



REPUBLIC OF THE PHILIPPINES
Senate
Pasay City

Journal

SESSION NO. 65
Monday, February 21, 2011

FIFTEENTH CONGRESS
FIRST REGULAR SESSION

SESSION NO. 65
Monday, February 21, 2011

CALL TO ORDER

At 3:38 p.m., the Senate President, Hon. Juan Ponce Enrile, called the session to order.

PRAYER

Sen. Alan Peter "Compañero" S. Cayetano led the prayer, to wit:

Let us remember with the holy presence of our Lord.

Lord, Father God.

We, as the representatives of our people, and everyone working in the Senate, humble ourselves before You today.

We know, Lord God, that You are the God, not only of the improbable but also of the impossible.

Many people have said that these reforms, changes in government, upliftment of the lives of our people are something that is more of an impossible task

But we know, Lord God, that You can give opportunities. You can give solutions that we have not even thought about.

So, Lord, we ask You that in all of these reforms, in all of the things that we are praying for, You will just open the gates, the

doors and the windows of opportunity as You have taught us to pray for three in death row in China and You have shown us a mighty miracle.

We pray, Lord, for the protection of the ten million OFWs around the world.

We pray, Lord God, that the Senate can really be an institution that will come up with solutions.

As we lift these up to You, we pray for our Senate President and all of our officers and members for good health, for protection, and for a really very productive session.

We lift these up to You and thank You, in the Name of the Father, and of the Son, and of the Holy Spirit.

Amen.

NATIONAL ANTHEM

The Manila City Hall Chorale led the singing of the national anthem and thereafter rendered the song, entitled *Kayunangging Malaya*.

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:

10

Angara, E. J.	Lapid, M. L. M.
Arroyo, J. P.	Legarda, L.
Cayetano, A. P. C. S.	Osmeña III, S. R.
Cayetano, P. S.	Pangilinan, F. N.
Defensor Santiago, M.	Recto, R. G.
Drilon, F. M.	Revilla Jr., R. B.
Ejercito Estrada, J.	Sotto III, V. C.
Enrile, J. P.	Trillanes IV, A. F.
Escudero, F. J. G.	Villar, M.
Guingona III, T. L.	Zubiri, J. M. F.
Honasan, G. B.	

With 21 senators present, the Chair declared the presence of a quorum.

Senators Lacson and Marcos were absent, the latter on account of illness.

APPROVAL OF THE JOURNAL OF SESSION NO. 64 AS CORRECTED

Upon motion of Senator Sotto, there being no objection, the Body dispensed with the reading of the Journal of Session No. 64 (February 16, 2011) and considered it approved, subject to the correction of Senator Drilon on page 1095, left column, under the heading "INTERPELLATION OF SENATOR DRILON," third line of the first paragraph, to change "6:00 p.m." to 6:00 A.M.

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

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Sotto acknowledged the presence in the gallery of the following guests:

- Social Sciences and Philosophy students from Bicol University.
- Fourth-year high school students from Don Bosco, Mabalacat, Pampanga:
- Members of the delegation from the Kenyan National Assembly: Mr. Samuel Obudo, Mr. Japeth M. Muthomi, Ms. Anne Musandu, Mr. Noah Too, Ms. Jenipher Amaya and Ms. Farida W. Kinyua; and
- Students from Imus National High School, Imus, Cavite.

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

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 3:47 p.m.

RESUMPTION OF SESSION

At 3:48 p.m., the session was resumed.

REFERENCE OF BUSINESS

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Letters from the Secretary General of the House of Representatives, informing the Senate that on 14 February 2011, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 336, entitled

**AN ACT TO ESTABLISH THE BIKOL
BOTANICAL GARDEN IN THE
PROVINCE OF CAMARINES SUR
AND FOR OTHER PURPOSES**

**To the Committees on Environment and
Natural Resources; and Local Government**

and House Bill No. 3953, entitled

**AN ACT ESTABLISHING THE DIOSDADO
P. MACAPAGAL MEMORIAL
LIBRARY AND MUSEUM**

**To the Committee on Education, Arts and
Culture**

BILLS ON FIRST READING

Senate Bill No. 2702, entitled

AN ACT AMENDING SECTION 12-B OF

REPUBLIC ACT NO. 8282, OTHERWISE KNOWN AS THE SOCIAL SECURITY ACT OF 1997

Introduced by Senator Revilla Jr

To the Committees on Government Corporations and Public Enterprises; and Labor, Employment and Human Resources Development

Senate Bill No. 2703, entitled

AN ACT DETERRING AND PUNISHING THE ESTABLISHMENT AND OPERATION OF CRIMINAL STREET GANGS, RECRUITMENT OF INDIVIDUALS TO PARTICIPATE IN THE COMMISSION OF GANG CRIMES AND FOR OTHER PURPOSES

Introduced by Senator Revilla Jr.

To the Committee on Public Order and Dangerous Drugs

Senate Bill No. 2704, entitled

AN ACT AMENDING CERTAIN PROVISIONS OF PRESIDENTIAL DECREE NO. 1464, OTHERWISE KNOWN AS THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED, AND FOR OTHER PURPOSES

Introduced by Senator Revilla Jr.

To the Committee on Ways and Means

Senate Bill No. 2705, entitled

AN ACT EXTENDING THE MODERNIZATION PROGRAM OF THE ARMED FORCES OF THE PHILIPPINES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7898, OTHERWISE KNOWN AS THE AFP MODERNIZATION ACT

Introduced by Senator Recto

To the Committee on National Defense and Security

Senate Bill No. 2706, entitled

AN ACT PENALIZING DEPENDENT ADULT ABUSE AND INSTITUTING PROGRAMS AND MECHANISMS FOR ITS PREVENTION

Introduced by Senator Defensor Santiago

To the Committees on Social Justice, Welfare and Rural Development; and Finance

Senate Bill No. 2707, entitled

AN ACT REGULATING CREMATORIES

Introduced by Senator Defensor Santiago

To the Committees on Health and Demography; and Local Government

RESOLUTIONS

Proposed Senate Resolution No. 383, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON EDUCATION TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE VIABILITY OF PROVIDING FOR A MORE CHILD-FRIENDLY CLASS SCHEDULE FOR STUDENTS AGED 5 TO 9 YEARS, WITH THE END IN VIEW OF PROMOTING THE HEALTH AND WELL-BEING OF OUR NATION'S YOUTH

Introduced by Senator Lapid

To the Committee on Education, Arts and Culture

Proposed Senate Resolution No. 384, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED POOR RANKING OF THE PHILIPPINES IN THE RULE OF LAW INDEX AND THE NEED TO IMPROVE THE TRUST RATING IN THE COUNTRY'S JUSTICE SYSTEM

Introduced by Senator Defensor Santiago

To the Committees on Justice and Human Rights; and Social Justice, Welfare and Rural Development

Proposed Senate Resolution No. 385, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED PRACTICE OF HOSPITALS OF EXACTING PAYMENT FROM NURSING TRAINEES IN ORDER FOR THESE TRAINEES TO MEET THE REQUIRED TRAINING QUOTA IMPOSED BY THE NURSING CURRICULUM

Introduced by Senator Defensor Santiago

To the Committees on Health and Demography; and Labor, Employment and Human Resources Development

Proposed Senate Resolution No. 386, entitled

RESOLUTION URGING THE COMMITTEE ON AGRICULTURE AND FOOD TO STUDY, IN AID OF LEGISLATION, THE POLICY DIRECTION OF THE GOVERNMENT ON AGRICULTURAL DEVELOPMENT WITH THE OBJECTIVE OF RECOMMENDING A FEASIBLE ROADMAP, APPROACHES AND POLICY STRATEGIES TO MAKE THE SECTOR GLOBALLY COMPETITIVE

Introduced by Senator Villar

To the Committee on Agriculture and Food

Proposed Senate Resolution No. 387, entitled

RESOLUTION CONGRATULATING AND COMMENDING FILIPINO BOXER NONITO "THE FILIPINO FLASH" DONAIRE JR. FOR WINNING THE WORLD BOXING COUNCIL AND WORLD BOXING ORGANIZATION

WORLD CHAMPION TITLES IN THE BANTAMWEIGHT DIVISION AFTER DEFEATING MEXICAN BOXER FERNANDO MONTIEL JR. AT THE MANDALAY BAY EVENTS CENTER IN LAS VEGAS, NEVADA, U.S.A. ON 19 FEBRUARY 2011

Introduced by Senator Lapid

To the Committee on Rules

Proposed Senate Resolution No. 388, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEES ON HEALTH AND DEMOGRAPHY; AND ENVIRONMENT AND NATURAL RESOURCES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE POLICY OF THE GOVERNMENT AS REGARDS THE PROPAGATION AND SALE TO THE MARKET OF GENETICALLY MODIFIED FISH AND SEAFOOD PRODUCTS FOR HUMAN CONSUMPTION WITH THE END IN VIEW OF ENSURING THE HEALTH AND SAFETY OF CONSUMERS AND THE GENERAL PUBLIC

Introduced by Senator Lapid

To the Committees on Agriculture and Food; and Health and Demography

COMMUNICATIONS

Letter from the *Bangko Sentral ng Pilipinas* dated 4 February 2011, furnishing the Senate with a certified true copy of BSP Circular No. 711, series of 2011, dated 28 January 2011, in compliance with Section 15 (a) of Republic Act No. 7653 (The New Central Bank Act).

To the Committee on Banks, Financial Institutions and Currencies

Letter from Assistant Secretary Leslie J. Baja of the Department of Foreign Affairs/Office of European Affairs, enclosing a copy of the resolution adopted by the European Parliament (EP) during its part-session on the situation of Christians in the context of freedom of religion.

**To the Committees on Foreign Relations;
and Public Order and Dangerous Drugs**

**COMMITTEE REPORT NO. 16
ON SENATE BILL NO. 2671
(Continuation)**

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2671 (Committee Report No. 16) entitled

**AN ACT STRENGTHENING THE
CAREER EXECUTIVE SYSTEM.**

Senator Sotto stated that the parliamentary status was the period of individual amendments.

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

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 3:55 p.m.

RESUMPTION OF SESSION

At 3:56 p.m., the session was resumed.

**MANIFESTATION
OF SENATOR TRILLANES**

Senator Trillanes explained that upon review of the clean version of Senate Bill No. 2671 as of February 14, 2011, he found out that the omnibus amendment changing the word "System" to "Service," affected some lines that were not intended to be amended at all. So as to obviate the need to reopen the period of committee amendments, he stated that he would introduce the corrections as individual amendments

TRILLANES AMENDMENTS

On the clean version of the bill as of February 14, 2011, as proposed by Senator Trillanes, there being no objection, the Body approved to change the word "Service" to SYSTEM on page 1, line 14; page 4, line 26; page 5, lines 10, 23 and 24; and page 6, lines 4, 6, 8, 12, 13 and 19.

**SUSPENSION OF CONSIDERATION
OF SENATE BILL NO. 2671**

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

CLEAN COPY

Acting on Senator Sotto's request, the Chair directed the Secretariat to prepare clean copy of the bill incorporating the just-approved amendments.

**COMMITTEE REPORT NO. 15
ON SENATE BILL NO. 2640
(Continuation)**

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2640 (Committee Report No. 15), entitled

**AN ACT TO PROMOTE FINANCIAL
VIABILITY AND FISCAL
DISCIPLINE IN GOVERNMENT-
OWNED OR CONTROLLED
CORPORATIONS AND TO
STRENGTHEN THE ROLE OF THE
STATE IN ITS GOVERNANCE AND
MANAGEMENT TO MAKE THEM
MORE RESPONSIVE TO THE
NEEDS OF PUBLIC INTEREST AND
FOR OTHER PURPOSES.**

Senator Sotto stated that the parliamentary status was still the period of interpellations.

Thereupon, the Chair recognized Senator Driilon, Sponsor of the measure, and Senator Arroyo for his interpellation.

INTERPELLATION OF SENATOR ARROYO

At the onset, Senator Arroyo stated that as he understood it, the Governance Commission for Government-Owned or Controlled Corporations (GCG) is not a line agency since it was provided in Section 5 of the bill that it is an advisory, monitoring, recommendatory, and policy-implementing body. Senator Driilon agreed, saying that the GCG is under the Office of the President, and that it is the President, being the representative of the Filipino people as stockholder, who is given the authority insofar as the decisions and management of the GOCCs are concerned.

ms

Senator Arroyo pointed out that the bill is replete with references pertaining to the President who, among other powers, shall make appointments upon the recommendation of the GCG.

Asked on the purpose of the bill, Senator Drilon explained that the bill grants to the President certain powers which are ordinarily exercised by the legislature over chartered GOCCs, meaning GOCCs that came into being by virtue of laws passed by Congress. As a policy, he said, the power to reorganize the GOCCs would be delegated only to the President under certain standards provided for in the bill.

To Senator Arroyo's observation that the President already has the powers mentioned in the bill, Senator Drilon explained that without the proposed Act, the President cannot abolish GOCCs since that power is vested in Congress, and neither can he, by executive fiat, bind the GOCCs, at least 27 of them, to a compensation system since their charters exempt them from the Salary Standardization Law and only their boards of directors can decide that matter. He stated that there are many other powers which would require legislation on an individual basis, a difficult task since there are 157 GOCCs presently operating.

Asked how an erring GOCC can be closed under the present law, Senator Drilon stated that Congress has to pass a law dissolving it. He pointed out that under the proposed Act, the GCG shall review the operations of the GOCC, and guided by the standards set forth in Section 5(d), it can recommend to the President either the reorganization, merging, streamlining, abolition or privatization of a GOCC. Thereafter, he said that the President, upon confirmation of the findings of the GCG, would issue the appropriate executive order. He emphasized that the reorganization of a GOCC chartered by law cannot be done without the proposed Act. He affirmed that with this proposed Act, there would be no need for Congress to abolish or privatize a corporation.

Relative thereto, Senators Arroyo and* Drilon expressed serious doubts on the Executive department's view that the President has a continuing authority to reorganize the GOCCs since these corporations were organized by law. In fact, he pointed out that the bill imposes limitations on that power.

To the observation that the net effect would be the delegation of congressional power to the President, Senator Drilon clarified that it would only be for a limited period of time since after the reorganization of the GOCCs, the power would be returned to Congress. He emphasized that there is a provision in the bill that the order of the President to realign, merge, streamline, abolish or privatize the GOCC, as recommended by the GCG, must be issued on or before June 30, 2015.

With regard to the recommendation of the GCG, Senator Arroyo inquired on the role of the departments to which the GOCCs are attached. Senator Drilon explained that in the review to be conducted by the GCG, there would be consultations with the department to which the GOCC is attached. If the review is positive, he stated that the department would still exercise authority over the GOCC since, in many instances, the department, represented by its secretary, is a member of the board of directors running the GOCC; on the other hand, if the recommendation is to merge or abolish the GOCC, the President would act on the recommendation on the basis of his perception of the GOCC's performance.

Asked who would prevail in case there is conflict between the department concerned and the GCG, Senator Drilon said that the President ultimately decides.

Senator Arroyo noted that the GCG would be chaired by the Secretary of the Department of Budget and Management, with the following as members: the Secretary of Finance, the Director General of NEDA, and two private sector appointees. He pointed out that with the three departments combined, they would form a powerful triumvirate lording it over all the GOCCs. Senator Drilon stated that the affairs of the GOCC would be continuously managed by the board of directors. He explained that the bill does not entrust the supervision of the operations of the GOCCs to the GCG, but the GCG shall require reports, manual of operations, mission statements and standards from the GOCCs. He stressed that it is not the intention of the bill to substitute the judgment of the board of directors with that of the GCG as far as the daily operation of the corporation is concerned. He stated that the GCG would operate in the concept similar to the Asset Privatization Trust that, by virtue of Proclamation No. 50 of President Corazon Aquino,

* As corrected by Senator Cayetano (P) on February 22, 2011

ps AK

was granted authority to privatize corporations. He clarified that in the day-to-day operations of GOCCs, there is no intention to substitute the judgment of the GCG with that of their respective boards of directors. Senator Arroyo expressed apprehension that the concept could still raise fears among the GOCCs in the absence of a provision to such effect.

Moreover, Senator Arroyo said that if the principal purpose of the bill is to avoid wastage, taking into account the tremendous losses of the GOCCs unbeknownst to their attached agencies, to the public, and even to the President, it is rather a frightening thought to create a situation whereby the boards would now fear the GCG having among its members the Secretaries of DBM, NEDA and DOF. Senator Drilon said that, precisely, the bill seeks to address the present overarching authority and abuse of the GOCCs, for instance, the MWSS that grants 25 bonuses and 12 months pay, or a total of 37 months pay in a year; the directors of the governing board of GSIS each earning about P500,000 per board meeting, or P6 million in one year for 12 board meetings; and the MECO entitling a board member P1.2 million in retirement pay after two years of service for attending 24 board meetings. He expressed hope that the provision would instill some fear in the hearts of abusive GOCCs that, up to the present time, do not seem to be answerable to anyone and have even ignored the Office of the President by continuing to enact their own budgets. He likewise disclosed that in the case of Clark Development Corporation which, for some reasons, has P10 million in confidential and intelligence funds, the Chief Executive Officer simply signed a certification at the end of the year that the P10 million was spent for intelligence and confidential activities. Replying thereto, Senator Arroyo reiterated his apprehension that the bill does not limit itself to correcting the anomalies but would instead lord it over the GOCCs.

Citing the fact that the GOCCs were created for various purposes, Senator Arroyo asked if the net effect of the bill would be to codify uniform rules applicable to all GOCCs. Replying in the affirmative, Senator Drilon said that page 6 of the bill provides for the crafting of an ownership and operations manual governing GOCCs, which shall state the following: objectives of State ownership; role of national government in the governance of GOCCs; modes of implementation of the ownership policy; guidelines on the monitoring of the operations of all GOCCs; roles, relationships and responsibilities of

the State; disclosure and transparency requirements; Code of Ethics of directors and officers; creation of board committees and similar oversight bodies; integrated corporate reporting system; statement of the social responsibilities of the GOCCs; and such other matters as the GCG may deem proper to include in the ownership policy.

Stating that his interest in the bill arose when he attended the Joint Congressional Power Commission hearings on NPC, PSA&M and Transco, Senator Arroyo expressed doubts on the possibility of applying uniform rules to GOCCs given the fact that the rules that apply to the corporations under the power sector are different from the rules that apply to corporations in the gaming and agricultural sectors and to various other sectors. He expressed hope, though, on the ability of the Committee to codify a uniform set of rules. Senator Drilon gave assurance that such can be done as there is nothing in the bill that would prohibit the classification of GOCCs into varied classes. He disclosed that Senator Angara, in fact, would introduce the amendments at the appropriate time, which is that in the exercise of its functions, the GCG would be required to classify the GOCCs into various classifications so that the rules can be uniformly applied to those belonging to the same class. Relative thereto, he revealed that Executive Order No. 24 on the compensation of the GOCCs issued by Pres. Benigno Aquino III on February 10, 2011, had classified corporations into five: 1) development and social; 2) proprietary and commercial; 3) regulatory; 4) assets; and 5) profits.

At this juncture, Senator Arroyo asked who would be appointed Chief Executive Officer of the GCG.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 4:32 p.m.

RESUMPTION OF SESSION

At 4:33 p.m. the session was resumed.

Upon resumption, Senator Drilon said that under Section 10 (*Powers and Duties of the Managing Director*), both the CEO and COO functions

7

are lodged in a managing director whose functions are described in lines 16 to 26 on page 10. He affirmed that the managing director, who shall have the rank of a Cabinet undersecretary, is both the CEO and COO but only of the GCG and not of all the GOCCs.

Asked by Senator Arroyo on the possibility of giving a Cabinet secretary rank to the managing director of the GCG who is both its CEO and COO, considering that he would be overseeing corporations whose assets are even greater than the assets of the national government, Senator Drilon said that it is a policy issue on which the entire Body could decide at the appropriate time.

Senator Arroyo also proposed the inclusion in the bill of the guidelines in the crafting of the Implementing Rules and Regulations (IRR) so that no one could tinker with the law, and in view of the fact that oftentimes, when a law grants an office the power to issue the IRRs, these are not faithful to the text of the measure.

Likewise, pointing out the impossibility of the department secretaries attending every meeting of the GCG, Senator Arroyo asked the Committee to consider the idea of having just one person head the commission instead of making it a collegial body composed of the secretaries of DBM, NEDA, DOF and two representatives from the private sector. He pointed out that problems usually arise when the department secretaries only send their representatives to such meetings.

Senator Drilon pointed out that the bill provides that the substitute representative must be an undersecretary, and he must be a permanent substitute to insure continuity.

Senator Arroyo cited the NEDA board that passes over contracts and which is supposed to be comprised of cabinet members who, however, have no time to attend meetings and send their undersecretaries instead. The problem, he said, is that when an issue arose, only the signatures of the undersecretaries appeared on questionable documents.

As to the possibility of having a uniform rule for the classification of the appointment of directors, Senator Drilon pointed out that precisely, there was a suggested amendment to classify the GOCCs according to their functions such as developmental

and social, proprietary and commercial, and regulatory as defined under Executive Order No. 24. He said that the classification would come into play in the determination of whether the recommended number of the board qualifies under the "fit and proper rule." He added that while he agrees that it would not be possible to have one qualification for everyone, the classification of the GOCCs in accordance with the purpose of their creation would pave the way for a uniform standard in the appointment of the members of the board within a given classification. As regards an appointee who is performing well but his term is expiring, Senator Drilon said that notwithstanding the limitation on the term of office of a director, the President could issue a desire letter and re-appoint him if he is good.

Senator Arroyo stated that at present, the President has the power to withdraw the appointment of a director in case he misbehaves although in practice, he usually resigns. In response, Senator Drilon said that there are indeed directors who refuse to vacate their posts by invoking their one-year term and demanding a stockholders' meeting before they are replaced. He agreed, however, that the desire of the President prevails.

Senator Drilon stated that just like in private corporations, the boards of directors of GOCCs are elected annually which is also a way of evaluating the performance of the members of the board. He said that it is also the time when they would have to answer to the stockholders, which are the Filipino people, as represented by the President.

Asked whether good people still want to be directors of GOCCs given these limitations, Senator Drilon believed that there are still a lot of people who want to serve. However, he acknowledged that there is always a possibility that appointments to the GOCCs are made in payment of political debts. He hoped that with the imposition of the "fit and proper rule" in the bill, such practice would be minimized, if not totally avoided, pointing out that the election of the members of the board of the GOCC would be made upon recommendation of the GCG, taking into consideration the qualifications imposed by the law.

On whether the "fit and proper rule" is akin to that imposed by the *Bangko Sentral ng Pilipinas* on the members of the board of directors of banks.

16

Senator Drilon replied that the "fit and proper rule" imposed on banks is different. He explained that the "fit and proper rule" is simply a standard of integrity, experience, education, training and competence which would be used in determining the fitness of a nominee for the position of a director, or trustee, or chief executive officer. The standards, he said, would be different for financial institutions and developmental GOCCs. To illustrate, he said that experience in the banking sector would not necessarily qualify a person to be appointed to a position in a developmental GOCC.

On whether the standards of compensation of the GOCC directors would be left to the GCG, Senator Drilon said that in view of the issuance of Executive Order No. 24 which provided its own set of standards, he would be willing to review the ceilings provided in the bill.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2640

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

It was 4:50 p.m.

RESUMPTION OF SESSION

At 5:11 p.m., the session was resumed with Senator Drilon presiding.

COMMITTEE REPORT NO. 18 ON SENATE BILL NO. 2701

(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2701 (Committee Report No. 18), entitled

AN ACT EXPANDING THE EXCEPTIONS FROM THE NIGHTWORK PROHIBITION OF WOMEN EMPLOYEES, THEREBY AMENDING ARTICLES 130 AND 131 OF

PRESIDENTIAL DECREE NUMBER FOUR HUNDRED FORTY TWO (PD 442), AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

Senator Sotto stated that the parliamentary status was still the period of interpellations.

Thereupon, the Chair recognized Senator Ejercito Estrada, Sponsor of the measure, and Senator Cayetano (P) for an interpellation.

INTERPELLATION OF SENATOR CAYETANO (P)

At the onset, Senator Cayetano (P) expressed support for the measure in view of the fact that the Magna Carta of Women requires Congress to review all laws that might discriminate against women.

Relative thereto, she sought clarification as to why the bill no longer prohibits women from engaging in agricultural or commercial work but does not allow them to engage in industrial undertakings. Senator Ejercito Estrada explained that as the Philippines is a signatory to the Convention No. 89 of the International Labor Organization (ILO), the prohibition was retained to comply with Article 3 of the Convention which states that "Women without distinction of age shall not be employed during the night in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed."

As regards the suggestion that an exemption from the prohibition could be sought if there are reasons for women to be involved in such undertakings, Senator Ejercito Estrada explained that the Committee intends to amend the bill to restore Article 131(G) (*Exceptions*) of the Labor Code which provides various situations where women can be exempted from the prohibition. Senator Cayetano (P) expressed her intention to amend the bill in such a way that it would not appear to discriminate against women. For instance, she suggested that the pertinent provision be reworded such that it recognizes the right of women to be given equal opportunities in employment while also specifying that the prohibition is limited to industrial undertakings to protect women in adherence to the ILO Convention. Senator Ejercito Estrada agreed to consider the amendment at the appropriate time.

10

In a related matter, Senator Cayetano (P) sought clarification on the specified work hours included as conditions to the prohibition against industrial undertakings as provided under Section 1 of the bill, on page 1, lines 6 to 9. Recalling that Senator Dilon had also raised a similar concern, Senator Ejercito Estrada gave assurance that the particular provision would be amended at the appropriate time.

As regards the basis of the 11-hour nightwork prohibition, Senator Ejercito Estrada adverted to Article 2 of the ILO Convention, ratified in 1953, which states that:

For the purpose of this Convention, the term "night" signifies a period of at least eleven consecutive hours, including an interval prescribed by the competent authority of at least seven consecutive hours falling between ten o'clock in the evening and seven o'clock in the morning; the competent authority may prescribe different intervals for different areas, industries, undertaking or branches of industries of undertakings, but shall consult the employers and workers' organizations concerned before prescribing an interval beginning after eleven o'clock in the evening.

Senator Cayetano (P) manifested that she would introduce amendments at the proper time.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2701

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

ADDITIONAL REFERENCE OF BUSINESS

The Executive Director for Legislation, Atty. Renato N. Bantug Jr. read the following resolutions which the Chair referred to the committees hereunder indicated:

Proposed Senate Resolution No. 389, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE REPORTED P1.5 BILLION NET OPERATING LOSSES INCURRED BY THE COCONUT INDUSTRY INVESTMENT FUND (CIIF) OIL MILLS GROUP

FROM 2005 TO 2007 AS WELL AS INTO THE ACTIONS TAKEN, IF ANY, BY THE PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT IN ORDER TO TIMELY AND ADEQUATELY ADDRESS THE COCONUT INDUSTRY INVESTMENT FUND OIL MILLS GROUP'S (CIIF-OMG) FINANCIAL DIFFICULTIES DURING THE PERIOD IN QUESTION, WITH THE END IN VIEW OF ADOPTING POSSIBLE REMEDIAL LEGISLATION WITH THE OBJECTIVE OF ASSURING THE CONTINUED PRESERVATION AND CONSERVATION OF SEQUESTERED ASSETS

Introduced by Senator Enrile

To the Committees on Government Corporations and Public Enterprises; and Agriculture and Food

Proposed Senate Resolution No. 390, entitled

RESOLUTION DIRECTING THE COMMITTEE ON FINANCE AND OTHER APPROPRIATE COMMITTEES OF THE SENATE, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE NEED TO REVIEW, REVISE, AND/OR OVERHAUL EXISTING AUDITING LAWS, RULES AND REGULATIONS AS WELL AS PRACTICES AND PROCEDURES OF THE COMMISSION ON AUDIT IN VIEW OF THE ALLEGED INVOLVEMENT OF ITS HIGH-RANKING OFFICIALS AND AUDITORS OF THE COA IN COVERING UP THE MASSIVE CORRUPTION IN THE ARMED FORCES OF THE PHILIPPINES AND OTHER AGENCIES

Introduced by Senator Trillanes IV

To the Committee on Finance

Proposed Senate Resolution No. 391, entitled

RESOLUTION COMMENDING NONITO "THE FILIPINO FLASH" DONAIRE

MS

JR. FOR DETHRONING FERNANDO
MONTIEL OF MEXICO AND
BAGGING THE WORLD BOXING
COUNCIL AND WORLD BOXING
ORGANIZATION BANTAMWEIGHT
CROWNS

Introduced by Senator Cayetano (P)

To the Committee on Rules

MANIFESTATION OF SENATOR SOTTO

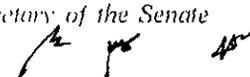
Senator Sotto informed the Body that Senator Osmeña, chair of the Committee on Banks, Financial Institutions and Currencies, has created the Sub-Committee on Anti-Money Laundering Law Amendments, and has designated Senator Guingona as its chair.

ADJOURNMENT OF SESSION

Upon motion of Senator Sotto, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of the following day.

It was 5:25 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO-REYES
Secretary of the Senate


Approved on February 22, 2011