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SIXTEENTH CONGRESS
FIRST REGULAR SESSION

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CALL TO ORDER

At 4:20 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

PRAYER

Sen. Sergio R. Osmeña III led the prayer, to wit:

Almighty God, we come before You today to ask for Your guidance and strength.

Help us lead and govern with utmost honesty and integrity. Give us perspective and clarity of mind as we make decisions that we hope will improve the lives of our countrymen. Grant us the courage to confront the political, social and economic challenges currently affecting all of us.

God of power and might, through You, authority is granted to us, and from us, responsibility is exacted by You. May our decisions always merit Your approval and grace.

We ask this through Christ, our Lord.

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.	Osmeña III, S. R.
Cayetano, A. P. C. S.	Pimentel III, A. K.
Cayetano, P. S.	Recto, R. G.
Drilon, F. M.	Revilla Jr., R. B.
Ejercito, J. V. G.	Sotto III, V. C.
Enrile, J. P.	Villar, C. A.
Estrada, J.	

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

Senators Escudero, Poe and Trillanes arrived after the roll call.

Senator Guingona was on official mission.

Senators Legarda and Marcos were on official mission abroad.

Senator Defensor Santiago was on indefinite qualified medical leave as indicated in her letter dated May 14, 2014.

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. 82 (June 10, 2014) and considered it approved, subject to the correction that Senator Angara, who was inadvertently

recorded as having arrived after the roll call, be recorded as present.

**CONFERENCE COMMITTEE REPORT
ON SENATE BILL NO. 2046
AND HOUSE BILL NO. 4595**

Upon motion of Senator Cayetano (A), there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2046, entitled

AN ACT PROMOTING JOB GENERATION AND INCLUSIVE GROWTH BY PROVIDING ADDITIONAL INCENTIVES TO MICRO, SMALL AND MEDIUM ENTERPRISES;

and House Bill No. 4595, entitled

AN ACT PROMOTING THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES.

The Chair recognized Senator Aquino to sponsor the report.

SPONSORSHIP SPEECH OF SENATOR AQUINO

Senator Aquino informed the Body that the House of Representatives had approved and ratified the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2046 and House Bill No. 4595.

He then requested the insertion of the full text of the Joint Explanation of the Conference Committee into the *Journal* and *Record of the Senate*.

JOINT EXPLANATION OF THE CONFERENCE COMMITTEE ON THE DISAGREEING PROVISIONS OF SENATE BILL NO. 2046 AND HOUSE BILL NO. 4595

The Conference Committee on the disagreeing provisions of Senate Bill No. 2046 and House Bill No. 4595, after having met and fully discussed the subject matter in a conference hereby report their respective Houses the following that:

- 1.) The conferees agreed to use the House version as working draft.
- 2.) On Section 1 (*Title*), House version was adopted.

3.) Section 2 (*Declaration of Policy*). Senate version was adopted.

4.) Section 3 (*Establishment of Negosyo Centers*). House version was adopted.

5.) Section 4 (*Functions of Negosyo Centers*). House version was adopted with modification:

Insert subparagraph (m) to read as follows:

(m) Encourage women entrepreneurship by giving women access to information, support, training and credit facilities.

6.) Section 5 (*Registration*). House version was adopted with modifications:

Add "Registration of" in the title of Section 5(a).

In sub-paragraph (b) was rephrased to read as follows:

"(b) Certificate of Authority for Barangay Micro Business Enterprises (BMBEs) – DTI, through the Negosyo Center in the city or municipal level, shall have the sole power to issue the Certificate of Authority for BMBEs to avail of the benefits provided by Republic Act No. 9178, otherwise known as the "Barangay Micro Business Enterprises (BMBEs) Act of 2002." Upon the approval of registration of the BMBE, the "Negosyo Center" shall issue the Certificate of Authority, renewable every two years. The DTI, through the "Negosyo Center" may charge a fee which shall not be more than one thousand pesos (Php 1,000.00) to be remitted to the National Government."

7.) Section 6 (*Eligibility*). House version was adopted.

8.) Section 7 (*Start-up Fund for MSMEs*). House version was adopted.

9.) Section 10 of the Senate version was adopted as Section 8 of the reconciled bill.

10.) Adopt Sec. 8 of House version as Sec. 9 of the reconciled bill, to read as follows:

Section 9 (Composition of the Micro, Small and Medium Enterprises Development (MSMED) Council). The members of the Council shall be the following:

- (a) The Secretary of Trade and Industry as Chairperson;
- (b) The Secretary of Agriculture;
- (c) The Secretary of the Interior and Local Government;

- (d) Three (3) representatives from the MSME sector to represent Luzon, Visayas and Mindanao with at least one representative from the microenterprise sector;
- (e) One (1) representative from the women sector designated by the Philippine Commission on Women;
- (f) One (1) representative from the youth sector designated by the National Youth Commission; and
- (g) The Chairperson of Small Business Corporation.

11.) Insert a new section as Section 9-A to read as follows:

Sec. 9-A. *Advisory Unit.* – There shall be an advisory Unit to the Council, which shall consist of the following:

- (a) The Secretary of Science and Technology;
- (b) The Governor of the *Bangko Sentral ng Pilipinas*;
- (c) The President of the Land Bank of the Philippines;
- (d) The President of the Development Bank of the Philippines;
- (e) The Director General of National Economic and Development Authority;
- (f) One (1) representative from the labor sector, to be nominated by accredited labor groups.
- (g) A representative from the private banking sector to serve alternatively between the chamber of thrift banks, and the Rural Banker's Association of the Philippines (RBAP);
- (h) A representative of the microfinance non-government organizations (NGOs);
- (i) A representative of the University of the Philippines Institute for Small Scale Industries (UP-ISSI);
- (j) The President of the Credit Information Corporation;

The MSMED Council may consult the Advisory Unit in its regular meetings and other activities of the Council. However, no voting rights shall be granted to the members of the Advisory Unit.

12.) Adopt Sec. 9 of House version as Sec. 10 of reconciled bill, with following modifications:

Section 10 (Additional Functions of the MSMED Council).

Add to sub-paragraph (a): ... Further, the MSMED Council shall monitor and assess the progress of the Negosyo Centers, which shall be included in its annual report submitted to the Congress;

Add the following sub-paragraphs:

- (c) Conduct of Research on Women Entrepreneurship. – The Council shall conduct research to support women entrepreneurship including, but not limited to entrepreneurial behavior, barriers, participation and cessation rates, discriminatory practices and contribution to the national economy and growth;
 - (d) Policy Formulation on Women Entrepreneurship. — The Council shall provide policy direction towards recognizing women's propensity in doing business as well as establish linkages that will enable more opportunities for women to engage in entrepreneurship;
 - (e) Development of Entrepreneurial Education and Training. — The MSMED Council shall develop, in coordination with the Department of Education, TESDA and CHED, a course curriculum or training program in entrepreneurship that will promote entrepreneurial culture and competence. Entrepreneurship shall be integrated in the curriculum of educational and training institutions in all levels.
- 13.) Adopt Sec. 13 of Senate version with modifications as Sec. 11 of the reconciled bill to read as follows:

Section 11 (Information Dissemination).

The Philippine Information Agency, in coordination with the DTI and the DILG, shall ensure the proper and adequate information dissemination of the contents and benefits of this Act to pertinent media entities and all cities, municipalities and barangays.

- 14.) Sections 11 to 15 of the House version were adopted as Section 12 to 16 of the reconciled bill.
- 15.) The House version was adopted, but insert the phrase "Job generation and inclusive growth through" from the Senate version to read as follows:

"AN ACT PROMOTING JOB GENERATION AND INCLUSIVE GROWTH THROUGH

THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES.”

In case of a conflict between the statements/ amendments stated in this Joint Explanatory Statement and that of the provisions of the consolidated bill in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

MANIFESTATION OF THE CHAIR

At this juncture, the Chair said that every member of the Senate has been provided with a copy of the Joint Explanation of the Bicameral Conference Committee Report on the disagreeing provisions of Senate Bill No. 2046 and House Bill No. 4595.

Thereafter, the Chair recognized Senator Recto for his inquiries.

INQUIRIES OF SENATOR RECTO

Asked by Senator Recto how many of the 20 sections in the Senate version were adopted in the Bicameral Conference Committee Report, Senator Aquino stated that Sections 7, 9, 13, 14 and 15 of the Senate version were deleted.

Senator Recto noted that in essence, it was the House version that was adopted by the conference committee and that almost all of the most important provisions which were in the Senate version, specifically Section 3 which did not only define micro, small and medium enterprises but also codified existing laws and improved the thresholds so that prospective entrepreneurs would qualify to avail of the benefits and incentives under existing laws, were deleted.

As to the reasons for their deletion, Senator Aquino clarified that the important provisions of the Senate bill were kept but there was no consensus in the conference committee to change the definition of the MSMEs which Senator Recto proposed.

Senator Recto pointed out that his proposed amendments, specifically on Section 3, were accepted and unanimously approved by the Body, thus, they were no longer Recto amendments but Senate amendments.

Senator Aquino explained that with regard to Section 3, the conference committee solicited the

comments of the different agencies that would be involved in the implementation of the provisions, and the DTI did not agree with the proposal to amend the current definition of “MSME” as proposed in the Senate version; thus, the definition of MSME, which is already in the law, was not amended. He agreed, however, that there was nothing wrong with codifying the definition and the other provisions of existing laws.

Senator Recto reiterated that the essence of codifying the provisions of relevant laws on MSMEs is to make it easy for the concerned agencies to implement the law and for the beneficiaries to understand it because only one law would be read instead of several laws.

Adverting to the provision on thresholds, Senator Recto questioned why the DTI disagreed with the Senate version to increase the threshold for the micro enterprises from P3 million to P5 million, small enterprises from P5 million to P15 million, and medium enterprises from P15 million to P100 million.

Senator Aquino replied that the DTI, the main implementor of the proposed law, was not amenable to changing the current definition, and he admitted that the change of definition was not discussed at length during the committee hearings. He said that as chairman of the committee, he thought it best to keep the present definition and to instead work on a new separate bill redefining the MSMEs. He said that, in fact, some government agencies even wanted to lower the threshold or to make it stricter by introducing a “number of employees” clause, while the Senate version was trying to loosen it.

But Senator Recto pointed out that since the MSMEs are the subject of the bill, it would be difficult not to include a definition. He said that he has no problem if the threshold on the micro enterprises would be kept at P3 million, and that he merely wanted to find out the reasons why his proposal was rejected.

Senator Aquino pointed out that the conference committee kept the current definitions because the BMBE Act and the Magna Carta for Micro, Small and Medium Enterprises were not being repealed. He admitted, though, that the conference committee had missed out the opportunity to codify the laws on MSMEs, but he maintained that the more substantial portion, which is keeping the definition, was kept.

He expressed willingness to tackle the definition as soon as sessions resume on July 28 and to come up with a better consensus with the national agencies in terms of defining MSMEs.

Senator Recto thanked Senator Aquino for stating on record his agreement that it would have been better if the definition was codified.

SUSPENSION OF SESSION

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

It was 4:38 p.m.

RESUMPTION OF SESSION

At 4:38 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF THE CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 2046 AND HOUSE BILL NO. 4595

Upon motion of Senator Cayetano (A), there being no objection, the Body suspended consideration of the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2046 and House Bill No. 4595.

SUSPENSION OF SESSION

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

It was 4:39 p.m.

RESUMPTION OF SESSION

At 4:40 p.m., the session was resumed.

SUSPENSION OF SESSION

Upon motion of Senator Estrada, the session was suspended.

It was 4:40 p.m.

RESUMPTION OF SESSION

At 4:41 p.m., the session was resumed.

PRIVILEGE SPEECH OF SENATOR ESTRADA

Availing himself of the privilege hour, Senator Estrada delivered the following speech:

Ako po ay muling tumatayo sa inyong harapan bilang lingkod-bayan at isang mamamayan na mayroon pong ipinaglalaban.

Hindi lingid sa inyong kaalaman na halos buong buhay ko ay inialay at hinandog ko sa paglilingkod sa ating bayan. Dahil dito, matagal ko na pong tinanggap sa aking sarili na ang mundo kong ginagalawan sa larangan ng pulitika ay binubuo ng mga sumasang-ayon at ng mga sumasalungat sa aking paninindigan. Ito rin ay isang mundong pinamamahayan ng mga kaaway at kakampi.

Matatag at malakas ang aking paninindigan na ako ay walang kasalanan sa lahat ng mga bintang at paratang laban sa akin. Wala po sa aming angkan ang tahasang hindi pagsunod sa mga batas, sa mga alituntuning itinataadhana ng ating Saligang Batas at sa sistema ng katarungan.

Matatandaan din natin marahil na kahit walang aasahang pantay na hustisya ang kinakaharap noon ng aking ama na si dating Pangulong Estrada, hinarap niya ang proseso nang buong tapang ang impeachment trial na hindi tinapos sa korte kundi sa lansangan. Hindi rin umalis sa bansa ang aking ama kahit pa makailang ulit siyang inalok na umalis kapalit ang kanyang pagbibitiw sa tungkulin.

Sa halimbawang ito, malakas at matibay ang aking loob na magsabi na ako ay hindi rin tatakas sa mga akusasyon laban po sa akin. Mahuwag kong tinanggap ang mga paratang sa akin sa paniniwalang ang tunay na katarungan at katotohanan ang sa huli ay siyang mananaig. Patunay dito ang makailang ulit ko na ring binitawan na pahayag na hindi po ako natatakot makulong. Hindi na nila ako kailangang hanapin at kaladkarin kung sakaling kami ay dapat nang arestuhin dahil ako na mismo ang kusang susuko sa kinauukulan sa sandaling maglabas ng utos ang korte na ako ay kailangan nang dakpin.

At sa puntong ito, kung saan mukhang handang-handa na ang maykapangyarihan na arestuhin at dalhin kami sa kulungan para sa kasong walang piyansa, marami ang nagsasabi na maaring wala na ring saysay na magsalita pa ako o magprotesta sa naging kalakaran

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ng imbestigasyon sa amin hindi lamang ng Department of Justice at ng Ombudsman, kundi pati na rin ng Blue Ribbon Committee at ang naging pagtrato sa amin ng ilang kagawad ng mass media.

Wala mang saysay para sa iilan, patuloy akong maninindigan dahil katulad ng paulit-ulit kong sinasabi, ako po ay walang kasalanan.

Selective Prosecution

Noong una pa man akong nagsalita dito sa Senado patungkol sa usapin ng PDAF, mariin ko nang inihayag ang tila pagkakaroon ng selektibong pag-akusa laban sa akin at sa aking mga kasamahan.

Una, naging selektibo ang ilang mass media sa pagpapahayag ng anomalya patungkol sa PDAF. Hindi ba't unang lumabas noon Hulyo ng nakaraang taon ang balita tungkol dito, ang nagsusumigaw na headline ay — "NBI probes P10 billion scam," "28 Solons linked to scam!"? Ngunit, ang walang patumanggang ibinabandera na mga larawan ay ang kay Enrile, Revilla at Estrada lamang.

Mabilis at madaling napukaw ang atensiyon ng publiko sa usapin ng anomalya sa PDAF dahil na rin sa mga pangalan ng mga sinasabing sangkot po dito — Juan Ponce Enrile, beteranong pulitiko, dating Pangulo ng Senado at isa sa matatag na haligi ng oposisyon; Ramon "Bong" Revilla Jr., masasabi na rin nating beterano sa pulitika, kilalang batikang aktor at matunog na tatakbo sa pagka-Pangulo ng Pilipinas sa darating na 2016 elections; at ang inyong lingkod, na tinaguriang anak ng masa at pinuno rin ng partidong politikal na kahanay sa oposisyon.

May iba pang pangalan na sinasabing sangkot sa anomalya, 28 solons nga ang sabi sa paunang balita, hindi ba? Ngunit bukod sa pangalan ni Enrile, Revilla at Estrada, may nakakaalala pa ba kung sino pa ang sinasabing iba pang sangkot sa anomalya? Wala. Hindi na sila nabigyan ng pansin sapagkat ang pangalan ni Enrile, Revilla at Estrada na lamang ang kanilang bukambibig at parating sinasambit. Nasabi ko nga rin noong una akong nag-privilege speech that "there has been a serialized and obvious concerted effort in the media to demonize me along with other members of this Chamber allegedly involved. Ako, si Senator Enrile at Revilla ang tila ba inuulam mula almusal, tanghalian, merienda at hapunan." And this still holds true to this very day!

Mas napagtibay ang aking sinasabing "selective media reporting" nang lumabas kamakailan ang patungkol sa hard drive ni Benhur Luy. Abril pa pala ng nakaraang taon ay hawak na ng isang pahayagan (Inquirer) ang kopya ng hard drive ni Luy na naglalaman ng daan-daang pangalan na sangkot diumano sa PDAF scam kasama na ang ilang kaalyado ng administrasyon, kabilang pa rito ang sinasabing "mentor" ni Ginang Napoles, walang iba kundi si Sec. Florencio "Butch" Abad.

Abril pa noong nakaraang taon ay may mahabang listahan na ng mga pangalan ngunit piniling isulat lamang sa mga pahayagan ay sina Enrile, Revilla at Estrada. Nakakapanghinala po.

Pangalawa, ang pagkakaroon ng selektibong imbestigasyon ng COA, ng Senate Blue Ribbon at ng DOJ.

Isang buwan pagkatapos lumabas sa mga pahayagan ang tinaguriang PDAF scam, naglabas si COA Chairman Grace Pulido-Tan ng sinabi niyang kahindik-hindik na Special Audit Report. And like a well-rehearsed script, tatlong pangalan din ang namutawi sa bibig ni Chairman Pulido-Tan — ito ay si Enrile, Revilla at Estrada — kahit pa daan-daan na mambabatas ang nakalista sa kanyang PDAF Special Audit Report na nag-endorso rin ng kanilang PDAF sa mga NGOs. Kung susumahin, P14.3 billion ang PDAF na na-release sa mga taong 2007, 2008, 2009 sa tatlong daan tatlumpit-apat (334) na mambabatas ayon sa COA report. Inindorso naman ang mga proyektong pinondohan ng PDAF sa walumpu't-dalawang (82) NGOs.

Ngunit bakit kami lamang ang naalala ni Chairman Grace Pulido-Tan? Bakit ang mahilig kumain ng hamburger na si Cong. Boyet Gonzales ay hindi man lang niya naalala kahit pa nakipag-meeting siya kay Chairman Pulido-Tan bago pa niya nilabas ang audit report? Sinabihan at binalaan pa nga niya si Deputy Speaker Gonzales na malaki ang magiging problema nito dahil ang kanyang PDAF ay ang opisina niya mismo, inuulit ko, opisina niya mismo ang nagpapatupad ng sarili niyang PDAF.

Naimbestigahan po ba si Deputy Speaker Neptali Gonzales? Hindi po. May kaso po bang sinampa laban sa kanya? Wala po. Nakakapagtaka, hindi po ba?

Hindi kalaunan, lumakas ang panawagan na imbestigahan din ng Senado ang anomalya sa PDAF kahit pa ilan sa hanay ng kapulungan

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ang sinasabing sangkot dito. Kaya noong ika-29 ng Agosto, sinagot ng Senado ang panawagan at inumpisahan itong imbestigahan. Nag-inhibit ako sa pagdinig upang hindi masabi na ginagamit ko ang aking posisyon para maimpluwensiyahan ang pagdinig.

It is a fact that I have always actively participated whenever issues of national importance and significance are being investigated by the Blue Ribbon or by any Senate committee, for that matter. And during such participation, modesty aside, I pride myself of being fair, reasonable and considerate. For the PDAF investigation, I expected the same demeanor from my colleagues. *Hindi ko naman hiningi na ako ay kanilang ipagtanggol o ako ay kanilang pagtakpan. Ang tangi kong inasam ay maging patas sila sa kanilang pag-imbestisga at hindi maging mapanghusga.*

Ngunit hindi po ito nangyari.

Imbes na tumulong sa pagsiwalat ng buong katotohanan, tumulong pa sila upang maging mas malalim ang hukay at malibing nang tuluyan ang katotohanan. At ang pinakamasakit, hindi sila naging patas. Naging selektibo ang imbestigasyon. Itinuon lang nila ang imbestigasyon kay Enrile, Revilla at Estrada gayong napakaraming mambabatas ang sinasabing maaaring sangkot. Itinuon lamang nila sa sinasabing Napoles NGOs ang pagdinig upang lalo kaming mabaon at madikdik. Pinakamasahol dito, mas pinanigan at pinaniwalaan nila ang mga kasinungalingan at kwentong kutsero ng iilan.

At this juncture, a video was played showing Senator Guingona stating: *“Kung paninindigan po ninyo ang mga bagay na sasabihin ninyo, baka po isang three-point shot na buzzer-beater na, winning shot pa!”*

“Three-point, buzzer-beater, winning shot!” Hindi ba’t ganyan hinalintulad ng Chairman ng Blue Ribbon Committee ang salaysay ni Ruby Tuason? Hindi pa tapos ang imbestigasyon, buo na sa isip ng Chairman ng Blue Ribbon na kami ang may kasalanan. “Tanda, Sexy at Pogi!” Iyan naman ang paulit-ulit na sinambit at pinasasambit ng ibang miyembro ng Blue Ribbon na para bang tuwang-tuwa na nangungutya.

Patas po ba iyan, mahal na kababayan?

Dalawang buwan lamang ang lumipas simula nang lumabas sa pahayagan ang tinaguriang PDAF scam, nagsampa na ng kaso

sa Ombudsman ang DOJ at NBI. Trak-trak daw ang ebidensiya, sabi ni Secretary Leila de Lima. Kaya naman si Juan dela Cruz ay madaling napaniwala na guilty nga ang tatlong sangkot na senador. Trak-trak nga naman, di ba?

Ngunit lumakas ang mga bulong at naging matunog ang tanong – bakit sila lang? Ang sagot ni Secretary Leila de Lima, “We are still investigating. We are still verifying. We are still evaluating.” Ano raw? Si Enrile, Revilla at Estrada ay inimbestigahan ng wala pang dalawang buwan pero kapag kakampi o kaalyado, mabilisang kini-clear ang pangalan at hindi na kailangan ng imbestigasyon.

Hindi pa doon nagtapos ang ginawa ni Secretary de Lima. Matatandaan na pagkatapos niyang magsampa ng kaso laban sa amin, agaran niyang hiniling sa Department of Foreign Affairs na ikansela ang aming mga pasaporte. Ito ay lantarang paglabag sa aming mga karapatang-pantao na nakasaad sa ating Saligang Batas — karapatan na nagsasabi na kami ay malayang makakaalis o makakagalaw kung aming nanaisin sapagkat wala pa namang korte o huwes na nagsasabi na ito ay hindi na maaari pang gawin; at karapatan na nagsasabi na huwag muna kaming husgahan dahil hindi pa naman napapatunayan ang sala na sa amin ay binibintang.

Makatarungan po ba iyan?

At ang pangatlong pagkakataong nagkaroon ng selektibong prosekusyon laban sa amin ay ang lantarang paglabag ng Ombudsman sa aming sagradong karapatan na dumaan at harapin ang kaso laban sa amin sa ilalim ng tama at angkop na proseso o tinatawag na “due process.”

Hindi na po ako nag-asam na makakuha pa ng hustisya kay Secretary de Lima ngunit umaasa ako na magiging patas ang Ombudsman. Sinabi ko nga sa aking sarili na sana baka doon may laban pa ako.

Ang mga unang pahayag ni Ombudsman Conchita Carpio Morales patungkol sa kaso ay nagbigay ng munting pag-asa sa akin. Sinabi niyang masusi nilang tingnan ang mga ebidensiya laban sa amin. Nagbigay pa nga siya ng isang taon para aralin ang mga ito considering the voluminous roomful of evidence. Trak-trak nga, sabi ni Secretary De Lima.

Ngunit ang kakaunting ningas ng pag-asa na aking nadama ay mabilisang nawala dahil na rin sa mga gawi at mga pahayag ni Ombudsman Morales na nagpakita ng pagkiling laban sa amin.

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Nang bumalik si Gng. Ruby Tuason sa Pilipinas upang tumestigo laban sa amin, agaran siyang dinala sa tanggapan ng Ombudsman upang panumpaan ang kanyang mga salaysay na tinawag ni Secretary De Lima na "slamdunk evidence." Ayan po ang larawan at kitang-kita naman ang kagalakan ng ating Ombudsman. At marahil, dahil sa kanyang nadamang galak nang makita niya ang abogado ni Ginang Tuason na si Atty. Dennis Manalo, nasambit ni Ombudsman ang mga katagang ito — "Now, we are on the same side," after she pointed out Attorney Manalo's being one of the defense lawyers in the impeachment trial. Magkakampi na sila agad-agad? Hindi ba dapat walang kinikilingan ang Ombudsman? This seemingly innocent statement is very much contrary to the Ombudsman's avowed observance of impartiality and fair play.

Nang hingan si Ombudsman ng pahayag kung anong advice ang maaari niyang ibigay sa mga sangkot sa kaso ng PDAF, ganito po ang kanyang sinabi:

(Video playing)

For the sake of those listening, uulitin ko po ang sinabi ni Ombudsman Conchita Carpio Morales, and I quote: "Whoever are those involved in the PDAF controversy, they should start coming up with their defense because we will surely file a case if we find that probable cause exists. They should start coming up with their defense now. They should engage good lawyers if they want to be safe, to have a safe and sound sleep."

How can this strongly-worded advice inspire belief that the Ombudsman could be impartial in the conduct of its investigation? Your guess is as good as mine.

At bago pa man niya maalar at maresolba ang aming Motion for Reconsideration, ganito na ang naging matapang at mayabang na pahayag ni Ombudsman nang siya ay nasa abroad at tanungin kung may sapat na ebidensiya para kami ay ma-convict. Ganito naman ang kaniyang sinabi:

(Video playing)

And for the sake again of our listeners, I will repeat what she said, and I quote: "That is supposed to be confidential. But, given the fact that the Ombudsman has already come up with the resolution that there is probable cause, we believe that the crimes were committed, that the respondents are probably guilty. We have enough evidence."

This statement definitely exposed the prejudice and biased manner by which the Ombudsman presided over the case.

At ngayon, gusto naman ni Ombudsman na magtalaga ang Korte Suprema ng dalawang special divisions sa Sandiganbayan para di-umano ay tumutok sa kasong aming kinakaharap. I believe that what is being bruited about as the rationale for this request is speedy trial, a very, very lame excuse for such an obvious attempt to handpick the men and women who are disposed to convict us. I am very sure that what the Ombudsman really want is not for a speedy trial but for a "speedy convicting court."

Matapos hubugin at paniwalain ang mga mamamayan na kami ay may sala, wala nang nagulat pa nang halos sabay na maglabas ng report at resolusyon ang Blue Ribbon Committee at ang tanggapan ng Ombudsman. Ako ay napailing na lamang sa tinaguriang "well-orchestrated April Fool's Day extravaganza." The Blue Ribbon Committee chairman released its draft, partial and unsigned PDAF investigation report noon of April 1. Kahit hindi pa nababasa ng ibang miyembro ng Blue Ribbon Committee ang nakasaad sa nasabing report, inilabas ito ni Senator Guingona sa media. Ilang minuto lamang, 18 minutes to be exact, ang lumipas, sinundan naman ito ng presscon ng Ombudsman upang ilabas ang resolusyon na nagsasabing may "probable cause to indict" Senators Enrile, Revilla and Estrada for plunder.

Wala na sana akong reklamo sa mabilis na pagresolba ng Ombudsman sa aming kaso ngunit nang mabasa ko ang resolusyon, lumalabas na may mga ebidensyang ginamit laban sa akin na hindi po ako binigyan ng pagkakataon na komprontahin o 'di man lang sagutin. Ito po ang isang malinaw na paglabag sa aking sagradong karapatan na dumaan at harapin ang kaso sa ilalim ng tama at angkop na proseso. My constitutional right to due process has been blatantly trampled upon by the Ombudsman, no less! While the Ombudsman undoubtedly has the plenary and unqualified authority to investigate and prosecute, this power is not unbridled. Thus, it should not be used to violate one's constitutional right to due process.

Inimbestigahan pa lamang ng Ombudsman ang kaso laban sa akin, ako ay humiling na bigyan ng mga kopya ng mga ebidensiya lalung-lalo na po ang mga dokumentong isinumite ng iba pang sangkot sa kaso na maaaring magamit laban sa akin. Hindi po ako pinaunlakan ng Ombudsman. In an order dated March 27 of this year, the Ombudsman

denied my request to be furnished with copies of counter-affidavits of other respondents, affidavits of new witnesses and other filings for lack of cogent basis. I would have accepted this had the Ombudsman not used the very same documents I requested, and which they refused to give, against me.

Hindi lamang mali ang ginawa ng Ombudsman, ito po ay labag sa Saligang Batas! Kaya naman ang tanging lunas ay ang umakyat at humingi ng tulong sa Kataas-taasang Hukuman o iyong ating Korte Suprema. Mukhang natauhan po si Ombudsman Morales sa aking naging hakbang, dahil kinabukasan din pagkatapos ko maghain ng petisyon sa Korte Suprema nag-atubiling magbigay si Ombudsman ng mga hiniling kong ebidensiya na ginamit niya laban sa akin. Pero hindi po maaaring sabihing nalunasan na ang kanyang pagkakamali sa pagbibigay lamang sa akin ng mga nasabing ebidensiya dahil may resolusyon na inilabas ang Ombudsman at ginamit na ang mga ebidensiyang iyon laban sa akin. Nasa Korte Suprema na ang isyung ito at malaki po ang aking pag-asa na ako ay kakatigan dito.

Tulad nang inaasahan at ilang araw lamang matapos ang mga pahayag ni Ombudsman sa New York na malakas ang ebidensiya laban sa amin, ibinasura ng Ombudsman ang aming mga motion at nagsampa na ng information for plunder sa Sandiganbayan.

Nakakalungkot, nakakagulat at nakakapang-hinala. Papaano kaya nasabi ni Ombudsman na may plunder gayong ang isang mahalagang elemento nito ay wala? Ang pagkamal na mahigit na P50 million. Wala po akong ninakaw ng P50 million or ni isang kusing sa kaban ng ating bayan. Ayon sa mga pahayag ni Gng. Ruby Tuason, hindi niya alam kung magkano diumano ang tinatanggap niya mula kay Mrs. Napoles at ibinibigay sa akin. Hindi ba't kahit anong pilit o paulit-ulit siyang tanungin sa pagdinig sa Senado, sinabi niyang hindi niya alam o hindi niya maalala o wala siyang maisagot sa mga tanong? Hindi niya alam o wala siyang matandaan at wala siyang maisagot dahil wala po siyang binigay o dineliver (deliver) sa akin sa Senado, o sa bahay, o kung saan man!

Ang ledger naman ni Luy kung saan nakatala diumano ang mga komisyon na aking natanggap mula kay Ginang Tuason, kung ito po ay susumahin ay hindi po aabot sa P50 million. Ang iba namang nakatala sa ledger ay hearsay sapagkat wala naman personal na kaalaman si Benhur Luy dito. Tinala niya ang

mga ito dahil inutos or sinabi raw ni Ginang Napoles. Halatang-halata na pinilit upang magkaroon ng kasong plunder.

Nabanggit ko na rin lamang naman ang pagtestigo ni Ginang Tuason sa pagdinig sa Senado, matatandaan na sinabi niyang minsan siyang nag-deliver ng pera sa aking opisina. Mariin ko itong pinabulaanan. Bilang patunay ng aking sinabi na hindi pera kundi pagkain, madalas pa nga ay sandwich ang dala ni Ginang Tuason, narito ang isang larawan na hango sa CCTV footage report ng Senate Security. At sa dalawang report na simumite ng Senate Security patungkol dito, wala ni isang pagkakataon na nakita si Ginang Tuason na may dalang duffel bag katulad ng kanyang pinagsasabi. Kitang-kita na po, mismo ang Senate OSAA ang nagbigay niyan sa akin.

Wala na pong nagaganap patungkol sa aking kasong kinakaharap, lalo na sa mga nakaraang araw, ang aking ikinigugulat pa. Katulad nga ng lagi kong sinasabi, sa simula't simula pa lamang ng usapin patungkol sa anomaly sa PDAF, kami ay hinusgahan na sa mga paratang na sa aking hinagap ay 'di ko po kayang gawin. Bigo man kaming makuha ang patas na hustisya sa Blue Ribbon, sa DOJ at sa Ombudsman, malakas ang aking paninindigan na kami ay kakatigan ng patas ng Kataas-taasang Hukuman at ng Sandiganbayan.

Marahil, sa pagbubukas ng panibagong sesyon ng Mataas na Kapulungang ito sa dara-ting na Hulyo, hindi muna ninyo ako makikita dito. Sa bibihira at limitadong pagkakataon, a-absent po ako sa Senado. Ngayon lamang siguro, the records can bear me out, kahit kailan, simula noong naging senador ako noong 2004 hanggang ngayon, kahit may sakit po ako, pumapasok po ako dito sa Senado, wala po akong absent. Kung saka-sakali man na ako ay ikulong, doon lamang magre-reflect na hindi po ako makakapasok sa Senado.

Sa aking pamilya, sa aking mga magulang, lalung-lalo na po sa aking ama at ina, dating Pangulong Erap, dating Senadora Loi, sa panahong ito na hindi na kayo bumabata, naghahabol na akong makasama kayo. Ngunit gustuhin ko mang gugulin ang aking panahon para naman hindi ko pagsisihan at pang-hinayangan sa huli ang mga dapat ginagawa ko habang kayo ay kasama ko, panandalian ko pong hindi matutupad ito. Pero babawi ako – "Dad, Mommy, huwag kayong mag-alala, kayang-kaya ko ito."

Sa aking mga kapatid na si Jackie at si Jude, salamat sa walang patlang na suporta,

tiwala at sa inyong hindi pag-iwan sa akin sa gitna ng laban.

Sa aking maybahay na si Precy, patawad sa mga pasakit na iyong dinanas dahil sa mga pagsubok na ating patuloy na kinakaharap. Nawa ay manatili kang matatag lalung-lalo na para sa ating mga anak. At sa nalalapit nating paggunita ng ika-dalawampu't limang (25) wedding anniversary natin, nais sana kitang iharap muli sa damana. Ngunit dahil sa hindi umaayon ang pagkakataon, gagawin ko pa rin na ikaw ay pakasalan kahit ako ay nasa loob ng piitan.

Sa aking apat na anak na si Janella, Jolo, Julian at Jill, lagi ninyong tatandaan ang mga pangaral ko sa inyo – magkaroon ng takot sa Diyos, manatiling magalang at mapagkumbaba, at huwag kayong mahiya, bagkus ipagmalaki na kayo ay isang ESTRADA.

Minsan nang nangyari sa akin ito, pero napatunayan ko na wala akong kasalanan. At sa pagkakataong ito ay papatunayan kong muli na walang basehan ang mga bintang na ipinaaako nila sa akin. Magtagumpay man silang maipakulong ako, masunod man ang kanilang gusto na mawala ako sa kanilang dinaraan, pero ang aking prinsipyo at paninindigan kailanman ay hindi nila makukuha sa akin.

Hindi pa tapos ang laban. Nagsisimula pa lamang. Hindi ko po pababayaang wasakin ng mga mapanghusga ang ibinabato sa akin ngayon ang malaking respeto at tiwala na ipinagkaloob ninyo sa akin ng maraming ulit na. Patutunayan ko po sa inyo na hindi ako nagkulang at lalong hindi nagmalabis sa posisyon na kayo mismo ang pumili para sa akin.

Sa mga taong hindi masaya sa pagtupad ko sa aking tungkulin bilang isang mambabatas, hindi kayo ang magiging dahilan ng aking pagsuko. Tutuparin ko pa rin ang aking pangako sa ating mga kababayan na sila ang palaging una sa aking paglilingkod, may rehas mang nakaharang o wala.

Milyun-milyong Pilipino ang nagbigay sa akin ng tiwala kaya ako po ay nasa Senado. Hindi po ako pinili at niluklok lamang ng iilan. Ang malaking bilang ng aking mga kababayan ang patuloy kong magiging inspirasyon sa pakikipaglaban hanggang sa dumating ang panahon na malinis kong muli ang aking pangalan na pinutikan ng mga taong mas unang dapat manalamin upang makita ang mga dungis sa kanilang mga mukha.

Bilang panghuli, nais ko pong ipakadiin sa inyo, sa aking mga kababayan, lalung-lalo na po sa aking mga mahal na masang Pilipino – HINDI PO AKO MAGNANAKAW. Alam ko kung ano ang nararapat para sa akin, at kung ano ang halagang dapat pakinabangan ng ating mga kababayan.

Pansamantala kong babakantehin ang aking upuan nang nakataas ang aking noo, buo ang loob at buo ang integridad, prinsipyo at pangalan dahil wala akong salaping pinakialaman sa kaban ng ating mahal na bayan.

Lalaban ako sa legal ng proseso. Hindi ko po ito uupuan lamang. Yayakapin ko ang hustisya, hindi lamang para sa aking pamilya ngunit ang higit sa lahat, para sa ating mga kababayang masang Pilipino na umaasa at naniniwala pa din na ang bansang ito ay mapagkakatiwalaan at maipagmamalaki.

Maraming salamat sa inyong pakikinig at pagpapaunlak.

REFERRAL OF SPEECH TO COMMITTEE

Upon motion of Senator Cayetano (A), there being no objection, the Chair referred the privilege speech of Senator Estrada to the Committee on Rules.

SUSPENSION OF SESSION

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

It was 5:22 p.m.

RESUMPTION OF SESSION

At 5:23 p.m., the session was resumed.

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 2159 AND HOUSE BILL NO. 3984

Upon motion of Senator Cayetano (A), there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2159, entitled

AN ACT AMENDING REPUBLIC ACT
NO. 7721, OTHERWISE KNOWN AS
AN ACT LIBERALIZING THE ENTRY

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AND SCOPE OF OPERATIONS OF
FOREIGN BANKS IN THE PHILIP-
PINES AND FOR OTHER PURPOSES;

and House Bill No. 3984, entitled

AN ACT ALLOWING THE FULL ENTRY
OF FOREIGN BANKS IN THE
PHILIPPINES, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 7721.

The Chair recognized Senator Osmeña to sponsor the report.

**SPONSORSHIP SPEECH
OF SENATOR OSMEÑA**

Senator Osmeña stated that every Member has been furnished with a copy of the Conference Committee Report. He then read into the record the Joint Explanation of the Conference Committee on the disagreeing provisions of Senate Bill No. 2159 and House Bill No. 3984, to wit:

**JOINT EXPLANATION OF THE CONFERENCE
COMMITTEE ON THE DISAGREEING
PROVISIONS OF SENATE BILL NO. 2159
AND HOUSE BILL NO. 3984**

The Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 2159 and House Bill No. 3984, after having met and fully discussed the said provisions, hereby report to their respective Houses the following:

1. Since both Senate and House versions are substantially identical, the conferees agreed to use both versions as their working draft;
2. Section 1 of both the Senate and the House versions were adopted as Section 1 of the reconciled version;
3. Different portions of Section 2 of both the Senate and House versions were adopted in the reconciled version as follows:
 - a) The phrase "in its country of origin" was adopted from the Senate version in order to specify where a foreign bank should be publicly listed and widely owned;
 - b) It was mutually agreed upon that the 70% control of banking system resources be reduced to 60%;
4. Section 3 of both versions were identical and therefore adopted as Section 3 in the reconciled bill;

5. Section 4 of the House version was adopted as Section 4 of the reconciled bill;
6. Section 5 of the Senate version was adopted as Section 5 of the reconciled bill;
7. Section 7 of the Senate version and Section 6 of the House version were adopted as Section 6 of the reconciled bill;
8. Section 8 of the Senate version was adopted as Section 7;
9. Section 10 of the Senate version and Section 8 of the House version were both adopted as Section 8 of the reconciled bill;
10. Section 9 of the House version was adopted as Section 9 of the reconciled bill;
11. Section 10 of the House version was adopted as Section 10 of the reconciled bill;
12. Section 11 of the House version was adopted as Section 11 of the reconciled bill; and
13. The title of the House version was adopted to read as follows:

AN ACT ALLOWING THE FULL ENTRY OF
FOREIGN BANKS IN THE PHILIPPINES,
AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 7721.

**APPROVAL OF THE CONFERENCE
COMMITTEE REPORT**

Submitted to a vote, there being no objection, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2159 and House Bill No. 3984 was approved by the Body.

**CONFERENCE COMMITTEE REPORT
ON SENATE BILL NO. 27 AND
HOUSE BILL NO. 4590**

Upon motion of Senator Cayetano (A), there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 27, entitled

AN ACT TO EFFECTIVELY INSTILL
HEALTH CONSCIOUSNESS THROUGH
PICTURE-BASED WARNINGS ON
TOBACCO PRODUCTS;

and House Bill No. 4590, entitled

AN ACT PRESCRIBING THE PRINTING
OF GRAPHIC HEALTH WARNINGS
ON TOBACCO PRODUCTS.

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The Chair recognized Senator Cayetano (P) to sponsor the report.

**SPONSORSHIP SPEECH
OF SENATOR CAYETANO (P)**

Senator Cayetano (P) stated that after seven years, the bill mandating graphic health warnings on tobacco product is on its way to enactment following the approval of the reconciled version by the Bicameral Conference Committee in a meeting held the previous day. She proceeded to read the highlights of the amendments adopted by both Houses and the clarifications for the same:

1. **Graphic-Health Warning.** The requirement for graphic-health warnings are as follows:

- a) It shall cover 50% of the principal display surfaces of any tobacco package without the use of any border or frame which will effectively lessen the size of the warning;
- b) It shall be at the bottom portion of the package but this is without prejudice to a provision in the law which prohibits the obstruction of the graphic-health warning whenever the package is commercially displayed;
- c) *The printing shall be in four colors using current technology with the end in view of ensuring that the graphic-health warnings are vivid in contrast with background of the package or the logo;*
- d) The warning is required for all packets and packages of products of tobacco products and any outside packaging and labelling.

However, Senator Cayetano (P) stated that upon the request of some members of both Houses, it was agreed that for mastercases, the warning shall be textual but of equal prominence and visibility as the logo or trademark of tobacco companies.

- e) A text warning describing the graphic warning shall occupy 20% of the entire area of the graphic-health warning and shall be printed in Filipino on the front panel and English on the back panel.

2. **Descriptors.** The committee adopted the Senate version which disallows terms such as “low tar”, “light tar”, “mild” or “extra” and the use of numbers.

Senator Cayetano (P) stated that the Senate version initially included a paragraph that prohibits tobacco product packages from including information that may imply that a variant or brand is “healthier”, “less harmful” or “safer,” and that statements that contain reduced levels of content, substances and emissions and the use of figures for emission yield were also prohibited; however, upon the request of the House panel, said paragraph was deleted. Nonetheless, she stated that the first paragraph of the reconciled version was broad enough to prohibit claim that tobacco products or its variants are healthier, safer or less harmful.

Moreover, Senator Cayetano (P) stressed that in both versions the use of color is not prohibited to manifest and make it clear, that the use of colors should not be used to distinguish one brand variant as healthier, safer or harmful than the other.

3. **Timeline.** The implementation of the law will follow the following timeline:

- a) Within thirty (30) days from the effectivity of the Act, the DOH shall issue a maximum of twelve (12) templates which shall be printed simultaneously and rotated periodically for each brand family and also for each variant such that every 24 months, the variations of the warnings shall appear in the market with approximately equal frequency and equal displays of health warnings and messages on retail packages.

Each set of templates is valid for two years but within a year from issuance of the initial set of template the DOH shall issue the second set to give the tobacco companies one year to comply with the new set of templates.

- b) One year after the issuance of the templates by the DOH, manufacturers and importers are mandated to comply with the law in ensuring that all withdrawals and importations into the country shall bear the graphic-health warnings.

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After compliance by the manufacturers and importers, retailers and sellers are given eight (8) months to exhaust their products already in the market.

4. Implementing agencies. Being a health measure, it is the stand of the Senate that the DOH should be the lead agency in the implementation of this Act. This is contrary to the House version which gives this mandate to the Inter-Agency Committee on Tobacco (IAC-T), which is chaired by the Department of Trade and Industry.

Thus, the bicameral conference committee agreed to divide the mandates among the following agencies:

- a) The DOH is mandated to issue the templates;
- b) The BIR which affixes tax stamp on all cigarette packs withdrawn and imported is mandated to ensure that no stamps are affixed on noncompliant products;
- c) The IAC-T is mandated to monitor compliance with the law and institute appropriate actions for any violations of the law;
- d) The DTI shall hear complaints filed by the IAC-T or any private citizen, corporation or organization and shall impose a fine of not more than P2 million. The fines imposed will be used for health-promotion campaigns on tobacco of the DOH and the Department of Education;
- e) The DepEd is mandated to use the graphic-health warnings to educate children on the ill effects of tobacco and to integrate this in relevant subjects under the K-12 curriculum; and
- f) The implementing rules and regulations are to be drafted by an IRR committee led by the DOH and DTI with the DOJ, DENR, DepEd, DOST, NTA, and DA as members thereof.

Senator Cayetano (P) stated that stakeholders like NGO farmers and representatives of the industry

are to be consulted in public forums to be conducted in the process.

Senator Cayetano (P) informed the Body that in 2005, the Philippines ratified WHO Framework Convention on Tobacco Control, Article 5.3 of which obliges the Philippines to protect the setting and implementation of its policies with respect to tobacco control from the commercial and other vested interest of the tobacco industry based on the fundamental and irreconcilable conflict between the tobacco industry's interest and public health policy interest. She said that this was the reason why the Senate did not agree with the House of Representatives' proposal for the IAC-T to implement the law given that one of its members is the Philippine Tobacco Institute, a representative of the industry; however, it was agreed that the industry representative be consulted in the drafting of the IRR based on Joint Memorandum Circular No. 2010-01 of the DOH and Civil Service Commission which allows public officials and employees to interact with the tobacco industry only when strictly necessary for the latter's effective regulation, supervision or control.

5. Penalties. Criminal and administrative penalties are imposed in the law:

- a) The criminal penalties are:
 - i) For manufacturers, importers and distributors:
 - 1) A fine of not more than Five hundred thousand pesos (P500,000.00) on the first offense;
 - 2) A fine of not more than One million pesos (P1,000,000.00) on the second offense; and
 - 3) A fine of not more than Two million pesos (P2,000,000.00) or imprisonment of not more than five (5) years, or both, on the third offense and the further revocation or cancellation of the business permits and licenses in case of a business entity or establishment

- ii) For retailers and sellers:

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- 1) A fine of not more than Ten thousand pesos (P10,000.00) on the first offense;
 - 2) A fine of not more than Fifty thousand pesos (P50,000.00) on the second offense; and
 - 3) A fine of not more than One hundred thousand (P100,000.00), or imprisonment of not more than one year or both on the third offense and the further revocation or cancellation of the business permits and licenses in case of a business entity or establishment.
- b) A fine of not more than Two million pesos (P2,000,000.00) is imposed for administrative cases.

Senator Cayetano (P) stated that in all cases, the imposition of the fines shall take into consideration the annual gross sales, capital investment and employees' size of the manufacturer's importers and distributors; in the case of retailers, their assets shall be taken into consideration.

6. Oversight Committee. An oversight committee headed by the Senate Committee on Health and Demography and the House Committee on Health is created to monitor the implementation of the law;
7. Title. The Conference Committee adopted the Senate version "An Act to Effectively Instill Health Consciousness Through Graphic Health Warnings on Tobacco Products."

Being a health measure, Senator Cayetano (P) stressed that though some of the mandates under the law are given to other government agencies, it does not change the authority of the DOH over tobacco products, especially on the health aspect.

Finally, Senator Cayetano (P) thanked the Body for pushing the law which seeks to protect the health of the people, especially the youth, against the hazards that come with smoking.

Senator Cayetano (P) requested that the Joint Explanation of the Conference Committee be inserted into the Journal and Record of the Senate.

Following is the full text of the Joint Explanation:

**JOINT EXPLANATION OF THE CONFERENCE
COMMITTEE ON THE DISAGREEING
PROVISIONS OF SENATE BILL NO. 27
AND HOUSE BILL NO. 4590**

The Conference Committee on the disagreeing provisions of Senate Bill No. 27 and House Bill No. 4590, after having met and fully discussed the subject matter in a conference hereby report to their respective Houses the following that;

1. The Senate and House versions were adopted as the working draft. The conferees agreed to use the matrix prepared by the technical staff.

2. **Section 1. Short Title.** – Section 1 of the House version was adopted which reads as follows:

Section 1. Short Title. – This Act shall be known as "*The Graphic Health Warnings Law.*"

3. **Section 2. Declaration of Principles.** – Section 2 of the Senate version was adopted with amendments.

- 3.1. The second paragraph of Section 2 of the Senate version was amended to read as follows:

"The State shall protect consumers from trade malpractices and from sub-standard tobacco products."

- 3.2. The phrase "picture-based health warnings" in the last paragraph was changed to "Graphic Health Warnings." This is an omnibus amendment. In succeeding sections, the phrase "picture-based health warnings" were changed to "Graphic Health Warnings."

4. **Section 3. Purposes.** – Section 3 of the Senate version was adopted with amendments: subsection (d) was deleted.

5. **Section 4. Definition of Terms.**

For Section 4(a) of the reconciled version, Section 4(a) of the Senate version was adopted.

For Section 4(b) of the reconciled version, Section 4(b) of the Senate version was adopted.

For Section 4(c) of the reconciled version, Section 2(a) of the House version

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was adopted with a minor change: "Graphic Health Warning" was changed to "Graphic Health Warnings."

For Section 4(d) of the reconciled version, Section 4 (d) of the Senate version was adopted.

For Section 4(e) of the reconciled version, Section 4(e) of the Senate version and Section 2(e) of the House version were merged and amended to read as follows:

- (e) "Tobacco Product Package" means the packet and package of tobacco products and any outside packaging and labelling of tobacco products for sale and distribution in the domestic market, importation, trade, exchange, or for exhibition, such as, but not limited to, packs, tins, boxes, pouches, flip-tops, slide and shell packages, cartons, packages containing one (1) product unit, or other containers of tobacco products containing the logo or trademark of the tobacco companies, primarily intended for consumers or for retail sale; *Provided*, That for mastercases that contain the logo or trademark of tobacco brands, such mastercases shall contain the textual health warning "SMOKING KILLS" which shall be printed in the same single color and in bold print as the trademark logo; *Provided*, further, That textual health warnings shall be of equal prominence and visibility as the logo or trademark of tobacco companies. Such textual warnings on the mastercase shall occupy not more than 50% of each principal display panel of the mastercase.

For Section 4(f) of the reconciled version, Section 4(f) of the Senate version was adopted.

6. **Section 5. Coverage.** – Section 3 of the House version was adopted with amendments to read as follows:

Sec. 5. Coverage. – This Act is only applicable to tobacco products that are locally manufactured or imported and introduced in Philippine market. Cigarettes intended or offered for export shall only be subject to the requirement that one side panel of the mastercases, reams/cartons, and one side panel of each cigarette pack primarily intended for retail sale to consumers, shall contain the following markings and information: "For sale only in _____," "Made under authority of _____," tax number

assigned by the Bureau of Internal Revenue (BIR) to the domestic manufacturer that exports tobacco products and fiscal and regulatory marking requirements of the country where the tobacco products will ultimately sold.

7. **Section 6. Graphic Health Warnings** of the reconciled version:

For the first paragraph of Section 6 of the reconciled version, the first paragraph of Section 5 of the Senate version was adopted with changes to read as follows:

Sec. 6. Graphic Health Warnings –

One (1) year after the issuance of the templates by the Department of Health (DOH), cigarette packages and other tobacco product packages, including package inserts and onserts, and any outside packaging and labelling, withdrawn from the manufacturing facilities, or imported into the Philippine customs territory shall bear the prescribed highly visible full-color "Graphic Health Warnings," that shall have two (2) components: a photographic picture warning and an accompanying textual warning that is related to the picture.

For Section 6(a), Section 5(a) of the Senate version was adopted with amendments to read as follows:

- (a) The Graphic Health Warnings shall be printed on fifty percent (50%) of the principal display surfaces of any tobacco package; it shall occupy fifty percent (50%) of the front and fifty percent (50%) of the back panel of the packaging, as described in Section 4;

For Section 6(b), Section 5(b) of the Senate version was adopted with amendment, to read as follows:

- (b) The Graphic Health Warnings shall be located at the lower portions of the said panels or "Principal Display Areas";

For Section 6(c), Section 5(c) of the Senate version was adopted.

For Section 6(d), Section 5(d) of the Senate version was adopted.

For Section 6(e) Section 4(e) of the House version was adopted.

For Section 6(f) Section 5(f) of the Senate version was adopted with minor changes to read as follows:

- (f) The printing of the Graphic Health Warnings shall be done using current available technology for purposes of providing vivid and realistic pictures, without the use of any border, frame or any other design that will effectively lessen the size of the warning;

The Graphic Health Warnings shall be printed or inscribed on the package in a color which contrasts conspicuously with the background of the package or its labels;

For Section 6(g), Section 5(g) of the Senate version was adopted with amendments to read as follows:

- (g) A maximum of twelve (12) templates of Graphic Health Warnings shall be printed simultaneously and these shall be rotated periodically for each brand family and also for each variant, so that every twenty-four (24) months, the variations of the warnings shall appear in the market with approximately equal frequency and equal display of health warnings and messages on retail packages; and

For Section 6(h), Section 5(h) of the Senate version was adopted with amendments to read as follows:

- (h) Graphic Health Warnings specifications –
- (1) The text warning accompanying the photographic picture warning shall be worded in such manner that an ordinary layman will understand what the picture is about and what the ill-effects of smoking are on the health of the smoker and on the people around him;
 - (2) The text warning shall be placed on areas of the photograph where it will not obscure the picture itself but will be prominently displayed;
 - (3) The text shall use no more than twenty percent (20%) of the entire area of the Graphic Health Warnings and shall appear in clearly legible type and in contrast by typograph, layout and color, without the use of any border, frame or any other design that will effectively lessen the size of the textual warning; and
 - (4) The accompanying text shall be printed in Filipino on the front panel

and English on the back panel. In the case of other containers where there is only one (1) external surface area, the accompanying text will alternately be in English or Filipino.

8. **Section 7. Side Panel.** – Section 6 of the Senate version was adopted with amendments to read as follows:

SEC. 7. Side Panel. Cigarette packages and other tobacco product packages found in the market shall bear, on one (1) side panel, additional information which shall be issued by the DOH together with the templates in accordance with Section 15 of this Act, namely additional health warnings, hotlines or websites for tobacco-related concerns, or tips on how to stop smoking. This information shall be prominently displayed and the text thereto shall appear in clearly legible type and in contrast by typograph, layout and color, without the use of any border or frame or any other design that will effectively lessen the size of the additional health warnings: *Provided*, That such additional information shall not occupy more than thirty percent (30%) of the display surface of one side panel. This is in addition to any fiscal markings as may be required by other government agencies such as the BIR.

9. **Section 8. Descriptors.** – Section 7 of the Senate version was adopted as Section 8 of the reconciled version with amendments to read as follows:

SEC. 8. Descriptors. – One (1) year after the issuance of the templates by the DOH, no cigarette packs or other tobacco product packages withdrawn from a manufacturing facility or imported into the Philippine customs territory, shall bear any numbers or descriptors such as, “low tar,” “light,” “ultra-light,” or “mild,” “extra,” “ultra,” and similar terms in any language that claims or misleads a consumer to believe that a tobacco product or variant is healthier, safer or less harmful.

10. **Section 9. Costs.** – Section 9 of the Senate version was adopted.

11. **Section 10, Prohibition on Sales.** – Section 10 of the Senate version was adopted with amendments to read as follows:

SEC. 10 Prohibition on Sales. — No person or legal entity shall sell or commercially distribute or display any cigarette or tobacco product without ensuring that the labels and packages, as well as any other

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container used in displaying the cigarette or tobacco products, meet the requirements under this Act. Manufacturers, importers, retailers and distributors of tobacco products shall ensure the removal from all displays of non-compliant tobacco products manufactured, imported, distributed or sold by them eight (8) months after the Graphic Health Warnings are required, as mandated under Section 6.

Non-compliant packages thereafter found in the market on display, for sale or distribution shall be subject to removal and/or confiscation.

12. **Section 11. Prohibition on Obstruction of Display.** – Section 11 of the Senate version was adopted.
13. **Section 12. Liability of Manufacturers, Importers and Distributors.** – Section 12 of the Senate version was adopted.
14. **Section 13. Liability of Retailers and Sellers.** – Section 13 of the Senate version was adopted.
15. **Section 14. Penalties for Non-Compliance.** – Section 14 of the Senate version was adopted with amendments to read as follows:

“SEC. 14. *Penalties for Non-Compliance.* –

- (a) The following penalties shall individually apply to manufacturers, importers, and distributors of tobacco products as well as their agents/representatives for any violation of Sections 6 and 7, and Section 11 insofar as they are responsible for providing display materials that are in violation of this Act:
 - (1) On the first offense, a fine of not more than Five hundred thousand pesos (P500,000.00);
 - (2) On the second offense, a fine of not more than One million pesos (P1,000,000.00); and
 - (3) On the third offense, a fine of not more than Two million pesos (P2,000,000.00) or imprisonment of not more than five (5) years, or both, at the discretion of the court: *Provided, further,* That the business permits and licenses, in the case of a business entity or establishment shall be revoked or cancelled.

If the guilty officer is a foreign national, he shall be deported after service of sentence and/or payment of

applicable fines without need of further deportation proceedings and shall be permanently barred from re-entering the Philippines.

Each withdrawal or importation into the Philippine customs territory of non-compliant tobacco packages, regardless of size, for sale to the market, after the compliance date shall constitute one offense. An additional penalty of One hundred thousand pesos (P100,000.00) per day shall be imposed for each day the violation continues after having received the order from the DTI notifying the company of the infraction.

- (b) The following penalties shall individually apply to retailers/sellers of tobacco products as well as their agents/representatives for any violation of Sections 6 and 7 of this Act, insofar as they are involved in the display, offering for sale and selling of the covered products, as well as Section 11 of this Act:

- (1) On the first offense, a fine of not more than Ten thousand pesos (P10,000.00);
- (2) On the second offense, a fine of not more than Fifty thousand pesos (50,000.00) and
- (3) On the third offense, a fine of not more than One hundred thousand pesos (100,000.00) or imprisonment of not more than one (1) year, or both, at the discretion of the court. The business permits and licenses, in the case of a business entity or establishment shall be revoked or cancelled.

Each day that non-compliant tobacco packages are found in the retail establishments of the retailers after the compliance date shall constitute one (1) offense. An additional penalty of Five thousand pesos (P5,000.00) per day shall be imposed for each day the violation continues after having received the order from the DTI notifying the retailers of the infraction.

- (c) The imposition of the fines shall take into consideration the annual gross sales, capital investment and employee size of the manufacturers, importers and distributors, and in the case of retailers and sellers, their total assets.

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16. **Section 15. Graphic Health Warnings Templates and Timeline.** – Section 15 of the Senate version was adopted with amendments to read as follows:

Sec. 15. *Graphic Health Warnings Templates and Timeline.* – Thirty (30) days after the effectivity of this Act, the DOH shall issue a maximum of twelve (12) templates of Graphic Health Warnings to be rotated, as well as guidelines with respect to the specific pictures, design, or content of the information relating to the Graphic Health Warnings, and other information that must appear in the tobacco product packages. The DOH shall consider the recommendations of leading nongovernment organizations that have established and proven records of dealing with tobacco-related diseases and deaths. All Graphic Health Warnings issued shall comply with the specifications above and must always present the devastating effects of tobacco use and exposure to tobacco smoke.

Under Section 6, manufacturers are given a period of one (1) year from the issuance of the initial set of templates to comply therewith. The initial set of templates is valid for two (2) years from implementation.

Within one (1) year from the effectivity of the initial set of templates, no person or legal entity shall sell or commercially distribute or display any cigarette or tobacco product without ensuring that the labels and packages, as well as any other container used in displaying the cigarette or tobacco products, meet the requirements under this Act, as mandated under Section 10 of this Act.

17. **A new Section 16. Implementing Agencies** was inserted to read as follows:

SEC. 16. *Implementing Agencies.* — For purposes of the implementation of this Act, the following government agencies are given these mandates:

1. The DOH shall issue the templates as required under Sections 6, 7 and 15.
2. The BIR shall ensure that cigarette stamps are not affixed on non-compliant packages and shall certify under oath that the products withdrawn are compliant with this Act.
3. The Inter-Agency Committee on Tobacco (IAC-T) created under Republic Act No. 9211 or the Tobacco Regulation Act

of 2003, shall monitor compliance with the law, and *motu proprio* or upon any sworn written complaint, institute the appropriate action for any violation of this Act as provided under Section 14 and this Section.

4. The Department of Trade and Industry (DTI) shall hear complaints filed by the IAC-T or any private citizen, corporation or organization, for any violation of this Act, and after notice and hearing, impose administrative fines of not more than Two million pesos (P2,000,000.00) for any violation of this Act, the proceeds of which will be used for health promotion campaigns on tobacco control of the DOH and the Department of Education (DepEd). The imposition of the administrative fines shall take into consideration the annual gross sales, capital investment and employee size of the manufacturers, importers and distributors, and in the case of retailers and sellers, their total assets.
5. The DepEd shall use Graphic Health Warnings templates to educate children on the ill-effects of tobacco and shall ensure that these are included in relevant subjects under the K-12 curriculum.

Within six (6) months from the effectivity of this Act, the Implementing Rules and Regulations (IRR) Committee led by the DOH & the DTI, and to be composed of Department of Justice (DOJ), Department of Finance (DOF), Department of Environment and Natural Resources (DENR), Department of Science and Technology (DOST), DepEd, National Tobacco Administration (NTA) and Department of Agriculture (DA) shall draft and issue the implementing rules and regulations (IRR) for its effective implementation, after public consultations with stakeholders such as non-government organizations (NGOs), farmers, and industry representatives; *Provided*, that the non-issuance of the IRR shall not prevent the coming into force of this Act.

18. **A new Section 17, Creation of Oversight Congressional Committee**, was inserted to read as follows:

Sec. 17. *Creation of Oversight Congressional Committee.* – A Congressional Oversight Committee co-chaired by the Senate Committee on Health and Demography and the House

Committee on Health, is hereby constituted to monitor and review the implementation of this Act.

19. **Section 18. Strict Compliance and Inspections.** – Only the first paragraph of Section 17 of the Senate version was adopted.
20. **Section 19 (Separability Clause),** Section 18 of the Senate version was adopted.
21. **Section 20 (Repealing Clause),** Section 13 of the House version was adopted with amendments to read as follows:

Section 20. *Repealing Clause.* – Section 13 on Warning on Cigarette Packages of Republic Act No. 9211, DOH Administrative Order No. 2010-0013 and BIR Revenue Regulations No. 3-2006, Sections 18(e) and 23 (a)(1)(b) are hereby repealed. All other laws, decrees, executive order and other administrative issuances and parts thereof which are inconsistent with the provisions of this Act are hereby modified, superseded or repealed accordingly.

22. A new Section 21 was inserted to read as follows:

Sec. 21. *Compliance with Existing International Conventions.* – Nothing in this Act shall modify the measures adopted to give effect to the obligations of the Philippines under international conventions existing at the time of the enactment of this Act.

23. **Section 22. Effectivity Clause.** Section 20 of the Senate version was adopted.
24. The title of the Senate version was adopted to read as follows:

AN ACT TO EFFECTIVELY INSTILL HEALTH CONSCIOUSNESS THROUGH GRAPHIC HEALTH WARNINGS ON TOBACCO PRODUCTS.

In case of a conflict between the statements/ amendments stated in this Joint Explanatory Statement and that of the provisions of the consolidated bill in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, there being no objection, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 27 and House Bill No. 4590 was approved by the Body.

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 2211 AND HOUSE BILL NO. 4082

Upon motion of Senator Cayetano (A), there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2211, entitled

AN ACT STRENGTHENING CONSUMER PROTECTION IN THE PURCHASE OF BRAND NEW MOTOR VEHICLES AND FOR OTHER PURPOSES,

and House Bill No. 4082, entitled

AN ACT STRENGTHENING CONSUMER PROTECTION IN THE PURCHASE OF BRAND NEW MOTOR VEHICLES.

SPONSORSHIP SPEECH OF SENATOR AQUINO

Senator Aquino manifested that the House has approved and ratified the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2211 and House Bill No. 4082.

He then requested the insertion of the full text of the Joint Explanation of the Conference committee into the *Journal* and *Record* of the Senate:

Following is the full text of the Joint Explanation:

JOINT EXPLANATION OF THE CONFERENCE COMMITTEE ON THE DISAGREEING PROVISIONS OF SENATE BILL NO. 2211 AND HOUSE BILL NO. 4082

The Conference Committee on the disagreeing provisions of Senate Bill No. 2211 and House Bill No. 4082, after having met and fully discussed the subject matter in a conference, hereby reports to their respective Houses the following that:

- 1.) The conferees agreed to use the House version as the working draft.
- 2.) *Section 2 (Declaration of Policy).* House version was adopted.
- 3.) *Section 3 (Definition of Terms).* House version was adopted with the following modifications:

On page 4, line 11, subparagraph (b) *Collateral charges* — on line 12, delete the phrase “other incidental expenses, such as, but not limited to,” and replace with “chattel mortgage fees and interest expenses if applicable.”

On page 4, line 20, subparagraph (d) *Consumer* add the phrase “in the Philippines” after the word “retailer.”

- 4.) *Section 4 (Coverage)*. House version was adopted with modification, on page 4, line 15 insert the phrase “purchased in the Philippines” after the word “vehicles.”
- 5.) *Section 5 (Repair Attempts)*. House version was adopted with modifications, on page 4, line 28, delete the “s” in the word “periods.”

On page 5, line 2, delete the phrase “if still unsatisfied with the results of the said repairs” and replace it with the phrase “and the non-conformity issue remains unresolved.”

An additional paragraph to read as follows: “The repair may include replacement of parts, components, or assemblies.”

- 6.) *Section 6 (Notice of Availment of Lemon Law Rights)*. House version was adopted.
- 7.) *Section 7 (Availment of Lemon Law Rights)*. House version was adopted with the following modifications:

On page 5, line 26, in the third paragraph, delete the phrase “consumer remains unsatisfied with” and replace with the phrase “non-conformity issue remains unresolved despite”

On page 6, line 6, in the same paragraph, delete the phrase “the consumer still remains unsatisfied” and replace with the phrase “the non-conformity issue still exists or persists”

- 8.) *Section 8 (Remedies for Dispute Resolution)*. House version with the following modifications:

On page 7, line 18, subparagraph (a)(5) has been reworded to read as follows:

- (5) At any time during the dispute resolution period, the manufacturer, distributor, authorized dealer or retailer and the consumer shall be encouraged to settle amicably. All disputes that have been submitted for mediation shall be settled not later than ten (10) working days from the date of filing of the complaint with the DTI.

(b) Arbitration

In the event there is a failure to settle the complaint during the mediation proceedings, both parties may voluntarily decide to undertake ARBITRATION proceedings.

c) Adjudication

- (1) In the event that both parties do not undertake arbitration proceedings, at least one of the parties may commence adjudication proceedings, administered by the DTI. The DTI shall rely on the qualified independent findings as to conformity to standards and specifications established herein. In no case shall adjudication proceedings exceed twenty (20) working days.

- 9.) *Section 9 (Determination of Reasonable Allowance for Use)*. House version was adopted with modification, replace the last word “higher” with the word “lower.”
- 10.) *Section 10 (Disclosure on Resale)*. House version was adopted.
- 11.) *Section 11 (Penalty)*. House version was adopted.
- 12.) *Section 12 (Assistance by Other Agencies)*. House version was adopted.
- 13.) *Section 13 (Implementing Rules and Regulations)*. House version was adopted.
- 14.) *Section 14 (Separability Clause)*. House version was adopted.
- 15.) *Section 15 (Repealing Clause)*. House version was adopted.
- 16.) *Section 16 (Effectivity)*. House version was adopted.
- 17.) The long title of the House version was adopted.

In case of a conflict between the statements/ amendments stated in this Joint Explanatory Statement and that of the provisions of the consolidated bill in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, there being no objection, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2211 and House Bill No. 4082 was approved by the Body.

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SUSPENSION OF SESSION

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

It was 5:42 p.m.

RESUMPTION OF SESSION

At 5:45 p.m., the session was resumed.

PROPOSED SENATE RESOLUTION NO. 688

With the permission of the Body, upon motion of Senator Cayetano (A), the Body considered Proposed Senate Resolution No. 688, entitled

RESOLUTION CONGRATULATING
NONITO DONAIRE JR. FOR WINNING
THE MAY 31, 2014 WORLD
BOXING ASSOCIATION (WBA)
FEATHERWEIGHT CHAMPIONSHIP
TITLE AT THE COTAI ARENA OF
THE VENETIAN RESORT IN MACAU.

Secretary Yabes read the text of the resolution, to wit:

WHEREAS, the 31-year-old Nonito "The Filipino Flash" Donaire Jr. triumphed over South African Boxer Simpiwe Vetyeka, claiming the WBA featherweight title on May 31, 2014 in Macau;

WHEREAS, Nonito Donaire Jr., with a record of 33-2, 22 knockouts, won by technical decision with three judges scoring 49-46 in the 5th round when the bout was stopped due to a cut in his left eyebrow caused by an accidental headbutt;

WHEREAS, Nonito Donaire Jr. fiercely continued to fight until the fifth round despite the serious injury he sustained during the first round;

WHEREAS, according to the WBA rules, if a boxer is accidentally injured and as a result the referee determines that he cannot continue fighting in that or later rounds, the result of the fight shall be determined by the judges' scorecards as long as four rounds have been completed. The fighter ahead on the scorecards shall be declared the winner by technical decision;

WHEREAS, Nonito Donaire Jr. has won 5 world titles in four weight divisions;

WHEREAS, Nonito Donaire Jr. was named World Boxing Hall of Fame "Most Outstanding Boxer of the Year" in 2007;

WHEREAS, Nonito Donaire Jr. has been victorious in four boxing weight divisions, which include:

- NABF S-FL Title (2006)
- IBF FL World Title (2007)
- WBA Interim S-FL World Title (2009)
- WBC Continental Americas Bantamweight Title (2010)
- WBC, WBO Bantamweight World Titles (2011)
- WBO JF World Title (2012)
- WBC SB Diamond Belt (2012)

WHEREAS, Nonito Donaire Jr.'s countless achievements, distinct ability and tenacity inspire Filipinos all over the world and give our country worldwide recognition in the sport of boxing;

RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate of the Philippines, to congratulate Nonito Donaire Jr. for winning the May 31, 2014 WBA featherweight title at the Cotai Arena of the Venetian Resort in Macau.

**COSPONSORSHIP SPEECH
OF SENATOR ANGARA**

Senator Angara stated that as Chair of the Committee on Games, Amusement and Sports and as avid boxing fan, it was an honor for him to pay homage once again to Nonito Donaire Jr., a man whose achievements are well-known, especially to a boxing-loving country like the Philippines.

The rest of Senator Angara's cosponsorship speech follows:

The world saw Donaire's win against Simpiwe "V12" Vetyeka for the World Boxing Association featherweight title, this May. But this is just his most recent victory as a light-footed, switch-hitting Filipino boxer.

He first grabbed world attention in 2007 when he beat then undefeated Vic Darchinyan, to garner the International Boxing Federation (IBF) and the International Boxing Organization Flyweight World titles. *Ring Magazine* dubbed this match 2007's "Knockout of the Year" and "Upset of the Year."

He victoriously defended his title against Luis Maldonado in December 2007, Moruti Mthalane in 2008, and Raul Martinez in 2009. After his third successful title defense, *Ring Magazine* ranked him 7th in its "pound-for-pound rankings."

He jumped up to the bantamweight division in 2010, where he beat Wladimir Sidorenko for the World Boxing Council (WBC) Continental

Americas Bantamweight Title. This paved the way for him to beat Fernando Montiel for the WBC and WBO Bantamweight World Titles. Here, he became the second Filipino and the third Asian to become world champion in three different weight divisions.

In 2012, he stepped up and entered the Super Bantamweight division, beating Wilfredo Vazques, Jr. Because of this win, he joins Manny Pacquiao in becoming the only Asians to hold championship titles in four weight divisions.

He did not stop there, moving up to the featherweight division again in November 2013. Even with a shoulder injury, he emerged victorious again against Vic Darchinyan — which served as the basis of Proposed Senate Resolution No. 395, paying tribute to him for his victories.

We ought to recognize the talent, skill and effort poured in by one born in Talibon, Bohol, who lived in General Santos City before moving to Van Nuys, California where his boxing skills were first honed.

Let us recognize again Nonito “The Filipino Flash” Donaire, Jr. for emerging victorious and reaching such high stature after the many struggles he faced. Not just a world-class boxer, but an elite athlete and a Filipino his country can be proud of. An entire generation now looks up to him. *Dati isa lang ang ating pambansang kamao. Ngayon, may kapares na, dalawa na sila.*

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 688

Upon motion of Senator Cayetano (A), there being no objection, Proposed Senate Resolution No. 688 was adopted by the Body, subject to style, taking into consideration Proposed Senate Resolution Nos. 689 and 692.

COAUTHORS

Senator Cayetano (A) manifested that all senators present are coauthors of Proposed Senate Resolution No. 688.

SUSPENSION OF SESSION

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

It was 5:52 p.m.

RESUMPTION OF SESSION

At 6:04 p.m., the session was resumed.

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 2046 AND HOUSE BILL NO. 4595

(Continuation)

Upon motion of Senator Cayetano (A), there being no objection, the Body resumed consideration of the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2046, entitled

AN ACT PROMOTING JOB GENERATION AND INCLUSIVE GROWTH BY PROVIDING ADDITIONAL INCENTIVES TO MICRO, SMALL AND MEDIUM ENTERPRISES; and

House Bill No. 4595, entitled

AN ACT PROMOTING THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES

Thereupon, the Chair recognized Senator Aquino, sponsor of the report, and Senator Recto for the continuation of his inquiries.

INQUIRIES OF SENATOR RECTO

(Continuation)

Asked on the reasons why the DTI objected to the definition of “micro and small enterprises” as provided in Section 3 of Senate Bill No. 2046, which simply codified the existing laws for easier understanding and implementation, Senator Aquino reiterated that the DTI, in its letter to the Committee which, he said, he was willing to read into the record, had expressed reservation over the proposed change of the definitions.

Senator Recto expressed no objection to putting DTI’s letter into the record, saying that, precisely, it is its explanation that he would like to be made known to the public.

Asked on the downside of increasing the threshold for micro enterprises from P3 million to P5 million, Senator Aquino said that the DTI had expressed its reservation to increase the threshold because at present, the Philippines has the highest asset size limits for micro enterprises in the ASEAN, and since

micro enterprises require a specific type of intervention, increasing the limit would, in effect, mix the true micro enterprises with those that are already on the small enterprise level. He believed that changing the definition could be the main subject of another bill. He also recalled the DTI's suggestion that the basis for classification be changed from asset size to the number of employees but since there was no consensus between the Senate and the House, he just opted to follow the House version since the definition is already in the present laws.

But Senator Recto pointed out that the Senate version did not touch the definition on micro, small and medium enterprises as regards the number of employees but only the thresholds on the MSMEs. Senator Aquino believed that changing the definition is a big decision that could be the subject of another bill.

Senator Recto said that, precisely, he filed the measures which the Committee took into consideration in their common interest and advocacy to assist the MSMEs. At this juncture, he expressed his appreciation to Senator Aquino for the work that he has put into the bill. However, he expressed disappointment that only one bicameral conference committee hearing was held during which the issue of codification was not given much attention.

Also as regards Section 3, Senator Recto pointed out that there is a provision in the original Senate version allowing the Council to redefine MSMEs using the consumer price index and other variables like the number of employees, equity, capital and asset size, a matter that the DTI was, in fact, requesting as well.

Senator Recto also noticed that the Senate's version codifying the incentives and benefits provided for in existing laws which were supposed to be the core of the proposed legislation and which were not found in the House version, was totally deleted.

Senator Recto acknowledged, though, the inclusion of other provisions in the bill, including tax exemptions that are found in existing laws, exemptions from the coverage of the minimum wage law, and incentives for job generation, all of which are geared towards inclusive growth.

At this point, Senator Recto placed on record the reason why barangay microbusiness enterprises

have not been able to take off. He said that in 2004, the DOF and the BIR issued regulations that made it difficult for small businesses to follow because expenses for compliance became more expensive than the tax incentives that they were supposed to get. He said that such issues would have been better debated in the bicameral conference.

Senator Aquino affirmed that the DOF and the BIR have stopped the implementation of the BMBE because of tough regulations. However, he said that under the proposed measure, the authority to issue a certificate that would allow one to become a BMBE was precisely transferred from the BIR and the local treasurer to the DTI and *negosyo* centers which are supposed to be more knowledgeable of the market.

Senator Recto noted that the DOF was again making it difficult for Congress to provide incentives and benefits which is the heart of the measure. He said that in the present law that was approved ten years ago, micro, small and medium enterprises with gross sales of P2 million do not have to register as a VAT entity, and in the present measure, the threshold was increased to P3 million. He noted that this would also be good for the BIR because instead of concerning itself with MSMEs, it could concentrate on enterprises whose gross sales exceed P3 million.

Asked on the reason behind the deletion of the particular provision, Senator Aquino said that the DOF, in a letter, declared its opposition claiming that there would be so much revenue loss amounting to P23.9 billion for VAT, P12.1 billion for GRT and P2.5 billion for the jobs.

Asked whether the so-called "loss" by the DOF was attributed to the increase from P2 million to P3 million and whether there were documents that would support this opposition, Senator Aquino disclosed that this opposition was reflected in the DOF's letter to the Senate dated March 4, 2014. He said that the Senate passed the bill on Third Reading on February 24, 2014.

Senator Aquino acknowledged that the added exemptions that were put in the bill could definitely help the small and medium enterprises and he gave assurance that there were no changes in terms of the incentives for micro enterprises. He said that with the new system of certifying BMBEs, government is

expecting that the availment would go from 2%, which has been in the last 12 years to a much higher number. He invited Senator Recto to join the Committee in exercising its oversight functions to ensure the implementation of the law with regard to the incentives.

Senator Recto maintained that it would have been better if these provisions were kept and the laws were codified and that if it would be difficult to achieve the P3 million, it should be maintained at P2 million.

Senator Recto opined that too many definitions would be confusing and this is the reason why codification is needed. Senator Aquino said that at present, there are three prevailing laws: the BSME Act, the Magna Carta for Micro Small and Medium Enterprises and hopefully, the *Go Negosyo* bill.

As regards the deletion of the provision in the Senate version encouraging LGUs to reduce local taxes and fees, Senator Aquino replied that there is a similar provision in the Magna Carta for Micro, Small and Medium Enterprises.

Senator Recto asked why Section 8 (*Financing for MSMEs*) was also deleted. He said that RA 9501 or the Magna Carta for MSMEs which was enacted in 2008, provides that 10 years after its effectivity, all lending institutions are required to set aside 8% of their total loan portfolio for micro and small enterprises, and 2% of the total loan portfolio for medium enterprises. He stated that the Senate version of the bill, in effect, instructed all GFIs such as the Land Bank of the Philippines, Development Bank of the Philippines, Small Business Corporation, People's Credit and Finance Corporation to lend to micro, small and medium enterprises at least 30% of their total loanable funds and, at the same time, provided for benefits and incentives, such as tax deductions to GFIs that would comply with these instructions. But these provisions, he noted, were deleted in the bicameral conference committee, along with the provision for a credit guaranty system using the government's guaranty corporation. He said that if the Committee felt that the provision for credit assistance of at least 30% of total loanable funds was too high, it could have settled for 10% to 15%.

In reply, Senator Aquino explained that Section 8 (*Financing for MSMEs using Government*

Financial Institutions using Credit Guarantee Corporation) and Section 9 (*Mandatory Allocation of Credit Using Government Financial Institutions*), were objected to by the DOF and that changing the mandatory allocation has always been objected to by the BSP. He stated that contrary to what Senator Recto had said, the *Go Negosyo* bill was not just about incentives but that it also involves setting up the infrastructure, the manpower to help the MSMEs, the ease of doing business, mentorship, training, and market linkages. He said that indeed there were incentives proposed by the Senate, but the Committee decided to yield to the request of the DOF not to include in the proposed law.

Moreover, Senator Aquino explained that the amount of incentives, which are already quite generous for micro enterprises, presently given to MSMEs under existing laws have not yet been maximized, and it would be more prudent to try to maximize these incentives first before new ones are proposed.

Adverting to the provision creating *Negosyo* centers, Senator Recto observed that putting the *Negosyo* centers under the DTI would, in effect, expand the presence of the DTI in all cities and municipalities nationwide, and he doubted if the DTI has the expertise on many of its new functions as provided in the bill.

As regards Section 5 (*Registration*), Senator Recto stated that at present, business permits for small and medium enterprises are issued by the LGUs; however, since *Negosyo* centers will be created in all cities and municipalities, the bill, in effect, will take away the authority of the LGUs to issue business permits to micro enterprises. He recalled that during an earlier discussion, Senator Aquino said that the bill also intends to address BIR's regulations. He noted that while the authority to issue certificates was removed from the LGUs, the report did not address the concerns with respect to the BIR. Specifically, he cited Section 5(b), to wit:

“(b) Certificate of Authority for Barangay Micro Business Enterprises (BMBEs) – The DTI, through the *Negosyo* Center in the city or municipality level, shall have the sole power to issue the Certificate of Authority for BMBEs to avail of the benefits provided by Republic Act No. 9178, otherwise known as the “Barangay Micro Business Enterprises (BMBEs) Act of 2002.” Upon the approval of the registration of the BMBE, the

“*Negosyo Center*” shall issue the Certificate of Authority... the “*Negosyo Center*” may charge a fee which shall not be more than one thousand pesos (Php1,000.00) xxx”

Senator Recto noted that the measure does not seem inclined to grant to the MSMEs tax incentives and benefits but, on the other hand, huge amounts of money would be spent to put up *Go Negosyo Centers* in 1,700 municipalities which would entail a lot of manpower and MOOEs to function. He said that at present, BMBEs that would want to register with the LGU are given a hard time because of a DOF/BIR circular instructing city and municipal treasurers to comply with new regulations that would require them to accomplish a large amount of paper work. He also expressed concern that it would take time for the *Negosyo Centers* to be put up in all the cities and municipalities, and in the meantime, micro enterprises would not know where they would register.

Responding thereto, Senator Aquino agreed that with the current setup, it has been very difficult for MSMEs to get BMBE status. He explained that under the bill, the *Negosyo Center* is headed by the DTI in partnership with the LGU. He assured that the measure does not cut out the LGU and that it still has control over the permits. He added that the fees to be charged would be remitted to the national government.

Senator Recto maintained that the *Negosyo Center* is an added bureaucracy because instead of going to the LGUs, the MSMEs would go to the centers. Senator Aquino clarified that the *Negosyo Center* would serve as an all-in-one place for the MSMEs in cities and municipalities because not all LGUs have a DTI office. He stressed that the nature of the bill is to reach out to more MSMEs in all areas.

Senator Recto pointed out that in the original version of the bill, MSMEs would be given incentives, benefits and credit assistance, but he pointed out that small businesses should not be given a hard time getting permits and submitting VAT returns to the BIR every quarter. In fact, he said, it would cost MSMEs more to comply with the tax requirements than for them to run the business.

Senator Recto noted that Congress is getting too loose in creating a bureaucratic organization and

spending taxpayers’ money by creating 1,700 centers which would entail more manpower, MOOE and capital outlay. He lamented that the creation of the MSMED Council would also mean spending for the honoraria of those involved in it. He maintained that the Conference Committee Report should have addressed the need to improve on the incentives and benefits of the MSMEs as well as other concerns.

Senator Aquino invited Senator Recto to join him in monitoring the implementation of the measure. He stated that the DTI is ready to revolutionize its service and is willing to push for inclusive growth all the way down to the grassroots level, and that the *Go Negosyo Act* would have a progressive implementation.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, and with the majority voting in favor and Senator Recto voting against, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 2046 and House Bill No. 4595 was approved by the Body.

MANIFESTATION OF SENATOR RECTO

Senator Recto manifested that he cast a negative vote for the reasons mentioned earlier.

COMMITTEE REPORT NO. 47 ON SENATE BILL NO. 2275

(Continuation)

Upon motion of Senator Cayetano (A), there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2275 (Committee Report No. 47), entitled

AN ACT MANDATING ALL STATE COLLEGES AND UNIVERSITIES TO ANNUALLY CONFER AUTOMATIC ADMISSION AND PROVIDE SCHOLARSHIP GRANTS TO THE TOP TEN (10) PUBLIC HIGH SCHOOL STUDENTS OF THEIR GRADUATING CLASS, AND ALLOCATE FUNDS THEREFOR.

Senator Cayetano (A) stated that the parliamentary status was the period of interpellations.

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TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no interpellation, upon motion of Senator Cayetano (A), there being no objection, the Body closed the period of interpellations and proceeded to the period of committee amendments.

SUSPENSION OF SESSION

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

It was 6:55 p.m.

RESUMPTION OF SESSION

At 6:56 p.m., the session was resumed.

Thereupon, the Chair recognized Senator Cayetano (P), sponsor of the measure.

SUSPENSION OF SESSION

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

It was 6:57 p.m.

RESUMPTION OF SESSION

At 6:59 p.m., the session was resumed.

COMMITTEE AMENDMENTS

As proposed by Senator Cayetano (P), there being no objection, the following committee amendments were approved by the Body, one after the other:

Pages 1 and 2

1. On page 1, lines 22 to 26, and page 2, lines 1 to 6, delete the entire subsection (b), and reletter the succeeding subsections accordingly;

Page 2

2. On line 7, after the acronym "SUCs," insert a semicolon (;) and the phrase PROVIDED, THAT SPECIALIZED SUCs OR THOSE;
3. On line 31, delete the word "For";
4. On lines 32 and 33, delete the phrase "assistance may be given by," and replace it with the phrase REQUIRES THE PARTICIPATION AND COOPERATION OF;

5. On line 36, insert a new subsection 1 to read as follows:

1. UPON THE EFFECTIVITY OF THE LAW, CONDUCT A REVIEW OF THE NUMBER OF GRADUATING PUBLIC HIGH SCHOOL STUDENTS IN EACH PROVINCE TO ENSURE THAT THE SUCs THEREIN HAVE THE CAPACITY TO ABSORB THE *ISKOLARS NG BAYAN*, LIKEWISE TAKING INTO CONSIDERATION THE PROBABILITY THAT GRADUATES FROM OTHER PROVINCES MAY APPLY IN SAID SUCs ESPECIALLY THOSE THAT ARE RECOGNIZED AS CENTERS OF EXCELLENCE;

6. Renumber the succeeding subsections accordingly;

The session was suspended and was resumed shortly thereafter.

Page 3

7. After line 13, insert a new subsection (2) to read as follows:

2. INFORM CHED OF THEIR CAPACITY TO ABSORB THE STUDENTS APPLYING UNDER THE *ISKOLAR NG BAYAN* PROGRAM;

8. Renumber the succeeding subsections accordingly;

9. On line 21, before the words and acronym "Local Government Units (LGUs)," insert a new sentence to read as follows:

LGUs SHALL ASSIST QUALIFIED GRADUATES IN THEIR LOCALITIES TO AVAIL OF THE BENEFITS UNDER THE *ISKOLAR NG BAYAN* PROGRAM;

10. On the same line, after the word and acronym "Local Government Units (LGUs)," delete the word "may" and insert the phrase ARE LIKEWISE ENCOURAGED TO;
11. On line 26, in the second word "Corporation" change the capital "C" to small letter "c";
12. On the same line, after the word "Corporation," delete the words "may likewise" and insert the phrase ARE ENCOURAGED TO.

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

There being no other committee amendment, upon motion of Senator Cayetano (A), there being no

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objection, the Body closed the period of committee amendments and proceeded to the period of individual amendments.

SUSPENSION OF SESSION

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

It was 7:09 p.m.

RESUMPTION OF SESSION

At 7:17 p.m., the session was resumed.

CAYETANO (A) AMENDMENTS

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

1. On page 3, after line 23, insert two new paragraphs which read as follows:

LGUs ARE ENCOURAGED TO CREATE THEIR OWN SCHOLARSHIP PROGRAM TO IMPLEMENT OR COMPLEMENT THE *ISKOLAR NG BAYAN* PROGRAM FOR THEIR CONSTITUENTS.

THE PUBLIC EMPLOYMENT SERVICE OFFICE (PESO) OF EACH LGU SHALL SUBMIT AN ANNUAL REPORT TO THE SUCs IN THEIR RESPECTIVE PROVINCE OR REGION CONTAINING PROJECTIONS ON EMPLOYMENT OPPORTUNITIES AND JOB OPENINGS.

2. Delete lines 32 to 35 so that Section 7 would simply read as follows:

SECTION 7. *FORM OF SCHOLARSHIP GRANTS.* – SCHOLARSHIP GRANTS ARE HEREBY PROVIDED IN THE FORM OF FREE TUITION FEE AND OTHER SCHOOL FEES TO THE *ISKOLAR NG BAYAN* IN ALL SUCs.

Senator Cayetano (A) stressed that he wholly supports the grant of full scholarship to qualified students, including tuition fees and allowances for books, cost of living allowances, board and lodging, and the like. However, considering that the proposed budget for the year 2015 would only be submitted after the State of the Nation Address (SONA), he expressed apprehension that the inclusion of the

allowances as provided for under the proposed subsections (b) and (c) of Section 7 could adversely affect the bill because the lead agencies such as CHED could assert unavailability of the funds to support the *Iskolar ng Bayan* Program. He believed that it would be best if the law would not mandate something that is not yet achievable in the nearest future.

Senator Cayetano (P) accepted the amendment, saying that the bill encourages the participation of private corporations and LGUs. She expressed hope that over time, there would be more support for the *Iskolar ng Bayan* program.

Senator Cayetano (P) manifested that the amendment was without prejudice to proposing it in the bicameral conference committee if and when the DBM and other agencies of government say that there are available funds and that the CHED would push for the said allowances.

INQUIRIES OF SENATOR ANGARA

Asked by Senator Angara whether a member of the top 10 of a graduating class of a public high school may choose to go to the SUC which is outside his/her province, Senator Cayetano (P) explained that the bill did not specify that the scholars must enroll in their provinces and neither did it prohibit them to go to SUCs outside their province, but the Committee took cognizance of the fact that due to limitation of funds, many students would choose to go to a geographically accessible SUC which normally is within the province. She explained that this was the reason why a provision was added requiring the CHED to coordinate the capacities of the SUCs to absorb the students within their province, taking into consideration that those from nearby provinces or regions would also go to other centers of excellence, for instance, in Manila and Cebu.

Senator Angara expressed concern on the absorptive capacity of some SUCs that would suddenly accommodate a possible 50% increase in the student population in a span of 12 months.

Asked by Senate President Drilon if he was concerned about the implementability of the bill, Senator Angara replied in the affirmative. However, he clarified that it was not impossible to implement the bill if CHED can find the mechanism and set up satellite colleges.

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Senator Cayetano (P) said that she took time to study the available data and was convinced that the provisions could be implemented. For example, she said that the Marinduque State College, which has a total population of 12,700 with an incoming 1,300 freshmen students, can easily accommodate the 450 scholars while the 170 scholars from 17 public high schools in Guimaras could be readily absorbed by Guimaras College which has a freshman population of 530.

Senator Angara emphasized the importance of instituting safety mechanisms in case there are some SUCs which would not be able to absorb the scholars.

Senator Cayetano (P) believed that with CHED supervising and working very closely with the SUCs, these schools would be able to absorb the scholars. She recognized that there would be positive challenges that would even push CHED to ensure that the presence of SUCs is proportional to the student population and to study how the SUCs are geographically situated.

On the matter of coverage, Senator Angara pointed out that pursuant to Section 4, the program covers all state universities and colleges except the University of the Philippines. He said that he recognized the exclusion of U.P. because if included, it would result in a host of other problems considering that the university has its own strict qualification requirements. He asked how the program would work in other SUCs like the Philippine Normal University, the Technological University of the Philippines, and the Polytechnic University of the Philippines.

Senator Cayetano (P) explained that when U.P. was excluded, the Committee considered the other four large SUCs. She said that the scholars would be ideally absorbed by either the budget of CHED or the combined scholarship programs scattered in the national budget. She recalled that when she considered the other similarly situated universities, she realized that it would not really pose a problem to them because the scholars would be filtered or prequalified, thus, the funds would be allocated to the best of the best and that more deserving students, who cannot be accommodated before due to lack of funds, would now be able to avail of the program.

As to the number of SUCs at present, Senator Cayetano (P) stated that there are 112 SUCs including *campuses and extension units*.

Asked by Senate President Drilon if this would include universities and colleges that are maintained by the LGUs, Senator Cayetano (P) replied that these would not be included in the coverage.

SUSPENSION OF SESSION

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

It was 7:35 p.m.

RESUMPTION OF SESSION

At 7:53 p.m., the session was resumed.

Upon resumption, Senator Angara pointed out that with the seven to eight thousand public high schools in the country, there would be a great variance with respect to quality of education and the abilities of the top ten students.

Responding thereto, Senator Cayetano (P) agreed that there would indeed be different qualities of top ten students. However, she opined that if one is a top ten graduate, the student deserves to go to a state college or university. She said that the law requires the SUCs to accept the student but not necessarily be accepted in a quota course, and to provide a bridge program to assist students who may need to do some catching up with their peers.

Asked how many provinces are without SUCs, Senator Cayetano (P) disclosed that there are six provinces without SUCs and these are: Dinagat Islands in Caraga, City of Isabela in Region IX, Zamboanga Sibugay in Region IX, Lanao del Norte in Region X, Saranggani in Regions XII and South Cotabato in Region XII.

Senator Angara said that he would not worry too much about South Cotabato because General Santos City has a branch of MSU in the province and also in Zamboanga Sibugay. He said he was not sure about Dinagat Islands, saying that the nearest SUC would probably be in Surigao.

Senator Cayetano (P) said that the idea would be for the SUCs in the nearby provinces to absorb these students. Senator Angara said that the law or its implementing rules can provide those students who would be studying outside their own provinces with *support for board and lodging*. Senator Cayetano (P)

said that the Committee would find ways to remedy the problem.

Senator Cayetano (P) said that the LGUs and many of those in the private sector have their own scholarship programs while the CHED is mandated to coordinate all efforts so that they could be directed to focus on the students who have additional costs to attend college.

Asked how the *Iskolar ng Bayan* program would be operationalized in the SUCs located in Metro Manila and whether it would be limited to the residents of Metro Manila or open to provincial students, Senator Cayetano (P) replied that the program would be open to everyone because Manila is considered a center of excellence just like Cebu. She said that being located in a center of excellence, these institutions should be open towards accepting students who would have the academic ability but not the financial capacity. She stressed that the bill does not cover living allowances but there could be other means for the students to get other kinds of support.

Asked how many students would be covered by the program, Senator Cayetano (P) estimated that it would be from 70,000 to 80,000 students.

Asked for the percentage growth in terms of total high school enrolment assuming that there are 80,000 students at present, Senator Cayetano (P) said that the figures could be arrived at not by way of percentage but by a rough estimate. She said that it was 6.9 million in 2010, 7.0 million in 2011 and 7.1 million in 2012.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

There being no other individual amendment, upon motion of Senator Cayetano (A), there being no objection, the Body closed the period of individual amendments.

MANIFESTATION OF SENATOR SOTTO

Admitting that he was not able to study the measure, Senator Sotto said that the questions posed by Senator Angara have opened the eyes and ears of the Minority. He stated that he would vote in favor of the bill's approval on Second Reading so that he will be allowed to file a motion for reconsideration should there be a need to propose an amendment.

Senator Cayetano (A) stated that both Houses would have different versions of the bill but he would make sure that the DBM, CHED and other agencies would be at the bicameral conference in order to make the measure implementable.

Senate President Drilon reminded the Body that under the Rules, a motion for reconsideration can be filed two session days after the approval by one who voted in favor of the bill on Second Reading.

Senator Sotto stated that he would move for the reconsideration of the approval of the bill on Tuesday, July 29 so as not to disturb the proceedings and the SONA.

Senator Cayetano (A) stated that he would consult with Senator Sotto regarding his possible motion for reconsideration during the leadership meeting to be held a week before the SONA.

APPROVAL OF SENATE BILL NO. 2275 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 2275 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2275

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

PARLIAMENTARY INQUIRY OF SENATOR SOTTO

Senator Sotto inquired if it was necessary to continue with the Reference of Business considering the lateness of the hour.

Senator Cayetano (A) replied that the Reference of Business was necessary to accommodate the request of Senator Ejercito to sponsor Senate Bill No. 2161.

REFERENCE OF BUSINESS

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

COMMITTEE REPORT

Committee Report No. 53, prepared and submitted by the Committee on Justice and Human Rights, on Senate Bill No. 2280, with Senators Escudero, Defensor Santiago, Joseph Victor Ejercito and Pimentel III as authors thereof, entitled

AN ACT AMENDING PRESIDENTIAL DECREE NO. 968, OTHERWISE KNOWN AS THE "PROBATION LAW OF 1976," AS AMENDED,

recommending its approval in substitution of Senate Bill Nos. 595, 1448 and 1935, taking into consideration House Bill No. 4147.

Sponsor: Senator Pimentel III

To the Calendar for Ordinary Business

Committee Report No. 54, submitted jointly by the Committees on Social Justice, Welfare and Rural Development; Ways and Means; and Finance, on Senate Bill No. 449, introduced by Senator Recto, entitled

AN ACT HONORING AND GRANTING ADDITIONAL BENEFITS AND PRIVILEGES TO FILIPINO CENTENARIANS, DECLARING THE 25TH OF SEPTEMBER AS NATIONAL RESPECT FOR CENTENARIANS DAY, AND FOR OTHER PURPOSES,

recommending its approval with amendments.

Sponsor: Senators Binay, Angara and Escudero.

To the Calendar for Ordinary Business

Committee Report No. 55, submitted by the Committee on Urban Planning, Housing and Resettlement, on Senate Bill No. 2161, introduced by Senator Sotto III, entitled

AN ACT CREATING THE QUEZON CITY DEVELOPMENT AUTHORITY (QCDA), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS ORGANIZATIONAL STRUCTURE AND CAPITALIZATION,

recommending its approval without amendment.

Sponsor: Senators Ejercito and Sotto III

To the Calendar for Ordinary Business

SPECIAL ORDER

Upon motion of Senator Cayetano (A), there being no objection, the Body approved the transfer of *Committee Report No. 55 on Senate Bill No. 2161* from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 55 ON SENATE BILL NO. 2161

Upon motion of Senator Cayetano (A), there being no objection, the Body considered, on Second Reading, Senate Bill No. 2161 (Committee Report No. 55) entitled

AN ACT CREATING THE QUEZON CITY DEVELOPMENT AUTHORITY (QCDA), DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS ORGANIZATIONAL STRUCTURE AND CAPITALIZATION.

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 Ejercito for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR EJERCITO

Senator Ejercito presented to the Body Committee Report No. 55, which seeks to create the Quezon City Development Authority.

The full text of Senator Ejercito's sponsorship speech follows:

Quezon City, with an area of 16,112.58 hectares, is the largest city of Metropolitan Manila. It is more than four times the size of Manila, almost six times the land area of Makati and more than 14 times bigger than Mandaluyong.

The vastness of the land area of Quezon City caters to almost 2.8 million inhabitants

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which is equivalent to 23.3% population of the whole of Metro Manila. Out of the given figures, the Quezon City government identifies almost 500,000 people as informal settlers. As mentioned by Cong. Jose Christopher Belmonte, Representative of the 6th District of Quezon City, the principal sponsor of the bill at the House of Representatives, "These informal settlers are not seen by the city as a burden. In fact, Quezon City sees these people as a driving force in our economy. They fill up jobs and help keep our city running. Their children are also some of the brightest young minds in the country, and we want to continue with our commitment to nurture them and help them become able citizens."

Faced with the issue of providing immediate adequate shelter for the informal settlers of the biggest city in Metro Manila, Sen. Vicente Sotto III filed Senate Bill No. 2161 entitled "An Act Creating The Quezon City Development Authority (QCDA), Defining Its Powers and Functions, Providing for Its Organizational Structure and Capitalization," now the subject matter of Committee Report No. 55 by the Committee on Urban Planning, Housing and Resettlement.

The bill seeks to create the Quezon City Development Authority (QCDA). It shall address Quezon City's pressing housing, development and urban renewal concerns. If passed into law, it will stand as a government-owned and controlled corporation, covered by the provisions of Republic Act No. 10149 (The GOCC Governance Act of 2011) and subject to the jurisdiction of the Governance Commission for GOCCs or GCG.

The QCDA will address socialized housing and urban renewal concerns within Quezon City, and seeks:

1. To provide adequate and affordable housing to marginal and low-income families in Quezon City;
2. To encourage the participation of the private sector in housing ventures and urban renewal;
3. To promote greening and development of vacant, blighted and underutilized lands in Quezon City owned by the local government; and
4. To provide to the constituency of Quezon City projects that will improve their quality of life, such as affordable means and schemes of transportation, energy, telecommunication, information technology and manufacturing.

As mandated by the highest law of the land, Congress should give highest priority to the enactment of measures that protect and enhance the right of the people to human dignity, reduce social economic and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good.

The approval of this social justice measure gives spirit to the above-mentioned provision of the Constitution.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2161

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

MANIFESTATION OF SENATOR CAYETANO (A)

Senator Cayetano (A) stated that the Body was supposed to take up Senate Bill No. 2278 under Committee Report No. 52 on the extension of the CARP Law. He said that while Senator Honasan was present and ready, a number of senators wanted to study the measure for possible interpellation at a later time.

SUSPENSION OF SESSION

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

It was 8:13 p.m.

RESUMPTION OF SESSION

At 8:18 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. 53 on Senate Bill No. 2280 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 53 ON SENATE BILL NO. 2280

Upon motion of Senator Cayetano (A), there being no objection, the Body considered, on Second

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Reading, Senate Bill No. 2280 (Committee Report No. 53) entitled

AN ACT AMENDING PRESIDENTIAL DECREE NO. 968, OTHERWISE KNOWN AS THE "PROBATION LAW OF 1976," 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 Pimentel for the sponsorship.

**SPONSORSHIP SPEECH
OF SENATOR PIMENTEL**

Senator Pimentel, Chairman of the Committee on Justice and Human Rights, submitted to the Body for its consideration Senate Bill No. 2280 under Committee Report No. 53, entitled

AN ACT AMENDING PRESIDENTIAL DECREE NO. 968, OTHERWISE KNOWN AS THE "PROBATION LAW OF 1976," AS AMENDED.

The full text of Senator Pimentel's sponsorship speech follows:

I will be quoting from the case of *Francisco vs. Court of Appeals, GR. No. 108747* dated April 6, 1995, where our Supreme Court had the occasion to rule that: "Probation is a special privilege granted by the State to a penitent qualified offender. It essentially rejects appeals and encourages an otherwise eligible convict to immediately admit his liability and *save the State of time, effort and expenses to jettison an appeal.*

The case continues this way:

"The law expressly requires that an accused must not have appealed his conviction before he can avail of probation. This outlaws the element of speculation on the part of the accused — to wager on the result of his appeal — that when his conviction is finally affirmed on appeal, the moment of truth well-nigh at hand, and the service of his sentence inevitable, he now applies for probation as an 'escape

hatch' thus rendering nugatory the appellate court's affirmance of his conviction. Consequently, probation should be availed of at the first opportunity by convicts who are willing to be reformed and rehabilitated, who manifest spontaneity, contrition and remorse."

However, esteemed Justice Mendoza provided an insightful dissent. In his words: "To regard probation as a mere privilege to be given to the accused only where it clearly appears he comes within its letter is to disregard the teaching in many cases that the Probation Law should be applied in favor of the accused not because it is a criminal law but in order to achieve its beneficent purpose."

Accordingly, a rigid application of the law, to his mind, would defeat the Probation Law's purpose of helping the probationer develop into a law-abiding and self-respecting individual and of affording the accused a chance to reform and rehabilitate himself without the stigma of a prison record.

It is in this light that the Committee on Justice and Human Rights proposes relevant amendments to the Probation Law that are viewed to further strengthen the law's restorative ideals.

First, to obviate the perceived inequity of disqualifying an accused from availing himself of probation after he appeals a judgment of conviction despite the appellate court's ruling that reduces the impossible penalty and would have otherwise made it probationable, we propose to amend Section 4 of the Probation Law, to read as follows:

"Sec. 4. *Grant of Probation.* — Subject to the provisions of this Decree, the trial court may, after it shall have convicted and sentenced a defendant FOR A PROBATIONABLE PENALTY, and upon application by said defendant within the period for perfecting an appeal, suspend the execution of said sentence and place the defendant on probation for such period and upon such terms and conditions as it may deem best; *Provided*, that no application for probation shall be entertained or granted if the defendant has perfected the appeal from the judgment or conviction; *PROVIDED, HOWEVER, THAT WHEN A JUDGMENT OF CONVICTION IMPOSING A NON-PROBATIONABLE PENALTY IS APPEALED AND THE APPELLATE COURT MODIFIES THE JUDGMENT AND IMPOSES A*

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PROBATIONABLE PENALTY, THE DEFENDANT SHALL BE ALLOWED TO APPLY FOR PROBATION ON THE MODIFIED DECISION IN THE TRIAL COURT THAT RENDERED THE JUDGMENT OF CONVICTION WITHIN FIFTEEN (15) DAYS FROM NOTICE OF THE MODIFIED DECISION. THE DEFENDANT, HOWEVER, SHALL LOSE THE BENEFIT OF A PROBATION SHOULD HE FURTHER APPEAL FROM THE MODIFIED DECISION.

Probation may be granted whether the sentence imposes a term of imprisonment or a fine only. The filing of the application for probation shall be deemed a waiver of the right to appeal.

An order granting or denying probation shall not be appealable.

Under the proposed measure, therefore, a defendant can still be admitted into probation despite having previously appealed his conviction if the appealed decision would later on impose a probationable penalty.

This amendment aims to expand the benefit of probation without unnecessarily restricting the remedies that an offender may avail of in the ordinary course of law.

Second, consistent with the objective of expanding the benefit of probation, we propose to amend the disqualification under Section 9(c) of the Probation Law by disqualifying only those who have been previously convicted by imprisonment of more than six (6) months and one (1) day and/or a fine of more than One Thousand (P1,000) pesos. To preclude minor offenders, such as those who have been previously convicted of imprisonment of just one month and one day from availing of the benefits of probation, as it stands under the present law, is not only restrictive but would also go contrary to the rehabilitative aspect of our criminal justice system.

Finally, to strengthen the administration of the Probation Law in our country, the proposed measure provides for the appointment of volunteer probation officers to assist the regional, provincial, or city probation officers in the supervised treatment program of the probationers. The volunteer probation officers shall, like in the current law, not receive any regular compensation but will now be given reasonable transportation and meal allowances, as may be determined by the probation administration, for their services rendered as volunteer probation officers.

Overall, we believe that these proposed amendments to Presidential Decree No. 968 will lead to a more inclusive Probation Law, one that is responsive to the needs of our times.

Hence, I urge the approval of this measure.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2280

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

PROPOSED SENATE RESOLUTION NO. 710

Upon motion of Senator Cayetano (A), there being no objection, the Body considered Proposed Senate Resolution No. 710, entitled

**RESOLUTION DECLARING AS READ
AND APPROVED THE JOURNAL
OF THE 83rd SESSION OF THE
SENATE.**

Secretary Yabes read the text of the resolution to wit:

Resolved by the Senate, That the Journal of the 83rd Session, June 11, 2014, be declared, as it is hereby declared, read and approved.

ADOPTION OF PROPOSED SENATE RESOLUTION NO. 710

Upon motion of Senator Cayetano (A), there being no objection, Proposed Senate Resolution No. 710 was adopted by the Body.

PROPOSED SENATE RESOLUTION NO. 711

Upon motion of Senator Cayetano (A), there being no objection, the Body considered Proposed Senate Resolution No. 711, entitled

**RESOLUTION AUTHORIZING THE
PRODUCTION AND DISTRIBUTION
OF ONE HUNDRED FIFTY (150)
PRINTED AND DIGITAL COPIES
EACH OF THE JOURNAL AND THE
RECORD OF THE SENATE FOR THE
FIRST REGULAR SESSION OF THE
SIXTEENTH CONGRESS OF THE
PHILIPPINES.**

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Secretary Yabes read the text of the resolution to wit:

RESOLVED BY THE SENATE, To authorize, as it hereby authorizes, the production of One Hundred Fifty (150) printed and digital copies each of the Journal and the Record of the Senate for the First Regular Session of the Sixteenth Congress of the Philippines, and its distribution under the direction of the Secretary of the Senate.

**ADOPTION OF PROPOSED
SENATE RESOLUTION NO. 711**

Upon motion of Senator Cayetano (A), there being no objection, Proposed Senate Resolution No. 711 was adopted by the Body.

**HOUSE CONCURRENT
RESOLUTION NO. 5**

Upon motion of Senator Cayetano (A), there being no objection, the Body considered House Concurrent Resolution No. 5, entitled

CONCURRENT RESOLUTION PROVIDING FOR THE ADJOURNMENT OF THE FIRST REGULAR SESSION OF THE SIXTEENTH CONGRESS OF THE PHILIPPINES NOT LATER THAN TWELVE O'CLOCK, MIDNIGHT TODAY, WEDNESDAY, 11 JUNE 2014.

Secretary Yabes read the text of the resolution to wit:

RESOLVED BY THE HOUSE OF REPRESENTATIVES, THE SENATE CONCURRING, That the President of the Senate and the Speaker of the House of Representatives be authorized, as they are hereby authorized, to declare the First Regular Session of the Sixteenth Congress of the Philippines adjourned, by adjourning the sessions of their respective Houses not later than twelve o'clock midnight today, Wednesday, 11 June 2014.

RESOLVED FURTHER, That a committee composed of six (6) Members of the House of Representatives, appointed by the Speaker, join a committee of the Senate, to inform His Excellency, President Benigno S. Aquino III, that the First Regular Session of the Sixteenth Congress is about to close and that the two (2)

Houses are ready to adjourn unless the President has a message or communication to transmit to them.

**ADOPTION OF HOUSE CONCURRENT
RESOLUTION NO. 5**

Upon motion of Senator Cayetano (A), there being no objection, Proposed House Concurrent Resolution No. 5 was adopted by the Body.

NOTIFICATION COMMITTEE

Pursuant to House Concurrent Resolution No. 5, the Chair appointed Senators Villar, Aquino and Estrada as members of the Notification Committee on the part of the Senate.

**CLOSING STATEMENT
OF SENATE PRESIDENT DRILON**

To close the First Regular Session of the 16th Congress, Senate President Drilon delivered the following statement:

**RESTORING THE PEOPLE'S FAITH
IN THE SENATE**

My esteemed colleagues, good evening.

As the First Regular Session of the 16th Congress comes to a close, I would like to express my sincerest gratitude and deepest appreciation to my colleagues for their boundless enthusiasm and single-mindedness in pursuing our legislative agenda, which translated into an impressive legislative performance.

Since we opened the 16th Congress in July of last year, it has been a difficult and challenging journey for the Senate. I would like to thank the members of this august Chamber for remaining composed and focused on our mandate despite the barrage of harsh and relentless criticisms directed at our beloved institution when the PDAF controversy surfaced last year.

The openness in which we have allowed media to report on this matter and the trust we have for our legal processes show how strong we have built our democratic foundations to withstand political turmoil. However, we cannot deny that the PDAF controversy has cast a long, dark shadow over our institution. And we completely understand the people's outrage. Thus, the members of this august Chamber collectively sought ways to address the issue. We abolished the PDAF even before the

Supreme Court declared it unconstitutional. We conducted our own investigation on the alleged misuse of the pork barrel funds.

By undertaking these measures, we are telling our people that the Senate is listening to their pleas and clamor for reforms. We are sending a clear and strong message that their Senate is sensitive to their grievances and concerns.

Amid these spirit-breaking challenges, I am certain that each one of us only has the nation's and the institution's best interest at heart. We might be going through turbulent times right now, but I am confident that, in time, we will be able to restore the people's trust and confidence in our institution.

We must not lose sight of our ultimate goal, which is to provide a better life for our countrymen; a life that is not wanting in choices and opportunities. Neither should we forget that the Senate, a bastion of democracy, has a glorious beginning and a history of honor in public service. And we shall endeavor to bring back that honor and glory.

Even if the PDAF controversy was constantly dominating the headlines and trending in the social media for months, and despite severe public beating, the Senate continued to work, deliberating on bills and crafting measures that would significantly improve the lives of our countrymen. Despite the controversies and intrigues that incessantly plagued this institution, we have persevered and continued to discharge our duties to the Republic and our people.

Today, as we adjourn *sine die* our First Regular Session, allow me to report to our people what the Senate of the Philippines has accomplished.

The First Regular Session of the 16th Congress has afforded us the opportunity to prove the stability of our institution in the face of adversity. This august Chamber, which has traditionally reveled in the confidence of the electorate and consistently maintained its prominence, has been battered by, perhaps, the gravest crisis to have ever crossed its path. In my 16 years in the Senate, never before have I witnessed this kind of turmoil.

As we continue to brave through the unforgiving blizzard of controversies, our commitments and vows to the people serve as our guiding light on the road to recovery and redemption.

While we defend our institution against doubts to its integrity, our constituents are faced with a tougher fight – a fight for survival as natural disasters hitting the nation in recent years are evolving with terrifying intensity and frequency. In 2013, one of the strongest typhoons ever recorded in history ripped through the Visayas and left a trail of devastation of epic proportions, from which our people in the region are still staggering to recover.

In this light, we worked for the timely enactment of several measures to enable our people to quickly get back on their feet.

Among these measures enacted in record time is the national budget for 2014, which provided for an authorization to spend P2.265 trillion in public funds with special emphasis on the calamity-stricken areas. This measure introduced the Rehabilitation and Reconstruction Program, which apportioned P20 billion to empower the victims of the most tragic natural and man-made calamities in the past year, specifically, the typhoons Yolanda, Santi, Odette, Pablo, Sendong, Vinta, Labuyo, the 7.2 magni-tude earthquake in Bohol, and the Zamboanga City siege. Moreover, it provided for a National Disaster Risk Reduction and Management Fund of P13 billion, and Quick Response Fund of P4.8 billion, both of which bolster the government's capacity to address and the people's readiness to face these catastrophic phenomena. The law likewise allocated P80 billion for reconstruction and rehabilitation programs under the Unprogrammed Fund.

In terms of distribution among agencies, the Department of Education garnered the largest percentage share at 27.23%, representing P309.43 billion. Other departments with significant shares are the following:

BUDGET OF SELECTED SECTORS		
	(in billion pesos)	Percent Share
Department of Public Works and Highways (DPWH)	219.91	19.36
Department of the Interior and Local Government (DILG)	136.14	11.98
Department of National Defense (DND)	123.19	10.84
Department of Health (DOH)	90.77	7.98
Department of Social Welfare and Development (DSWD)	83.40	7.34
Department of Agriculture (DA)	80.03	7.04
Department of Transportation and Communications (DOTC)	48.89	4.30
Department of Environment and Natural Resources (DENR)	23.92	2.10
Department of Agrarian Reform (DAR)	20.38	1.79

13

We also passed RA 10634, appropriating P14.6 billion to augment the Calamity Fund in the 2013 national budget by P11.2 billion and the Quick Response Fund by P3.4 billion. On the other hand, Joint Resolution No. 1 extended the validity of appropriations under the Calamity Fund and Quick Response Fund in the 2013 national budget until the end of this year.

We enacted RA 10635, which established the MARINA as a single and central maritime administration to comply with international standards, and averted the possible employment ban against 80,000 Filipino seafarers in the European Union. We also passed RA 10632, which postponed the Sangguniang Kabataan Elections, to give the Congress sufficient time to formulate substantial reforms to this youth governance mechanism. Just today, the president signed RA 10636 granting Philippine citizenship to Andray Blatche.

Over and above these six measures that successfully completed the legislative process, nine bills await President Aquino's approval, reflecting our unwavering commitment to focus on delivering pieces of legislation that will improve the quality of life for every Filipino.

Among these bills is House Bill No. 353, which would strengthen our response to calamities by mandating telecommunications service providers to send free mobile alerts in the event of natural and man-made disasters. Under the bill, the alerts shall consist of updated information from the relevant agencies, and shall be sent directly to the mobile phone subscribers located near and within the affected areas. We trust that this measure would help achieve the main objectives of disaster preparedness, which are to lessen the impact of the typhoon and ultimately save lives.

The Graphic Health Warning Law, which was passed after seven long years, seeks to increase the awareness of the public on the deadly effects of smoking through graphic health warnings printed on at least 50% of the principal display surface of tobacco packages. We believe that this proposed measure will bring us closer to our goal of protecting the present and future generations from the devastating health, social, environmental, and economic consequences of tobacco consumption and exposure to tobacco smoke.

We also proposed amendments to the Act Liberalizing the Scope and Entry of Operations of Foreign Banks. Under this measure, reputable and financially sound foreign banks shall be allowed to acquire up to 100% of the voting

stocks of domestic banks. We are confident that, with greater foreign participation in our banking sector, we shall have access to a bigger pool of financial resources in order to support various infrastructure projects and other development initiatives.

We also extended the corporate life of the Philippine National Railways. Recognizing the importance of PNR's uninterrupted service to the riding public, both houses worked intently to ensure this measure's swift passage.

We also passed the *Go Negosyo* bill in order to promote the development of micro, small and medium enterprises.

Likewise awaiting the President's signature are Senate Bill No. 2211 or the so-called Lemon Law, which aims to strengthen consumer protection in the purchase of brand new motor vehicles; Senate Bill No. 2273, which seeks to strengthen the anti-drug campaign of the government by amending Section 21 of RA 9165, otherwise known as the Comprehensive Dangerous Drugs Act Of 2002; House Bill No. 3187, which grants the Cotabato Light And Power Company a franchise to construct, install, establish, operate, and maintain a distribution system for the conveyance of electric power to the end-users in the City of Cotabato and portions of the Municipalities of Datu Odin Sinsuat and Sultan Kudarat, both in the Province of Maguindanao; and House Joint Resolution No. 12, which declares July 27, 2014 as a Special Nonworking Holiday to commemorate the 100th anniversary of the Iglesia Ni Cristo.

The Senate has likewise approved on third reading four more measures, which include landmark bills on good governance and public accountability.

These include the Freedom of Information Act, which seeks to implement a policy of full public disclosure of all government transactions involving public interest, with appropriate safeguards to protect the national security. Once enacted into law, this measure shall launch a culture of transparency, accountability and public participation in government.

On the other hand, Senate Bill No. 2138 aims to empower the Sandiganbayan to speedily resolve cases against erring government officials and employees. The bill seeks to introduce innovations to the anti-graft court, such as the concept of justice-designate, modification in the voting requirement, and transfer of jurisdiction to the regional trial courts of "minor" cases.

Also approved on third reading are Senate Bill No. 1281, which declares August 18 of every

year as “Jesse Robredo” Day, a special working holiday; and Senate Bill No. 2226, which aims to protect the amateur nature of our student-athletes by regulating the residency requirement and prohibiting the commercialization of student-athletes.

In the advanced stages of the legislative process are five bills approved on second reading, majority of which seeks to remove the traditional barriers to the effective delivery of education throughout the country, namely poverty, distance and age. These are Senate Bill No. 2274, which seeks to expand access to education through open learning and distance education in tertiary levels of education; Senate Bill No. 2272, which aims to strengthen the ladderized interface between technical-vocational education and training and higher education; Senate Bill No. 2212, which actively promotes entrepreneurship and financial education among the Filipino youth; and Senate Bill No. 2275 or the so-called *Iskolar ng Bayan* Bill, which mandates all state colleges and universities to annually confer automatic admission and provide scholarship grants to the top 10 public high school students of their graduating class. Likewise passed on second reading is Senate Bill No. 1647, which aims to repeal the crime of premature marriage under the Revised Penal Code.

When we commence the Second Regular Session in July, we shall resume consideration of 20 bills currently under plenary debates and amendments:

1. S. No. 12 Providing Barangay Officials, Including Barangay Tanods, Members Of The Lupon Ng Tagapamayapa, Barangay Health Workers And Barangay Day Care Workers A Retirement Benefit
2. S. No. 29 Prohibiting The Discrimination On The Employment Of Any Individual On The Basis Merely Of Age
3. S. No. 136 Reforming The National Apprenticeship Program And Providing Standards For The Training And Employment Of Apprentices, And Regulatory Standards For Accreditation Of Apprenticeship Programs
4. S. No. 480 Increasing the Quarter Allowance of Officers and Enlisted Personnel of the Armed Forces of the Philippines
5. S. No. 510 Declaring The Fifth Day Of October Of Every Year As The National Teachers’ Day
6. S. No. 914 Regulate and Modernize the Practice of Chemistry in the Philip-pines, Repealing for the Purpose Republic Act Numbered 754 Entitled, “An Act to Regulate the Practice of Chemistry in the Philippines”
7. S. No. 2042 Prohibiting the Development, Production, Stockpiling, Use of Chemical Weapons and Providing for their Destruction
8. S. No. 2055 Regulating the Practice of Forestry in the Philippines, Repealing for this Purpose Republic Act Numbered Sixty-two Hundred Thirty-Nine, Known as “The Forestry Profession Law”
9. S. No. 2103 Regulating the Practice of Metallurgical Engineering in the Philip-pines, Repealing for this Purpose Presidential Decree Numbered 1536, Otherwise Known as the Metallurgical Engineering Law of the Philippines
10. S. No. 2134 Reorganizing The Cooperative Development Authority, Repealing For The Purpose Republic Act No. 6939, Creating The Cooperative Development Authority
11. S. No. 2161 *Crafting the Quezon City Development Authority (QCDA), Defining its Powers and Functions, Providing for its Organizational Structure and Capitalization*
12. S. No. 2207 Amending Some Provisions Of Republic Act No. 8550, Otherwise Known As The Philippine Fisheries Code Of 1998
13. S. No. 2210 Institutionalizing the Poverty Reduction Through Social Entrepreneurship (Present) Program and Promoting Social Enterprises with the Poor as Primary Stakeholders
14. S. No. 2239 Requiring All Franchise Holders Or Operators Of Television Stations And Producers Of Television Programs To Broadcast Or Present Their Programs With Closed Captions Options
15. S. No. 2270 Ensuring the Fundamental Equality of Men and Women Under the Laws on Marriage and Family Relations, Amending for

- the Purpose Executive Order No. 209, Otherwise Known as The Family Code of the Philippines
16. S. No. 2271 Establishing A Framework For Film And Television Tourism In The Philippines, Marketing The Industry Globally And Providing Employment For The Sector
17. S. No. 2277 Establishing the Open High School System in the Philippines
18. S. No. 2278 Mandating The Completion Of The Land Acquisition And Distribution (LAD) Component Of The Comprehensive Agrarian Reform Program (CARP) By June 30, 2016 Pursuant To Republic Act No. 6657, Otherwise Known As The 'Comprehensive Agrarian Reform Law', As Amended
19. S. No. 2280 Amending Presidential Decree No. 968, otherwise known as the Probation Law of 1976, as Amended
20. S. J. Res. No. 2 Increasing the Subsistence Allowance of All Officers and Enlisted Personnel of the Armed Forces of the Philippines (AFP) and of all Commissioned and Non-Commissioned Personnel of the Philippine National Police From Ninety Pesos (P90.00) to One Hundred and Fifty Pesos (P150.00) Per Day

Moreover, we have concurred in the ratification of extradition treaties with the United Kingdom and Northern Ireland, Spain, and India to boost the government's effort to fight criminality, especially those related to child trafficking and prostitution.

We also adopted 44 resolutions that range from commendation to expression of sympathy.

Finally, our permanent committees, subcommittees and joint congressional oversight committees have likewise conducted 324 public hearings on 806 bills, from which we gained the valuable insights and helpful views of stakeholders on various legislative proposals.

All told, not only have we maintained our focus on the tasks that had earned us our membership in this august Chamber, we have also outpaced the legislative output of the previous Congress. At the adjournment *sine die* of the First Regular Session of the 15th Congress, three measures were enacted into law, six bills were transmitted for the approval of the President, eight bills were approved on second

and third reading, and one treaty was concurred. While for the same period in the 16th Congress, six measures were enacted into law, nine were transmitted for the approval of the President, nine were approved on second and third reading, and three treaties were concurred.

The Senate has shown a strong resolve to fulfill its duty to the nation, with fervor and determination. Never have we neglected our obligation to the people, even as we confront our present difficulties.

Before I end, let me thank the Senate Secretariat and our respective staff for the unswerving support and competent service.

To my esteemed colleagues, I commend all of you for your dedication to fulfill your sworn duty, undeterred by the issues hounding this institution. I am also thankful and deeply humbled by your continued trust and confidence in my leadership.

With that, let me once more thank all of you for your valuable support, and may God bless the Senate, the Filipino people and the Republic of the Philippines.

Thank you very much.

SENATE RESOLUTION NO. 9

Senator Cayetano (A) reminded the Members of Senate Resolution No. 9, authorizing all committees of the Senate to hold meetings, hearings or conferences during the recess of the Congress of the Philippines, for purposes of studying and preparing any proposed legislation or to investigate in aid of legislation any matter or subject under their jurisdiction.

ADJOURNMENT *SINE DIE*

Pursuant to Senate Concurrent Resolution No. 3, upon motion of Senator Cayetano (A), there being no objection, the Senate President declared the First Regular Session of the Sixteenth Congress of the Philippines, on the part of the Senate, adjourned *sine die*.

It was 8:44 p.m.

I hereby certify to the correctness of the foregoing.

OSCAR G. YABES
Secretary of the Senate

Approved on June 11, 2014