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SENATE

P. S. Res. No. 42

INTRODUCED BY: 

Introduced by Senator Ralph G. Recto

**A RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON PUBLIC WORKS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATUS OF ALL MASS TRANSIT PROJECTS IN THE PUBLIC-PRIVATE PARTNERSHIP (PPP) CENTER PROJECT PIPELINE, WITH THE END IN VIEW OF LOWERING THE RISK OF DELAYS AND FOSTERING TRANSPARENCY AND ACCOUNTABILITY**

WHEREAS, Republic Act No. 6957, as amended by Republic Act No. 7718, recognizes the private sector as the main engine for national growth and development and provides the most appropriate incentives to mobilize private resources for the purpose of financing the construction, operation and maintenance of infrastructure and development projects normally financed and undertaken by the Government;

WHEREAS, there are seven (7) projects in the Public-Private Partnership (PPP) Center project pipeline for implementation by the Department of Transportation, which are expected to provide revenues to the Philippine government by bidding rights to build and/or operate public infrastructure;

WHEREAS, these projects are deemed essential for the construction industry, which is expected to grow at an annual average rate of 9.22% between 2016 and 2020;<sup>1</sup>

WHEREAS, a total amount of PhP7.32 billion for capital outlays was appropriated for mass transit projects for implementation of the Department of Transportation under Republic Act No. 10717 otherwise known as the FY 2016 General Appropriations Act;

WHEREAS, of the 7 mass transit projects in the PPP project pipeline, only two (2) rail projects have been awarded - the LRT Line 1 Cavite Extension and Operation & Maintenance Project (PhP 64.9 billion)<sup>2</sup> and MRT Line 7 Project (PhP 69.3 billion)<sup>3</sup>, while 3 other projects are still in the conceptualization stage and the remaining 2 projects are in the pre-qualification stage;<sup>4</sup>

WHEREAS, it has been noted that these rail projects have incurred delays from the conceptualization stage to the construction stage;

<sup>1</sup> Business Wire. Construction in the Philippines - Key Trends and Opportunities to 2020. <http://www.businesswire.com/news/home/20160309005852/en/Philippine-Construction-Industry-Growth-9.22-CAGR-2020>

<sup>2</sup> This project was awarded to the Light Rail Manila Corporation. [http://ppp.gov.ph/?ppp\\_projects=lrt-line-1-south-extension-and-operation-maintenance](http://ppp.gov.ph/?ppp_projects=lrt-line-1-south-extension-and-operation-maintenance)

<sup>3</sup> Approved in May 2009 and awarded to San Miguel Corporation. [http://ppp.gov.ph/?ppp\\_projects=mrt-line-7](http://ppp.gov.ph/?ppp_projects=mrt-line-7)

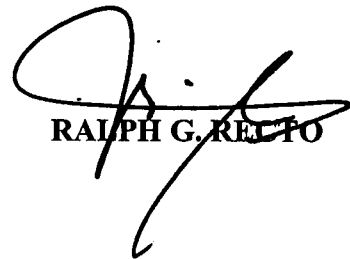
<sup>4</sup> Public-Private Partnership Center. Status of PPP Projects as of July 1, 2016. [http://ppp.gov.ph/wp-content/uploads/2016/07/MISD\\_20160707\\_TABLE\\_status-of-ppp-projects-as-of-july1.pdf](http://ppp.gov.ph/wp-content/uploads/2016/07/MISD_20160707_TABLE_status-of-ppp-projects-as-of-july1.pdf)

WHEREAS, postponement in the implementation of the mass transit projects will mean delay in the delivery of a safe, reliable, efficient and affordable public transit system and;

WHEREAS, the inquiry is needed to look into the cause of the setbacks and other issues in the implementation of mass transit projects, and to improve investor confidence;

*NOW THEREFORE, BE IT RESOLVED*, by the Philippine Senate, to direct the Senate Committee on Public Works to conduct an inquiry, in aid of legislation, on the status of all mass transit projects in the Public-Private Partnership (PPP) Center project pipeline with the end in view of lowering the risk of delays and foster transparency and accountability.

Adopted,



RAIPH G. RECTO

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