

**Presidential Communications Operations Office
News and Information Bureau**

**PRESS BRIEFING OF PRESIDENTIAL SPOKESPERSON AND CHIEF PRESIDENTIAL LEGAL
COUNSEL SECRETARY SALVADOR PANELO
JANUARY 7, 2019 (12:35 – 1:02 P.M.)**

USEC. ROCKY IGNACIO: Good afternoon MPC, kasama na natin si Chief Presidential Legal Counsel and Presidential Spokesperson Salvador Panelo. Good afternoon, sir.

SEC. PANELO: Good afternoon, MPC. I'd like to make a major announcement on the issue concerning the water concessionaires of Metro Manila.

The water concessionaires of Metro Manila namely Maynilad and Manila Water were extensively discussed last night at the Cabinet meeting and the new water contracts to supplant the constitutionally flawed water concessionaires agreements that violated every prohibited act under the anti-graft law prepared by the Office of the Solicitor General as well as in collaboration with the Secretary of Justice Department.

And consistent with the principle of the President, the underlying principle under which his governance is based which is serving and protecting the interest of the people; and if you noticed all his acts were undertaken and are being undertaken toward this end. And last night, the President stressed that water is a natural resource and therefore cannot be used merely as a commercial commodity and exploited to rake in billions of pesos in profits at the expense of the consumers - the Filipino people. And as President he cannot... will not and can never keep a blind eye to this colossal rip off.

Hence, the Chief Executive is giving the water concessionaires the option of accepting the new contracts minus the onerous provisions without any guarantee of not being criminally prosecuted together with those who conspired to craft the very onerous contracts which are as we have many times said and as the President described it void ab initio or void from the very beginning for violating the Constitution and the laws of the land.

Should Maynilad and Manila Water refuse to accept the new agreements, the President will order the cancellation of their present water contracts, order the nationalization of water services in their respective areas of operation and prosecute all those involved directly or indirectly in the arrangement that led to the present suffering of the Filipino people. The Filipino people have lost enormously with the unabated collections by these concessionaires despite their dismal performance in supplying and delivering, distributing water.

And as the President previously uttered in righteous indignation and outrage to them, and I quote him: *"If you will not give justice to the Filipino people, I will get it for them."* There is a time for reckoning and that time has come. [end of statement]

JOSEPH MORONG/GMA7: Sir, would you be able to share with us the copies of the contracts since you said it's been prepared by the DOJ and the OSG already?

SEC. PANELO: It will be shared to you when the time comes.

JOSEPH MORONG/GMA7: But, can you share with us the salient points of the contracts?

SEC. PANELO: Well, all the onerous provisions are removed.

JOSEPH MORONG/GMA7: So ito 'yung non-payment of corporate tax, tapos—

SEC. PANELO: Lahat ng onerous provisions.

JOSEPH MORONG/GMA7: Okay. And, may deadline ba sila when they should accept or refuse?

SEC. PANELO: Walang napag-usapan kahapon, but siguro as soon as they receive the contract.

JOSEPH MORONG/GMA7: Has the contract been sent to Maynilad and Manila Water?

SEC. PANELO: Not yet. It was discussed extensively yesterday and it was explained in detail, so...

JOSEPH MORONG/GMA7: Similar contract sir 'no?

SEC. PANELO: Hmm?

JOSEPH MORONG/GMA7: Similar contract lang iyon? I mean, area lang iyong difference 'no?

SEC. PANELO: Iba na ang kontrata.

JOSEPH MORONG/GMA7: Area of service lang iyong difference 'no? Kumbaga, iyong area of responsibility—

SEC. PANELO: The terms will be very, very different.

JOSEPH MORONG/GMA7: From the previous, from the existence.

SEC. PANELO: From the previous one.

FRANCIS: Sec, verify lang or clarification lang. Nabanggit n'yo kung papayag po ang Maynilad, Manila Water, iyong mga owners, iyong sa bagong kontrata, hindi na po kakasuhan ang mga owners, Ayala at—

SEC. PANELO: I said there is no guarantee that they will not be prosecuted.

HENRY URI/DZRH: Secretary, you have mentioned water nationalization; babawiin na ng gobyerno iyong pagpapatakbo sa patubig kung hindi po susundin ng mga water concessionaires iyong bagong kontrata.

SEC. PANELO: Kung hindi nila tatanggapin; and they will refuse to operate.

ARRIANE: Sec, nakausap po ba ni President Duterte iyong mga gumawa nung contracts before he came up with this decision?

SEC. PANELO: Hindi.

ARRIANE: So, hindi na po nag-seek ng dialogue si President Duterte contrary to what you earlier said.

SEC. PANELO: Hindi.

ARRIANE: Will the President talk to the owners of Maynilad and Manila Water regarding this? Will he seek a personal meeting?

SEC. PANELO: Hindi na kailangan siguro iyon.

JULIE: Sir, about the nationalization of water concessions. Paano mangyari iyon? Like what he said earlier na military will take over or back to MWSS... paanong mangyayari iyon?

SEC. PANELO: We will come to that when it comes to fruition.

JULIE: So, it wasn't discussed yesterday in the Cabinet meeting?

SEC. PANELO: (inaudible)

TINA: Sir, doon sa request of special session ni Presidente. Ano bang rationale, just for additional funds for the repatriation of OFWs?

SEC. PANELO: Among other things. Also, so that members of Congress can talk about it.

TINA: But sir, don't we have enough funds since it's just the start of the year, meron naman tayong funds sa ating mga OFW?

SEC. PANELO: Baka kulangin iyon, you were talking here of expatriation of roughly how many millions, marami ito.

TINA: How much is the estimate of this administration?

SEC. PANELO: Hindi ko alam, but that is why the President is asking them to meet in a special session.

TINA: Sir, the President has discretion over his social funds, tapping of PAGCOR and PCSO?

SEC. PANELO: Whatever. The President wants that—or suggesting that Congress meet in a special session. This is a very major problem that confronts our countrymen in the Middle East.

TINA: Sir, since this is really big problem, sir. Did the President discuss the provisions of the EDCA, Enhanced Defense Cooperation Agreement, whether the government will be allowing US troops to pass by agreed locations in the Philippines for deployment to Middle East—

SEC. PANELO: No, that was not discussed. But he has instructions with the Secretary of Foreign Affairs; I do not exactly the instruction. But the Secretary of Foreign Affairs excused himself so they could start working on the instructions.

TINA: There's no point sir at this time to discuss that provisions of the EDCA, whether we will allow it?

SEC. PANELO: If there are discussions, then it will be done.

ROSE NOVENARIO/HATAW: Sir, napag-usapan ba iyong posibilidad na magpadala ng Pilipino troops in case na mag-escalate iyong tension as per Mutual Defense Treaty or Visiting Forces Agreement or EDCA?

SEC. PANELO: I was not present during the meeting called by the President the other day. They could have discussed that, hindi ko alam.

ROSE NOVENARIO/HATAW: So kagabi po, hindi napag-usapan?

SEC. PANELO: That was not mentioned.

ALVIN: Secretary, meron tayong umiiral na Mutual Defense Treaty sa Amerika. If worse comes to worst po, anong mga scenario iyong obligado tayong tumulong sa US at magpadala ng puwersa ng ating mga militar?

SEC. PANELO: Depende. Kung the provisions of the agreement will be observed then necessarily, it will be operational.

ALVIN: Iyong mga scenario na pupuwede tayong manatiling neutral kapag nagkaroon ng confrontation iyong US saka ang Iran—

SEC. PANELO: Teka muna, hindi tayo magiging neutral. The President was very specific in saying last night that if the Filipinos are harmed, he will side with the Americans. That is precisely why he is specifically instructed Secretary Mamasan to go to Iran and Iraq and deliver special message to the Iraqi and Iranian government of his urgent desire and wish that no Filipinos be harmed in the course of the conflict. If they will harm the Filipinos, then the President will not sit down idly and watch.

ROSE NOVENARIO/HATAW: Sir, kung nasaktan po iyong Pilipino dahil sa US airstrike, papaano po iyong ganoong?

SEC. PANELO: Iba na naman iyon, eh kung aksidente eh. Ang sinasabi ni Presidente 'wag ninyong idamay yung mga Pilipino diyan sa away ninyo sa Amerika.

ROSE NOVENARIO/HATAW: So ibang—

SEC. PANELO: Kasi hindi ba, we are supposed to allies of the Americans and 'yung enemies might also attack not only the Americans but the allies of the Americans.

ROSE NOVENARIO/HATAW: Pero pag nasaktan po iyong Pilipino sa US airstrike iba na naman iyong magiging posisyon ninyo doon?

SEC. PANELO: Tingnan natin. Let's see. We cannot preempt what the President is going to say or react.

REYMUND TINAZA/BOMBO RADYO: Sir, nabanggit ninyo 'if Filipinos are harmed, the Philippines will side with US.'

SEC. PANELO: Yes.

REYMUND TINAZA/BOMBO RADYO: Curious lang: Why?

SEC. PANELO: Oh bakit naman hindi? Eh kung papatayin mo ang mga Pilipino, ang gusto mong sabihin hindi na tayo iimik? Eh ang kalaban nila ay Amerikano. Kaya nila gagawin iyon dahil kakampi tayo ng Amerikano.

REYMUND TINAZA/BOMBO RADYO: What if US forces ang makapatay sa Pilipino?

SEC. PANELO: Sinagot ko na iyan. Tinanong na iyan, sinagot ko na.

TINA MENDEZ/PHIL STAR: Sir, is there now a shift of foreign policy?

SEC. PANELO: Hindi naman. Ang sinasabi lang ni Presidente, huwag ninyong idamay ang aking mga kababayan diyan. And mostly likely naman, palagay ko naman ay hindi nila idadamay. Kwentas klaras lang para ...

ROSE NOVENARIO/HATAW: Sir, hindi ba kinu-consider ni Presidente na act of aggression iyong pag-assassinate ng US kay General Soleimani?

SEC. PANELO: I will not make any stand on that. That's a fight between Americans and the Iranians. Ang foremost in his mind is the safety of our kababayans there – iyon lang ang kaniyang concern.

JOSEPH MORONG/GMA7: Sir, when the President said that the Philippines will side with the United States, what does it mean operationally?

SEC. PANELO: I don't know. Basta iyan ang sinabi niya, I'm just quoting him, his exact words.

JULIE AURELIO/PDI: Sir sorry, just for context: How did the President say iyong kung may masaktan na Pinoy, kakampi siya sa Amerikano? Ano iyong—

SEC. PANELO: Hindi kung masaktan, kung sasaktan nila. Kumbaga, intentional iyong gagawin mo.

JULIE AURELIO/PDI: Yes. Ano po iyong context ng conversation? How did he mention it?

SEC. PANELO: Kasama iyon sa discussion eh. Kasama sa discussion iyon.

JULIE AURELIO/PDI: He was talking before ... paanong—

SEC. PANELO: During the Cabinet meeting iyan, hija. Alam mo, kapag Cabinet meeting, extensive ang discussion. Kasama na iyon. Iyon ang isa sa mga sinabi niya.

MARICEL HALILI/TV5: Sir, just a clarification. So parang nagbigay ng warning si Presidente against the government of Iran?

SEC. PANELO: Not warning. It's a friendly caution. He is expressing his concern for the safety of his countrymen which is foremost in his mind. Kumbaga sinasabi niya, "Hoy, hindi kami kasali diyan ha, huwag ninyo kaming isasama diyan."

GILLIAN CORTEZ/BUSINESS WORLD: Good morning, sir. Sir, has the President ever mentioned any deadline on when these two water concessionaires will accept the contracts?

SEC. PANELO: Wala naman.

JOYCE BALANCIO/DZMM: Sir, just to be very clear: The President is talking about the present contract, sir?

SEC. PANELO: Hindi pa pala clear ha. Oh sige gawin nating 'very'. Clear pero hindi very, okay.

JOYCE BALANCIO/DZMM: The present contract, sir 'no.

SEC. PANELO: Yes.

JOYCE BALANCIO/DZMM: Hindi ito iyong contract na extension, extended?

SEC. PANELO: Bakit, mayroon pa bang ibang kontrata?

JOYCE BALANCIO/DZMM: Hindi ba, sir, mayroon kasing extended contract 'di ba?

SEC. PANELO: Ganoon din iyon. Iyong extension, the same contract iyon na ini-extend lang iyong period.

JOYCE BALANCIO/DZMM: Okay. And then sir, sa Cabinet meeting, napag-usapan din po ba iyong review of other concession agreements with the government?

SEC. PANELO: Hindi.

JOYCE BALANCIO/DZMM: Sir, kasama ba sa niri-review ng Palace or ng government iyong concession agreement ng LRTA regarding the beep cards?

SEC. PANELO: Hindi ba sinabi na natin noon, lahat ng kontrata na may onerous provisions.

JOYCE BALANCIO/DZMM: Iyon, sir, kasama po ba iyon?

SEC. PANELO: Lahat iyon, lahat iyon.

JOYCE BALANCIO/DZMM: Kasama, sir, iyon sa beep cards?

SEC. PANELO: Lahat iyon ay pag-aaralan at rerepasuhin ng Presidente. Hindi matatapos ang termino niya na hindi niya tutuklasin ang mga onerous provisions in any existing contracts involving the government.

REYMUND TINAZA/BOMBO RADYO: Sir, so you said you are already considering it as void ab initio, iyong contracts sa mga concessionaires, right? So meaning, any other player or concessionaire interested to join, to bid with the concession contract is or are welcome, aside from Maynilad?

SEC. PANELO: Siyempre, kung hindi nila tinanggap eh. Hindi ba? Kung ni-refuse nila iyong kontrata, ayaw nila, eh di may bago kang players.

REYMUND TINAZA/BOMBO RADYO: Regardless whether they will accept the new—

SEC. PANELO: Hindi regardless, Reymund. Ikaw naman. Mayroon ngang bagong kontrata so pinapatanggap, ‘Oh tanggapin ninyo iyan.’ Kung tanggapin nila, eh di wala nang problema.

REYMUND TINAZA/BOMBO RADYO: Pero what if mayroong other interested party—

SEC. PANELO: Eh may kontrata na nga, ano ka ba. Kung may kontrata eh di sila pa rin iyon.

REYMUND TINAZA/BOMBO RADYO: Ah sila pa rin.

SEC. PANELO: Kaya nga may bagong kontrata. Kaya nga sinabi—kasi late ka kanina. Hindi ba sabi ko, if they—teka muna. Ang sinabi ko kanina, iyan ang bagong kontrata pero walang guarantee na hindi kayo ipu-prosecute kasi may crime na committed.

REYMUND TINAZA/BOMBO RADYO: Hindi, I’m taking from the strict definition of void ab initio. So meaning, walang kontratang pinag-usapan so we are starting from scratch so other players could be welcome to join.

SEC. PANELO: Hindi, ‘yung kontratang existing as far as we are concerned, wala ‘yun, ayaw namin ‘yun. Wala ‘yun, iligal ‘yun eh. ‘O eto iyong bago, bibigyan namin kayo. Tanggapin n’yo ‘yan, kung hindi n’yo tanggapin itong gagawin namin.’

REYMUND TINAZA/BOMBO RADYO: Okay. So, sa dalawa lang muna.

JOSEPH MORONG/GMA7: Sir, when you said nationalization, if they refuse nationalized tayo ng water services, that’s government, right?

SEC. PANELO: Uhm.

JOSEPH MORONG/GMA7: No new players?

SEC. PANELO: Ano, ano?

JOSEPH MORONG/GMA7: No new players.

SEC. PANELO: Eh, nationalize eh!

JOSEPH MORONG/GMA7: So—

SEC. PANELO: ‘Pag na-nationalize ‘di gobyerno ang may hawak.

JOSEPH MORONG/GMA7: Correct! So, at least klaro tayo dun kasi may mga tsismis sir ‘di na... you know?

SEC. PANELO: Tsismis lang ‘yun.

JOSEPH MORONG/GMA7: Alright. Okay, sir. ‘Yun pong validity nung contracts na ibinibigay ni Presidente dun sa dalawang—‘yung bagong contracts, valid for how many years po ito?

SEC. PANELO: Walang napag-usapan.

JOSEPH MORONG/GMA7: Alright.

TINA: So, sir, hindi ba ‘yun arbitrary ang government action? Can the government just void any other contract and the Execu—action of the Executive branch?

SEC. PANELO: Eh, kung void ab initio eh!

TINA: Pero sir, it’s the Executive branch who decided on its own that it is void ab initio?

SEC. PANELO: Eh, ‘di mag-demanda sila kung gusto nila.

TINA: So, is this some sort of also... kasi may rationalization, is this government takeover?

SEC. PANELO: Wala pang takeover—

TINA: Taking over—

SEC. PANELO: Wala pang takeover.

TINA: Sir, there’s a plan kasi nationalization—

SEC. PANELO: Wala pang takeover. Pagdating sa nationalization, ‘yun ang i-takeover pero that’s still constitutional kasi ‘di ba the government can take over public facilities in case of national emergency. Kung mayroong bagay na makakasira sa interes ng sambayanang Filipino, puwedeng mag-takeover ang gobyerno.

TINA: Sir, may national emergency na emerging because of this?

SEC. PANELO: Aba! Ano bang tawag mo diyan when you’re being ripped-off? You don’t call that—that’s against the interest of the entire Filipino people for many years and not one single Administration—

ROSE NOVENARIO/HATAW: Hi, sir!

SEC. PANELO: Did any initiative to correct such colossal error?

ROSE NOVENARIO/HATAW: Hi, sir! So, sa ngayon sir walang nag-e-exist na contract?

SEC. PANELO: Eh—

ROSE NOVENARIO/HATAW: Kasi sabi n’yo void ab initio. Papaano ‘yung consumers? Papaano kami ibi-bill nung dalawang water concessionaires; papaano kami magbabayad? Puwede ba kaming hindi magbayad dahil wala namang nag-e-exist na contract ngayon?

SEC. PANELO: Sa ngayon, lahat ‘yan ganun pa rin hangga’t hindi nagbabago. So, habang... kung habang wala pa ‘yung bagong kontrata eh ‘di ‘yun ang gagawin n’yo.

ROSE NOVENARIO/HATAW: So, hanggang kailan po maghihintay ang consumers?

SEC. PANELO: Eh, ‘di hintayin natin ‘yung pagbigay ng kontratang bago at pagtanggap nila o pag-refuse nila.

ROSE NOVENARIO/HATAW: Mga hanggang kailan po ‘yun?

SEC. PANELO: Ah, hindi natin alam. Immediately ‘yun siyempre! Alangan namang patagalin pa natin ‘yun.

JULIE: Sir, just a follow-up from Rose’s question. ‘Di ba kung void ab initio e ‘di walang kontrata pero status quo muna tayo in terms of billing sa mga water consumers? Correct? Ganun po ba ‘yun? Or pero kasi ‘di ba kung void ab initio dapat walang sisingilin sa amin. Paano ‘pag may mga consumer na who will use that argument na void ab initio—

SEC. PANELO: They cannot use that.

JULIE: Because? Why not, sir? Halimbawa, kung iku-question nila na, “oh, wala pa lang kontrata in the place since 1997 dapat hindi kami siningil since 1997?”

SEC. PANELO: Eh, ‘yun ang argumento ng mga pilosopo.

JULIE: Okay. Bakit—

SEC. PANELO: Pero ‘yung katotohanan—

JULIE: Why not, sir?

SEC. PANELO: —you have to pay. Kung hindi ka magbayad, puputulan ka nila. Kasi sila pa—

JULIE: Pero what—ano sir—

SEC. PANELO: —sila pa kasi...sila...sila pa ang in control eh! Hindi pa tayo eh!

JULIE: Pero, sir under—paanong—kasi kung—

SEC. PANELO: Ang sinasabi natin, as far as we are concerned - the government, ‘yan ay... void sa amin ‘yan—

JULIE: Okay.

SEC. PANELO: —kaya hindi kami papayag niyan. So, tanggapin n’yo na ‘yung bagong kontrata otherwise, we will take over. Ganun lang ka-simple.

JULIE: Wait, sir. Are you—So, you’re—tama ba ‘yung dinig ko sir, void ab initio ‘yung contract between the government and Manila Water and Maynilad but the contract between Manila Water and the consumer is not, correct?

SEC. PANELO: Ang kulit...

JULIE: Ganun po ba ibig n’yong sabihin?

SEC. PANELO: Basta ‘yun ang...‘yun ang—uulitin ko ang sinabi ko huh: As far as we are concerned, ‘yung kontratang ‘yan ilegal. So, precisely, we’re giving you a new contract. Tanggapin n’yo pero walang guarantee na hindi namin kayo idedemanda. ‘Pag hindi n’yo tinanggap, ayaw n’yong mag-operate then we will take over.

JULIE: Okay. Speaking of the contract, sir. In-offer pa rin siya sa Manila Water and Maynilad even if nagkaroon ng issue about the onerous provision, gusto silang kasuhan ng economic sabotage—

SEC. PANELO: Kaya nga walang guarantee na hindi sila idedemanda. Ano ba kayo?

JULIE: Yes, sir. The point being sir—

SEC. PANELO: Ano pang point?

JULIE: —ibig sabihin po ba sir ay satisfied pa rin ba si President Duterte sa services in general ng Manila Water and Maynilad kaya dun sa dalawa lang pa rin sir?

SEC. PANELO: Kaya nga papalitan ‘yung kontrata paano magiging satisfied? Ano ba iyan.

JULIE: Hindi kasi sir kung hindi siya satisfied he could’ve opened it up to other players ‘di ba?

SEC. PANELO: Kung may bagong kontrata ‘di susundin mo ‘yung bagong kontrata. You’re forced to good na gawin mo ‘yung dapat mong gawin, otherwise, mawawala ka.

JULIE: Okay. So, in other words the President is giving these two water concessionaires a second chance to prove themselves?

SEC. PANELO: Ano pang tawag mo dun?

JULIE: Okay, sir. Thank you!

JOSEPH MORONG/GMA7: May kopya tayo ng Budget message?

SEC. PANELO: Mayroon ba tayo? Bigyan na lang.

JOSEPH MORONG/GMA7: Within the hour?

SEC. PANELO: Yeah, within the hour. Within the hour!

JOSEPH MORONG/GMA7: Sabi mo ‘yan sir huh. So, we start 1:01 – you could make that 1:01, we would expect it at 2:01. Sir, ‘yung sa repatriation lang, any other new instructions? Nakalipad na po na si Secretary Mama-O and—

SEC. PANELO: Basta... supposed to be ngayon sila lilipad eh.

JOSEPH MORONG/GMA7: Oh, yeah?

SEC. PANELO: Oo. Eh, sabi ni Presidente, “Bukas lumipad na kayo.”

JOSEPH MORONG/GMA7: Si Secretary Cimatú and si Secretary Mama-O, ‘no?

SEC. PANELO: Uhm.

JOSEPH MORONG/GMA7: ‘Yung dalawa po? Today?

SEC. PANELO: Hiwalay sila. Iba naman ‘yung assignment nung isa eh.

JOSEPH MORONG/GMA7: Pero dapat lumipad na today?

SEC. PANELO: Uhm.

JOSEPH MORONG/GMA7: To talk to the Iranian Government?

SEC. PANELO: Si ano... si Secretary Mama-O, more on particularly Iraq and Iran. May special message siya, magla-liaison siya dun. Ito naman si Cimat, dahil sanay siya dun siya ang—he will lay the groundwork for the repatriation.

JOSEPH MORONG/GMA7: ‘Yung logistics, sir, you mean?

SEC. PANELO: Uhm.

JOSEPH MORONG/GMA7: Sir, you sent special message of the President to the—

SEC. PANELO: ‘Yun na nga, ‘yung special concern.

JOSEPH MORONG/GMA7: Ah, ‘yun ‘yun? ‘Yung—

SEC. PANELO: “Huwag n’yong saktan ‘yung aking mga kababayan diyan.”

JOSEPH MORONG/GMA7: Kopya, sir, Thank you.

USEC. ROCKY: Okay. No more questions, MPC? Okay. Thank you, Secretary Panelo!

SEC. PANELO: Thank you.

USEC. ROCKY: Thank you, MPC!

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