

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

**SEVENTEENTH CONGRESS**  
First Regular Session



House Bill No. **5025**

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Introduced by HON. DANILO E. SUAREZ

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EXPLANATORY NOTE

Section 1 ARTICLE XII of the 1987 Constitution states that:

**“...The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources,** and which are competitive in both domestic and foreign markets...In the pursuit of these goals, all sectors of the economy and all regions of the country shall be given optimum opportunity to develop...”

REPUBLIC ACT No. 6234 or the Metropolitan Waterworks and Sewerage System Charter was passed on June of 1971 under the context of undertaking a comprehensive and continuing water program. Under this law, the government gave the MWSS jurisdiction, supervision, and control over waterworks and sewerage in Metro Manila and surrounding areas while taking on the dual role of developing and supervising waterworks. While this Charter underwent several amendments through the years, dealing mostly with reorganization, perhaps the most significant change happened under the context of an exponentially increasing population and a water crisis.

The Ramos government passed the National Water Crisis Act of 1995 (RA 8041) to respond to an impending water crisis, the effect of which is the privatization of the Metropolitan Waterworks and Sewerage System (in 1997) and other water supply systems around the country. The Lopez-owned Maynilad Water Services Inc. and the Ayala-led Manila Water Company Inc. were awarded Concession Agreements (CA) for supplying water to Metro Manila and surrounding areas under this law.

Under these CAs, Maynilad and Manila Water were granted powers to build, operate, manage, repair, and decommission facilities within their respective service areas while the MWSS Regulatory Office (MWSS-RO) was established to manage the two concessionaires. This effectively is an implied amendment to its original Charter which mandated the MWSS to construct, operate, and maintain water sources and distribution facilities. However, practical considerations such as capitalization and technical capacity limited the MWSS' role with regard to this function which is now exercised by the Concessionaires. The MWSS, meanwhile, is now limited in function and is now known as a Regulatory body. Therefore, the existing law must be amended to reflect the practical reality that the MWSS is now a purely regulatory agency.

Considering the foregoing reasons, the passage of this bill is earnestly requested.



**DANILO E. SUAREZ**

Representative

3rd District, Quezon Province

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1        **AN ACT AMENDING REPUBLIC ACT NO. 6234, OTHERWISE KNOWN AS,**  
2        **“AN ACT CREATING THE METROPOLITAN WATERWORKS AND SEWERAGE**  
3        **SYSTEM AND DISSOLVING THE NATIONAL WATERWORKS AND SEWERAGE**  
4        **AUTHORITY; AND FOR OTHER PURPOSES.”**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

5        **SECTION 1. Short Title.** – This Act shall be known as the “Streamlined  
6        Metropolitan Waterworks and Sewerage System (MWSS) Function Act.”

7        **SEC 2. Declaration of Policy.** – It is the Policy of the State to ensure that the roles of  
8        government agencies are well-defined and within its sphere of competence. A well-defined  
9        role eliminates redundancy and promotes efficiency in the delivery of public service.

10       **SEC. 3. Amendment.** – The powers of the Metropolitan Waterworks and Sewerage  
11       System (MWSS) is hereby limited to its Regulatory Functions. Section 3 of Republic Act  
12       6234 is hereby amended to read as:

13       **“Section 3. Attributes, Powers and Functions.** The System shall have the  
14       following attributes, powers and functions:

15       (a) To exist and have continuous succession under its corporate name for a  
16       term of fifty (50) years from and after the date of the approval of this Act,  
17       notwithstanding any provision of law to the contrary: *Provided, however,*  
18       That at the end of the said period, the System shall automatically continue  
19       to exist for another fifty (50) years, unless otherwise provided by law;

1 (b) To prescribe its by-law;  
2 (c) To adopt and use a seal and alter it at its pleasure;  
3 (d) To sue and be sued;  
4 (e) To establish the basic and broad policies and goals of the System;  
5 (f) To fix periodically water rates and sewerage service fees as the System  
6 may deem just and equitable in accordance with the standards outlined in  
7 Section 12 of this Act;  
8 (g) To exercise the right of eminent domain for the purpose for which the  
9 System is created;  
10 (h) To approve, regulate, and supervise the establishment, operation and  
11 maintenance of waterworks and deepwells within its jurisdiction operated  
12 for commercial, industrial and governmental purposes and to fix just and  
13 equitable rates or fees that may be charged to customers thereof;  
14 (i) To assist in the establishment, operation and maintenance of waterworks  
15 and sewerage systems within its jurisdiction under cooperative basis;  
16 (j) To approve, regulate and supervise the establishment and construction of  
17 waterworks and sewerage systems in privately owned subdivisions within  
18 its jurisdiction;  
19 (k) To have exclusive and sole right to test, mount, dismount and remount  
20 water meters within its jurisdiction;  
21 (l) To render annual reports to the President of the Philippines and the  
22 Presiding Officers of the two Houses of Congress not later than January  
23 thirty-first of every year.”

24 **SEC. 29. *Repealing Clause.*** — All laws, decrees, executive orders, issuances, rules  
25 and regulations, or parts thereof not consistent with the provisions of this Act are hereby  
26 repealed or modified accordingly.

27 **SEC. 30. *Effectivity Clause.*** — This Act shall take effect fifteen (15) days after its  
28 publication in two (2) newspapers of general circulation.

**Approved,**