

**REPUBLIC OF THE PHILIPPINES**

**S e n a t e**

**Pasay City**

# **Journal**

**SESSION NO. 11**

Tuesday, August 17, 2004

**THIRTEENTH CONGRESS  
FIRST REGULAR SESSION**

**SESSION NO. 11**  
Tuesday, August 17, 2004

**CALL TO ORDER**

At 3:33 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

**PRAYER**

Sen. Richard J. Gordon led the prayer, to wit:

God of all nations, this morning we awoke to a sunless sky. But too long have Your people felt the bitter cold of poverty. Too long have our brothers and sisters, with whom we share a common history and a single heart, endured hunger and thirst. Too long have fathers and mothers been forced to work in dangerous and unspeakable conditions here and abroad. Too long have the cries of their children been smothered, their hearts broken by despair, their young eyes made old and weary with suspicion and anger. Too long have our hearts been hardened by injustice. Too long.

But Lord, we appreciate the beauty of Your mystery. Amidst all adversity, thank You for endowing the Filipino people with the will and the strength to hold on. Thank You for the gift of hope that this endless night will end. We hope You will bestow upon us, as senators, the duty of transformational leadership and not just to be transactional and mediocre.

As senators, we ask for the courage to walk out into the rain, into our reality. We ask that we demand of ourselves, as our people demand of us, not a mere change of men, but a change within men. Rouse Your people, Lord, from their resignation, their dejection, and their hopelessness. Stir us to action! Guide us to work for the common good, for the vision of a day when Filipinos look no further and depend for their future in foreign

shores, but to find their future in their own native Filipinas. Empower Your people to discover a work ethic that lays the brick and mortar of their lives, for their dignity and, above all, for Your glory. Then, and only then, O Lord, will Your will be done on earth.

We have been taught Your kingdom lies distant, as though a dream. At times we have been taught to suffer here to be happy with You in the next life. But teach us to reach beyond our grasp to create a heaven here on earth. Lord, grant Your senators Your grace to find the future in the beauty of our dreams. Let us discover that we are also the people who make our dreams come true. Lord, bless us with the warmth of sun-filled days.

Amen.

**ROLL CALL**

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

Arroyo, J. P.	Lapid, M. L. M.
Cayetano, C. P. S.	Lim, A. S.
Defensor Santiago, M.	Madrigal, M. A.
Drilon, F. M.	Magsaysay Jr., R. B.
Ejercito Estrada, J.	Pangilinan, F. N.
Ejercito Estrada, L. L. P.	Pimentel Jr., A. Q.
Enrile, J. P.	Recto, R. G.
Flavier, J. M.	Revilla Jr., R. B.
Gordon, R. J.	Roxas, M.
Lacson, P. M.	Villar Jr., M. B.

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

Senators Biazon and Osmeña arrived after the roll call.

Senator Angara was on official mission.

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**APPROVAL OF THE JOURNAL**

Upon motion of Senator Pangilinan, there being no objection, the Body dispensed with the reading of the Journal of Session No. 10 and considered it approved.

**REFERENCE OF BUSINESS**

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

**BILLS ON FIRST READING**

Senate Bill No. 651, entitled

**AN ACT ESTABLISHING A NATIONAL POLICY OF BASIC CONSUMER FAIR TREATMENT FOR AIRLINE PASSENGERS**

Introduced by Senator Villar Jr.

**To the Committee on Public Services**

Senate Bill No. 652, entitled

**AN ACT REQUIRING ALL GOVERNMENT AND PRIVATE HOSPITALS, MEDICAL CENTERS, CLINICS, INFIRMARIES, PUERICULTURE CENTERS TO EXTEND FREE MEDICAL AND DENTAL ASSISTANCE TO INDIGENT CHILDREN**

Introduced by Senator Villar Jr.

**To the Committees on Health and Demography; Social Justice, Welfare and Rural Development; and Ways and Means**

Senate Bill No. 653, entitled

**AN ACT TO STRENGTHEN THE DEVELOPMENT OF CHILDREN AND FUNCTIONING OF FAMILIES BY ESTABLISHING A COMPREHENSIVE CHILD CARE PROGRAM**

Introduced by Senator Villar Jr.

**To the Committees on Youth, Women and Family Relations; Social Justice, Welfare and Rural Development; Ways and Means; and Finance**

Senate Bill No. 654, entitled

**AN ACT PROHIBITING THE SALE OF CIGARS, CIGARETTES AND ALCOHOLIC OR INTOXICATING LIQUOR OR BEVERAGE TO MINORS**

Introduced by Senator Villar Jr.

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

Senate Bill No. 655, entitled

**AN ACT AMENDING PRESIDENTIAL DECREE NO. 1619, OTHERWISE KNOWN AS "ACT PENALIZING THE USE OR POSSESSION OR THE UNAUTHORIZED SALE TO MINORS OF VOLATILE SUBSTANCES FOR THE PURPOSE OF INDUCING INTOXICATION OR IN ANY MANNER CHANGING, DISTORTING OR DISTURBING THE AUDITORY, VISUAL OR MENTAL PROCESSES," AND FOR OTHER PURPOSES**

Introduced by Senator Villar Jr.

**To the Committees on Trade and Commerce; and Public Order and Illegal Drugs**

Senate Bill No. 656, entitled

**AN ACT CREATING A PUBLIC CORPORATION TO BE KNOWN AS THE FOUNDATION FOR THE ENCOURAGEMENT OF GIFTED AND TALENTED CHILDREN AND YOUTH, DEFINING ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES**

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Introduced by Senator Villar Jr.

**To the Committees on Government Corporations and Public Enterprises; Youth, Women and Family Relations; and Ways and Means**

Senate Bill No. 657, entitled

AN ACT REQUIRING THE PLANTING OF TREES IN OPEN SPACES OF SUBDIVISION PROJECTS DEVELOPED FOR RESIDENTIAL, INDUSTRIAL, OR COMMERCIAL PURPOSE, AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committees on Environment and Natural Resources; and Urban Planning, Housing and Development**

Senate Bill No. 658, entitled

AN ACT TO PROVIDE FOR TOY SAFETY LABELING

Introduced by Senator Villar Jr.

**To the Committee on Trade and Commerce**

Senate Bill No. 659, entitled

AN ACT TO PREVENT CHILDREN'S ACCESS TO FIREARMS

Introduced by Senator Villar Jr.

**To the Committees on Public Order and Illegal Drugs; and Youth, Women and Family Relations**

Senate Bill No. 660, entitled

CHILD SAFETY FIREARMS ACT

Introduced by Senator Villar Jr.

**To the Committees on Public Order and Illegal Drugs; and Trade and Commerce**

Senate Bill No. 661, entitled

AN ACT LIMITING EXPOSURE OF CHILDREN TO VIOLENT PROGRAMMING ON TELEVISION AND CABLE SYSTEMS

Introduced by Senator Villar Jr.

**To the Committee on Public Information and Mass Media**

Senate Bill No. 662, entitled

AN ACT PRESCRIBING SCHOOL BUS SAFETY STANDARDS AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committee on Public Services**

Senate Bill No. 663, entitled

AN ACT PROVIDING FREE AND SUITABLE PUBLIC EDUCATION FOR HANDICAPPED CHILDREN AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Villar Jr.

**To the Committees on Education, Arts and Culture; Youth, Women and Family Relations; and Finance**

Senate Bill No. 664, entitled

AN ACT GRANTING SPECIAL PROTECTION AND ADDITIONAL BENEFITS TO MEDIA PERSONS AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committee on Public Information and Mass Media**

Senate Bill No. 665, entitled

AN ACT ESTABLISHING FREE SPECIAL EDUCATION CLASSES

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FOR THE PHYSICALLY DISABLED PERSONS WHO WILL ENROLL IN ALL PUBLIC ELEMENTARY AND SECONDARY SCHOOLS OF THE COUNTRY, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Villar Jr.

**To the Committees on Education, Arts and Culture; Youth, Women and Family Relations; and Finance**

Senate Bill No. 666, entitled

AN ACT AMENDING ARTICLE SEVENTY-EIGHT, AND CHAPTER ONE, TITLE THREE, BOOK THREE OF THE LABOR CODE, AS AMENDED, BY GIVING ADDITIONAL PROTECTION TO HANDICAPPED WORKERS

Introduced by Senator Villar Jr.

**To the Committees on Labor, Employment and Human Resources Development; and Social Justice, Welfare and Rural Development**

Senate Bill No. 667, entitled

AN ACT PROVIDING FOR AUTOMATIC ADJUSTMENT OF THE BASIC MONTHLY PENSION OF RETIRED PERSONNEL COVERED BY THE GOVERNMENT SERVICE INSURANCE SYSTEM AND THE SOCIAL SECURITY SYSTEM TO THE PREVAILING COST OF LIVING INDEX AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Villar Jr.

**To the Committee on Government Corporations and Public Enterprises**

Senate Bill No. 668, entitled

AN ACT ESTABLISHING A COLLEGE EDUCATION TRUST FUND FOR CHILDREN OF GSIS AND SSS MEMBERS

Introduced by Senator Villar Jr.

**To the Committees on Government Corporations and Public Enterprises; and Education, Arts and Culture**

Senate Bill No. 669, entitled

AN ACT AMENDING SECTION 12 (B) OF REPUBLIC ACT NO. 8282 OTHERWISE KNOWN AS THE SOCIAL SECURITY ACT OF 2001

Introduced by Senator Villar Jr.

**To the Committees on Government Corporations and Public Enterprises; and Labor, Employment and Human Resources Development**

Senate Bill No. 670, entitled

AN ACT ESTABLISHING A CRISIS CENTER FOR STREET CHILDREN IN ALL CITIES AND MUNICIPALITIES IN THE NATIONAL CAPITAL REGION AND IN EVERY HIGHLY URBANIZED CITY IN THE PHILIPPINES, AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committees on Youth, Women and Family Relations; Social Justice, Welfare and Rural Development; and Finance**

Senate Bill No. 671, entitled

AN ACT PROVIDING FOR FREE MEDICINE AND OTHER BASIC MEDICAL SUPPLIES TO ANY PRIVATE PERSON OR INDIVIDUAL INJURED OR WOUNDED DURING A MILITARY OR GOVERNMENT OPERATION

Introduced by Senator Villar Jr.

**To the Committees on National Defense and Security; and Health and Demography**

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Senate Bill No. 672, entitled

AN ACT PENALIZING THE NEGATIVE PORTRAYAL OF A PERSON WITH A DISABILITY IN MOVIES, TELEVISION, STAGE AND OTHER FORMS OF MASS COMMUNICATION

Introduced by Senator Villar Jr.

To the Committee on Public Information and Mass Media

Senate Bill No. 673, entitled

AN ACT AMENDING REPUBLIC ACT NO. 8505, OTHERWISE KNOWN AS THE RAPE VICTIM ASSISTANCE AND PROTECTION ACT OF 1998

Introduced by Senator Villar Jr.

To the Committees on Youth, Women and Family Relations; and Constitutional Amendments, Revision of Codes and Laws

Senate Bill No. 674, entitled

AN ACT TO ENHANCE THE ROLE OF WOMEN IN NATION BUILDING AND OPTIMIZE EQUALITY OF WOMEN BEFORE THE LAW BY GIVING RETROACTIVE EFFECT TO SECTION 45 OF THE PROPERTY REGISTRATION DECREE (P.D. 1529)

Introduced by Senator Villar Jr.

To the Committee on Youth, Women and Family Relations

Senate Bill No. 675, entitled

AN ACT GRANTING OTHER PRIVILEGES AND INCENTIVES TO PERSONS WITH DISABILITY, AMENDING FOR THE PURPOSE, THE MAGNA CARTA FOR DISABLED PERSONS

Introduced by Senator Villar Jr.

To the Committees on Social Justice, Welfare and Rural Development; and Ways and Means

Senate Bill No. 676, entitled

AN ACT PROVIDING FOR THE DESIGN AND CONSTRUCTION OF PUBLIC BUILDINGS TO ACCOMMODATE THE PHYSICALLY HANDICAPPED

Introduced by Senator Villar Jr.

To the Committees on Public Works; Social Justice, Welfare and Rural Development; and Ways and Means

Senate Bill No. 677, entitled

AN ACT GRANTING WOMEN EQUAL OPPORTUNITY TO ATHLETIC SCHOLARSHIP AND TO PRIZES OF SPORTS

Introduced by Senator Villar Jr.

To the Committees on Youth, Women and Family Relations; and Education, Arts and Culture

Senate Bill No. 678, entitled

AN ACT DEFINING ORGANIZED CRIME, PROVIDING PENALTIES THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

To the Committees on Justice and Human Rights; Constitutional Amendments, Revision of Codes and Laws; and Finance

Senate Bill No. 679, entitled

AN ACT IMPOSING HEAVY PENALTIES ON RACKETEERS AND ORGANIZED SYNDICATES IN THE PHILIPPINES

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Introduced by Senator Villar Jr.

Senate Bill No. 683, entitled

**To the Committees on Justice and Human Rights; and Constitutional Amendments, Revision of Codes and Laws**

AN ACT PROVIDING FOR A MANDATORY COURSE IN HUMAN RIGHTS FOR ALL OFFICERS, MEMBERS AND TRAINEES OF THE ARMED FORCES OF THE PHILIPPINES (AFP), THE PHILIPPINE NATIONAL POLICE (PNP), THE NATIONAL BUREAU OF INVESTIGATION (NBI), AND OTHER LAW ENFORCEMENT AGENCIES AND FOR OTHER PURPOSES

Senate Bill No. 680, entitled

AN ACT INSTITUTING PRISON REFORMS, IMPOSING A PENALTY FOR VIOLATIONS THEREOF, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

Introduced by Senator Villar Jr.

**To the Committees on Justice and Human Rights; and Finance**

**To the Committees on National Defense and Security; Public Order and Illegal Drugs; and Finance**

Senate Bill No. 681, entitled

AN ACT IMPOSING A HIGHER PENALTY FOR THE CRIME OF PERJURY, AMENDING FOR THE PURPOSE ARTICLE 183 OF ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE AND FOR OTHER PURPOSES

Senate Bill No. 684, entitled

AN ACT TO PROHIBIT FIREARMS ESPECIALLY USEFUL TO TERRORISTS

Introduced by Senator Villar Jr.

Introduced by Senator Villar Jr.

**To the Committees on Constitutional Amendments, Revision of Codes and Laws; and Justice and Human Rights**

**To the Committees on Public Order and Illegal Drugs; and National Defense and Security**

Senate Bill No. 682, entitled

AN ACT AMENDING ARTICLES 223 AND 224 OF THE REVISED PENAL CODE PRESCRIBING STIFFER PENALTIES TO THE CRIME OF INFIDELITY IN THE CUSTODY OF PRISONERS

Senate Bill No. 685, entitled

AN ACT DEFINING THE CRIME OF STALKING AND PROVIDING THE PENALTIES THEREFOR

Introduced by Senator Villar Jr.

Introduced by Senator Villar Jr.

**To the Committees on Constitutional Amendments, Revision of Codes and Laws; and Justice and Human Rights**

**To the Committees on Justice and Human Rights; and Constitutional Amendments, Revision of Codes and Laws**

Senate Bill No. 686, entitled

AN ACT PROVIDING THE PROCEDURE FOR THE IMPLEMENTATION OF TRANSFER OF SENTENCED PERSONS TREATIES ENTERED INTO BY THE PHILIPPINE GOVERNMENT WITH A FOREIGN

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**COUNTRY, AND APPROPRIATING FUNDS THEREFOR**

Introduced by Senator Villar Jr.

**To the Committees on Justice and Human Rights; Foreign Relations; and Finance**

Senate Bill No. 687, entitled

AN ACT PENALIZING THE FAILURE TO REPORT ACTS OF HAZING, AMENDING REPUBLIC ACT NO. 8049

Introduced by Senator Villar Jr.

**To the Committee on Constitutional Amendments, Revision of Codes and Laws**

Senate Bill No. 688, entitled

AN ACT AMENDING REPUBLIC ACT NUMBERED SIXTY-FIVE HUNDRED AND THIRTY-NINE, OTHERWISE KNOWN AS THE ANTI-CARNAPPING ACT OF 1972

Introduced by Senator Villar Jr.

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

Senate Bill No. 689, entitled

AN ACT ESTABLISHING THE FORENSIC SCIENCE INSTITUTE IN THE UNIVERSITY OF THE PHILIPPINES SYSTEM, DEFINING ITS FUNCTIONS AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Villar Jr.

**To the Committees on Public Order and Illegal Drugs; Education, Arts and Culture; and Finance**

Senate Bill No. 690, entitled

AN ACT ESTABLISHING A NATIONAL CRIME DATABASE

Introduced by Senator Villar Jr.

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

Senate Bill No. 691, entitled

AN ACT GRANTING THE DEPARTMENT OF JUSTICE THE AUTHORITY TO SETTLE MINOR CRIMINAL OFFENSES

Introduced by Senator Villar Jr.

**To the Committee on Justice and Human Rights**

Senate Bill No. 692, entitled

AN ACT AUTHORIZING THE COURT TO REQUIRE COMMUNITY SERVICE IN LIEU OF IMPRISONMENT IN A JAIL FOR THE PENALTY OF *ARRESTO MENOR*, AMENDING FOR THAT PURPOSE ARTICLE 88 OF ACT NO. 3815, OTHERWISE KNOWN AS THE REVISED PENAL CODE, AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committee on Justice and Human Rights**

Senate Bill No. 693, entitled

AN ACT REORGANIZING AND MODERNIZING THE NATIONAL BUREAU OF INVESTIGATION, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committees on Civil Service and Government Reorganization; Justice and Human Rights; and Finance**

Senate Bill No. 694, entitled

AN ACT PROVIDING FOR THE IMPOSITION OF THE PENALTY

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OF *RECLUSIO PERPETUA*  
INSTEAD OF THE DEATH  
PENALTY IN CASES WHERE  
THE LAW PRESCRIBES THE  
DEATH PENALTY, AND FOR  
OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committees on Justice and Human  
Rights; and Constitutional Amendments,  
Revision of Codes and Laws**

Senate Bill No. 695, entitled

AN ACT PROVIDING FOR THE  
MODERNIZATION OF THE  
PHILIPPINE NATIONAL POLICE  
AND FOR OTHER PURPOSES

Introduced by Senator Villar Jr.

**To the Committees on Public Order  
and Illegal Drugs; Local Government; and  
Finance**

Senate Bill No. 696, entitled

AN ACT TO FURTHER STRENGTHEN  
THE EXISTING MECHANISM  
FOR DETERRENCE TO THE  
COMMISSION OF CRIME IN THE  
CONDUCT OF FRATERNITY,  
SORORITY, CONFRATERNITY  
AND ORGANIZATION INITIATION  
RITES, AMENDING FOR THE  
PURPOSE REPUBLIC ACT  
NUMBER EIGHT THOUSAND  
AND FORTY NINE

Introduced by Senator Villar Jr.

**To the Committees on Constitutional  
Amendments, Revision of Codes and Laws;  
and Education, Arts and Culture**

Senate Bill No. 697, entitled

AN ACT DEFINING AND PENALIZING  
THE CRIME OF DESECRATION  
OF THE DEAD, AND FOR OTHER  
PURPOSES

Introduced by Senator Villar Jr.

**To the Committees on Justice and Human  
Rights; and Constitutional Amendments,  
Revision of Codes and Laws**

Senate Bill No. 698, entitled

AN ACT PROHIBITING THE  
SERVICE OF WARRANTS OF  
ARRESTS IN CERTAIN CASES  
AND PROVIDING PENALTIES  
FOR VIOLATIONS THEREOF

Introduced by Senator Villar Jr.

**To the Committee on Justice and Human  
Rights**

Senate Bill No. 699, entitled

AN ACT PENALIZING ANY  
PERSON WHO INDUCES OR  
CAUSES ANOTHER TO USE  
A FICTITIOUS NAME, OR  
CONCEALS HIS TRUE NAME,  
OR USURPS THE CIVIL STATUS OF  
ANOTHER PERSON, AMENDING  
FOR THE PURPOSE ARTICLES 178  
AND 348 OF THE REVISED  
PENAL CODE

Introduced by Senator Villar Jr.

**To the Committee on Constitutional  
Amendments, Revision of Codes and Laws**

Senate Bill No. 700, entitled

AN ACT REQUIRING AVAILABILITY  
OF HANDGUNS ONLY TO  
PERSONS WITH DEMONSTRATED  
KNOWLEDGE AND SKILL IN  
THEIR SAFE USE, MAINTENANCE  
AND STORAGE

Introduced by Senator Villar Jr.

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

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**RESOLUTIONS**

Proposed Senate Resolution No. 40, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON HEALTH AND DEMOGRAPHY TO INVESTIGATE, IN AID OF LEGISLATION, THE ALLEGED PROLIFERATION OF COUNTERFEIT MEDICINE IN THE MARKET

Introduced by Senator Luisa "Loi" P. Ejercito Estrada

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

Proposed Senate Resolution No. 41, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE ALLEGED CONTINUOUS ACQUISITION BY THE MILF OF WEAPONS AND AMMUNITION

Introduced by Senator Defensor Santiago, Miriam

**To the Committees on National Defense and Security; and Public Order and Illegal Drugs**

Proposed Senate Resolution No. 42, entitled

RESOLUTION URGING PRESIDENT GLORIA MACAPAGAL-ARROYO TO CONSIDER THE GRANT OF AMNESTY TO ALL LEADERS AND PARTICIPANTS OF THE "OAKWOOD MUTINY" HELD ON JULY 27, 2003

Introduced by Senator Lim

**To the Committee on Peace, Unification and Reconciliation**

Proposed Senate Resolution No. 43, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEES ON

ENERGY; AND FINANCE, TO REVIEW THE PROVISIONS OF REPUBLIC ACT NO. 8479, OTHERWISE KNOWN AS THE "DOWNSTREAM OIL INDUSTRY DEREGULATION ACT OF 1998," ITS IMPACT TO THE PHILIPPINE ECONOMY AND THE FILIPINO CONSUMER, IN THE LIGHT OF RECENT EVENTS, WITH THE END VIEW OF RECOMMENDING POLICY MEASURE AS MAY BE NECESSARY TO IMPROVE THE ECONOMY AND PROTECT THE FILIPINO CONSUMERS

Introduced by Senator Villar Jr.

**To the Committees on Energy; and Finance**

Proposed Senate Resolution No. 44, entitled

RESOLUTION URGING THE APPROPRIATE COMMITTEE/S IN THE SENATE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATUS OF THE IMPLEMENTATION OF THE REWARDS PROGRAM FOR SMUGGLING INFORMERS/ INFORMANTS AND TAX EVASION WHISTLEBLOWERS

Introduced by Senator Magsaysay Jr.

**To the Committee on Ways and Means**

Proposed Senate Resolution No. 45, entitled

RESOLUTION EXPRESSING THE SENSE OF THE PHILIPPINE SENATE IN CONGRATULATING AND RECOGNIZING THE 2004 METROBANK FOUNDATION OUTSTANDING TEACHERS OF THE REPUBLIC OF THE PHILIPPINES

Introduced by Senator Magsaysay Jr.

**To the Committee on Rules**

## QUESTION OF PRIVILEGE OF SENATOR ENRILE

On a question of personal and collective privilege, Senator Enrile recalled that in the Eleventh Congress, he filed on August 6, 1998, Proposed Senate Resolution No. 95, which was referred to the Senate Committee on Ways and Means, calling for an investigation into the tax credit scam in the Department of Finance. He noted that this issue was featured in the day's newspapers.

Senator Enrile said that at that time, it was reported that about P60 billion of tax credit certificates were floating, of which P24 billion were covered by debits/credits issued to authorize the utilization of the amount to pay the taxes of others. He pointed out that these certificates were transferable to taxpayers who used them to discharge their tax obligations to the government.

He stated that the Committee on Ways and Means, which he chaired, conducted a series of hearings from August 12, 1999 to December 18, 2000, and submitted a report jointly with the Committee on Accountability of Public Officers and Investigations then chaired by Senator Pimentel which recommended the filing of appropriate cases against the perpetrators of the scam.

Senator Enrile stated that he would like the Senate to consider a motion to open an investigation because the government, in spite of its dire financial condition, has allowed the cases to be mishandled by the functionaries in the bureaucracy who have remained in the government service.

Senator Enrile recalled that he also delivered a speech on the same subject matter on July 14, 1999, entitled, *The Great Rip-Off*, in which he indicated the seriousness of the problem and the magnitude of the losses that the government incurred and about to incur. He said that he called the attention of the government to pursue the cases relentlessly because total fraud was committed against the Republic, a thievery that touched the very core of the financial system of the government, the national treasury.

After lengthy hearings, he said, the two committees filed Joint Committee Report No. 510,

on December 18, 2000, with recommendations, specifically regarding the Chingkoe group of companies, and calling for the prosecution of some people. He stated that the committees recommended that:

1. Legislative measures necessary for the proper grant of tax credits to export claimants be carefully studied and passed upon by the Senate with the view to an efficient and effective implementation of the Omnibus Investment Code and other laws granting fiscal incentives;
2. An immediate review of the Omnibus Investment Code be undertaken by the appropriate Senate committee with the view of ascertaining whether such policies and objectives of the national government regarding the encouragement of foreign and domestic investments and stimulation of growth need to be redefined;
3. The appropriate government agencies be directed to immediately investigate and prosecute the named perpetrators in connection with the violation of the Anti-Graft and Corrupt Practices Act; and
4. He recommended that the anti-graft charges against those involved in the tax credits be upgraded to plunder considering the billions of taxpayers' money taken out of the national government.

He said that while he was out of the Senate, he continued to follow the progress of the cases and before the 13<sup>th</sup> Congress began, he received a copy of the report of the One Stop Shop Center of the DOF that was handling the matter.

Senator Enrile commended the members of the One Stop Shop Center for their industry and dedication to serve the interest of the Republic by producing the report on how the country's finances were being ripped off with the connivance of some government officials. He noted that instead of rewarding these people who were laboring in the Center, they faced serious criminal cases.

He disclosed that the previous day, he received a number of documents bearing on this issue and it shocked him to learn how the people assigned by

the government to handle the cases behaved. He noted that the government filed 60 cases which were split into criminal cases and civil cases. He said that 28 out of the 60 civil cases were dismissed by various courts for lack of interest of the government to prosecute them. He stated that he was dismayed to learn that the government settled some of these cases at a 20% rate of the face value of the amount. He cited that in the *Bureau of Customs vs. Metro Paper and Packing Corporation*, Civil Case No. 02102674, for collection of money with damages, the court ordered the defendant to pay the plaintiff only the amount of P1,200,019,900.00 representing 20% of almost P7 billion; in the Metro Paper case, the award was P1,031,442 representing 20% of P5 million; in *Republic of the Philippines vs. Canlubang Spinning Mills*, the respondent was required to pay 20%, P1.219 million as against the claim of the government of P6 million. He said that these are small amounts but these show the manner by which the government handled the cases. He noted that there was also an amount of P37 million claimed by the government and it was also settled at 30%. He said that 28 cases out of 60 cases filed over a period of three years involved only about P1.3 billion, out of almost P5 billion that represented the losses of the government.

If this is the way claims of the government for its losses out of fraudulent practices would be handled, Senator Enrile asked why the people should be burdened with new taxes. He emphasized that he would oppose any new tax that would pass through the Senate, believing that government should not pass any tax law under this condition. He said it would be unfair to the people if taxes are going to be raised, only to be squandered.

Thereupon, Senator Enrile moved that the Committee on Ways and Means immediately initiate an investigation, in aid of legislation, jointly with the Committee on Accountability of Public Officers and Investigations if it so wishes to participate. He stressed that it is the function now of the Committee on Ways and Means to pursue the issue to the fullest limit and extent of the law. It is about time, he said, that crooks who are adding to their wealth by cheating the government were sent to jail.

## INTERPELLATION OF SENATOR DEFENSOR SANTIAGO

At the outset, Senator Defensor Santiago informed the Body that she was given the information earlier during the day that when the matter was presented to the concerned officials, presumably the Secretaries of Finance and Justice, the defense used was that the government lacked prosecutors, hence the cases were dismissed for "lack of interest."

Asked by Senator Defensor Santiago if there was any indication in the records if this was the case, Senator Enrile said that he has not seen any indication that the government lacked prosecutors, adding that an interagency task force was in fact organized to handle the cases. He revealed that after his term as senator ended, he received a report that it took a particular task force about a million pesos to investigate and prepare for one case, but he pointed out that there was nothing to investigate because all the evidence had already been collated by the One Stop Shop Center and studied and analyzed by the Committee on Ways and Means back then. He said that he has no knowledge if all the evidence that was subpoenaed and collated during the investigation got lost. He stressed that it was ignorance on the part of the people who handled the cases.

Apropos the motion of Senator Enrile, Senator Defensor Santiago pointed out that under the Constitution, the heads of the departments may, upon the request of either the House of Congress, appear before and be heard by such House on any manner pertaining to their departments.

Asked if it would be feasible and useful in an investigation to request the Secretary of Finance to submit herself to a Question Hour in the Senate, Senator Enrile replied that the questions should be submitted beforehand. He remarked that it is constitutionally proper if that is the desire of any Member. He urged the Body to take immediate action to find out the truth why the tax money of the people was not safeguarded because of some bureaucrats' incompetence.

Senator Defensor Santiago agreed, saying that the Constitution provides that questions shall be submitted to the Senate President at least

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three days before the scheduled appearance of any department head and interpellations shall not be limited to written questions but may cover matters that are related to the issue at hand.

Senator Defensor Santiago wondered why the finance secretary never asked periodic and performance reports on the matter that made it look like she was also lax. She pointed out that some members of the task force have been under extreme pressure to settle the cases and by "extreme pressure," she meant "extreme bribery." She pointed out that it would be a good idea for the Senate to question the Secretary of Finance on why the matter took a backseat.

Senator Enrile believed that Secretary Amatong was earnestly interested in the tax scam cases but was unfamiliar about their details. Previous to this, he said, the employees of the One Stop Shop Center had given him a document they had signed which called the attention of then Finance Secretary Camacho about what had been going on in the department. He revealed that a certain Cesar Estolano, a Center personnel assigned to the Office of the Finance Secretary, was arrested on October 29, 2003, within the DOF premises for an alleged tax credit anomaly; Estolano remained in jail as he could not put up the P1,020,000 bail money. In contrast, he pointed out that businessman Faustino Chingkoe who had been charged with tax credit scam had been released through a P15,000 bail.

Senator Enrile stressed that the government should be serious in dealing with fiscal problems. He pointed out that the difference in the manner by which the cases of Estolano and Chingkoe were handled shows that there is an effort to dissuade people dedicated to protect the national treasury from doing their job. He said that he wanted to call the President's attention to the matter particularly as she is asking for the enactment of new tax legislations that will impose a heavy burden on the people. He wondered why citizens should be made to pay taxes if the administration is unwilling to collect government funds dissipated through such frauds involving companies like Shell and Petron. He said that the government lost its tax case against Shell because the government's case was not filed on time.

Upon further query, Senator Enrile said he was not sure of the number of members of the special task force handling the tax credit scam but believed that the group was headed by an undersecretary of the DOF.

Senator Defensor Santiago proposed that the task force head be invited or eventually subpoenaed to an inquiry. She noted that if the task force lacked personnel, the DOF undersecretary could have asked the Justice Secretary to assign more prosecutors to his group as the Justice Secretary has the authority to reassign state prosecutors in the same way that the Constitution gives the Supreme Court the power to assign judges to areas where there is a relatively high backlog of cases.

Senator Enrile opined that the tax credit cases that had been dismissed were civil cases which were handled by civil lawyers of the government under the Bureau of Customs. He believed that the Bōdy should ask the BOC why those cases were dismissed as the pending criminal cases would be affected by the dismissal of the civil cases.

On the query why the civil cases were dismissed when the standard of proof for civil cases is merely clear and substantial evidence as opposed to proof beyond reasonable doubt for criminal cases, Senator Enrile expressed the view that those charged have good lawyers. Senator Santiago agreed that an investigation should be made on the tax scam as soon as possible.

Senator Enrile explained that he brought up the matter because it took him a year to prepare for the investigation. He recalled that he filed his resolution on August 6, 1998, but the investigation began only a year after because of the time required to gather, analyze and organize the evidence which is now in the hands of the One Stop Shop Center. He also acknowledged that the committee ferreted out the truth and prepared the committee report with the help of the One Stop Shop Center originally headed by Mr. Salanga and then by Mr. Ernesto Hiansen. However, he was surprised, he said, that Mr. Hiansen instead had been charged with selling tax credit certificates and has a case pending before the Office of the Ombudsman.

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Asked how much money had been lost by the government due to the tax credit scams, Senator Enrile estimated that the government lost about P6 billion at the time he investigated the matter. This, he said, was why he had recommended that the government run after the oil companies as they were the biggest users of the fake tax credit certificates. He believed that plunder cases should be filed against the persons behind the tax credit scam.

### INTERPELLATION OF SENATOR ROXAS

Asked by Senator Roxas to elaborate on the tax credit scam involving the Chingkie Group of Companies, Senator Enrile said that such would entail the rereading of his 1999 privilege speech.

Upon request, Senator Enrile read page 4 of the speech which traced the source of the anomaly to the leniency in the enforcement of the conditions required by the BOI and the DOF on the transferability of the tax credit certificates. He cited the DOF report confirming that the source of the problem was the easy transfer and usage of tax credit certificates which resulted in the development of a very lucrative secondary market. The same DOF report, he noted, mentioned that most of the major buyers and users of the fake TCCs were oil companies. He cited a seemingly innocuous February 1995 COA report which was triggered by a discovery of an alleged illegal issuance by the Center of Tax Credit Certificates to Caltex, Pilipinas Shell Petroleum Corporation and Petron Corporation. He said that the government lost over P694 million in its 1992 tax collection through the issuance of the fake TCCs caused by a deliberate misreading and misinterpretation of Section 106(c) of the Tariff and Customs Code.

Adverting to page 6 of his 1999 speech, Senator Enrile explained that the spurious tax credit certificates were created through the use of fictitious companies and transactions whereby an applicant would submit fake import or export documents as well as fake bank credit memos to show inward remittances of the export proceeds. He said that following the issuance of the TCCs, the claimant would apply for authority to sell and transfer these certificates usually to Shell and Petron. Based on the official records of the DOF, he disclosed that

the two oil companies purchased TCCs worth about P2.7 billion in addition to their combined availments of P8.4 million.

To further illustrate this kind of unmitigated fraud against the government, Senator Enrile cited the case of textile firm Jibtex Industrial Corporation which had an average annual sale of P8.45 million but had claimed and obtained P125.4 million worth of TCCs in 1996 and 1997 or 15 times more than its sales. He reported that Jibtex sold its TCCs to Shell and Petron and then closed shop; its owner, Mr. Chingkie, went abroad. He stated that other tax credit scam cases were detailed in his 1999 speech and wondered why the people handling the cases had not investigated the facts if indeed they were serious in safeguarding the interest of the government.

Senator Enrile cited the three offices involved in the study of the tax credit scam: the BOI, in view of the tax incentive law, Executive Order No. 226; the Bureau of Customs, in view of Section 106(c) of the Tariff and Customs Code; and the Bureau of Internal Revenue, in view of Section 106 of the Internal Revenue Code regarding VAT. He stated that these offices did their jobs but the interagency committee created to supervise the collection of the amount did not do its task. In the light of all these developments and in order not to impose financial burden on the people, he said that he would oppose all the administration's tax proposals.

Senator Roxas thanked Senator Enrile for exposing the illegal act of transferring funds from the public sector to the private sector through the use of spurious counterfeit tax certificates. Senator Enrile contended that the act was outright thievery, not transfer, because the money of the people was stolen.

On another matter, Senator Roxas asked when the interagency committee was formed. Senator Enrile said it was formed right after he conducted the investigation on the scam. He recalled that at the time he was investigating, the only operational entity was the One Stop Shop Center. Incidentally, he said, as a consequence of the investigation and upon his recommendation, Finance Undersecretary Belicena and the Director of the One Stop Shop Center, Attorney Andutan, were prosecuted before the Ombudsman.

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Asked on the rationale behind the creation of the interagency committee, Senator Enrile replied that it was tasked to collect the funds lost by the government.

Senator Roxas shared the dismay, disappointment and outrage of Senator Enrile over the manner in which the cases were dismissed for "lack of interest." Senator Enrile lamented that the very people who were being paid with tax money to do the job of collecting the government money did not appear in the hearings.

Senator Roxas noted that there are two major subject matters in Senator Enrile's speech: the process by which the tax credit certificates are granted and the failure of the responsible parties to prosecute the cases. He then proposed that the speech be referred primarily to the Blue Ribbon Committee and secondarily to the Committee on Ways and Means. Senator Enrile did not object to the proposal. He said that he would let the Senate leadership decide as to which committee the speech would be referred.

#### INTERPELLATION OF SENATOR GORDON

Asked by Senator Gordon whether cases for graft had been filed against those who issued the tax credits, Senator Enrile replied in the affirmative. He said that Undersecretary Belicena and the Director of the One Stop Shop Center were charged before the Ombudsman. He admitted, however, that he was no longer aware what happened to the cases. Relative thereto, he adverted to newspaper reports that the government had even extended protection to the wife of Felix Chingkoe, the brother of Faustino Chingkoe and Rose Chingkoe, who had very intimate knowledge of how the operation was done. He wondered why these cases were being dismissed, one after the other.

Upon further queries, Senator Enrile stated that related cases had been filed in several divisions of the *Sandiganbayan*. Moreover, he disclosed that the government, as a consequence of these cases, attached some real estate properties of Faustino Chingkoe in the Corinthian Gardens in Quezon City. He wondered why the attachment was lifted, and the property sold and brought by a corporation owned by a relative of Gloria Chingkoe, the wife of Faustino Chingkoe.

Noting that Mr. Chingkoe has always been protected and his properties insulated from attachment, in spite of strong cases prepared by the government, Senator Gordon wondered if government prosecutors are not well paid and, therefore, more prone to "buyability." Senator Enrile replied that the prosecutors probably lacked knowledge. He pointed out that recently State Prosecutor Villa Ignacio had been tasked to look into the criminal cases to see what could be done. He opined that the civil cases filed against Mr. Chingkoe that had been dismissed without prejudice should be revived.

Senator Gordon asked whether it is lack of knowledge or lack of good pay and benefits that prevents the government from getting good lawyers to prosecute the cases. He opined that the government would need a good bait and a good fishnet to catch a big fish.

Senator Enrile believed otherwise. He said that a case, if studied, becomes routine and easy to follow; all that is needed to establish a case is to present the documents and have them identified by the witness.

Upon further query, Senator Enrile replied that some considerations were used and some manipulations took place in the course of deciding the cases. Senator Gordon pointed out that if the government lawyers were smart and keen enough to follow the paper trail, they could present a good case; but the fact that they showed lack of interest are indications that somebody tried to influence them not to be interested in the case. In reply, Senator Enrile stated that if the lawyers had read the transcripts of the investigation, they would have known how to prosecute the cases.

Senator Gordon asserted that if the government lawyers had read the transcripts of the investigation, it would have been relatively easy to prosecute the cases. He urged the Members to look for the big fish who obviously influenced these people who cavalierly prepared the evidence.

Senator Enrile stated that if he were the President, he would kick out all the members of the interagency committee, and assign the case to the DOJ whose lawyers should endeavor to recover the people's money.

In reply to a query, Senator Enrile affirmed that the tax credits are negotiable instruments that can be endorsed to another company.

Asked whether this practice should be stopped, Senator Enrile pointed out that he summoned the officials of Shell and Petron whose testimonies are on record.

On a related matter, Senator Enrile urged the Senate to also look into the activities of syndicates that are reproducing and selling approved tax credit certificates. He said that these instruments are being used to pay taxes without any clearance from the One Stop Shop Center. He stated that this information also came from the DOF itself.

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

Upon motion of Senator Pangilinan, there being no objection, the Chair referred the speech of Senator Enrile and the interpellations thereon to the Committee on Ways and Means.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Pangilinan, the session was suspended.

*It was 4:54 p.m.*

#### **RESUMPTION OF SESSION**

At 4:55 p.m., the session was resumed.

#### **REMARKS OF SENATOR ARROYO**

Senator Arroyo recalled that the Senate in the Eleventh Congress approved a committee report submitted by the Committee on Ways and Means on a resolution on the same issue. Apparently, he said, something went wrong in the implementation of the recommendations contained in the report that was the subject of the speech of Senator Enrile.

In view thereof, Senator Arroyo proposed that the speech be referred to an oversight committee created to oversee the implementation of the tax reform law. He noted that while the issue dates back to 1995, the oversight committee would look into the status of the implementation of the recommendations in the report. However,

he believed that the Committee on Rules should study the issue because the Senate would determine what happened to the implementation of the recommendations.

Senator Pangilinan moved for the reconsideration of the referral of the speech and the interpellations thereon to the Committee on Ways and Means.

Upon query of the Chair, Senator Pangilinan affirmed that the oversight committee adverted to is the oversight committee created under the Comprehensive Tax Reform Program.

For his part, Senator Enrile argued that his motion was to refer the speech to a committee so that it could be looked into and the necessary measures crafted to plug loopholes. He stated that to refer it to the oversight committee would just be passing the buck.

In the light of the committee report, Senator Arroyo stated that there is nothing much that the Senate can do if the Executive Department did not act on the recommendations. He added that the Comprehensive Tax Reform Law provides for the creation of an oversight committee to look into the proper implementation of the law. He reiterated his proposal that the Chair of the Committee on Rules study the matter.

Senator Enrile stated that the committee report mentioned was a partial report because the investigation was incomplete. He said that reopening the issue would shed light on the actions taken by the Department of Finance which seemed to have been remiss in its task to safeguard the national treasury. Further, he stressed that it is the function of the committee, whether the Committee on Accountability of Public Officers and Investigations or the Committee on Ways and Means, to investigate. The Senate, he said, should not renege on its obligation to the people.

Senator Arroyo stressed that it was not a question of renegeing on the job, but the issue should be looked into historically. He noted that three finance secretaries – Roberto de Ocampo, Edgardo Espiritu and Isidro Camacho — under three administrations were involved. Senator Enrile said that a subpoena could be issued to the three officials to appear in the hearing.

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Senator Arroyo said that the Blue Ribbon Committee should take over if the issue only involves the non-prosecution of the cases. Beyond this, he cautioned, the investigation would never end because the issue is just too big. Moreover, he said that there is no doubt that there has been a finding about the sale and misuse of tax credit because it was cited in the speech.

Thereafter, Senator Enrile moved that the motion to refer the speech to the committee be put to a vote.

### SUSPENSION OF SESSION

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

*It was 5:03 p.m.*

### RESUMPTION OF SESSION

At 5:06 p.m., the session was resumed.

The Chair took note of the referral of the speech of Senator Enrile and the proposal of Senator Arroyo for its reconsideration. The issues, it said, were jurisdictional in nature. It sought the guidance of the Committee on Rules, specifically on the proposal of Senator Arroyo, and asked that the Committee submit its finding to the Body in the next day's session.

### MANIFESTATION OF SENATOR OSMEÑA

Senator Osmeña observed that the oversight committee chairman is the chair of the Committee on Ways and Means. Hence, he said, the referral would not make much of a difference except that the committee is a standing committee while the oversight committee is a temporary committee. He said that it would be best to refer the speech to the Committee on Ways and Means.

### SENATE CONCURRENT RESOLUTION NO. 3

Upon motion of Senator Pangilinan, there being no objection, the Body considered Senate Concurrent Resolution No. 3, entitled

CONCURRENT RESOLUTION  
PROVIDING FOR THE LEGISLATIVE  
CALENDAR FOR THE FIRST

### REGULAR SESSION OF THE THIRTEENTH CONGRESS OF THE PHILIPPINES.

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

RESOLVED BY THE SENATE, THE HOUSE OF REPRESENTATIVES CONCURRING, that the Legislative Calendar for the First Regular Session of the Thirteenth Congress of the Philippines shall be as follows:

#### CALENDAR OF SESSION

1. Commencement of Session  
– July 26, 2004 to September 10, 2004
  2. Adjournment of Session  
– September 11, 2004 to October 3, 2004
  3. Resumption of Session  
– October 4, 2004 to October 29, 2004
  4. Adjournment of Session  
– October 30, 2004 to November 7, 2004
  5. Resumption of Session  
– November 8, 2004 to December 17, 2004
  6. Adjournment of Session  
– December 18, 2004 to January 9, 2005
  7. Resumption of Session  
– January 10, 2005 to March 18, 2005
  8. Adjournment of Session  
– March 19, 2005 to April 24, 2005
  9. Resumption of Session  
– April 25, 2005 to June 10, 2005
- (Sine Die Adjournment)*
10. Adjournment of Session  
– June 11, 2005 to July 24, 2005

### PARLIAMENTARY INQUIRY OF SENATOR ENRILE

Asked by Senator Enrile on the rationale for the adjournment from September 11 to October 3, Senator Pangilinan stated that precisely, amendments to the calendar would be proposed.

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Senator Enrile suggested that the session days be lengthened so that the numerous bills referred to committees could be discussed and the problems of the country could be addressed.

Senator Pangilinan gave assurance that the revised calendar would address these concerns.

#### PROPOSED COMMITTEE AMENDMENTS

Senator Pangilinan proposed that the calendar be amended as follows:

1. On Item No. 1, change September 10 to September 24;
2. On Item No. 2, change September 11 to September 25, and October 3 to October 24;
3. On Item No. 3, change October 4 to October 25, 2004;
4. On Item No. 8, change April 24 to April 10; and
5. On Item No. 9, change April 25 to April 11.

Senator Enrile said that he was willing to work everyday, if necessary, to address the problems of the country.

#### INQUIRY OF SENATOR ARROYO

Asked by Senator Arroyo whether the number of session days in the revised calendar equals the number of session days in the proposed calendar, Senator Pangilinan replied that the revised calendar has more session days. Senator Arroyo said that he would then not object to the proposed amendment.

Senator Enrile asked how many session days would be added to the new calendar.

#### SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

*It was 5:16 p.m.*

#### RESUMPTION OF SESSION

At 5:53 p.m., the session was resumed.

#### SUSPENSION OF CONSIDERATION OF SENATE CONCURRENT RESOLUTION NO. 3

Upon motion of Senator Pangilinan, there being no objection, the Body suspended consideration of the resolution.

#### SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

*It was 5:34 p.m.*

#### RESUMPTION OF SESSION

At 5:35 p.m., the session was resumed.

#### COMMITTEE MEMBERSHIPS

Senator Pangilinan recalled that chairpersons of various committees were elected a week ago. He then proposed the nomination and election of the members of the committees on the part of the Majority.

At this juncture, Senator Enrile objected to the nomination of members from the Majority without including the Minority in each of the committees. He pointed out that the Majority should accord the Minority some degree of courtesy by asking them if they are interested to become members of the committees.

Senator Pangilinan clarified that the senators he would nominate are the members from the Majority while Senator Pimentel as the Minority Leader would nominate the members from the Minority.

Having been a Minority Leader, Senator Enrile recalled that the Majority had always asked for the membership from the Minority so that the slate for a particular committee could be presented as a whole, as provided for under Rule X, Section 21 of the *Rules*.

Senator Pangilinan disclosed that he had conferred with Senator Pimentel who expressed no objection to the nomination of committee members from the Majority.

At this juncture, Senator Pimentel pointed out that it was just a matter of sequencing the announcements of the membership of the committees. He said that immediately after the Majority had nominated their members, the Minority would nominate their own. Senator Enrile deferred to Senator Pimentel.

#### MEMBERS OF THE COMMITTEE ON RULES

Upon nomination of Senator Pangilinan, on the part of the Majority, the following senators were elected members of the Committee on Rules: Senators Recto, Arroyo, Cayetano and Roxas.

Replying to Senator Pimentel's query, Senator Pangilinan affirmed that the Committee on Rules has nine members, five for the Majority and four for the Minority, or a 60% - 40% sharing.

Upon nomination of Senator Pimentel, on the part of the Minority, the following senators were elected members of the Committee on Rules: Senators Enrile, Osmeña, Lim and Ejercito Estrada (J).

Senator Pimentel added that he is an *ex officio* member of the committee.

With the election of the members, the Chair stated that the Committee on Rules was organized.

#### INQUIRY OF SENATOR OSMEÑA

Noting that the Majority Leader is the chair of the rules committee, Senator Osmeña stated that the fourth member of the Minority should be the Minority Leader, otherwise, there would be a five-five split.

The Chair stated that the Senate Pro Tempore, like the Minority Leader, is also an *ex officio* member of the committee.

Senator Osmeña clarified that the Minority Leader is the counterpart of the Majority Leader, thus, if the latter is counted as one of the five Majority members, then the former should also be counted as one of the four Minority members.

Senator Enrile interjected that the *ex officio* members, by virtue of their positions, are in addition

to the nine members of the committee, to which Senators Pimentel and Pangilinan agreed.

#### SUSPENSION OF SESSION

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

*It was 5:42 p.m.*

#### RESUMPTION OF SESSION

At 5:57 p.m., the session was resumed.

Senator Pangilinan said that the Committee on Rules is composed of six members from the Majority and five members from the Minority, including the Senate President Pro Tempore and the Minority Leader as *ex officio* members.

#### INQUIRY OF SENATOR ROXAS

Senator Roxas stated that the Majority Leader and the Minority Leader are not officers of the Senate because their positions are political positions. The Senate President Pro Tempore, he said, is an *ex officio* member of the committee because he is an officer of the Senate. He pointed out that if the rationale for having the Minority Leader sit as a member of the rules committee is pursuant to Section 20, then accordingly the Senate President Pro Tempore and both the Majority and the Minority Leaders of the Senate, shall sit as *ex officio* members of all the permanent committees. As a consequence, he said that the rules committee has 12 members including the three *ex officio* members. He asked why Section 20 should only be applicable to the Senate President Pro Tempore and the Minority Leader.

Senator Pangilinan clarified that the composition of the committee would be affected in the instance where an *ex officio* member chairs a particular committee. He said that under the Rules, while the Majority Leader and the Minority Leader are not officers, in practice, they are *de facto* officers.

#### REMARKS OF SENATOR ENRILE

Senator Enrile stated that the Majority Floor Leader is called as such because he handles the

proceedings on the floor and that under the Rules, he automatically becomes the chairman of the rules committee. The Minority Floor Leader, he said, is not assigned any particular committee because he automatically becomes an *ex officio* member of all the committees. He pointed out that traditionally, the Senate President Pro Tempore and the Minority Floor Leader never chair any committee so as not to deprive a member a seat in a particular committee. The matter, he suggested, can be resolved by increasing the membership by two so that an *ex officio* member may be assigned the chairmanship of a committee he prefers.

#### REMARKS OF SENATOR ARROYO

Agreeing with Senator Osmeña's position that the composition of any committee is 60% from the Majority and 40% from the Minority, Senator Arroyo said that in a committee with nine members, the ratio should be 5-4, including the Majority Leader and the Minority Leader. He pointed out that Senator Pangilinan's proposal is a 50-50 proposition because the Minority Leader is counted as a member of the rules committee and not within the Minority allocation.

At this point, the Chair asked that the deliberation on the membership on the rules committee be deferred at a later time and that the Body proceed with the other committees.

#### COMMITTEE MEMBERSHIPS

Upon nomination by Senator Pangilinan, on the part of the Majority, and Senator Pimentel, on the part of the Minority, there being no objection, the Body elected the following senators to the committees hereunder indicated:

##### COMMITTEE ON EDUCATION, ARTS AND CULTURE

###### Members:

Magsaysay	Angara
Roxas	Ejercito Estrada (L)
Recto	Enrile
Biazon	
Gordon	
Cayetano	
Revilla	
Lapid	

##### COMMITTEE ON WAYS AND MEANS

###### Members:

Arroyo	Enrile
Villar	Osmeña
Cayetano	Lacson
Magsaysay	Angara
Gordon	Ejercito Estrada (J)
Biazon	Lim
Roxas	
Revilla	

##### COMMITTEE ON FINANCE

###### Members:

Recto	Osmeña
Arroyo	Enrile
Defensor Santiago	Angara
Biazon	Lim
Magsaysay	Lacson
Gordon	Madrigal
Roxas	Ejercito Estrada (L)
Revilla	
Lapid	

#### REQUEST OF SENATOR OSMEÑA

Senator Osmeña requested that Senator Pangilinan furnish each senator with a summary of the total membership of all the committees and the allocations for the Majority and the Minority.

#### SUSPENSION OF SESSION

Upon motion of Senator Pangilinan, the session was suspended.

*It was 6:12 p.m.*

#### RESUMPTION OF SESSION

At 6:15 p.m., the session was resumed.

#### REMARKS OF SENATOR PANGILINAN

Upon resumption, Senator Pangilinan informed the Body that the nomination of the members of the committees would be suspended until the next day's session, at which time the senators would be provided the requested information and hopefully, the committees would be organized.

**REMINDER OF THE CHAIR**

At this juncture, the Chair reminded the Body that under the Constitution, the Commission on Appointments must be organized by August 25 and as the Senate President and Chairman of the Commission, he would call for an organizational meeting on the same day. It requested that the membership of the Commission be completed as soon as possible.


**ADJOURNMENT OF SESSION**

Upon motion of Senator Pangilinan, there being no objection, the Chair declared the

session adjourned until three o'clock in the afternoon of the following day.

*It was 6:17 p.m.*

I hereby certify to the correctness of the foregoing.

  
OSCAR G. YABES  
Secretary of the Senate  
*KS / 16 / 9W / 4*

Approved on August 18, 2004