

SENATE
P. S. R. No. 799

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Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEES TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE ALLEGED ANNUAL LOSSES AMOUNTING
TO P200 MILLION INCURRED BY THE PHILPOST DUE TO FRANKING
PRIVILEGES

WHEREAS, the Constitution, Article 2, Section 28 states: "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, *The Philippine Star*, in an article entitled "Philpost Losing P200 M Annually to Privileges of Executive, Legislative", dated 11 November 2008, reported that Postmaster General Hector Villanueva allegedly said that the agency has been losing about P200 million a year for the franking privileges given to the executive and legislative departments;

WHEREAS, while speaking at the 110th anniversary of the Philippine Postal Corporation (Philpost), Villanueva allegedly called on lawmakers and officials of the executive department to stop using the mail without paying postage to prevent the Post Office from going bankrupt;

WHEREAS, Villanueva also reportedly said that government officials should pay for their postage and handling and delivery since Philpost, a government-owned and controlled corporation and an income-generating agency that fully relies on its income to cover its expenditures, is losing P150 million to P200 million a year as a foregone income;

WHEREAS, it was reported that the postmaster general said that lawmakers and officials of the executive department can waive their franking privileges and that it should be incorporated in their budget to cover postage and handling costs;

WHEREAS, on the other hand, Assistant Postmaster General for Administration Luis Carlos allegedly said the franking privileges do not cover "political purposes" and that this is the first time that he has heard the Postmaster General speak openly about this matter;

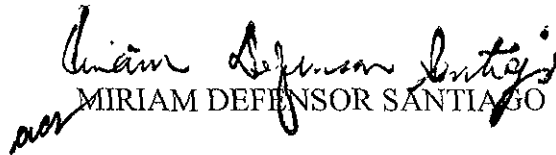
WHEREAS, it was reported that Philpost does not rely on funds from the national government and that under Republic Act No. 7354, Philpost is allowed to privatize 55 percent of its operation to receive outside funding for its modernization program;

WHEREAS, it was likewise reported that since 2006, the Japanese company Renaissance of Age (ROA) has expressed interest to infuse P5.6 billion into Philpost, but that the agency is not relying on the ROA deal;

WHEREAS, there is an urgent need to investigate this report in order to help Philpost maximize its meager resources, prevent its bankruptcy and determine how to further strengthen laws governing the franking privileges of all branches of government;

WHEREFORE, be it hereby resolved by the Philippine Senate to direct the proper Senate Committee to conduct an inquiry, in aid of legislation, on the alleged annual losses amounting to P200 million incurred by the Philpost due to franking privileges.

Adopted,


MIRIAM DEFENSOR SANTIAGO

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