



REPUBLIC OF THE PHILIPPINES  
**Senate**  
Pasay City

# Journal

**SESSION NO. 64**  
Monday, February 20, 2017

**SEVENTEENTH CONGRESS**  
**FIRST REGULAR SESSION**

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Monday, February 20, 2017

**CALL TO ORDER**

At 3:17 p.m., the Presiding Officer, Hon. Gregorio B. Honasan, called the session to order.

**PRAYER**

The Body observed a minute of silent prayer.

**NATIONAL ANTHEM**

The Senate Choir led the singing of the national anthem.

**SUSPENSION OF SESSION**

Upon motion of Senator Honasan, the session was suspended.

*It was 3:17 p.m.*

**RESUMPTION OF SESSION**

At 3:17 p.m., the session was resumed.

**ROLL CALL**

Upon direction of the Presiding Officer, the Secretary of the Senate, Atty. Lutgardo B. Barbo, called the roll, to which the following senators responded:

Angara, S.	Legarda, L.
Aquino, P. B. IV B.	Pacquiao, E. M. D.
Binay, M. L. N. S.	Pangilinan, F. N.
De Lima, L. M.	Recto, R. G.
Gatchalian, W.	Sotto III, V. C.
Honasan, G. B.	Villanueva, J.
Hontiveros, R.	Villar, C. A.
Lacson, P. M.	

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

Senate President Pimentel and Senators Drilon, Ejercito, Escudero, Gordon, Poe, Trillanes and Zubiri arrived after the roll call.

Senator Cayetano was on official business as



indicated in the February 20, 2017 letter of the Senator's chief of staff.

### **APPROVAL OF THE JOURNAL**

Upon motion of Senator Sotto, there being no objection, the Body dispensed with the reading of the Journal of Session No. 64 (February 15, 2017) and considered it approved.

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

Senator Sotto acknowledged the presence in the gallery of the following guests:

- Guests of Senator Gatchalian – Delegation of the Federation of Fukuoka Prefectural Assembly members for the Promotion of International Relations led by its chairman, Mr. Nakao Masayuki; and
- Guests of Senator Hontiveros – representatives from LAGABLAB Network; Senior students of Diliman Preparatory School; National LGBT Students Network; the Psychological Association of the Philippines; and the Association of Transgender People of the Philippines.

Senator Honasan welcomed the guests to the Senate.

### **REFERENCE OF BUSINESS**

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

#### **MESSAGE FROM THE HOUSE OF REPRESENTATIVES**

Letter from the House of Representatives, informing the Senate that on 13 February 2017, the House of Representatives passed the following House bills, in which it requested the concurrence of the Senate:

House Bill No. 833, entitled

AN ACT RENAMING THE MONTEVISTA-CATEEL NATIONAL HIGHWAY TRAVERSING THE MUNICIPALITY OF COMPOSTELA, COMPOSTELA

VALLEY PROVINCE INTO THE BENIGNO S. AQUINO JR. NATIONAL HIGHWAY

#### **To the Committee on Public Works**

House Bill No. 4782, entitled

AN ACT RENAMING THE KAY TIKLING-ANTIPOLO-TERESA-MORONG NATIONAL ROAD IN THE PROVINCE OF RIZAL, TRAVERSING THROUGH BARANGAY DOLORES IN THE MUNICIPALITY OF TAYTAY UP TO BARANGAY MAYBANCAL IN THE MUNICIPALITY OF MORONG, AS CORAZON C. AQUINO AVENUE

#### **To the Committee on Public Works**

House Bill No. 1166, entitled

AN ACT INSTITUTIONALIZING INDUSTRY CLUSTER-BASED PROGRAMS AND PROJECTS THROUGH INTER-LOCAL COOPERATION AND PEOPLE'S PARTICIPATION

#### **To the Committees on Trade, Commerce and Entrepreneurship; Local Government; and Ways and Means**

House Bill No. 4767, entitled

AN ACT EXTENDING THE VALIDITY OF THE PHILIPPINE PASSPORT, AMENDING FOR THE PURPOSE SECTION 10 OF REPUBLIC ACT NUMBERED EIGHT THOUSAND TWO HUNDRED THIRTY-NINE (R.A. NO. 8239), OTHERWISE KNOWN AS THE PHILIPPINE PASSPORT ACT OF 1996

#### **To the Committee on Foreign Relations**

House Bill No. 4814, entitled

AN ACT GRANTING AMNESTY IN THE PAYMENT OF ESTATE TAX

#### **To the Committee on Ways and Means**



House Bill No. 4815, entitled

AN ACT SIMPLIFYING THE ESTATE TAX RATE, AMENDING FOR THE PURPOSE SECTION 84 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

**To the Committee on Ways and Means**

and House Bill No. 4682, entitled

AN ACT CREATING A BARANGAY TO BE KNOWN AS BARANGAY CUMAWAS IN THE CITY OF BISLIG, PROVINCE OF SURIGAO DEL SUR

**To the Committees on Local Government; and Electoral Reforms and People's Participation**

#### RESOLUTION

Proposed Senate Resolution No. 293, entitled

RESOLUTION CREATING AN AD HOC COMMITTEE TASKED TO CONDUCT A FEASIBILITY STUDY ON THE CONSTRUCTION OF A NEW SENATE BUILDING AND THE RELOCATION OF THE SENATE THERETO

Introduced by Senator Win Gatchalian

**To the Committee on Accounts**

#### COMMUNICATIONS

Letters from the *Bangko Sentral ng Pilipinas*, transmitting to the Senate copies of the following certified and authenticated BSP issuances, in compliance with Section 15(a) of Republic Act No. 7653 (The New Central Bank Act):

Circular Letter No. CL-2017-009 dated 26 January 2017;

Memorandum No. M-2017-003 dated 27 January 2017; and

Circular Nos. 944 and 945 dated 6 February 2017.

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

#### ADDITIONAL REFERENCE OF BUSINESS

#### BILL ON FIRST READING

Senate Bill No. 1335, entitled

AN ACT PROVIDING A STANDARD OF CARE FOR THE TREATMENT OF PERSONS WITH BLEEDING DISORDERS, ESTABLISHING TREATMENT CENTERS AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Joel Villanueva

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

#### RESOLUTIONS

Proposed Senate Resolution No. 294, entitled

RESOLUTION CONGRATULATING AND COMMENDING NOEL CELIS FOR WINNING 3<sup>RD</sup> PLACE IN THE GENERAL NEWS CATEGORY OF THE 60<sup>TH</sup> WORLD PRESS PHOTO CONTEST

Introduced by Senator Maria Lourdes Nancy S. Binay

**To the Committee on Rules**

Proposed Senate Resolution No. No. 295, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE TO JOIN THE COMMUNITY OF MEMBER STATES OF THE UNITED NATIONS IN THE CELEBRATION OF INTERNATIONAL WOMEN'S DAY 2017

Introduced by Senator Maria Lourdes Nancy S. Binay

**To the Committee on Rules**





## MANIFESTATION OF SENATOR PACQUIAO

At the outset, Senator Pacquiao recalled that on February 16, 2017, the Body agreed that the interpellation on Proposed Senate Resolution No. 289 (expressing the sense of the Senate on concurrence to treaties) as proposed by Senator Drilon, be continued that Monday, February 20, 2017, in deference to his request for more time to study the matter. Noting that the simple resolution was not in the agenda of the day's session, he deemed it necessary to make a short manifestation on the resolution that is not as simple as claimed by Senator Drilon.

Senator Pacquiao pointed out that Proposed Senate Resolution No. 289 requires the concurrence of the Senate in the termination, withdrawal, abrogation, or renunciation of treaties and international agreements, and that paragraph 4 thereof contends that "the power to bind the Philippines by treaty or international agreement is vested jointly by the Constitution in the President and the Senate."

Stating that the contention was wrong, Senator Pacquiao placed on record the statement of Justice Isagani Cruz on the subject matter in his book *International Law*, to wit: "Finally, it should be stressed that under the Constitution of the Philippines, the power to ratify treaties is vested in the President and not, as is commonly believed, in the legislature. The role of the Senate is confined simply to giving or withholding its consent to the ratification."

Senator Pacquiao stressed that the Constitution vested in the Senate the power to concur in a treaty or international agreement but not its abrogation, and that the Filipino people, being the author of the highest law of the land – the Constitution – gave the power to the President to decide on foreign affairs; thus, he has the sole power to abrogate a treaty or international agreement.

He revealed that even the committee hearing earlier on the death penalty was postponed in order to discuss the Constitution and the international agreement. He reiterated that the Philippine Constitution was ratified by the Filipino people in 1987 and that the Second Optional Protocol to the ICCPR which calls for the abolition of the death penalty was ratified by Pres. Gloria Macapagal Arroyo in 2007. He said that there was no Senate concurrence in the ratification because the Second Optional Protocol was only treated as an executive agreement.

Finally, Senator Pacquiao said that he did not find anything in the Philippine Constitution that states that international treaties can amend or revise the supreme law of the land.

## MANIFESTATION OF SENATOR SOTTO

Senator Sotto took note of Senator Pacquiao's manifestation and that he would await any agreement between Senators Drilon and Pacquiao on when to discuss Proposed Senate Resolution No. 289.

## PRIVILEGE SPEECH OF SENATOR HONTIVEROS

Availing herself of the Privilege hour and rising on a question of personal and collective privilege, Senator Hontiveros delivered the following speech:

I lament the vindictiveness of a state that deploys its arsenal of resources to bring down the administration's vocal critic and oppositor, mobilizing all its forces against one woman who dared to point out that the Emperor hath no clothes.

I lament a justice system so desirous of persecuting one woman that it is willing to drop charges against convicted big-time drug lords with everything to gain and nothing to lose, and accept their testimony even *sans* any other independent corroborative evidence. *Laway lang ang puhunan, makalalaya na ang korap at kriminal. Laway lang ang puhunan, maipakukulong mo na ang nagsasabi lang ng totoo.*

I lament the withering of our basic decency and propriety, where constructive criticism is responded to with misogyny, and valid questions on a leader's fitness to lead is met with salacious references to nonexistent sex videos, or worse, the pointed barrel of a gun from death squads.

I lament the slow death of our democracy, forged by the rich legacy of courage and heroism of Filipinos who stood up against tyranny, but today dealt a blow by a government that punishes its dissenters, rewards its sycophants, thrives on fake news, kills the poor, and believes that a cowed population is a good population.

But I remain hopeful. Defiant and hopeful, *dahil patuloy na dumadami ang naniniwala sa kabutihan. Patuloy na dumadami ang lumalaban. Unti-unti nang lumalabas ang buong katotohanan. 'Yung mga dating kakampi, bumabaliktad na.* To quote Mahatma Gandhi,





in closing, "When I despair, I remember that all through history the way of truth and love have always won. There have been tyrants and murderers, and for a time they can seem invincible, but in the end, they always fall. Think of it – always."

### SUSPENSION OF SESSION

Upon motion of Senator Sotto, the session was suspended.

*It was 3:33 p.m.*

### RESUMPTION OF SESSION

At 3:33 p.m., the session was resumed.

### COMMITTEE REPORT NO. 36 ON HOUSE BILL NO. 4631

*(Continuation)*

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4631 (Committee Report No. 36), entitled

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE YEARS THE FRANCHISE GRANTED TO REPUBLIC BROADCASTING SYSTEM, INC., PRESENTLY KNOWN AS GMA NETWORK, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7252, ENTITLED "AN ACT GRANTING THE REPUBLIC BROADCASTING SYSTEM, INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES."

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

Thereupon, the Chair recognized Senator Poe, sponsor of the measure, and Senator Lacson for his interpellation.

### INTERPELLATION OF SENATOR LACSON

At the outset, Senator Lacson stated that his interpellation is not an opposition to the bill because he could not imagine the world without GMA 7 and *Eat Bulaga*.

Proceeding with his interpellation, Senator Lacson observed that the Senate version would amend a recurring section of RA 7252, as follows:

"Section 4. *Responsibility to the Public.* The grantee shall provide, FREE OF CHARGE, ADEQUATE public service time WHICH IS REASONABLE AND SUFFICIENT to enable the government, through the broadcasting stations OR FACILITIES OF THE GRANTEE, xxx"

Asked to define "adequate public service time," Senator Poe pointed out that Section 4 allows GMA 1) to reach pertinent populations or portions thereof on important public issues; and 2) to relay important public announcements and warnings as necessity, with urgency or as the law may require. She explained that the phrase "adequate public service time" refers to the length of free airtime to be given by GMA 7 to the government so that the latter could meaningfully and effectively carry out the two mandates under Section 4. She stated that the adequacy, reasonability and sufficiency of the free airtime would depend on the specific message, announcement and warning that the government needs to relay to the people: a long message, announcement and warning would necessitate a longer airtime for the government; a short message or announcement would mean a shorter airtime.

She stated that the Committee deemed it better to use the phrase "adequate public service time" as opposed to giving a fixed specific amount of time in terms of seconds or minutes because the length of messages, announcements and warnings are not uniform or the same. She said that there should be no free airtime to be wasted and it should be tailored-fit for each and every specific message, announcement and warning. Moreover, she said that GMA 7 cannot limit the government to a certain amount of fixed time in minutes or seconds which could compromise the effective, meaningful and substantial conveyance of any message, announcement and warning.

On the other hand, she stated that the proviso also protects GMA 7 from possible abuse by the government as the latter cannot demand for a longer free airtime than what is necessary to meaningfully and effectively convey its message, announcement and warning.

Senator Lacson recalled that during the committee hearing, the president and CEO of GMA 7 admitted that Section 4 was vague. He then asked how Section 4 which provides for the responsibility of





the grantee to the public, is different from Section 5 which provides for "The Right of the Government," since both provisions involve taking over private property. He further inquired how Section 4 is different in relation to Section 9, Article III of the Constitution, specifically just compensation under the Bill of Rights.

Responding thereto, Senator Poe stated that a franchise is a privilege given to certain companies, and it carries with it certain obligations that the franchisee has to comply with. She clarified that "adequate free service" does not necessarily mean taking over without something in exchange for a particular service. She said that government is not confiscating private property, but is merely obligating the franchisee as part of its compliance to its franchise privileges.

Asked what exactly is being taken over from the grantee in light of Section 5, which provides that the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or serious disturbance of peace and order could temporarily take over and operate the stations or facilities of the grantee, Senator Poe stated that government would be allowed to use the capability of the network to reach out to the population when there is an important announcement to make. She clarified that whenever in a particular time slot an emergency or matters of national interest occurs, government would only take over the airtime of the network by using its air capabilities and transmitters.

Asked if the technical personnel of the facilities would remain in their posts, Senator Poe replied in the affirmative.

Senator Lacson believed that airtime cannot be considered as private property because in G.R. No. 132922 – *Telecommunications and Broadcast Attorneys of the Philippines and GMA vs. Comelec*, the Supreme Court ruled that "Radio and television broadcast stations do not own the airwaves and, thus, no private property is taken." Since airtime is not a private property, he inquired what the government would be taking over from the grantee.

Senator Poe stated that at the proper time, an amendment would be introduced to clarify the intent of Section 5. She supposed that another term could be used aside from "take over."

Asked what specific or concrete government entity that Section 4 is referring to, Senator Poe replied that

the provision could mention specific public service announcements, like the Comelec to give equal airtime to all listed candidates; the NDRRMC for emergency alerts; or the Department of Health during national crisis or health-related outbreaks or anything that can affect the public in a huge dimension.

Senator Lacson inquired that if "adequate public service" would include Comelec hour as he believed that as a matter of public interest, the franchisee should provide the candidates who are running for national positions a certain amount of airtime so that the electorate would be properly informed of their qualifications and competencies.

As to the average number of minutes per hour per day a television station allots for paid commercials and advertisements, Senator Lacson stated that the information given to him was 18 to 20 minutes per hour, and he asked whether it was reasonable for government to request for 10% of the 18 to 20 minutes per hour for government use, Senator Poe believed that the Election Code should be amended to address such concern because to impose such requirement on GMA 7's franchise, it would have to be similarly imposed on all other network franchises. Senator Lacson agreed, noting that Section 4 is a recurring or standard provision in all franchise laws.

Senator Poe informed the Body that ABS-CBN's franchise is next to be deliberated on the floor. She stated that if the Body was amenable to the 10% of the 18 to 20 minutes, it might as well be an amendment to its franchise.

Senator Lacson clarified that he was not just thinking about the candidates but about dividing, say, two minutes per hour among the different branches of government.

Asked who would monitor and supervise the use of the "free of charge," Senator Poe believed that the Committee should get the consent of the Body, noting that the stakeholders would like to have a separate law on the matter.

Senator Poe expressed concern that if the Senate decides to allot 10% of the 20 minutes, it would have to make sure that it is not abused by one particular branch of government.

Senator Lacson stated that of the 10%, three percent could be allotted to the Executive branch;

*ps net*



three percent to the Legislature; and three percent to the Judiciary; and one percent for the constitutional bodies, including Comelec.

Senator Poe opined that there could be contention on which Executive office would get the most exposure. She then inquired as to who would decide for each branch of the government. Senator Lacson stated that the mechanics could be worked out in the implementing rules and regulations. He clarified that he was not zeroing in on GMA 7, as he pointed out that Section 4 is a recurring provision in all franchises.

Senator Poe suggested the use of the phrase "at the minimum" so that whenever there is a national calamity, for instance, the government would need to broadcast at length.

Senator Lacson clarified that his purpose is not to leave the provision vague. He recalled that during the committee hearing, it was agreed upon that there was vagueness in the provision that needs to be clarified, and for clarity, therefore, the number of minutes per hour per day could be specified, so that if 18 minutes per hour is allowed, it would translate to 432 minutes a day or 24 hours, 10% of which or 43.2 minutes could be the allotted for government services which, he believed, would not entail a big amount compared to what a network earns from advertisements.

Senator Poe pointed out that except for cable channels, local channels do not go on air for 24 hours a day. She also expressed concern that the network might use up the 43.2 minutes during off-peak periods of the day. Senator Lacson stated that the networks would be mandated to spread the time. He supposed that the mechanics could be worked out in the IRR.

As to the amount of time to be placed in the amendment, Senator Lacson stated that 10% of the 18 to 20 minutes per hour would be the minimum. He stressed that the bill could benefit senators who wish to run in the next elections. He said that he and Senator Sotto are in the stage where they see things through the rearview mirror rather than through the windshield of a car. He added that the bill is the only legacy that he could think of for those who they would leave behind in the Senate.

Senator Poe thanked Senator Lacson, but she refused to accept that the amendment would be beneficial to them, pointing out that government service

must be accessible for everyone's benefit. She said that should she accept the proposed amendment, there must be an assurance that it would not be subject to abuse. She added that the provision would apply not only to GMA 7 and to all other franchises.

Senator Lacson stated that at the proper time, he could craft the proper language.


Senator Poe stated that the Committee would welcome the proposal of Senator Lacson. Thereafter, she advised the Body to decide on GMA 7's franchise which is soon to expire.

## MANIFESTATION OF SENATOR ZUBIRI

Senator Zubiri manifested his support to extend the franchise of GMA 7, noting that in the last elections, GMA 7 was fair in their pricing of airtime and cheaper compared to the rates that the other two big TV stations charged for political advertisements.

He noted that in every election period, candidates had to contend with expensive commercials — a 30-second political ad costs P989,000 — which, he believed, promote corruption rather than transparency. He conceded that the measure may not be the proper bill because it only concerns one franchise. However, he proposed that the Body consider a measure that would put a cap on the price of political ads so that future candidates, especially those with less financial capability, would have a fighting chance of putting their ads and buying airtime from major TV networks. Senator Poe said that she would welcome the idea as long it is for the greater good and would help decrease corruption.

Asked on the rate of GMA's 30-second commercial, Senator Poe replied that the cost of a 30-second ad would be around P500,000. Senator Zubiri appreciated the network for keeping its political ad rates stable, noting that the rate was the same when he ran in the 2013 elections. In this regard, he informed the Body that he filed Senate Bill No. 307 which aims to regulate the rates of political ads during political exercises. He observed that six months before the May elections or in the month of January, TV stations would already double their airtime rates, and later, they would offer discounts without affecting their profitability. Thus, he proposed that the rate of the airtime during the election period and its subsequent discount should be determined one year prior to the election so that candidates would have a clear idea





as to how much would the real rate be. Senator Poe agreed, adding that indeed coming up with campaign funds to remain competitive in the elections would be difficult. However, she believed that a separate measure containing specific provisions precisely to address said concern should be crafted in fairness to other stations that were granted franchise.

Senator Zubiri stated that House Bill No. 4631 may not be the proper measure that would address the concerns that he raised. He said that he simply conveyed the frustrations of highly qualified candidates who are unable to run a national campaign because the cost is too prohibitive, especially at this time when the battle has now shifted to the social media and television.

He then urged the Body to support his measure, Senate Bill No. 307, to pave the way for such political reform that could encourage more qualified candidates to run for national office. Senator Poe expressed her appreciations to the points raised by Senator Zubiri. However, she noted that TV networks actually make the biggest profit during the election period; thus she expects major opposition from them.

Senator Zubiri stressed that Congress must be tough and needs to institute a mechanism to air grievances through TV ad which, he said, is a way for Members of Congress to reply against the accusations hurled against them but which they cannot do under the present circumstance.

He acknowledged that TV networks make more profits during elections, but he argued that they should not take advantage of the candidates. He insisted that the needed political reforms should already start, once and for all, in order to come up with affordable rates for advertising during elections.

#### MANIFESTATION OF SENATOR SOTTO

Senator Sotto stated that the suggestion of Senator Zubiri was laudable compared to the proposal of repealing the law or lifting the ad ban. He expressed confidence that TV networks would agree with the suggestion as he again disclosed his association with a TV network.

#### INTERPELLATION OF SENATOR RECTO

Senator Recto expressed his support for the measure which seeks to extend the franchise of

GMA 7, saying that he wanted an answer as to why the tax provision in the measure was deleted and whether Senator Poe would be willing to reinstate it.

Senator Poe agreed to reinstate the tax provision, saying that GMA 7 must be tax-compliant. Senator Recto pointed out that it will look bad for Congress not to include a tax provision in a specific law as it might appear that it is giving exemptions when GMA 7 is not asking for it.

Asked whether he wanted GMA 7 to also pay the franchise tax aside from the VAT and other taxes that the station is obliged to pay, Senator Recto clarified that the franchise is a contract between the State and the network, and he believed it is but proper to have tax provisions in the contract between the State and the network.

Senator Poe replied that she would be amenable to the amendment, as she also confirmed that GMA 7 did not ask for any special tax exemptions.

Senator Recto noted that all the suggestions raised by his fellow senators could not be accommodated as amendments because it would be an undue disadvantage on the part of GMA 7 if it is required to allot 10% free airtime to the State but which is not required in the franchise of the other networks. He stressed that all the networks should be treated equally. Senator Poe agreed, saying that the suggestion of Senator Zubiri should be considered in another measure to be crafted.

Senator Recto stated that the proposal of Senator Zubiri should be included in the Fair Election Code, for instance, or a broadcasting law, together with the suggestions of Senator Lacson. It could be a general law and not in a franchise law, he said, to which Senator Poe agreed.

#### INTERPELLATION OF SENATOR ESCUDERO

Senator Escudero noted that on page 3, line 8, the word "reasonable" was deleted and was replaced with ADEQUATE. For legislative intent purposes, he asked whether the word "adequate" presupposes a bigger airtime compared to "reasonable," Senator Poe replied that both words were still in the proviso, to read as follows: "The grantee shall provide free of charge adequate public service time which is





reasonable and sufficient to enable the government, through broadcasting stations or facilities or the grantee, reach pertinent populations." She clarified that the words were placed back in the committee amendments.

## INTERPELLATION OF SENATOR GORDON

At the outset, Senator Gordon believed that TV stations must be protected because they are part of the pillars of democracy. However, he agreed with the observations of Senator Zubiri that there are aberrations that occur which the government can address. He stressed that a franchise is not a right, but a privilege that is subject to conditions and limitations. Senator Poe pointed out that there are obligations that the network should comply with, like adequate public service or exposure for any announcement by the government.

Senator Gordon noted that there is an ongoing war between the media and the President of the United States, and the president is going directly to the people to explain his presidential policy because some stations take sides in political contests.

Asked if the franchise holder has a track record of taking sides on an issue, Senator Poe said that GMA Network, Inc. has always prided itself as being fair, unbiased, rendering "*serbisyong totoo*," and observing responsible use of media, as affirmed by the people's consistent patronage of its programs. She opined that the network should even be commended for their news segment described as being considerably fair except some of its commentators.

Senator Gordon agreed that GMA 7 has been very balanced, unlike some stations which go overboard to the point of campaigning and addressing certain issues in a manner which is no longer objective. Thereupon, he emphasized that a franchise is a reserved right as it is not open to every member of the public; it is given to certain individuals and corporations to ensure that the public would be properly informed, as the GMA 7 slogan puts it — "*Walang Kinikilingan, Walang Pinoprotektahan, Walang Kasinungalingan, Serbisyong Totoo Lamang*." Conversely, he pointed out that there ought to be some limitations in the grant of network franchises notwithstanding the fact that sometimes the limitations come too late.

To the statement that the Constitution has given Comelec the power to limit franchises in all TV and radio broadcasts, Senator Poe replied in the affirma-

tive, pointing out that during the campaign, candidates were only allowed a 180-minute political ad per network which could have been more equitable and more tenable if it was a 180-minute political ad for all networks.

As regards electoral expenses, Senator Gordon suggested that the government pay for TV airtime so that political debates could be undertaken, allowing people to have an informed choice and become more comfortable with the fact that the political candidates were not paid, bought or influenced. However, he admitted that limiting the network franchise or outlining the limitations on the franchise borders on amending the freedom of speech like what is happening in the United States. Still, he stated that it is important that in crafting legislation, they must be clear in ensuring that they stick within constitutional limitations given the concomitant duty to respect every right, and that there is all the more duty to address the demand for objectivity to ensure that the news would benefit the country in terms of proper information and correct analysis of issues.

Senator Gordon noted that Section 4 of Article IX(C) of the Constitution provides that "the COMELEC may, during the election period, supervise or regulate the utilization of all franchises or permits for the operation of media, communication or information, all grants, special privileges or concessions granted by the government." However, in reality, he noted, when the different networks questioned the law that implements this provision, the Supreme Court said that it is a transgression of the right of the freedom of the press or the freedom of the media. He then asked how the law could be made clear when no less than the Supreme Court has decided that the Comelec cannot regulate the radio and TV airtime. He warned that it is dangerous to democracy when people are subjected to the whims and caprices of networks.

Thereupon, Senator Gordon underscored the need for legislation to protect the public from such occurrence. He disclosed that the reason that media should be 100% Filipino-owned is to prevent other countries from buying the media which might impose their foreign influence on the citizenry. He said that the network must ensure that it would allow everyone equal access to media in terms of advertising.

He stated that he is supportive of the measure extending the franchise of GMA, and he indicated his





willingness to craft the legislation that would be iron-clad such that the Supreme Court would not be influenced. Senator Poe agreed that there should be a general law covering all broadcast media and franchisees to exactly spell out their obligations to the government.

To Senator Zubiri's intent of making sure that franchises are not unfairly controlled or eventually controlled, Senator Gordon asked if it is possible for media owners to pay their media people better salaries, so that the quality and integrity of the programs that they show would not be sacrificed.

On whether she is amenable to the task of enjoining franchise holders to sponsor TV debates for presidential, vice presidential or senatorial candidates on a regional basis, Senator Poe stated that the proposal may be considered in a separate law so that obligations could be exactly determined.

Senator Gordon said that in the last elections in America, there were lots of presidential candidates but the media networks were able to control the debate. He stated that he would rather have such kind of debate rather than seeing innocuous and silly commercials of candidates in order to be elected. Senator Poe agreed that the conduct of debates would certainly be more informative even as she acknowledged that there are other ways on how the candidates would best present themselves to the voting public. She assured that she would await a proposed bill which would amend the broadcasting laws.

Senator Gordon said that he was loading the Senate records with statements regarding his concerns so that when it is time to legislate, the Body could go back to it and recall proposals towards better democracy. Thereupon, Senator Poe expressed appreciation to Senator Gordon for his initiative, saying that his proposal should be one of the priorities that must be considered long before the elections.

#### INQUIRY OF SENATOR SOTTO

On the matter of foreign influence, Senator Sotto asked what constitutes CNN Philippines, in relation to the constitutional mandate that mass media should be 100% Filipino-owned. Senator Poe replied that the franchise holder of CNN Philippines is a Filipino company that is likewise paying a franchise fee to CNN International.

To Senator Sotto's remark that 50% of the shows are from CNN International, Senator Poe pointed out that there are local talk shows primarily produced by CNN Philippines.

Additionally, Senator Drilon said that the equity of CNN Philippines is 100% owned by Filipinos and that the network has a contract with CNN International to use the latter's trademark and programs.

On other matter, Senator Sotto recalled that when he was vice chairman to Senator Roco when the Senate passed the Fair Election Practices Act of 2001, the intention really was that a candidate is entitled to 120 minutes airtime for television and 180 minutes for radio contrary to the ruling of the Supreme Court.

#### INTERPELLATION OF SENATOR LEGARDA

Recalling that she was the Majority Leader at the time the Fair Election Act of 2001 was passed, Senator Legarda confirmed the earlier statement of Senator Sotto that only 120 minutes of television ads and 180 minutes of radio spots were allotted per candidate; it was not specifically stated that this limit was applied per station, per network, per province or per region. She believed that the policy had been abused since political ad placements were never intended to be unlimited or a free-for-all as these are very expensive.

Senator Legarda expressed her support for the renewal of the GMA 7 franchise even as she informed the Body that she began her television career in Channel 7 in 1978 before working with ABS-CBN after the EDSA revolution. She believed that the network should not go off the air on March 20, 2017.

On whether a one-hour program has an allocated number of minutes for commercial placements, Senator Poe replied that this is between 18 to 20 minutes.

Noting that the *Kapisanan ng mga Brodkaster ng Pilipinas* (KBP) has specified a time limit on advertising spots, Senator Legarda asked how many minutes are allocated for the ad placements in programs of GMA 7, which is not a member of the KBP. Senator Poe replied that since GMA 7 does a self-regulation, it is applying the 20-minute maximum tolerance for ad placements so that it could remain



viable while not losing viewers who might migrate to another network due to heavy television commercial exposure. Senator Legarda opined that 20 minutes of ad placements is a heavy load for a one-hour show considering that a 30-second ad placement on a primetime slot on a non-election year costs between P400,000 to P500,000.

Asked whether there is a private or government regulatory body that sets a limit on the number of commercials a television and radio network can air in its programs, Senator Poe explained that since commercials are technically the earnings of a network, the government does not regulate the amount that a particular media entity can earn. However, she noted that while there are no limits on the number of commercial spots that a network can get for its programs, viewer/listener patronage might suffer if they become too greedy and unreasonable.

Noting that station-produced programs have no limits on ad placements compared to shows aired by blocktimers, Senator Legarda asked how many minutes of commercial spots are allotted for a one-hour program of those buying airtime since this is part of their contract with the network. Senator Poe explained that while no limits are imposed on blocktimers, political ads aired in blocktimer programs had been limited during the election campaign period due to the 180-minute cap per candidate because not doing so would mean a loss of potential income to GMA network as it would go to its blocktimer instead.

On a related matter, Senator Legarda asked how one could determine how much airtime could be sold by GMA 7 considering that it is not a member of and is therefore not regulated by the KBP. She recalled that when she was anchoring *The World Tonight* and the *Inside Story* on ABS-CBN in the '80s up to the '90s, the commercial time for a one-hour program would not exceed 15 minutes even if there were other potential advertisers. This being the case, she sought clarification on whether GMA 7 has a different policy since it is not covered by the KBP. Senator Poe explained that the government has no broadcasting regulation to limit ad placements sold by GMA 7 because not being a member of the KBP, it is not compelled to follow KBP restrictions.

As regards the suggestion of Senator Lacson on having networks allot some airtime for ad placements on matters of national interest such as disaster risk reduction (DRR) warnings or information materials

on PhilHealth and Pag-IBIG, Senator Legarda asked how much of the one-hour airtime could be made available for government plugs which would also be strictly implemented so as to prohibit it from being used as promotional materials by politicians who would be running for elective office. Senator Poe replied that she was awaiting Senator Lacson's proposed amendments on the matter, but she believed that there ought to be a separate law to cover all stations and not just the GMA 7 franchise.

Senator Legarda said that she supported Senator Lacson's suggestion to allot 10% of the allocated airtime for advertising spots per hour of the television program for national government agencies to broadcast information of public interest. This, she explained, would mean that 10% of the 20 minutes allocated for the advertising airtime per hour of a program could be used to air either a minute or four 30-second spot for commercials on HIV/AIDs or information on availing of PhilHealth programs or a Pag-IBIG housing loan.

At this juncture, Senator Sotto pointed out that the matter would have to be put to pencil and paper due to the intricacies involved. For instance, he asked how such a proposal could be applied to blocktime programs like *Eat Bulaga* which has an hour-long, no-commercial break segment called "*Juan for All, All for Juan*" featuring items that have been recycled by residents for use by the community. Senator Legarda opined that a certain number of ad spots could be allocated for the public information efforts of government agencies on this program and others with similarly laudable content such as documentaries.

Relative thereto, Senator Sotto asked how much of the 36 minutes allocated for commercial spots by *Eat Bulaga* would be used for public information and whether this would be decided on by the program producers or the network itself. Senator Legarda suggested that the airtime allocated for government informational campaigns be limited to station-produced programs since blocktimers, who are paying for their airtime, would need to recoup their investments unlike network owners who own the airtime.

For her part, Senator Poe pointed out that the subject at hand is a very intricate matter that ought to be discussed in a separate hearing for another bill. She also disagreed that blocktimers should be exempted from the proposed airtime allocation for government infomercials since the law should apply to all and that



10% of the allotted ad time would be sufficient for airing commercials of public interest. She posited that even though politicians are under public scrutiny in the media and the news, they find it very difficult to promote their advocacies through these organizations.

In a related matter, Senator Poe believed that producers of programs such as "*Juan for All*" which has an hour of street content programming would not need to comply with the 10% allocation for public information ads because no part of the segment is allotted for ads.

Underscoring the need to make the necessary assessment on how the proposal could be implemented by privately-owned networks, Senator Legarda believed that part of their airtime could be devoted to public interest since 10% of its allocation for commercial spots could be utilized for such informational materials. She expressed her intention to join Senator Lacson and other senators in introducing such an amendment that would be applicable to GMA 7 and all other stations.

Senator Legarda said that Senator Lacson had asked her to verify how many other private commercial networks, radio or television or cable have renewed their franchise in the past. Replying thereto, Senator Poe said that the bill on the floor is the first franchise bill that she has handled.

At this point, Senator Lacson interjected to state the concern pointed out by a resource person that a class legislation might be resorted to if previous franchises were already granted by Congress which would not be covered by the proposed amendment, the reason why he was inquiring how many franchises have been granted by Congress that would not be covered by the proposed amendment.

Senator Poe said that hundreds of franchises might have been granted in the past by Congress. She said that the measure should be part of a separate law because the renewal of franchise of the different radio and television networks varies. For instance, she said that the RMN radio franchise was approved during the 16<sup>th</sup> Congress, while ABS-CBN would be up for renewal soon. At present, she said that there is only one large network that has pending franchise renewal.

Senator Legarda stated that she would support the renewal of the franchise of GMA 7.

## INTERPELLATION OF SENATOR VILLANUEVA


At the outset, Senator Villanueva said that he agrees with the statements made by Senators Lacson and Zubiri regarding political advertisements during election period. He also manifested that his family, through ZOE Broadcasting Network, has an existing partnership with GMA Network. Nevertheless, he assured the people and the Body that it would not deter him from ensuring that the provisions of the proposed franchise renewal will not be detrimental to public interest but that it would provide better service to the Filipino people.

As the chairman of the Committee on Labor, Employment and Human Resources Development, Senator Villanueva disclosed that he received a letter of complaint from the Talents Association of GMA (TAG) who claim to be regular employees of the network and not independent contractors. He explained that network talents are the technical and creative runners behind television shows who pitch stories, write scripts and spiels, produce audio visual reports, shoot interviews, source contracts and contributors, fact-check stories and finding case studies for stories, among others. He then asked on the status of their case pending in court. He also asked if the employees are being regularized, and how GMA network treats and handles their talents.

Senator Poe replied that Senator Villanueva's question is part of a pending case with the Court of Appeals. She believed that the network would definitely comply with the decision of the court.

Senator Villanueva said that he raised the issue precisely to ensure that the network would comply with labor laws and preserve the rights of workers. He also asked if the network is practicing "endo" or contractualization, noting that there are some networks that practice contractualization, or the 5-5-5 scheme wherein employees are being laid off after five months, then hired again after five months without getting benefits, although most of them are doing regular jobs.

Senator Poe explained that the nature of the industry is per-project basis except for several permanent employees. She said that networks hire certain workers based on talent, and there is a particular time frame for a particular deliverable which does not necessarily fall under the "endo" agreement. She added that the work is project-based





because the expertise and talents of a director or writer may not be suitable to a particular subject matter to be produced.

Senator Villanueva asked if anchors or reporters would be considered as regular employees and not as project-based employees. Senator Poe replied that they are considered permanent but that there are others who have talent agreements. She explained that some anchors have definite contracts with the network, while others may be project-based because the content being shown varies. With regard to cameramen, she said that most of them in the news department are permanently employed. However, in the entertainment department, she said that it depends on the show being produced as they might need specific cameramen with specific expertise.

Senator Villanueva reiterated that he just wanted to ensure that GMA complies with labor laws and that the rights of workers are protected. At the proper time, he said that he would introduce amendments to promote and protect their rights.

#### **TERMINATION OF THE PERIOD OF INTERPELLATIONS**

There being no further interpellation, upon motion of Senator Sotto, there being no objection, the Body closed the period of interpellations.

#### **SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4631**

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

#### **COMMITTEE REPORT NO. 13 ON SENATE BILL NO. 1256**

*(Continuation)*

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1256 (Committee Report No. 13), entitled

AN ACT TO FURTHER AMEND REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY LAUNDERING ACT OF 2001, AS AMENDED, AND FOR OTHER PURPOSES.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Sotto, the session was suspended.

*It was 5:08 p.m.*

#### **RESUMPTION OF SESSION**

At 5:11 p.m., the session was resumed.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1256**

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

#### **COMMITTEE REPORT NO. 28 ON SENATE BILL NO. 1304**

*(Continuation)*

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1304 (Committee Report No. 28), entitled

AN ACT PROVIDING FOR A FULL TUITION SUBSIDY FOR STUDENTS ENROLLED IN STATE UNIVERSITIES AND COLLEGES (SUCS), AND APPROPRIATING FUNDS THEREOF.

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

Thereupon, the Chair recognized Senator Aquino, sponsor of the measure, and Senator Recto for his interpellation.

#### **INTERPELLATION OF SENATOR RECTO**

At the outset, Senator Recto commended Senator Aquino for sponsoring the bill that he has been fighting for in the last two or three congresses. He pointed out that in the committee report, he was, in fact, listed as one of the principal authors, and that during the recent budget deliberations, he fought for an P8.3 billion allocation for tuition fee subsidy in the Senate version.

Senator Recto stated that the primary purpose of his interpellation was to improve the bill so that it





could include in its coverage private higher educational institutions, not only public institutions, as mandated by the Constitution. He further enumerated the purposes of his interpellation, to wit:

- Ensure universal access to quality higher education by reducing costs for all students, whether public or private;
- To improve the quality of tertiary education in both the public and private higher education institutions;
- To recognize the complementary roles of both public and private institutions in the higher educational system;
- To optimize the use of government resources in education;
- To provide full tuition subsidy and educational assistance to all students enrolled in higher education institutions, whether public or private;
- To simplify the process of availing of the free tuition subsidy and/or educational assistance for tertiary students;
- To ensure continuous funding for the free tuition subsidy program and educational assistance for tertiary students; and
- To help ensure the sustainability of the free tuition subsidy program in the public sector.

Senator Recto said that at the proper time, he would propose necessary amendments to the bill.

Senator Recto referred to the constitutional provisions on education in the 1987 Constitution, in particular Article XIV, Section 1, which provides that "The State shall protect and promote the right of all citizens to quality education at all levels, and shall take appropriate steps to make such education accessible to all." He said that it means all levels, not just primary or secondary.

Moreover, he said that Section 2 provides that, the State shall:

- (1) Establish, maintain, and support a complete, adequate, and integrated system of education relevant to the needs of the people and society;
- (2) Establish and maintain a system of free public education in the elementary and high school levels. Without limiting the natural right of parents to rear their children, elementary education is compulsory for all children of school age; and

- (3) Establish and maintain a system of scholarship grants, student loan programs, subsidies, and other incentives which shall be available to deserving students in both public and private schools, especially to the underprivileged.

He explained that the government used to be able to afford only subsidy to pre-elementary education which eventually reached until secondary education, while fiscal space was available for tertiary education. He also pointed out that the Constitution provides that government must make available scholarship grants to deserving and underprivileged students in both public and private schools.

Senator Recto added that Article XIV, Section 5(2) guarantees that academic freedom shall be enjoyed in all institutions of higher learning. He then asked on the number of SUCs and higher educational institutions in the country. Senator Aquino replied that there are 112 SUCs, down from 114 because some schools have been merged, and 1,706 HEIs.

Agreeing with Senator Recto's observations that private HEIs are 88% of the total tertiary education system and SUCs are 12%, Senator Aquino said that in terms of population, there are 1.6 million students in SUCs and 2.2 million in private schools, or about 40% to 60%.

Senator Recto said that he asked the questions because it was important for the sustainability of the proposed program as he also wanted to address the private educational institutions.

As to Senator Recto's query on the location of the private HEIs and the SUCs, Senator Aquino said that these are all over the Philippines.

Senator Recto said that it was important and relevant to know the locations of the schools especially because in areas with no SUCs but just private HEIs, there must be a system in place to provide deserving and poor students access to higher education. He believed that in areas where both SUCs and private HEIs are present, the students in the private HEIs would be transferring to the SUCs if public education is provided for free. He cautioned that the situation might create sustainability problems to the program. He reiterated the importance of mapping out the locations of the schools in light of the competition it would cause in the tertiary education system.



Senator Recto pointed out that it was important to get the data from the CHED as regards the location of the schools so that the Body could design a program in the bill to provide the necessary subsidies and to impose a limit for the SUCs to ensure that they have the best quality of students. He added that there must be a limit as to the number of students it should accept and that there should be a qualifying entrance exam to choose the deserving beneficiaries of the proposed benefit under the measure. He said that a system must also be in place to assist private HEIs in areas where there are no SUCs.

Senator Aquino pointed out that there is already a system in place that would give resources to private HEIs, such as the provision of the Student Financial Assistance Programs (StuFAPs) under the UniFAST Law, which was passed in the 16<sup>th</sup> Congress.

Senator Recto said that tuition free subsidy in all SUCs for the first semester amounting to P8.3 billion was placed in the budget for 2017. And there is an additional P10 billion to P19 billion under the StuFAPs. He said that another P8 billion could be provided to the private sector, if necessary.

As to Senator Recto's query on the total number of students in the SUCs, Senator Aquino said that for the school year 2015-2016, there were 1,648,566 students in the SUCs.

Senator Recto stated that his figures showed a different number. He opined that the figures cited by Senator Aquino must include those taking graduate studies. He disclosed that according to his figures, there are 1,202,849 undergraduate students for school year 2016-2017.

Senator Aquino said that Senator Recto's numbers are lower as he was using figures of the previous school year, SY 2015-2016, whereas his numbers are from the current year, SY 2016-2017, which indicate a lower enrollment for freshmen because of the implementation of the K-12 program. Senator Recto said that his 2015-2016 figures showed a number of 1.387 million students.

Asked how many students are enrolled in private HEIs, Senator Aquino said that there are 2,219,857 students in the private HEIs for school year 2015-2016.

However, Senator Recto pointed out that the bill seeks to cover only public college tuition, leaving 2.2 million students not enjoying the same benefit. He said that during the period of amendments, he would propose the inclusion of the private education institutions as well.

Senator Aquino clarified that there was already a provision on the StuFAPs found in the UniFAST law and that a significant amount of the money could be accessed through the private schools.

Asked how much of government funds go to the SUCs and how much go to the private HEIs, Senator Aquino clarified that the purpose of the bill is to fund the SUCs and that the proposed measure does not discriminate against the private sector because under existing laws, there are specific funds which can be accessed through the private sector.

Senator Recto noted that the government is not spending as much as it should for the private school, that is why he would be proposing during the period of amendments that the benefit be extended to include private schools. He said that if private educational institutions are also considered as partners in educating the children, then the government should also provide for additional resources to them. He said that with the government's huge fiscal space, it could be mandated under the StuFAP how much should be given to private schools.

Asked by Senator Recto how many students are enrolled in secondary schools, Senator Aquino said that there are about 1.5 million students enrolled in the senior high school program.

Asked how much subsidy was given to private high schools, Senator Aquino said that a certain amount was allocated through the GASTPE program. Senator Recto proposed to have something similar to GASTPE for tertiary education.

#### SUSPENSION OF SESSION

Upon motion of Senator Aquino, the session was suspended.

*It was 5:29 p.m.*

#### RESUMPTION OF SESSION

At 5:31 p.m., the session was resumed.





In reply to Senator Recto's earlier query as to the number of students in secondary schools, Senator Aquino said that there are 6.17 million secondary students and 1.5 million in senior high school, or a total of 7.6 million students.

As regards the amount for GASTPE, Senator Aquino said that the government was spending P32 billion for the current year.

Senator Recto asked how many students are being subsidized in the private schools out of the P32 billion subsidy for secondary schools.

### SUSPENSION OF SESSION

Upon motion of Senator Aquino, the session was suspended.

*It was 5:34 p.m.*

### RESUMPTION OF SESSION

At 5:34 p.m., the session was resumed.

Upon resumption, Senator Recto said that there are roughly 7.5 million students in both public and private high schools, and P35.8 billion was allocated for GASTPE, subsidizing 2.6 million students in the private sector or a per capita of P13,800 per student. He said that excluding those under K to 12 program, 1.3 million students in the country's public schools were paying for their vocational training in private schools, meaning that 50% of the public school students are subsidized by the government to enter private schools. He said that based on those numbers, it could also be done for tertiary education. Senator Aquino agreed.

Asked if there is a ranking of all SUCs and private higher education institutions on enrolment and quality of education in order to know how big the schools are based on their performance, Senator Aquino replied that he could get the data on enrolment but there is none on the quality of education. Senator Recto questioned why the CHED has no system in place to determine the quality of the country's higher education system at the SUCs. Senator Aquino replied that the CHED has a parallel ranking system, one for the private institutions and another one for the SUCs.

Asked if both the private institutions and SUCs are regulated by CHED, Senator Aquino replied in

the affirmative, explaining, however, that it is a debate that keeps on coming up because of the academic freedom clause and that some SUCs have their own charters although the committee's stand is that the CHED should release rankings for every SUCs. He reiterated that what the CHED did was parallel ranking, so that both the SUCs and private institutions have different levels.

Senator Recto pointed out that SUCs that are diploma mills, whether public or private, where students would not learn quality education should not get subsidy from the government. Senator Aquino replied that under the proposed measure, the Committee placed a provision asking the SUCs to submit data, like their board passing rates and employability of students after graduation, among others, to help determine their proficiency.

As to how many students are unable to enter college due to lack of money, Senator Aquino replied that 46% of the student population drops out of college and if it is from high school to college, four out of 10 proceed to college, or six out of 10 did not proceed.

As to how many of the six of 10 students did not proceed to college due to lack of financial resources, Senator Aquino replied that none was interviewed yet but they have the data on those four who entered college but eventually dropped out because of lack of finances. Senator Recto said that with the proposed measure, issues on student finances would be addressed. Senator Aquino agreed.

Senator Recto then asked why the CHED is opposing the proposed measure. He said that data would show that 40% of those who want to go to college cannot enter college because they do not have the resources and that 46% of those already in college drop out because they do not have the wherewithal to continue their education.

Senator Aquino then shared some data that, according to him, CHED has some issues with, such as their appreciation of the term "poor." He said that when CHED said that only 12% of the poor get to the SUCs, it referred to them as the poorest of the poor or the lowest income bracket that the country has, including the families that are beneficiaries of the 4Ps (*Pantawid Pamilyang Pilipino Program*). However, he said that most of the 70% to 80% of the families who put their children through the SUCs



are in the category of the poorest of the poor and near poor levels. He opined that the issue with CHED came up because they were only looking at the lowest 10% poor students of the Philippines while the proposed bill is actually on who needs the help and support of the government.

Senator Recto said that, in effect, the proposed measure is about who will benefit from it, not only the poorest of the poor, the poor but also those in middle class so that it is very important to pass the bill. Senator Aquino replied in the affirmative.

As regards the total cost of public tertiary education per student in the SUC level, Senator Aquino replied that the total cost is P60,000 a year, including the transportation cost and living expenses.

Adverting to the national budget, Senator Recto cited, as an example, that in fiscal year 2014-2015, there are 110 SUCs, excluding UP, with 1.2 billion students and the budget was P42 billion, thus the subsidy per student was P34,000. He said that if the government would give P8 billion, in addition to P42 billion then it becomes P50 billion divided by 1.2 million students, which would be the cost per student. He said that in the fiscal year 2016-2017, if the appropriation of the SUCs was increased to P58.7 billion but still have the same number of 1.2 million students, then the subsidy per student would increase to P48,000. He then asked what is the level of income of such type of students in the SUCs, not enrolled in UP, specifically their family income and expenditures. Senator Aquino replied that 79% of the families of the 1.2 million students are earning P16,000 or less per month.

Asked how many students are enrolled in UP, Senator Aquino replied that there are 71,507 students in the whole UP system, including those in its graduate schools. As an aside, Senator Recto noted that the CHED does not like the free public college tuition not because the students are rich or poor but because they are representing college institutions.

Senator Recto then shared with the Body the following data: that in UP, there are roughly 40,000 undergraduate students and if the budget in 2016 to 2017 was P13.5 billion, the per capita of the state is P320,000 per student in UP which is much higher.

Comparing the data with that of the SUC student at P48,000 each where the family income level is

P16,000 or less, Senator Recto asked how much is the average family income of a UP student. Senator Aquino replied that the Committee did not have the data at the moment but he believed that it is much higher than P16,000. Senator Recto said that it is something like P700,000 a year but said he does not mind giving UP a subsidy. He, however, stressed that there is a need to catch up with those other SUCs, adding that it does not mean decreasing the budget of the other to increase the other one.

Asked if Senator Aquino has the data for the PUP, Senator Aquino replied that PUP has 79,372 students, including masteral students. Senator Recto noted that PUP has 58,000 undergraduates for 2016-2017 and its subsidy is only P23,000 per student, which is lower than the other SUCs. Senator Recto stressed the need to look into the big disparity between the subsidies given to UP students and SUC students in the provinces, which are lower than PUP.

As to how much is the total funds appropriated for all forms of student financial assistance and programs for tertiary education, in addition to the budgets on subsidies to UP, PUP and SUCs, and who are the government agencies administering the funds, Senator Aquino replied that the total funds appropriated amounted to P13.7 billion and the agencies administering the funds are CHED, with P5.6 billion; DOST, P2.2 billion; DA, P1.6 billion; DSWD, P1.5 billion; DOH, P1.3 million; TESDA, P440 million; DENR, P385 million; DILG, P364 million; OP, P59 million; DOLE, P57 million; PCA, P21.8 million; PSC, P54.7 million; NCIP, P39 million; SRA, P10.7 million; GSIS, P9 million; DND, P8.1 million; OPAPP, P5.5 million; OWWA, P11.3 million; and NCMF, P2 million, for a total of 19 government agencies administering scholarships programs.

Asked how much of the P13 billion goes to the public students and how much goes to the private students, Senator Aquino replied that the data is not available, not even in the UniFAST board.

In response to another query, Senator Aquino replied that P8.3 billion was appropriated for free public college tuition so that in addition to P13 billion, the current budget is P21 billion.

Asked if the P21 billion could be divided between the public and private, Senator Aquino replied in the affirmative. He pointed out that the UniFAST and STuFAPs (Student Financial Assistant Programs)



are not just for tuition fees but are sometimes used for miscellaneous expenses and living expenses.

Senator Recto maintained that the funds could be used for both public students and private students, the reason why it is important to design the bill properly to find out from CHED and from the 19 agencies how much was spent for public college tuition fees, for private tuition fees, for miscellaneous fees, for purchase of books, for living expenses and whether the students are still eligible to get from the STuFAFs because the government is spending the taxpayers' money.

Asked how much is the national government's budget for the current year, as well as for the following year, Senator Aquino replied that the appropriation amounted to P3.4 trillion and that the appropriation for the following year would be P3.8 trillion, an increase of 10% from the previous year.

Noting that there would be about P400 billion appropriation for education the following year, Senator Recto said that adding P10 billion, P20 billion or even P30 billion would tantamount to adding fiscal space to the budget for education which, he said, is the purpose of his interpellation.

Senator Recto reiterated his request for data and to push CHED to find out how much goes to the public students and how much goes to the private students.

As regards the other expenses, Senator Aquino replied that other expenses as defined in the bill includes other school fees like medical, dental, laboratory, library, athletic and miscellaneous fees which are within the school; and there is also the living expenses, transportation expenses, and other expenses to ensure that the students can actually go school. He agreed with Senator Recto that the free college tuition is just 30% of the total expenses.

Senator Recto pointed out that the free public college tuition is merely 30% of the student's total expenses. He stated that it is not a dole-out but merit-based because the student would have to pass his subjects every semester. Senator Aquino clarified that it was Senator Gordon who proposed that the tuition subsidy be merit-based, which the Committee would readily accept.

Senator Recto noted that at the moment, the bill requires that in order to be eligible for the free public

college tuition, a student must pass the entrance exam. Senator Aquino stated that while the current version of the bill refers only to the entrance exam, other Members have proposed to put an intermittent check on the grades.

Senator Recto stressed that the free tuition should be merit-based and that a failing student should not be subsidized by the government.

On whether the 112 SUCs profit from the enrollment of students and whether they have profit and loss statements, Senator Aquino stated that SUCs do not profit because it is not in their charter and that any excess money could be rolled over and used for other activities the following year.

Senator Recto asserted that SUCs, just like any government or private entities, should have financial statements. He stated that while private entities call it profit, it is called differently in the public sector. Whether there are profits or none, he said that there is still need to determine if they have realized earnings or surplus.

As for the financial statements of the 112 SUCs, Senator Aquino stated that the CHED has provided an aggregate of the SUCs, the ending balance of which in 2016 was P25.7 billion from internally-generated income less expenditures.

Senator Recto stated that Congress has given the SUCs an P8 billion subsidy for 2017 and that the P26 billion could be used to improve their facilities which could be included in the law. He believed that a certain percentage could be used for the SUCs' capital outlay which could improve the quality of education.

As regards UP, Senator Recto stated that the State University has retained earnings of P12 billion which could be used for capital outlay and which could be written in the law as well.

On another matter, Senator Recto noted that K to 12 program's initial implementation started in SY 2016-2017, so that there are no first year college enrollees for the first two years and only third and fourth year college students would be enrolled. He posited that the student population would be 50% students in college until 2018 and that the 50% drop would cause big problems for the private sector while the SUCs would get subsidy from the



government. He stressed the need for the government to assist the private sector at such time.

Senator Recto further noted that by SY 2018-2019, there would only be first and fourth year students, or 50% for both private and public schools and that for SY 2019-2020, there would be no graduating students but only first and second year students. He said that for the next three years, both public and private colleges/universities would have a population of 50% and thus, reiterated the need for a provision to address the dilemma of private schools since only SUCs would get subsidies from government.

Moreover, Senator Recto believed that it is during such time when there are less students that the SUCs should build dormitories and additional classrooms, as well as improve facilities and prepare for the time when the enrollment is in full force. Agreeing with Senator Recto, Senator Aquino stated that the SUCs could use the three years as a breathing space.

Senator Recto stated that there would be no graduates for two years because the first year college students enter by SY 2019-2020; first and second years by SY 2020-2021; first to third years in SY 2021-2022, or 75% enrollment; and all year levels in SY 2022-2023. He surmised that by 2023, there should already be adequate facilities.

Senator Aquino believed that by then, the budget would have already doubled and resources could be adequate if the budget is increased by 10% per year.

Senator Recto believed that it is cheaper and wiser to do the buildings and improvements during that time.

As regards the concern of PIDS-NEDA that the free tuition fee is anti-poor, Senator Recto believed that the biggest issue is that if government provides for free public college tuition, the students from private colleges/universities would move to the SUCs. He expressed hope that the PIDS would see that the bill is not pro-rich.

Senator Aquino stated that the PIDS has focused on the anti-poor stance which the Committee has already refuted. He said that the Committee tried to provide some safeguards by assuring the private sector that the SUCs must get the approval of the

CHED before they could increase their capacity so that there would not be a massive migration of students as what the PIDS feared. He stated that the provision would assume that the current enrollment would be the maximum number of students the SUCs may accept. Senator Recto supposed that the CHED would have an idea as to the maximum number that the SUCs could accept. He stated that it would be easy to determine if the number to follow would be 40 students per classroom.


Senator Aquino stated that at the moment, the data are reported by the SUCs themselves, but the CHED wants to do an audit of the facilities to have a better number with regard to the maximum capacity.

As to when the results of the audit would be released, Senator Aquino supposed that as soon as the bill is passed, the data would also be made available. Senator Recto suggested that the results be presented already since the measure is being discussed on the floor and so that Congress could do the appropriations properly. Senator Aquino assured the Body that the CHED would be prepared. He reiterated that there might be some students from the private sector who may want to go to the public sector if there are no facilities available for them. He said that at the proper time he would propose an amendment in that regard.

As regards private HEIs and SUCs, Senator Aquino stated that there are different types of HEIs such as the religiously-run HEIs, SUCs, Local Universities and Colleges (LUCs) accredited by CHED, and non-profit tech-voc schools. He said that except for tech-voc schools for profit, all the schools are tax-free. Senator Recto expressed hope that the LUCs are not diploma mills. Senator Aquino assured the Body that the LUCs would have accreditation from the CHED.

On whether profit-oriented private HEIs are taxed, Senator Aquino replied in the affirmative. Senator Recto observed that on the tax issue, there seemed to be unfair treatment as far as education is concerned. He stated that the Body should look at the matter at the appropriate time.

At this juncture, Senator Recto stated that he would suspend his interpellation on the bill. He believed that it would be easy for him to work with the Committee since they know the type of amendments that he would propose.





Senator Aquino stated that the Committee would welcome the amendments of Senator Recto to the bill. He assured the Body that the Committee has intentions to support the private sector and that there are already provisions that would allow for their support; however, there is need to define the provision further or to increase the budget, the committee would be more than happy to amend the bill.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Sotto, the session was suspended.

*It was 6:09 p.m.*

#### **RESUMPTION OF SESSION**

At 6:09 p.m., the session was resumed.

#### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1304**

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

#### **PRIVILEGE SPEECH OF SENATOR TRILLANES**

Rising on a matter of public interest, Senator Trillanes disclosed that that morning, February 20, 2017, a press conference was held in the Senate wherein SPO3 Arthur Lascañas publicly confessed and implicated Pres. Rodrigo Duterte on several incidents of murder, contract killing and assassinations when he was still the mayor of Davao City, and that according to him, the ghastly acts were carried out mainly by police officials under the guise of legitimate police operations which were never resolved. He said that the revelation of SPO3 Lascañas is a big break in the quest for the truth behind the so-called "Davao Death Squad."

In view of the foregoing, Senator Trillanes moved that his privilege speech be referred to the Committee on Public Order and Dangerous Drugs so that it could investigate and inquire into the matter, in aid of legislation.

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

Senator Sotto stated that he has no objection to the motion of Senator Trillanes to refer his privilege speech to the Committee on Public Order and Dangerous Drugs. However, he said that the Committee on Justice and Human Rights should be informed of such referral because the issue is related to the report that the committee would come up with.

#### **REFERRAL OF SPEECH TO COMMITTEE**



Upon motion of Senator Sotto, there being no objection, the Chair referred the privilege speech of Senator Trillanes to the Committee on Public Order and Dangerous Drugs.

#### **ADJOURNMENT OF SESSION**

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

*It was 6:13 p.m.*

I hereby certify to the correctness of the foregoing.

  
**ATTY. LUTGARDO B. BARBO**  
*Secretary of the Senate*  


Approved on February 21, 2017