

COMMITTEE ON URBAN PLANNING, HOUSING & RESETTLEMENT
Joint With
COMMITTEES ON FINANCE AND LOGAL GOVERNMENT
4TH PUBLIC HEARING
Thursday, March 17, 2005
Senator Jose P. Laurel Room
9:29 A.M.

SENATORS PRESENT: SENATORS RODOLFO G. BIAZON, (*Chairman, Committee on Urban Planning, Housing and Resettlement*) and JUAN PONCE ENRILE

SENATORS REPRESENTED: SENATORS RICHARD J. GORDON, MANUEL B. VILLAR, JR. and COMPAÑERA PIA S. CAYETANO

GUESTS/RESOURCE PERSONS: Hon. Josefina M. De La Cruz, Governor, Province of Bulacan; Mr. Frederico A. Laxa, General Manager, National Housing Authority (NHA); Ms. Georgina Jota, Head Executive Assistant to the Chairman, Bases Conversion and Development Authority (BCDA); Engr. Fernando Henson, Provincial Planning and Development Officer, Pampanga; Engr. Fermin Rulona, Jr. Project Manager, North Luzon Railways Corporation (NLRC); Rev. Fr. Dennis Espejo, Parish Priest, Diocese of Malolos, Bulacan; Mr. Dominador Tupas, Jr., President, Alto Projekt Asia, Inc. (APAI)

HIGHLIGHTS

At 9:29 a.m., Senator Biazon, Chairman of the Committee on Urban Planning, Housing and Resettlement called the public hearing to order.

In his opening statement, the Chair suggested that the hearing be focused on the readiness of relocating families that would be displaced with the implementation of the North Rail Project. He also said that the Committee would want to inquire into the following: 1. the schedule of work in the construction of the project; 2. the consequence of any delay in the said construction; 3. the procedure of the housing authorities and the affected local government units in addressing the issue of the said schedule of work; 4. the commitment of North Rail and BCDA in terms of funding schedules.

Engr. Fermin Rulona stated that the North Rail Project is a 32.1-km. railway project which will start from Caloocan and will end at Malolos, Bulacan for Phase I Section I, and Phase I Section II will start from Malolos up to Clark, Pampanga. He said that Section I will have six (6) train stations, double track, at 80 km. per hour operating speed. He, however, noted the problem with regard to the relocation of about 17,500 families from Malabon up to Malolos. He also said that, based on a revised schedule, the relocation shall have been completed by the end of May 2005, and "civil and track works" would start by June 1, 2005. He added that the time table for the construction of Phase I Section I will be for three (3) years, which will be completed by May 31, 2008 and the total cost amount to \$421 million.

The Chair inquired into the number of families which were already relocated and those still to be relocated. In reply, Mr. Frederico A. Laxa explained that there are already 4,025 families from Caloocan and Malabon that have been relocated and that there are also about 4,000 more families to be relocated from Valenzuela. He disclosed that NHA was initially not a part of the relocation program for the Bulacan segment and that they just requested to participate in the relocation in the said segment. He also claimed that the other guests are not happy that the NHA is taking the lead in the relocation program for the project.

Senator Enrile asked if the stated amount already included the “rolling stock” and also inquired into the amount allocated for “civil works”. He also asked if NLRC received a donation of “rolling stock” from Japan and where these are housed. As the first query, Engr. Rulona replied in the affirmative and further explained that the budget for “rolling stock” is \$79.43 million and \$248.86 is allotted for “civil and track works”. He revealed that the donated “rolling stock” is located at the PNR maintenance depot site in Caloocan City.

At this point, Senator Enrile expressed his disgust over the answers of Engr. Rulona with regard to the donation of “rolling stock”. He hinted that since there are already donated coaches sufficient to operate for Phase I Section I, there is no need for additional outlay for the said phase. He opined his opinion that the North Rail Project is a graft-ridden project and further alleged that a Chinese contractor, who was pre-designated without a public bidding, appointed a Filipino sub-contractor to do the job.

The Chair asked Ms. Georgina Jota about the allegation of Senator Enrile with regard to the existence of a sub-contractor. She stated that she has no knowledge about the said sub-contractor.

When asked by Senator Enrile if Ms. Jota made an independent study of the project or whether they used the study made by the Spanish Team. She explained that what they submitted to the NEDA was a combination of the studies of the Chinese and Spaniards. Before she could continue her statements, the Chair instructed the Committee Secretary to administer the oath to Ms. Jota.

Senator Enrile asked about the role of Mr. William Go in connection with the project. Ms. Jota said that Mr. Go is the supplier of the construction materials and equipments. Senator Enrile also asked the latter if she was aware of the coaches donated by Japan and if she made any action to revise the study. Ms. Jota replied that in the negative and said that she is not aware if the said study was revised subsequently. Senator Enrile then informed the body in passing that the matter will be taken up with the Committee of the Whole. Senator Enrile further asked if the BCDA was involved in the negotiation of the loan contract. Ms. Jota answered in the negative and declared that it was the DOF that negotiated the said loan contract.

At this juncture, Gov. Josefina M. De La Cruz explained that there was a Memorandum of Agreement (MOA) signed in 1997 between the Province of Bulacan, represented by then Gov. Obet Pagdanganan and the BCDA, represented by Gen. Vasco. She said that the MOA mandated North Rail to donate real property to the provincial government which, in turn, will be used by the latter as an equity in a joint venture with a private sector that will be developed into a sustainable community for the affected families. She also said that the initial obligation of the provincial government was to do a profile of the said affected families to determine their situation and financial capability so that the provincial government could come up with a plan for them. She emphasized that North Rail officials committed to donate 183 has. but only 60 has. was actually given. She informed the body that the donation carried a condition that the property should be used exclusively for the relocation of the said affected families. She also explained that 60 sq.m. were allotted per family and the total area needed for the said affected families from Metro Manila and Bulacan is estimated to be 180 has. She clarified that of only ₱121 million of ₱350 million of fund was released to the said provincial government and the bulk of the budget was spent on the construction of the road of about 8.7 kms. and the rest were spent for other expenditures.

Mr. Frederico A. Laxa informed the body that since the start of the program, the NHA was given the task to relocate the affected families from Metro Manila and Pampanga. He said that, initially, the affected families from Bulacan were not included in the relocation plan. He stated that the affected families from Caloocan and Malabon have already been relocated and about 30% of the affected families from Valenzuela are still to be relocated and are expected to be moved by the end of this month. He also revealed that they are now in delay in relocating the remaining families. He added that the total kilometers cleared for the construction is about 5 kms. and there is a need to clear about 2 kms. more for the start of the construction.

At this point, the Chair inquired into the release of the loan from China and the daily interest. Ms. Jota replied that there was already a “draw down” in the amount of \$125 million and the government is paying a daily interest of ₱660,000.00.

Mr. Dominador Tupas, Jr. conveyed to the body that their company was invited by the provincial government of Bulacan to help build a sustainable community. He described their project to be a housing and livelihood program. He also stressed that their program was conceptualized purely for those being relocated. He further explained that their project was conceived to “jump start” the development of Bulacan and at the same time relocate the squatters and provide them with housing and generate livelihood. He claimed that North Rail officials did not comply with their commitment in the MOA they signed with APAI. Engr. Rulona, however, refuted the allegation of Mr. Tupas.

Rev. Fr. Dennis Espejo explained that the leaders of urban poor associations in Meycauayan, Guiguinto and Malolos request the Diocese of Malolos to help them prevent a demolition of their houses. He also expressed his support for progress provided that there will be no demolition unless the affected families are properly relocated and that the relocation site should meet their basic needs. He commented that the project of APAI is good; however, he said that the said affected families prefer “in town” relocation because the APAI project site is very far from their workplace. He also requested that a pamphlet or reading material about the North Rail Project be disseminated to the public.

Before adjournment, the Chair thanked all the guests and resource persons for sharing their views and comments to the Committee.

The hearing was adjourned at 12:47 a.m.