



REPUBLIC OF THE PHILIPPINES  
**Senate**  
Pasay City

# Journal

**SESSION NO. 67**

Tuesday, May 6, 2014

**SIXTEENTH CONGRESS  
FIRST REGULAR SESSION**

**SESSION NO. 67**  
Tuesday, May 6, 2014

**CALL TO ORDER**

At 3:04 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

**PRAYER**

Sen. Ramon "Bong" Revilla Jr. led the prayer, to wit:

Our most Gracious Heavenly Father,

We thank You for this day. We seek Your presence and guidance to come and fill this hall with Your love, Your grace and Your wisdom and Your unending mercy, as we continue to fulfill our mandates to the people. Lord, now we humbly come to You and ask You to show us Your ways and guide us in truth.

Jeremiah 29:11 says, "For I know the plans I have for you," declares the Lord, "plans to prosper you and not to harm you, plans to give you hope and a future."

Lord, I pray that You would pour Your bountiful blessings in all our lives. That You would protect each one of us and every member of our families and keep us safe and our bodies always healthy. Make us ready for Your divine plans and the future You have been preparing for all of us.

Your word reminds us that in You we live, move and have our being. Lord Jesus, I also ask for the spirit of joy to fill every heart here today that we may have true unity and be of the same mind, having the same love for one another.

We also bless our nation, the nation of the Philippines. You said that blessed is the nation whose God is the Lord. May You always sit enthroned over our nation.

May Your loving hand bless every island of this nation from the south to the north and from the east to the west. We dedicate our nation to You.

Lastly, Lord, it is our prayer that all of us whom You have called to legislate please You in every way. That each one of us would act justly, with love and mercy, and walk humbly in Your sight. All of these we pray, in the Mighty and most precious Name of Jesus.

Amen.

**ROLL CALL**

Upon direction of the Chair, the Secretary of the Senate, Atty. Oscar G. Yabes, called the roll, to which the following senators responded:

|                       |                     |
|-----------------------|---------------------|
| Angara, S.            | Honasan, G. B.      |
| Aquino, P. B. IV B.   | Lapid, M. L. M.     |
| Binay, M. L. N. S.    | Legarda, L.         |
| Cayetano, A. P. C. S. | Osmeña III, S. R.   |
| Cayetano, P. S.       | Pimentel III, A. K. |
| Drilon, F. M.         | Poe, G.             |
| Ejercito, J. V. G.    | Recto, R. G.        |
| Enrile, J. P.         | Revilla Jr., R. B.  |
| Escudero, F. J. G.    | Sotto III, V. C.    |
| Estrada, J.           | Villar, C. A.       |

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With 20 senators present, the Chair declared the presence of a quorum.

Senator Marcos arrived after the roll call.

Senator Trillanes was on official mission abroad.

Senator Defensor Santiago was on sick leave.

Senator Guingona was absent.

#### **APPROVAL OF THE JOURNAL**

Upon motion of Senator Cayetano (A), there being no objection, the Body dispensed with the reading of the Journal of Session No. 66 (May 05, 2014) and considered it approved.

#### **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. 2190, entitled

AN ACT VESTING UPON CONGRESS THE SOLE POWER TO CREATE BARANGAYS, AMENDING FOR THIS PURPOSE SECTIONS 6, 285 AND 385 OF REPUBLIC ACT 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AND FOR OTHER PURPOSES

Introduced by Senator Marcos Jr.

**To the Committees on Local Government; and Finance**

Senate Bill No. 2191, entitled

AN ACT ESTABLISHING A HEALTH AND EDUCATION GRANT PROGRAM RELATED TO AUTISM SPECTRUM DISORDERS

Introduced by Senator Defensor Santiago

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

Senate Bill No. 2192, entitled

AN ACT TO PROMOTE THE PRODUCTION, PROCESSING, MARKETING AND DISTRIBUTION OF PHILIPPINE MANGOES, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Lapid

**To the Committees on Agriculture and Food; Trade, Commerce and Entrepreneurship; and Finance**

Senate Bill No. 2193, entitled

AN ACT STRENGTHENING THE PRODUCTIVITY INCENTIVES ACT OF 1990

Introduced by Senator Ejercito Estrada

**To the Committees on Labor, Employment and Human Resources Development; and Ways and Means**

Senate Bill No. 2194, entitled

AN ACT AMENDING BATAS PAMBANSA BLG. 68 OR THE CORPORATION CODE OF THE PHILIPPINES

Introduced by Senator Sonny Angara

**To the Committee on Trade, Commerce and Entrepreneurship**

#### **RESOLUTIONS**

Proposed Senate Resolution No. 601, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED NEED TO ADDRESS THE INCREASING NUMBER OF COMPLAINTS AGAINST AIR CARRIERS, ESPECIALLY FOR CANCELLED FLIGHTS AND DELAYED REFUNDS

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Introduced by Senator Defensor Santiago

**To the Committee on Public Services**

Proposed Senate Resolution No. 602, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE WORLD BANK REPORT THAT THE PHILIPPINES DID NOT MEET ITS RICE POLICY OBJECTIVE

Introduced by Senator Defensor Santiago

**To the Committee on Agriculture and Food**

Proposed Senate Resolution No. 603, entitled:

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED ANOMALOUS BIDDING CONDUCTED BY OFFICIALS OF THE NATIONAL IRRIGATION ADMINISTRATION IN THE PROVINCE OF ISABELA

Introduced by Senator Defensor Santiago

**To the Committee on Accountability of Public Officers and Investigations**

Proposed Senate Resolution No. 604, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT THE LEGAL SYSTEM IN MANY COUNTRIES, INCLUDING THE PHILIPPINES, COULD NOT REACT FAST ENOUGH TO THE EMERGENCE OF ILLEGAL SYNTHETIC DRUGS IN ASIA

Introduced by Senator Defensor Santiago

**To the Committee on Public Order and Dangerous Drugs**

Proposed Senate Resolution No. 605, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE FOOD AND DRUG ADMINISTRATION (FDA) REPORT THAT CERTAIN FOOD PRODUCTS WERE SOLD AND ILLEGALLY REPACKED WITHOUT APPROPRIATE LABELS IN THE CITY OF VALENZUELA

Introduced by Senator Defensor Santiago

**To the Committees on Health and Demography; and Trade, Commerce and Entrepreneurship**

Proposed Senate Resolution No. 606, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT MOST FILIPINOS HAVE VITAMIN D DEFICIENCY

Introduced by Senator Defensor Santiago

**To the Committee on Health and Demography**

Proposed Senate Resolution No. 607, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT THE PHILIPPINES IS THE MOST DANGEROUS PLACE FOR ENVIRONMENTAL ACTIVISTS IN ASIA

Introduced by Senator Defensor Santiago

**To the Committees on Justice and Human Rights; and Public Order and Dangerous Drugs**

Proposed Senate Resolution No. 608, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID

OF LEGISLATION, ON THE REPORT THAT SOME LOCAL OVERSEAS EMPLOYMENT AGENCIES ARE INVOLVED IN JOB SCAMS

Introduced by Senator Defensor Santiago

**To the Committee on Labor, Employment and Human Resources Development**

Proposed Senate Resolution No. 609, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT UNREGISTERED EYE DROPS ARE BEING SOLD IN THE MARKET

Introduced by Senator Defensor Santiago

**To the Committees on Health and Demography; and Trade Commerce, and Entrepreneurship**

Proposed Senate Resolution No. 610, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT SOME SWIMMING FLOATS CONTAIN TOXIC CHEMICALS

Introduced by Senator Defensor Santiago

**To the Committees on Health and Demography; and Trade, Commerce and Entrepreneurship**

Proposed Senate Resolution No. 611, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED RISE OF AUTISM CASES IN THE PHILIPPINES

Introduced by Senator Defensor Santiago

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

Proposed Senate Resolution No. 612, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED DROUGHT EXPERIENCED IN THE PROVINCES OF KALINGA, IFUGAO, AND MOUNTAIN PROVINCE THAT HAS DAMAGED HALF A BILLION PESOS WORTH OF CROPS

Introduced by Senator Defensor Santiago

**To the Committees on Agriculture and Food; and Climate Change**

Proposed Senate Resolution No. 613, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT LEAD PAINT USED ON RELIGIOUS SCULPTURES POSE SERIOUS HEALTH RISKS

Introduced by Senator Defensor Santiago

**To the Committee on Health and Demography**

Proposed Senate Resolution No. 614, entitled

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE WORLD HEALTH ORGANIZATION'S RECOMMENDATIONS IN PREVENTING VECTOR-BORNE DISEASES

Introduced by Senator Defensor Santiago

**To the Committee on Health and Demography**

Proposed Senate Resolution No. 615, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES AND OTHER APPROPRIATE SENATE

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COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATUS OF MANILA BAY SIX YEARS AFTER THE SUPREME COURT ISSUED THE WRIT OF CONTINUING MANDAMUS DIRECTING 11 EXECUTIVE DEPARTMENTS AND AGENCIES TO RESTORE ITS WATERS TO CLASS "B"LEVEL

Introduced by Senator Lapid

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

Proposed Senate Resolution No. 616, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON HEALTH AND DEMOGRAPHY AND OTHER APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PREPAREDNESS OF THE PHILIPPINES TO FACE THE DEADLY MIDDLE EAST RESPIRATORY SYNDROME CORONAVIRUS, MORE POPULARLY KNOWN AS THE MERS CORONAVIRUS

Introduced by Senator Lapid

**To the Committee on Health and Demography**

Proposed Senate Resolution No. 617, entitled

RESOLUTION CONGRATULATING AND COMMENDING GMA NETWORK, INC. FOR ITS RECOGNITION AS AN INTERNATIONAL AWARDEE OF THE UNIVERSITY OF GEORGIA'S 73<sup>rd</sup> ANNUAL GEORGE FOSTER PEABODY AWARDS FOR ITS COVERAGE OF THE ASSAULT AND AFTERMATH OF SUPERTYPHOON YOLANDA (HAIYAN)

Introduced by Senator Lapid

**To the Committee on Rules**

Proposed Senate Resolution No. 618, entitled

RESOLUTION EXPRESSING PROFOUND SYMPATHY AND CONDOLENCES TO THE REPUBLIC OF KOREA FOR THE TRAGIC LOSS OF SOME 190 LIVES WHEN SOUTH KOREAN VESSEL MV SEWOL CAPSIZED ON 16 APRIL 2014 OFF THE COAST OF GWANMAEDO ISLAND, SOUTH KOREA

Introduced by Senator Lapid

**To the Committee on Rules**

Proposed Senate Resolution No. 619, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE GOVERNMENT'S ALLEGED POOR PERFORMANCE IN THE AUDIT BY THE EUROPEAN UNION – EUROPEAN MARITIME SAFETY AGENCY (EMSA) IN RELATION TO THE STATUS OF MARITIME INDUSTRY IN THE PHILIPPINES, SPECIFICALLY ON THE MARITIME SAFETY AND EDUCATION STANDARDS

Introduced by Senator Ejercito Estrada

**To the Committee on Public Services**

Proposed Senate Resolution No. 620, entitled

RESOLUTION DIRECTING THE COMMITTEE ON TRADE, COMMERCE AND ENTREPRENEURSHIP TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE IMPACT OF SLOW AND EXPENSIVE INTERNET CONNECTION PROVIDED TO CONSUMERS WHICH ADVERSELY AFFECTS EASE OF DOING BUSINESS IN THE PHILIPPINES AND ADVANCEMENT OF TELECOMMUNICATIONS SERVICES AND FACILITIES IN ALL AREAS OF THE COUNTRY

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Introduced by Senator Paolo Benigno "Bam"  
Aquino IV

**To the Committees on Trade, Commerce  
and Entrepreneurship; and Public Services**

Proposed Senate Resolution No. 621, entitled

RESOLUTION DIRECTING THE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS AND CURRENCIES TO INVESTIGATE, IN AID OF LEGISLATION, THE DEVASTATING FINANCIAL LOSSES SUFFERED BY DEPOSITORS OF A CLOSED BANK, WITH A VIEW TO ENACTING LEGISLATION THAT WOULD ADEQUATELY PROTECT THE INTERESTS OF THE DEPOSITING PUBLIC

Introduced by Senator Sonny Angara

**To the Committee on Banks, Financial  
Institutions and Currencies**

Proposed Senate Resolution No. 622, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENERGY TO LOOK INTO THE STATUS OF IMPLEMENTATION OF OUR COUNTRY'S POWER DEVELOPMENT PROGRAM AND NATIONAL ENERGY PLAN UNDER REPUBLIC ACT NO. 7638, OTHERWISE KNOWN AS THE DEPARTMENT OF ENERGY ACT OF 1992, IN RELATION TO OTHER EXISTING LAWS, AND TO CONVENE THE JOINT CONGRESSIONAL POWER COMMISSION FOR THE PURPOSE OF REPORTING TO THE FILIPINO PEOPLE ABOUT THE OVERALL STATE OF THE ENERGY INFRASTRUCTURE SYSTEM OF THE PHILIPPINES, AND FOR OTHER PURPOSES

Introduced by Senator Marcos Jr.

**To the Committee on Energy**

Proposed Senate Resolution No. 623, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON NATIONAL DEFENSE AND SECURITY TO INQUIRE AND LOOK INTO, IN AID OF LEGISLATION, THE ENHANCED DEFENSE COOPERATION AGREEMENT (EDCA) RECENTLY SIGNED BY THE PHILIPPINES AND THE UNITED STATES OF AMERICA, TO CLARIFY THE CONTENTS AND COVERAGE THEREOF AND TO EXAMINE THE EXTENT OF THE STRATEGIC MILITARY RELATIONSHIP BETWEEN THE US AND RP UNDER THE SAID AGREEMENT

Introduced by Senator Trillanes IV

**To the Committees on National Defense  
and Security; and Foreign Relations**

#### COMMUNICATIONS

Letter from the *Bangko Sentral ng Pilipinas*, submitting to the Senate the *2013 BSP Annual Report*, pursuant to Section 40, Chapter I, Article V of the New Central Bank Act (R.A. No. 7653);

and the *Report on Economic and Financial Developments in the Philippines, Fourth Quarter 2013*, pursuant to Section 39(a), Chapter I, Article V of the New Central Bank Act (R.A. No. 7653).

**To the Committee on Banks, Financial  
Institutions and Currencies**

#### ADDITIONAL REFERENCE OF BUSINESS

##### BILLS ON FIRST READING

Senate Bill No. 2195, entitled

AN ACT CREATING THE AKLAN AIRPORT AUTHORITY, AND FOR OTHER PURPOSES

Introduced by Senator Ejercito Estrada

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**To the Committees on Government Corporations and Public Enterprises; Public Services; and Finance**

Senate Bill No. 2196, entitled

AN ACT FIXING THE RATES OF INTEREST UPON LOANS AND FORBEARANCES BY AMENDING CERTAIN SECTIONS OF ACT NUMBER TWENTY SIX HUNDRED AND FIFTY FIVE (ACT NO. 2655), AS AMENDED

Introduced by Senator Ejercito Estrada

**To the Committee on Banks, Financial Institutions and Currencies**

Senate Bill No. 2197, entitled

AN ACT EXPANDING THE PROHIBITED ACTS OF DISCRIMINATION AGAINST WOMEN ON ACCOUNT OF SEX, AMENDING FOR THE PURPOSE ARTICLES 135 AND 137 OF P.D. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

Introduced by Senator Ejercito Estrada

**To the Committees on Labor, Employment and Human Resources Development; and Women, Family Relations and Gender Equality**

Senate Bill No. 2198, entitled

AN ACT ADDRESSING THE SYSTEM OF PROSTITUTION, IMPOSING PENALTIES ON ITS PERPETRATORS, PROVIDING PROTECTIVE MEASURES AND SUPPORT SERVICES FOR ITS VICTIMS, AND DECRIMINALIZING VAGRANCY, REPEALING FOR THE PURPOSE ARTICLES 202 AND 341 OF THE REVISED PENAL CODE AND AMENDING R.A. 9208, AND FOR OTHER PURPOSES

Introduced by Senator Ejercito Estrada

**To the Committees on Justice and Human Rights; Women, Family Relations and Gender Equality; and Finance**

Senate Bill No. 2199, entitled

AN ACT DEFINING THE VISION AND POLICIES OF GOVERNMENT IN THE HOUSING AND URBAN DEVELOPMENT SECTOR, CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, DEFINING ITS MANDATE, POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES

Introduced by Senator Ejercito Estrada

**To the Committees on Urban Planning, Housing and Resettlement; Civil Service and Government Reorganization; and Finance**

Senate Bill No. 2200, entitled

AN ACT PROVIDING FOR THE SUSTAINABLE MANAGEMENT OF FOREST RESOURCES AND FOR OTHER PURPOSES

Introduced by Senator Ejercito Estrada

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

Senate Bill No. 2201, entitled

AN ACT PROVIDING FOR THE ARTICLES OF MILITARY JUSTICE IN THE ARMED FORCES OF THE PHILIPPINES REPEALING FOR THAT PURPOSE COMMONWEALTH ACT NUMBERED FOUR HUNDRED EIGHT, OTHERWISE KNOWN AS THE ARTICLES OF WAR, AS AMENDED, OTHER SPECIAL LAWS, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Ejercito Estrada

**To the Committees on National Defense and Security; and Finance**



## COMMITTEE REPORT

Committee Report No. 22, submitted jointly by the Committees on Government Corporations and Public Enterprises; and Public Services, on Senate Bill No. 1831, introduced by Senators Recto, Cynthia A. Villar and Escudero, entitled

AN ACT EXTENDING THE CORPORATE LIFE OF THE PHILIPPINE NATIONAL RAILWAYS FOR ANOTHER FIFTY (50) YEARS, FURTHER AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 4156, ENTITLED "AN ACT CREATING THE PHILIPPINE NATIONAL RAILWAYS, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND PROVIDING FOR THE NECESSARY FUNDS FOR ITS OPERATIONS," AS AMENDED,

recommending its approval with amendments.

Sponsors: Senators Cynthia A. Villar and Recto

**To the Calendar for Ordinary Business**

## ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Cayetano (A) acknowledged the presence in the gallery of the following guests:

- Delegates from Australia led by Ms. Georgia Goldsworthy; Mrs. Matt Ellis, Australian Labor Party; Ms. Clarabella Burley, Australian Labor Party; Mr. Evan Mulholland, Liberal Party of Australia; Mr. Lanchlan McNaughton, Liberal Party of Australia; Mr. Chris Daffey, the Nationals; and Ms. Lauren Barons, Council Representative;
- Students from Central Luzon State University's Department of Political Science and Philippine History from the Science City of Muñoz, Nueva Ecija, led by Professors Floresca, Manangan, Parico and Reyes; and
- Director Jeremy Barns, Assistant Director Ana Labrador, and Ms. Mita Rufino from the National Museum;
- Cholo Hidalgo Laurel; and
- Director Brillante Mendoza

The Senate President welcomed the guests to the Senate.

## SUSPENSION OF SESSION

With the permission of the Body, the Chair suspended the session.

*It was 3:24 p.m.*

## RESUMPTION OF SESSION

At 3:24 p.m., the session was resumed.

## PRIVILEGE SPEECH OF SENATOR LEGARDA

Availing herself of the privilege hour, Senator Legarda delivered the following speech in commemoration of the National Heritage Month and to give importance to the country's heritage, arts and culture:

On November 19, 2013, we warmly received the news that the Philippines has won a seat in the UNESCO World Heritage Committee. It was certainly great news especially after the unfortunate earthquake that damaged several of our heritage churches in Bohol.

This successful election could have been triggered by several achievements in the country's heritage conservation programs, among other factors.

The year 2012 saw the removal of the Rice Terraces of the Cordilleras from the UNESCO List of World Heritage in Danger following serious efforts to preserve and manage the once-threatened treasure.

It was also in 2012 when the Tubbataha Reefs Natural Park Act was recognized by the World Future Council as a model policy for marine conservation while the Historic City of Vigan was awarded the Best Practice for World Heritage Site Management by the UNESCO.

*These recognitions prove that we can successfully preserve our heritage and that our efforts can even become models for other nations to follow. But I also wish to highlight the fact that for a nation that is overflowing with both tangible and intangible masterpieces as well as natural and man-made heritage, we still have to work harder to promote and preserve these cultural wonders.*

The National Commission for Culture and the Arts (NCCA) has been spearheading programs

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for the conservation of cultural heritage, particularly in developing cultural industries, undertaking research and documenting indigenous knowledge systems, agricultural practices and customary laws, supporting the enrichment of festivals in the country.

The NCCA's Philippine Arts Festival displays the brilliance of Filipinos in architecture, cinema, dance, literature, music, theater and visual arts while the Dayaw: Indigenous Peoples Festival gathers the ethno-linguistic groups all over the country to celebrate their culture and way of life.

It has established a program called the Schools of Living Traditions where the young learn about arts and crafts, music, oral traditions and other indigenous practices. It has also opened the NCCA Gallery for contemporary Filipino artists to exhibit their works.

The NCCA has also used the internet as a tool for the promotion of Philippine culture. It has come up with a music video and an interactive game to promote the *Sagisag Kultura ng Filipinas*, a registry of the country's cultural icons, including notable Filipino individuals, items of heritage, remarkable products of Filipino imagination and intelligence, historical sites, native flora and fauna, inventions and important researches by Filipinos.

As the primary agency of the Philippine government charged with the responsibility to preserve, develop and promote Philippine arts and culture, the NCCA creates diverse opportunities to celebrate our heritage and the artistic excellence and creativity of the Filipinos in the seven arts.

Admittedly, we need to do more and Congress has a big role in the promotion and preservation of our culture, which is a unifying, humanizing and modernizing agent of our society.

As we celebrate National Heritage Month this May, I would like to reiterate the need to establish a Department of Culture and those who helped me craft this important measure are here in this hall today, namely: the director and assistant Director of the National Museum, Director Barns and Director Labrador. They have helped us conceptualize a centralized body that will develop, manage and be responsible for the implementation of policy, legislation and strategic direction for the identification, protection, preservation, conservation, regulation and promotion of culture, as well as to foster, strengthen and accelerate the convergence of various cultural offices and agencies, and rationalize their organizations and functions.

The proposed department will be composed of the Office of the Secretary, which shall be headed by a person recognized as an accomplished culture or cultural heritage manager or advocate, or a distinguished scholar or practitioner in the fields of arts, anthropology, history, cultural diplomacy and other fields of endeavour related to culture or cultural heritage.

Five bureaus will be established within the department to focus on core areas of: protection and regulation; management and development; information, education and training; cultural institutions, industries and practitioners; and the Rizal Center or Sentro Rizal envisioned by Congress to be the Philippine counterpart to cultural networks of other nations.

For a country so rich in cultural heritage and where culture and arts are so important in the enrichment of the Filipino identity, we must have a Department of Culture to ensure that our heritage or "*pamana*," which defines our being Filipinos, must be rightfully passed on to the succeeding generations.

Amid the screaming headlines of burning political issues, which define boundaries that divide us, we must be reminded of that common identity that ultimately unites us. It is this great national pride of being Filipinos as bearers of a rich cultural patrimony. It is our cultural heritage that will help us move forward as one people.

*Mabuhay ang kalinangang Filipino!*

## **REFERRAL OF SPEECH TO COMMITTEE**

Upon motion of Senator Cayetano (A), there being no objection, the Chair referred the speech of Senator Legarda to the Committee on Education, Arts and Culture.

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

At this juncture, Senator Cayetano (A) acknowledged the presence in the gallery of the following guests:

- Officers of Metrobank Foundation namely: Mr. Chito Sobrepeña, president; Mr. Nicanor Torres Jr., executive director; Ms. Irene Labitad, senior program manager; Mr. Francis Respicio, head of Corporate Communications Unit; Mr. Lean Carlo Luis Ipac, senior program staff of

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the Education Unit; Ms. Aileen Vallesteros, Head of Corporate Communications; Ms. Kathleen Jilliane Lanuza, officer, Corporate Communications; and

- Dr. Catherine Vistro Yu, president of TOWNS Foundation.

Senate President Drilon welcomed the guests to the Senate.

#### **PROPOSED SENATE RESOLUTION NO. 376**

With the permission of the Body, upon motion of Senator Cayetano (A), the Body considered Proposed Senate Resolution No. 376, entitled

**RESOLUTION CONGRATULATING AND COMMENDING THE 2013 AWARDEES OF "THE OUTSTANDING WOMEN IN THE NATION'S SERVICE (TOWNS)" CONFERRED BY THE METROBANK FOUNDATION, INC. AND METROBANK CARD CORPORATION,**

taking into consideration Proposed Senate Resolution No. 386.

Secretary Yabes read the text of the resolution to wit:

WHEREAS, "The Outstanding Women in the Nation's Service (TOWNS)" search is undertaken by the Metrobank Foundation, Inc. and Metrobank Card Corporation to recognize exceptional Filipino women, aged 21 to 45 years old, whose selfless contribution to society helped shape our country's future and promoted economic, social and cultural development;

WHEREAS, the award is given once every three (3) years and it has been bestowed on 149 exemplary women since the inception of the TOWNS search in 1974;

WHEREAS, the 2013 TOWNS awardees were selected from 51 nominees who went through a rigorous screening process, after which, selected finalists moved on for final judging and were interviewed by the Final Board of Judges headed by Chief Justice Maria Lourdes P. A. Sereno and composed of members: Dr. William Padolina (renowned biologist, Chairman of the Board of Euro-Med Laboratories Philippines, Inc., and former Secretary of the Department of Science and Technology), Dr.

Esperanza Cabral (former Secretary of the Department of Health and the Department of Social Welfare and Development), Lilia de Lima (PEZA Director General and Chairman of the Board), and Nestor Jardin (President of the Cinemalaya Foundation, Inc. and former President of the Cultural Center of the Philippines);

WHEREAS, the 2013 awardees for TOWNS are Kristin Karen Davila for her contribution to the media sector; Maria Rachelle Gerodias for her contribution to the performing arts; Ma. Amihan Ramolete for her contribution to the theater arts; Noraida Karim for her contribution in the sphere of social work; Eleanor Pinugu for her contribution to the field of social entrepreneurship and education; Ani Karina de Leon-Brown for her contribution to sports; Gemma Nerisma for her contribution to the field of atmospheric science; Maricor Soriano for her contribution to the field of applied physics; and Atty. Darlene Berberabe for her contribution in the sphere of government service;

WHEREAS, this year's winners will join the ranks of remarkable women honoured by the Foundation over the last 39 years and will automatically become members of TOWNS Foundation, Inc., which is a national organization "of dynamic and effective women who by their common shared activities help transform the lives of Filipinos";

WHEREAS, the Senate of the Philippines proudly joins the Metrobank Foundation, Inc. and Metrobank Card Corporation in congratulating and commending the women who have served as pillars for continuing excellence for and made deep impacts in their respective spheres of influence through the 2013 The Outstanding Women in Nation's Service award;

*RESOLVED, AS IT IS HEREBY RESOLVED,* that the Senate of the Philippines congratulates and commends the 2013 awardees of "The Outstanding Women in the Nation's Service (TOWNS)" conferred by the Metrobank Foundation, Inc. and Metrobank Card Corporation

1. Kristin Karen Davila *for Media*
2. Maria Rachelle Gerodias *for Performing Arts*
3. Ma. Amihan Ramolete *for Theater Arts*
4. Noraida Karim *for Social Work*
5. Eleanor Pinugu *for Social Entrepreneurship and Education*
6. Ani Karina de Leon-Brown *for Sports*
7. Gemma Nerisma *for Atmospheric Science*
8. Maricor Soriano *for Applied Physics*
9. Atty. Darlene Berberabe *for Government Service.*

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**ADOPTION OF PROPOSED  
SENATE RESOLUTION NO. 376**

Upon motion of Senator Cayetano (A), there being no objection, Proposed Senate Resolution No. 376, was adopted by the Body, subject to style, taking into consideration Proposed Senate Resolution No. 386.

**COAUTHORS**

Senator Cayetano (A) manifested that all senators present are coauthors of Proposed Senate Resolution No. 376.

**SUSPENSION OF SESSION**

Upon motion of Senator Cayetano (A), the session was suspended for the presentation of the resolution and to allow the senators to congratulate the awardees.

*It was 3:37 p.m.*

**RESUMPTION OF SESSION**

At 3:51 p.m., the session was resumed.

**SPECIAL ORDER**

Upon motion of Senator Cayetano (A), there being no objection, the Body approved the transfer of Committee Report No. 22 on Senate Bill No. 1831 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 22 ON  
SENATE BILL NO. 1831**

Upon motion of Senator Cayetano (A), there being no objection, the Body considered, on Second Reading, Senate Bill No. 1831 (Committee Report No. 22), entitled

**AN ACT EXTENDING THE CORPORATE LIFE OF THE PHILIPPINE NATIONAL RAILWAYS FOR ANOTHER FIFTY (50) YEARS, FURTHER AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4156, ENTITLED "AN ACT CREATING THE PHILIPPINE NATIONAL RAILWAYS, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND**

**PROVIDING FOR THE NECESSARY FUNDS FOR ITS OPERATIONS," AS AMENDED.**

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Cayetano (A), 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 submitted for the consideration of the Body Senate Bill No. 1831, with amendments, or "An Act Extending The Corporate Life Of The Philippine National Railways For Twenty Five (25) Years, And Renewable For Another Twenty Five (25) Years, Further Amending For This Purpose Republic Act No. 4156, Entitled An Act Creating the Philippine National Railways, Prescribing Its Powers, Functions and Duties, And Providing For The Necessary Funds For Its Operations, As Amended." She emphasized the urgency of the passage of Senate Bill No. 1831 considering that the PNR Charter will already expire next month – on June 19, 2014 to be specific.

*Hereunder is the full text of Senator Villar's sponsorship speech:*

The mandate of PNR is actually covered by three laws:

- The enabling law, Republic Act No. 4156, bestowed on PNR its 50 years of corporate life that began on June 20, 1964. The mandate of the law was for PNR to provide the public service of owning and operating a national rail service and related transportation system and it will serve as a corporation and instrumentality of the Philippine government.
- Republic Act No. 6366 amended the enabling law in August 1971, and among others, reiterated the role of PNR as being a part of the national government's infrastructure program.
- The third law, Presidential Decree No. 7411, was amended in 1975 which, among others, reiterated that the viability of PNR operations must be ensured by the national government to enable PNR to render the rail transport

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services for passengers and freight at the minimum prices possible.

We conducted consultation meetings and a Senate hearing on April 29, 2014, regarding this. I would like to point out that the persons or parties in attendance and concerned are in consensus that the PNR charter should be extended. They include the officers and employees of the PNR as well as representatives from the Department of Transportation and Communications (DOTC), Governance Commission for GOCCs (GCG), Department of Finance (DOF), Metro Manila Development Authority (MMDA), Local Government Units (LGUs) affected, private sector groups, among other stakeholders.

DOTC, to which PNR is attached, cited the important role of PNR in “delivering vital, safe, convenient and affordable transportation services to the Filipino people.”

We also invited the National Economic and Development Authority (NEDA). They were not able to attend the hearing, but NEDA Secretary Arsenio Balisacan sent a letter (*aide memoire*) outlining his department’s comments and position on the proposed extension of the PNR charter. NEDA supports the extension and deemed it necessary.

I would like to cite NEDA’s reasons, since it is the country’s social and economic development planning and policy coordinating body. Among the key roles of railways is to promote economic development and inclusive growth.

NEDA cites in its position paper that “Extending PNR’s corporate life, thereby extending its mandate and continuing its recent development efforts to improve, modernize and expand PNR’s railway services, is supportive of the government’s thrust in improving connectivity and efficiency among urban centers and regional growth hubs in the north-south direction across the country.”

NEDA also pointed out that “PNR is the only government instrumentality that has the mandate to provide and operate a nationwide railroad and transportation system” and that “not extending PNR’s corporate life or charter would still compel the government to find/create a new entity that will provide and operate railway services in the country inasmuch as DOTC, to which PNR is currently attached, does not have the mandate to operate such.”

More than anything, I would like to highlight that *PNR provides the cheapest mode of transportation to our people. Ang Metro Manila Commuter Line ng PNR ang nag-o-offer*

*ng pinakamurang form of transport sa mga commuters, sa halagang Php0.71 (71 centavos) kada kilometro kumpara sa jeep na dalawang piso (Php2) kada kilometro o walong piso (Php8) para sa unang apat na kilometro (ang ating minimum fare) at Php1.40 para sa mga susunod na kilometro. Sa bus naman, ang pamasaha ay dalawang piso rin kada kilometro at sampung piso (Php10) para sa unang limang kilometro at Php1.85 para sa mga susunod na kilometro. It is worth noting that PNR has not increased its fare matrix in the last 20 years.*

*Ang mas mura na lang sa pagsakay sa PNR trains ay ang pagbibisikleta at paglalakad. Kaya naman noong isang taon (2013), halos 20 milyon (19.67 million) na pasahero o 55,400 commuters daily ang kanilang naserbisyo. At ngayong taon (2014), between 80,000 to 100,000 passengers per day, ang kanilang sineserbisyo.*

According to PNR itself, “Permanent discontinuance of the commuter rails service in Metro Manila and of the anticipated rail service revival to Bicol will displace passengers who come from ‘the lowest earning C and D economic bracket’ of our country’s population.”

Moreover, as an archipelagic country, we require efficient and safe transport networks—both in land and on the sea. We need a seamless transport system to connect our main islands of Luzon, Visayas and Mindanao, plus the 7,100 more islands we have as well as to transport passengers and goods via freight movement.

Of course, a crucial component of this transportation system and requirement of the country is one of our basic modes of transport—by rail. Thus, the role of the Philippine National Railways, in this context, is crucial.

The Medium-Term Philippine Development Plan 2011-2016 recognizes the need to address the Philippines’ infrastructure backlog and cites as a priority the creation of an integrated and multimodal national transport and logistics system. For road transport, working towards a more efficient transport network will mean connecting underserved rural areas with markets in expanded logistics chains.

Internal logistics activity in the Philippines is considered to be relatively small compared to nearby Southeast Asian nations (ASEAN), and the government sees this as an opportunity to spur the growth of MSMEs (Micro, Small and Medium Enterprises) by linking them to global supply chains through better transportation and logistics infrastructure.

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Presently, PNR operates a commuter line from Tutuban to Sta. Rosa, Laguna (covering 23 stations over a stretch of 50 kilometers) and from Naga to Sipocot with route length of 35 kilometers. The long distance service to Legaspi, Bicol has been suspended in October 2012 because of damages to bridges due to typhoons. But according to PNR, they plan to resume the service by September 2014 with a test run by next month.

A seamlessly linked transport system, particularly railway, is important. Rail connectivity index is a reliable indicator or barometer of a developed economy. Route kilometers per million population are a reliable indicator of rail connectivity. Developed economies have a high rail connectivity index. How do we compare in terms of route kilometers per million population? USA, 747.4; Japan, 157.5; Malaysia, 87.6; India, 55.2; China, 45.5; and the Philippines, 5.5.

*Sa atin, we discovered na umikli pa ang route kilometers ng PNR.* The Philippines has a total of 300,000 route kilometers. In its heyday during the 1970s, so to speak, PNR is running on 1,100 route kilometers from La Union to Legaspi. Now, it is down to only 85 route kilometers from Tutuban to Sta. Rosa and from Naga to Sipocot.

As Sen. Ralph Recto pointed out in our public hearing, "the most problematic factor for doing business in the Philippines is inadequate supply of infrastructure." In a survey, 21% of respondents cited it. The other factors were corruption, 17.8%; inefficient government bureaucracy, 16.9%; and tax regulation, only 8.6%. So it is a big factor in economic competitiveness of our country.

An efficient transport network is vital. It is part of the Medium-Term Philippine Development Plan 2011 – 2016, Chapter 5 of which, on Accelerating Infrastructure Development, observes the need to have the following developed:

- A comprehensive long-term National Transport Policy, which will guide the restructuring of the transport sector into a well-coordinated and integrated multimodal transport system.
- An integrated multimodal logistics system. As an example, the Subic-Clark-Manila-Batangas (SCMB) Corridor is envisioned to become a seamless intermodal logistics corridor (ship to rail transport or rail to truck transport). The viability of establishing an efficient long-distance, high speed mass rail transit system, integrated with the mass

transit commuter rail system in Metro Manila shall be explored. The feasibility of freight – rail services for all strategic logistics corridor will also be considered.

It cannot be overemphasized that railways directly contribute to economic growth as demand for transport is directly and positively correlated to growth of gross domestic product or GDP. In developing economies, the elasticity of transport to GDP is 1.25. Meaning, a GDP growth of 9% would translate into increase in demand for transport to 11%. So, in the Philippines, if we are increasing by about 6%, the demand for transport should be about 8.5%. How much of this growth is captured by railways, however, depends on the capacity and quality of the railway infrastructure and services.

Rail services sector also provide significant employment opportunities to Filipinos. In 2010, 51.8% of the total estimated 36 million employed persons were employed in the services sector. Around 15% of the employed persons in the services sector were engaged in transportation, communications and storage sector. This includes the rail sector workers who are mainly involved in train operations, engineering operations and other support services. In fact, dissolution of the PNR would result in the unemployment for its almost 2,000 employees.

Railways promote economic development on a more balanced basis, and hence promote inclusive growth. However, railways require huge investments and are usually subsidized by the government. The government subsidy to PNR amounted to PhP653 million last year (2013). Based from data supplied by PNR, the subsidy granted to it is less than the subsidy granted to the Light Rail Transport Authority or LRTA on a per passenger basis. Thus, last year, the government subsidy of PhP653 million to PNR translated to PhP32.70 per PNR passenger less than the P36.40 subsidy per LRTA passenger.

The subsidy to PNR is deemed justified because as cited earlier, it is the cheapest mode of transport for passengers and the benefits are dispersed to a wide geographic area covered by its route.

I would also like to highlight that railways are superior to other modes of mass transportation in terms of minimal impact on environment and efficiency of land use. In congested nations with large urban populations, like here in the Philippines, the effort to match road capacity with exponential growth of vehicular traffic will always be a challenge. Railways use less land

than the road sector, less polluting, and can generate high capacity, at that.

PNR trains will play a key role in decongesting the traffic in Metro Manila and in other areas. Just this March, in fact, PNR launched a Special Coach service which, according to DOTC, is part of its efforts towards easing the present traffic situation in Manila, Makati, Pasay, and other affected areas especially in the southern part of the metropolis. Instead of taking private vehicles, motorists will now have a more efficient alternative.

I also appreciate the role of railway systems in bringing growth and development to our less-developed areas in far-flung provinces. Regional connectivity should also be a primary goal or consideration for us.

We can learn a thing or two from India, which operates one of the largest rail operations in the world. Their rail lines are run to serve the backward and less developed regions. It is undertaken based on socioeconomic considerations which are national and cultural integration, national development and inclusive growth.

With the proposed extension of the charter of the PNR, there are also issues and concerns about their finances that need to be assessed, discussed and revised, if necessary. For instance, the need for additional capitalization was brought up during the hearing.

And admittedly numerous reforms need to be implemented in the PNR in order to rehabilitate and modernize its operations.

DOTC, the supervising body of PNR, is currently considering the implementation of the Integrated Luzon Railway Project (ILRP), Phase I of which will run from Malolos, Bulacan to Calamba, Laguna. Due to the sheer size of the ILRP, DOTC is exploring the option of funding some portions of the ILRP through public-private-partnership (PPP) agreement and a portion (the North-South Commuter Railway) through a Japanese official development assistance (ODA) loans. Decision on the funding options/sources is pending with the Department of Finance.

In a paper submitted to the committee, the PNR commits to undertake the following:

- Improve the efficiency of its existing Metro Manila Commuter Line and expand the line northward to Malolos;
- Automate the present fare collection system;
- Revive the mainline south to Bicol and extend the south line onwards to Sorsogon;

- Introduce freight service for goods via the existing at-grade PNR tracks;
- Improve the utilization of PNR real estate assets; and
- Implement the highest standards of governance in its financial and management operations.

Those reform commitments will hopefully reduce the yearly subsidy provided by the government for PNR's operations.

NEDA, for its part, has also communicated to the committee measures that PNR should consider to improve its operations and increase its contribution to national economic development, some of which are among the commitments cited by PNR already. The others include:

- Conduct a full-blown study for the overall PNR railway modernization plan, looking into the viability of extending the existing PNR lines to routes that are possible sources of increased ridership;
- Determine most advantageous or appropriate rail transit technology for the PNR lines;
- Utilization of improved ticketing, safety, and security systems;
- Settle all its obligations to positively contribute to the national economy;
- Continue efforts in venturing into other means of increasing its revenues to help cover outstanding obligations; and
- To better manage its operations.

In fact, given the scenario we have now, when we had to wait 50 long years to review and assess PNR, the committee deems it proper to renew the charter for another 25 years only, renewable for another 25 years, instead of 50 years.

At this point, given the short timeframe until June 19, 2014 when the PNR charter expires, I seek the urgent passage of this bill.

### **COSPONSORSHIP SPEECH OF SENATOR RECTO**

Senator Recto delivered his cosponsorship speech as follows:

#### **MODERNIZE THE PNR**

There are only a few times when a bill must be railroaded, and this is one of those.

The charter of the Philippine National Railways will expire on June 20.

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If its corporate life is not extended, PNR will be dissolved, its assets sold off, from the carcasses of locomotives which will be sold *por kilo*, to its vast landholdings which will be auctioned off per square meter.

As senators, we can do two things: Stand on the platform and wave our last goodbye as the dissolution train leaves the station, or we can give it a new lease of life, by vowing that PNR's last trip shall not happen on our watch.

### ***Glorious past, great potential***

I will not use the looming deadline in calling for the railroading of this bill. I would rather dwell on PNR's glorious past, but more than that, on its great potential because this bill should not be passed for sentimental reasons, but because it is the right thing to do.

In this age of bullet trains, the lumbering PNR coaches we see today may impress us as museum pieces.

From La Union to Albay, we also see the ruins of brick terminals, crumbling bridges, and tracks overgrown with weeds or overrun with houses.

Others have simply disappeared, like the lines in Panay and Cebu, and the spur lines to San Jose, Nueva Ecija; Naic, Cavite; Batangas City; San Quintin in Eastern Pangasinan; Santa Cruz, Laguna.

Routes of lateral lines like the one from Floridablanca to Arayat in Pampanga and from Lipa, Batangas to San Pablo, Laguna can only be traced in old maps.

In Metro Manila, the 12 tranvia lines which fanned into the suburbs have long been buried in asphalt, turned into streets whose names betray their railway origins like Tramo, Pasig Line, Daang Bakal.

Today, train service has shrunk to a 43-kilometer commuter line from Divisoria to Santa Rosa. But this wasn't the way it used to be. At its peak, the Philippine railway system stretched 1,140 kilometers.

### ***Shadow of its old self***

Before the war, one can board a train in Lucena before breakfast, switch to another train in Tutuban by lunch, and get off in Dagupan in time for dinner.

And it wasn't confined to Luzon alone.

In 1907, the 36-kilometer Cebu-Danao line was inaugurated. This was further extended south to Argao.

Five years later, 116 kilometers of railway were already crisscrossing Panay.

But what is impressive was not the expanse of the network, but the speed by which they were built, at a time when builders relied less on mechanized power and more on hordes of manual laborers and herds of carabaos.

### ***Express construction***

The first one, a tram line from Manila to Malabon, built by Inigo Zobel's great-grandfather, was inaugurated in 1888, after two years of construction.

The 196-kilometer Manila-Dagupan line was completed in five years, in 1892, with one section, the 76-kilometer Tarlac to Dagupan, completed in six months, in the midst of the typhoon season.

From groundbreaking to ribbon-cutting, the 36-kilometer Cebu-Danao line was completed in 10 months.

Compare this to the more than five years — and counting — struggle to connect the MRT 3 to the LRT 1 in Trinoma. Or the decade-old Baclaran-Bacoor LRT extension project, comparatively short at 11 kilometers, in which not a single pylon has been driven to the ground.

*Ngayon nahihirapan tayong dugtungan ang LRT ng apat na kilometro para umabot ito ng Masinag, Antipolo.*

*Pero alam nyo ba na 100 taon na ang nakakaraan, mayroong Marikina Line mula Manila hanggang San Mateo na may habang 31 kilometro? Na dati-rati kung simba at suman ang trip mo sa Antipolo, pwede kang mag-tren mula Tutuban hanggang HinulugangTaktak?*

### ***One kilometer in three days***

It took three days to lay a kilometer of track 122 years ago. Today, it takes months for one rail-related document to move from one table to another. While one can argue that today's delays could be due to the engineering challenges in building in urban areas, one cannot say that the difficulty of fording more than 100 rivers from Manila to Dagupan was less exacting.

Or could it be perhaps that red tape wasn't in existence then? Or that maybe 19<sup>th</sup> century contractors were not hamstrung by the procurement hassles that their 21st century counterparts have to confront?

The answer is that the British builders of the Manila-Dagupan road had to fend off bureaucratic meddling and, as their correspondences reveal, had to rely on grease money as a major construction material.



While there is no debate that the PNR is a shadow of its former self, there is also no doubt that it could regain its former self, if not even better.

### ***Twenty million passengers***

Despite plying 43 kilometers, or 1/20th, of its former network, the PNR, like *The Little Red Engine That Could*, still managed to ferry close to 20 million passengers last year. Viewed another way, it carried half-a-million busloads of passengers a year, easing congestion in Metro Manila's parking lots, otherwise known as streets.

The ridership was achieved on a sparsely distanced 2.5 trips per direction per hour. Thus, just doubling the number of trains would mean increasing the number of its passengers to 40 million annually — equivalent to one million bus trips.

Last year's farebox income was P234 million, or an average of P11 per passenger. Government subsidy was pegged at 11 pesos a passenger, an amount one-fourth the government subsidy for an MRT rider.

While its rolling stock of hand-me-downs are few, PNR's main assets are its land, mainly the 800-kilometer La Union-Legazpi carriageway, plus the stations along the route, including Tutuban which now doubles as a mall.

### ***Big landowner***

*Ang PNR po ay panginoong maylupa. Subalit ito rin ang landlord ng napakaraming informal dwellers. Maraming mga lupa nito ay napatituluhan na.*

The great train robbery in Philippine history did not happen on board PNR trains. It happened on the ground, when the land on which the tracks are laid ended up in private hands. On paper, its land is presently valued at P40 billion, or comprising 80% of its total assets of P52 billion.

*Hindi pa po kasama dito ang "air rights" kasi kung papatungan, halimbawa, ng elevated expressway ang ating mga daangbakal, ang espasyong iyan ay pag-aari pa rin ng PNR.*

As to liabilities, PNR reported P23 billion last year.

### ***Solution to P138B problem***

We are nearing traffic Armageddon. This is not something we read on the papers but experience on the road every day. When it is faster to fly across an ocean than to travel

across town, when Senator Pia can finish a marathon faster than her car can drive the same distance, then we know we are in trouble.

In Metro Manila, where majority of the country's seven million vehicles are, a 20 kilometer-per-hour crawl is considered overspeeding. It has gone from bad to worse that one study pegged the economic and health losses to Metro Manila traffic at P137 billion. And traffic is no longer a Metro Manila disease. Average travel time on Luzon's major highways has considerably slowed down.

The problem is that our roads are past their carrying capacity.

When motorists bound for Bulacan or Laguna steam in traffic which hardly moves, while hardly any train is seen on the railroad parallel to the road, then it is time to let our trains carry more load.

When the queue to the MRT is as long as the distance to be travelled, then it is time to maximize the underutilized asset that is the PNR.

*Kung mag-eeroplano ka naman galing Bicol o Tuguegarao, traffic na rin sa himpapawid. When planes spend more time circling above or idling on the runway, then it is time to develop rail as an alternative.*

### ***Toll-free passage***

*Sa panahon din naman na halos lahat ng highway ay may bayad na, kailangan din bigyan ng alternatibo ang mga pasahero na maglakbay sa mga daanang walang toll. Halimbawa, kung ika'y Batangueno na gustong magpalamig sa Baguio, darating ang panahon na mapipilitan kang dumaan sa walong magkakasunod na toll roads - STAR, CTEX, SLEX, Skyway, SLEX-NLEX Connector, NLEX, SCTEX at TPLEX.*

*Wala na bang daang panglupa na mabilis pero walang bayad ng toll? Meron. At iyan ang Pambansang Daang Bakal ng Pilipinas.*

*Kaya bago po tayong gumasta ng P135 billion para sa isang subway, pwede ba, railway na muna?*

### ***110 million in 2020***

In less than six years, our population will grow by 10 million. By 2020, we will be 110 million. We are adding the population of one Singapore every 30 months.

Also by 2020, the population of Mega Manila which includes Bulacan, Pampanga, Batangas, Cavite, Rizal, Laguna, will increase to 31 million or the equivalent of six Singapores.

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*Ang tanong: Saan titira ang mga ito?*

There will not be enough shoebox condos for all of them. The rest must live in bedroom towns outside NCR. But if there's a train to Pampanga, for example, one can work in Manila and go home to a big house in Apalit, instead of bunking in a cramped pad in Avida.

So this early, we should lay more tracks, add more trains that run on time, because only a mass transport system that does not run on four wheels will be able to move people around.

#### ***Extend franchise, expand service***

This bill should not simply extend the franchise of PNR but should expand its services.

Because any gain from renewing PNR's charter will be forfeited if it will not be rehabilitated.

This bill is not a license to continue with bad service. Rather, it is a concession to improve it. This is not about putting the PNR on the same old track, but on the fast track.

We must attach conditionalities and targets to the franchise extension. Otherwise, we will just be changing the expiry date of a can of milk without changing its already stale contents.

#### ***Railroad coalition***

The birth of PNR coincided with the birth of our nation. PNR was the revolution's official carrier.

Delegates to the country's first parliament, the Malolos Congress, were ferried by the same trains which earlier transported soldiers to battlefields where they won our freedom.

Our fathers enjoyed the comforts of PNR. We may have not. But it is not too late for our children to enjoy them. But for this to happen, like all journeys, it must begin with a simple step, and in the case of PNR, it is for members of the Senate, from both sides of the aisle, to come together as One Railroad Coalition.

Let us go full speed ahead.

#### **MANIFESTATION OF SENATOR SOTTO**

Senator Sotto informed the Body that after listening to the elaborate sponsorship speeches of Senators Villar and Recto on Senate Bill No. 1831, he was not only withdrawing his intended interpellation on the bill but was even supporting the move to expedite its passage.

The Chair thanked Senator Sotto for his

expression of support and urged the other Members to act speedily on the measure as the PNR's corporate life would expire on June 14, 2014, a day after the legislative calendar ends. The Chair pointed out that expiration of PNR's corporate life will not only result in the dislocation of 2,000 regular and contractual personnel but will also cause PNR's liability in terms of loans guaranteed by the national government to become due and demandable. The Chair lamented the fact that the matter was only brought to the committee and to the Senate when the Senate was pressed for time. Nevertheless, the Chair said that it was of critical importance for the Body to act quickly to have the PNR's corporate life extended.

#### **MANIFESTATION OF SENATOR CAYETANO (P)**

Senator Cayetano (P) commended Senators Villar and Recto and echoed Senator Sotto's expression of support for the bill. She believed that the information presented by the two sponsors would help the Senate craft a good measure before the end of the calendar year. She said that she was looking forward to working with Senators Villar and Recto in making improvements on the bill. She also requested to be made a cosponsor of the measure in the hope that the country would have a train system such as the PNR which it could already improve on and be proud of.

#### **MANIFESTATION OF SENATOR CAYETANO (A)**

Senator Cayetano (A) stated that much as he wanted to accede to suggestions to close the period of interpellations, there were a number of senators who have asked to interpellate on the bill. He informed the Body that interpellations on the measure have been scheduled on Monday the following week to allow for the expeditious passage of the measure.

For its part, the Chair reiterated his appeal to the Members to act with dispatch on the measure as the current timetable gives Congress barely a month to work on its passage before PNR's corporate life expires. It expressed hope that the Body could terminate the period of interpellations on Monday so that it could proceed to the period of amendments and pass the measure on Second Reading on the same day. This, the Chair said, would allow the Body to pass the measure on Third Reading not later than the 17<sup>th</sup> of May which would, in turn, enable Congress

to sit in bicameral conference in case there are differences in the versions of the two Houses.

**SUSPENSION OF CONSIDERATION  
OF SENATE BILL NO. 1831**

Upon motion of Senator Cayetano (A), there being no objection, the Body suspended consideration of the bill.

**SECOND ADDITIONAL  
REFERENCE OF BUSINESS**

The Secretary of the Senate read the following committee report which the Chair assigned to the Calendar for Ordinary Business:

Committee Report No. 23, prepared and submitted jointly by the Committees on Agriculture and Food; Environment and Natural Resources; and Finance, on Senate Bill No. 2207, with Senators Cynthia A. Villar, Legarda, Ramon Bong Revilla Jr., Lapid, Ejercito Estrada, Defensor Santiago, Cayetano (A.P.) and Sotto III, as authors thereof, entitled

AN ACT AMENDING SOME PROVISIONS OF REPUBLIC ACT NO. 8550, OTHERWISE KNOWN AS "THE PHILIPPINE FISHERIES CODE OF 1998" AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill Nos. 138, 536, 961, 1271, 1374 and 2115, and Proposed Senate Resolution No. 158.

Sponsor: Senator Cynthia A. Villar

**SPECIAL ORDER**

Upon motion of Senator Cayetano (A), there being no objection, the Body approved the transfer of Committee Report No. 23 on Senate Bill No. 2207 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 23  
ON SENATE BILL NO. 2207**

Upon motion of Senator Cayetano (A), there being no objection, the Body considered, on Second Reading, Senate Bill No. 2207 (Committee Report No. 23), entitled

AN ACT AMENDING SOME PROVISIONS OF REPUBLIC ACT NO.8550, OTHERWISE KNOWN AS "THE PHILIPPINE FISHERIES CODE OF 1998" AND FOR OTHER PURPOSES.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Cayetano (A), 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 to the Body Senate Bill No. 2207, or "An Act Amending Some Provisions Of Republic Act No. 8550, Otherwise Known As 'The Philippine Fisheries Code Of 1998' And For Other Purposes."

*The full text of Senator Villar's sponsorship speech follows:*

Republic Act No. 8550 or the Fisheries Code was passed in February 9, 1998. It governs the affairs of the fisheries sector. The main purpose of the law is to address the depleting coastal resources of the country by providing management options of the country's resources and recognizing the important roles of all the direct users.

It also ensures the attainment of the following objectives of the fishery sector:

- Conservation, protection and sustained management of the country's fishery and aquatic resources;
- Poverty alleviation and the provision of supplementary livelihood among municipal fisherfolk;
- Improvement of productivity of aquaculture within ecological limits;
- Optional utilization of offshore and deep-sea resources; and
- Upgrading of post-harvest technology.

Any discussion about the fisheries sector is important because the Philippines is an important producer of fish in the world, ranking sixth in fish production. The 4.97 million metric tons

production of fish, crustaceans, mollusks, and aquatic plants, including seaweeds, accounts for 3.12% of the total world catch of 159.1 million metric tons according to Food and Agriculture Organization or FAO.

The Philippines is also ranked ninth in aquaculture production of fish, crustaceans and mollusks. We contribute 1.4% to the total global aquaculture production of 52.55 million metric tons. The country's aquaculture production amounts to over U.S.\$1.58 billion.

We are also among the top three largest producers of aquatic plants, including seaweeds, with production of a total of 1.67 million metric tons or about 10.6% of the total world production of 15.78 million metric tons (based on the Food and Agriculture Organization figures).

Fisheries, lumped with agriculture, Hunting and forestry sectors, contribute significantly to the country's gross domestic product (GDP). In addition, the fishing industry's share to gross value added (GVA) in agriculture, hunting, forestry and fishing sector, at current and constant prices are PhP199.46 billion and PhP130.988 billion, respectively—the largest share next to agricultural crops.

Agriculture posted a 1.1% growth in 2013. The livestock, poultry and fisheries subsectors contributed to the improved performance of the sector in 2013. At current prices, gross output in agriculture was valued at P1.5 trillion. The fisheries subsector contributed 17.96% to total agricultural output.

The fisheries sector also provides direct and indirect employment to over one million people, or about 12% of the agriculture, fishery and forestry (AFF) sector of the labor force, which is about 11 million.

Bottom line is that we cannot overemphasize the fact that our country is teeming in fisheries resources. The Philippines is an archipelago so that is really no surprise.

In fact, the Philippines is qualified as among the archipelagic states under the United Nations Convention on the Law of the Seas (UNCLOS). An archipelagic state is conceived as one whose component islands and other natural features form an intrinsic, geographical, economic and political entity and historically have or may have been regarded as such.

This archipelagic doctrine is also enshrined in Article II of the 1987 Philippine Constitution that reads: "The national territory comprises the Philippine archipelago, with all the islands and

waters embraced therein, and all the other territories over which the Philippines has sovereignty or jurisdiction, consisting of its territorial, fluvial and aerial domains, including its territorial seas, the seabed, the subsoil, the insular shelves and the other submarine areas. The waters around, between and connecting the islands of the archipelago, regardless of their breadth and dimensions, form part of the internal waters of the Philippines."

As such, we should observe the strict implementation and enforcement of laws and policies to better safeguard areas within our sovereignty and jurisdiction. We have thus extensively reviewed provisions that will support and strengthen that.

There is no question also that we need to maintain a good balance between the requirements for increased production to contribute to food security against the need to conserve and protect our resources for long-term sustainability.

We need to observe international treaty obligations on food safety; to curb illegal, unreported, unauthorized and unregulated fishing; and to comply with conservation and management measures.

There is no question that we need a strong fisheries law, including a comprehensive national plan of action to, among others, manage fishing capacity as well as the implementation of international code of conduct for responsible fisheries.

We already have in place a national plan of action on illegal, unreported, unregulated, fishing or IUUF, which is in line with the International Plan of Action to prevent, deter and eliminate IUUF.

On December 6, 2013, President Aquino signed Executive Order No. 154, adopting the Philippine National Plan of Action and creating the Philippine Committee on IUUF to oversee its implementation.

The Philippine National Plan of Action on IUUF has nine sections describing illegal fishing activities in the country as well as actions to curb IUUF which include measures on coastal state, flag state and port state.

Revision of the Fisheries Code to sanction unreported and unregulated fishing and to modify penalties for a more deterrent effect and ratifying the Fish Stocks Agreement is part of the coastal state measures.

We also need to address important issues related to the fisheries sector that also have an

17

impact socially, politically and environmentally on our citizens and country.

Moreover, we also need to amend provisions to comply with our commitments to international treaties, conventions or agreements.

Allow me now to present some of the salient points of Senate Bill No. 2207, entitled "An Act Amending Some Provisions of Republic Act No. 8550, Otherwise Known As 'The Philippine Fisheries Code of 1998' And For Other Purposes." These are:

1. Revision of Paragraph C of the Declaration of Policy to reflect the need for the country to pursue and achieve its international commitments;
2. Revision of Paragraph F of the Declaration of Policy to ensure that management of fishery and aquatic resources is also anchored on ecosystem-based approach;
3. The Chapter on Prohibitions and Penalties was deleted and replaced with a new chapter (Chapter VI) for clarity and more readability, given the numerous amendments to the said chapter. Chapter VI is comprised of three parts that enumerates: (1) prohibitions, (2) administrative fines and penalties that the Department and BFAR can impose on violators, and (3) criminal fines and penalties that a court can impose, we made *no* amendments on that; we retained it.

The substitute bill amending provisions of the Philippine Fisheries Code of 1998 aims to level the fishing legislation at par with other countries, especially with regard to conservation measures regarding threatened aquatic species, straddling and highly migratory species, and other marine resources.

The Philippines has acceded to several treaties and has agreed to comply with its international commitments with joint regional fisheries management organizations.

As part of our commitment, it is imperative upon us to revise/amend our law on fisheries, specifically, Republic Act No. 8550, also known

as "The Philippine Fisheries Code of 1998, "and the regulations of the Department of Agriculture and the Bureau of Fisheries and Aquatic Resources.

At this point, I seek the urgent passage of this bill.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2207**

Upon motion of Senator Cayetano (A), there being no objection, the Body suspended consideration of the bill.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Cayetano (A), the session was suspended.

*It was 4:48 p.m.*

#### **RESUMPTION OF SESSION**


*At 4:53 p.m., the session was resumed.*

#### **ADJOURNMENT OF SESSION**

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

*It was 4:53 p.m.*

I hereby certify to the correctness of the foregoing.

  
OSCAR G. YABES  
Secretary of the Senate  
5/7/14

Approved on May 7, 2014