



FDC

bulletin

March - April 2005

Over 50 groups lead call for a women's strike

A multitude of women's voices from various sectors rose up last April 27 for the national launching of **Welga ng Kababaihan Laban sa Kahirapan at Globalisasyon**, the opening salvo of a long-running protest campaign against poverty, globalization and its severe impacts on women.

Women from different organizations gathered in Quezon City, Isabela, Iloilo, Cebu, Tacloban, Davao, General Santos, Zamboanga City, Ozamis, Cagayan de Oro, Basilan, and Sibugay. While festive and colorful, they also carried serious messages from and for Filipino women everywhere:

- Pagsasamantala sa lakas-paggawa ng kababaihan, wakasan!
- Panlipunang serbisyo, obligasyon ng gobyerno! Pabahay, edukasyon, kalusugan, serbisyo para sa kababaihan!
- Itaguyod ang karapatan ng kababaihan sa kabuhayan!
- Itigil ang pangangalakal at pagbebenta sa kababaihan!
- Ipaglaban ang kaligtasan ng kababaihan mula sa karahasan!
- Iwaksi ang tradisyunal na konsepto sa kababaihan! Labanan ang pundamentalismo!



"This is only the beginning of a process of popular education work and coordinated action to build unities around a women's economic agenda," said campaign organizers at the Manila launch which was attended by 95 groups. A mock santacruzang dubbed "**Sagad Na**

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Global Week of Action

Ending the Cycle of Debt

As the World Bank and the International Monetary Fund met in Washington DC for their spring meetings, around 300 members of the Freedom from Debt Coalition joined other organizations and movements worldwide in holding accountable these financial institutions and the rich creditor countries that control them, for the continuing cycle of underdevelopment besetting poor nations.

The rallyists marched last April 14 to the World Bank Manila Office and the Asian Development Bank main headquarters at the Ortigas Center

The following organizations from the labor, urban poor, agricultural workers, women, and youth sectors joined the march-rally and signed the statement below: Bukluran ng Manggagawang Pilipino (BMP), CONFREEDEM, Kalayaan!, Kongreso ng Pagkakaisa ng Maralitang Lungsod (KPML), Sanlakas, Padayon, Partido ng Manggagawa.

A genuine solution to the problem of poverty and underdevelopment in the South countries lies in ending the deadly cycle of DEBT— a cycle of borrowing, repaying and submitting to loan conditionalities.

The Freedom of Debt Coalition (FDC) along with various advocacy networks and civil society organizations in eighty (80) countries worldwide have come together for the 2005 Global Week

of Action. We stand committed to building a just and better world where South countries are free from the bondage of debt and where South peoples chart their own development with governments that are truly sovereign.

A major stumbling block to this vision is posed by the continued domination and intervention of international financial institutions (IFIs) led by the International Monetary Fund, the World Bank and the Asian Development Bank; and the North governments that control them.

Lending even to corrupt and repressive governments, the IFIs have for 60 years been aggressively pushing loans tied to conditionalities that have restructured entire economies according to their priorities and interests. Only North governments and transnational companies are profiting from this neoliberal thrust of freeing the flow of capital, goods and services. Meanwhile, communities, livelihoods and environments are progressively being destroyed, driving South peoples farther into the margins and deeper in poverty and deprivation.

In the Philippines, the IFIs have pushed for wanton liberalization in exchange for more borrowings. To date, the Philippine



national government's debt has ballooned to PHP 3.8 trillion, and servicing this debt is eating up 52 percent of the country's national budget or 95 percent of the government's tax revenues. IFI conditionalities have put the country on the path of regress, leading a greater number of Filipinos into poverty than before. Privatization – a commonplace loan conditionality – has stripped them further of what little access they had before to basic services such as power and water.

We hold the IFIs accountable for the grinding poverty in the Philippines and around the world. We hold them accountable for the burgeoning debt burden of South countries. We hold them accountable for the cycle of underdevelopment besetting poor nations.

***IFIs Out of the South now!
Cancel all multilateral debts now!
Stop IFI lending to privatization projects!
RESIST IFI intervention in South countries!***

Global Week of Action

Basic services out of GATS-WTO, GMA told



Around 500 members of the Freedom from Debt Coalition and its allied organizations, marching last April 12 to the Department of Trade and Industry and delivered their message to the Philippine government: **No new commitments under GATS! Power and Water Services, Out of GATS-WTO!** The coalition also reiterated its calls to stop the privatization of basic services, reverse the process of water privatization and repeal the Electric Power Industry Reform Act.

In December 2005, 147 countries will convene a Ministerial Meeting of the World Trade Organization (WTO) in Hongkong, with the hope to finally conclude trade negotiations that started in 2001. These include expansion of obligations under the General

Agreement on Services in Trade (GATS).

Based on the WTO Work Programme, countries are facing a May-2005 deadline for submission of new offers or proposals for new commitments under the GATS. If the Philippine government agrees to the expansion of its GATS commitments, this will mean further opening up of various industries classified under SERVICES to foreign companies and investors. These include transportation, media, advertising, telecommunications and others. It also means services currently under public ownership and management will have to be opened up to private corporations and investors, thus facilitating privatization of services.

Apart from water and power services which the Philippine government has already started privatizing, these include health, education, housing, postal services, waste disposal etc. Filipino consumers are only too familiar with continuously rising water and electricity rates, which is only one of many burdens arising under privatization.

As indicated by proposals submitted to the Philippine government by European countries, new commitments under GATS will be requiring changes in the Philippine constitution, including and specially the provisions limiting foreign investment in the Philippines to 40 percent of corporate equity and prohibiting foreigners to own land.

President Gloria Macapagal-Arroyo has already announced that Charter Change is next in her agenda after the targeted revenue-raising measures are passed in Congress.

The following organizations from the labor, urban poor, agricultural workers, women, and youth sectors joined the march-rally: Aniban ng Manggagawa sa Agrikultura (AMA), Bukluran ng Manggagawang Pilipino (BMP), CONFREEDEM, Kalayaan!, Kongreso ng Pagkakaisa ng Maralitang Lungsod (KPML), LUPA-KPD, Sanlakas, Padayon, Partido ng Manggagawa, Piglas Kababaihan and WomanHealth.



Anti-debt campaigners, advocates hit int'l parliamentarians' proposals

The Freedom from Debt Coalition expressed disappointment over the proposals of the Inter-Parliamentary Union (IPU) on alleviating the debt problem of highly indebted countries.

Over 2,000 parliamentarians from all over the world met in Manila early last April 2005 to discuss issues of sustainable development, finance and trade.

According to reports, the IPU committee proposed several reform policies such as: "the lowering of import tariffs, elimination of restriction on foreign investment, tax increases, elimination of subsidies for basic food products and national industries, salary cuts, currency devaluation and greater emphasis on export-oriented production against production for local consumption."

FDC president Ana Maria Nemenzo commented that these proposed policies are not favorable to developing countries because said measures are associated with the loss in employment, displacement of people and local industries, and increase in prices and cost of living.

"Not one of the measures is even remotely connected to the debt issue, so how can we expect to solve the problem," said Nemenzo.

On one point, however, the IPU committee correctly analyzed the debt burden of developing countries as indicative of the

"alleged failure" of the World Bank (WB)-International Monetary Fund (IMF) "to ease the financial problems of highly indebted poor countries (HIPC)". It also recognized, said FDC, that the debt problem highlights the unequal distribution of the world's resources and trade imbalance between developed and developing countries.

"Yet, it is ironic that despite all this, the IPU committee simply echoes the recommendations of these international financial institutions which have been proven to be irrelevant and a failure," Nemenzo said.

On the opening day of the IPU conference, about 300 FDC members rallied in front of the Philippine Post Office at Liwasang Bonifacio picketed the opening of the IPU conference, calling on them to support the call for "total and unconditional debt cancellation for south countries, beginning with the most impoverished countries, countries affected by the tsunami, and countries in crisis".



The following organizations participated in the rally: Kaalagad-JPIC (led by Fr. Ben Moraleda), WomanHealth Philippines (led by Ka Nora Protacio), Bukluran ng Manggagawang Pilipino (led by Teody Navea), Sanlakas (led by Don and Mitch), Samahan ng Demokratikong Kabataan (led by Ella Mariano), Partido ng Manggagawa (led by Yuen and Zandra Gillico), Fortune Tobacco Labor Union (led by Hernan Bautista), Kalayaan (led by Jordan Jamoralin), Kilusan Para sa Pambansang Demokrasya/LUPA (led by Ka Jess del Prado), Confreedom (led by Ernie Prieto), KPML (led by Ka Rey Baltazar), and Padayon (led by Kiko Isaac and Bobet). Sr. Arnold and Atty. Argee Guevarra also participated in the activity in solidarity and in support for our call.

Immediate and unconditional debt cancellation for tsunami-affected countries and all South peoples!

On the occasion of the 112th Inter-Parliamentary Union (IPU) Assembly, the Freedom from Debt Coalition (FDC) and Jubilee South call on all delegates, their parliaments and governments to seriously take into account the grave situation of South countries and to put an end to the bondage of debt.

The debt burden continues to take its toll among South countries, sucking dry the capacity of these countries to ever cope with the needs of their people and causing their deepening poverty, persistent underdevelopment, and even crisis. Creditors generally exact payment without regard for the economic and social realities of indebted countries. National budgets are skewed in favor of payments, which severely limits governments' capacity to provide education, health, welfare, infrastructure, and other basic services. In the case of the Philippines, which is currently undergoing a fiscal crisis, 95 percent of its tax revenues goes to debt servicing alone.

The UN Secretary General, Kofi Annan, has called the tsunami disaster the worst natural disaster in recent history. Indeed the loss of lives, destruction of the environment and damage to infrastructure from tsunami has been overwhelming. But we must not forget that poverty, deprivation, and disease are continuing disasters particularly in the South. Millions die from lack of food, safe drinking water and the most basic healthcare. Impoverishment magnifies the impact of natural disaster more than ten-fold. The burden of the debt is one of the central factors in this burgeoning misery.

Post-tsunami developments bear out this truth. The more than 200,000 dead, orphaned, homeless, sick and injured from Aceh in Indonesia to Somalia and Kenya stand as heart-rending evidence to the historical tragedy of the debt that has robbed these countries with the very resources to meet urgent human needs, including measures that would have strengthened their preparedness to natural calamities and given them more options to address the same.

While financial and material aid for immediate relief is urgent, the costs for long-term reconstruction will be enormous. Given the debt burden and debt servicing of these countries, the additional financial burden as a

consequence of this natural disaster is likely to lead to an unimaginable economic disaster. Economic development of these countries has in fact been set back by a number of years...

A genuine solution to the problem of poverty and underdevelopment in South countries must be geared towards putting an end to the deadly cycle of borrowing, repaying and acquiescing to loan conditionalities.

Indeed, the Inter-Parliamentary Union has in the past recognized the problem of the debt. The resolution adopted by the 73rd Inter-Parliamentary Conference (Lomé, 1985) emphasized the role of parliaments and their contribution towards the elimination of poverty by eliminating the burden of international debt. This was reiterated in the 74th Inter-Parliamentary Conference (Ottawa, 1987) with the resolution on the contribution of parliaments to the search for measures and actions aimed at removing the burden of foreign debt that weighs on the developing countries. Again, the 88th Inter-Parliamentary Conference (Stockholm, 1992) focused on the need for a radical solution to the problem of debt in the developing world.

The challenge now is to take decisive action. We call on the Inter-Parliamentary Union (IPU) with its 147-strong membership to support the call for the total and unconditional debt cancellation of debts of all South countries heavily burdened by a collective history of tragedy and crisis under debt domination. Such action should immediately take effect starting with (1) most impoverished countries, (2) all tsunami and disaster-stricken countries, and (3) countries in crisis.

Immediate and unconditional debt cancellation for tsunami-affected countries and all South peoples!

No new debts from tsunami aid!

Stop the use of tsunami reconstruction and relief to push economic conditionalities!

Prioritize relief and rehabilitation, basic social services, provision of clean and safe water, and other human development programs!

No to the privatization of water, power and other basic services!

Over 40 groups...TURN TO PAGE 6

Sagala, Pobres de Mayo, Krisis kay Arroyo” showed the deepening poverty under the Arroyo administration, and the effects of globalization on the lives of women across sectors, classes and occupations. The march later proceeded to Abelardo Hall in UP Diliman to hear more testimonies from women workers, urban poor women, farmers, migrant women, Moro women, and survivors of violence and prostitution.

Around 75 percent of the country's total workforce is in the informal sector and 49 percent is comprised of women, Olive Parilla of PATAMABA pointed out. Despite significant contributions to propping up the economy, women in the informal sector remain unrepresented, unrecognized and thus vulnerable to exploitation and unsafe working conditions. The same is true for women participating in the mainstream economy. Also even with rising numbers of women breadwinners, decision making privileges remain out of women's reach in households where they are as subordinated to men as before.

More women are also working outside the home, here and abroad, because of crisis and poverty under globalization. A heavy price on their persons and their families, however, is paid for every dollar remitted to the Philippine government, said Julita Subong of Bannuar Ti La Union (Heroes of La Union). In addition to the pain of separation from loved ones, women overseas workers suffer low wages,



unregulated labor hours and other various forms of abuse.

Ka Leonora Protacio of Piglas Kababaihan stressed the unpaid labor women render in the face of government's failure to ensure access to basic social services such as housing, education, and healthcare. "It is simply assumed," she said, "that if government is not providing a social service like basic healthcare for children, somebody else will. Women provide this service, who give up what little time is left for rest or for education."

Globalization and its drive to liberalize trade has also allowed foreign goods to flood domestic markets and consequently, driven local economies to collapse. An added layer of women's oppression is that men continue to be privileged over women in owning



land and in claiming other entitlements, said Trinidad Domingo of the Katipunan ng Bagong Pilipina.

Women in fisheries also remain invisible and unrecognized despite their contributions to the sector that range from providing homecare to cleaning and vending fishery harvests.

Minda Pascual of Bagong



FDC Secretary General Lidy Nacpil

Kamalayan, a prostitution survivor, spoke of the violent exploitation of women in the flesh trade and in the continuing commercialization of women. Poor women with little access to education are especially vulnerable to prostitution and trafficking in women that have become billion-dollar mammoth industries under globalization. Statistics show that more than three million women and children in Asia have been trafficked in the region and to other wealthier, industrialized regions.

The so-called global war on terror to secure primarily US interests in poor countries such as the Philippines leave women, children and other groups already marginalized from the onset, even more vulnerable to harassment and abuse. Even in situations of violent conflict, women continue to carry out such tasks as sourcing water and finding food.

Lydia Patalinghog of Kalakasan said that worsening poverty is a major factor behind the rising



Below: End the exploitation of women's labor!



incidence of violence against women in the home and in the workplace.

Finally, the rallyists noted that the Bush administration and religious fundamentalists, while in open conflict over the world's oil resources, subscribe to the same

anti-woman beliefs. This manifests, for one, in a shared resistance to women exercising their rights over their sexuality and reproductive health and similar actions in undermining international agreements and treaties drafted for the protection of women.

New anomalies from Casecnan deal, gov't pressed to cancel contract now

The Freedom from Debt Coalition reiterated its long-standing call for the immediate cancellation of the Casecnan Hydropower contract, including other onerous IPP contracts, in the light of recently surfaced anomalies.

Casecnan reportedly failed to pay the Nueva Vizcaya provincial government a total of P229 million in real property taxes (RPTs) in 2003. Further, the company allegedly failed to remit an estimated P10 million in national wealth taxes since Casecnan started commercial operations in December 2001.

Moves made by the Nueva Vizcaya Provincial Government to levy and even close down the Casecnan plant confirms that IPPs, are more of a bane to Filipinos, rather than a boon as the



Sucking in the waters of the Taan River

government claims them to be.

FDC condemned the hypocrisy, for while government scrambles for ways to stop huge financial losses and to raise revenues, it pampers big multinational corporations by providing them with generous fiscal incentives and even reimbursing their tax payments. "The government then turns to the people instead, and squeezes them dry of their hard-earned money through regressive taxes like the value-added tax," the Coalition added.

In 2002, the government's Inter-agency IPP Review Committee tagged the Casecnan project

as one of five onerous contracts because of its high power cost. The IAC also reported Casecnan as having a complicated tax structure resulting in high taxes reimbursable by the National Irrigation Administration (NIA).

Casecnan's original contract required NIA to reimburse the company US\$52 million in taxes from 1995 to 2001. But with Casecnan's 48-percent internal rate of return, NIA will have to reimburse the company a whopping US\$879 million in taxes. This huge amount and the government's unwillingness to pay resulted in international arbitration, which eventually ended in a settlement.

The government's financial woes could have been decisively addressed then, if only government cancelled the Casecnan contract. But instead of upholding the



A portion of the Casecnan Multipurpose Hydropower and Irrigation Project



Fidel V. Ramos and Gloria Macapagal Arroyo: then and now, rolling out the red carpet for the independent power producers

public interest by cancelling the contract, the government chose to settle with Casecnan in 2003.

The Settlement Agreement, in fact, proved to be an unconscionable burden over and above the original contract. Specifically, the settlement exempts Casecnan from paying RPTs, and directs NIA to reimburse the firm of any taxes it pays. If the Nueva Vizcaya government continues pressing Casecnan to pay RPTs, the company can do so under protest but will be eventually reimbursed by the National Government.

In addition to this appalling situation, the Supplemental Agreement also directs NIA to pay Casecnan US\$115 million and P40 million as the settlement amount, of which US\$7.7 million and the whole P40 million are taxes that NIA should reimburse Casecnan since December 2001.

Adding everything up, the government stands to lose a total of P6.5billion (US\$1 = PhP54) in tax reimbursements for Casecnan

alone. Aside from government losses due to tax reimbursements, Casecnan's power supplies the most expensive power cost among all IPP contracts and commits Napocor to take-or-pay 19 million per kWh at US\$0.1650 or PhP8.91 per kWh a month, whether or not electricity is generated. Napocor records show that from December 2001 up to late 2002, Casecnan has only delivered a monthly average of 65 percent of the contracted 19 million kWh.

Despite the shortfall, Napocor continues to pay annually the full cost of P2 billion for contracted energy. This situation, compounded by similar practices by other IPPs, has worsened Napocor's already deplorable financial status.

FDC underscored: "If the government genuinely wants to stop the economic hemorrhaging and cut its losses, it should address the issue by cancelling the onerous IPP contracts starting with the Casecnan contract.

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Pribatisasyon ng Tubig: Kalbaryo ng Mamamayan

Sa paggunita ng Pandaigdigang Araw ng Tubig o World Water Day at Linggo ng Kwaresma, nagluluksa ang milyun-milyong konsyumer ng tubig sa Kamaynilaan at mga karatig-probinsya nito sa Bulacan, Cavite at Rizal. Patuloy ang pagdurusa ng mga mamamayan dahil sa kawalan ng sapat, malinis at abot-kayang serbisyo sa tubig at sanitasyon na lalong pinalalala ng polisiyang pribatisasyon ng pamahalaan.

Ang Progresibong Alyansa ng Tagapagtangkilik ng Tubig sa Kamaynilaan (PATTAK) ay mariing tumutuligsa sa kapalpakang dulot ng pribatisasyon ng Metropolitan Waterworks and Sewerage System (MWSS).

Glorya ang ipinangako sa pagsasapribado ng MWSS ngunit sa loob ng walong taong pamamalakad ng Maynilad at Manila Water, **latigo, hagupit at kalbaryo** ang dinanas ng taumbayan. Tulad ni Judas, ipinagkanulo ng gobyerno ang interes ng mga mamamayan sa kamay ng mga pariseong kumpanya ng tubig. Sa halip na mahusay na serbisyo sa tubig ang tiyakin ng



gobyerno, ang pagkakamal ng malalaking tubo ng mga pribadong korporasyon ang inasikaso nito. Mahigit 500 posyento ang itinaas ng presyo

ng tubig sa West Zone samantalang higit-kumulang 700 posyento naman sa East Zone. Dagdag pa rito ang napakalaking tubo ng Manila Water na

umaabot sa 41%—na sobra-sobra sa 12% na limitasyong itinatakda ng ating batas.

Marami pa rin ang walang koneksyon sa tubig, hindi lang dahil sa kapabayaang dalawang kumpanya, kundi dahil na rin sa mahigit P5,000 singil sa connection fee. Ang mga mapapalad na nakabitan ng serbisyo sa tubig ay kasalukuyan namang nagtitiis at napupuyat dahil sa mahina at sala sa oras na suplay ng tubig. Noong 2003, mahigit 600 katao ang nagkasakit at pitong katao ang namatay sa cholera outbreak sa Tondo at Malabon. Samantala, noong Enero, tatlong barangay sa Pasay City ang naapektuhan ng typhoid, kung saan dalawang residente ang kumpirmadong patay.

Wakasan na ang pahirap sa mamamayan! Itigil na ang walang humpay na hagupit ng pribatisasyon ng serbisyo sa tubig!

Tubig ay serbisyo, hindi negosyo!

Tutulan ang pribatisasyon ng serbisyo sa tubig!

Progresibong Alyansa ng Tagapagtangkilik ng Tubig sa Kamaynilaan (22 Abril 2005)

FREEDOM FROM DEBT COALITION, KALAYAAN!, PADAYON, SANLAKAS, CONFREEDOM, KASAMA KA, KONGRESO NG PAGKAKAISANG MARALITANG LUNGSOD, LUPA - KPD, PIGLAS KABABAIHAN, WOMANHEALTH

Stop the Privatization of Water Services!

Keeping the spirit of Earth Day

"Protect our future! No to Privatization of water Services" So urged members of the Freedom from Debt Coalition last April 22 to commemorate Earth Day.

Carrying the theme *Protecting Our Children and Our Future* on its 35th year, Earth Day holds even greater relevance in a globalizing age where privatization of basic utilities like water services is being aggressively pursued in different parts of the world.

In this light, FDC marked the occasion by calling attention to the plight of children worldwide who suffer unnecessarily due to lack of access to clean, safe and affordable water -- a situation worsened by the increasing presence of profit-hungry corporations in the water industry.

The World Water Development Report describes that children and women have borne the brunt of the sorry state of water provision in many countries. Yearly in the past decades, 6,000 people, mainly children under five, die because of lack of sufficient access to water.

The United Nations Children's Emergency Fund (UNICEF) has declared that "the growing disparity between the haves and the have nots in terms of access to basic services is killing around 4000 children every day and underlies many more of the 10 million child deaths each year.

The unnecessary suffering of children worldwide due to diseases

caused by dirty water and poor hygiene and the burden they share with their mothers in fetching water, often from unreliable sources, is intensified by the greed of corporate water providers who find it easy to sacrifice the needs of people in the altar of profit.

The Philippine water privatization experience, along with those of Buenos Aires (Argentina), Cochabamba, El Alto and La Paz (Bolivia), Jakarta (Indonesia), Atlanta (Georgia, U.S.A.) and in many other parts of the world, cannot be ignored. Over the past years, water services in the hands of private corporations have seen skyrocketing water tariffs well beyond the reach of many, with minor service expansion and highly questionable quality of water.

In Manila, barely two years after water services were privatized, nine people died and around 800 people were hospitalized from consuming contaminated water that caused cholera, gastroenteritis, and typhoid outbreaks in Tondo, Malabon, and Pasay City in Metro Manila. Further, in just eight years after the capital city's water system was privatized, water rates have increased by 500 (West Zone) to 700 (East Zone) percent. Service targets are unmet and water losses are at an all time high of 62 percent.

"And yet the Philippine



government, in connivance with multilateral financial institutions such as the World Bank and the Asian Development Bank, continue to defend the interest of private water corporations through a series of bailouts and numerous concessions to ensure the profitability of the companies even at the expense of public interest," said FDC campaigners. "It is time to wake up from the stupor created by the misconception that privatization would bring much-needed improvements in the water sector."

FDC, a broad alliance of progressive organizations and individuals, presented the challenge of asserting water as a basic human right and fighting a major threat to exercising this right today: corporate-driven privatization which has been eroding the same .

"For the sake of our children and our future, let us all work together to keep water in public hands," FDC stressed.

Napocor rates increase unjust!

Protest looms as ERC oks power rate hike

In a show of sheer indifference to the increasing economic burdens of households and communities, the Energy Regulatory Commission (ERC) last April released its final decision increasing National Power Corporation's (Napocor) generation rate by P0.056 per kWh on top of the previous P0.9798 per kWh provisional increase. Napocor's rate hike has already taken effect, pushing generation rates up to P1.035 per kWh.

What should enrage consumers who are already tied to electricity rates averaging P7 per kWh, is that the ERC approved not one, but three power rate increases. Aside from the rate hike, ERC also granted Napocor average increases of P0.42 per kWh through the Generation Rate Adjustment Mechanism (GRAM), and P0.003 per kWh via the Incremental Currency Exchange Rate Adjustment (ICERA). The GRAM and ICERA padded Napocor's rate hike by P0.42 per kWh, without undergoing any public hearing. All these comes up to P1.46 per kWh – higher than the figures claimed by ERC and Napocor.

FDC challenged ERC Chair Rodolfo Albano's claims that the rate increases are justified. "Even

with all its investigative and penal powers, the ERC failed to act on the fundamental reasons of Napocor's continued financial losses – its onerous contracts with independent power producers (IPPs) and its management inefficiencies," FDC officials pointed out in a press conference.

Adding insult to injury, Napocor can now recover the P0.40 per kWh reduction that President Arroyo ordered in 2002 when she was pressured by popular protests to do something about the PPA.

The Coalition also scored the Arroyo administration for not acting on the IPP contracts, despite findings of its own Inter-Agency Committee of their gross disadvantages to the public. Increasing power rates only temporarily plug Napocor's losses; they cannot stop the financial bleeding caused by the continued enforcement of the onerous IPP contracts.

In a picket held days before ERC announced its decision, FDC stressed that "all of these rate increases are happening because of the government's persistence



to woo investors in buying into Napocor's generation assets. In the government's attempt to placate the private sector through continued payments for onerous IPP contracts and its unrelenting promotion of Napocor's privatization, consumers are forced to bear the burden of higher power rates."

The FDC-initiated press conference last April 26 was attended by Rep. Francis Escudero, Lidy Nacpil (FDC), Wilson Fortaleza (FDC/Sanlakas), Hero Vaswani (Kilusang Makabansang Ekonomiya-PCAD), Nora Protacio (WomanHealth), Romy Castillo (BMP), Edwin Chavez (BISIG), Kiko Isaac (PADAYON), Marwin Baldesmo (Kalayaan), Ernie Prieto (CONFREDEM), Jess del Prado (LUPA-KPD), and Rez Cortez (NCCV).