



REPUBLIC OF THE PHILIPPINES
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Journal

SESSION NO. 69

Tuesday, March 1, 2011

**FIFTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 69
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CALL TO ORDER

At 3:28 p.m., the Senate President, Hon. Juan Ponce Enrile, called the session to order.

PRAYER

Sen. Jinggoy Ejercito Estrada led the prayer, to wit:

Panginoon naming mahal, kami Po ay Inyong basbasan ng Inyong banal na Espiritu upang ang aming katauhan at kaisipan ay puspusin ng Inyong patnubay.

Kami Po ay nagsusumamo na bigyan Ninyo ng Inyong tulong at gabay ang aming mga kababayang nasa ibang panig ng mundo lalo na Po ang mga OFWs na nasalanta ng lindol sa New Zealand kamakailan lang at huwag Po Ninyong pabayaang na may mangyari sa aming mga mahal na kapwa Pilipinong nasa Libya at ilayo Ninyo Po sila sa kapahamakan.

Hayaan Po Ninyo na sila ay makaligtas sa anumang sakuna at sana Po'y silang lahat ay makauwi sa ating bansa ng walang anumang pinsala.

Panginoon, bigyan Ninyo Po kami ng Inyong pagpapala upang walang sawa naming ipagpatuloy ang paghahanap ng

katotohanan upang ang aming bansa ay tuluyan nang maiahon sa paghihirap na sanhi ng malawak na katiwalian sa aming pamahalaan.

Nawa'y kasihan Mo ang lahat ng nanunungkulan sa pamahalaang ito na magkaroon ng linaw ng kaisipan at buong pagnanais na iwalay ang kasamaan at kaimbutan.

Ito Po ay aming dalangin sa Ngalan ng Inyong bugtong na Anak na si Hesus na aming tagapagligtas.

Amen.

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.	Lapid, M. L. M.
Arroyo, J. P.	Legarda, L.
Cayetano, P. S.	Marcos Jr., F. R.
Defensor Santiago, M.	Recto, R. G.
Drilon, F. M.	Revilla Jr., R. B.
Ejercito Estrada, J.	Sotto III, V. C.
Enrile, J. P.	Zubiri, J. M. F.
Honasan, G. B.	

With 15 senators present, the Chair declared the presence of a quorum.

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Senators Escudero, Guingona, Osmeña, Pangilinan, Trillanes and Villar arrived after the roll call.

Senator Cayetano (A) was on official mission.

Senator Lacson was absent.

APPROVAL OF THE JOURNAL

Upon motion of Senator Sotto, there being no objection, the Body dispensed with the reading of the Journal of Session No. 68 (February 28, 2011) and considered it approved.

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

MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri congratulated Senator Revilla for his election as president of the Lakas Kampi-CMD party.

REFERENCE OF BUSINESS

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

BILLS ON FIRST READING

Senate Bill No. 2718, entitled

AN ACT CREATING A DEPARTMENT OF FISHERIES AND AQUATIC RESOURCES, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES

Introduced by Senator Villar

To the Committees on Agriculture and Food; Civil Service and Government Reorganization; and Finance

Senate Bill No. 2719, entitled

AN ACT REQUIRING ALL GOVERNMENT AGENCIES, INSTRUMENTALITIES, LOCAL GOVERNMENT UNITS AND GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS TO USE SECURITY WATER-MARKED PAPER IN THEIR RECEIPTS AND INVOICES, PERMITS,

LICENSES, CLEARANCES, OFFICIAL PAPERS OR DOCUMENTS

Introduced by Senator Guingona III

To the Committee on Ways and Means

Senate Bill No. 2720, entitled

AN ACT TO PROMOTE AND SUPPORT THE DEVELOPMENT AND GROWTH OF THE PHILIPPINE FILM INDUSTRY, CREATING FOR THIS PURPOSE THE PHILIPPINE FILM COMMISSION, DEFINING ITS POWERS AND FUNCTIONS AND FOR OTHER PURPOSES

Introduced by Senator Revilla Jr.

To the Committees on Public Information and Mass Media; Ways and Means; and Finance

Senate Bill No. 2721, entitled

AN ACT DEFINING CYBERCRIME, PROVIDING FOR THE PREVENTION, INVESTIGATION AND IMPOSITION OF PENALTIES THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Revilla Jr.

To the Committees on Science and Technology; Constitutional Amendments, Revision of Codes and Laws; and Finance

Senate Bill No. 2722, entitled

AN ACT REGULATING AND MODERNIZING THE PRACTICE OF MEDICAL TECHNOLOGY (MEDICAL LABORATORY SCIENCE) IN THE PHILIPPINES, REPEALING FOR THIS PURPOSE REPUBLIC ACT NOS. 5572 AND 6132 AND PRESIDENTIAL DECREE NOS. 498 AND 1534, AND FOR OTHER PURPOSES

Introduced by Senator Angara

To the Committees on Civil Service and Government Reorganization; Education, Arts and Culture; and Finance

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RESOLUTIONS

Proposed Senate Resolution No. 400, entitled

RESOLUTION URGING THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND THE NATIONAL HISTORICAL COMMISSION TO CHECK ON THE ALLEGED TRANSPORT AND EXPLOITATION OF "CENTURIES-OLD" LOGS IN ALBAY AND DIRECTING THE NATIONAL MUSEUM TO CONDUCT AN ARCHEOLOGICAL SURVEY OF THE AREA WITH THE OBJECTIVE OF PRESERVING THIS HISTORICAL MARINE WONDERS AS AN EVIDENCE OF THE PHILIPPINES' ROLE IN THE HISTORY OF GLOBAL COMMERCE

Introduced by Senator Villar

To the Committees on Education, Arts and Culture; and Environment and Natural Resources

Proposed Senate Resolution No. 401, entitled

RESOLUTION COMMENDING AND CONGRATULATING DENNIS "ROBOCOP" ORCOLLO FOR WINNING THE WPA WORLD 8-BALL CROWN LAST FEBRUARY 26, 2011, AT THE FUJAIRAH EXHIBITION CENTER IN UNITED ARAB EMIRATES

Introduced by Senator Revilla Jr.

To the Committee on Rules

Proposed Senate Resolution No. 402, entitled

RESOLUTION CONGRATULATING AND COMMENDING DENNIS "ROBOCOP" ORCOLLO FOR WINNING THE 2011 WPA WORLD 8-BALL CHAMPIONSHIP IN FUJAIRAH, UNITED ARAB EMIRATES

Introduced by Senator Villar

To the Committee on Rules

Proposed Senate Resolution No. 403, entitled

RESOLUTION DIRECTING THE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EFFORTS OF THE DEPARTMENT OF FOREIGN AFFAIRS (DFA) IN COORDINATION WITH THE OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA) AND OTHER LABOR RELATED AGENCIES OF THE GOVERNMENT, AS WELL AS ON THE ADEQUACY OF FUNDS, WITH THE END IN VIEW OF ASSESSING THE PREPAREDNESS OF PHILIPPINE POSTS ABROAD IN EMERGENCY SITUATIONS, THEREBY ENSURING THE SAFETY OF THE OVERSEAS FILIPINO WORKERS (OFWs) AND OTHER FILIPINOS RESIDING ABROAD

Introduced by Senator Legarda

To the Committees on Labor, Employment and Human Resources Development; and Foreign Relations

Proposed Senate Resolution No. 404, entitled

RESOLUTION URGING THE SENATE COMMITTEES ON CONSTITUTIONAL AMENDMENTS, REVISION OF CODES AND LAWS; AND YOUTH, WOMEN AND FAMILY RELATIONS TO REVISIT, IN AID OF LEGISLATION, REPUBLIC ACT NO. 9344 OTHERWISE KNOWN AS JUVENILE JUSTICE AND WELFARE ACT OF 2006, WITH THE END IN VIEW OF STRENGTHENING AND ENSURING THE EFFECTIVENESS OF THE MEASURE TO FULLY ACHIEVE THE NOBLE OBJECTIVES OF THE LAW

Introduced by Senator Villar

To the Committees on Justice and Human Rights; and Youth, Women and Family Relations

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Proposed Senate Resolution No. 405, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES AND OTHER APPROPRIATE SENATE COMMITTEES TO CONDUCT A STUDY, IN AID OF LEGISLATION, ON THE REPORTED HIGH LEVEL OF POISONOUS MERCURY VAPORS IN SOME LOCAL COMMUNITIES IN THE COUNTY WITH THE AIM OF HALTING ITS CAUSES AND SAVE THE PEOPLE FROM ITS TOXIC EFFECTS

Introduced by Senator Villar

To the Committees on Environment and Natural Resources; and Health and Demography

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Sotto acknowledged the presence in the gallery of former Mayor Pulido and the barangay captains of Anda, Pangasinan.

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

**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 informed the Body that the bill was among the 23 priority measures which were presented

by the President during the meeting of the Legislative Executive Development Advisory Council (LEDAC) the other day. He said that President Aquino expressed his gratitude to the Senate not only for expediting the passage of Senate Bill No. 2640 but also for acting on Senate Bill No. 2701 sponsored by Senator Ejercito Estrada which expands exceptions on nightwork prohibition for women.

Relative thereto, Senator Sotto stated that the parliamentary status of Senate Bill No. 2640 was still the period of interpellations.

Thereupon, the Chair recognized Senator Drilon, Sponsor of the measure, and Senator Osmeña for his interpellation.

INTERPELLATION OF SENATOR OSMEÑA

Preliminarily, Senator Osmeña commended Senator Drilon for crafting a timely measure that aims to stop the plunder of limited government resources and put rationale into the management of independent companies that have special regulatory powers, and to make the government more effective and efficient in serving the people. He explained that he intended to divide his interpellation into: 1) the provisions of the bill and its relationship to Executive Order No. 24 and Proclamation No. 50; 2) the concept of a government oversight and monitoring group; and 3) the Asian Development Bank study commissioned by the Department of Finance to address the problem of GOCCs which have gone haywire.

Asked how Senate Bill No. 2640 relates to EO 24 and Proclamation No. 50, Senator Drilon explained that while EO 24 refers only to the compensation of the board of the directors of the GOCCs but not of their employees and executives, the bill would have a broader coverage as it would also provide for the creation of a Governance Commission for GOCCs (GCG) which would have powers to review the rationale behind the existence of such firms. Moreover, he said that the measure includes a provision which would enable the GCG to prepare a Compensation and Position Classification system which would apply to all GOCCs along with detailed rules on transparency in the governance of these corporations.

On the other hand, Senator Drilon pointed out that Proclamation No. 50 referred only to the disposition of the assets of the GOCCs through the Committee on Privatization but was not involved in their governance.

On whether the exclusion of non-board members from the coverage of the EO 24 would be a problem, Senator Drilon explained that the Office of the President could not touch the compensation systems of these 27 GOCCs as it was aware that Congress had exempted them from the Salary Standardization Law (SSL). He said that the charters of these GOCCs which allow their respective governing boards to determine their own level of compensation could not be overruled by an executive order. But he clarified that the boards of directors of these GOCCs may be subject to the fiat of an executive order because the compensation scheme would not apply to them.

As regards the suggestion that Section 3 (*Definition of Terms*) be amended to include the same definitions found in EO 24, Senator Drilon welcomed the proposal subject to refinement, although he noted that the terms such as "GOCC," and "Chartered GOCC" and "Non-chartered GOCC" were already included in the bill.

Asked why only local water districts but not electric cooperatives were excluded from the coverage of the bill, Senator Drilon explained that the Committee initially thought that since there were many local water districts, the *Local Water Utilities Administration (LWUA)* should be given the power to supervise them, but upon review of the law, it turned out that LWUA has no authority to supervise and reorganize water districts, thus, the water districts would be included in the measure. On the other hand, he explained that electric cooperatives were excluded from the bill because the stockholders are actually the subscribers and they are the ones who elect their board of directors. Senator Osmeña proposed that a separate measure be crafted to cover electric cooperatives where abuses were also committed, reaching to astounding proportions. He cited one electric cooperative which owed over a billion pesos. He said that while power-generating companies can stop supplying power under commercial rules, the customers in the provinces would suffer. He pointed out that the abuses of management, which connived with the previous Administration, were so grave that nobody knows how to collect the P1 billion that is owed to the various power-generating companies. Also, he said that the power-generating companies under the free-market type of operation, through the Wholesale Electricity Spot Market, do not want to sell to the electric cooperatives because of their past dues. He believed that the government must step in by giving the National Electrification Administration

(NEA) the power to intervene and take over the management of any electric cooperative that has abused its own authority. Senator Drilon concurred to the observation, suggesting that a separate measure be crafted to look into the powers of NEA as he recalled that during the debates on the EPIRA, it was disclosed that the debt of the electric cooperatives that amounted to P17 billion was absorbed by the government.

Senator Osmeña stated that, in fact, it was his proposal because in the EPIRA, the government absorbed NAPOCOR's P200 billion debt, thus, it was only fair that the P17 billion debt of the electric cooperatives be likewise absorbed because they were so marginalized and there was no way they could pay their debts on time. Also, he observed that electric cooperatives are controlled by local politicians whose electric bills are practically free. He cited one electric cooperative in the province that has not paid a single centavo of its P4.5 billion debt to the power-generating companies.

Adverting to Section 5 (*Creation of the Governance Commission for Government-Owned or Controlled Corporation*), Senator Osmeña believed that the words "advisory," "monitoring," and "recommendatory" do not give enough powers to the GCG because it all depends on the President. Senator Drilon explained that the GCG was intended as an advisory, monitoring, recommendatory and policy-implementing body because the broad power to reorganize a GOCC is a legislative function. He underscored that the GOCC was created by Congress, thus, it was a policy decision on the part of the Committee to lodge with the President the power to reorganize, merge, abolish or privatize GOCCs.

Senator Osmeña agreed but he recalled that in the past, Congress created new departments and he thought that the GCG could be elevated into a line department, similar to the U.S. Office of the Management and Budget (OMB). He explained that the mission of the OMB, the largest office in the Executive Office, is to assist the President in overseeing the budget preparation, and supervising the administration of agencies in the Executive branch, among others. Further, he stated that for its part, Congress can create a new department to take charge of the GOCCs and also help improve the management of other agencies. In reply, Senator Drilon reiterated that it was a policy judgment that it should be the President, an elected official, who should have the final say whether a GOCC is to be abolished, merged or privatized.

As regards the abolition and sale of GOCCs, Senator Osmeña stated that the decisions to do so could be left to the Office of the President. However, he stressed that the GCG should be given more teeth to carry out its mandate as provided in the bill because having an office composed of three Cabinet members and two independent private sector representatives would not be sufficient to control 157 GOCCs. Senator Drilon expressed willingness to discuss the matter with Senator Osmeña, particularly on revising the powers of the monitoring body, to determine which power it can directly exercise and which power must be approved by the President. He said that it was not the intent of the bill to put up a body above the corporation to dictate to it. He explained that while a GOCC board of directors must be allowed operational flexibility – for instance, it has the authority to fire the chief executive officer – to maintain corporate structure and governance of the corporation, it must, at the same time, follow certain standards imposed by the GCG like performance evaluation system and reporting. He said that GCG is also authorized to dismiss or disqualify those who do not meet the Fit and Proper Rule.

Senator Osmeña clarified that he did not mean for the GCG to micromanage the GOCCs but to act like a holding company of the government, exercising the ownership powers of a big stockholder. He added that GCG must have the *gravitas* and the authority to speak up and fire anybody who does not perform his/her tasks well. Without those, he said, the GCG would only have an executive director with the rank of an undersecretary who might not gain any attention at all. Senator Drilon reiterated that the GCG has the power to disqualify members of the Board who do not meet the Fit and Proper Rule. Further, he explained that the President can appoint only from the list prepared by the GCG the members of board. Given its powers, he said that the GCG could also provide operational flexibility to the board. Such power, he underscored, is a standard in previous legal issuances, particularly Administrative Order No. 59, which rationalized the government corporate sector.

Senator Osmeña clarified that he was aware of the need for operational flexibility. But he pointed out that in the corporate sector, there are corporations like Ayala Corporation which own controlling shares, and put their members on the Board; at the same time, there are individual corporations that also have subsidiaries but are still able to operate in an efficient and effective manner. He noted that lacking in the

country is the idea of a holding company like Temasek Holdings in Singapore which operates like a government corporation and is able to oversee its investments in various corporations in and outside of Singapore. He suggested that the membership of the GCG be widened, so that it can put one or two of its members in each board and so that they would be beholden to the national government and not to the corporation itself. Senator Drilon stated that he has no problem with the suggestion to provide more powers to the GCG as he agreed to the suggestion to have a monitoring body to effectively supervise the GOCCs.

On related matter, Senator Osmeña raised the idea of creating a holding company reporting to or under the DBM as he believed that Section 7 (*Remuneration of Members of the GCG*) might not entice good people to sit on the board. He said that overseeing 157 companies is a full-time job.

Asked whether the GCG will set up its own Compensation and Position Classification System for GOCCS, Senator Drilon replied in the affirmative.

To the observation that there are GOCCs which are difficult to define either as a corporation or agency such as the National Telecommunications Commission (NTC) and the Ninoy Aquino International Airport (NAIA), Senator Drilon pointed out that Section 3(k) defines “Government Instrumentalities with Corporate Powers (GICP)/Government Corporate Entities (GCE)” as “any instrumentality or agency of the government, which is neither a corporation nor an agency integrated within the departmental framework, but vested by law with special functions or jurisdiction, endowed with some, if not all, corporate powers, administering special funds, and enjoying operational autonomy usually through a charter, including but not limited to...” He said that the definition came from a case that was decided by the Supreme Court.

Senator Ormeña clarified that he was only trying to find out if the limitation on salaries which, to him, is not the main bone of concern but the allowances and bonuses which have gone haywire, would not be in conflict with the powers that Congress has given to GOCCs under their respective charters or the salary standardization law. Senator Drilon stated that the compensation system, which shall be promulgated by the GCG, would be the governing compensation system for GOCCs including government instrumentalities with corporate powers.

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Asked if he would have any objection to the insertion of a full disclosure provision which shall require GOCCs to post on the internet their annual financial statements as well as quarterly and interim statements, salaries, per diems, bonuses and allowances of all directors and top officers, list of consultants for the past 10 years starting 2001, COA reports, monthly revenues and expenses, and quarterly operating reports, all of which to be kept in the website for at least 10 years, Senator Drilon replied that he has no problem with the proposal, stating that good corporate governance is premised on transparency and accountability.

With regard to a more complete reformatting of the proposal subject to the ADB study on GOCCs, which was commissioned two years ago but has not yet been approved, Senator Drilon stated that many of the principles in the study including the principle that he advocates were in the bill as crafted.

Senator Osmeña said he has no doubt that Senator Drilon's principles and advocacies are in line with the aims and goals of good government and in harmony with the assumptions made in the study. However, he stated that the problem lies in the details as pointed out on Annex 11 (Corporate Governance in Public Enterprises) of the study, which presented the problems that were encountered even by well-governed countries like New Zealand and Sweden. For instance, he noted that the study cited the case of a TV broadcaster whose shares are held jointly by the Treasury and the Ministry of Culture, which may be led in different and politically inconsistent directions. He said that the necessary provision should be put in place to make sure that the shares should only be held by one corporation and not by two or three, even if these are all government corporations. He also mentioned another item of the study which referred to a state-owned enterprise that is highly profitable but may be blamed when it acts too commercially, for example, in undertaking layoffs. He stated that the country has encountered this problem with corporations like the NAPOCOR. Also, on a tip-to-tail ratio, he noted that Cebu Pacific has only one-third as many employees in relation to passengers as Philippine Airlines has, whereas, Philippine National Railways (PNR) has 1,400 employees which it does not need. In fact, he disclosed that the recommendation was to retire most of the PNR employees and close it until the South Rail project shall have been completed. In response, Senator Drilon asserted that the GCG can take such

bold measures since it has the power to privatize, reorganize, abolish and merge corporations.

On the power of the GCG to recommend to the President the privatization of a corporation, Senator Drilon stated that there is nothing in the Constitution that prohibits the delegation to the President basically of the powers of Congress to approve the reorganization, abolition and privatization of corporations.

Senator Osmeña stated that there was valid observation that too many Cabinet members sit in the boards of corporations but they are too busy and normally, they assign their undersecretaries in their stead who, in turn, are too busy to attend to their specific functions in the boards pertaining to, say, administrative or finance or operations matter. In reaction, Senator Drilon stated that the Committee was conscious of this issue and has provided in the bill that the Cabinet member who sits as an *ex-officio* member of the board must be represented by his undersecretary. He disclosed that when the Committee examined the charters of various corporations, it found out that there was no rational explanation why the GOCC board has a certain number of members, *ex-officio* members and terms of office. However, he said that while the Committee thought that it is a little difficult to substitute its judgment for that of Congress, after going through the various materials, most specifically the ADB study, it felt that there is reason and a rationale for changing certain structures such as limiting the *ex-officio* members to one-third of the board with two-thirds coming from the private sector.

Upon further query, Senator Drilon clarified that the term "private sector representatives" refers to appointive directors. He agreed with Senator Osmeña that an appointive director can come from the GCG.

Senator Osmeña observed that overseeing 157 corporations would require the full-time service of the *ex-officio* members. However, he expressed concern that when the *ex-officio* members are asked to attend a board meeting, they would be sending their undersecretaries who would be called upon to approve or disapprove a recommendation by the executive director to hire or fire, or dispose of a corporation. He said that the undersecretaries might probably be no more qualified than the directors of the subject GOCC. He stated that he wanted to see a more powerful, more qualified board that will sit on top of things, composed of perhaps retired

executives from the private sector who should be willing to be full-time directors so that they can lend prestige to their positions and have the *gravitas* to hold sway over 157 corporations. He stated that this is one matter that he would take up with Senator Drilon. For his part, Senator Drilon gave assurance that he would be willing to discuss the matter with Senator Osmeña.

Asked which recommendations of the ADB study the Committee wanted to adopt, Senator Drilon stated that basically, they are key reforms as outlined on page 1 of the executive summary, to wit: 1) privatization of non-essential GOCCs; 2) a strong oversight and monitoring system; 3) a regular review of the mandates of GOCCs; 4) aspects improving corporate governance including transparency, accountability, responsibility; and 5) tighter budgetary process, particularly on the automatic sovereign guarantee of some GOCC debts.

SUSPENSION OF SESSION

Upon motion of Senator Osmeña, the session was suspended.

It was 4:30 p.m.

RESUMPTION OF SESSION

At 4:30 p.m., the session was resumed.

Senator Drilon stated that Chapter 5, page 95 of the ADB study contained the recommendations which the Committee had already placed in the bill, specifically the paragraph with the heading *Improving Corporate Governance* that indicates the need for *Clarifying the Role of the Government; Rationalization of the GOCC Portfolio; Revising/Updating the Mandates and Charters of the GOCC; The Structure and Composition of the Board; and Effective Oversight Functions and Mechanisms*. He stressed that improving corporate governance is a basic key result area of the study.

As regards the *Establishment of an Interagency Corporate Governance Council* on page 97, Senator Drilon stated that it is equivalent to the GCG. He clarified that the Department of Finance CAG is the counterpart of the managing director of the secretariat.

Senator Osmeña lauded the recommendation, saying it was well-thought.

On the fate of the NDC, Senator Drilon stated that the ADB study recommended its abolition which, to him, was a valid proposal since it has outlived its usefulness.

Senator Drilon stated that the authority to abolish the NDC is found in the bill and it is up to the President, the Secretaries of Finance, Trade and Industry, and the GCG to exercise it.

Senator Osmeña stated that he was willing to terminate his interpellations provided he would be allowed to continue asking questions during the period of amendments. He expressed hope that he could sit down with the Committee staff to discuss and fine-tune certain provisions of the bill to help improve the governance of GOCCs.

RESERVATION TO INTERPELLATE

Senator Sotto informed the Body that Senator Arroyo made reservation to interpellate on Senate Bill No. 2640 on Monday, March 7, 2011.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2640

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

COAUTHOR


Senator Sotto manifested that Senator Escudero is a coauthor of Proposed Senate Resolution No. 385, and the counterpart measures of House Bill Nos. 366, 3953 and 229.

ADJOURNMENT OF SESSION

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

It was 4:38 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO REYES
Secretary of the Senate

Approved on March 2, 2011