

FOURTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

) 8 JUL 2009)

SENATE

RECEIVED BY: [Signature]

COMMITTEE REPORT NO. 84

Submitted by the Committees on Public Works; Public Services; and Finance on
JUL 28 2009

Re: Senate Bill No. 2486.

Recommending its approval in substitution of Senate Bill Nos. 589, 737, 1623, 1804, 1823 and 2011.

Sponsors: Senators Revilla, Jr., Enrile, Ejercito Estrada, Zubiri, Lapid and Legarda.

MR. PRESIDENT:

The Committees on Public Works; Public Services; and Finance, to which were referred Senate Bill No. 589, introduced by Senator Ejercito Estrada, entitled:

**"AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198,
OTHERWISE KNOWN AS THE PROVINCIAL WATER UTILITIES ACT,
AS AMENDED, PROVIDING FUNDS THEREFOR AND FOR OTHER
PURPOSES"**

Senate Bill No. 737, introduced by Senator Revilla, Jr., entitled:

**"AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198,
OTHERWISE KNOWN AS THE PROVINCIAL WATER UTILITIES ACT,
AS AMENDED, PROVIDING FUNDS THEREFOR AND FOR OTHER
PURPOSES"**

Senate Bill No. 1623, introduced by Senator Zubiri, entitled:

**"AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198,
OTHERWISE KNOWN AS THE PROVINCIAL WATER UTILITIES ACT,
AS AMENDED, PROVIDING FUNDS THEREFOR, AND FOR OTHER
PURPOSES"**

Senate Bill No. 1804, introduced by Senator Enrile, entitled:

**"AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198,
OTHERWISE KNOWN AS THE PROVINCIAL WATER UTILITIES ACT,
AS AMENDED, PROVIDING FUNDS THEREFOR AND FOR OTHER
PURPOSES"**

Senate Bill No. 1823, introduced by Senator Lapid, entitled:

**“AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198,
OTHERWISE KNOWN AS THE PROVINCIAL WATER UTILITIES ACT,
AS AMENDED, PROVIDING FUNDS THEREFOR, AND FOR OTHER
PURPOSES”**

and Senate Bill No. 2011, introduced by Senator Legarda, entitled:

**“AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198,
OTHERWISE KNOWN AS THE PROVINCIAL WATER UTILITIES ACT,
AS AMENDED, PROVIDING FUNDS THEREFOR, AND FOR OTHER
PURPOSES”**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, Senate Bill No. 2486, prepared by the Committees, entitled:

**“AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198, AS
AMENDED, OTHERWISE KNOWN AS “THE PROVINCIAL WATER
UTILITIES ACT OF 1973”.”**

be approved in substitution of Senate Bill Nos. 589, 737, 1623, 1804, 1823 and 2011, with Senators Ejercito Estrada, Revilla, Jr., Zubiri, Enrile, Lapid and Legarda as authors thereof.


Respectfully submitted:

Chairmen:


JUAN PONCE ENRILE
Committee on Public Services
Committee on Finance


RAMON BONG REVILLA, JR.
Committee on Public Works
Member, Committee on Finance

Vice-Chairmen:



SEN. EDGARDO J. ANGARA
Committee on Finance
Member, Committee on Public Works
Member, Committee on Public Services
will audit

SEN. MIRIAM DEFENSOR SANTIAGO
Committee on Finance
Member, Committee on Public Works

JOKER P. ARROYO
Committee on Public Service
Committee on Finance
Member, Committee on Public Works

Members:


RICHARD J. GORDON
Committee on Public Works
Committee on Public Services
Committee on Finance

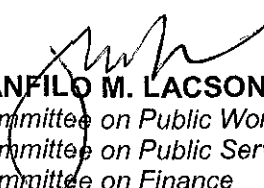

GREGORIO B. HONASAN II
Committee on Public Works
Committee on Public Services
Committee on Finance


MANUEL "LITO" M. LAPID
Committee on Public Works
Committee on Public Services
Committee on Finance


JUAN MIGUEL F. ZUBIRI
Committee on Public Works
Committee on Public Services
Committee on Finance

BENIGNO SIMEON C. AQUINO III
Committee on Public Works

RODOLFO G. BIAZON
Committee on Public Works
Committee on Public Services
Committee on Finance


PANFILO M. LACSON
Committee on Public Works
Committee on Public Services
Committee on Finance

may amend

M.A. MADRIGAL
Committee on Public Works
Committee on Public Services
Committee on Finance

ANTONIO "SONNY" F. TRILLANES IV
Committee on Public Works
Committee on Public Services
Committee on Finance


COMPAÑERA PIA S. CAYETANO
Committee on Finance

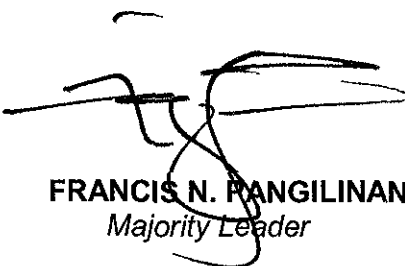
FRANCIS G. ESCUDERO
Committee on Finance

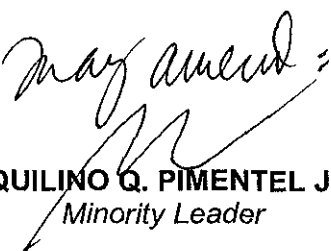

LOREN B. LEGARDA
Committee on Finance


MAR ROXAS
Committee on Finance

Ex-Officio Members:


JINGGOY EJERCITO ESTRADA
President Pro-Tempore


FRANCIS N. PANGILINAN
Majority Leader


AQUILINO Q. PIMENTEL JR.
Minority Leader

Hon. MANNY VILLAR
Senate President
Senate of the Philippines
Pasay City

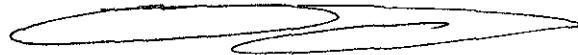


ANTONIO "SONNY" F. TRILLANES IV
Committee on Public Works
Committee on Public Services
Committee on Finance

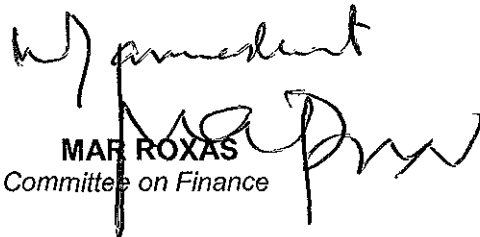


COMPAÑERA PIA S. CAYETANO
Committee on Finance

FRANCIS G. ESCUDERO
Committee on Finance



LOREN B. LEGARDA
Committee on Finance

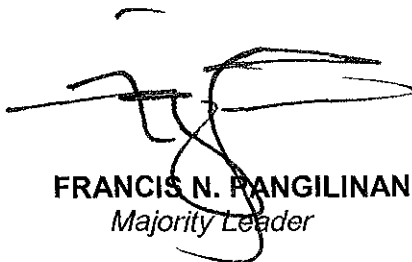


MAR ROXAS
Committee on Finance

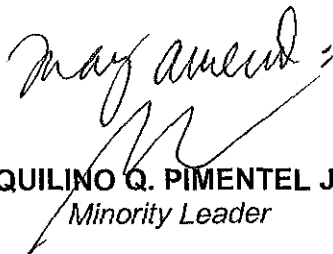
Ex-Officio Members:



JINGGOY EJERCITO ESTRADA
President Pro-Tempore



FRANCIS N. PANGILINAN
Majority Leader




AQUILINO Q. PIMENTEL JR.
Minority Leader

Hon. MANNY VILLAR
Senate President
Senate of the Philippines
Pasay City

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

8 JUL 28 1973

RECEIVED BY: 

SENATE

S. No. 2486

Prepared by the Committees on Public Works, Public Services and Finance with Senators Ejercito Estrada, Revilla, Jr., Zubiri, Enrile, Lapid and Legarda as authors

**AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 198, AS AMENDED,
OTHERWISE KNOWN AS "THE PROVINCIAL WATER UTILITIES ACT OF 1973"**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1**, Section 67 of Presidential Decree No. 198, as amended, is hereby
2 further amended to read as follows:

3 **"SEC. 67. Capital Stock.** - The authorized capital of the Local Water Utilities
4 Administration is [Two] **TWENTY-FIVE** Billion [, Five Hundred Million] Pesos
5 **(P25,000,000,000.00)** divided into [Twelve] **SIXTY-TWO** Million Five Hundred
6 Thousand **(62,500,000)** shares of stocks with a par value of **FOUR** [Two] Hundred
7 Pesos **(P400.00)** per share which shall be subscribed by the National Government **AND**
8 **GOVERNMENT FINANCIAL INSTITUTIONS** and opened to subscription by private
9 investors [or government financial institutions.] **SUBJECT TO THE APPROVAL BY**
10 **THE DEPARTMENT OF FINANCE: PROVIDED, THAT ALL SUBSIDIES**
11 **PREVIOUSLY PROVIDED BY THE NATIONAL GOVERNMENT TO LWUA AFTER**
12 **THE FULL SUBSCRIPTION OF THE NATIONAL GOVERNMENT OF THE ORIGINAL**
13 **CAPITAL STOCK OF TWO BILLION FIVE HUNDRED MILLION PESOS**
14 **(P2,500,000,000.00), WHICH WERE USED AS LOANS OUTLAY TO WATER**
15 **DISTRICTS SHALL BE CREDITED AS PART OF THE NATIONAL GOVERNMENT**
16 **PAYMENT FOR SUBSCRIPTION TO THE ADDITIONAL CAPITAL STOCK OF THE**
17 **ADMINISTRATION: PROVIDED, FURTHER, THAT PRIVATE SECTOR**
18 **INVESTMENTS SHOULD NOT BE MORE THAN FORTY PERCENT (40%) OF THE**
19 **TOTAL SUBSCRIBED CAPITAL STOCK."**

20 **"SEC. 2.** Section 72 of Presidential Decree No. 198, as amended, is hereby
21 further amended to read as follows:

1 “ *Sec. 72. Domestic **AND FOREIGN** Borrowing Authority.* – The Administration
2 shall have the authority to borrow money from all domestic **AND FOREIGN** loan
3 sources whether government or private: *Provided,* That its loans outstanding **BOTH**
4 from domestic **AND FOREIGN** sources [at any one time] shall not exceed [One Billion
5 Pesos] **AN AGGREGATE CEILING OF NINE HUNDRED MILLION U.S. DOLLARS**
6 **(US\$900,000,000.00): PROVIDED, THAT ALL DOMESTIC AND FOREIGN**
7 **BORROWINGS OF LWUA SHALL BE APPROVED BY THE DEPARTMENT OF**
8 **FINANCE (DOF), BANGKO SENTRAL NG PILIPINAS (BSP) AND OTHER ENTITIES**
9 **AS REQUIRED BY PERTINENT LAWS AND REGULATIONS.”**

10 **SEC. 3.** Paragraph 1 of Section 73 of Presidential Decree No. 198, as amended,
11 is hereby further amended to read as follows:

12 “*SEC. 73. Authority to Contract Foreign Loan.-* The Administration is hereby
13 authorized to contract loans, credits, in any convertible foreign currency or capital
14 goods, and to incur indebtedness from time to time with foreign governments, or any
15 international financial institutions or fund sources, including supplier’s credits or deferred
16 payment arrangements, the total outstanding amount of which, excluding interests, shall
17 not exceed [five hundred million US\$] **ITS AGGREGATE DOMESTIC AND FOREIGN**
18 **BORROWING AUTHORITY OF NINE HUNDRED MILLION US DOLLARS**
19 **(US\$900,000,000.00)** or the equivalent thereof in other currencies, on terms and
20 conditions promulgated by the Secretary of Finance and the Monetary Board for the
21 accomplishment of its objectives; and to enter into and execute contracts and other
22 documents specifying such terms and conditions.

23 “The President of the Philippines, [by himself,] or [through] his **OR HER** duly
24 authorized representative, is hereby authorized to negotiate and contract with foreign
25 governments or any international financial institution or fund sources in the name and
26 on behalf of the administration, one or several loans, for the purpose of implementing
27 the Administration’s program for the promotion and development of local water utilities
28 through the Administration’s financing or lending operations.

29 “The President of the Philippines, [by himself] or [through] his **OR HER** duly
30 authorized representative, is hereby further authorized to guarantee, absolutely and
31 unconditionally, as primary obligor and not as mere surety, in the name and on behalf of
32 the Republic of the Philippines, the payments of the loans, credits and indebtedness up
33 to the amount herein authorized, over and above the amounts which the President of
34 the Philippines pursuant to loan agreements entered into with foreign governments or
35 any international financing institution or fund sources.

36 “The loan credits and indebtedness contracted under this section shall be in
37 accord with the provisions of [the] **REPUBLIC ACT NO. 4860, OR THE** Foreign
38 **Borrowing Act** as amended [.] (As amended by Sec. 36, PD 768); **THE PROVISIONS**

1 OF SECTION 123 OF REPUBLIC ACT NO. 7653, OTHERWISE KNOWN AS THE
2 NEW CENTRAL BANK ACT; THE PROVISIONS OF SECTION 23 OF CENTRAL
3 BANK CIRCULAR NO. 1389, AS AMENDED; SECTION 20, ARTICLE VII AND
4 SECTION 21, ARTICLE XII OF THE 1987 CONSTITUTION AND OTHER PERTINENT
5 LAWS AND REGULATIONS.”

6 **SEC. 4. *Repealing Clause*** – All or any provisions of the Provincial Water Utilities
7 Act of 1973 which are contrary or inconsistent with any provision hereof are hereby
8 deemed repealed or modified accordingly.

9 **SEC. 5. - *Effectivity***. - This Act shall take effect after fifteen (15) days following its
10 publication in two (2) newspapers of general circulation.

Approved,