASTE OF PSALM IN PROCEEDING WITH THE BIDDING DESPITE SERIOUS UNRESOLVED ISSUES

WHEREAS on 12 December 2007, the Power Sector Assets and Liabilities and Management Corporation (PSALM), despite serious issues of irregularity plaguing the auction of the National Transmission Corporation (Transco), proceeded with selling off the country's lone power grid in what has been described as the biggest privatization in Philippine history;

WHEREAS the Monte Oro Grid Resources consortium was declared the winning bidder in what has also been described as a "lutong macao" or grand charade;

WHEREAS said auction is the subject of S. Res. No. 238 that was referred to the Blue Ribbon Committee and Committee on Energy to investigate, in aid of legislation, the alleged rigged bidding for Transco in favor of the Monte Oro Grid Resources consortium which includes Enrique Razon Jr. who was the treasurer of the administration's Team Unity last elections and the conflict of interest of PSALM President Jose Ibazeta, Jr. who is at the same time a director in one of Mr. Razon's businesses;

WHEREAS Enrique Razon Jr. is moreover a known close friend of the President and First Gentleman Jose Miguel Arroyo while the President's brother, Diosdado "Buboy" Macapagal Jr., is said to be part of the group of businessmen represented by the Monte Oro Grid Resources consortium;

WHEREAS the laws are clear that any individual appointed into government is required to divest himself of any connection to a private entity to avoid possible conflict of interest, otherwise his position would be compromised in violation of the

Anti-Graft and Corrupt Practices Act (R.A. 3019) and the Code of Conduct of Ethical Standards for Public Officials and Employees (R.A. 6713);

WHEREAS the Government Procurement Act bars relatives of government officials and employees "up to the third degree of consanguinity" from taking part in bidding for state projects;

WHEREAS an immediate investigation on the Transco bidding must be pursued to determine whether personalities close to the administration were favored in violation of R.A. 3019, whether certain public officials violated R.A. 6713 and whether the President's brother had participation in the bidding for the state project Transco in violation of the Government Procurement Act;

WHEREAS the undue haste displayed by PSALM in proceeding with the Transco bidding despite pending investigations in the Upper and Lower Houses of Congress, as well as court cases, can only be seen as a means to avoid the issues surrounding the rigged bidding for Transco and to cover up for erring officials who participated in the scheme, and the Senate cannot in any way countenance such moves;

WHEREAS it must be noted that the sale of the Transco concession to the Monte Oro Grid Resources consortium involves not only transmission lines but also optic-fiber broadband capability, and accordingly, the consortium will not only control the power sector but also broadband communications in the country;

WHEREAS under the sale of Transco, the said consortium need not spend a single centavo for one year until obtaining a franchise. Further, after acquiring the franchise, the consortium must only pay 25% of the bidding price and the balance of 75% is payable for 20 years. Moreover, the Department of Finance has said that the Asian Development Bank will provide a standby facility of \$250 million to the winning bidder;

WHEREAS these terms only further show that Monte Oro will be getting all the advantages under such sale, to the prejudice of Filipino consumers and taxpayers, and it is incumbent upon the Senate to investigate any such and all anomalous circumstances before granting the firm a congressional franchise within a required year's time to operate, maintain and expand the nationwide power grid;

WHEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the Committees on Accountability of Public Officers and Investigation (Blue Ribbon) and Energy to expedite the investigation, in aid of legislation, on the rigged bidding of the National Transmission Corporation (Transco) in favor of Monte Oro Grid Resources consortium which is controlled by a known ally of the President, including the apparent partiality and undue haste of PSALM in proceeding with the Transco bidding despite serious unresolved issues.

Adopted,


M. A. MADRIGAL


AQUILINO Q. PIMENTEL JR.