

**[PAB RESOLUTION NO. 03, series of 2002,
December 12, 2002]**

SURETY BOND IN POLLUTION CASES

WHEREAS, rule IX, section 5, letter (a), paragraph (3) of PAB Resolution 1-C (Revised Rules of the Pollution Adjudication Board (PAB) on Pleading, Practice and Procedure in Pollution Cases) requires respondent to submit a surety bond equivalent to twenty-five percent (25%) of the total cost of the pollution control program as consideration for the issuance of a Temporary Lifting Order (TLO) with the Board;

WHEREAS, the PAB, under justified circumstances require respondents to post surety bond which is likewise equivalent to twenty-five percent (25%) of the total amount of the cost to be incurred for the installation of the additional treatment facility/ies;

WHEREAS, the PAB finds the conditions stipulated in most of the surety bonds submitted by the respondents were constructed in an ambiguous manner, thereby defeating the purpose of faithfully completing and implementing the proposed pollution control program in accordance with the duly submitted plans and specifications, strict compliance with the timetable specified and compliance with the DENR Emission and Effluent Standards upon completion thereof.

RESOLVED, as it is hereby resolved, that the following conditions shall be included in the subject bond:

- a. The liability of the Surety Bond shall be exactly twenty-five percent (25%) of the duly submitted pollution control program;
- b. The period within which the pollution control program will be completed (*inclusive of the period when respondent's Wastewater Treatment Facilities (WTF) will be ready for sampling/inspection*) shall be clearly incorporated in the surety bond;
- c. Surety guarantees respondent's compliance with the timetable of construction/completion as indicated in the submitted Grant Chart of activities of the WTF, consistent with the period of completion stipulated in its pollution control program; and
- d. The surety also commits that upon completion of the proposed pollution control program, respondent's effluent and/or emission shall comply with all the appropriate Emission/Effluent Standards outlined in DENR Administrative Order No. 35.

FURTHER RESOLVED, that the signatory of the principal shall be the owner if it's a sole proprietorship or managing head of the corporation and/or its Board Secretary duly authorized by the Board of Directors.