

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE RESOLUTION No. 10**



---

**Introduced by**

**BAYAN MUNA Party-List Representatives FERDINAND R. GAITE,  
CARLOS ISAGANI T. ZARATE and EUFEMIA C. CULLAMAT,  
ACT TEACHERS Party-List Representative FRANCE L. CASTRO,  
GABRIELA Women's Party Representative ARLENE D. BROSAS  
and KABATAAN Party-List Representative SARAH JANE I. ELAGO**

---

**RESOLUTION**

**URGING THE HOUSE OF REPRESENTATIVES, THROUGH THE  
COMMITTEE ON GOVERNMENT ENTERPRISE AND PRIVATIZATION,  
TO INVESTIGATE, IN AID OF LEGISLATION, THE PRIVATIZATION OF  
WATER UTILITIES IN THE DIFFERENT PARTS OF THE COUNTRY,  
PARTICULARLY THE PRIVATIZATION OF METROPOLITAN  
WATERWORKS AND SEWERAGE SYSTEM (MWSS) AND THE  
LOCAL WATER DISTRICTS, AND, ITS IMPACT TO THE  
PROVISION OF WATER SERVICES AND  
SECURITY OF TENURE OF WATER DISTRICT EMPLOYEES**

**WHEREAS**, on April 1, 2019, President Rodrigo Duterte ordered a review of all government contracts with private firms, including foreign-based ones, in the face of the controversial loan deals with China and water interruption services in areas covered by Manila Water, Company, Inc., one of the private concessionaires of Metropolitan Waterworks and Sewerage System (MWSS);

**WHEREAS**, the human right to water and sanitation was recognized by the United Nations General Assembly on July 28, 2010. UN General Comment No. 15 adopted by the UN Committee on Economic, Social and Cultural Rights defined the right to water as the right of everyone to sufficient, safe, acceptable and physically accessible and affordable water for personal and domestic uses;

**WHEREAS**, as one of the necessities for life, water is considered a public utility. Thus, the establishment, operation, and maintenance of waterworks systems must be supervised and controlled by the State because they deliver essential services that are vital to public health and safety;

**WHEREAS**, the MWSS was given the mandate “to ensure an uninterrupted and adequate supply and distribution of potable water for domestic and other purposes at just and equitable rates” under Republic Act 6234. However, in 1997 under Republic Act 8041, or “The Water Crisis Act”, the MWSS was privatized. Through a 25-year Concession Agreement, the operational responsibilities of MWSS were transferred to Manila Water Company, Inc. for the East Zone and Maynilad Water Services, Inc. for the West Zone;

**WHEREAS**, instead of affordable and adequate water services, the more than 20 years of MWSS privatization have only burdened the consumers with higher water rates. From a basic tariff of Php2.00-Php4.00 in 1997 the basic tariffs increased to Php34.00-Php47.00 in 2018. This is equivalent to an increase of 970% for the consumers of Manila Water and 596% for Manila Water. Aside from these basic tariff consumers were made to shoulder various charges including 12% value added tax (VAT), 20% environmental charge, and foreign currency exchange adjustment (FCDA). No wonder the two concessionaires reported a whopping combined accumulated income of Php94.5 billion for 2000 -2015;

**WHEREAS**, when MWSS was privatized in 1997, nearly half of the 7,400-strong workforce were either coaxed into early retirement, or voluntarily or 'involuntarily' separated. Separated employees have yet to receive their separation benefits as of 2018 even as the Commission on Audit (CoA) has ordered the MWSS to grant its former employees unpaid separation benefits estimated at P455 million;

**WHEREAS**, the local water districts that operate and maintain water supply systems in provinces, cities and municipalities are also increasingly being privatized. While the local water districts are under the jurisdiction of Local Water Utilities Administration (LWUA), private companies have access to the provision of water in local districts in the form of public-private partnership;

**WHEREAS**, unmindful of such bad experience under the MWSS privatization, the government has even vigorously pursued the privatization of local water districts. Private companies like Metro Pacific, Manila Water, and Prime Water have taken control of local water districts. Prime Water alone has at least 30 local water districts nationwide that are already under its control;

**WHEREAS**, privatization of water districts was met by opposition by consumers and residents. For instance, the Joint Venture Agreement between San Jose del Monte City Water District and Prime Water Corporation on May 16, 2018 was widely opposed by consumer groups and residents of San Jose Del Monte. According to Alliance for Consumers Protection, water rates under Prime Water Corporation will increase from P280 for the first 10 cu.m. under the present water district to P499.53 in 2027 under Prime Water. There were complaints on the quality and supply of water provided by Prime Water, including the non-potable water, intermittent supply, and unreliable billing and meter reading system;

**WHEREAS**, there was also a similar opposition against the proposed 25-year Joint Venture Agreement between the Bacolod City Water District and Prime Water Corporation. Aside from alleged lack of consultation with stakeholders, the proposed joint venture was seen to benefit only the private concessionaire. Based on reports some 300 employees of BACIWA will be affected;

**WHEREAS**, employees from different water districts are opposing the privatization of the water districts as such results to massive lay-offs, diminution of local salaries and demoralization



of workers. According to Water System Employees' Response, as much as 80% of employees are retrenched when a local water district is privatized;

**WHEREAS**, there are strong and numerous proof that privatization of water services failed to deliver the promised benefits of safe, affordable and sustainable water for all, based on the experiences of MWSS privatization and that of the local water districts. The MWSS privatization has seriously undermined the power and mandate of government to regulate the private concessionaires to protect public interests and welfare. It has further weakened the people's right to water amid questionable claims by the concessionaires of improved water services. It has deepened corporate and foreign control over water services contrary to the supposed role of the government to control and regulate water for the people;

**WHEREAS**, water privatization is, in fact, being challenged worldwide – from France where some of the first water privatization took place and where the world's largest water firms are based – to Jakarta, Indonesia which privatized its water system the same year as Metro Manila and used the same model. There is an increasing clamor to reverse water privatization. Many see that there is no way out of the trap of exorbitant water rates and unreliable service unless the concession and joint venture agreements with profit-driven private companies are junked and the operation of the water supply system taken over by a reformed public sector;

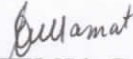
**WHEREAS**, there is a need for Congress to review the continuing privatization of water – a very important resource and vital and basic need of our people -- in the country considering the negative impact on the rights of the people to safe, affordable and accessible water and on the job security of workers. Congress must initiate legislative measures to reverse water privatization and save the public from the profiteering of big private companies;

**NOW THEREFORE, BE IT RESOLVED** that the House of Representatives, through the Committee on Government Enterprise and Privatization, to investigate, in aid of legislation, the privatization of water utilities in the country, particularly the privatization of Metropolitan Waterworks and Sewerage System (MWSS) and several local water districts in other parts of the country, as well as its impact to the provision of water services and security of tenure of employees.

*Adopted,*



**REP. FERDINAND R. GAITE**  
BAYAN MUNA Partylist



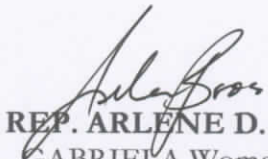
**REP. EUFEMIA C. CULLAMAT**  
BAYAN MUNA Partylist




**REP. CARLOS ISAGANI T. ZARATE**  
BAYAN MUNA Partylist



**REP. FRANCE L. CASTRO**  
ACT TEACHERS Party-List



**REP. ARLENE D. BROSAS**  
GABRIELA Women's Party



**REP. SARAH JANE I. ELAGO**  
KABATAAN Party-List