

REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 19

Tuesday, September 7, 2004

**THIRTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 19
Tuesday, September 7, 2004

CALL TO ORDER

At 3:34 p.m., the Senate President, Hon. Franklin M. Drilon, called the session to order.

PRAYER

Sen. Aquilino Q. Pimentel Jr. led the prayer, to wit:

Lord, we have a rather lengthy agenda today. The Reference of Business alone will eat up much of our time. Questions of privilege and interpellations will certainly preoccupy us.

We will be so engrossed in the work at hand that we will be tempted to believe that we are the country's center of gravity, which we are not;

And that without us the country would slide down inevitably on the slippery road to perdition, which is not going to be the case.

Allow us, then, O Lord, to recall how an admiral of a fleet, defending his country centuries back, prayed as he was about to engage the enemy:

"Lord, we will be so busy today that we might forget Thee, but please, do not Thou forget us."

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:

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| Angara, E. J. | Gordon, R. J. |
| Arroyo, J. P. | Lacson, P. M. |
| Biazon, R. G. | Lapid, M. L. M. |
| Cayetano, C. P. S. | Lim, A. S. |
| Defensor Santiago, M. | Madrigal, M. A. |
| Drilon, F. M. | Osmeña III, S. R. |
| Ejercito Estrada, J. | Pimentel Jr., A. Q. |
| Ejercito Estrada, L. L. P. | Recto, R. G. |
| Enrile, J. P. | Revilla Jr., R. B. |
| Flavier, J. M. | Roxas, M. |

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

Senators Magsaysay and Villar arrived after the roll call.

Senator Pangilinan was on leave.

APPROVAL OF THE JOURNAL

Upon motion of Senator Flavier, there being no objection, the Body dispensed with the reading of the Journal of Session No. 18 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. 1101, entitled

AN ACT ESTABLISHING A
COMPREHENSIVE JUVENILE
JUSTICE SYSTEM AND
APPROPRIATING FUNDS
THEREFOR

[Handwritten initials]

Introduced by Senator Drilon

To the Committees on Justice and Human Rights; Youth, Women and Family Relations; and Finance

Senate Bill No. 1102, entitled

AN ACT ESTABLISHING A HOSPITAL FOR TEACHERS AND THEIR DEPENDENTS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Drilon

To the Committees on Health and Demography; Education, Arts and Culture; and Finance

Senate Bill No. 1103, entitled

AN ACT GOVERNING THE ESTABLISHMENT, OPERATION AND REGULATION OF LENDING COMPANIES

Introduced by Senator Drilon

To the Committee on Banks, Financial Institutions and Currencies

Senate Bill No. 1104, entitled

THE INVESTMENTS AND INCENTIVES CODE OF THE PHILIPPINES

Introduced by Senator Drilon

To the Committees on Ways and Means; and Economic Affairs

Senate Bill No. 1105, entitled

AN ACT STRENGTHENING THE REGULATORY FUNCTIONS OF THE PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA) AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 8042, OTHERWISE KNOWN AS THE MIGRANT WORKERS

AND OVERSEAS FILIPINO ACT OF 1995

Introduced by Senator Drilon

To the Committees on Labor, Employment and Human Resources Development; and Foreign Relations

Senate Bill No. 1106, entitled

AN ACT TO ENHANCE THE ACADEMIC FREEDOM AND INSTITUTIONAL AUTONOMY OF THE UNIVERSITY OF THE PHILIPPINES

Introduced by Senator Drilon

To the Committees on Education, Arts and Culture; Ways and Means; and Finance

Senate Bill No. 1107, entitled

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

Introduced by Senator Drilon

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

Senate Bill No. 1108, entitled

AN ACT ESTABLISHING THE PHILIPPINE MEDICAL CENTER SYSTEM, PROVIDING FOR ITS ADMINISTRATION AND SUPPORT AND FOR OTHER PURPOSES

Introduced by Senator Drilon

To the Committees on Health and Demography; and Finance

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Senate Bill No. 1109, entitled

AN ACT ESTABLISHING A SPECIAL HOSPITAL FOR OVERSEAS CONTRACT WORKERS (OCWs) AND THEIR DEPENDENTS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Drilon

To the Committees on Labor, Employment and Human Resources Development; Health and Demography; and Finance

Senate Bill No. 1110, entitled

AN ACT REGULATING THE ESTABLISHMENT AND OPERATIONS OF HEALTH MAINTENANCE ORGANIZATIONS (HMOs), PROVIDING THEM INCENTIVES AND FOR OTHER PURPOSES

Introduced by Senator Drilon

To the Committees on Health and Demography; and Ways and Means

Senate Bill No. 1111, entitled

AN ACT FURTHER AMENDING COMMONWEALTH ACT NO. 542, AS AMENDED, OTHERWISE KNOWN AS "AN ACT TO CREATE A CORPORATION TO BE KNOWN AS THE GIRL SCOUTS OF THE PHILIPPINES," AND TO DEFINE ITS POWERS AND PURPOSES

Introduced by Senator Drilon

To the Committees on Government Corporations and Public Enterprises; Constitutional Amendments, Revision of Codes and Laws; and Ways and Means

Senate Bill No. 1112, entitled

AN ACT TO ENSURE PUBLIC ACCESS TO INFORMATION AND PRESCRIBING GUIDELINES THEREFOR

Introduced by Senator Drilon

To the Committees on Public Information and Mass Media; and Civil Service and Government Reorganization

Senate Bill No. 1113, entitled

AN ACT PRESCRIBING THE PROCEDURE FOR THE IMPLEMENTATION OF EXTRADITION TREATIES BETWEEN THE PHILIPPINE GOVERNMENT AND A FOREIGN COUNTRY, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Drilon

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

Senate Bill No. 1114, entitled

AN ACT ESTABLISHING THE PRE-NEED PLAN SECURITIES CODE

Introduced by Senator Drilon

To the Committee on Banks, Financial Institutions and Currencies

Senate Bill No. 1115, entitled

AN ACT CREATING THE ILOILO INTERNATIONAL AIRPORT AUTHORITY, PRESCRIBING ITS STRUCTURE, POWERS AND FUNCTIONS AND FOR OTHER PURPOSES

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Introduced by Senator Drilon

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

Senate Bill No. 1116, entitled

AN ACT FURTHER AMENDING REPUBLIC ACT NO. 6975 AS AMENDED BY REPUBLIC ACT NO. 8551, RESTRUCTURING THE PHILIPPINE NATIONAL POLICE AND EMPOWERING LOCAL GOVERNMENT UNITS FOR THE MAINTENANCE OF LAW AND ORDER, AND FOR OTHER PURPOSES

Introduced by Senator Drilon

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

Senate Bill No. 1117, entitled

AN ACT PROVIDING FOR THE CREATION AND ESTABLISHMENT OF SMALL CLAIMS COURTS IN THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Drilon

To the Committees on Justice and Human Rights; and Finance

Senate Bill No. 1118, entitled

AN ACT PROVIDING FOR A CAP ON PUBLIC DEBT TO ENSURE LONG-TERM FINANCIAL SUSTAINABILITY THROUGH FISCAL DISCIPLINE

Introduced by Senator Drilon

To the Committees on Finance; and Economic Affairs

Senate Bill No. 1119, entitled

AN ACT EXPANDING COUNTRYSIDE CREDIT THROUGH COOPERATIVE BANKS AND ENCOURAGING THE GROWTH AND DEVELOPMENT OF COOPERATIVE BANKS BY AMENDING CHAPTER XIII OF REPUBLIC ACT NO. 6938, OTHERWISE KNOWN AS THE COOPERATIVE CODE OF THE PHILIPPINES, AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

To the Committees on Banks, Financial Institutions and Currencies; Cooperatives; Ways and Means; and Finance

Senate Bill No. 1120, entitled

AN ACT GRANTING THE RIGHT OF REPLY AND PROVIDING PENALTIES FOR VIOLATION THEREOF

Introduced by Senator Pimentel Jr.

To the Committees on Public Information and Mass Media; and Justice and Human Rights

Senate Bill No. 1121, entitled

AN ACT TO STRENGTHEN LOCAL GOVERNMENT UNITS BY AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

Introduced by Senator Pimentel Jr.

To the Committee on Local Government

Senate Bill No. 1122, entitled

AN ACT ESTABLISHING A COMPREHENSIVE JUVENILE JUSTICE SYSTEM AND

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DELINQUENCY PREVENTION PROGRAM, CREATING THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION UNDER THE DEPARTMENT OF JUSTICE, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

To the Committees on Justice and Human Rights; Youth, Women and Family Relations; and Finance

Senate Bill No. 1123, entitled

AN ACT EXPANDING THE TECHNOLOGY MANAGEMENT CENTER OF THE UNIVERSITY OF THE PHILIPPINES AT DILIMAN, QUEZON CITY, INTO A NATIONAL CENTER OF EXCELLENCE FOR TECHNOLOGY ASSESSMENT, MANAGEMENT AND FORECASTING AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Pimentel Jr.

To the Committees on Science and Technology; Education, Arts and Culture; and Finance

Senate Bill No. 1124, entitled

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

Introduced by Senator Pimentel Jr.

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

Senate Bill No. 1125, entitled

AN ACT TO STRENGTHEN AND PROPAGATE FOSTER CARE FOR ABANDONED, NEGLECTED AND OTHER CHILDREN WITH SPECIAL NEEDS, PROVIDING APPROPRIATIONS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

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

Senate Bill No. 1126, entitled

AN ACT TO STRENGTHEN THE SANGGUNIANG KABATAAN BY AMENDING REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991 AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

To the Committees on Local Government; Youth, Women and Family Relations; and Finance

Senate Bill No. 1127, entitled

AN ACT TO ESTABLISH THE MAGNA CARTA FOR BARANGAYS

Introduced by Senator Pimentel Jr.

To the Committees on Local Government; and Finance

Senate Bill No. 1128, entitled

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED FORTY-EIGHT HUNDRED SIXTY, AS AMENDED,

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AND PRESIDENTIAL DECREE
NUMBERED NINETEEN HUNDRED
SIXTY-ONE, AS AMENDED,
RELATING TO FOREIGN
BORROWING

Introduced by Senator Pimentel Jr.

**To the Committees on Finance; and Economic
Affairs**

Senate Bill No. 1129, entitled

AN ACT REQUIRING ALL
BRANCHES, SUBDIVISIONS,
INSTRUMENTALITIES, AND
AGENCIES OF THE
GOVERNMENT, INCLUDING
GOVERNMENT-OWNED OR
-CONTROLLED CORPORATIONS
OR THEIR SUBSIDIARIES TO
DIVULGE THE IDENTITY OF
HIRED FOREIGN CONSULTANTS,
THE NATURE OF THEIR WORK
AND THEIR COMPENSATION,
PERKS, AND OTHER PRIVILEGES,
AND PROVIDING PENALTIES
IN CASE OF VIOLATION
THEREOF

Introduced by Senator Pimentel Jr.

**To the Committees on Civil Service and
Government Reorganization; and Government
Corporations and Public Enterprises**

Senate Bill No. 1130, entitled

AN ACT AMENDING EXECUTIVE
ORDER NO. 122-A, AS AMENDED
BY EXECUTIVE ORDER NO. 295
OTHERWISE KNOWN AS THE
ACT CREATING THE OFFICE OF
THE MUSLIM AFFAIRS

Introduced by Senator Pimentel Jr.

**To the Committees on Civil Service and
Government Reorganization; and Cultural
Communities**

Senate Bill No. 1131, entitled

AN ACT TO PROHIBIT CELLPHONE
NETWORK COMPANIES FROM
SENDING UNSOLICITED
MATERIAL TO THEIR
SUBSCRIBERS VIA TEXT OR
SHORT MESSAGE SERVICE (SMS)

Introduced by Senator Pimentel Jr.

To the Committee on Public Services

Senate Bill No. 1132, entitled

AN ACT TO REWARD INFORMANTS
WHO HELP IDENTIFY, LOCATE
AND RECOVER ANY ILL-
GOTTEN WEALTH OF THE
LATE PRESIDENT FERDINAND E.
MARCOS, AND HIS WIDOW,
IMELDA R. MARCOS AND
OTHER DEFENDANTS OR
RESPONDENTS IN ILL-GOTTEN
WEALTH CASES WHEREVER
LOCATED AND BY
WHOMSOEVER HELD AND
FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

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

Senate Bill No. 1133, entitled

AN ACT GRANTING INCENTIVES
TO SUBDIVISION HOMEOWNERS
ASSOCIATIONS TO DEVELOP
AND MAINTAIN FORESTED
AREAS WITHIN THEIR
SUBDIVISIONS, AND FOR OTHER
PURPOSES

Introduced by Senator Pimentel Jr.

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

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Senate Bill No. 1134, entitled

AN ACT TO REGULATE THE CARRYING OF FIREARMS, PROVIDE PENALTIES FOR ITS VIOLATION AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

To the Committee on Public Order and Illegal Drugs

Senate Bill No. 1135, entitled

AN ACT AMENDING CHAPTER 2, TITLE V OF EXECUTIVE ORDER NO. 209 OTHERWISE KNOWN AS THE FAMILY CODE OF THE PHILIPPINES

Introduced by Senator Pimentel Jr.

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

Senate Bill No. 1136, entitled

AN ACT INCREASING PENSIONS UNDER THE SOCIAL SECURITY SYSTEM AMENDING FOR THE PURPOSE SECTION 12 OF THE SOCIAL SECURITY ACT OF 1997

Introduced by Senator Pimentel Jr.

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

Senate Bill No. 1137, entitled

AN ACT ESTABLISHING A PRIVATE-HOSPITAL DEVELOPMENT PLAN AND PROVIDING ASSISTANCE TO PRIVATE HOSPITALS BY GRANTING THEM INCENTIVES

Introduced by Senator Pimentel Jr.

To the Committees on Health and Demography; and Local Government

Senate Bill No. 1138, entitled

AN ACT ESTABLISHING THE PHILIPPINE NATIONAL IDENTIFICATION SYSTEM

Introduced by Senator Pimentel Jr.

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

Senate Bill No. 1139, entitled

AN ACT CREATING A DEPARTMENT OF FISHERIES AND AQUATIC RESOURCES, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

To the Committees on Agriculture and Food; Civil Service and Government Reorganization; and Finance

Senate Bill No. 1140, entitled

AN ACT CREATING THE FIELD OF LAND TITLE INSURANCE AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 612, OTHERWISE KNOWN AS THE INSURANCE CODE OF 1978, AS AMENDED BY PRESIDENTIAL DECREES NOS. 1455 AND 1460 AND BATAS PAMBANSA BLG. 874

Introduced by Senator Pimentel Jr.

To the Committees on Banks, Financial Institutions and Currencies; and Justice and Human Rights

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Senate Bill No. 1141, entitled

AN ACT BANNING THE ISSUANCE AND USE OF LOW-NUMBERED PROTOCOL LICENSE PLATES ON VEHICLES OF RANKING GOVERNMENT OFFICIALS

Introduced by Senator Pimentel Jr.

To the Committee on Public Services

Senate Bill No. 1142, entitled

AN ACT ESTABLISHING A CIVIL SERVICE CODE OF THE PHILIPPINES AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

To the Committees on Civil Service and Government Reorganization; Ways and Means; and Finance

Senate Bill No. 1143, entitled

AN ACT PROVIDING FOR THE IMPOSITION OF THE PENALTY OF IMPRISONMENT FOR THIRTY (30) YEARS INSTEAD OF THE DEATH PENALTY IN CASES WHERE THE LAW PRESCRIBES THE DEATH PENALTY

Introduced by Senator Pimentel Jr.

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

Senate Bill No. 1144, entitled

AN ACT DEFINING THE RIGHTS AND DUTIES OF ENTREPRENEURS, THE COMMITMENTS OF THE STATE IN PROVIDING A BUSINESS-FRIENDLY ENVIRONMENT, CREATING THE PRESIDENTIAL COMMISSION FOR BUSINESS CONCERNS AND FOR OTHER PURPOSES

Introduced by Senator Pimentel Jr.

To the Committees on Trade and Commerce; Economic Affairs; and Finance

Senate Bill No. 1145, entitled

AN ACT TO RE-ENGINEER THE GOVERNMENT BUREAUCRACY BY AUTHORIZING THE PRESIDENT TO IMPLEMENT THE RE-ENGINEERING PLAN, CREATING THE COMMISSION ON GOVERNMENT RE-ENGINEERING, AND PROVIDING FUNDS THEREFOR

Introduced by Senator Pimentel Jr.

To the Committees on Civil Service and Government Reorganization; and Finance

Senate Bill No. 1146, entitled

AN ACT REGULATING THE SOLICITATION OF CONTRIBUTIONS FROM, OR SALE OF TICKETS TO, ANY GOVERNMENT OFFICIAL OR EMPLOYEE BY ANY PUBLIC OFFICIAL, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF REPUBLIC ACT NO. 3019, OTHERWISE KNOWN AS THE ANTI-GRAFT AND CORRUPT PRACTICES ACT

Introduced by Senator Pimentel Jr.

To the Committee on Civil Service and Government Reorganization

Senate Bill No. 1147, entitled

AN ACT CREATING THE MINDANAO DEVELOPMENT CORPORATION, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND APPROPRIATION OF FUNDS THEREFOR

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Introduced by Senator Pimentel Jr.

To the Committees on Government Corporations and Public Enterprises; Economic Affairs; Ways and Means; and Finance

Senate Bill No. 1148, entitled

AN ACT EXPANDING THE LIABILITIES OF INDIRECT EMPLOYERS IN JOB CONTRACTING, COVERING OTHER BENEFITS DUE THEIR EMPLOYEES, FOR THIS PURPOSE AMENDING ARTICLE 106 OF PRESIDENTIAL DECREE 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

Introduced by Senator Pimentel Jr.

To the Committee on Labor, Employment and Human Resources Development

Senate Bill No. 1149, entitled

AN ACT TO REGULATE THE PRACTICE OF PSYCHOLOGY, CREATING FOR THIS PURPOSE A PSYCHOLOGY BOARD

Introduced by Senator Pimentel Jr.

To the Committees on Civil Service and Government Reorganization; and Finance

Senate Bill No. 1150, entitled

AN ACT TOTALLY BANNING LOGGING OPERATIONS FOR THE NEXT TWENTY-FIVE YEARS

Introduced by Senator Pimentel Jr.

To the Committee on Environment and Natural Resources

ADDITIONAL REFERENCE OF BUSINESS

MESSAGE OF THE PRESIDENT OF THE PHILIPPINES

Letter of Her Excellency, President Gloria Macapagal-Arroyo dated September 6, 2004, certifying to the necessity of the immediate enactment of Senate Bill No. 1757, entitled

AN ACT FIXING THE DATE OF REGULAR ELECTIONS FOR ELECTIVE OFFICIALS OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO PURSUANT TO REPUBLIC ACT NO. 9054, ENTITLED AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6734, ENTITLED AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AS AMENDED,

to address the urgent need of fulfilling the provisions of Republic Act No. 9054 thereby setting the date of regular elections for elective officials in the Autonomous Region in Muslim Mindanao, on the second Monday of September 2005 and every three years thereafter.

To the Committee on Rules

RESOLUTIONS

Proposed Senate Resolution No. 70, entitled

RESOLUTION REQUIRING THE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT TO CONDUCT AN INQUIRY, IN

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**AID OF LEGISLATION INTO THE
PRACTICE OF "ESCORT" SERVICES**

Introduced by Senator Jinggoy Ejercito
Estrada

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

Proposed Senate Resolution No. 71, entitled

**RESOLUTION URGING THE SENATE
COMMITTEE ON ENVIRONMENT
AND NATURAL RESOURCES TO
CONDUCT AN INQUIRY, IN AID
OF LEGISLATION, ON THE
SENSELESS DESTRUCTION AND
CUTTING OF 9,936 TREES AND
SAPLINGS PLANTED BY THE
MANILA SEEDLING BANK
FOUNDATION, INC., ALONG
EDSA CORNER QUEZON AVENUE,
QUEZON CITY, ALLEGEDLY
WITHOUT PRIOR NOTICE, BY A
CONSTRUCTION FIRM IN THE
SAID PROPERTY OWNED BY
THE NATIONAL HOUSING
AUTHORITY, AND FURTHER,
EXPRESSING ALARM OVER THE
BLATANT DISREGARD OF
THE NEGATIVE ENVIRONMENTAL
CONSEQUENCES IN THE
CUTTING OF THE SAID TREES
AND SAPLINGS, WITH THE END
IN VIEW OF FORMULATING
POLICY MEASURES THAT
WOULD EFFECTIVELY AND
IMMEDIATELY STRENGTHEN
THE PRESERVATION AND
PROTECTION OF THE
ENVIRONMENT**

Introduced by Senator M. A. Madrigal

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

Proposed Senate Resolution No. 72, entitled

**RESOLUTION STRONGLY
CONDEMNING THE HOSTAGE**

**CRISIS IN BESLAN, RUSSIA AS
AN ACT OF TERRORISM,
AND EXPRESSING DEEPEST
SYMPATHIES FOR THE VICTIMS
OF THE CRISIS AND THEIR
FAMILIES**

Introduced by Senator Gordon

To the Committee on Rules

Proposed Senate Resolution No. 73, entitled

**RESOLUTION URGING THE
COMMITTEE ON LABOR,
EMPLOYMENT AND HUMAN
RESOURCES DEVELOPMENT TO
CONDUCT AN INQUIRY, IN AID
OF LEGISLATION, ON THE
STATUS OF THE
IMPLEMENTATION OF ALL
PERTINENT LAWS THAT
PROVIDE FOR THE PROTECTION
AND PROMOTION OF WELFARE
OF OVERSEAS FILIPINO
WORKERS (OFWs), PARTICULARLY,
THE LAWS AGAINST ILLEGAL
RECRUITMENT**

Introduced by Senator Ramon Bong
Revilla Jr.

**To the Committees on Labor, Employment
and Human Resources Development; and
Foreign Relations**

Proposed Senate Resolution No. 74, entitled

**RESOLUTION URGING THE
APPROPRIATE SENATE
COMMITTEE TO CONDUCT AN
INVESTIGATION, IN AID OF
LEGISLATION, INTO THE
PROPOSED PROGRAM OF THE
PHILIPPINE AMUSEMENT AND
GAMING CORPORATION (PAGCOR)
TO IMPLEMENT A NATIONWIDE
GAMBLING PROGRAM THROUGH
THE SHORT MESSAGING
SERVICE (TEXT MESSAGING)
AND MULTI-MEDIA MESSAGING
SERVICE (MMS) SYSTEMS OF**

ALL THE LOCAL MOBILE PHONE NETWORKS

Introduced by Senator Ramon Bong Revilla Jr.

To the Committees on Government Corporations and Public Enterprises; and Games, Amusement and Sports

Proposed Senate Resolution No. 75, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES TO CONDUCT AN INVESTIGATION ON THE PROPOSED INCREASE IN THE MONTHLY CONTRIBUTION RATE OF MEMBERS OF THE SOCIAL SECURITY SYSTEM (SSS) WITH THE END VIEW OF DETERMINING ITS REASONABLENESS AND RECOMMENDING POLICY MEASURES

Introduced by Senator Villar Jr.

To the Committee on Government Corporations and Public Enterprises

At the instance of Senator Villar, there being no objection, the Chair referred Proposed Senate Resolution No. 75 to the Committee on Banks, Financial Institutions and Currencies as the primary committee, and to the Committee on Government Corporations and Public Enterprises as the secondary committee.

Proposed Senate Resolution No. 76, entitled

RESOLUTION DIRECTING THE COMMITTEE ON FINANCE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION INTO THE NATIONAL GOVERNMENT AND ALL PUBLIC SECTOR DEBTS AND EXPENDITURES, INCLUDING LOANS ACQUIRED, ASSUMED AND CONTINGENT LIABILITIES,

AND THE PAYMENTS MADE THEREON

Introduced by Senator Villar Jr.

To the Committees on Finance; and Economic Affairs

Proposed Senate Resolution No. 77, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON PUBLIC ORDER AND ILLEGAL DRUGS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED PROTECTION EXTENDED BY SOME POLITICIANS, POLICE AND MILITARY TO DRUG SMUGGLERS, WITH THE END VIEW OF REQUIRING THE PHILIPPINE DRUG ENFORCEMENT AGENCY (PDEA) TO SUBMIT ITS LIST OF SUSPECTED CODDLERS OF DRUG SMUGGLERS TO FACILITATE INVESTIGATION AND PROSECUTION

Introduced by Senator Villar Jr.

To the Committee on Public Order and Illegal Drugs

Proposed Senate Resolution No. 78, entitled

RESOLUTION EXPRESSING THE SENSE OF THE SENATE CONDEMNING IN THE STRONGEST TERMS THE TERRORIST ATTACK IN BESLAN, NORTH OSSETIA, RUSSIA; EXTENDING ITS DEEPEST CONDOLENCES TO THE FAMILIES OF THE VICTIMS, TO THE RUSSIAN PEOPLE, AND THE DUMA, THE PARLIAMENT OF RUSSIA

Introduced by Senator Pimentel Jr.

To the Committee on Rules

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Proposed Senate Resolution No. 79, entitled

RESOLUTION CALLING FOR THE INVESTIGATION, IN AID OF LEGISLATION, BY THE SENATE COMMITTEES ON ENVIRONMENT AND NATURAL RESOURCES; AND ENERGY, INTO THE CAUSES OF THE ALLEGED DAMAGE TO LAKE LANAO AND THE RESIDENTS OF ITS SURROUNDING AREAS REPORTEDLY ARISING FROM THE CONSTRUCTION OF THE HYDRO-ELECTRIC POWER PLANTS OF THE NATIONAL POWER CORPORATION

Introduced by Senator Pimentel Jr.

To the Committees on Environment and Natural Resources; and Energy

Proposed Senate Resolution No. 80, entitled

RESOLUTION URGING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE 98-CENTAVOS INCREASE IN NATIONAL POWER CORPORATION'S GENERATION RATE PROVISIONALLY GRANTED BY THE ENERGY REGULATORY COMMISSION VIS-À-VIS ITS IMPLICATIONS TO BUSINESS AND INDUSTRIAL COMPETITIVENESS, TO THE PLIGHT OF THE POWER CONSUMERS AND TO THE PEOPLE AS A WHOLE CONSIDERING THE DISPARITY IN RATE INCREASES IMPOSED IN THE THREE MAJOR GEOGRAPHICAL SUBDIVISIONS OF THE COUNTRY

Introduced by Senator Magsaysay Jr.

To the Committee on Energy

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Flavier acknowledged the presence of Masters in Public Administration students of Angeles University Foundation under Prof. Art Salazar, and 350 nursing students of Lorma Colleges in the City of San Fernando, La Union.

COAUTHOR

Senator Ejercito Estrada manifested that Senator Angara is a coauthor of Senate Bill Nos. 880 and 889.

PRIVILEGE SPEECH OF SENATOR PIMENTEL

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

Legend has it that the .45 caliber pistol was invented upon the request of Gen. John J. Pershing when he was assigned to subdue the Moro rebels of Lanao, Sulu and other parts of Mindanao first towards the end of 1899 and again from 1909 to 1913.

Pershing reportedly found that subduing the Moro rebels in Mindanao was no picnic. He also found that the cragged rifle was inadequate to stop a rampaging amok, a Moro *juramentado* who, in a state of murderous frenzy, sliced and diced anyone in his path with a *kris*. But with a .45 caliber pistol, Pershing and his officers could fell a Moro amok with one bullet.

I find the Pershing anecdote a fitting opening for this privilege speech because there is a Comelec commissioner who is now running amuck by slicing and dicing the whole fabric of the Constitution and the law on elections to suit his ends.

The commissioner is not armed with a *kris*, the archaic-bladed weapon of the Moros of old. He is actually armed with

an even more powerful weapon that can decimate people and strike down the rights guaranteed by the Constitution and the election laws of the land. It is the power that is vested in him as a Comelec commissioner of the country. I refer to Comelec Commissioner Virgilio Garcillano who, in violation of the Constitution and the election laws of the land, has unfortunately, in complicity with the other commissioners, recently installed people as members of the Provincial Boards of Misamis Occidental, Agusan del Norte and Lanao del Sur without their having been elected as such.

The facts as were brought to my attention will validate the premises I have thus far enunciated. As a caveat, this discussion will only focus on matters that deal with the number of provincial board member seats that provinces are legally entitled to have.

According to the law, Republic Act No. 8553, that amends Section 41 of the Local Government Code of 1991, the members of the Sangguniang Panlalawigan shall be elected by district as follows:

- (1) for first and second-class provinces, 10 members;
- (2) for third and fourth-class provinces, eight members;
- (3) for fifth and sixth-class provinces, six members.

In the case of provinces that have more than five legislative districts, each district shall have two *sangguniang panlalawigan* members without prejudice to the provisions of Section 2, Republic Act No. 6637.

The additional seats to the provincial boards may be activated upon petition of the provincial board concerned. This is mandated by Section 2 of Republic Act No. 8853.

On January 28, 2002, the Comelec *motu proprio* issued Memorandum Circular No. 01(p) that reclassifies all provinces effective as of November 20, 2001, without any need of petition from the provincial board of the provinces concerned. In effect, the circular increases the seats of the provincial *sanggunian* without regard to what the provincial government might want to say.

On March 8, 2004, the Comelec issued Resolution No. 6662 allocating additional seats for the elected members of the various *sangguniang panlalawigan*. Now, note that on March 15, 2005 -- that means a week after the first resolution which was on March 8, 2004 -- the Comelec *en banc* issued Resolution No. 040291 deferring the implementation of Resolution No. 6662. Specifically, the resolution stated that as far as the provinces of Misamis Occidental, Agusan del Norte and Lanao del Sur were concerned, the provision of the Republic Act that allows more seats to them was being deferred and that the allocation of seats for the three provinces was to be maintained -- which means that there would be no additional seats for the three provinces concerned -- meaning, Agusan del Norte, Misamis Occidental and Lanao del Sur -- for purposes of the elections that were forthcoming on May 10. Please remember that this deferment of the increases in the allocation of seats was done on March 15, 2004, about two months before the elections.

The election of members to the provincial boards of Agusan del Norte, Misamis Occidental and Lanao del Sur then proceeded as scheduled in the May 10 elections of this year. Hence, several candidates vied for the four seats per district of the elective positions for the *sangguniang panlalawigan*.

Accordingly, the electorate of the three provinces mentioned elected eight

members to their respective provincial boards as they had done in the past several elections. After the elections, however, the Comelec – please note, after the elections – I understand maneuvered by Commissioner Virgilio Garcillano, who is considered the Comelec in-house Mindanao expert, issued another Resolution No. 040856 wherein, wonder of wonders, it resorted to revisit Minute Resolution No. 040291 dated March 10, 2004, that deferred Resolution No. 6662 dated March 8, 2004, insofar as the provinces of Misamis Occidental, Agusan del Norte, and Lanao del Sur are concerned.

Accordingly, the Comelec resolved to: (1) affirm/approve the increase of the allocation of seats for said provinces: Misamis Occidental, Agusan del Norte and Lanao del Sur, so that they would now have five elective *sangguniang panlalawigan* members per district or 10 in all for their respective provinces; and (2) to proclaim the 5th winning *sangguniang panlalawigan* candidates for the first and second districts of Misamis Occidental and Lanao del Sur, and the 8th and the 9th place candidates for the second district of Agusan del Norte.

I seriously doubt that the Comelec has the power to proclaim losing candidates to positions in the *sangguniang panlalawigan* that were not contested at the time of the election like the fifth, eighth and ninth placers that the Comelec directed the Provincial Boards of Canvassers of Misamis Occidental, Agusan del Norte, and Lanao del Sur to proclaim.

Only minds that are demented by unrestricted power can conceivably do such a thing. The Constitution wisely constructed boundaries to limit the powers of constitutional bodies like the Comelec. Therefore, it behooves the Senate to remind the Comelec commissioners concerned that their powers are limited not only by law but by the Constitution as well. The Comelec

has no power after the elections to issue an edict that Misamis Occidental, Agusan del Norte, and Lanao del Sur were entitled after all to 10 elective seats for their respective *sangguniang panlalawigan* or five per district even if during the election, the people were told that there were only eight seats for the provincial boards that were to be elected. Moreover, the ballots that were used in the election in the provinces concerned – I am told – only had eight spaces for the position of *sangguniang panlalawigan* per province or four spaces per district as required by law.

I submit that the constitutional and legal implications of the acts of the Comelec, which I have tried to detail earlier, called for the sanctioning of the members of that body as irresponsible officials who cannot be trusted with matters that deal with the elections of this country.

But since we, in the Senate, are not the heirs of Black Jack Pershing, we cannot have recourse to the .45 caliber pistol to stop the rampaging *juramentados* in the Comelec. We can, however, stop them by resorting to the 23 caliber members of this Chamber whose power encompasses the entire country and the officialdom running the Republic.

Just to remind our colleagues, Article XI, Section 2 of the Constitution may be used as basis for the impeachment of the erring Comelec officials. The section states that the members of the constitutional commissions – the Comelec is a constitutional commission – may be removed from office, on impeachment for, and conviction of, culpable violation of the Constitution, treason, bribery, graft and corruption, other high crimes, or betrayal of public trust.

I am told that money changed hands here, although that may be difficult to show by specific evidence. Hence, I think that the Comelec commissioners concerned may escape culpability if

the charge merely focuses on bribery. But I submit that they may be impeached for and convicted of culpable violation of the Constitution, graft and corruption, or at the very least, betrayal of public trust.

The Constitution was violated in that the commissioners fooled the sovereign people of Misamis Occidental, Lanao del Sur, and Agusan del Norte in the exercise of the right of suffrage when they in effect told them that they are entitled to vote only for four candidates for members of the Provincial Board per district or a total of eight candidates in all, only to be told later or after the elections, by fiat of the commissioners, that they are entitled to five board members per district or a total of 10 per province.

I was informed that the so-called losing candidates, one per district in Misamis Occidental – there are two districts there – and one district of Lanao del Sur and two in Misamis Occidental were proclaimed a couple of days ago and were ordered to take their seats in the provinces concerned.

The law on graft was also violated because I submit that any act of public officials that oppresses the people could also fall under the rubric of the word "graft," as the word is understood in the Anti-Graft and Corrupt Practices Act. I therefore ask that the rules committee or any appropriate committee of the Senate be directed to come up with appropriate findings so that this matter which is, of first impression, the first time that I remember in the history of this Chamber that we, in effect, would ask the House of Representatives to come up with impeachment proceedings against the members of the Commission on Elections because of what they have done as what I have tried to outline above. And therefore, to repeat, may I ask that the rules committee or any other appropriate committee of the Senate be directed to come up with appropriate

findings on the issue that I have submitted so that the matter may be taken up by the House of Representatives and considered for proper action.

REFERRAL OF SPEECH TO COMMITTEE

Thereafter, the Chair referred Senator Pimentel's privilege speech to the Committee on Constitutional Amendments, Revision of Codes and Laws with respect to its subject matter and to the Committee on Rules with respect to the issue of whether the Senate could request the House of Representatives to initiate impeachment proceedings.

COMMITTEE REPORT NO. 1 ON SENATE BILL NO. 1757

(Continuation)

Upon motion of Senator Flavier, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1757 (Committee Report No. 1), entitled

AN ACT FIXING THE DATE OF REGULAR ELECTIONS FOR ELECTIVE OFFICIALS OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO PURSUANT TO REPUBLIC ACT NO. 9054, ENTITLED AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6734, ENTITLED AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AS AMENDED.

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

SUSPENSION OF SESSION

Upon motion of Senator Gordon, the session was suspended.

It was 4:14 p.m.

RESUMPTION OF SESSION

At 4:16 p.m., the session was resumed.

Senator Flavier informed the Body that Senator Enrile had received the documents that he requested and would no longer pursue his interpellation.

Senator Enrile stated that he had no time to put the information in a matrix to see if the same persons had been elected time and again. He affirmed that he would forego his interpellation.

Senator Gordon expressed regret that the Comelec was not able to give Senator Enrile the documents on time as he informed the Body that there is a matrix that can be referred to.

INTERPELLATION OF SENATOR BIAZON

Asked by Senator Biazon if the elective officials of the ARMM are covered by term limits, Senator Gordon replied in the affirmative. He added that the term limits are pursuant to the Constitution and the Organic Act.

Asked if the term limit is similar to the term limit of local government officials, meaning three terms, Senator Gordon replied in the affirmative.

Asked on the effect of the law on the term limits, Senator Gordon said that the tenure of the elected officials would be prolonged but not the term. He clarified that in *Borja vs. Comelec*, the Supreme Court ruled that the term limit applies only to the election process and not to an extension of the term for reasons other than the fault of the person involved.

Asked if any of the incumbents would be serving beyond his term limit, Senator Gordon replied that a careful study showed that no one would exceed his term limit. He noted that Mr. Nur Misuari, who served for five years, had the longest tenure. He affirmed that the tenure would be extended beyond three years.

On the effect of the law on the next batch of elected officials, Senator Gordon said that the Senate should make it very clear that the Comelec has to prepare for the elections to avoid the

spectacle of an unreliable electoral system owing to lack of foresight and negligence, among others. He said that pursuant to the law, the elections would be held on the second Monday of September 2005, and the elected officials would hold office beginning September 30. He added that the next elections would be on September 2008 and that the law would not shorten the term of those who would be elected in the 2008 elections.

SUSPENSION OF SESSION

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

It was 4:22 p.m.

RESUMPTION OF SESSION

At 4:27 p.m., the session was resumed.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no further interpellation, upon motion of Senator Flavier, there being no objection, the Body closed the period of interpellations and proceeded to the period of committee amendments.

SUSPENSION OF SESSION

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

It was 4:28 p.m.

RESUMPTION OF SESSION

At 4:28 p.m., the session was resumed.

COMMITTEE AMENDMENT

On lines 20 and 21, as proposed by Senator Gordon, there being no objection, the Body approved the replacement of the phrase "three (3) days from" with IMMEDIATELY UPON.

TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

There being no other committee amendment, upon motion of Senator Flavier, there being no

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

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

APPROVAL OF SENATE BILL NO. 1757 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 1757 was approved on Second Reading.

PRESIDENTIAL CERTIFICATION

Upon direction of the Chair, Secretary Yabes read the President's certification as to the necessity of the immediate enactment of Senate Bill No. 1757, to wit:

Malacañang
Manila

September 6, 2004

Hon. Franklin M. Drilon
Senate President
Senate of the Philippines
Pasay City

Dear Senate President Drilon:

Pursuant to the provisions of Article VI, Section 26(2) of the 1987 Constitution, I hereby certify to the necessity of the immediate enactment of Senate Bill No. 1757, under Committee Report No. 1, entitled:

AN ACT FIXING THE DATE OF REGULAR ELECTIONS FOR ELECTIVE OFFICIALS OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO PURSUANT TO REPUBLIC ACT NO 9054, ENTITLED AN ACT

TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION OF MUSLIM MINDANAO, AMENDING FOR THE PURPOSE REPUBLIC ACT 6754, ENTITLED AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AS AMENDED,

to address the urgent need of fulfilling the provisions of Republic Act No. 9054 thereby setting the date of regular elections for elective officials in the Autonomous Region in Muslim Mindanao, on the second Monday of September 2005 and every three years thereafter.

Best wishes.

Very truly yours,

(Sgd.) GLORIA MACAPAGAL ARROYO

SUSPENSION OF SESSION

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

It was 4:32 p.m.

RESUMPTION OF SESSION

At 4:34 p.m., the session was resumed.

APPROVAL OF SENATE BILL NO. 1757 ON THIRD READING

In view of the presidential certification, upon motion of Senator Flavier, there being no objection, the Body considered on, Third Reading, Senate Bill No. 1757.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Flavier, there being no objection, Secretary Yabes read only the title of the bill, to wit:

AN ACT FIXING THE DATE OF REGULAR ELECTIONS FOR

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ELECTIVE OFFICIALS OF THE AUTONOMOUS REGION IN MUSLIM MINDANAO PURSUANT TO REPUBLIC ACT NO 9054, ENTITLED AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AMENDING FOR THE PURPOSE REPUBLIC ACT 6754, ENTITLED AN ACT PROVIDING FOR AN ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AS AMENDED.

Secretary Yabes called the roll for nominal voting.

RESULT OF THE VOTING

In favor

Angara	Gordon
Arroyo	Lacson
Biazon	Lapid
Cayetano	Lim
Defensor Santiago	Madrigal
Drilon	Pimentel
Ejercito Estrada (J)	Recto
Ejercito Estrada (L)	Roxas
Flavier	Villar

Against

Enrile

Abstention

None

With 18 senators voting in favor, one against, and no abstention, the Chair declared Senate Bill No. 1757 approved on Third Reading.

EXPLANATIONS OF VOTE

By Senator Enrile

Senator Enrile stated that he was registering a negative vote in protest to the recurring postponement of elections in the ARMM.

By Senator Arroyo

Explaining his affirmative vote, Senator Arroyo said that he had initially dissented to the committee report because he found the idea of repeatedly postponing the ARMM election intolerable. However, following last night's debates, he believed that the Muslim people in the ARMM should not be punished because of the fault of officials in Manila and that they should be given the benefit of an election.

By Senator Gordon

At the outset, Senator Gordon thanked the Members for their indulgence and understanding in voting under strenuous circumstances.

Explaining his affirmative vote, he echoed the observations of the Members that the government was neglectful and showed lack of foresight and respect for the concerns of Muslim Mindanao. He opined that the Comelec and the Office of the President could do better and the Senate should not be made the scapegoat by ramming through such an important piece of legislation. He hoped that the Senate can express its umbrage at the people involved in the delay of the ARMM elections as delays in funding or in amending the organic law could be predicted. Further, he stressed that the administration should hold regular elections in order to maintain the confidence of the people and the international community.

INTERPELLATIONS ON SENATOR PIMENTEL'S REPORT

At this juncture, Senator Flavier announced the commencement of the interpellations on the report of Senator Pimentel.

INTERPELLATION OF SENATOR ENRILE

Asked by Senator Enrile about the Bayanihan Fund, Senator Pimentel replied that the fund was Speaker Jose de Venecia's idea although he did not know who owns it. He pointed out that the fund itself is questionable as there is no law that governs the acceptance, deposit and disbursement of such donations. He clarified that the P350 million that was raised was in the form

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of pledges. He admitted, however, that he was not familiar with the business people who were in the President's entourage on her trip to China, although, he knew some of them like Lucio Tan who pledged P2 million.

Upon further query, Senator Pimentel expressed the view that the pledge was made to the fund-raiser, not to the Republic of the Philippines.

To the observation that the pledgors who are businessmen in the company of President Macapagal Arroyo and Speaker de Venecia could be accused of bribing the government, Senator Pimentel agreed. He believed that the act leaves a very bad taste in the mouth as it gave the impression that the pledgor was pressured to donate to the fund drive because the donation was solicited not only by a high-ranking government official but also in the presence of President Macapagal Arroyo.

Asked whether the solicitation was an act unbecoming of a high-ranking public official, Senator Pimentel conceded that he felt uneasy about the whole matter as the businessmen would not outrightly reject such a request made in the presence of the President.

Senator Enrile clarified that he was not denigrating the nobility of a voluntary act. He asked whether the money would be donated to the Republic of the Philippines.

Senator Pimentel disclosed that from the conversation on board the plane, he gathered that the donations would eventually be deposited in the National Treasury and properly receipted by the National Treasurer. But he admitted that he was not certain whether the donation would be tax deductible as he was not aware of the terms of the donation. Moreover, he opined that if the donations were tax deductible, the businessmen should not have been allowed to make any donation; they should have been made to pay proper income taxes instead.

On the report that the Chinese firm Huawei Technologies Company Limited had committed to invest \$100 million to set up a nationwide multimedia telephony in the Philippines, Senator Enrile asked whether Senator Pimentel

knew of any foreign company operating a similar system in the country and whether such investment would be favorable to national security.

Senator Pimentel cited the Philippine Long Distance Telephone Company (PLDT) as the only firm that operates nationwide but it is covered by a franchise. He wondered how the telephony service agreement between the government and the Chinese firm could be implemented unless a franchise were provided for the latter's operations. He explained that the deal was done under the auspices of the Department of Trade and Industry.

On the commitment made by the Hebei Jingniu Group Company, Ltd. to invest US\$312 million for an integrated glass factory in Bataan, Senator Pimentel informed the Body that the company and the Philippine government entered into a memorandum of agreement (MOA) which meant that certain things would still be undertaken to consummate the contract. But he admitted that he was not aware of the actual intent of the MOA because he was not given a copy of the agreement and he was not present when the MOA was signed.

Upon further queries, Senator Pimentel believed that while the agreement does not intend to put local glass companies out of business, the entry of a new player would give existing glass companies very serious competition.

Asked to elaborate on the planned construction of the north railway, Senator Pimentel said that the initial phase is to construct a railroad network from Manila to Malolos, Bulacan but the railway would eventually reach Pangasinan. However, he reiterated that he was not given a copy of the project contract.

On whether he was able to attend all the meetings of President Macapagal Arroyo as a member of her delegation, Senator Pimentel replied that he was only present in the meetings that he was asked to attend.

Senator Enrile asked why Senator Pimentel was invited to be a member of the party when he was not included in the discussion of issues with Chinese officials.

Senator Pimentel suggested that when members of Congress are invited to be a member of the President's party during a state or official visit, they should know exactly what functions or duties they would perform, otherwise, they would only be "reduced to the function of a furniture in the whole exercise."

Senator Enrile stated that the implicit assumption when Senator Pimentel was invited to join the President's party was that the Opposition in the Senate would be informed of the activities of the head of state in dealing with foreign interests and foreign political authorities.

Senator Pimentel agreed. He believed that there were no intended surprises when the President asked the representative of the Opposition to be present in those meetings. Senator Enrile said that he was not implying that it was intentionally done in this particular instance, however, certain circumspection must be exercised in the future so that, at least, there would be cordial relations among the political groups in matters of foreign policy.

Senator Pimentel disclosed that the only high-level conversation he was privy to was between the President and Prime Minister Thaksin of Thailand. But Senator Enrile pointed out that Prime Minister Thaksin was also a visitor in China. In the interest of transparency and caution, he underscored the importance of the result of the discussions between President Macapagal Arroyo and the high officials of the host country.

Asked if he was present when the agreement on the joint seismic study in the Spratlys was signed or discussed, Senator Pimentel replied in the negative; however, he was informed that it was made with the DTI Secretary and Energy Secretary Vince Perez present.

He added that the Department of National Defense was not even represented in the talks; also, he was unsure about the representation of the Department of Foreign Affairs. He stated that the talks were on energy issues such as the location and identification of the kind of resources that lie underneath the sea or around the Spratlys.

Asked what kind of agreement the government entered into involving the Spratlys, Senator Pimentel

replied that it is not clear whether it is a formal agreement or a memorandum of agreement. Apparently, he said, there is an agreement—although limited to the conduct of seismic studies—for which the administration was claiming achievement.

Senator Enrile opined that the agreement should be looked into by the Committees on Foreign Relations; Energy; and National Defense and Security, taking into consideration the Regalian Doctrine which states that all lands and natural resources of the country including maritime waters, inland waters, rivers, and other resources, belong to the State. Senator Pimentel agreed, as he pointed out that entering into an agreement of this kind could unsettle relations with other claimant-countries.

Asked whether entering into the agreement carries a legal implication that the Philippine government, in effect, is not sure of the strength of its claim over Spratlys, Senator Pimentel replied that the power of a claim depends on the power of the armed forces that the claimant has. He wondered, however, what the country can do when force is resorted to by the other claimants. He said that the only positive thing about the agreement is that, at the very least, the Philippines is trying to tell all claimants that the issue should be settled peacefully.

On the matter of nuclear power being produced in China, Senator Enrile asked how much per kilowatt-hour an ordinary Chinese household pays. Senator Pimentel admitted that he forgot to get that information which would have been useful to the Philippine government. However, for purposes of comparison, he said that even in the poorer section of Beijing, for instance, many houses have television sets, which means that the electric rates are affordable. He believed that this is the reason that the Chinese government is looking into the possibility of increasing its reliance on nuclear power. At present, nuclear power accounts only for 1.7% of the power used in China, he added.

Senator Enrile stated that maybe, the government made a mistake of abandoning a program that would probably have given the Filipinos a better chance to survive, that is, to follow the road blazed by neighboring

countries like North Korea, Taiwan, Japan, China, and soon, some Southeast Asian countries, in using nuclear fuel to produce cheap electricity for their people.

Relative thereto, Senator Pimentel recalled that during the Marcos regime, the main objection to the nuclear power plant was that it was constructed on top of an earthquake fault somewhere in Bataan. On hindsight, regardless of the circumstances under which the facilities were built, he said that the government should take a second look at the need for nuclear power. However, he revealed that in the United States, construction of a nuclear power plant should be 100 miles into the ocean so that if there is a terrorist attack on the nuclear power plant itself, it would be far away from the centers of population. He believed that these are some considerations that the Philippine government should also take into account.

Senator Enrile stated that while there is a theory that the Bataan Nuclear Power Plant sits on a fault, nature itself has proven it wrong. He recalled that the earthquake that caused Mt. Pinatubo to erupt shook the entire Luzon area, caused Dagupan City and some parts of La Union province to sink, but never left any scratch on the Bataan Nuclear Power Plant. He stated that operation of the power plant did not push through not because of the geological condition of the construction area but because of the pressure exerted by a country that sent a team to the Philippines to audit the plant. He said that the team reported that the Philippines did not have enough medical facilities within a certain radius, egress and ingress into the plant, and communication facilities to communicate with the rest of the world in case accident occurred, therefore, the plant should not be opened; and when there was a change in government, an oil company operating locally also pressured the government not to open the plant. Senator Pimentel added it was also found out that there was no place in the country where the spent fuels could be safely buried.

INQUIRY OF THE CHAIR

Asked by the Chair what his reply would have been had Speaker De Venecia asked him for

his contribution, Senator Pimentel stated that he would have told the Speaker that it was a good idea but a very bad solution to the fiscal crisis. He stated that he would have expounded on his belief that the country was not facing a financial crisis but a fiscal deficit and that the Speaker was trying to cover up for the more serious defects of the administration.

INTERPELLATION OF SENATOR BIAZON

Upon query of Senator Biazon, Senator Pimentel stated that it was his impression that the Philippines and China signed an agreement for a joint seismic study in the Spratlys. He stated that if the matter would be subjected to a public hearing, the Members could ask the concerned department for a copy of the agreement.

Senator Biazon clarified that he raised the issue because of the implications of the agreement on national security, its constitutionality and in view of the power of the Senate to concur in treaties. He pointed out that Article I of the Constitution defines "national territory" to include territories over which the Philippines has sovereignty or jurisdiction; P.D. No. 1596 declares the Kalayaan as part of the Philippine territory; and P.D. No. 1978 created the municipality of Kalayaan also known as the Spratlys, which elects its own mayor. Moreover, he observed that China and the ASEAN member-countries are signatories to a declaration whereby the concurrence of all the signatories is needed to undertake any action in the area.

Asked whether an examination of the agreement is called for in view of the foregoing considerations, Senator Pimentel replied in the affirmative, pointing out that China and the ASEAN member-countries signed a code of conduct governing nations that have claims on the Spratlys. He clarified, however, that the agreement is between the Philippine National Oil Corporation and a state-owned corporation in China.

In view of the constitutional issue, Senator Biazon asked whether the report and the interpellations thereon should be referred to an appropriate committee. Senator Pimentel replied in the affirmative.

Senator Biazon noted that the Philippines occupies eight islands in the Spratlys; Vietnam, one island; and the others, just shoals and reefs on which they have built structures.

Senator Biazon posited that national security consideration puts in question the wisdom of granting a foreign entity the right to conduct any activity on the Spratlys. Senator Pimentel agreed, stating that in law, occupation is 99% of ownership, meaning that the Philippine occupation of the major islands of the Spratlys is an assertion of the country's ownership of the islands. However, he admitted that when push comes to shove, in case ownership is contested, the Philippines would not be able to defend the islands.

At this juncture, Senator Biazon moved that the report of Senator Pimentel and the interpellations thereon be referred to the appropriate committee.

REFERRAL OF REPORT TO COMMITTEES

Upon motion of Senator Flavier, there being no objection, the Chair referred the report and the interpellations thereon to the Committees on Foreign Relations; Energy; and National Defense and Security.

SUSPENSION OF SESSION

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

It was 5:25 p.m.

RESUMPTION OF SESSION

At 5:26 p.m., the session was resumed.

At this juncture, Senator Biazon asked that the interpellations on his speech be deferred to another day as he informed the Body that he has a speaking engagement.

Senator Flavier manifested that Senator Biazon had also requested that his interpellation on the speech of Senator Angara be deferred to another day.

COMMITTEE CHAIRMANSHIP


Upon nomination by Senator Pimentel, Senator Angara was elected as Chair of the Committee on Peace, Unification and Reconciliation.

ADJOURNMENT OF SESSION

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

It was 5:27 p.m.

I hereby certify to the correctness of the foregoing.


OSCAR G. YABES
Secretary of the Senate

Approved on September 8, 2004