



REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 87

Wednesday, May 18, 2005

**THIRTEENTH CONGRESS
FIRST REGULAR SESSION**

SESSION NO. 87
Wednesday, May 18, 2005

CALL TO ORDER

At 4:07 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, Your senators have sworn to serve Your people ably and well. You be the judge whether or not we have delivered on this vow, O, Lord.

If our words do not match our deeds, kindly help us adjust them to enable us to fulfill our promise to serve our people.

And all these we ask in Jesus' Name.

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.	Osmeña III, S. R.
Ejercito Estrada, L. L. P.	Pimentel Jr., A. Q.
Enrile, J. P.	Revilla Jr., R. B.
Flavier, J. M.	Roxas, M.
Gordon, R. J.	

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

Senator Recto arrived after the roll call.

Senators Angara, Biazon and Pangilinan were abroad on official mission.

Senator Villar was also on official mission.

Senator Lacson was absent.

**ACKNOWLEDGMENT
OF THE PRESENCE OF GUESTS**

At this juncture, Senator Cayetano acknowledged the presence of a delegation of nursing students from San Juan de Dios Educational Foundation, Pasay City, led by Professor Leilani Dones.

APPROVAL OF THE JOURNAL

Upon motion of Senator Cayetano, there being no objection, the Body dispensed with the reading of the Journal of Session No. 86 and considered it approved.

REFERENCE OF BUSINESS

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

**MESSAGES FROM THE HOUSE
OF REPRESENTATIVES**

Letters from the Secretary General of the House of Representatives, dated 11 May 2005, informing the Senate that on 10 May 2005, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 692, entitled

**AN ACT GRANTING THE CABLE LINK
AND HOLDINGS CORP. A FRAN-
CHISE TO CONSTRUCT, INSTALL,
ESTABLISH, OPERATE AND
MAINTAIN CABLE/COMMUNITY
ANTENNAE TELEVISION SYSTEMS
IN THE PHILIPPINES**

To the Committee on Public Services *MS*

MS

House Bill No. 2478, entitled

AN ACT GRANTING THE RADIO MARIA FOUNDATION, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN FOR RELIGIOUS AND NON-COMMERCIAL PURPOSES RADIO BROADCASTING STATIONS IN THE PHILIPPINES

To the Committee on Public Services

House Bill No. 3309, entitled

AN ACT REQUIRING ALL GOVERNMENT AGENCIES THAT PROVIDE FRONTLINE SERVICES TO PROVIDE THE PUBLIC INFORMATION ON HOW TO ACCESS SUCH SERVICES FROM THEIR RESPECTIVE OFFICES

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

House Bill No. 3524, entitled

AN ACT AMENDING REPUBLIC ACT NO. 8996, ENTITLED "AN ACT GRANTING THE END TIME MISSION BROADCASTING SERVICE, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN FOR RELIGIOUS, EDUCATIONAL AND NON-COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN LUZON"

To the Committee on Public Services

House Bill No. 3769, entitled

AN ACT TO CREATE A LOCAL HOUSING BOARD IN EVERY CITY AND MUNICIPALITY, PROVIDING FOR ITS POWERS AND DEFINING ITS DUTIES AND FUNCTIONS, AND FOR OTHER PURPOSES

To the Committees on Urban Planning, Housing and Resettlement; and Local Government

House Bill No. 3783, entitled

AN ACT DECLARING NOVEMBER TWENTY-FIVE OF EVERY YEAR AS NATIONAL CONSCIOUSNESS DAY FOR THE ELIMINATION OF VIOLENCE AGAINST WOMEN

To the Committee on Women and Family Relations

and House Bill No. 3834, entitled

AN ACT PROVIDING FOR THE "NON-BIDDING" SALE OF GOVERNMENT-OWNED PROPERTIES TO ITS OCCUPANTS FOR SOCIALIZED HOUSING, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992, AND FOR OTHER PURPOSES

To the Committee on Urban Planning, Housing and Resettlement

RESOLUTIONS

Proposed Senate Resolution No. 259, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON HEALTH AND DEMOGRAPHY AND THE SENATE COMMITTEE ON LOCAL GOVERNMENT TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED CORRUPTION OF LOCAL HEALTH FUNDS

Introduced by Senator Defensor Santiago, Miriam

To the Committees on Health and Demography; and Local Government

Proposed Senate Resolution No. 260, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS AND CURRENCIES AND THE SENATE COMMITTEE ON EDUCATION,

ms

ARTS AND CULTURE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE FINANCIAL CATASTROPHE THAT BEFELL PACIFIC PLANS, INC. AND THE LAWS GOVERNING PRE-NEED COMPANIES

Introduced by Senator Defensor Santiago,
Miriam

To the Committees on Banks, Financial Institutions and Currencies; and Education Arts and Culture

Proposed Senate Resolution No. 261, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON NATIONAL DEFENSE AND SECURITY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ADOPTION AND IMPLEMENTATION OF SAFETY MEASURES BY THE PHILIPPINE AIR FORCE (PAF) IN THE USE OF ITS AIRCRAFT FACILITIES

Introduced by Senator Defensor Santiago,
Miriam

To the Committee on National Defense and Security

Proposed Senate Resolution No. 262, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON HEALTH AND DEMOGRAPHY TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, INTO THE WORSENING INCIDENCE OF MALNUTRITION IN THE COUNTRY, WITH THE END VIEW OF REVIEWING THE DEPARTMENT OF HEALTH'S FOOD FORTIFICATION PROJECT STRATEGIC PLAN AND RECOMMENDING POLICY MEASURES FOR A HEALTHIER FILIPINO POPULACE

Introduced by Senator Villar Jr.

To the Committee on Health and Demography

COMMITTEE REPORT

Committee Report No. 24, submitted by the Committee on Public Services on House Bill No. 3696 introduced by Representatives Del Mar, *et al.*, entitled

AN ACT FURTHER AMENDING THE FRANCHISE OF VISAYAN ELECTRIC COMPANY, INC., GRANTED UNDER ACT NO. 3499, AS AMENDED, TO CONSTRUCT, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END-USERS IN THE CITIES OF CEBU, MANDAUE AND TALISAY AND THE MUNICIPALITIES OF MINGLANILLA, NAGA, SAN FERNANDO, CONSOLACION AND LILO-AN, PROVINCE OF CEBU, AND RENEWING/EXTENDING THE TERM OF THE FRANCHISE TO ANOTHER TWENTY-FIVE YEARS FROM THE DATE OF APPROVAL OF THIS ACT,

recommending its approval with amendments.

Sponsor: Senator Arroyo

To the Calendar for Ordinary Business

ADDITIONAL REFERENCE OF BUSINESS

BILLS ON FIRST READING

Senate Bill No. 2007, entitled

AN ACT TO MANDATE THE USE OF BIOFUELS IN THE TRANSPORT SECTOR, ESTABLISHING FOR THE PURPOSE THE NATIONAL BIOFUEL PROGRAM, APPROPRIATING FUNDS THEREFOR

Introduced by Senator Defensor Santiago,
Miriam

To the Committees on Energy; Ways and Means; and Finance

Senate Bill No. 2008, entitled

AN ACT RECOGNIZING THE
FUNDAMENTAL RIGHT OF ADULT
PERSONS TO DECIDE THEIR OWN
HEALTH CARE, INCLUDING THE
DECISION TO HAVE LIFE-
SUSTAINING TREATMENT
WITHHELD OR WITHDRAWN IN
INSTANCES OF A TERMINAL
CONDITION OR PERMANENT
UNCONSCIOUS CONDITION

Introduced by Senator Defensor Santiago,
Miriam

**To the Committees on Constitutional
Amendments, Revision of Codes and Laws;
and Health and Demography**

Senate Bill No. 2009, entitled

AN ACT TO PROTECT THE PUBLIC
BY REQUIRING THE REGISTRA-
TION, ANNUAL INSPECTION AND
MARKING OF COMMON CARRIERS
USED ON LAND, AND THE
WEARING OF UNIFORMS OF
THEIR DRIVERS AND CONDUCT-
ORS FOR PURPOSES OF IDENTI-
FICATION AND ACCOUNTABILITY

Introduced by Senator Gordon

**To the Committees on Public Services; and
Finance**

Senate Bill No. 2010, entitled

AN ACT AMENDING SECTION 12(C)
OF REPUBLIC ACT NO. 7227, AS
AMENDED, OTHERWISE KNOWN
AS THE BASES CONVERSION AND
DEVELOPMENT ACT OF 1992

Introduced by Senator Gordon

**To the Committee on Government Corp-
orations and Public Enterprises**

ADDITIONAL REFERRAL

Upon motion of Senator Osmeña, there being
no objection, the Chair also referred Proposed

Senate Resolution No. 260 to the Committee on
Trade and Commerce.

REFERRAL OF SENATE BILL NO. 2008

As regards the referral of Senate Bill No. 2008
on the right to natural death, Senator Defensor
Santiago moved that the Committee on Health and
Demography be made the primary committee since
the subject is not as much as a human right as a
person's decision to terminate his life.

There being no objection, the Chair referred
Senate Bill No. 2008 to the Committee on Health
and Demography as the primary committee and to
the Committee on Constitutional Amendments,
Revision of Codes and Laws as the secondary
committee.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Cayetano acknowl-
edged the presence of the Parents Enabling Parents
Coalition.

SUSPENSION OF SESSION

Upon motion of Senator Cayetano, the session
was suspended.

It was 4:18 p.m.

RESUMPTION OF SESSION

At 4:19 p.m., the session was resumed.

COMMITTEE REPORT NO. 23 ON SENATE BILL NO. 2000

(Continuation)

Upon motion of Senator Cayetano, there being
no objection, the Body resumed consideration, on
Second Reading, of Senate Bill No. 2000
(Committee Report No. 23), entitled

AN ACT AMENDING REPUBLIC ACT
NO. 9164, RESETTING THE
BARANGAY AND SANGGUNIANG
KABATAAN ELECTIONS, AND FOR
OTHER PURPOSES.

Senator Cayetano stated that the parliamentary
status was the period of interpellations. *AP*

The Chair recognized Senator Gordon, Sponsor of the measure, and Senator Enrile for his interpellation.

INTERPELLATION OF SENATOR ENRILE

Upon queries of Senator Enrile, Senator Gordon stated that the statutory tenure of office of elected barangay officials is three years. He said that since the last barangay elections were conducted in 2002, the next elections are supposed to be held this year, 2005, but the bill is proposing to postpone the elections to 2007 which would give the incumbents an extra three-year term. He said that the statutory term of three years would be maintained unless the Omnibus Election Code and the Local Government Code would be amended providing the barangay officials a six-year term.

Senator Enrile proposed that the election of barangay officials be synchronized with that of the President and the Vice President which would, in effect, give them a term of six years. He believed that the synchronization of national and local elections would bring back a strong party system which is lacking in the present democratic structure.

Senator Gordon agreed that there should be a strong party system that goes down to the grass-roots, for which reason, the Committee proposed the synchronization of barangay and national elections in 2007. However, he said, 2010 might be a long stretch for some barangay officials who have already served extended terms. He disclosed that the House of Representatives proposed the resetting of the barangay elections to 2008.

Senator Enrile believed that postponing the barangay elections to 2010 and giving the barangay officials a six-year tenure would establish a new norm and quiet a very a divisive local polls by ensuring that political parties would automatically be represented down to the barangay level whenever there is a presidential election.

Replying to Senator Enrile's query, Senator Gordon opined that the Body could try synchronizing the elections in 2007 to give the government the chance to assess how the synchronization could be conducted.

Senator Enrile expressed the view that an electronic election system could be adopted by 2010. Asked about the term of office for those to be elected in 2007, Senator Gordon replied that the elected officials could be given a longer term of six years.

Senator Enrile argued that giving the elected officials a six-year term from 2007 would not achieve the proposal of giving all the political parties representation all the way down the barangay level. He added that adopting his proposal would automatically force the political parties to have representation by law, thereby saving political parties huge sums of money.

Senator Gordon expressed second thoughts on the proposal, saying that some of the elected barangay officials have been sitting as early as 1980. He believed that postponing the barangay elections to 2007 could still improve the party system. In the meantime, he said, the Body, between now and 2007, could amend the Omnibus Election Code or the Local Government Code in order to streamline Senator Enrile's vision of giving longer terms to local officials, so that they could focus more on development rather than on political exercises. He conceded that there was no guarantee that the incumbents would not be elected again or that there would be no postponement after 2007. He said that holding the barangay and SK elections in 2007 would synchronize the local elections.

Moreover, Senator Gordon agreed that local officials should have a longer term of six years so that they could enforce longer range projects for the community but he pointed out that this would require a constitutional amendment.

But Senator Enrile proposed that the barangay officials be given the longer term since they are at the base of the social political structure.

Senator Gordon informed the Body that the Constitution gives Congress the leeway in determining the term of office of barangay officials. While he agreed that the barangay officials should serve for six years, he pointed out that rumblings have been heard that the incumbent officials should seek a fresh mandate from the people and that the earliest feasible date for elections would be 2007. He expressed openness to an amendment by Senator Enrile at the proper time.

INTERPELLATION OF SENATOR DEFENSOR SANTIAGO

Replying to Senator Defensor Santiago's query, Senator Gordon clarified that the appropriation for the barangay and SK elections was P2.8 billion. *AK*

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Senator Defensor Santiago opined that if the government would spend P3 billion, a cost-benefit analysis on the proposal should be conducted.

On the benefits of resetting the elections, Senator Gordon stressed that the elections could not be held as scheduled because of lack of funds. As to the cost of postponing the elections, he said that there would be none, except that the incumbents would be on a hold-over status.

On the possible backlash from those aspiring to replace the incumbents or from a restive community dissatisfied with barangay management, Senator Gordon cited several options such as a recall election and the filing of charges against erring barangay officials. He added that Congress could pass a bill granting the president, governors and mayors the power to appoint barangay officials. He conceded that a disgruntled electorate could be considered the cost if the elections were postponed, but he emphasized that circumstances dictate such postponement.

On the observation that a cost-benefit analysis was irrelevant because the government has no choice on the matter, Senator Gordon admitted that the situation is tragic. He expressed the view that the cost would be the unfavorable impression the postponement would create on other countries while the benefit would be making the people more vigilant in scrutinizing the government's expenses.

On another matter, Senator Defensor Santiago inquired on the length of the ballot considering that an additional 16 positions would have to be filled up if the elections were to be held in 2007.

Senator Gordon stated that he has suggested to the Comelec the use of two color-coded ballot boxes to separate ballots for national positions from ballots for local positions. As regards the SK elections, he disclosed that some quarters want to abolish the SKs because the youth are being exposed to shenanigans of government at an early age.

On the legislative safeguards to ensure that a failure of elections on the barangay and SK levels would not affect the outcome for national and other elective posts, Senator Gordon conceded that the matter was not discussed during the committee hearings. However, he pointed out that having two separate boxes for the national and local levels

would make the counting, as well as the resolution of electoral protests, faster.

Moreover, Senator Gordon pointed out that the immediacy of the results from the separate ballots would help minimize election fraud such as *dagdag-bawas*. Relative thereto, he expressed openness to filing a bill allowing the local Comelec or city board to resolve barangay or SK election disputes while the Comelec or the courts would resolve provincial, local or national election protests.

As regards the P3 billion appropriation needed for the bill, Senator Gordon clarified that the amount does not include the cost for a synchronized national elections which could be provided by an enabling law. He pointed out that the cost benefit of the postponement would include the expeditious counting of election returns and less manpower expenses.

Senator Defensor Santiago opined that due to lack of funds, there is no choice but to reset the elections regardless of what the considerations of the senators are.

INTERPELLATION OF SENATOR ARROYO

Replying to Senator Arroyo's queries, Senator Gordon informed the Body that the barangay elections would have been postponed four times since 1986 should the bill be passed. He recalled that the first postponement of the barangay elections occurred on May 1982 for a six-year term; the next elections scheduled on May 1988 were postponed to November 1988 by virtue of R.A. No. 6653 for a five-year term but due to the aborted coup d'etat, they were reset to March 1989 by virtue of R.A. No. 6679 which granted the barangay officials a five-year term. He said that elections were held on March 28, 1989 and on May 1994 pursuant to the Local Government Code which prescribed a three-year term; elections were held again on May 12, 1997, but R.A. No. 9164 reset the scheduled May 2000 elections to July 15, 2002, and every three years thereafter.

Asked why the national government keeps on postponing the elections despite the specific periods provided for in the election laws, Senator Gordon commented that the Executive branch apparently is making decisions based on contingencies like peace and order, changes in the law and lack of funds. He affirmed that the elections this year were being reset because of unavailability of funds. *NS*

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On another matter, Senator Arroyo pointed out that barangay officials are supposed to be elected in a nonpartisan manner, which is why barangay elections are not held alongside national and local elections which are political in nature. Senator Gordon agreed, pointing out, however, that in reality barangay elections have always been partisan. He recalled that barangay officials were not elected before and received no pay, yet they were more respected then.

Considering the evolution of barangay officials from being nonpartisan to being partisan, Senator Arroyo queried if Congress is supposed to correct such a situation. Senator Gordon replied that he is open to amendments classifying barangay elections as partisan because elections in this country are always partisan. He observed that despite the Omnibus Election Code, barangay officials became political since local officials inevitably provide the former with resources. These are realities, he said, from which standpoint he would like to legislate.

On the observation that the Body should first settle the issue regarding the character of barangay officials, Senator Gordon concurred with Senator Enrile that shifting to a partisan status could strengthen political parties down to the grassroots level and create a national machinery for political parties. He suggested that the Body discuss the nonpartisan status of barangay elections.

Adverting to Section 1 of RA 9164 on the nonpartisan character of the barangay elections, Senator Arroyo remarked that synchronizing barangay elections with the national elections on May 2007 would practically make the former a partisan election. Thereupon, he suspended his interpellation in order to explore the issue further.

INTERPELLATION OF SENATOR EJERCITO ESTRADA (L)

Asked by Senator Ejercito Estrada (L) how the barangay elections would be conducted under the proposed measure, Senator Gordon replied that the Committee has not decided on the matter as it would depend on the available resources. He believed that a law amending the Omnibus Election Code and the Local Government Code could be crafted before the elections to specify the mode. He expressed preference for synchronized electronic elections which would allow the speedy canvassing of results.

However, he pointed out that the Office of the Solicitor General has proposed stringent requirements for the use of the equipment earlier declared by the Supreme Court as unsuitable.

Senator Ejercito Estrada (L) expressed concern that government might not push through with the barangay elections in 2007 because it would be too expensive to conduct the same. She asked whether synchronized elections had been conducted in the past.

Senator Gordon stated that he would look into the matter, as he was not sure whether the interim Batasang Pambansa elections were held together with the local elections during the Marcos regime.

As regards the problems attendant to synchronized elections, Senator Gordon said that the problems would be minimal as they involve merely the fine-tuning of the electoral process. He expressed confidence that the Comelec can conduct synchronized elections, adding that, in fact, the Comelec has agreed that two separate ballots for national and local officials would allow the speedy canvassing of results even for manual elections.

On the possibility of a low voter turnout in synchronized elections since it would take more time for an individual to fill up a ballot, Senator Gordon believed that the people would be able to muster the challenge. In the case of electronic elections, he said that the individual would only have to punch holes or push buttons depending on the kind of machines to be used.

Asked whether there is a need to consolidate the powers of the Comelec so that it could manage the proposed synchronized elections in 2007, Senator Gordon replied that the Comelec needs to plan and prepare for the elections now in order to ensure a smooth electoral process.

Senator Ejercito Estrada (L) pointed out that the Bigger House had approved a bill resetting the barangay and SK elections to 2008, and Director Tolentino of the Comelec stated during the April 19, 2005 public hearing that it would be cheaper to conduct separate elections than to synchronize the same. She shared the view that barangay and SK elections should be reset but not to coincide with the 2007 elections because 1) it would preserve the nonpartisan nature of the barangay and SK elections; 2) it would be cheaper to conduct a separate

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election; and 3) it would assure all qualified voters that they would have enough time to vote as the ballot would be shorter.

Senator Gordon asserted that in reality, electoral exercises are partisan. Government, he pointed out, might be spending a little more in the beginning of the synchronization but elections would be smoother and less expensive in the long run.

REMARKS OF SENATOR PIMENTEL

Senator Pimentel stated that he is very much against the bill. He said that he would like to interpellate the Sponsor when more senators are present in the hall. He then moved to adjourn the session for lack of quorum.

SUSPENSION OF SESSION

Upon motion of Senator Gordon, the session was suspended.

It was 5:13 p.m.

RESUMPTION OF SESSION

At 5:16 p.m., the session was resumed.

Senator Cayetano stated that Senator Pimentel had withdrawn his motion to adjourn the session.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2000

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

SPECIAL ORDER

Upon motion of Senator Cayetano, there being no objection, the Body approved the transfer of Committee Report No. 24 on House Bill No. 3696 to the Calendar for Special Orders.

COMMITTEE REPORT NO. 24 ON HOUSE BILL NO. 3696

Upon motion of Senator Cayetano, there being no objection, the Body considered, on Second Reading, House Bill No. 3696 (Committee Report No. 24), entitled

AN ACT FURTHER AMENDING THE FRANCHISE OF VISAYAN ELECTRIC COMPANY, INC., GRANTED UNDER ACT NO. 3499, AS AMENDED, TO CONSTRUCT, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END-USERS IN THE CITIES OF CEBU, MANDAUE AND TALISAY AND THE MUNICIPALITIES OF MINGLANILLA, NAGA, SAN FERNANDO, CONSOLACION AND LILO-AN, PROVINCE OF CEBU, AND RENEWING/EXTENDING THE TERM OF THE FRANCHISE TO ANOTHER TWENTY-FIVE YEARS FROM THE DATE OF APPROVAL OF THIS ACT.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, upon motion of Senator Cayetano, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Arroyo for the sponsorship.

SPONSORSHIP REMARKS OF SENATOR ARROYO

In sponsoring House Bill No. 3696, Senator Arroyo stated that the measure is the first franchise bill that the Senate would consider in the 13th Congress. Franchise bills, he said, originate in the Bigger House and it is only upon the transmittal of the bill that the Senate could act on it. However, he pointed out that the problem arises when the applicant of a franchise does not meet or comply with the stringent requirements of the Senate Committee on Public Services.

Senator Arroyo said that the Visayan Electric Company, the only applicant that has complied with the requirements of the committee, was founded in 1905 and is the second oldest and biggest electric company in the country next to Meralco. He stated that its congressional franchise was passed by the old Philippine Legislature on December 8, 1928, for a period of 50 years; Republic Act No. 3234 transferred the franchise to Visayan Electric Company;

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Republic Act No. 6454 granted the company a franchise on June 17, 1972, for 25 years from its original franchise in 1978; and the National Electrification Administration, under an old presidential decree, administratively extended the period. He said that with the enactment of the EPIRA, the company, through the bill, would formalize and comply with the requirements of the law.

Senator Arroyo stated that the Visayan Electric Company serves the power needs of the cities of Cebu, Mandaue and Talisay; and the municipalities of Minglanilla, Naga, San Fernando, Consolacion and Lilo-an, with a total of 258, 274 customers. He pointed out that the company, which is owned by the Garcias with a fractional ownership of foreigners, has an authorized capital of P2,160,375,200 and a subscribed capital of P1,529,929,800.

Senator Arroyo said that the bill was patterned after the Cagayan Electric Power and Light Company in Cagayan de Oro City, the last franchise bill that the Senate enacted, except for the addition of the repealing clause and the absence of the section on tax provisions which are normally introduced as a committee amendment.

In closing, Senator Arroyo stated that the Committee strongly recommends the renewal/

extension of the company's franchise since it has the support of all congressmen from Cebu and there has been no objection from any quarter.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 3696


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

ADJOURNMENT OF SESSION

Upon motion of Senator Cayetano, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, May 23, 2005.

It was 5:25 p.m.

I hereby certify to the correctness of the foregoing.


OSCAR G. YABES
Secretary of the Senate
Yabes *ellu* *AK*

Approved on May 23, 2005