Office of the President
of the Philippines
NATIONAL SOLID WASTE MANAGEMENT COMMISSION

RESOLUTION NO. 3
December 8, 2004

SUPPORTING THE RECOMMENDATION
BY THE METRO MANILA DEVELOPMENT AUTHORITY THRU ITS COUNCIL
TO HER EXCELLENCY THE PRESIDENT TO DISAPPROVE THE CONTRACT
ENTERED INTO BY THE EXECUTIVE COMMITTEE OF THE PRESIDENTIAL TASK
FORCE ON WASTE MANAGEMENT WITH JANCOM ENVIRONMENTAL
CORPORATION AND FOR OTHER PURPOSES

WHEREAS, 30 January 2002, the Supreme Court of the Philippines has ruled that the
Contract entered into by the Executive Committee of the Presidential Task Force on
Waste Management with JANCOM Environmental Corporation is a valid and perfected
contract (Supreme Court Decision in G.R. No. 147465);

WHEREAS, Article 19 of the Contract between Metro Manila Development Authority
(MMDA) and JANCOM stipulates that the said contract is ineffective or unimplementable
until and unless it is approved by the President of the Republic of the Philippines;

WHEREAS, Her Excellency, President Gloria Macapagal-Arroyo has referred the said
contract to the MMDA for its recommendation;

WHEREAS, the National Solid Waste Management Commission (NSWMC) was asked
to oversee the implementation of solid waste management plans and prescribe policies
to achieve the objectives of the Ecological Solid Waste Management Act of 2000;

WHEREAS, during the special meeting of the National Solid Waste Management
Commission on 3 November 2004, the effects of the JANCOM case were discussed;

WHEREAS, the following options were presented to the Commission:

a) Status Quo: To wait for the Supreme Court to finally decide upon the matter of whether
or not the GMMSWMC and the MMDA can be compelled, through the alias writ of
execution, to submit the draft/proposed Amended Agreement to the Office of the
President. The cost to the government is time.

b) Recession: To file a civil action for the rescission of the original BOT contract entered into
with JANCOM before the proper Regional Trial Court on the ground that the said contract,
although declared perfected and valid by the Supreme Court, is disadvantageous to
government. The cost to the government are the Burden of Proof, time and cost of
litigation.

c) Termination: To invoke Article 13.1.2 on Change in Circumstances of the Parties in the
BOT Contract. The Commission may invite JANCOM to sit down and discuss the termination
of the Agreement. The cost to the government are costs of Arbitration/ Litigation and
Damages.

d) Compromise: To review, negotiate, and endorse to the NEDA-ICC and to the President
the proposed draft Amended Agreement between MMDA and JANCOM which is the subject
of the case now pending before the Supreme Court. The cost to the government are
manhours.

WHEREAS, the MMDA representative informed the Commission that on 25 June 2002,
the MMDA Council adopted a resolution recommending to the President of the Republic of
the Philippines to disapprove the contract entered into by the Executive Committee
of the then Presidential Task Force on Waste Management (now the Commission) with
JANCOM Environmental Corporation;
WHEREAS, the Commission informed MMDA that it is willing to support the MMDA Council's position provided that MMDA would submit to the President the complete staff work with cost rationalization in support to its resolution;

WHEREAS, given these options, the Metro Manila Development Authority shall provide Her Excellency, The President Gloria Macapagal-Arroyo the complete supporting documents and information to support its recommendation that disapproves the contract entered into by the Executive Committee of the PTFWM with JANCOM Environmental Corporation.

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to support the recommendation of the MMDA to Her Excellency the President of the Republic of the Philippines to disapprove the contract entered into by the Executive Committee of the Presidential Task Force on Waste Management with JANCOM Environmental Corporation subject to the complete staff work provided by MMDA.

This Resolution shall take effect upon approval.

Done this 8th day of December 2004, Metro Manila, Philippines.

Chairman, Department of Environment and Natural Resources,

Department of the Interior and Local Government

Department of Public Works and Highways

Department of Trade and Industry

Metro Manila Development Authority

League of Cities of the Philippines

Liga ng mga Barangay

Philippine Information Agency

Recycling Industry Representative

Department of Science and Technology

Department of Health

Department of Agriculture

League of Provinces of the Philippines

League of Municipalities of the Philippines

Technical Education Skills and Development Authority

NGO Representative

Manufacturing or Packaging Industry Representative