PNR cancels bids for 3 projects after finding them 'non-feasible'

THE Philippine National Railways (PNR) has canceled procurement for three projects, including a P1.8-billion design and build contract relocating track between Solis and Sucat stations, which were declared "no longer feasible."

The other two cancellations involve a scheduled bid opening for the P404.3-million design and construction of the New PNR Pandacan Railway Bridge, and a P733.5-million contract to design and construct 13 steel bridges, the PNR said in a notice of cancellation to prospective bidders on Aug. 17.

The Solis-Sucat contract covers pocket tracks, stations, box culverts, and other civil works, according to bid documents previously published by the PNR. The works are part of the North-South Commuter Railway Extension project from Solis in Manila to Calamba in Laguna.

The letter was posted on the PNR website.

BW FILE PHOTO

PNR Chairman Roberto T. Lastimoso said in the notice that the bids were canceled as the projects "will no longer redound to the benefit of the government of the Philippines and the same are no longer technically feasible."

The PNR board cited Section 41 (c) Rule X of the implementing rules and regulations of Republic Act No. 9184, or the Government Procurement Act, which gives the "head of procuring entity... the right to reject any and all bids, declare a failure of bidding for any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the government of the Philippines."

The head of procuring entity "may cancel the bidding for procurement projects if the physical and economic conditions have significantly changed to render the project no longer economically, financially, or technically feasible."

In his first address to Congress, President Ferdinand R. Marcos, Jr. highlighted the need to "build upon already existing lines by modernizing these old railway systems."

"There are dozens of railway projects — on the ground, above the ground, below ground, not just in Manila, but in other regions — at various stages of implementation, and with a combined cost of P1.9 trillion," he said.

"It is clear in my mind that railways offer great potential as they continue to be the cheapest way of transporting goods and passengers." — **Arjay L. Balinbin**

PIXABAY

Trade dep't expecting sugar price monitoring report by Friday

THE Department of Trade and Industry (DTI) said it is taking on the additional role of monitoring sugar prices, with reports from the monitors expected to be compiled by Friday.

"I expect the report from our monitors all over the country by Aug. 26, Friday," Trade Secretary Alfredo E. Pascual said on the sidelines of a forum in Makati City late Monday.

Mr. Pascual said that the DTI is assisting with price monitoring on sugar, which is normally the responsibility of the Department of Agriculture under Republic Act No. 7581 or the Price Act.

"In reality, the DTI is not responsible for (monitoring) sugar prices. But we are helping the government. We need to coordinate with each other," Mr. Pascual said.

The Office of the Press Secretary has announced that the DTI is taking the lead in monitoring the implementation of the agreement reached with large supermarkets to sell sugar at P70 per kilogram (/kg).

The price of the commodity has hit a high of P110/kg due to shortages.

The retailers agreeing to cap sugar prices include Robinsons Supermarket, SM Supermarket, Puregold Supermarket, and S&R Membership Shopping.

Trade Undersecretary Ruth B. Castelo told the *BusinessWorld Live* program on One News Channel that the shortage appears to be artificial.

"We believe that there is no real shortage of sugar. We still have them available except that the prices have risen up to P100/kg. So, the government is now working on bringing down prices to make it available to all consumers," Ms. Castelo said.

Ms. Castelo said that the DTI is focusing on making sugar more affordable for consumers.

"There is really nothing we can do except to make sure that sugar prices are down and probably more of a priority for the DTI now to make sugar at a lower price available to consumers instead of the businesses," Ms. Castelo said.

"We understand that the industries that are hugely impacted by the artificial shortage of sugar are the beverage industry as well as confectionery industry, those who make biscuits and bread. Both are priorities but it's more important for us that consumers are able to purchase sugar at lower prices," she added.

Ms. Castelo said that sugar prices can still fall once the government establishes that the shortage is artificial and that prices are being manipulated.

"If it is proven that... that there are a lot of other players who manipulate what's happening right now, I believe sugar prices can still go down maybe to as low as P60/kg," Ms. Castelo said. — **Revin Mikhael D. Ochave**

Fisherfolk seek halt to reclamation on municipal fisheries

A FISHERFOLK organization said the government must declare municipal fishing grounds for the exclusive use of small fishermen, and bar the encroachment of reclamation projects, particularly around Manila Bay.

"Apart from modernization, we need to fight for the exclusive rights of our small fishers in their communities. What is the point of modern technology and equipment if our fishermen cannot make use of this because their fishing grounds are taken over by reclamation projects?" Pambansang Lakas ng Kilusang Mamamalakaya ng Pilipinas (PAMALAKAYA) National Spokesperson Ronnel S. Arambulo said in a statement.

Mr. Arambulo said reclamation projects around Manila Bay currently number 50 or so.

"These projects do not only destroy the marine ecosystem, but displace small fisherfolks from their fishing community," he said.

"Our fishermen do not get any protection from the government against these reclamation projects. These have a big effect on the degradation of our environment," he added.

PAMALAKAYA said that marine municipal and inland municipal fisheries accounted for 26.2% of fisheries production in the second quarter, citing data from the Philippine Statistics Authority (PSA).

The PSA estimates the number of registered municipal fisherfolk at 2 million.

"If we can just give our small fisherman the right protection and support, we can see a huge boost in the sustainability of fisheries production. The government must look (to protect) the exclusive rights of fishermen," Mr. Arambulo said. — **Luisa Maria Jacinta C. Jocson**

ERC signals planned overhaul of regulatory practices via benchmarking exercise with regional counterparts

THE Energy Regulatory Commission (ERC) said on Tuesday that it will consult with counterpart regulators in the region to determine best practices en route to reforming its rule-drafting and enforcement process.

"We can do exchange programs with other regulators in the region so that they can learn from us, and we can learn from them. ERC will carry a badge of professionalism and unmatched understanding of the energy industry," new ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said in a statement.

Ms. Dimalanta said that the consumers and the industry will be the agency's top priority and promised to make the ERC the "most trusted government agency" in the Philippines.

"Don't take it personally if I ask questions, if I challenge you. It is not to prove that I'm right and you're wrong. Our work demands it; our people deserve nothing less than the best decision that we can make, and we can only arrive at the best decisions if we question each other and challenge one another," she said.

Ms. Dimalanta is the seventh chairperson of ERC, replacing Agnes V.S.T. Devanadera, who retired last month.

Ms. Dimalanta has served as compliance officer for Aboitiz Power Corp., a post she relinquished after joining the ERC. Between 2020 and 2021 Ms. Dimalanta also chaired the National Renewable Energy Board. — **Ashley Erika O. Jose**

Senate grills Rodriguez on approval procedures for sugar import order

EXECUTIVE Secretary Victor D. Rodriguez faced questioning in the Senate over whether a draft sugar import order went up the proper chain of administrative approvals before being issued.

Senator Ana Theresia N. Hontiveros-Baraquel noted in her line of questioning that Mr. Rodriguez appears to have been in possession of draft versions of what later became Sugar Order (SO) No. 4, which authorized the import of 300,000 metric tons of sugar to address a domestic shortage.

SO No. 4 was later recalled after the Palace said it was issued without the President's approval.

"Secretary Rodriguez knows there is a draft order circulating. An order that received support from stakeholders of the sugar industry. Did he mention this at all to his principal? Shouldn't the Executive Secretary protect the President? Shouldn't the Executive Secretary be the gatekeeper?" she said at a Senate Blue Ribbon Committee hearing.

On the matter of draft orders being e-mailed to him, Mr. Rodriguez said, "I purposely did not respond because these are the matters that are still on the table of the acting Secretary of the Department of Agriculture that we have yet to act upon and that he has yet to decide on."

Mr. Rodriguez's "principal," President Ferdinand R. Marcos, Jr. also serves as the Secretary of Agriculture, in which capacity he chairs the Sugar Regulatory Administration (SRA), which manages the national sugar inventory and authorizes imports when needed.

Mr. Rodriguez affirmed that on Aug. 5, his office received a draft sugar order from the SRA, and, a few hours later, a recommendation to import 300,000 metric tons (MT) of sugar from the Department of Agriculture (DA).

On Aug. 7 and 8, Mr. Rodriguez received two separate messages from former Agriculture Undersecretary Leocadio S. Sebastian seeking updates on approval of the draft.

On Aug. 10, the Palace was informed that the SRA had passed a resolution approving SO 4 and claimed it was issued without the President's knowledge.

Ms. Hontiveros presented a memorandum order to the committee indicating that Mr. Sebastian was authorized to sign sugar orders on behalf of the Secretary of Agriculture.

"How can it be illegal when it was the Executive Secretary himself who issued a Memorandum dated 15th of July 2022 authorizing Undersecretary Sebastian to sit as ex-officio Chairman or member of all duly constituted committees, councils, boards or bodies where the DA Secretary is a member," she said. "In the said memo, he has the authority to sign administrative issuances."

She said the situation appeared to have been a "simple policy debate" but instead resulted in the Palace's administrative arrangements being called into question.

"This only drives home the point that we really need proper leadership in the DA. I hope this is not a portent of things to come: the order will be issued, the order will be withdrawn, the order will be denied. Nobody is helped by disorganized leadership — not industry, not the traders, not the producers, and certainly not the consumers," Ms. Hontiveros said.

"This was not only about one man misinterpreting intent and acting (without authority). Ultimately, this is the fallout of a messy, haphazard bureaucracy," she added, referring to Mr. Sebastian's testimony that he had misinterpreted the President's intent in going forward with the sugar order.

Former SRA Head Hermenegildo R. Serafica, who resigned in the wake of the confusion over SO No. 4, said on Aug. 1, he was in a meeting with Mr. Marcos, who gave instructions to the SRA and the DA to "prepare an import plan." This led Mr. Sebastian to later issue the order on the assumption that he was authorized to do so.

Senator Ronald M. dela Rosa said that there "must be a bigger reason why (Mr. Sebastian) signed it. This is not a delusion. I don't buy that justification."

Mr. Sebastian, speaking at the hearing, said that "the pressure to supplement local supply was really there," which made him choose between not acting act on time and acting in itself, which was also a risk.

"Even if we approve Sugar Order 4 now, it will take us at least one month before the supply arrives, at the earliest," he added.

Mr. Sebastian said that the "SRA indicated in their data that we only have supply of sugar up to the end of August, so the private sector was also pushing for more supply of sugar. We have a dialogue with them; we consulted the millers, planters, refiners and they were all unanimous in proposing that we (import) 300,000 MT."

"These were all documented," he added. "The sugar order was not decided in one day, it went through a process of consultation and discussion with many stakeholders; we based it on data."

Senator Cynthia A. Villar called the SRA report warning of shortages "very difficult to understand, so I think it has been manipulated to allow imports." She added that "the SRA should focus on the development of the sugar industry to make it competitive by producing more sugar at a lower cost rather than focusing on imports."

Senate President Juan Miguel F. Zubiri said the SRA has repeatedly defaulted to imports as its "primary solution to our sugar problems," to the detriment of around 100,000 small and marginalized sugar farmers, 800,000 laborers involved in sugar production, and their 4 million dependents.

"As I have always said, I am not totally against imports. I understand that sugar production has been hit hard by the one-two-three punch of the pandemic, of rising input costs, and of natural disasters like Typhoon Odette. I know that we will need to import some sugar to meet demand that local supply cannot cover," he said.

"But we must not import more than we need; we must not favor imports over local production; and we must not import through such underhanded, unauthorized means as what almost happened with Sugar Order No. 4," he added.

At the hearing, Ms. Villar said Republic Act 10659 or the Sugar Industry Development Act of 2015, promoting and supporting the competitiveness of the sugar industry, should have prevented the sugar crisis.

She noted that the SRA was allocated P2 billion a year to support, enhance and reform sugar farming. — **Alyssa Nicole O. Tan**

Supreme Court rules petitioners have no standing in PDS 'monopoly' case

THE Supreme Court (SC) has dismissed a petition alleging that the Philippine Dealing System Holdings Corp. (PDS) enjoys a monopoly in the market for fixed-income and government securities.

In a 19-page decision dated March 29 and made public on Aug. 19, the court, sitting en banc, said the petitioners failed to establish sufficient standing to bring the case before the tribunal.

"To possess legal standing, parties must show a personal and substantial interest in the case such that (they have) sustained or will sustain direct injury as a result of the governmental act that is being challenged," according to the ruling, written by Associate Justice Ramon Paul L. Hernando.

It added that the petitioners failed to establish that their rights were infringed as a result of the regulations governing the operations of PDS.

In 2013, former Camarines Sur Rep. Luis R. Villafuerte, former National Treasurers Caridad R. Valdehuesa and Norma L. Lasala, and Benjamin E. Diokno, then having freshly completed his first stint as former Budget Secretary, sought to nullify certain rules, orders, and issuances of the Securities and Exchange Commission, Bangko Sentral ng Pilipinas, which allegedly constituted illegal restraint of trade in the securities market.

Mr. Diokno, who is now the Secretary of Finance, had withdrawn as a petitioner in the middle of the proceedings.

The SC noted that the plaintiffs failed to show clear or obvious disregard of the Constitution, which would require immediate action from the court.

It added that a proper venue for initial filing would have been a trial court or appellate court.

"Even if this Court disregards the factual assertions of the parties on the existence of monopoly, and simply rules on the legal issues raised by petitioners, there is still a need to receive evidence to fully resolve the case since some of these issues are inextricably intertwined with underlying questions of fact," it said.

The PDS group is a private company with subsidiaries operating markets for various securities.

The plaintiffs argued that in the early 2000s, PDS Holdings Corp. President Vicente B. Castillo and his associates at the Bankers Association of the Philippines exploited the lack of a market for privately-issued securities, which led to the creation of fixed-income exchange.

The court reminded the petitioners "that pleadings before all courts must be presented in an organized and systematic manner."

"Not only does this aid the court's analysis, but it also reflects the litigants' grasp and comprehension of the matters they discuss." — **John Victor D. Ordoñez**