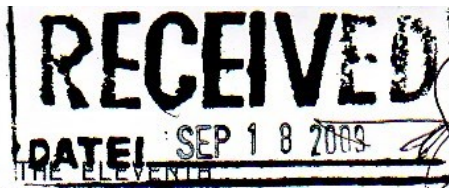


REPUBLIKA NG PILIPINAS
SANGGUNANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE ELEVENTH
SANGGUNANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO HALL, SANGGUNANG PANLUNGSOD
BUILDING ON SEPTEMBER 16, 2009 IN LIEU OF
SEPTEMBER 17, 2009

PRESENT:

Hon. Nepomuceno P. Aparis I,	Vice Mayor & Presiding Officer
Hon. Claudio P. Larrazabal,	City Councilor, Floor Leader
Hon. Sotero M. Pepito,	City Councilor, Assist. Floor Leader
Hon. Demosthenes F. Tugonon,	City Councilor
Hon. Ruben R. Capahi,	City Councilor
Hon. Mariano Y. Corro,	City Councilor
Hon. Fe S. Lladoc,	City Councilor
Hon. Filomeno P. Maglasang,	City Councilor
Hon. Rafael C. Omega, Jr.,	City Councilor
Hon. Fernando P. Parrilla,	City Councilor
Hon. Jose C. Alfaro, Jr.,	City Councilor
Hon. Lea Doris C. Villar,	Ex-Officio City Councilor,
	Chapter President, Liga ng mga Barangay ng Ormoc

ABSENT:

Hon. Corinne M. Corro,	(On Leave), Ex-Officio City Councilor,
	SK Federation President

RESOLUTION NO. 2009-184

A RESOLUTION VEHEMENTLY OPPOSING THE ENACTMENT INTO LAW OF S.B. NO. 3282, ENTITLED: "ELECTRICITY RATE REDUCTION ACT OF 2009" INTRODUCED BY SENATE PRESIDENT JUAN PONCE ENRILE AND SENATOR GREGORIO B. HONASAN II, FOR THE REASON STATED HEREIN.

WHEREAS, there is now a pending bill in the Philippine Senate denominated as S.B. No. 3282, entitled: ELECTRICITY RATE REDUCTION ACT OF 2009, introduced by Senate President Juan Ponce Enrile and Senator Gregorio B. Honasan II;

WHEREAS, while the purpose of the bill is laudable, it is unfair, unreasonable and unequitable to host LGUs of geothermal and hydro-electric plants, as it practically nullifies the benefits afforded them by law and the constitution;

WHEREAS, Sec. 4 of the aforementioned bill, in part, reads:

"Sec. 4. Reduction of Government Share - With a view to achieving parity of tax treatment, the Government Share from the net proceeds from the sale of the indigenous energy resource is hereby reduced from sixty percent (60%) to three percent (3%) over the remaining life of the respective service contracts. x x x. The 3% Government Share shall be maintained at the current 60/40 sharing scheme between the national government and the local government units concerned." (Underscoring supplied)

WHEREAS, Sec. 3 of the bill, under the definition of terms, in part provides:

"(c) Government Shares refers to the amount due the national government and local government units in the form of royalty payments by service contractors from the discovery, exploration, development and/or production of indigenous energy resources under new and existing service contracts pursuant to relevant laws;

"(d) Indigenous energy sources refers to energy sources including, but not limited to, natural gas, that are drawn, mined or extracted from and within Philippine territory, except those that are subject of or covered by Republic Act No. 9513 or the Renewable Energy Act of 2008;

WHEREAS, Ormoc City is the host of a geothermal power plant, and as such, is receiving royalty fees as provided for in the Local Government Code of 1991, which is 40% of the gross collection derived by the national government from the preceding fiscal year royalties pursuant to Sec. 290, thereof;

WHEREAS, under Sec. 4 of S.B. No. 3282, the Government Share from the net proceeds from the sale of indigenous energy resource is reduced from sixty percent (60%) to three percent (3%), and 3% government Share shall be maintained at the current 60/40 sharing scheme between the national government and the local government concerned, thereby reducing very significantly the share of host LGUs, hence violative of Sec. 7 Art. X of our Constitution, which provides, "Local government shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided law, including sharing the same with the inhabitants by way of direct benefits." (Underscoring supplied)

WHEREAS, the rationale of the aforementioned constitutional provision as stated in the Philippine Constitution by Hector S. de Leon, 1987 Edition, page 419 is, "It is only logical and fair to give local governments a share in the proceeds of the utilization and development of the national wealth (e.g. forest, minerals) within their respective areas, including sharing them with their inhabitants by way of direct benefits (e.g. reduction in the rates of certain local taxes or fees by reason of the consequent increase of local income). The constitution has in mind local units blessed with rich natural resources but with little income to meet their needs and yet they were not allowed to participate in the proceeds derived from the utilization and development of resources because they were declared belonging entirely to the national government". And moreover, the establishment of geothermal/hydrothermal power plants in a locality can give rise to some environmental concerns to the inhabitants of the place, and therefore, the giving of the royalties is to compensate them the disturbance that these power plants caused;

FOREGOING PREMISES CONSIDERED, on MASS MOTION of the Body; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to pass a resolution VEHEMENTLY OPPOSING THE ENACTMENT INTO LAW OF S.B. NO. 3282, ENTITLED: "ELECTRICITY RATE REDUCTION ACT OF 2009" INTRODUCED BY SENATE PRESIDENT JUAN PONCE ENRILE AND SENATOR GREGORIO B. HONASAN II, FOR THE REASON STATED HEREIN;

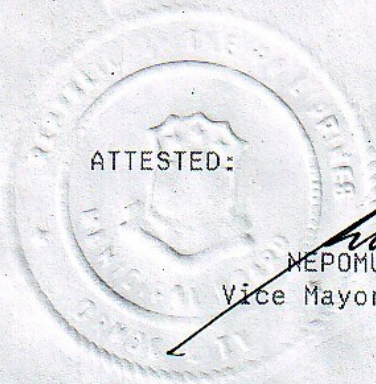
ADOPTED, September 16, 2009.

RESOLVED, FURTHER, to furnish copies of this resolution to - the President of the Philippines Senate, Hon. Juan Ponce Enrile, Senator Gregorio B. Honasan II, the Speaker of the House of Representative, Hon. Prospero Nograles, the Congressman of the 4th District of Leyte, Hon. Eufrocino M. Codilla, Sr., the City Mayor of Ormoc, Hon. Eric C. Codilla, and others concerned.

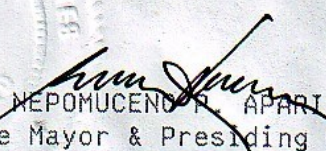
RESOLVED, FINALLY, to furnish copies of this resolution to all host LGUs of Geothermal and Hydro-Electric Power Plants with the request to pass the same resolution.

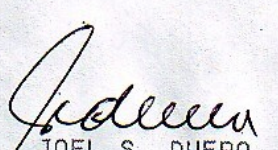
CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.



ATTESTED:


NEPOMUCENO R. APARIS I
Vice Mayor & Presiding Officer


JOEL S. DUERO
Secretary to the
Sangguniang Panlungsod

DEMO COPY