



REPUBLIC OF THE PHILIPPINES  
**Senate**  
Pasay City

# Journal

**SESSION NO. 76**  
Wednesday, March 16, 2011

**FIFTEENTH CONGRESS**  
**FIRST REGULAR SESSION**

**SESSION NO. 76**  
Wednesday, March 16, 2011

**CALL TO ORDER**

At 3:40 p.m., the Senate President, Hon. Juan Ponce Enrile, called the session to order.

**PRAYER**

Sen. Ferdinand R. Marcos Jr. led the prayer, to wit:

Dear Father, we come to You once more.

Amidst the calamities visited upon the family of nations, especially the most recent devastation in the ancient and storied country of Japan, we are awakened again to the fact that no mortal power can overpower Your divine will and plan for all of us of Your creation.

So, as we start our proceedings this afternoon, we come together with our fervent prayers that You grant always Your blessings to all Filipinos who continue to endeavor to bring a better life to their families and their communities. Keep in Your safety our countrymen now in peril, caught as they are in areas of instability and conflict.

For those of us in government life and public service, always guide our hearts, our minds and our hands to best do Your work for our people and our country.

Amen.

**ROLL CALL**

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

Arroyo, J. P.	Lapid, M. L. M.
Cayetano, A. P. C. S.	Marcos Jr., F. R.
Cayetano, P. S.	Osmeña III, S. R.
Defensor Santiago, M.	Pangilinan, F. N.
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.	Zubiri, J. M. F.
Honasan, G. B.	

With 17 senators present, the Chair declared the presence of a quorum.

Senators Guingona and Villar arrived after the roll call.

Senators Angara and Legarda were on official mission, the former abroad.

Senators Lacson and Recto were absent.

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

**APPROVAL OF THE JOURNAL  
AS CORRECTED**

Upon motion of Senator Sotto, there being no

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objection, the Body dispensed with the reading of the Journal of Session No. 75 and considered it approved, subject to the following corrections made by Senator Drilon:

1. On page 1211, left column, reword the last paragraph as follows: SENATOR DRILON EXPLAINED THAT AN AFFILIATE IS A CORPORATION WHERE 50% OR LESS OF THE CAPITAL STOCK IS OWNED BY THE GOCC, IN WHICH CASE THE GOCC HAS NO CONTROL.;
2. On page 1214, left column, second paragraph, change the word "airplanes" to AIRLINES; and
3. On the same page and column, reword the last sentence of the third paragraph as follows: HE STATED THAT THE OPERATION OF A PORT IS A NON-ESSENTIAL GOVERNMENT FUNCTION.

#### **ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

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

- Thirty-five barangay chairmen from Guinayangan, Quezon Province;
- Students from the Philippine Normal University and the Tomas Claudio Memorial College; and
- Members of GO37 Christian Foundation, Inc. from Pulang Lupa II, Las Piñas City.

The Senate President Pro Tempore welcomed the guests to the Senate.

#### **PRIVILEGE SPEECH OF SENATOR CAYETANO (P)**

Availing herself of the privilege hour, Senator Cayetano (P) called the Body's attention to the Human Immunodeficiency Virus (HIV) which was becoming a health threat not only to the country but to the entire world.

*The full text of her speech follows:*

HIV is one of the diseases mentioned in the Millennium Development Goals. HIV is a growing global epidemic. From eight million people

in 1990, the number of people with HIV rose to 33 million by the end of 2009. But what is even more disturbing is that out of the 2.6 million people who were infected with HIV in 2009 alone, 370,000 of those were innocent babies born to women with HIV.

*The good news:* It appears that the incident of HIV is tapering. Many countries have adopted measures to curtail the rise in HIV cases.

*The bad news:* Among the 63 countries with HIV infection cases, the Philippines, our country, is one of the only seven countries with increasing prevalence. In other words, *sa 63 bansa sa buong mundo na may HIV cases, lahat po sila bumababa na ang insidente ng HIV. Pero sa ating bansa tumataas. Pito lamang ang mga bansa na tumataas ang insidente ng HIV. Ang kasama po diyan ay Armenia, Bangladesh, Georgia, Kazakhstan, Kyrgyztan, Philippines and Tajikistan.* And I must say, as the Chairman of the Committee on Health and Demography, this is not isolated to the case of HIV. It is so embarrassing to know and see that there are so many infectious diseases where the Philippines is always on top of the list, where either we have had no or any improvement in curtailing the rise of the diseases or, the incidence of diseases has even increased.

In 2008, an average of 44 people were diagnosed to have HIV per month. In 2009, this average increased to 70 people per month. And in 2010, we were at a 120 cases per month. Because of this sharp rise, it is estimated that by doing nothing, which is what we are doing, there will be 210 new cases per month in 2011, 390 new cases per month in 2012, and over 2,013 new cases per month by 2015.

During a Department of Health briefing which I attended last week in Cebu City, we were informed that as of January 2011, there were 407 HIV positive cases in Region VII alone, and alarmingly, 327 of them were in Cebu City. It was also reported that only 18% of those diagnosed with HIV used condoms during their last sexual act, despite the fact that they are sexually active, as they admitted; and 92% among HIV positive males have female partners that they can infect, they can get pregnant, and they can transmit the HIV virus to their babies.

In recent years, there were no reported cases in the Philippines of transmission of the HIV virus from mother to child or to the newborn infant. But, in the statistic shown to us by the Department of Health, they were immediately able to find five cases of transmission in 2010.

This is very alarming because these are newborn babies who now will have to live a life with HIV-AIDS.

HIV knows no social, economic or political boundaries. It is simply a deadly disease for which there is no cure. To further understand how HIV changes the lives of people it infects, allow me to show our colleagues a short clip entitled "*Sa Direksyon ni Makoy*," which gives us a glimpse into the life of a child who was infected with HIV which he got from his mother.

I must mention where credits are due: *Mu Sigma Phi* Fraternity, which is a fraternity of the UP Manila/Philippine General Hospital Resident Doctors. This particular clip is under the direction of Genevieve Caberte and the QEFF Jury's Pick for Best Short Film.

I must also put on record that with their permission, we shortened it due to time constraints.

*At this juncture, the video clip was shown.*

As we have seen from this clip, the child is just one of the many children infected with HIV/AIDS, This child chose to kill himself but if he did not, the disease will kill him eventually.

If we say every child is entitled to have a life, then we must fight for a life that is free from this deadly disease. We must be willing to open our eyes, to look at the causes, and to explore the solutions to this problem.

## REFERRAL OF SPEECH TO COMMITTEE

Upon motion of Senator Sotto, there being no objection, the Chair referred the privilege speech of Senator Cayetano (P) to the Committee on Health and Demography.

## 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 individual amendments.

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

## INQUIRY OF SENATOR SOTTO

Asked by Senator Sotto if there were additional amendments from the other Members or from the Committee, Senator Drilon replied that there were no more committee amendments. However, he manifested that he would introduce corrections to the Osmeña amendments, as a matter of style and not of substance.

## CORRECTIONS TO THE OSMEÑA AMENDMENTS

Upon motion of Senator Drilon, there being no objection, the Body approved the following corrections to the Osmeña amendments, one after the other:

### Page 1

1. On line 9, between the words "State" and "to," insert TO ACTIVELY EXERCISE ITS OWNERSHIP RIGHTS IN GOCCs AND; and after the word "promote," replace the word "the" to THEIR, then delete the word "of";
2. On line 10, delete the words "the GOCCs";
3. On lines 11 and 12, delete the sentence "IT IS FURTHERMORE A STATE POLICY TO ACTIVELY EXERCISE ITS OWNERSHIP RIGHTS IN GOCCs.";

### Page 1A

4. On line 14f, replace the word "sufficiently" with EFFICIENTLY;

### Page 2

5. On line 10, place a comma (,) after the word "TRUSTEES";

### Page 3

6. On line 16, before the word "generate," replace the word "and" with THAT;
7. On line 16d, place a comma (,) after the word "CORPORATIONS" and replace the word "INCLUDING" with AND;

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8. On line 16f, replace the words "CORE CARDS" with SCORECARDS;
9. On lines 16b, 16h, 16i, 16k and 16m, replace the letters "(A), (B), (C), (D), (E)" with (1), (2), (3), (4), (5), respectively;

**Page 3A**

10. On line 31d, after the roman numeral "(I)," delete the word "EITHER";
11. On line 31i, place a comma (,) after the word "EQUITY," delete the phrase "RATHER THAN ON TANGIBLE ASSETS SUCH AS" and in lieu thereof, insert INCLUDING;
12. On line 31k to line 31l, delete the phrase "REGISTERED WITH OR DIRECTLY SUPERVISED BY THE BANGKO SENTRAL NG PILIPINAS." and place a period (.) after the word "SYSTEM";

**Page 6**

13. On lines 4n to 4r, delete the phrase "PROMULGATE THE RULES AND REGULATIONS IMPLEMENTING THIS ACT WITHIN SIX (6) MONTHS FROM ITS EFFECTIVITY THROUGH THE OWNERSHIP MANUALS AND THE GOVERNMENT CORPORATE GOVERNANCE STANDARDS";
14. Transpose the proviso starting with the word "PROVIDED" on line 4r up to the words "MAY BE" on line 4x, to line 6 after the acronym "GOCCs", and place a semicolon (;) after the word "GOCCs";
15. On the same line 6, between the words "manual" and "governing," insert the phrase AND THE GOVERNMENT CORPORATE STANDARDS;
16. On line 4w, replace the word "OF" with FOR;

**Page 6A**

17. On line 32a, replace the word "CALLCARDS" with SCORECARDS;

**Page 7**

18. On line 21d, replace the word "CONSIDERATION" with CONSOLIDATION;

**Page 8**

19. On line 32, replace the words "and to" with IN CONSULTATION WITH;
20. On line 33, between the comma (,) and the word "plan," delete the article "a" and replace it with the phrase THE PRIVATIZATION OF THE GOCC'S COMMERCIAL OPERATIONS, OR THE TRANSFER OF THE

REGULATORY FUNCTIONS TO THE APPROPRIATE GOVERNMENT AGENCY, OR SUCH OTHER;

**Page 11A**

21. On line 33, delete the phrase "allowances and";
22. At the end of line 35, replace the word "for" with OF;

**Page 16**

23. On line 22, between the words "UPON" and "RECOMMENDATION," replace the word "BY" with OF;

**MANIFESTATION OF SENATOR SOTTO**

At this juncture, Senator Sotto informed the Body that Senator Defensor Santiago, who was indisposed, had requested him to introduce her amendments. He begged the indulgence of Senator Drilon, saying that he would try to reconcile the amendments, which were based on the March 14 version, with the March 15 version.

The Chair suggested that the session be suspended to allow the senators to reconcile Senator Defensor Santiago's proposed amendments with the current version of the bill.

**SUSPENSION OF SESSION**

Upon motion of Senator Sotto, the session was suspended.

*It was 4:12 p.m.*

**RESUMPTION OF SESSION**

At 4:26 p.m., the session was resumed.

**DEFENSOR SANTIAGO AMENDMENTS**

On behalf of Senator Defensor Santiago, as proposed by Senator Sotto and accepted by the Sponsor, there being no objection, the Body approved the following amendments, one after the other:

**Page 3**

1. On line 16a, before the word "THESE," insert the following sentence: IT SHALL ALSO REFER TO A SYSTEM WHEREBY SHAREHOLDERS, CREDITORS, AND OTHER STAKEHOLDERS OF A CORPORATION

ENSURE THAT MANAGEMENT ENHANCES THE VALUE OF THE CORPORATION AS IT COMPETES IN AN INCREASINGLY GLOBAL MARKET PLACE;

2. Delete lines 18 and 19 and in lieu thereof, insert the following definition:

“DEPARTMENT” REFERS TO AN EXECUTIVE DEPARTMENT CREATED BY LAW. THIS SHALL INCLUDE ANY INSTRUMENTALITY HAVING OR ASSIGNED THE RANK OF A DEPARTMENT, REGARDLESS OF ITS NAME OR DESIGNATION.

**Page 6**

3. On line 7, between the words “Plan” and “and,” insert the phrase ISSUED BY THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA);

**Page 6A**

4. Reword line 21 as follows:
  8. CREATION OF APPROPRIATE OVERSIGHT BODIES INCLUDING BUT NOT LIMITED TO BOARD COMMITTEES;

*At this juncture, the session was suspended and was resumed shortly thereafter.*

5. On line 28, after the comma (,) following acronym “GOCCs”, insert the phrase AND FOR GOCCS WITHOUT ORIGINAL CHARTERS a comma (,) thereafter, and delete the word “other”;

**Page 8**

6. Delete line 12 up to the word “programs” on line 13; thereafter, transpose the phrase “It shall meet at least quarterly to:” on lines 13 and 14, to the end of line 10;

**Page 13**

7. Reword lines 17 to 30 to read:
 

SECTION 16. *FIT AND PROPER*. – ALL MEMBERS OF THE BOARD, THE CHIEF EXECUTIVE OFFICER AND OTHER OFFICERS OF THE GOCCS SHALL BE QUALIFIED BY THE “FIT AND PROPER” TEST TO BE DETERMINED BY THE GCG IN CONSULTATION AND COORDINATION WITH THE RELEVANT GOVERNMENT AGENCIES TO WHICH THE GOCC IS ATTACHED AND APPROVED BY THE PRESIDENT.

TO MAINTAIN THE QUALITY OF MANAGEMENT OF THE GOCCS, THE GCG, IN COORDINATION WITH THE RELEVANT GOVERNMENT AGENCIES,

SHALL, SUBJECT TO THE APPROVAL OF THE PRESIDENT, PRESCRIBE, PASS UPON AND REVIEW THE QUALIFICATIONS AND DISQUALIFICATIONS OF INDIVIDUALS APPOINTED AS OFFICERS, DIRECTORS OR ELECTED CHIEF EXECUTIVE OFFICER OF THE GOCC AND SHALL DISQUALIFY THOSE FOUND UNFIT.

IN DETERMINING WHETHER AN INDIVIDUAL IS FIT AND PROPER TO HOLD THE POSITION OF AN OFFICER, DIRECTOR OR CHIEF EXECUTIVE OFFICER OF THE GOCC, DUE REGARD SHALL BE GIVEN TO HIS INTEGRITY, EXPERIENCE, EDUCATION, TRAINING AND COMPETENCE.

**SUSPENSION OF SESSION**

Upon motion of Senator Drilon, the session was suspended.

*It was 4:44 p.m.*

**RESUMPTION OF SESSION**

At 4:49 p.m., the session was resumed.

**MANIFESTATION OF SENATOR DRILON**

Senator Drilon stated that the remaining amendments of Senator Defensor Santiago would be introduced at a later hour to allow Senator Sotto to make the necessary adjustments.

**PANGILINAN AMENDMENTS**

As proposed by Senator Pangilinan and accepted by the Sponsor, there being no objection, the Body approved the following amendments, one after the other:

1. On page 11, line 30, before the word “No,” insert the phrase ANY LAW TO THE CONTRARY NOTWITHSTANDING and a comma (,) thereafter;
2. On page 13, line 6, between the word “appointees” and the colon (:), insert the phrase AND SHALL CAUSE THE CREATION OF SEARCH COMMITTEES TO ACHIEVE THE SAME;
3. On page 14, line 17, after the period (.), insert a new sentence to read: IN PREPARING THE SHORT LIST, THE GCG SHALL CAUSE THE CREATION OF THE SEARCH COMMITTEE TO ACHIEVE THE SAME.

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**SUSPENSION OF CONSIDERATION  
OF SENATE BILL NO. 2640**

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

**REFERENCE OF BUSINESS**

The Deputy Secretary for Legislation, Atty. Edwin B. Bellen, read the following matters and the Chair made the corresponding referrals:

**MESSAGE OF THE PRESIDENT  
OF THE PHILIPPINES**

Letter of His Excellency, President Benigno S. Aquino III, dated 14 March 2011, certifying to the necessity of the immediate enactment of House Bill No. 4146, entitled

AN ACT PROVIDING FOR THE SYNCHRONIZATION OF THE ELECTIONS AND THE TERM OF OFFICE OF THE ELECTIVE OFFICIALS OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO (ARMM) WITH THOSE OF THE NATIONAL AND OTHER LOCAL OFFICIALS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9333, ENTITLED "AN ACT FIXING THE DATE FOR REGULAR ELECTIONS FOR ELECTIVE OFFICIALS OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO," AND FOR OTHER PURPOSES,

to address the urgent need to protect and strengthen ARMM's autonomy by synchronizing its elections with the regular elections of national and other local officials, to ensure that the ongoing peace talks in the region will not be hindered, and to provide a mechanism to institutionalize electoral reforms in the interim, all for the development, peace and security of the region.

**To the Committee on Rules**

**MESSAGES FROM THE  
HOUSE OF REPRESENTATIVES**

Letter from the Secretary General of the House of Representatives, informing the Senate that on

9 March 2011, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 1814, entitled

AN ACT CONVERTING THE NEGROS STATE COLLEGE OF AGRICULTURE (NSCA) IN THE CITY OF KABANKALAN, PROVINCE OF NEGROS OCCIDENTAL INTO A STATE UNIVERSITY TO BE KNOWN AS THE CENTRAL PHILIPPINES STATE UNIVERSITY (CPSU) AND APPROPRIATING FUNDS THEREFOR

**To the Committees on Education, Arts and Culture; and Finance**

House Bill No. 3419, entitled

AN ACT RENAMING THE APARRI SCHOOL OF ARTS AND TRADE (ASAT) IN APARRI, CAGAYAN INTO THE APARRI POLYTECHNIC INSTITUTE (API)

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

House Bill No. 3974, entitled

AN ACT EXCLUDING CERTAIN PORTIONS OF PARCEL NO. III, FORBES PARK RESERVATION, LOCATED IN BAGUIO CITY, FROM THE OPERATION OF PROCLAMATION NO. 10, DATED 09 FEBRUARY 1924, AND PROCLAMATION NO. 63, DATED 06 AUGUST 1925, AND DECLARING THE EXCLUDED PORTIONS AGRICULTURAL LAND OPEN TO DISPOSITION UNDER THE PROVISIONS OF REPUBLIC ACT NO. 730, OTHERWISE KNOWN AS AN ACT TO PERMIT THE SALE WITHOUT PUBLIC AUCTION OF PUBLIC LANDS OF THE REPUBLIC OF THE PHILIPPINES FOR RESIDENTIAL PURPOSES TO QUALIFIED APPLICANTS UNDER CERTAIN CONDITIONS

**To the Committee on Environment and Natural Resources**

and House Bill No. 4115, entitled

AN ACT PROTECTING INDIVIDUAL PERSONAL DATA IN INFORMATION AND COMMUNICATIONS SYSTEMS IN THE GOVERNMENT AND IN THE PRIVATE SECTOR, PROVIDING PENALTIES IN VIOLATION THEREOF, AND FOR OTHER PURPOSES

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

**BILLS ON FIRST READING**

Senate Bill No. 2744, entitled

AN ACT PROMOTING THE USE OF URBAN AGRICULTURE AND VERTICAL FARMING IN THE COUNTRY'S METROPOLITAN AREAS TO ADDRESS FOOD SECURITY CONCERNS AND REGENERATE ECOSYSTEM FUNCTIONS APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSE

Introduced by Senator Lapid

**To the Committees on Agriculture and Food; and Finance**

Senate Bill No. 2745, entitled

AN ACT ESTABLISHING A HOLISTIC RESEARCH AND DEVELOPMENT PROGRAM ON UNILATERAL HEARING LOSS TO EASE AND IMPROVE REHABILITATION AND QUALITY OF LIFE OF PATIENTS SUFFERING FROM SINGLE-SIDED DEAFNESS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSE

Introduced by Senator Lapid

**To the Committees on Health and Demography; and Finance**

**ADDITIONAL REFERENCE OF BUSINESS**

**COMMITTEE REPORTS**

Committee Report No. 21, prepared and submitted jointly by the Committees on Trade and Commerce; Agriculture and Food; and Health and Demography, on Senate Bill No. 2746, with Senators Ejercito Estrada, Villar and Defensor Santiago as authors thereof, entitled

AN ACT REQUIRING THE LABELING OF MEAT AND MEAT FOOD PRODUCTS,

recommending its approval in substitution of Senate Bill Nos. 814, 1173, 1787 and 2331, taking into consideration Proposed Senate Resolution No. 361.

Sponsor: Senator Villar

**To the Calendar for Ordinary Business**

Committee Report No. 22, prepared and submitted jointly by the Committees on Trade and Commerce; and Ways and Means, on Senate Bill No. 2747, with Senator Villar as author thereof, entitled

AN ACT INSTITUTIONALIZING CORPORATE SOCIAL RESPONSIBILITY AMONG LARGE TAX PAYERS AND PROVIDING INCENTIVES THEREFOR,

recommending its approval in substitution of Senate Bill No. 1239.

Sponsor: Senator Villar

**To the Calendar for Ordinary Business**

Committee Report No. 23, prepared and submitted jointly by the Committees on Civil Service and Government Reorganization; and Government Corporations and Public Enterprises, on Senate Bill No. 2748, with Senators Trillanes IV and Recto as authors thereof, entitled

AN ACT REQUIRING ALL CONCERNED GOVERNMENT AGENCIES TO ENSURE THE RELEASE OF THE RETIREMENT PAY, PENSIONS, GRATUITIES AND OTHER BENEFITS

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OF RETIRING GOVERNMENT EMPLOYEES WITHIN A PERIOD OF THIRTY (30) DAYS AFTER HIS OR HER ACTUAL DUTIES OF RETIREMENT,

recommending its approval in substitution of Senate Bill No. 251.

Sponsors: Senators Trillanes IV and Recto

To the Calendar for Ordinary Business

### SPECIAL ORDER

Upon motion of Senator Sotto, there being no objection, the Body approved the transfer of Committee Report No. 21 on Senate Bill No. 2746 from the Calendar for Ordinary Business to the Calendar for Special Orders.

### COMMITTEE REPORT NO. 21 ON SENATE BILL NO. 2746

Upon motion of Senator Sotto, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2746 (Committee Report No. 21), entitled

#### AN ACT REQUIRING THE LABELING OF MEAT AND MEAT FOOD PRODUCTS.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Sotto, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Villar for the sponsorship.

### SPONSORSHIP SPEECH OF SENATOR VILLAR

Senator Villar presented for plenary consideration Senate Bill No. 2746. He then proceeded to deliver his sponsorship speech, as follows:

#### BOTCHA/HOT MEAT

In my capacity as Chairman of the Committee on Trade and Commerce, I rise to sponsor a legislation that essentially seeks to safeguard

the health of our citizens by ensuring the supply of safe meat and meat products being sold in the country, and to protect consumer interest against fraud and unfair practices.

Five bills, namely: Senate Bill No. 814 by Senator Ejercito Estrada; Senate Bill Nos. 2331 and 1787 by Senator Miriam Defensor Santiago; Senate Bill No. 1173 and Proposed Senate Resolution No. 361 by this Representation were referred to the said committee to look into the issue of meat labeling.

Let me tackle first the *botcha* issue which, to this Representation, reflects the leniency of our meat labeling laws. The proliferation of double-dead meat, or in local parlance, *botcha* or hot meat, in our public markets in and around Metro Manila, is a matter that needs our urgent attention.

Strictly speaking, *botcha* may also include to mean the meat of healthy animals. However, what would classify them as *botcha* would be: 1) if they were slaughtered in unregistered establishment; and 2) if they did not undergo the required *ante-* and *post-mortem* inspection.

Interestingly, the term "*botcha*" is the combination of two Chinese words: "*bo*," meaning "no," and "*cha*," meaning "eat." Therefore, its direct translation would be "no eat," or loosely translated, "do not eat." If that is not stern warning enough, I do not know what is.

May I direct our colleagues' attention now to the screen as we flash footages of these so-called hot meat which were seized by the National Meat Inspection Service (NMIS) to establish the gravity of this problem. As we can see, they look disgusting. They are not stored or displayed properly, but thrown out haphazardly. Some were even found in sacks, and secretly buried under piles of garbage, which begs the question: "How do these illegally slaughtered meat, which are clearly unsafe to eat, find their way to our local markets where it is sold to unsuspecting consumers?"

Although the *botcha* issue grabbed media headlines late last year during the onset of the "-ber" months when meat demand is usually at its peak, the Department of Agriculture (DA), through the NMIS, reports that the problem has been around since 2009, maybe even earlier. In its *2009 Task Force Bantay Karne Confiscation Report*, more than 3,000 metric tons, or 31,287.65 kilos of hot meat were seized in the northern provinces of Baguio, La Union, Pangasinan, as well as Cavite, Balintawak Market, and as far as Koronadal City in Mindanao.

According to the Department of Agriculture, *botcha* being sold in Metro Manila were traced from suppliers in Tarlac, Bulacan, Pampanga, Cavite, Batangas and Quezon. From January to December 2010, the NMIS has seized more than 10,000 kilos of hot meat from various public markets.

Republic Act No. 9296 or the Meat Inspection Code of the Philippines prohibits the sale of double-dead meat. But from this official data, it is obvious that the law is weak, as some unscrupulous individuals continue to violate it. It is also frustrating that not even the Consumer Act of the Philippines can shake their nerves, which likewise prohibits the sale of illegally slaughtered meat.

No less than the Department of Health (DOH) has issued the public warning against eating *botcha*. When consuming the meat of deceased animals, specifically pork, people could develop illnesses which may sometimes result in death. The most immediate effects of eating *botcha* would be vomiting and diarrhea—the tell-tale signs of food poisoning. There is also the potential *sepsis* or blood infection. Additionally, worms from pork meat can enter our brains which can cause seizures that could lead to death.

During the conduct of the Committee's public hearings, it was revealed that some meat traders have become quite creative so that they may pass off *botcha* as freshly slaughtered meat. For example, to remove the foul odor of *botcha* and restore the meat's reddish color, they soak it in *tawas* overnight. Some cook whole *botcha* pigs into *lechon*. I was informed that many of those in the *lechon* business for years were affected, which resulted in poor sales even during the holidays last year. Still, others chop into little pieces *botcha* parts, like internal organs, and turn them into *sisig* and processed foods like hotdogs, *tocino*, *longganisa*, *embotido*, and ham. Imagine the bravado of these people going to great lengths just so they can get maximum gains for minimal investment, at the expense of our meat-consuming public.

At this point, I have the honor to present Senate Bill No. 2746 under Committee Report No. 21 in keeping with the State's policy to protect and promote the right to health of the people and instill health consciousness among them. It is based on this fundamental principle that I put forward Senate Bill No. 2746 that will greatly impact on public welfare. This proposed legislation will reinforce further the earlier directive of the DA to guide persons and entities

engaged in the handling and sale of frozen meat and meat products in the markets. Administrative Order No. 22, which was issued last December, calls for the mandatory labeling of imported meat products by foreign traders.

Senate Bill No. 2746 highlights three salient points. *First*, the importance of meat labeling. We have to make sure that all meat sold in our markets are fit for human consumption. That means "meat that was passed and appropriately branded by meat inspectors as safe and wholesome and in which no changes due to disease, decomposition or contamination have subsequently been found." On the screen, we are shown an image of a sample brand which should appear on specific areas of an animal carcass during proper inspection.

*Second*, increased coordination between NMIS and local government units (LGUs). Admittedly, NMIS is undermanned. With only 311 personnel to manage 1,500 slaughterhouses all over the country, the work could be overwhelming. It goes without saying that additional personnel would entail funding, which may be uncertain at this point. However, LGUs can effectively supply the personnel that NMIS lacks to launch a concerted effort against the sale and transport of *botcha*.

*Third*, tougher penalties for offenders selling and transporting *botcha*. Despite aggressive joint market raids conducted by NMIS, local officials and the police, those arrested are able to elude criminal liability since the penalties stipulated in the old law is paltry compared to their substantial earnings. The proposed bill sets a minimum of P50,000 from the previous requirement of P1,000 to P10,000. Moreover, the period of imprisonment for offenders is increased from the old law's two (2) months to one (1) year to a minimum of six (6) months to a maximum of two (2) years in the proposed bill.

The people's health is the State's primary concern. We cannot expect our nation to function properly if its people are unhealthy. Having said that, I respectfully submit this proposed legislation for the Chamber's collective deliberation and approval.

#### SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2746

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

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## SPECIAL ORDER

Upon motion of Senator Sotto, there being no objection, the Chair transferred Committee Report No. 22 on Senate Bill No. 2747 from the Calendar for Ordinary Business to the Calendar for Special Orders.

### COMMITTEE REPORT NO. 22 ON SENATE BILL NO. 2747

Upon motion of Senator Sotto, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2747 (Committee Report No. 22), entitled

#### AN ACT INSTITUTIONALIZING CORPORATE SOCIAL RESPONSIBILITY AMONG TAX PAYERS AND PROVIDING INCENTIVES THEREFOR.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Sotto, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

Thereupon, the Chair recognized Senator Villar for the sponsorship.

### SPONSORSHIP SPEECH OF SENATOR VILLAR

Senator Villar presented for the Body's consideration Senate Bill No. 2747 and proceeded to deliver his sponsorship speech, as follows:

Let us be reminded by the saying: "Give and it shall be returned to you a hundredfold."

This is the evolving concept from which the Corporate Social Responsibility (CSR) bill sprung—the virtue of giving back.

For the longest years, capitalism has driven our economy. Businesses are measured by the bottom line—whether they report a profit or a loss. In the new millennium, however, consumers, investors and employees alike are beginning to be more discerning. They have started to judge these enterprises according to their corporate morality. And this is mainly caused by the people's realization that everybody is intertwined. People cannot solely depend upon the government to do everything for them. Each person or entity has a role to play.

Clearly, the daunting task of bridging the gap between the haves and the have-nots cannot and should not be dependent upon the government alone. People or entities with considerable wealth should freely channel resources to an array of programs and activities that will improve the community that surrounds them.

Thus, the materialization of this bill. We shall now outline the bill's most significant features:

#### 1) *Tax Incentives*

By virtue of the CSR bill, a corporation may be given a chance to deduct reasonable CSR-related expense from taxable income. The grant of this incentive is actually twofold: first, admittedly, there are already established corporations that involve themselves voluntarily with CSR activities. Hence, we want to reward these philanthropic deeds. Second, we want more companies to embrace CSR. By granting an incentive, we are hopeful that more corporations will be willing to embrace CSR.

#### 2) *Preferred Related Activities*

Corollary to the incentives, however, we want to ensure that there is optimal use of these funds. As such, these expenses shall be directed to related activities as provided for by law or the regulations which should be parallel to the goals of the government. These activities are as follows: charitable; scientific; youth and sports development; cultural or educational purpose; services to veterans and senior citizens; social welfare; environmental sustainability; health; and disaster relief and assistance.

This way, the corporations' CSR activities will in some way complement the government's goal as delineated in whatever policy it may choose.

#### 3) *Mandatory Allocation of Net Income for CSR Activities*

Also, the CSR bill makes it mandatory for "large taxpayers," as defined by the National Internal Revenue Code and as identified by the Bureau of Internal Revenue (BIR), to allocate a reasonable percentage of their net income to CSR.

At present, there are 1,376 identified large taxpayers. From these large taxpayers, the BIR collects over 60% of its taxes each year—this is reportedly worth P439 billion in taxes.

In recent developments, particularly the issuance of BIR Revenue Regulations 17-2010 last November 26, the BIR reported that the large

taxpayer base is expected to double and is hoped to account for 80% to 85% of collections. In fact, the BIR Large Taxpayers Service is tasked to collect P485.15 billion of the BIR's P860.4 billion goal for the year.

Therefore, we are looking at, at least, 2,000 large taxpayer corporations mandated to involve themselves in CSR activities.

#### 4) *Reporting*

Finally, the bill provides for a reporting requirement. The large taxpayers will be required to submit, as part of their annual report to the SEC, the list of activities relative to their Corporate Social Responsibility. The SEC shall be the principal repository of all public records relating to CSR.

#### **Conclusion**

In conclusion, the CSR bill aims to institutionalize Corporate Social Responsibility among the identified large taxpayers. Based on the assumption that these corporations are partners of the government in nation-building, the CSR activities are expected to complement the government's goal or policies, whether short-term or long-term. On this note, we earnestly hope for the favorable action by this august Body on this measure.

### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2747**

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

### **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 AND 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 individual amendments.

Thereupon, the Chair recognized Senator Drilon, Sponsor of the measure, and Senator Sotto for the individual amendments proposed by Senator Defensor Santiago.

### **DEFENSOR SANTIAGO AMENDMENTS**

As proposed by Senator Sotto on behalf of Senator Defensor Santiago, and accepted by the Sponsor, there being no objection, the Body approved the following editorial amendments, one after the other:

1. Insert Section 5(f), which is found on page 8, line 2, after the existing Section 5(c) on page 6A, line 32;
2. Insert Section 5(g), which is found on page 8, line 7, after the existing Section 5(d) on page 7, line 3;

#### *Page 7*

3. On lines 9 to 20, insert the word **WHETHER** before the article "The" in each subparagraphs 1 to 4;
4. On line 12, delete the acronym **GOCC's**, and between the words "purpose" and "duplicate," insert **FOR WHICH THE GOCC WAS CREATED**;
5. On lines 15 to 19, reword the third standard to read: **WHETHER THE GOCC NO LONGER PRODUCES THE DESIRED OUTCOMES OR NO LONGER ACHIEVES THE OBJECTIVES AND PURPOSES FOR WHICH IT WAS ORIGINALLY DESIGNED AND IMPLEMENTED, AND/OR IS NO LONGER COST-EFFICIENT AND NO LONGER GENERATES THE LEVEL OF SOCIAL, PHYSICAL AND ECONOMIC RETURNS VIS-A-VIS THE RESOURCE INPUTS**;
6. On line 20, insert a comma (,) before and after the words "in fact,"

#### *Page 8*

7. On line 9, insert a comma (,) after the acronym "GOCCs" and replace the word "set" with **ESTABLISHED**;

#### *Page 10A*

8. On line 35, insert a comma (,) after the acronym "GOCCs;"

**Page 11**

9. On line 1, insert a comma (,) after the word "therefrom;"
10. On line 4, amend lines 4 to 9 to read:

SECTION 12. *POSITION TITLES AND SALARY GRADES.* – THE GCG SHALL DETERMINE AND DRAFT A COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) WHICH, UPON THE APPROVAL OF THE PRESIDENT, SHALL ALLOCATE TO ALL POSITIONS THEIR PROPER POSITION TITLES AND SALARY GRADES IN ACCORDANCE WITH AN INDEX OF OCCUPATIONAL SERVICES, POSITION TITLES AND SALARY GRADES, LIKEWISE TO BE PREPARED BY THE GCG AND APPROVED BY THE PRESIDENT.

**Page 13**

11. On line 9, insert a comma (,) after the word "determine;"
12. On line 12, before the word "shortlist," insert NUMBER OF NOMINEES IN THE;
13. Transpose the phrase "by at least fifty percent (50%)" to the end of the sentence;
14. On line 32, before the article "The," insert the phrase ANY PROVISION IN.

Senator Drifon said that the Section would have to be adjusted in accordance with the March 15, 2011 version of the bill.

**OSMEÑA AMENDMENTS**

As proposed by Senator Osmeña and accepted by the Sponsor, there being no objection, the Body approved the following amendments, one after the other:

**Page 17**

1. Reword lines 4d to 4e to read:

SECTION 25. *FULL DISCLOSURE.* – ALL GOCCS SHALL MAINTAIN A WEBSITE AND POST THEREIN FOR UNRESTRICTED PUBLIC ACCESS:

2. On line 4f, after the word "THEIR," insert LATEST;
3. On line 4i, insert two new subparagraphs to read:

(B) AUDITED FINANCIAL STATEMENT FOR THE IMMEDIATE PAST TEN (10) YEARS;

- (C) QUARTERLY, ANNUAL REPORTS AND TRIAL BALANCE;
4. Reletter the subsequent subparagraphs accordingly;
5. On the new subparagraph (D), insert the word CURRENT before the word "CORPORATE;"
6. Reword the new subparagraph (E) to read:
 

COMPLETE COMPENSATION PACKAGE OF ALL THE BOARD MEMBERS AND OFFICERS, INCLUDING TRAVEL, REPRESENTATION AND ANY OTHER FORM OF EXPENSES OR ALLOWANCES;
7. On the new subparagraph (I), replace the word "TOTAL" with ALL;
8. On line 5, insert a new Section 26 to read:

SECTION 26. *INDEPENDENT AUDIT.* – THE THIRTY (30) GOCCS WITH THE HIGHEST TOTAL ASSETS SHALL BE SUBJECT TO PERIODIC AUDIT BY INDEPENDENT AUDITORS. THE PERIODIC AUDIT SHALL AT THE MINIMUM MAKE A DETERMINATION WHETHER:

1. THE ACCOUNTING RECORDS OF THE GOCC ARE COMPLETE AND ACCURATE AND PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND STANDARDS; AND
2. THE STATEMENTS PREPARED FROM THE ACCOUNTS PRESENT FAIRLY AND COMPREHENSIVELY THE GOCC'S FINANCIAL POSITION AND THE RESULTS OF ITS FINANCIAL OPERATIONS.

AS MAY BE NECESSARY OR CONVENIENT TO PERFORM THE GCG'S FUNCTIONS, THE CHAIRMAN OF THE GCG MAY DIRECT AT ANY TIME:

1. A SPECIAL AUDIT OF ANY OF THE TOP GOCCS FOR ANY SPECIFIC AUDIT FOR ANY PURPOSE; OR
2. A REGULAR AUDIT OR SPECIFIC AUDIT FOR ANY PURPOSE OF ANY OTHER GOCC.

THE INDEPENDENT AUDITOR PERFORMING THE AUDIT OF A GOCC SHALL BE SELECTED BY THE CHAIRMAN OF THE GCG FROM AMONG THE TOP FIVE ACCOUNTING AND AUDITING FIRMS IN THE COUNTRY.

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## REQUEST OF SENATOR DRILON

Senator Drilon asked that the Secretariat be authorized to renumber the sections and subsections consistent with the amendments that were approved by the Body.

## ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Sotto acknowledged the presence of Mayor Lani Cayetano of Taguig City and Mayor Joey Medina of Pateros.

The Senate President Pro Tempore welcomed the guests to the Senate.

## INQUIRIES OF SENATOR CAYETANO (A)

Preliminarily, Senator Cayetano (A) commended Senator Drilon for being at the forefront of the battle against the abuses of the GOCCs, noting that Senator Drilon, together with his staff, almost single-handedly researched all these abuses.

Senator Cayetano (A) pointed out that in the event of reorganization in the government, a particular position can only be abolished if it is unoccupied, and in case the position is occupied, the public official may be removed from office only for cause. He noted that there is a provision in Senate Bill No. 2640 which states that "Any provision of law to the contrary notwithstanding, all incumbent CEOs and APPOINTIVE members of the Board of GOCCs shall, upon approval of this Act, have a term of office until July 1, 2011 or until their successors shall have been appointed, or unless sooner replaced by the President." He asked whether the officials concerned would then be simply removed from office not for a cause and that the President would be allowed to appoint his own people.

Senator Drilon explained that out of the 157 GOCCs, 27 are chartered while 130 were formed under the Corporation Code. He stated that officers of the non-chartered GOCCs only have a one-year term. On the other hand, based on research, he discovered that there was no rhyme or reason for the terms given to the various boards of directors of the chartered GOCCs such that some would have staggered terms, while others would have terms extending to five years, two years or even three years without any rationalization. He said that as a

form of checking on the abuses of the board of directors, the bill limits the terms of office of the members of the board in the chartered GOCCS to a period of one year as practiced in private corporations. He noted that in the past, officers of some GOCCs felt confident that they would not be easily removed from office despite their abuses because they knew that they have a fixed term. He explained that it was in this context that it was provided in the bill a one-year term limit for members of the governing boards of chartered GOCCs so that there would be constant monitoring, supervision and oversight over these GOCCs. He stated that this mechanism would enable the Chief Executive to check on the behavior of the members of the board. He added that a holdover provision was included in the bill because there could be instances when the members of the board of directors cannot be replaced immediately.

As regards the issue of the present terms of GOCC board members, Senator Cayetano (A) believed that the terms were so arranged for a specific purpose. He said that businessmen who are negotiating with board members of GOCCs like the BCDA and PNOC would want to know that these officers have a fixed term, especially so because in the Philippines contracts are sometimes as good as the person they are dealing with. Hence, he said, businessmen want some semblance of stability and some commitment before entering into contracts. He feared that multinational corporations would be wary of negotiating with board members of a GOCC who have a very short term, knowing fully well that negotiations can extend beyond a year. He recalled that right before the presidential elections last year, conservative businessmen opted to wait for the new president but the more daring ones with strong political connections were able to corner contracts from the outgoing Administration.

In addition, Senator Cayetano (A) pointed out that commissioners of constitutional bodies and even the senators have staggered terms to ensure continuity and to preserve institutional memory. He argued that staggered terms for board members would be favorable to a GOCC, whose projects have gestation periods, because it would ensure continuity even if some of the board members were suddenly replaced.

The problem with a one-year term, Senator Cayetano (A) argued, is that powerful people behind the appointments of directors to the board can

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threaten the latter if they failed to do the former's bidding. He pointed out that even during the Arroyo administration that everyone believed wheeled and dealt with everything and anything under the sun, the five or six-year term limits served some GOCCs well. He agreed that a one-year term would be good in terms of holding the directors accountable to the President but, he cautioned, the directors would be vulnerable to meddling from some quarters.

Senator Drilon explained that the purpose of the bill is precisely to professionalize the management of the GOCC boards, and he believed that gone will be the days when politicians can threaten the board members. Precisely, he said, there are safeguards in the bill, for instance, the directors can only be selected from a short list that the GCG would submit to the President; and to get in the short list, the nominees should qualify under the Fit and Proper Rule. He added that the Committee took pains to isolate the GOCCs from political maneuverings. He stated that the policies of a GOCC are set by the board but their execution or implementation would be done by a professional management staff, therefore, those with contracts with the GOCC should not worry about any change in the board.

In addition, Senator Drilon pointed out that in private corporations, the directors have a one-year term but fears of instability have not been raised precisely because the corporations have professional boards with directors who qualified under the Fit and Proper Rule.

As far as continuity is concerned, Senator Drilon said that GOCCs, which were created by laws, usually, and in most instances, have *ex officio* members who are also department secretaries. He pointed out that in all private corporations, the one-year term is the rule and investors are aware of it. And yet, he noted, investors continue to do business with the corporations because they know that stability is being provided by the professional management group. This, he said, is the same concept being pushed in the bill.

Senator Cayetano (A) feared that with a one-year term and a super body like a GCG, the proposed Act would be creating a body that can completely manipulate the GOCCs.

As regards the Fit and Proper Rule, Senator Cayetano (A) asserted that it can be put in place

even without the GCG and the one-year term limit by simply mandating in the law the qualifications and standards for all board members. He believed that the government should do away with the practice of paying past favors by recommending people to whom politicians are beholden and who, in turn, tend to do their patrons' biddings. He stated that putting good people in the boards would ensure that the objectives of the bill would be met. He stressed that the legislators should also look into potential abuses under the law.

Senator Drilon stressed that all studies undertaken on GOCCs had recommended an oversight body and that, in fact, an executive order issued in 1984 established the Government Corporate Monitoring Coordinating Committee, in response to the need for a central monitoring body to oversee the GOCCs.

#### SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

*It was 5:53 p.m.*

#### RESUMPTION OF SESSION

At 7:03 p.m., the session was resumed.

#### REMARKS OF SENATOR CAYETANO (A)

Senator Cayetano (A) sought assurance that the GCG would truly be a reformist body rather than its opposite particularly as there is a difference in the operation of such an entity in the private and public sectors. He noted that in the private sector, it is the stockholders who elect the board of directors. He pointed out that the "fit-and-proper" rule does not apply in the private sector because the company owner would naturally appoint competent board members who would help him earn money. On the other hand, he believed that it would be more difficult to determine the accountability of such an organization in the public sector. Moreover, he doubted whether the GCG would be qualified to represent the Filipino people as recent experience would show that even GOCCs have abused the public by giving their directors fat bonuses and allowances.

Senator Cayetano (A) explained that he intended to propose safeguards to ensure that the GCG would

actually monitor and exercise ownership rights in behalf of the Filipino people rather than use its authority to control the directors of the GOCCs. He expressed concern over the fact that the GCG would not only nominate the directors of the GOCCs and evaluate their performance but could even file cases against the same. He believed that with such broad powers, the GCG could manipulate board members of these GOCCs to favor suppliers, contractors or businessmen or even threaten them with replacement. As such, he suggested that the bill be amended in such a way that the GCG would not have the power to recommend the appointees of these GOCCs to the President.

### ARROYO AMENDMENTS

As proposed by Senator Drilon, on behalf of Senator Arroyo, there being no objection, the Body approved the following amendments, one after the other:

1. On page 6A, line 26, delete the words "AND IMPOSE";
2. On page 7A, delete lines 28e to 28g;

#### Page 13

3. Delete line 3;
4. On line 2, insert a period (.) after "Philippines";
5. Delete the sentence after the period (.) on line 10 up to line 15;

#### Page 14

6. On line 11, delete the phrase "July 1, 2011 or until";
7. On line 12, as modified by Senators Osmeña and Drilon, delete the phrase "or unless sooner replaced";
8. As modified by Senator Osmeña, amend the first sentence of Section 21 (*The Chief Executive Officer of the GOCC*) to read: THE CHIEF EXECUTIVE OFFICER (CEO), AS PROVIDED IN THE CHARTERS OF THE GOCCs, SHALL BE NOMINATED BY THE PRESIDENT.

Senator Drilon stated that the formal act of electing the CEO should nevertheless take place even if the Board could not elect anyone else except the nominee of the President.

Agreeing with the amendment and with the clarification that the "Chief Executive Officer"

refers to the highest ranking officer of the corporation who could be the president, general manager, chairman or administration, Senator Cayetano (A) recalled that the legal minds of the Arroyo administration used a Supreme Court case and the Administrative Code so that even without amending the charter, the GOCCs can reorganize and appoint a separate president and a separate chairman.

#### Page 17

9. On line 12, restore the phrase "recommendation to the President for his" by deleting the bracket (]) before the word "recommendation" and the bracket (]) after the word "his";
10. On line 16, restore the phrase "stating that the President has approved the same," by deleting the bracket (]) before the word "stating" and the bracket (]) after the word "same"; and
11. On page 17A, delete lines 26 to 26f.

### INQUIRY OF SENATOR CAYETANO (A)

Asked by Senator Cayetano (A) whether the provisions of the Corporation Code and the respective charters of the GOCCs which were adverted to in Section 30, insofar as they are not inconsistent with the proposed Act, shall apply suppletorily in the event of intra-GOCCs disputes, Senator Drilon replied in the affirmative.

### TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

There being no other individual amendment, upon motion of Senator Sotto, there being no objection, the Body closed the period of individual amendments.

### APPROVAL OF SENATE BILL NO. 2640 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2640 was approved on Second Reading.

### SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2640

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




**ADJOURNMENT OF SESSION**

Upon motion of Senator Sotto, there being no objection, the President Pro Tempore declared the session adjourned until three o'clock in the afternoon of Monday, March 21, 2011.

*It was 7:24 p.m.*

I hereby certify to the correctness of the foregoing.

  
EMMA LIRIO REYES  
Secretary of the Senate

Approved on March 21, 2011 