



REPUBLIC OF THE PHILIPPINES
Senate
Pasay City

Journal

SESSION NO. 43
Wednesday, December 1, 2010

FIFTEENTH CONGRESS
FIRST REGULAR SESSION

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CALL TO ORDER

At 3:27 p.m., the Senate President, Hon. Juan Ponce Enrile, called the session to order.

PRAYER

The Body observed a minute of silent prayer.

ROLL CALL

Upon direction of the Chair, the Secretary of the Senate, Atty. Emma Lirio-Reyes, called the roll, to which the following senators responded:

Angara, E. J.	Honasan, G. B.
Arroyo, J. P.	Legarda, L.
Cayetano, A. P. C. S.	Pangilinan, F. N.
Drilon, F. M.	Recto, R. G.
Ejercito Estrada, J.	Revilla Jr., R. B.
Enrile, J. P.	Sotto III, V. C.
Escudero, F. J. G.	Zubiri, J. M. F.

With 14 senators present, the Chair declared the presence of a quorum.

Senators Guingona, Marcos, Osmeña and Villar arrived after the roll call.

Senator Cayetano (P), who was on official business, arrived after the roll call.

Senator Defensor Santiago was on sick leave.

Senators Lacson and Lapid were absent.

Senator Trillanes was unable to attend the session as he was under detention.

DEFERMENT OF THE APPROVAL OF THE JOURNAL

Upon motion of Senator Sotto, there being no objection, the Body deferred the consideration and approval of the Journal of Session No. 42 (November 23, 24, 25, 26, 30 and December 1, 2010).

TURNO EN CONTRA

Upon motion of Senator Sotto, there being no objection, the Body proceeded to the *turno en contra*.

SPEECH EN CONTRA OF SENATOR ARROYO

Senator Arroyo delivered his speech *en contra*, to wit:

However I try, I find it difficult to support the proposed 2011 budget which we have just deliberated on. Permit me to explain in brief and simple language.

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It is billed as a *reform bill*. Perhaps it is. But after the debate and deliberations, what surfaced is a *stagnation budget*. It is bereft of the tools for growth. It is a prescription for stagnancy, and anti-growth budget.

An example.

The appropriation for public works and highways has been considerably reduced. That means that for 2011, there would be no appropriation for new and much-needed roads or infrastructure which the country needs very badly for our development.

Our network of roads, bridges and highways is antiquated, far behind our ASEAN neighbors. It prejudices our development and tourism.

Asked who will supply the vacuum for new constructions, the administration's response is that it will be undertaken by the PPP or Private-Public Partnerships.

What if the private investors do not invest? New infrastructure building will be at a standstill. The government has put all its eggs in the private sector. It has no fallback position.

Take the appropriation for agriculture, the anchor for food sufficiency. It has been reduced.

How can we produce more rice, more food, or catch more fish when the budget of the Department of Agriculture was decreased? It does not make sense.

Yes, appropriations for other departments were also reduced. But the allocation of scarce funds is so lopsided, an overconcentration on the DSWD. Out of P21 billion allotted for the Conditional Cash Transfer (CCT) Program, P4 billion or 19% will be spent for the gargantuan administration cost to distribute the P17 billion cash transfer to beneficiaries.

Itemized, they are:

Training cost, P1 billion; salaries and allowances, P716 million; advocacy materials, manuals and booklets, P648 million; monitoring expenses, P676 million; and capital outlay P217 million. The administration cost of the DSWD to implement the CCT Program is more than the budgets of, say, the Department of Tourism (P1.5 billion) or the Department of Trade and Industry (P2.5 billion), line departments that are vehicles of growth and development.

I could go on, but these examples are enough.

The administration says it will not impose new taxes. Fine. But where will they get the

monies to fund its programs. Through borrowings – the refuge of every administration.

That is why I would reinsert a general provision that the total indebtedness of the national government and any of its agencies, offices, GOCCs, which carry the sovereign guarantee of the Republic of the Philippines, shall not exceed 55% of the latest GDP, unless it obtains the prior consent of Congress.

I inserted that provision in the 2010 budget but President Arroyo unceremoniously vetoed it. I hope President Noynoy would not do the same.

That is good for the country's fiscal discipline.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 3:35 p.m.

RESUMPTION OF SESSION

At 3:36 p.m., the session was resumed.

SPEECH *EN CONTRA* OF SENATOR CAYETANO (A)

Senator Cayetano (A) recalled that there was much expectation as much as rejoicing when President Benigno Aquino III first announced his candidacy until he took his oath into office. He said that the Filipino people saw in President Aquino so much goodwill and hope for a nation who felt that politics and governance are simply a vicious cycle.

Senator Cayetano (A) said that the President's promises or plans for the country rest only on two tenets, namely: good governance and eradication of poverty by fighting corruption as captured by the motto *Kung walang corrupt, walang mahirap*.

Senator Cayetano (A) pointed out that the 2011 budget, after a careful review thereof, is not the reform budget that the government claimed it to be. He acknowledged that the 2011 budget may have some reforms, noting, for instance, that more funds are allocated for basic education, and for the poor through the CCT Program of the DSWD, which may be controversial, but he pointed out that the rest of the budget, which is only P100 million pesos more than the 2010 budget, is basically an Arroyo budget.

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that was just subjected to cut and paste of certain items. He said that while it may not be the entire fault of the new administration given the difficulty of putting up a budget in such a short time, the government could have still come up with a better budget if the President remained true to his promise of a zero-based budgeting style.

Senator Cayetano (A) noted that the national budget for 2006 was P1.1 trillion; a reenacted budget for 2007; P1.66 trillion for 2008; P1.17 trillion for 2009 or an additional budget of P100 billion; P1.3 trillion for 2010 or an additional budget of P130 billion; and a conservative P1.357 trillion or an additional budget of P1.53 billion. He said that the 2011 budget is not representative of the President who promised that no new taxes would be imposed as the government would be intensifying its revenue collections by putting the right people in the BIR, BOC and Pagcor.

At this juncture, Senate President Enrile relinquished the Chair to Senate President Pro Tempore Ejercito Estrada.

Recalling that several studies, including one by the World Bank, would show that 10-40 centavos in every peso is lost to corruption, Senator Cayetano (A) said that it would be a great improvement in revenue collections if at least 20 centavos was returned to government coffers.

Senator Cayetano (A) noted that net appropriations in 2006 is P807 billion, P796 billion for 2008, P917 billion for 2009, P1.28 trillion for 2010, and P1 trillion for 2011. He stressed that the people should not only be vigilant on where the money would be spent but also from where it would be sourced. He disclosed that while he believed in the BIR Chief, he was not familiar with the Customs and Pagcor heads.

Senator Cayetano (A) said that President Aquino may be cautiously realistic about his targets or is being misled. He believed that the P1.357 trillion budget for 2011 is simply below expectations.

Senator Cayetano (A) surmised that either the government revenue collection agencies wanted to continue the current system of tax collection or the President and his Cabinet failed to realize that reality is a far cry from campaign promises so they have fallen short of the Filipinos high expectation that the

new Administration can do bigger and better things. He asserted that to live up to the people's expectation, the new Administration could set a 20% or 30% increase in revenue collection and fire any tax collector who failed to meet the target.

He stated that there is an unwritten rule among Metro Manila LGUs that in the collection of business permits, the target is a 15% to 30% increase per year. However, he admitted that not all the LGUs are able to comply simply because some businesses were broke. He asked why reports have it that the economy is growing when the revenue collection does not come to the level of growth.

The first part of his constructive criticisms, Senator Cayetano (A) explained, is why the Aquino Administration was being conservative in its revenue-income estimate when, in fact, it can increase the standard of tax collection in order to improve the performance of the government agencies. He cautioned that if people in government fail to accept the fact that they can do better and collect better, legislators would be filing proposals to increase taxes.

As regards the President's promise of "good governance," Senator Cayetano (A) recalled that in the first two months of the new Administration, allies of the President made statements that they have little or no trust in the Office of the Ombudsman. And yet, he noted, it was the Presidential Anti-Graft Commission and the Presidential Anti-Smuggling Group that were abolished. He said that he believed in the integrity of the President and his siblings and their sincerity in protecting the good names of their parents. However, he said that not all the people in government were willing to emulate what the Aquinos were doing as he noted that when Sen. Franklin Drilon sponsored a resolution asking the GOCCs to limit their bonuses and allowances, many of the board members, including Aquino appointees, resisted. He opined that the President's judgment of who goes into his government is limited, thus, he should strengthen institutions to protect his good name. He stated that the misdeeds of a cabinet member always reflect on the President but he acknowledged that the President did not personally know all of his appointees. He asserted that the removal of the two commissions was dangerous as he surmised that the Aquino Administration implicitly admitted that the Arroyo budget was not bad after all, that the problem was with its implementation and the corruption that goes with it. He cited the Conditional Cash

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Transfer that was allotted an even bigger budget in 2011 as well as some contracts on certain DOTC projects which the Arroyo Administration tried to fast-track. He opined that such programs were the best that could be done considering the limited resources and time, even as he expected a better 2012 budget.

Senator Cayetano (A) reiterated that he would neither support nor be critical of the 2011 budget. However, he suggested putting safeguards in place, for instance, identifying an institution to which the people can report incidents of corruption in the implementation of projects. He noted that some of the people in the Arroyo Administration who were involved in corruption were still holding government positions in other departments, thus, he stressed the need to be wary.

As regards the budget cuts, Senator Cayetano (A) lamented the decrease in the appropriation for the CHED, SUCs, and the University of the Philippines, noting that of the P650 million allocation to scholarships, 70% goes to merit scholars and 20% to recommendees of legislators. He suggested that the budget intended for recommendees of the legislators be cut and the 10% student loan be increased to 30% so that the vision of having more professionals, like engineers, architects and scientists could be realized after six years. He bewailed that P110 million was cut from the MOOE of SUCs and yet, the Aquino Administration expected them to be self-sufficient when no SUC in the entire world was ever self-sufficient. While that allocation was indeed a congressional insertion, he argued that it was not bad *per se* because having 40,000 more scholars was a good thing.

Senator Arroyo (A) said that he recognized the benefits of CCT, PPP, scholarships, aid to agriculture and the other poverty alleviation programs, but he asked what would happen after the program implementation because no long-term goals were identified in the budget.

As regards the PPP, Senator Cayetano (A) argued that the Aquino Administration had too much faith in it but he questioned why the feasibility studies, which were already in the budget, were still with the concerned agencies and not with the NEDA. He assumed that the PPP would kick in only in 2012.

On the hiring of teachers, Senator Cayetano (A) noticed the increase of hiring every year but,

he noted, it is only after June that new teachers can assume their posts because the process would start in January, thus, half of the budget goes to the savings of DepEd. In line with this, he proposed that the savings be used for other initiatives like the SUCs, scholarships and agriculture.

Senator Cayetano (A) hoped that during the bicameral conference committee, the senators and congressmen could be more creative in maximizing the budget even as he congratulated the people who worked hard for its approval.

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

At this juncture, Senator Sotto acknowledged the presence in the gallery of Mayor Adelino Sitoy of Cordova, Cebu.

Senate President Pro Tempore Ejercito Estrada welcomed the guest to the Senate.

MANIFESTATION OF SENATOR LEGARDA

Senator Legarda stated that the United Nations ISDR and the World Bank report cited Metro Manila as a 7/11 or a convenient store for disasters and that an ASEAN study revealed that Metro Manila is mostly at risk of flooding and earthquake. She also lauded the allocation of 2.8% of the P1.6 trillion budget allocation or P44 billion for Climate Change Adaptation and Disaster Risk Reduction, surpassing the minimum 1% requirement in the Manila Call for Action parliamentarians conference. She stated that in the same meeting, 10 ASEAN countries also agreed to push for adaptation and integration of disaster risk reduction and climate change initiatives. The challenge, she said, is to make sure that the resources do not go to waste in the implementation of the projects.

The full text of her speech follows:

Manifestation on the Budget Allocation for Climate Change Adaptation and Disaster Risk Reduction Measures

About a week ago, parliamentarians from ten Asian countries, including the Philippines, met here in Manila for a three-day Consultative Meeting on "Disaster Risk Reduction: An Instrument for Achieving the Millennium Development Goals."

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After our exchange of views and experiences on the various effects of disasters and the impact of climate change in our respective countries, this Representation, along with legislators from Afghanistan, Bangladesh, Cambodia, Indonesia, Laos, Malaysia, Maldives, Pakistan and Thailand, forged "The Manila Call for Action of Parliamentarians on Applying Disaster Risk Reduction as an Instrument for Achieving the Millennium Development Goals."

This document contains our challenges to ourselves, to other parliamentarians, to national governments, to regional associations, and international organizations to make Climate Change Adaptation and Disaster Risk Reduction a priority, because our focus now must be on disaster prevention and mitigation rather than on relief, rehabilitation and reconstruction efforts.

The World Bank estimates that for every dollar invested in disaster reduction measures saves seven to ten dollars in losses from natural disasters. With this in mind, Asian parliamentarians, through the Manila Call for Action, called on national governments "to allocate at least one percent of the national budget and development funding at the national and local levels for reducing disaster risks."

Since last week we have been discussing and deliberating the budgets of the various agencies of government. This Representation, if you had noticed, had been asking these departments to include in their programs measures on disaster risk reduction because we want to ensure that all the efforts of the government on the development and progress of our nation and our people would not go to waste because we have not made them disaster-resilient.

Sustainable socio-economic development through disaster risk reduction is our advocacy.

I stand here today, to congratulate my colleagues in this august Chamber, and our fellow legislators in the House of Representatives, for adopting this advocacy in the 2011 General Appropriations Bill.

I am pleased to announce that of the P1.645 trillion proposed budget for 2011, we have allocated P44,874,223,000 for Climate Change Adaptation and Disaster Risk Reduction measures. This translates to 2.72% of our total national budget, surpassing the one percent minimum requirement we have put forth in the Manila Call for Action.

This is a significant achievement for our nation. We now realize that we can no longer be apathetic and complacent on the environmental

issues and disaster concerns of our country. We are gradually becoming aware of the necessity of putting in place disaster resiliency measures in every part of our society and in every aspect of our life.

However, this is just the start. We still have a long way to go in terms of the actual implementation and, if necessary, the improvement of current programs on climate change adaptation and disaster risk reduction.

I call on the Executive Department to ensure that all these disaster resiliency measures are institutionalized in the respective agencies of government and to guarantee the efficient and effective implementation of such programs.

We can never tolerate mediocrity and ignorance in the planning and execution of these programs; nor can we forgive the greed of those who only seek for personal glory; because a single mistake that we make here can cause hundreds of deaths and can destroy thousands of lives.

I also urge my fellow legislators to always be on guard to ensure that there is no systems loss and that not a single cent would be lost to corruption. We have to actively use our oversight functions to ensure that this budget we have studied for endless nights and deliberated for long hours will not just go to its intended programs and beneficiaries, but will also be used wisely and proficiently.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended to allow the Members to go into caucus.

It was 4:02 p.m.

RESUMPTION OF SESSION

At 6:28 p.m., the session was resumed with Senate President Enrile presiding.

COMMITTEE REPORT NO. 11 ON HOUSE BILL NO. 3101

(Continuation)

Upon motion of Senator Sotto there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 3101 (Committee Report No. 11), entitled

AN ACT APPROPRIATING FUNDS FOR
THE OPERATION OF THE GOVERN-

MENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY ONE, TWO THOUSAND ELEVEN, AND FOR OTHER PURPOSES

Thereupon, the Chair recognized Senator Drilon, Sponsor of the measure.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 6:29 p.m.

RESUMPTION OF SESSION

At 6:35 p.m., the session was resumed with Senate President Pro Tempore Ejercito Estrada presiding.

MANIFESTATION OF SENATOR DRILON

Senator Drilon manifested that House Bill No. 3101, the General Appropriations Bill, provides for the budget of 2011 as follows:

Total Programmed	
New Appropriations	P933,749,272,000
Unprogrammed Fund	66,908,492,000
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Total	P1,000,387,492,000

Senator Drilon stated that during the caucus, it was agreed that amendments would be included in the approved Senate version of the GAB which would be considered as read into the *Record of the Senate*. He said that part of the motion to approve the GAB would include the budget of the Energy Corporation as reflected in the Committee Report which had been submitted earlier.

APPROVAL OF HOUSE BILL NO. 3101 ON SECOND READING

Submitted to a vote, with majority of the senators voting in favor, two against, and no abstention, House Bill No. 3101, including the budget of the Energy Corporation as reflected in the Committee Report, was approved on Second Reading.

PRESIDENTIAL CERTIFICATION

Upon direction of the Chair, Secretary Reyes read the President's certification as to the necessity of the immediate enactment of House Bill No.3101 to wit:

November 8, 2010

HON. JUAN PONCE ENRILE
Senate President
Philippine Senate
Pasay City

Dear Senate President Enrile:

Pursuant to the provisions of Article VI, Section 26 (2) of the 1987 Constitution, I hereby certify to the necessity of the immediate enactment of House Bill No. 3101, entitled:

"AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY ONE, TWO THOUSAND ELEVEN, AND FOR OTHER PURPOSES,"

to address the urgent need to maintain continuous government operations following the end of the current fiscal year, to expedite the funding of various programs, projects and activities for FY 2011, and to ensure budgetary preparedness that will enable the government to effectively and efficiently perform its Constitutional mandate.

Best wishes.

Very truly yours,

BENIGNO S. AQUINO, III

Cc: Hon. Feliciano R. Belmonte, Jr.
Speaker, House of Representatives

APPROVAL OF HOUSE BILL NO. 3101 ON THIRD READING

In view of the presidential certification, upon motion of Senator Sotto, there being no objection, the Body considered, on Third Reading, House Bill No. 3101.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Sotto, there being no objection, Secretary Reyes read only the title of the bill, to wit:

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERN-

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MENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY ONE, TWO THOUSAND ELEVEN, AND FOR OTHER PURPOSES.

Secretary Reyes called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

Angara	Marcos
Drilon	Osmeña
Ejercito Estrada	Recto
Enrile	Sotto
Honasan	Villar
Legarda	Zubiri

Against

Cayetano (A)	Cayetano (P)
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Abstention

None

With 12 senators voting in favor, two against, and no abstention, the Chair declared House Bill No. 3101 approved on Third Reading.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 6:43 p.m.

RESUMPTION OF SESSION

At 6:44 p.m., the session was resumed.

SENATE CONFEREES

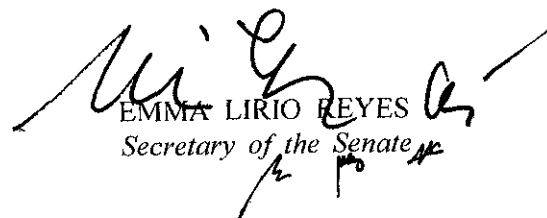
Upon nomination by Senator Sotto, there being no objection, the Chair designated the following to constitute the Senate panel in the bicameral conference committee on the disagreeing votes on House Bill No. 3101 (2011 GAA); Senator Drilon, as chair; Senators Angara, Recto, Ejercito Estrada and Cayetano (A), as members.

ADJOURNMENT OF SESSION

Upon motion of Senator Sotto, there being no objection, Senate President Pro Tempore Ejercito Estrada declared the session adjourned until three o'clock in the afternoon of Monday, December 6, 2010.

It was 6:46 p.m.

I hereby certify to the correctness of the foregoing.



EMMA LIRIO REYES
Secretary of the Senate

Approved on December 6, 2010