



REPUBLIC OF THE PHILIPPINES
Senate
Pasay City

Journal

SESSION NO. 28

Tuesday to Thursday, November 8-10, 2022
Monday to Thursday, November 14-17, 2022

**NINETEENTH CONGRESS
FIRST REGULAR SESSION**

Prepared by the
LEGISLATIVE JOURNAL SERVICE
Senate of the Philippines

SESSION NO. 28
Tuesday to Thursday, November 8-10, 2022
Monday to Thursday, November 14-17, 2022

CALL TO ORDER

At 3:05 p.m., Tuesday, November 8, 2022, the Senate President, Hon. Juan Miguel “Migz” F. Zubiri, called the session to order.

PRAYER

Sen. Alan Peter “Compañero” S. Cayetano led the prayer, to wit:

Let us all put our presence before our Almighty God.

Lord Father God, we humble ourselves before You. How great Thou art, Lord. We gather today with different ideas, with different ideologies, with different approaches. Members of the administration, independents, oppositionists, to dwell on a very important—if not the most important—piece of legislation every year, which is the national budget.

During these times of high prices, *kawalan po ng trabaho, problema po kaliwa at kanan*, challenges not only in the country, in the region, but the whole world. We know, Lord God, that this is a time that we should totally depend on You. Please give us one spirit, give us wisdom, give all our Cabinet members the strength, the wisdom, wise advisors, and the best information, that we may play our part as the wiser men and women in government, in this Chamber, to help the wise men and women in the Palace craft a budget, Lord, that will lead us and show us the light at the end of the tunnel, not only with COVID, not only with all the problems with the world economy, but also taking note of each and every problem of each and every Filipino.

We lift up to You our Senate President, our Minority Leader, and everyone in the Chamber and pray for strength the right time. And, Lord, we ask for wisdom for our chairperson, Sen. Sonny Angara, that he may lead and he may also absorb all these ideas and find a way to put it together to have the best budget.

We lift this up to You and ask for Your grace, for Your forgiveness, for Your healing, Lord Jesus Christ, as we ask the Lord Holy Spirit for this wisdom.

Amen.

dp

ROLL CALL

Upon direction of the Senate President, the Secretary of the Senate, Atty. Renato N. Bantug Jr., called the roll, to which the following senators responded:

Angara, S.	Legarda, L.
Binay, M. L. N. S.	Padilla, R. C.
Cayetano, A. P. C. S.	Pimentel III, A. K.
Cayetano, P. S.	Poe, G.
Dela Rosa, R. B. M.	Revilla Jr., R. B.
Ejercito, J. V. G.	Tolentino, F. T. N.
Escudero, F. J. G.	Tulfo, R. T.
Estrada, J.	Villanueva, J.
Gatchalian, W.	Villar, C. A.
Go, C. L. T.	Villar, M. A.
Hontiveros, R.	Zubiri, J. M. F.
Lapid, M. L. M.	

With 23 senators present, the Chair declared the presence of a quorum.

Senator Marcos arrived after the roll call.

BIRTHDAY GREETINGS

On behalf of the Body, Senator Villanueva greeted the following senators on the occasion of their birth anniversaries: Senator Escudero (October 10), Senator Lapid (October 25), and Sen. Allan Cayetano (October 28).

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 3:10 p.m.

RESUMPTION OF SESSION

At 3:15 p.m., the session was resumed.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Villanueva acknowledged the presence in the gallery of the following guests:

- Governor Felipe Medalla of the Bangko Sentral ng Pilipinas (BSP);
- Commissioner Lilia Guillermo of the Bureau of Internal Revenue (BIR);
- Undersecretary Rosemarie Edilon of the National Economic and Development Authority (NEDA);
- National Treasurer Rosalia de Leon of the Bureau of Treasury (BOT);
- Acting Commissioner Yogi Filemon Ruiz of the Bureau of Customs (BOC);
- Secretary Benjamin Diokno of the Department of Finance (DOF);
- Secretary Amenah Pangandaman of the Department of Budget and Management (DBM);

96

- Atty. Rolando Villaflor of the Philippine Veterans Affairs Office (PVAO);
- Annika Thunborg, Swedish Ambassador to the Philippines;
- Delegates from the Journal Division of the Bangsamoro Transition Authority (BTA);
- JCI Senate-San Juan, headed by Herbert Tang; and
- JCI-Pinaglabanan, headed by Mickey Celes.

Senate President Zubiri welcomed the guests to the Senate.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri stated that he had received an estimated P25 billion worth of requests for funding of various projects and urged the concerned parties to instead submit their requests to the DBM or the DOF for final action.

He also agreed with Senator Villanueva's suggestion that such requests be forwarded to Finance Secretary Diokno.

PRIVILEGE SPEECH OF SENATOR ESTRADA

Rising on a matter of personal and collective privilege, Senator Estrada responded to the tirades leveled against him for his comments on the proposed 2023 budget of the Film Development Council of the Philippines (FDCP) during the committee hearing on October 18, 2022.

Following is the full text of his privilege speech:

The *Records of the Senate*, specifically of the Finance Subcommittee M, will bear me out that I was trying to take a grasp of the state that the audiovisual sector has been in nowadays, which, by and large, is on the verge of collapse even during the pre-pandemic period and which was painted in that hearing to be now in the ICU needing critical care from specialists.

Sadly, my statements were magnified and even misconstrued by many, including a number of industry members who are part of the more than 760,000 workforce in the film sector, who I was trying to protect and fight for. What reverberated in the minds of many was the furthest thing from my mind. I was portrayed as a villain and an antagonist.

Nakalulungkot na mas nanaig sa kaisipan ng marami ang mga katagang hindi ko layon na mangyari.

Be that as it may, I deem it best to put forth the issues plaguing the barely surviving industry that is personally close to my heart, with the desire of lighting even a glimmer of hope that it can still be salvaged.

This is the abysmal state of our local film industry.

For this year alone, only nine local movies had been released, according to the theater group operators—nine out of the 20 Filipino films reviewed by the MTRCB since January this year.

Napakasakit pong isipin na may panahon na umaabot sa 300 ang napo-produce na pelikula kada taon. Now, it is not even a fraction.

To come up with a quality film, producers have to fork out between P10 million to P30 million, according to FDCP Chairperson Tirso Cruz III, and to recoup this, they have to earn at least triple, or 270%.

But how can an industry barely in survival mode and among the most heavily taxed entertainment in Asia recover from its current state?

To further illustrate, for the P50-million film production with P100 million box office revenue, the producer needs to pay amusement tax, value-added tax, and distribution fee. Ten percent will

go to the amusement tax and 90% will go to the theater owners and film producers. Then 45% of the ticket sales will go to theater owners. That has been the "standard agreement" between the producers and cinema owners or operators for the longest time as the latter claim that they invest in the construction and maintenance of theaters.

On top of this, there is VAT to be paid by the producer and, from the P45 million ticket sales, the amount will dwindle to P39.6 million. From these figures, a five percent distribution fee will still be deducted, which leaves the producer with a final amount of P37.62 million, which means that the producer loses P12,380,000. And if a producer makes a profit, he still has to pay a 30% income tax.

The film industry, following the onset of the COVID-19 pandemic, is confronted by an unprecedented phenomenon of almost no revenue coming in despite the easing of social restrictions. Likewise, our *kababayans* have to spend around P280 to P450 for person in admission tickets when they watch in movie houses. *Kaunti na lamang ay katumbas na ito ng arawang kita ng mga minimum wage earner na nasa P316 to P537 kada araw.*

Sa panahon ng kagipitan, kung kailan mahina ang piso kontra sa dolyar, mataas ang presyo ng langis at mga bilihin, madaling unawain na hindi praktikal sa mga kababayan natin ang gumastos ng ganitong halaga. Tama nga ang sinabi ni Kathryn Bernardo sa Hello, Love, Goodbye, "Ang choice, para lang sa may pera."

Paano ba natin matutulungan ang naghihingalong industriya? Kailangan ba nating i-subsidize ang paggawa ng mga pelikula? How will we do it? Should we give incentives to the movie producers or review the current tax structure?

Sa pag-aaral na isinagawa ng ating Senate Tax Study and Research Office at batay na rin sa datos ng ating National Tax Research Center, the revenue collections from amusement taxes are relatively insignificant as compared to other types of taxes.

Simula 2014 hanggang 2018, on the average, ay nasa higit isang bilyon lamang ang koleksiyon mula dito.

Not having to pay this tax would also significantly help Filipino producers recover their invested capital and enable them to produce more films in the long run. But even with fewer taxes to pay, the producers will still have to pay other taxes like VAT and income tax.

Sa aspeto naman ng amusement tax na nasa ilalim ng Local Government Code at 1997 Tax Code, limitado lamang ang saklaw nito.

Naniniwala ako na hindi malaking kawalan ito sa kita ng gobyerno. Kung sakali man na tanggalin ito, maaari natin ito mabawi dahil kung mapapasigla natin ang entertainment industry, lalaki ang labor force at lalago ang industriya na maaaring mapagkunan ng mga tinatawag na recoupment tax gaya ng business tax or business permit para sa mga local governments, corporate income tax ng mga bagong korporasyon, withholding tax sa mga manggagawa sa industriya, at lalago ang consumption tax or value-added tax.

May mga bansa kagaya ng France, Italy, Spain, Canada, South Korea, at Malaysia na nagpapataw ng minimum quota requirements upang mapanatili ang exposure o masiguro ang pagpapalabas sa sinehan ng mga locally-produced films.

And at the expense of being tagged as "second rate, trying hard, copycats," baka napapanahon na gawin din natin ito sa Pilipinas. *Sa ganitong paraan, masisiguro ang paglalaan ng mga screening sa mga sinehan lalo na ng mga de kalidad na pelikulang Pilipino.*

We are replete with world class artists, and on many occasions, Filipino filmmakers and artists brought honor and pride to the country by winning top prizes in international film festivals around the world.

Brillante Mendoza bested renowned directors like Ang Lee, Quentin Tarantino, and others when he became the first Filipino to win the coveted Best Director Award during the 62nd Cannes Film Festival for his film *Kinatay*, while Lav Diaz won major awards in the 2014 Locarno International Film Festival, 2016 Berlin International Film Festival, and 73rd Venice International Film Festival.

gb

The most recent was veteran thespian Jacklyn Jose, the first Filipina to bag the Best Actress award at the Cannes Film Festival for her stirring portrayal in *Ma' Rosa*, while accomplished actor John Arcilla won the Volpi Cup for Best Actor at the 78th Venice Film Festival for his outstanding performance in *On the Job: The Missing 8*.

These achievements exemplify the remarkable artistic talent and skill of Filipinos on par with the world's best.

At naniniwala ako na kaya nating makipagsabayan sa mga gawang banyaga. Ngunit aminado ako na kailangan ng industriya ng suporta ng ating gobyerno.

One good thing that came out of this issue is that it has paved the way for the discussion on matters concerning the Philippine entertainment industry. Our ailing film industry needs all the support not only from the government, but more so from the moviegoing public.

And just like what some vloggers or YouTubers are doing—promoting local tourist destinations or hidden gems in the country, movies can also create a boost for tourism. This is what is now happening, admittedly, in South Korea, and it similarly had the same effect in other countries following the release of films such as *Lord of the Rings*, *Braveheart*, *Harry Potter*, and TV series, such as *Crash Landing on You*.

On the local front, some movies and TV programs that were well-received by the audience are now engraved in our collective consciousness.

Some of these include iconic scenes like Mt. Kiltapan, from the movie *That Thing Called Tadhana*, the beauty of the Cordillera region, courtesy of the movie *Don't Give Up on Us*, Batanes, in the movie *You're My Boss*, and the fictional local community Sitio La Presa in Tuba, Benguet due to the 2014 TV series *Forevermore*, to name a few.

The Philippines also played host as the filming location for acclaimed Hollywood movies, such as *Apocalypse Now* (1979); *Platoon* (1986); *Born on the Fourth of July* (1989); and *Bourne Legacy* (2012).

It is probably high time for the government to consider the idea of providing government subsidies to the film industry, just like the investments made by South Korea's Ministry of Culture, Sports and Tourism to fund a five-year plan (2015-2019) for their domestic animation and character industries. It provided support to startup operations through a new state facility and automatic subsidies to established animation studios based on the performance of their earlier projects.

Government should encourage the promotion of Filipino culture, cuisine, tourism, and heritage as part of the content; create or provide scholarships, workshops for scriptwriters, production personnel, and musicians to strive for excellence in this field or industry; and provide tax breaks or lower taxes on the industry to incentivize the local entertainment industry.

The government could probably consider institutionalizing or replicating the programs of the Movie Workers Foundation, Inc., or Mowelfund. The Mowelfund, the only one of its kind in Asia, provides social welfare program for movie workers and a development program to uplift the movie industry; and, by the way, the Mowelfund was founded by my father, former Pres. Joseph Estrada.

Many outstanding new talents in the local movie industry are products of the Mowelfund Film Institute, which conducts workshops in directing, cinematography, photography, animation, scriptwriting, stunts, documentary, and acting.

In ending this issue, I just want to lay emphasis that I am merely trying to alleviate the plight of my colleagues in the film industry. After all, development starts with the most important element in the industry—the movie worker, just like what my father said. Also, I am merely carrying out my duties and responsibilities as an elected member of this august Chamber in advancing the interests of those in the country's film industry.

Sa hanay ng mga miyembro ng Senado, masasabi ko na makaaasa ng suporta ang taga industriya mula sa tatlo ko pang kasamahan na kabilang din sa entertainment industry—sina Senators Ramon “Bong” Revilla Jr., Robinhood Padilla, at Manuel “Lito” Lapid—at pati na rin ang anak ng nag-iisang hari ng pelikulang Pilipino at dating MTRCB chairman na si Sen. Grace Poe.

Hindi po ako nagpapakabayani o nagpapabida sa isyung ito. Bagkus, ang tanging hangad ko lamang ay mapanatili at mapalawak pa ang mga oportunidad sa industriyang nananatiling malapit sa akin at patuloy ko na pinahahalagaan hanggang sa ngayon.

Maraming salamat sa inyong pakikinig at mabuhay ang pelikulang Pilipino.

And before that, I would like to advise my colleagues that I will entertain interpellations, if any, after the sponsorship of Sen. Sonny Angara.

MANIFESTATION OF SENATOR REVILLA

In expressing his support for Senator Estrada's privilege speech, Senator Revilla made the following manifestation:

Alam naman po nating lahat na kami nina Sen. Jinggoy Ejercito Estrada, Sen. Manuel "Lito" Lapid, Sen. Robinhood Padilla, maging si Sen. Grace Poe ay galing sa industriya ng pelikulang Pilipino.

In fact, *Records of the Senate* will bear that I have been consistent in attributing where I am today to the local entertainment industry.

Ito po ang bumuhay sa akin at sa aking pamilya sa mahabang panahon at hanggang ngayon. Kaya naman tulad po ng senador natin mula sa San Juan, napakalapit po talaga ang industriyang ito sa aming puso at talagang ipaglalaman namin. Kaya ako ay nalungkot noong na-bash ang aking kaibigan regarding the K-Drama banning in our country. Iyon po siguro ay na-misinterpret lamang. Pero ang talagang hangarin niya ay tulungan ang industriya ng pelikulang Pilipino at maging ng telebisyon. Wala pong masama doon. Wala pong iba-ban si Senator Estrada. Ang gusto niya ay tulungan ang industriya ng pelikulang Pilipino at maging ng telebisyon.

This is why I share the sorrow and concern of the good gentleman over the present state of our industry. *Noon ay may hindi bababa sa apat na pelikula ang naglalaman-laban sa opening day kada-linggo. With all modesty, sa pagbubukas po ng pelikula ni FPJ, ni Rudy Fernandez, ni Philip Salvador, ni Vilma Santos, Sharon Cuneta, Nora Aunor, maging po ni Senator Estrada, pelikula ni Sen. Robinhood Padilla, Lito Lapid, maging po ang inyong lingkod, hindi naman po sa pagyayabang, iniitwasan po kami ng mga foreign films. More than 100 theaters nilalabas ang aming pelikula sa kada-linggo.*

Those were the days not so long ago, *at hindi nga po kaila na naging matamlay ang industriya, at lalo pa nga itong pinadapa ng pandemya. Talagang nakalulungkot, mga kababayan. The entertainment industry may very well be considered as front liners, especially during the pandemic. Through television and streaming, people were provided with escape when we were all locked up in our homes dreading the uncertainty. Gayon pa man, doble din ang hagupit ng pandemya sa kanila.*

The pandemic gave us a looking glass into the true state of the entertainment industry and how much it needs to be rehabilitated. *Ang kailangan ng industriya ay kongkretong mga plano at damang tulong upang manumbalik ang sigla nito, katulad lamang ng mga binanggit ng aking kumpadreng si Senator Estrada kung papaano tutugunan ang pangangailangan ng industriya ng pelikulang Pilipino. Kailangan pong maibalik natin ang aral muli sa ating mga kababayang Pilipino, lalong-lalo na sa mga kabataan. Kailangan natin silang bigyan ng aral o suporta pa.*

Kaya po, mga kababayan, one of my priority bills is Senate Bill No. 28, or the Revival of the Philippine Movie Industry Act, and I also recently filed Senate Bill No. 1409, or the Philippine Film Commission. I hope that with the shepherding of the chairperson, Sen. Robinhood Padilla ng Committee on Public Information and Mass Media, I am sure talagang iyong puso niya ay nandito rin. Sabi nga, kung hindi po dahil sa industriyang ito, walang Jinggoy, walang Erap, walang Robin, walang Bong Revilla, walang Grace Poe.

Kaya po mga kababayan ko, hinihiling namin na sana tayo ay magtulungan. Our colleagues, sana po suportahan natin, ibangon natin ang industriya ng pelikulang Pilipino at maging ng telebisyon.

GR

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri commiserated with Senators Estrada and Revilla for their struggles to elevate the country's film industry and promote the country through cinematic works. He stated that like Senator Estrada, he had recently been subjected to online bashing and negative remarks when he appealed to the media for assistance in improving the country's image on the international stage.

He said he was perplexed as to how such well-intended statements could generate such a massive backlash for their proponents, and he lamented how other less democratic countries have been promoted more effectively than the Philippines. He urged the haters to show patriotism and fight for the Philippines' development and promotion.

REMARK OF SENATOR VILLANUEVA

Senator Villanueva emphasized the importance of having the freedom to express and exchange ideas in a democracy, stating that it is how people can come up with the best ideas despite having opposing views on various issues.

MANIFESTATION OF SENATOR PADILLA

Senator Padilla lauded Senators Estrada and Revilla, as well as the other Members, for their support for the country's film industry. He recalled how, in the past, the film industry contributed significantly to the country's coffers by paying numerous taxes. However, he stated that given the industry's recent struggles, there is a need for national policies that will allow it to recover and flourish again.

He stated that he would also get bashed by Filipinos over his joke that he is better looking than Korean artists. However, he stated that if somebody told him that there are women more beautiful than a Filipina, he would disagree. He reiterated his declaration that no other woman is more lovely than a Filipina.

As a martial arts practitioner, he noticed that the subscription-based streaming service Netflix is flooded with movies and television series starring martial arts actors from Thailand, Indonesia and Malaysia. He believed that Filipino martial artists are world-class because they are frequently seen competing in Ultimate Fighting Championship (UFC) and ONE FC, where Team Lakay has dominated. Likewise, he stated that Bruce Lee passed on Jeet Kune Do to Filipino martial artists Danilo Inosanto, and that Magellan was killed by a Filipino. He lamented the lack of shows on Netflix featuring Filipino martial artists.

He urged the government to support and promote Filipino martial arts because it deserves to be recognized. He then expressed gratitude to Senators Estrada and Revilla for bringing the matter to the floor.

In response, Senate President Zubiri stated that the fighting technique used in action films such as James Bond, Jason Bourne, or Mission Impossible is Filipino Martial Arts (FMA) stick and knife fighting. However, he lamented that it was never acknowledged in the film credits, and that other countries would sometimes claim such art as their own. He asserted that the FMA should be promoted as the Filipino's own brand of martial art, dating back to Lapu-Lapu's time, and joined Senator Padilla in promoting it.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino expressed support to Senator Estrada's advocacy. He stated that during his tenure as MMDA chairperson, he organized the first ever highest grossing Metro Manila Film



Festival, which earned billions of pesos. He agreed that existing policies for subsidizing the local film industry should be overhauled.

He stated that Colombia offers a 60% cash rebate for international film production companies that produce films in the country; Fiji, 50% cash rebate; Canada, 30% to 70% cash tax rebate; and even Dominican Republic, a small country as it is, 25% transferrable tax on all development reproduction, production, and post-production expenses. He stated that such incentives are not available in the Philippines.

He recalled that in the early days, movie theaters could be found on Avenida, Rizal and Escolta. He believed that government should help in reviving the local film industry by hosting short-film festivals all-year round.

He informed the Body that during his tenure at MMDA, he initiated the Cellphone Film Festival, which encouraged college and high school students to use their creativity to create their own films. He expressed hope that through his manifestation, together with Senator Padilla as chairperson of the Committee on Public Information and Mass Media, they could craft a bill that would overhaul and improve the local film industry, similar to Potsdam in Germany and Bollywood in India, that would encourage new actors, startup film and production outfits to produce, with government incentives and tax rebates, which could also help LGUs. He also mentioned that France offers a 30% Tax Rebate for International Productions (TRIP) on film eligible expenditures incurred in that country.

He lamented that *Bourne Legacy* was the last international film shot in the Philippines, and that no other international film has been made in the country since then. He stated that government must support the film industry and commiserated with Senator Estrada for receiving public criticism. He stressed that it was past time for the policy to be revamped through tax breaks and other creative measures to support the local film industry.

Senate President Zubiri added that during the 17th Congress, a bill was introduced to hold the Metro Manila Film Festival (MMFF) twice a year in December and in the middle of the year to help boost the film industry and promote nationalism by patronizing Philippine-made films. He said that if the Philippines' image is tarnished, it will not attract international film makers, who will instead look to other countries like Thailand for tropical settings. He emphasized that the government should also work to improve the country's image.

MANIFESTATION OF SENATOR ESTRADA

As a brief background, Senator Estrada informed the Body that the MMFF was founded by former President Joseph Estrada in 1975. He stated that prior to the MMFF, there was the Manila Film Festival held in June every year. However, he said that the festival was short-lived because the rainy season would begin in June, and moviegoers would prefer to stay home. He stated that recently, the MMDA has been planning to hold a summer film festival in April of each year. He also stated that no foreign film is shown in theaters across the country during the film festival.

Senate President Zubiri stated that he would support such legislation if brought to the floor.

MANIFESTATION OF SENATOR POE

Senator Poe stated that it was not surprising that many senators agreed with Senator Estrada's speech. She said that many of them, like her, have found their roots in the film and television industries, which was why she filed Senate Bill No. 867, also known as the Philippine Film and Television Tourism Act of 2022.



Citing Senator Tolentino's earlier manifestation, she agreed that giving incentives to international film producers would attract foreigners to come to the Philippines to shoot their films.

She stated that having international film makers in the country would not only provide jobs for local talents, cameramen, and other production crew, but would also promote the country.

She recalled how, following the release of the *Lord of the Rings*, New Zealand's tourism industry increased by more than 60%. Likewise, she stated that some films highlighted Thailand's beautiful islands. She expressed regret that *Bourne Legacy* only showed a glimpse of a beach in Palawan and did not even show the shoreline.

She stated that showcasing the Philippines through billboards or jumbotrons similar to those found in Times Square, or through movies shown not only in theaters but also in internet streaming services such as Netflix, could generate millions of dollars in revenue for the country.

She expressed hope that the Film Tourism Act, the details of which would be discussed at a later date, would assist hard-pressed film industry workers who have been severely impacted by the pandemic, believing that when a door closes, a window would open. She stated that in the age of the streaming platform, such a medium should be pursued aggressively.

She then thanked Senator Estrada for bringing the issue to light.

MANIFESTATION OF SENATOR VILLANUEVA

Citing the Netflix streaming platform, Senator Villanueva stated that many films or series depicting unknown and unheard places in countries such as South Korea have become tourist attractions. He believed that such attractions are not far from the Philippines' natural beauty. He then hoped that the Body would support the initiatives put forth by the Members.

SUSPENSION OF CONSIDERATION OF SENATOR ESTRADA'S PRIVILEGE SPEECH

Upon motion of Senator Villanueva, there being no objection, the Body suspended consideration of the privilege speech of Senator Estrada.

REFERENCE OF BUSINESS

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

COMMITTEE REPORTS

Committee Report No. 9, prepared and submitted jointly by the Committees on Higher, Technical and Vocational Education; Public Works; and Finance, on Senate Bill No. 1470, with Senators Cayetano (P), Cayetano (A), Revilla, Jr., Escudero, and Angara as authors thereof, entitled

AN ACT STRENGTHENING THE MECHANISM FOR LAND USE DEVELOPMENT AND INFRASTRUCTURE PLANNING AND BUDGETING FOR STATE UNIVERSITIES AND COLLEGES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11396, OTHERWISE KNOWN AS THE "SUCS LAND USE DEVELOPMENT AND INFRASTRUCTURE PLAN (LUDIP) ACT,"

recommending its approval in substitution of Senate Bill No. 25.

Sponsor: Senator Escudero

To the Calendar for Ordinary Business

Committee Report No. 10, submitted by the Committee on Finance, on House Bill No. 4488, introduced by Representative Co (E.), *et al.*, entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY-THREE,

recommending its approval with amendments.

Sponsors: Senators Angara, Cayetano (P), Legarda, Marcos, Villar, Dela Rosa, Gatchalian, Go, Hontiveros, Binay, Poe, Tolentino, Villar, Ejercito, and all members of the Senate Committee on Finance

To the Calendar for Ordinary Business

SPECIAL ORDER

Upon motion of Senator Villanueva, there being no objection, the Body approved the transfer of Committee Report No. 10 on House Bill No. 4488 from the Calendar for Ordinary Business to the Calendar for Special Orders.

COMMITTEE REPORT NO. 10 ON HOUSE BILL NO. 4488

Upon motion of Senator Villanueva, there being no objection, the Body considered, on Second Reading, House Bill No. 4488 (Committee Report No. 10), entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY-THREE.

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

The Chair recognized Senator Angara for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR ANGARA

Senator Angara, as chairperson of the Committee on Finance, rose to sponsor House Bill No. 4488 under Committee Report No. 10, otherwise known as the General Appropriations Act of 2023.

Following is the full text of Senator Angara's sponsorship speech:

As maiden budgets of new administrations go, this one was expedited, delivered to us in an impressive seven weeks after inauguration day. But it would be wrong to say that its components were mostly salvaged from the fiscal workshop of the past administration.

The President has made it clear in his message to us that every peso that he seeks to spend in 2023 is aligned with his administration's thrusts, and what are these? To boost growth, to cut poverty, to trim the deficit, to pare down debt, and to catapult us to the league of upper middle-income nations.

Sa panukalang budget, lahat ng ito ay nagsisilbing mga tanglaw, pinaiilawan ang daan kung saan dapat pumunta ang pondo ng bayan, para saan, at gaano kalaki ang halaga. Kaya maling isipin na ang budget ay simpleng spreadsheet o listahan ng mga numero lamang.

Una sa lahat, ito ay isang plano. Pinag-uusapan ang mga hakbang patungo sa kaunlaran at kasaganaan.

Kaya kung bibilangin natin, ilang daan ba ang magagawa, mga patabang maibibigay, mga patrol ng pulis na maide-deploy, mga kaso sa korte na matatapos, mga scholarship na maibibigay, mga R&D projects na mailulunsad, mga titser na masusuwelduhan sa ilalim ng budget na ito? Hindi lamang sila mga hiwa-hiwalay na budget items. Lahat sila ay nakatahi sa mga pangarap natin para sa bansa.

Ang pinakamatindi pa rin nating dapat pagtuunan ng pansin ay kung paano tayo aahon bilang isang bansa mula sa epekto ng pandemya gamit ang budget na ito. Dapat, ito ang magiging tulay natin para muling bumangon.

The conventional way of introducing the national budget is to trot out its macroeconomic assumptions, upon which expenditures are anchored. You have GDP growth, forecast oil prices, inflation, peso-dollar exchange rates, and interest rates which do shape the contours of the budget. But in our years of defending the budget, we have come to distill the other fundamentals that shape and substantiate annual appropriations. In layman's term, *ang tawag po rito ay ang 4Ps sa budgeting. Bawat isa sa kanila ay malaki ang impact sa paggugol sa salapi ng taumbayan.*

Ang una ay ang populasyon. As our population grows, so must the budget. Ang pangalawa ay ang presyo. Inflation spikes operating expenses of the government, a bulk buyer of goods and services. The budget must also help people cope with rising prices. Ang pangatlo ay ang proyekto. We have an infrastructure deficit in the trillions of pesos. For us to grow — crumbling infrastructure cannot compete for investments — it is, thus, imperative that we hike capital outlays yearly. Ang pang-apat ay ang payroll o ang sinasabi nating Personal Services (PS) na kasama ang pensiyon ng mga retiradong uniformed personnel at ang sari-saring premium contributions ng pamahalaan bilang employer.

But these are not the only factors that move the needle of spending. Macropolitical and other exigent conditions can also cause tectonic shifts in our fiscal positions. Some, like calamities — man-made and natural — often butt in in the middle of the budget season unannounced, leaving bills which put a squeeze into an already tight budget. For next year, we can call these three other Ps — Pandemic, Putin, and Paeng.

Our economy remains debilitated by the effects of long COVID. Although we have installed springboards for recovery amid the rubble, the takeoff is not yet in the desired velocity that will propel us past the damages it has caused.

Then there is the war in Ukraine, which is seven time zones away from us but did not spare us from the fall out of fuel, food, and fertilizer crises it has unleashed.

At dahil tayo ay nasa expressway ng bagyo, on top of the ring of fire, and geographically unlucky that natural basins marinate towns during the monsoon months, nilalamon po ng mga kalamidad ang pondo na sa simula pa lamang ay hindi na sapat. Halimbawa na lamang itong si Paeng na sumalanta ng P7.5 bilyong halaga ng ari-arian.

Disaster has become a constant factor in budgeting, joining the likes of inflation as an assumption. And when the damage is great, no budget is resistant to amendments that will fund rehabilitation.

And it will be a great abdication of our duty if the Senate will be impervious to these developments and if we fail to adjust spending in a manner that is fiscally responsible.

We are hopeful that this will not be the case for this budget, especially when very early in the Nineteenth Congress, both the House of Representatives and the Senate adopted the

gr

administration's Medium-Term Fiscal Framework (MTFF) as the blueprint to our path out of the pandemic, providing the anchor or guidepost that helps us to be more focused in our deliberations and more incisive in our debates.

We thank our Cabinet officials and our economic managers, some of whom are present today, for helping craft the Medium-Term Fiscal Framework of the administration.

And naturally, the National Expenditure Program (NEP) follows the MTFF closely — with the President writing his budget message that the budget his government has proposed for next year will usher in an economic transformation towards inclusivity and sustainability.

We support the agenda for prosperity it prescribes and while we are buoyed by its dreams of a better, more prosperous Philippines, the road ahead is riddled with many difficulties. And amid these anxious times, not only are the challenges manifold, they are intertwined and structural in nature.

Realizing the agenda for prosperity that the Executive has proposed demands that we are cognizant of these challenges and more. Only when we recognize that these systemic difficulties need nothing less than a whole-of-nation approach will we be able to achieve any headway. We agree with the President when he wrote: "We must transform our economy from one that is reactive, where our people suffer the effects of economic shocks, to one that is proactive, where our people are prepared and our economy is spared."

Hindi po madaling baguhin ang mismong istraktura ng ating ekonomiya, lalo na at marami na tayong hamon na hinarap. Ilang baitang pa ang kailangang akyat in bago natin maabot ang ating mga pangarap. Pursigido dapat tayo sa pag-implementa ng mga reporma. Kaya mahalaga na sa simula pa lamang, nagkaisa na tayo sa unang ipinakitang plano ng administrasyong Marcos.

Hence, your committee has done its best to make sure that every item in the budget we are proposing aligns fully with the MTFF. We would not have been able to accomplish this without your leadership and your team's leadership and the timely transmission of the General Appropriations Bill to the Senate by the House of Representatives under the leadership of Speaker Martin Romualdez and our counterpart House Appropriations Committee Chair, Rep. Elizalde Co, and Senior Vice Chairperson Stella Quimbo.

Thanks are in order, as mentioned, to the Senate leadership, to the Senate President, to the Majority Leader, to the Senate President Pro Tempore Loren Legarda, and Minority Leader, Sen. Aquilino "Koko" Pimentel III. I am very grateful to my colleagues in the Committee on Finance — Senior Vice Chairperson Loren Legarda, Senators Pia Cayetano and Imee Marcos, Vice Chairperson Cynthia Villar, Senators Bato Dela Rosa, Win Gatchalian, Bong Go, Risa Hontiveros, Nancy Binay, Grace Poe, Francis Tolentino, Mark Villar, and JV Ejercito — for their cooperation, leadership, and support. The work of the Committee on Finance continued in earnest throughout the legislative recess because of the hard work of our vice chairpersons and colleagues in the Senate.

We also extend our thanks to the staff of the different senators, including my own, and to the Senate Secretariat, especially to the Legislative Budget Research and Monitoring Office (LBRMO) under Director General Eireen Palanca, with the continued guidance of Atty. Yolly Doblin, the former director general. They all contributed the necessary preparations and grunt work for us to tackle in plenary this important piece of legislation.

Ang panukalang badyet para sa 2023 ay aabot sa P5.268 trillion, P1.5979 trillion nito ay automatic appropriations. Iyong ipapasa ng Kongreso ay may halagang P4.259 trillion, kasama nito ang programmed new appropriations at unprogrammed appropriations. Mababatid na bagaman may bagong administrasyon, karamihan sa malalaking programa at proyekto ng nakaraang gobyerno ay tatakbo at magpapatuloy pa rin. Hudyat ito na kahit na nagkaroon ng palitan ang may hawak ng poder, walang tigil ang trabaho ng gobyerno para iangat ang antas at kalidad ng buhay ng bawat mamamayang Pilipino.

Kasama po rito ang Pantawid Pamilyang Pilipino Program o 4Ps kung saan sa nakaraang halos isang dekada't kalahati ay nabibigyan ng conditional cash transfers ang ating mga mahihirap na kababayan bilang insentibo para paaralin nila ang kanilang mga anak at magpatingin sa doktor sa regular na panahon. Paiigtingin din ang Build, Build, Build ng



nakaraang administrasyon at tatawagin itong Build, Better, More Program para lalong gumanda ang imprastruktura ng bansa. Siyempre, tuloy-tuloy pa rin ang suporta para sa edukasyon ng ating mga kababayan tulad ng sa ilalim ng pag-impleta ng Universal Access to Quality Tertiary Education at Tulong Trabaho Fund. Iilan lamang po ito sa mga programa na maaasahan ng ating mga kababayan bilang tulong sa kanila mula sa ating gobyerno.

Hindi rin maipagkakait na may banta pa rin ang pandemya sa ating lipunan. Kaya minabuti pa rin ng inyong komite na may sapat na suporta para lalong lumakas pa ang ating sistemang pangkalusugan. Gayon pa man, dahil laganap ang mga senyales na patapos na po ang pandemya, pinagtuunan din natin ng pansin at pondo ang muling pagbangon ng ating ekonomiya at ang pagpapalakas sa kapasidad ng ating mga ahensya at institusyon para makapaghain sila ng mas magandang serbisyo sa ating mga kababayan.

As mentioned, our committee report hews very closely with the eight-point near-term socioeconomic agenda as enshrined in the MTFF and supports the major priorities of the Marcos administration. Food security is one of these foremost priorities.

With no less than the president himself holding the agriculture portfolio, the DA and its attached agencies and the Department of Agrarian Reform will receive an over 30% increase from the previous year's allocation.

Significant funding remains for the DA's national programs for rice, corn, high-value crops development, organic agriculture, livestock, farm-to-market roads, and urban and ferry-urban aquaculture. Under the stewardship of our Vice Chairperson Cynthia Villar, changes were made within the DA's proposed budget to support key initiatives, which include the following:

- The establishment of cold examination facilities in agriculture (CEFAs) in Angat, Bulacan for Luzon; Toledo, Cebu City for Visayas; and Sasa Wharf, Davao City for Mindanao. These are for the in-depth inspection of containerized agri-fishery products critical to ensuring our food safety and safeguarding against smuggling.
- In line with this, funds will also be devoted for the establishment of the DA-wide field inspectorate office, which will act as the agency's primary anti-smuggling enforcement and regulation arm.
- Several hatcheries that have been established via legislation will also receive significant funding in the coming year. And changes were also made to support the R&D extension or applied research activities of several attached agencies of the DA.
- To combat the continuing scourge of the African Swine Fever (ASF) to the country, more resources were appropriated to the National Meat Inspection Service (NMIS) for the procurement of testing kits and laboratory equipment; trainings for sample collections for the ASF surveillance program in slaughterhouses, and capacity-building for meat testing using qPCR tests.
- Increases were also made to the Dairy Industry Program of the National Dairy Authority, dovetailing with the support provided to the Philippine Carabao Center for Herd Build-up of Genetically Improved Dairy Buffalos.

Paiigtingin naman natin ang mga programa ng gobyerno na pang-ayuda para sa mga mahihirap nating kababayan upang makaraos sila habang kinahaharap ang patuloy na pagtaas ng mga presyo ng mga bilihan.

Bukod sa patuloy na pag-iimplementa ng 4Ps, may dagdag na pondo para sa Protective Services for Individuals and Families (PSIF) in Difficult Circumstances ng DSWD. Napaloloob dito ang Assistance to Individuals in Crisis Situations (AICS), ang Assistance to Communities in Need (ACN) Community-Based Program, at iba pang mga programa na nagbibigay ng food assistance, food packs, transportation, medical, burial assistance, assistance to students, cash/food for work, at iba pang mga ayuda. Nariyan din ang Sustainable Livelihood Program (SLP) para magkaroon ng pagkakakitaan ang mga kapos-palad nating kababayan.

Hindi rin ititigil ang mga emergency employment programs ng Department of Labor, tulad ng Integrated Livelihood Programs (DILP), Tulong Panghanapbuhay sa Ating Disadvantaged Workers Program (TUPAD), Government Internship Program, at ng Adjustment Measures Program (AMP).

Bilang pansalag naman sa patuloy na pagtaas ng presyo ng petrolyo, magkakaroon pa rin ng subsidiya, financial assistance, o fuel vouchers sa ilalim ng DOTr para sa mga owners at operators ng PUV, taxi, tricycle, at mga ride-hailing services sa ilalim ng DA para sa mga magsasaka at mangingisda na kasama sa Registry System for Basic Sectors in Agriculture.

Sa tulong naman po ni Senior Vice Chairperson Imee Marcos, mabibigyan at madadagdagan ang iba't ibang programa ng DSWD at ng mga attached agencies ng mga sumusunod:

- *Pag-implemanta ng Centenarians Act;*
- *Dagdag na pondo para sa Juvenile Justice and Welfare Council para sa operasyon ng Bahay Pag-asa;*
- *Dagdag na pondo para sa National Anti-Poverty Commission (NAPC);*
- *Suporta para sa MOOE ng National Commission on Indigenous Peoples;*
- *Suporta para sa operations ng National Commission of Senior Citizens at paglalaan ng pondo para sa social pension for indigent senior citizens, na dinoble sa pagsasabatas ng RA 11916, sponsored by no less than our Majority Leader, Sen. Joel Villanueva;*
- *Pondo para sa Council for the Welfare of Children (CWC) para lalo nilang matupad ang kanilang mandato sa mga local government units;*
- *Budget para sa bagong ahensiya na National Authority for Child Care (NACC), na nabuo ayon sa RA 11642, na kilala dati bilang Inter-Country Adoption Board.*

We are also cognizant of the immense damage caused by recent typhoons and earthquakes, and the difficulties hard-hit communities have to endure just to recover. While no government has the power to change one's geography or the weather, ours aims to do its utmost to prepare our communities and have funds on standby to help the affected communities just to get back again if ever they are hit by natural calamities.

This is why your committee affirmed or increased the appropriations proposed for the Quick Response Funds (QRFs) of the Department of Agriculture, Department of Education, Department of Health, Bureau of Fire Protection, Philippine National Police, Department of National Defense, Office of Civil Defense, Department of Public Works and Highways, and the Department of Social Welfare and Development.

We have also assured the resources devoted to the National Disaster Risk Reduction Management Fund amounting to P31 billion. This includes the appropriations for the Marawi Siege Victims Compensation Fund.

Funds have also been affirmed with the help of our Vice Chairperson, Sen. Risa Hontiveros, in the Department of Human Settlements and Urban Development (DHSUD), specifically the National Housing Authority, for a housing assistance program for calamity victims amounting to P1 billion.

Ngayon na ganap nang patutuparin ang face-to-face classes, kailangan nating siguraduhing ligtas ang ating mga mag-aaral sa kanilang pagbabalik sa silid-aralan. Pagkatapos din ng halos dalawa at kalahating taon na nasa lockdown, marapat lamang na de-kalidad ang pagtuturo sa kanila at kapaki-pakinabang ang kanilang muling pagpasok sa paaralan.

Halimbawa po sa rekomendasyon ni Senior Vice Chairperson Pia Cayetano at ng mismong Department of Education, sinigurado natin na pwedeng gamitin ng lahat ng paaralan — mula Kinder hangang Grade 12 — ang kanilang Maintenance and Other Operating Expenses (MOOE) para magkaroon ng tamang bentilasyon ang mga silid-aralan, laboratoryo, at ibang learning spaces ng paaralan; para makabili at gumamit ng mga COVID-19 test kits para sa faculty at staff; para may tamang respiratory at hand hygiene; at para sa rehabilitation ng mga water at sanitation facilities.

Para din mas madaling makapag-enroll ang ating mag-aaral, pinapagtibay din ng inyong komite ang iba't ibang student financial assistance programs and scholarships na matagal nang pinatatakbo ng gobyerno tulad ng mga sumusunod:

- UAQTEA Program, or the Free Higher Education Program, amounting to P54.46 billion — P18.7 billion under the state universities and colleges (SUCs), P4.9 billion under the TESDA, and the remaining P30 billion under the Commission on Higher Education (CHED);
- Senior High School Voucher Program;
- Education Service Contracting for Junior High School;
- Student Financial Assistance Program (StuFAPs);
- Joint Delivery Voucher Program for Senior High School Technical-Vocational-Livelihood Specialization; *at*
- Private Education Student Financial Assistance (PESFA).

Scholarships and trainings will still be available for our countrymen to improve their skillsets and enhance their chances of landing quality jobs or lucrative earning opportunities. Under TESDA, this includes the Special Training for Employment Program (STEP), the Training for Work Scholarship Program (TWSP), and the Tulong Trabaho Scholarship Program (TTSP). Upon the recommendation of Senior Vice Chairperson Loren Legarda, we also distributed funds for these programs and other similar training initiatives to the regional offices of TESDA for quicker disbursement and better utilization of funds.

Upon the recommendation of Vice Chairperson Grace Poe, we realigned funds within the Department of Transportation to support the social support component of the PUV Modernization Program. This includes such initiatives as the DOTr-TESDA *Tsuper Iskolar* Program and the DOTr-DOLE En*TSUPER*neur Program where affected PUV drivers can learn new skills.

Laganap din po ang mga ulat na may sersoyong pagkukulang ng mga school building sa buong bansa. Hindi po ito mareresolba sa madaling panahon ngunit sinisimulan po natin ang mga hakbang para hindi na kailangang magklase sa construction site, sa ilalim ng puno, o kung saan-saan pa po. Bukod sa minamandato natin ang DepEd na magsumite sa Kongreso ng listahan mga school buildings na itatayo pa lamang, at ng isang basic education facilities masterplan para masusi nating mabantayan kung lumiit nga ba ang classroom shortage, pinapayagan din nating magrenta ang DepEd sa mga pasilidad ng pribadong paaralan na hindi ginagamit para punuan ang ano mang pagkukulang sa silid-aralan.

Naging talamak din ang mga issue hingil sa mental health ng ating mga mag-aaral habang nasa lockdown sila. Kaya tiniyak po natin sa panukalang badyet na mag-iimplementa ang DepEd ng malawakang mental health policy for students and personnel alinsunod sa Mental Health Act, o Republic Act No. 11036. Inaatasan din ang DepEd na magkaroon ng pool of registered guidance counselors at mental health program administrators na silang maghahanap at mag-eensayo ng mga guidance designate at peer facilitators sa mga paaralan.

Maalala po natin na bago pa tayo nag-pandemya ay lumabas ang mga ulat tungkol sa mababang performance ng ating mga mag-aaral sa Programme for International Student Assessment (PISA) at iba pang mga pag-aaral tungkol sa kalidad ng ating edukasyon. Lalong lumala ang problemang ito noong pandemya, kung saan ayon sa World Bank, naging malubha ang learning poverty sa bansa. Nine out of 10 daw ang mga 10-year-old students na hindi makapagbasa o nakakaunawa ng isang simpleng kwento o babasahin.

Kaya nagtatrabaho ang DepEd, ang CHED, at ang TESDA kasama ang ang inyong Kongreso at Senado para masimulan ang mga pagbabago at reporma para pagandahin ang ating sistemang pang-edukasyon. Halimbawa, sa ilalim ng DepEd, may malaking pondo para sa in-service training ng ating mga guro, school administrators, at non-teaching staff. Idinidiin din ng ating panukala na dapat mapunuan ng DepEd ang mga vacant position nito sa teaching at non-teaching positions bago mag December 31, 2023.

Para din masimulan ang trabaho nito para aralin nang masinsinan ang estado ng ating sistemang pang-edukasyon at repasuhin kung kinakailangan ang mga nauukol na batas, minabuti ni Vice Chairperson Gatchalian na may sapat na pondo para sa pangalawang Congressional Commission on Education (EDCOM 2).

At sa tulong po nina Senior Vice Chairperson Pia Cayetano at Vice Chairperson Gatchalian, sinigurado na may pondo na magagamit para sa mga textbooks at instructional materials para sa mga learners with disabilities.

Nagpasok din po ng pondo sa Early Childhood Care and Development (ECCD) Council para sa pagtatayo ng mga National Child Development Centers (NCDCs).

May dagdag na pondo rin para sa National Book Development Board (NBDB) para sa iba't ibang proyekto at programa nito tulad ng Book Nook, Children's Book Summit, Participations in the International Book Fairs and Trade Engagements, Creative Nation Grant, Publication Grants, at Translation Subsidies.

The return to face-to-face classes is among the clearest signs that the return to normalcy is near. But this should not mean a reversion to complacency. Your committee has taken steps to ensure that as the economy opens up, we continue to strengthen our health care system. For instance, while there is an abundance of COVID-19 vaccines currently in the country, your committee has affirmed that funds will be available for purchase of vaccines for COVID-19, possibly even for Monkey Pox and other emerging diseases. We have also ensured that funds will be available for Public Health Emergency Benefits and Allowances of our health care workers.

The work of building up our healthcare system should now resume in earnest, and we will do that with the significant funding for PhilHealth and for the entire Department of Health, up to P315 billion.

We worked with Senior Vice Chairperson Sen. Pia Cayetano, to provide funding and support to the operations of various DOH regional hospitals, specialty hospitals, several health centers and other programs of the DOH, including Mariano Marcos Memorial Hospital, Baguio General Hospital Medical Center, Batangas Medical Center, Bicol Regional Hospital and Medical Center, Bicol Medical Center, Western Visayas Medical Center, Vicente Sotto Memorial Center, Eastern Visayas, among others.

We have also worked to help increase the carrying capacity of the colleges of medicine across different SUCs, including U.P. Manila and those with nursing and allied health programs. We also provided funding support for state universities and colleges with pending applications for medical programs and lodged resources within CHed as a seed fund for development of more medical schools in state universities and colleges. Medical scholarships under the Doctor Para sa Bayan were also funded—a pet measure of our Majority Leader and of Senior Vice Chair Sen. Pia Cayetano.

We agree that improving our infrastructure is key to the economic transformation the administration aims to achieve. This is why we are glad that the Build, Build, Build program of the previous administration will continue in the next six years as the Build Better More (BBM) initiative, which will help drive economic growth.

Your committee retained the increase of the appropriations for development and rehabilitation of various airports across the country under the DOTr. Funding has also been affirmed to boost the safety capabilities within our maritime sector and to continue the improvements in our railway system, which covers such projects as the MRT 3 Rehabilitation Projects, the LRT 1 Cavite Extension, the NorthSouth Commuter Railway System, the Philippine National Railway South Long Haul Project, and the Metro Manila Subway. Road transport and the pedestrian network will also receive support such as in the EDSA Busway Project, the EDSA Greenways project, and even the stalled Cebu BRT project. The support for building up systems for active transport like bicycles and safe pathways will also continue.

The committee has also affirmed increases in the funding under the Network Development Program of the DPWH for road widening projects, for paving rough roads, for the construction of diversion roads, missing road links, flyovers, interchanges, underpasses, and the like. The bridge-building and improvement program will also receive significant funding. Packages of priority road projects under the convergence and special support program will also be funded extensively that are consistent with the plans and strategies of agencies like NEDA, DOT, DTI, and even the DND.

Bilang suporta sa ating ekonomiya, nakatuon din ang komite, sa pamumuno ni Vice Chairperson Sen. Mark Villar, sa mga programang tutulong sa ating MSMEs, o Micro and Small Medium Enterprises.

Sa ilalim po ng DTI, tuloy pa rin ang "One Town, One Product," or OTOP Next Gen; ang Shared Services Facilities; ang pagtayo ng mga Negosyo Centers; ang Rural Agro-Enterprise

Partnership for Inclusive Development and Rapid Growth; *ang* Malikhaing Pinoy Program *bilang* pagsuporta sa implementasyon ng bagong Philippine Creative Industries Development Act, o RA 11904; at *ang* Pondo Para sa Pagbabago at Pag-Asenso Program (P3) na pautang sa ating mga MSMEs.

Many throughout the pandemic discovered that with a stable internet connection, they could earn a living as part of the gig economy from the comforts of their home. To support this growing online freelancing industry in the Philippines, our proposal also affirms funding for several upskilling and reskilling initiatives.

For instance, the DICT has several initiatives focused on building up the country's digital workforce and laying the groundwork for the ICT industry to further develop. Such programs include: 182 million for its digital workforce programme, which includes the formulation of ICT Competency Standards; the development of a Philippine Competency Framework; Digital Literacy Training and government information officer scholarships; funds for ICT Workforce Upskilling and Reskilling; funds for ICT Industry Development Programs, including the establishment of ICT Councils, and capacitating more LGUs to become digital cities; funds for Digital Jobs PH, which covers training for MSMEs and Out-of-school Youths (OSYs); and funds for the establishment of Tech4ED hubs, and Digital Transformation Centers which will serve as community ICT resource centers for select LGU beneficiaries.

Sinusuportahan din natin ang panukalang digital transformation ng ating gobyerno para mas mabilis at mas mabisa itong makapaghain ng serbisyo sa taong bayan. Nangunguna dito ang DICT na may eGovernment Program, kung saan tinutulungan nito ang iba't ibang ahensya para gawing digitalisado ang kanilang mga proseso. Kasama dito ang paglunsad ng iBPLS (o ang Intergrated Business Permits and Licensing System) sa maraming LGU, para mas mabilis silang makapag-issue ng business permits, building permits, at ibang permit. Napapaloob din dito ang pagbuo ng mga sistema para makagamit na ng mga digital payment systems ang ating mga LGU. Bukod dito, tuloy-tuloy ang National Government Data Center Infrastructure Project na magsisilbing common launching point para sa mga ahensya ng gobyerno tulad ng web hosting, server co-location, network connectivity, at iba pa.

Tuloy-tuloy din ang pagsigurado ng DICT na bawat sulok ng bansa ay konektado sa internet sa pamamagitan ng National Broadband Plan at ng Free Internet Access Program.

At sa rekomendasyon ng ating Vice Chair, Sen. Grace Poe, naglagay rin tayo ng special provision para bigyan ang DICT ng kakayahan para makapagbigay ng insentibo sa mga LGU-community service providers na puwedeng mag-develop at mag-finance ng tinatawag na last-mile facilities sa mga paaralan, resettlement sites, transport hubs, at iba pang mga public spaces.

Another major priority of the administration is the reopening of our tourism industry, which was among the hardest hit throughout the pandemic.

The country now faces an auspicious opportunity to relaunch its beautiful sites and destinations to the rest of the world. This is why in the President's budget message, it was underscored that the branding campaign for Philippine tourism will be revitalized. Through the initiative of Vice Chairperson Maria Lourdes Nancy Binay, who also chairs the Senate Tourism Committee, we increased the budgets of several programs in DOT to ensure that the requisite plans are formulated, the relevant pieces of training are conducted, the proper standards and regulations are enforced, and attractive tourism products are matched with the appropriate markets.

Again, through the help of Vice Chairperson Maria Lourdes Nancy Binay, additional funds were realigned to support the operations of the 16 regional offices of the DOT, and funds were also set aside for the Intramuros Administration and the National Parks Development Committee.

Napadami nga ang mga destinasyon na puwedeng bisitahin sa buong bansa. Pero bukod sa mga ito, makatutulong sa ating turismo kung ganap nating payayabungin at ipagmamalaki ang ating kultura at kasaysayan o culture and heritage.

Kaya nagpapasalamat po tayo kay Senior Vice Chairperson Pia Cayetano dahil nadagdagan ang pondo ng National Commission on Culture and the Arts (NCCA), ang National Historical Commission of the Philippines (NHCP), ang National Library, at ang National Archives.

May dagdag na kabuuang pondo para sa mga programa ng NCCA tulad ng Sentro Rizal, Filipino Heritage Festival, Support to Creative Industries, Cultural Mapping, Philippine participation at the Venice Biennale, at ang conservation ng Metropolitan Theater (MET).

May dagdag na pondo rin para pagandahin ang National Museum, hindi lamang sa main complex nila sa Pedro Gil, Manila, pati na rin ang mga Kabayan burial cave sites sa Benguet; ang Rocha House sa Tagbilaran, Bohol; ang Santuario de Nuestra Señora de Caysasay sa Taal, Batangas; at ang Fort San Pedro sa Iloilo City. Kapag natapos ang pagsasaayos ng mga lugar na ito, bawat isa sa kanila ay maaaring maging tourist destination.

Our proposed budget also follows through on the ongoing drive for local communities to have a more direct role to play in their own development through devolution and decentralization.

For next year, the National Tax Allotment, formerly the Internal Revenue Allotment (IRA), that will be appropriated to LGUs across the nation will amount to P820.269 billion. Meanwhile, the Annual Block Grant (ABG) for the Bangsamoro Autonomous Region in Muslim Mindanao is worth P64.756 billion. I know this is close to the heart of our Presiding Officer. Both figures are smaller than their equivalents in 2022 because of lower tax collections in the previous years during the pandemic. Nonetheless, we are hopeful that they will go directly to the communities that would benefit the most from their use and these amounts will increase as the country's economy opens up.

No less than the President believes this to be true, such that he requested through the DA to include specific special provisions that ensure the direct release of funds to the BARMM to implement the national programs on rice, corn livestock, high-value crops development, national organic agriculture, and the updating of the registry of agriculture, as well as fuel assistance for the fisherfolk.

Patuloy din po ang ating tulong para sa mga ahensiyang magtatanggol at magprotektang sa bansa. Halimbawa, dinagdagan sa tulong at liderato ni Vice Chairperson Sen. Ronald "Bato" M. Dela Rosa ang pondo ng DND-OSEC para sa iba't ibang pangangailangan tulad ng pagtatatag ng tatlong bagong opisina. Magbibigay din ng suporta sa ahensiya para makalahok at makasama sa mga defense cooperation agreements at naglaan din ng pondo para sa Revised AFP Modernization Program; sa pagtatayo ng mga mobilization centers sa Ilocos Region at Central Luzon; sa operational expenses ng Forward Operating Base sa Subic; sa equipment ng data center sa Fernando Air Base sa Lipa City; sa pag-procure ng mga armor vests, ballistic helmets, night vision goggles at iba pang mga kagamitan; sa pagpapatakbo ng mga bagong barko ng Philippine Navy; para sa gamot ng mga pasyente ng Veterans Memorial Medical Center; at para sa National Security Council, Government Arsenal, Office of Civil Defense, maging sa OPAPRU, or Office of the Presidential Adviser on Peace, Reconciliation, and Unity.

Nagbuhos din tayo ng suporta para sa proyekto at programa ng mga law enforcement agencies tulad ng panukalang Anti-Drug Operations Command Center ng Philippine Drug Enforcement Agency, o PDEA; ng bagong headquarters building ng Philippine National Police; at ng digitalization at civil works ng National Bureau of Investigation, o NBI.

Dinagdagan din po ang pondo para sa Supreme Court at ng mga korte para sa hazard pay ng mga lower court judges at suweldo ng 50 trial judges-at-large. Ganito rin ang ginawa para sa Sandiganbayan; sa CA or Court of Appeals, at Court of Tax Appeals, as well as for the Office of the Solicitor General para sa suweldo at benepisyo ng mga prosecution attorneys.

We also hope to support our diplomatic corps so that they can project a better image of the Philippines and that we as a nation can play a bigger role in world affairs. Significant funding as contributions will be set aside as contributions to international organizations for the hosting of regional or international conferences. We also augmented the DFA's budget for the commemoration of the 125th anniversary of the proclamation of Philippine independence, for our participation in the Osaka Expo in 2025, and for the promotion of Philippine Specialty and Heritage Products and Crafts. Mainly through the intervention of Senior Vice Chairperson Sen. Loren Legarda, we have made additions to the Philippine Studies Program of the DFA as well, as part of its diplomacy program.

Patuloy din po nating aalagaan ang ating mga Overseas Filipino Workers (OFWs), lalong-lalo na't may naitatag na bagong department, ang DMW, or Department of Migrant Workers.

At sa pamumuno po ni Vice Chairperson Senator Ejercito, nagtulungan ang komite para suportahan ang bagong DMW para sa operasyon ng mga regional offices nito at ng OFW Hospital, at para makapag-hire ng dagdag na overseas employment adjudicators at makapag-bukas ng dagdag na Migrant Workers Offices, na dating tawag ay POLO, o Philippine Overseas Labor Offices.

At sa rekomendasyon naman po ni Vice Chairperson Sen. Francis "Tol" N. Tolentino, dinagdagan natin ang pondo ng Commission of Filipinos Overseas para makalahok sila sa mga activities ng Inter-Agency Council Against Trafficking (IACAT). At may dagdag-pondo rin para sa Overseas Workers Welfare Administration (OWWA).

Our proposed budget also makes good on our commitment to preserve our environment and to pursue a sustainable form of development for the benefit future generations.

For instance, work will continue for the rehabilitation of Manila Bay, of Boracay Island, and five so-called "green economy models," or GEMS, namely, Puerto Galera, Coron, El Nido, Siargao, and Panglao. The DENR will be able to pursue its work on biodiversity conservation, coastal and marine ecosystem management, clean air and water, solid waste management, and responsible mining.

Through the leadership of Vice Chairperson Sen. Cynthia Villar, we have included additional funding for the construction of 15 storage facilities in various CENROs, or *Community Environment and Natural Resources Office* nationwide; for the National Land Titling Program so that we will have consolidated cadastral maps and land tenure profiles, and better land records management overall; and for the hiring of more forest protection officers and the construction and repair of storage facilities used for the intensified forest protection and anti-illegal logging activities of the government.

The budget also aims to plant the seeds for our future sources of development and prosperity by supporting initiatives focused on science, technology, and innovation. For instance, the National Economic and Development Authority, or NEDA, will be receiving more funding this year for the implementation of the Philippine Innovation Act, and these funds will be used for the secretariat services of the National Innovation Council, and the lion's share will go to grants for innovation programs and activities. And again, through the interventions of the vice chairperson, Senator Tolentino, the DOST and its attached agencies will also receive more funding and so will the Philippines Space Agency (PhilSA) for it to continue working for more Filipino- built satellites to be put into orbit. And, again, in collaboration with Senior Vice Chair Cayetano, we ensure that all SUCs will receive additional funding for research and innovation programs, particularly those focused on future's thinking.

Paiigtingin pa natin ang suporta para sa ating mga atleta, lalo na't patuloy na uma-arangkada at nananalo pa rin sila sa mga international sports competitions. Sa tulong po ni Senior Vice Chair Pia Cayetano, makatatanggap ng dagdag na pondo ang National Academy for Sports (NAS) sa pamamagitan ng National Sports for All-Grassroots Centerpiece Program ng Philippine Sports Commission. Ito ay para sa programa ng NAS at para makapagbigay ng mga scholarship grants at expenses subsidies. Sa tulong po ni Vice Chairperson Bong Go, nais nating maglaan ng dagdag na pondo para sa Philippine Sports Commission bilang suporta sa ating mga national athletes na nag-i-ensayo para sa Paris Olympics, sa Southeast Asian Games, sa Asian Games, sa Asian Indoor Martial Arts Games, sa World Combat Games, sa World Beach Games, sa Asian Beach Games, sa ASEAN Para Games, at sa Asian Para Games. Dagdag po nito, may pondo ang gobyerno para suportahan ang pagho-host ng bansa ng FIBA World Cup sa darating na taon.

Sa gitna ng kalula-lulang mga numero sa budget, na hitik sa mga zero, mas mainam sigurong balangkasin ito on a daily basis. How much the government will spend – and borrow – everyday next year gives a much clearer picture of the huge funding gaps which must be plugged by our borrowings.

On a daily basis, the government will be spending P14.4 billion, of which only P10 billion is supportable by revenues. The P4.4 billion is the deficit that must be financed by debt. *Iyan ang patak ng metro natin kada 24 oras. Bago lumubog ang araw, kailangan makalikom ng P7.2 billion. At bago sumikat naman, dapat makakamada ng P7.2 billion muli.* These numbers

ga

are easy to memorize and they should be a sobering reminder that against many requests being asked of the government, there are no “unli” resources to fund them.

Ganoon kahalaga ang pagpapalakas ng ekonomiya, at ang budget ay isang instrumento sa pagkamit nito, upang ang sigla nito ay magdulot ng trabaho at buwis. All of the above call for smart budgeting where nothing is wasted or delayed in budget execution, when the hope and promise these appropriations bring are waylaid by procurement anomalies.

Smart budgeting is what your committee has endeavored to do. *At para rito, taos-puso kaming nagpapasalamat sa inyo, Senate President Miguel Zubiri, President Pro Tempore, Loren Legarda, Majority Leader, Sen. Joel Villanueva, at Minority Leader Sen. Aquilino Pimentel III.*

At salamat din sa ating mga kasamahan sa komite: Senior Vice Chairpersons Pia S. Cayetano, Imee R. Marcos, Loren Legarda; and Vice Chairpersons Cynthia Villar, Bato Dela Rosa, Win Gatchalian, Bong Go, Risa Hontiveros, Nancy Binay, Grace Poe, Francis Tolentino, Mark Villar, at JV Ejercito. At siyempre sa iba nating kapwa senador na nagsipag kahit noong panahon ng break – sina Senators Alan Peter S. Cayetano, Francis Escudero, Jinggoy Ejercito Estrada, Lito Lapid, Robinhood Padilla, Ramon Bong Revilla Jr., at Raffy Tulfo. Lahat po sila ay pumunta at nagtanong sa mga hearing at pinaganda ang takbo ng ating budget process. Lumahok po silang lahat kaya on time po tayo sa paghahain ng schedule nitong panukalang budget.

Nagpapasalamat din ulit tayo sa Senate Secretariat, sa LBRMO, kay Dir. Eireen Palanca, at kay Atty. Yolly Doblón para sa kanilang tulong.

Napapaloob sa panukalang budget ang mga plano natin para sa mga susunod na taon. Taglay nito ang mga pangarap natin para sa isang mas magandang bukas para sa lahat.

Noong nakaraang kampanya, napakalakas ng sigaw ng sambayanang Pilipino na “Bagong Pilipinas, Bagong Mukha.” Dinidinig po natin ito. Kaya sa pamamagitan ng panukalang badyet, ipinapakita na handang tumulong ang Senado para magkatotoo ang hangaring ito.

Siyempre, hindi masosolusyonan ang mga problema ng ating bansa agad-agad. Kailanman, hindi ito magagawa sa isang buwan o isang taon lamang, o marahil sa isang administrasyon lamang. Ngunit mahalaga na ang proseso ng pagbabago ay nagsisimula ngayon.

Papasok na nga ang kabanata kung saan sama-sama tayong babangon muli. Napapaloob sa ating panukala ang mga unang hakbang.

At this juncture, Senate President Zubiri relinquished the Chair to Senator Villanueva.

COSPONSORSHIP SPEECH OF SENATOR LEGARDA

In cosponsoring House Bill No. 4488, Senate President Pro Tempore Legarda delivered the following speech:

With the permission and support of the hardworking chairman of the finance committee, Sen. Sonny Angara, I respectfully request my fellow senators’ consideration of the 2023 budgets of the Department of Foreign Affairs (DFA), Department of Labor and Employment (DOLE), which includes the Technical Education and Skills Development Authority (TESDA).

The past two years have been challenging for many of us. The COVID-19 pandemic brought the world to an unprecedented level of societal disruption. The world was faced with enforced lockdowns, restricted movements, and a prohibition on traveling. With the global economy at a standstill, industries were devastated, and millions of jobs were lost.

As of November 7, 2022, the virus has affected more than four million individuals and claimed the lives of more than 64,000. The country’s poverty incidence also rose to 23.7% in the first half of 2021 from 21.1% in the same period of 2018. Gross Domestic Product fell by the worst contraction of GDP since World War II, falling by 9.5% in 2020.

At the onset of the pandemic, the Philippine government responded with a four-pillar socioeconomic strategy against COVID-19: 1) fiscal measures which provided emergency support

for vulnerable groups which included Bayanihan I, Bayanihan II, and the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE); 2) monetary and macro-financial measures to gather resources to fight COVID-19; 3) monetary actions to keep the economy afloat and other financing support for emergency response and recovery initiatives; and 4) an economic recovery program to create jobs and sustain growth, which waived certain permits, licenses, or other requirements to fast-track high impact investments and create jobs.

As we overcome the health crisis and implement economic relief measures, we prepare to provide essential funds and protect livelihoods in the face of abrupt income losses. The subcommittee report aims to promote security and build back better by assessing measures that focus on potential targets for stimulus spending that may offer near-term benefits in terms of job creation and long-term outcomes for sustainability and resilience.

Department of Labor and Employment

For the DOLE, which includes the TESDA, the subcommittee recommended a 2023 budget of P49.223 billion.

Throughout the pandemic, the International Labor Organization (ILO) reported that in 2020, one-quarter of the total employment in the country, or about 10.9 million workers, would face prolonged job disruption.

In September this year, the Labor Force Survey (LFS) of the Philippine Statistics Authority (PSA) showed that the unemployment rate stood at 5%, or 2.50 million unemployed Filipinos, with 18.1% of the population, or around 19.99 million Filipinos, living below the poverty threshold.

With the prevailing challenges in the economy—a 7.7% inflation rate in October 2022 and a P13.517 trillion debt as of September 2022—the DOLE contributes through various interventions such as employment, training, and livelihood to fortify the capacity and income-earning ability of individuals and families.

These include immediate policy responses that can help ease the financial burden accompanying reduced work hours and help sustain household consumption. These responses also ensure basic social and economic protection during the crisis and recovery phases.

At this juncture, Senator Villanueva relinquished the Chair to Senate President Zubiri.

The recommended budget allocation of the DOLE is as follows:

- P27.252 billion for the Office of the Secretary;
- P55.586 million for the Institute of Labor Studies (ILS);
- P275.591 million for the National Conciliation Mediation Board (NCMB);
- P1.383 billion for the National Labor Relations Commission (NLRC);
- P271.402 million for the National Wages and Productivity Commission (NWPC);
- P1.750 billion for the Professional Regulation Commission (PRC);
- P18.236 billion for the Technical Education and Skills Development Authority (TESDA).

In the identification of Livelihood and Emergency Employment Programs, for the Tulong Panghanapbuhay sa Ating Disadvantaged or Displaced Workers (TUPAD) beneficiaries in particular, DOLE shall give priority to the following, in the order of preference: (i) indigent families under the National Household Targeting System for Poverty Reduction; (ii) informal sector families; (iii) those under the next lower poverty level, as determined by the DSWD, which now includes, as an amendment, (iv) indigenous people; (v) agrarian reform beneficiaries; and (vi) women who do unpaid care and domestic work as they, too, may be considered as vulnerable members of society.

The DOLE has attained a utilization rate of 95.56%, or P19,408,748,690.92 out of the P20,310,469,636.72 allotments. The unutilized amount of P901,720,945.80 or 4.44% for the implementation of the three regular programs, namely, TUPAD, DOLE Integrated Livelihood Program (DILP), and Government Internship Program (GIP), was able to employ 3,008,494

beneficiaries, thus achieving DOLE's contribution to the government's agenda of inclusive growth through massive job generation and poverty reduction.

For TESDA, we distributed a portion of the lump sum amount under the Central Office to the regional offices to support TESDA to decentralize the funds and improve its rate of utilization of the budget.

The distribution of Training for Work Scholarship Program (TWSP), Special Training for Employment Program (STEP), Tulong Trabaho Scholarship Program (TTSP), and Universal Access to Quality Tertiary Education Act (UAQTEA) takes into consideration the regional underemployment, unemployment, job vacancies, absorptive capacity, poverty incidence, number of scholars, and other criteria to ensure equitable distribution among regions.

TESDA is in a leading position to help the government improve the lives of the poor and reduce poverty in the country. Through TESDA, government agencies and private organizations collaborate in providing training packages that complement and address the needs of a certain community. The introduction of innovative ways to enhance skills and provide additional learning is consistent with TESDA's objectives of social equity for workforce inclusion and poverty reduction.

From 2018 to September 2022, TESDA has had 7.68 million Technical-Vocational Education and Training (TVET) enrollees, 7.13 million TVET graduates, and a 93.1% certification rate.

At the beginning of the pandemic, PSA reported that unemployment peaked at 17.7% in April 2020, with 7.3 million Filipinos out of the workforce. The following year in August, the unemployment rate improved to 8.1% or equivalent to 3.88 million people. However, the Asian Development Bank (ADB) observed that while the rate of unemployment has improved, low-quality jobs are emerging. The increasing number of self-employed individuals and people in the informal sector was deemed to be less stable. The pandemic has affected 1.7 million wage and salary jobs in private establishments, whereas employment in the informal sector rose to about 435,000.

It is within our mandate to enact the policy that will address the intergenerational poverty that has become a major constraint in achieving sustainable growth and the overall development of our country. It is imperative that, in support of the budget of DOLE and its attached agencies, we ensure that we determine the root causes of problems in labor, in order to identify appropriate solutions.

Department of Foreign Affairs

The subcommittee submitted the 2023 budget of the Department of Foreign Affairs at P20.48 billion, an additional P181.48 million from the P20.30 billion proposed budget in the GAB.

The COVID-19 pandemic has also shown the value of international cooperation and collaboration. The many ties between nations create collective health risks that are difficult to manage independently. The economic and social costs are further evidence of a shared fate. Agreeing on global rules and standards supports consistency of information, helps promote effective practices, and forms the basis for shared understanding and mutual trust.

The interdependence of trade and travel exposes mutual vulnerabilities, so it is essential to emphasize that cooperation at various levels—bilateral, regional, and international—is crucial to effectively allowing nations to enhance alert systems, data sharing, research, as well as the production and distribution of medical and public health countermeasures.

We also face national, regional, and global security issues, such as the increasing challenges brought about by climate change, ongoing conflicts around the world, as well as global economic challenges. The Department of Foreign Affairs (DFA) is realizing the country's foreign policy objectives by preserving national security, promoting economic security and cultural diplomacy, and ensuring the safety and welfare of Filipinos overseas.

Diplomacy facilitated vaccine procurement and secured humanitarian assistance worth approximately US\$23.409 million as of September 14, 2022 from international partners.

Through the DFA, we have gained international support for the Arbitral Award on the South China Sea, as well as protection for our migrant workers in the campaign to reform the Kafala system in Gulf counties and provide assistance to our working *kababayans* overseas.

The DFA was crucial in facilitating the COVID-induced repatriation of 462,065 overseas Filipinos, and the provision of assistance to stranded migrants and tourists at the height of the pandemic.

Even during the ongoing transition to the newly-established Department of Migrant Workers (DMW), the DFA also assisted in bringing home 451 overseas Filipinos from Ukraine, 70 from Sri Lanka, and 350 from Kuwait. It is worth mentioning that the DFA assists the needs of our migrant workers in instances where the presence of the Office of the DMW is not yet available. The DFA continues to extend appropriate assistance to overseas Filipinos in distress through the Assistance to Nationals (ATN) and Legal Assistance Fund.

The men and women of the DFA, some 2,866 strong, serve as the representatives of the Philippine government abroad and safeguard the welfare of some 10.689 million Filipinos overseas.

Thus, I propose that the DFA's FY2023 GAB allocation be increased by an additional P181.48 million to augment the needs of the Philippine Studies Program, provisions of consular services, including the issuance of passports, visas, and other consular documents and the International Commitments Fund. The additional budget will be lodged under the Office of the Secretary.

We have forged partnerships with several countries, like Spain, Germany, and Singapore for the Philippine Studies program, and these provide access to other nationalities to study Philippine culture and society.

The proposed budget allocation of the DFA is as follows:

- Office of the Secretary, from P20.175 billion to P20.356 billion;
- P65.716 million for the Foreign Service Institute;
- P3.083 million for the Technical Cooperation Council of the Philippines;
- P22.743 million for UNESCO National Commission of the Philippines; and
- P37.251 million for the Presidential Commission for Visiting Forces.

Let us support the budget of the DFA to strengthen its position for the protection and promotion of the interests of the Filipino people around the world.

With that, I humbly ask for plenary consideration of the 2023 budgets of the Department of Foreign Affairs (DFA) and the Department of Labor and Employment (DOLE), including the Technical Education and Skills Development Authority (TESDA). I earnestly hope that these will merit the approval of this august Chamber.

COSPONSORSHIP SPEECH OF SENATOR CAYETANO (P)

Senator Cayetano (P), senior vice chairperson of the Committee on Finance, delivered her cosponsorship speech on House Bill No. 4488, as follows:

I rise today to cosponsor the 2023 budget as the senior vice chairperson of the Committee on Finance in charge of the budget of the following: The Department of Health and its attached agencies and corporations, the Department of Education and its attached agencies, the Commission on Higher Education, State Universities and Colleges, cultural agencies, and the Development Academy of the Philippines.

I will not go into details on the budgets I handled as chairperson because our chairman has already highlighted many of them. Suffice it to say, we sought to future-proof and use strategic foresight to uphold intergenerational fairness and to be prepared for whatever challenges lie ahead because we do live in a VUCA world. VUCA, meaning volatile, uncertain, complex, and ambiguous.

We heard the agencies using the lens of futures thinking and the SDGs as the main blueprint and guide to help attain the different goals for a more sustainable and prosperous future. And although the agencies whose budget this representation heard were those on health, education, and the cultural agencies as mentioned above, as your senior vice chairperson, we sought to participate in other hearings and will continue to do so in the plenary debates using the same lens that will ensure intergenerational fairness.

Naturally, we are guided by Article XIV, Section 5 (5) of the Constitution which provides that “The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment.”

With studies showing that learning poverty in the Philippine is real and the detrimental effects of not being in the classroom for almost two years due to the restrictions imposed because of COVID-19 both in basic education and at the tertiary level, it is only fitting that we continue to look for ways to support the education sector.

On health, Article XIII, Section 11 of the Constitution provides that “The State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost.”

The continued support for the health sector is reflected in the budget—thanks to our chairperson. This includes: improving facilities for their operations, particularly the delivery of primary healthcare services but also the establishment of specialty centers and their operations, increasing the caring capacity for existing medical state universities and colleges, providing support to those with pending applications to offer medical programs, as well as increasing the caring capacity of state universities and colleges with nursing and allied health programs.

On another matter, UNICEF has reported that the Philippines has one million children who have not received a single dose of childhood vaccine. Funding for the hiring of immunization vaccinators will help us prevent a serious outbreak of vaccine-preventable diseases like polio and measles.

On a final note, this Representation appreciates the chairperson’s thrust over the years, and we thank the LBRMO and all the staff who work on the budget.

We will be ready to provide our colleagues with answers to their questions in the hope that we can continue to support these agencies.

COSPONSORSHIP SPEECH OF SENATOR GO

In cosponsoring House Bill No. 4488, Senator Go delivered the following speech:

It is my honor to cosponsor the 2023 budget bill which provides for much-needed increases in our priority sectors.

Public health should be one of our priorities, that is why I would like to take this opportunity to thank Sen. Sonny Angara, chairman of the Committee on Finance, and Sen. Pia Cayetano, sponsor of the health budget, for increases in the health budget which I also pushed for during the budget hearing. As I have said before, the funding provided for health should be treated as an investment.

As chairman of the Committee on Health and Demography, I commend the inclusion of additional budget for the expansion and strengthening of epidemiology and surveillance systems of the Department of Health. I also thank our colleagues for supporting the additional budget for the Cancer Assistance Fund for cancer treatment assistance. I also note the additional funds given for the hiring of immunization vaccinators to strengthen the immunization activities of the DOH to prevent potential outbreaks of various vaccine-preventable diseases. I also laud the additional budgets for the Health Facilities Enhancement Program and the Medical Assistance for Indigent Patients program. *Natutuwa rin ako na maipagpapatuloy ang pagtatayo ng additional Super Health Centers sa iba’t ibang sulok ng bansa sa susunod na taon para ma-improve ang accessibility ng ating health facilities at services.*

I am also particularly thankful for the adoption of the proposed special provision under the PhilHealth budget that shall impress upon PhilHealth the use of the budget line item pertaining to benefit package improvement under the Universal Health Care Act. I am glad that the P21 billion allocated under PhilHealth will be used for the increase in benefit packages, including the expansion of free dialysis coverage and mental health outpatient coverage, and the implementation of the comprehensive outpatient benefit package, including free medical checkup.



Marami pong lumalapit sa akin at sa Malasakit Centers na nagpapatulong na mabayaran ang kanilang dialysis sessions. Ang gusto nila ay i-expand pa ang PhilHealth coverage sa dialysis. Marami rin pong nagsasabi na kulang ang natatanggap na benepisyo mula sa PhilHealth lalo na ngayong nagtaas ang mandatory contribution. Marami rin pong takot magpa-checkup dahil wala silang pambayad o dagdag lang sa kanilang gastusin iyong pagpapa-checkup kaya dapat tutukan ito at tulongan. Kapag nadiskubre naman nila iyong sakit, malala na ito, too late na minsan. Importante po iyong early detection at makapagpa-checkup kaagad sila. Kaya dapat lang ma-implementa na po nang buo ang UHC Law para maging libre po ang pagpapa-checkup. Sa pamamagitan ng inilagay natin na probisyon, mabibigyang diin natin sa PhilHealth na kailangan nilang taasan pa ang mga benepisyo na ibinibigay nila tulad ng dialysis at palawakin pa ang free medical checkup o comprehensive outpatient benefit package program.

This development would enable us to progressively realize universal health care in the country and ensure that all Filipinos are guaranteed equitable access to quality and affordable health care.

I also laud the additional budget for the Overseas Filipino Workers Hospital which was supported by its sponsor, Sen. JV Ejercito. *Isa po ito sa priority projects ng administrasyon ni dating Pangulong Rodrigo Duterte para po sa ating mga OFWs at sa kanilang mga pamilya. Soon po magkakaroon din tayo ng Malasakit Centers diyan sa OFW Hospital. Patunay po ito na prayoridad natin ang ating mga OFWs, kaya rin talagang isinulong ko ang pagtatag sa Department of Migrant Workers at naisabatias ito sa pangunguna ng ating former chairman po ng Committee on Labor, Majority Floor Leader Sen. Joel Villanueva, at sa suporta ng lahat ng kasamahan natin noong nakaraang Kongreso headed by then Majority Leader, now Senate President Migz Zubiri. Masaya rin tayo na mayroon nang sariling budget sa susunod na taon ang Department of Migrant Workers.*

As Chairman of the Committee on Sports, I also thank our chairman and the sponsor of the DepEd budget for including additional budget for the operations of the National Academy of Sports (NAS). *Isa rin po itong National Academy of Sports sa mga proyekto ng nakaraang administrasyon. Bilang isa sa nagsulong nito sa Senado kasama sina Sen. Win Gatchalian, Sen. Pia Cayetano, Sen. Sonny Angara, at mga kasama natin last Congress, natutuwa ako na patuloy nating masusuportahan ang ating mga student athletes. Isang paraan itong NAS para maisulong ang grassroots sports development, makapag-training sila, at the same time makapag-aral. Maisusulong din natin ang sports sa ating mga kabataan imbes na maligaw o malulong sila sa masasamang bisyo. Sabi ko nga, get into sports, stay away from drugs.*

Lastly, as the sponsor of the budget of the Philippine Sports Commission and the Games and Amusements Board, I also want to commend the Committee on Finance and our colleagues for supporting and adopting the increases in the budget of our sports programs. The increases are mostly for the preparation, training, and participation of our athletes in international sports competitions. We also included budgets to support grassroots and community sports development. *Patuloy po ang pag-angat ng mga Pilipino sa larangan ng sports sa buong mundo kaya sana po ay patuloy din nating suportahan ang ating sports programs para ma-engganyo sila na i-representa ang ating bansa sa iba't ibang mga palaro. At kagaya nga ng sinabi ko kanina, paraan din po ito na mailayo sila sa masasamang bisyo.*

On that note, I once again thank our chairman of the Committee on Finance, Sen. Sonny Angara, and all fellow vice chairpersons for coming up with this 2023 budget bill. As early as now, I congratulate every one for the hard work that was put into the crafting of this budget and the initiatives of every one to support our priority sectors. *Ang importante, magamit ang budget na ito para sa mga mahihirap, siguraduhin natin na walang magugutom, at matulungan ang mga helpless, hopeless, at mga walang malapitan.*

MANIFESTATION OF SENATOR VILLANUEVA

Thereafter, Senator Villanueva informed the Body that there was already a schedule of agencies for budget consideration starting the following session day.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4488

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

APPROVAL OF THE JOURNAL

Upon motion of Senator Villanueva, there being no objection, the Body dispensed with the reading of the Journal of Session No. 27 (November 7, 2022) and considered it approved.

PRIVILEGE SPEECH OF SENATOR CAYETANO (P)

Availing herself of the privilege hour, Senator Cayetano (P) delivered the following privilege speech:

I am mindful of our time as we are celebrating our anniversary. This will be short.

Every day, there are different articles on the harmful effects of vape products and the danger it poses to users, especially the youth. May I direct our colleagues to the screen to view some headlines, and I will read some.

“Vaping has similar impact on the heart as cigarettes,” studies warned. Is vaping really better than smoking? Experts warned: Vapers exposed to more nicotine-vaping adults displayed worrisome changes in blood pressure and heart functions. So, *ayan*, for our friends, colleagues, Filipinos who are engaging in vaping e-cigarettes, *may mga* health warnings *talaga ang mga* experts. *Araw-araw nakakakita ako niyan sa* news. And yet, here we are.

Last Thursday, November 3, Phillip Morris International—I think, they are now calling themselves PMI, *para makalimutan natin na Phillip Morris iyon, pero* Phillip Morris International, Inc. is PMI—issued various invitations to Filipino doctors to attend what they describe as a “scientific forum,” wherein foreign “health experts” discuss vape products as a “tobacco harm-reduction tool.”

I see this as an underhanded move by the tobacco and vape industry to unduly influence members of our medical community to be more accepting of their products despite the known ill effects of vaping on public health, especially the youth.

What does our law say?

Our recently passed Vape Law, in Section 12, prohibits health professionals from promoting or encouraging the use of vaporized nicotine and non-nicotine products or novel tobacco products. The law further states that there should be no statements on health effects or risks or emission.

Section 12 specifically says that “(n)o Vaporized Nicotine and Non-Nicotine Product or Novel Tobacco Product shall not have a medicinal or therapeutic claim on its marketing materials or packaging unless such claim is approved by the Food and Drug Administration (FDA) pursuant to Republic Act No. 9711”

There is also the FDA Law. Many times, I have brought this up, and I will do it again for the record. The FDA defines health products. “Health products means food, drugs, cosmetics, devices, biologicals, vaccines, in vitro diagnostic reagents and household/urban hazardous substances and/or a combination of and/or a derivative thereof.” *Ito na iyong importante:* “It shall also refer to products that may have an effect on health which require regulation as determined by the FDA.”

So, any product that has an effect on health must be regulated by the FDA; and that is why *mayroon tayong mga* rules and laws that say *na* *bawal mag-claim na mayroong mga* positive health effects *ang isang produkto, katulad ng* vapes and e-cigarettes *ay may* harm reduction, unless *nag-register ka* as a harm reduction product. *Kung hindi ka nag-register* as a harm reduction product, you have no business promoting anything. You have no business bringing your so-called “health experts” to the Philippines to talk about harm reduction and the benefits of vaping. *Ayan nga, nasa* news, *delikado iyan*. If you have claims otherwise, then bring it to the FDA and get permission to claim that your products are health products that are now being properly regulated.

This is underhanded and unethical. Again, I will demonstrate to the Body and the public some things that are in my handbag that require FDA regulation. Eye drops—*sa mata lamang ito; hindi*

ito nilalanghap—kailangan ng FDA regulation. Lipstick—hindi ko ito nilulunok; inilalagay ko lamang sa lips ko—kailangan ng FDA regulation. Powder na may SPF 50—ipinapahid ko lamang sa mukha ko; hindi ko inaamoy, hindi ko nilulunok—kailangan ng FDA regulation. Sunblock para sa lips, moisturizer and sunblock—kailangan din ng FDA regulation. Hindi ko rin iniinom ito; hindi ko nilululon. Eye shadow—ganoon din, ipinapahid ko lamang sa mata ko, hindi sa loob kung hindi sa balat. And finally, alcohol, alam ninyo iyan, kailangan ng FDA regulation. Hindi puwedeng mag-claim na puwedeng gamitin sa isang bagay. Kung saan lamang puwede, doon lamang puwede.

So, *ang tobacco products and itong mga tinatawag na “novel tobacco products,” hindi puwedeng basta-basta i-promote iyan, kahit sa mga doktor, na nakabubuti. Ang mga doktor natin magagaling, pero nagre-rely rin sila sa mga tinatawag na “scientists” o mga “experts” para bigyan din sila ng mga bagong impormasyon. Iyan nga ang mga bagong impormasyon, tapos ang PMI magpapa-seminar or tinatawag na scientific forum at ang mga imbitado ay mga doktor—may kopya ako ng kanilang mga invitation—para sabihin iyong beneficial effects ng mga e-cigarette, mga vape, at mga heated tobacco products. Hindi puwede iyon. Bawal iyon. It is unethical.*

We are about to discuss the budget. Senator Go just stood up to promote the support for more budget for health. Our chairperson, Senator Angara, is trying to find funding to support health. *May additional funding pa iyon for the health workers who have dedicated their lives, who have risked their lives, during the height of COVID-19. May utang pa tayo sa kanila, hindi ba? Bilyon ang utang natin sa kanila. Itinaya nila iyong buhay nila. Tapos ito tayo, with one hand, naghahanap ng pondo para tulungan ang health. And with the other hand, pinapabayaang natin itong mga seminar na ito na gumagawa ng health claim na wala namang permiso sa FDA.*

So, *iyon lamang ang sa akin, because the previous Senate passed the Vape Law, which happily includes a provision that says na bawal gawin iyon. So, hindi nila dapat payagan na gawin nila iyon. Trabaho ba natin iyon? Hindi. Trabaho ng FDA at DOH iyan. But it is my job to bring it to the attention of the Body para sama-sama naman tayong manindigan na hindi tayo puwedeng ganyan. Hindi puwedeng iyong mga kabataan, iyong mga Pilipino, ay binobola at niloloko, na dinaraan pa sa doktor ang information na ito na hindi tama.*

Let me end with a few other visuals.

At this juncture, several photos were flashed on the screen.

Ang nasa advertisement na ito—because the Journal does not have pictures, why not nga naman? Dapat iyong Journal natin ay may pictures, hindi ba? Because I do not know if I have the capacity. I am not like Sen. Robinhood Padilla who has the ability to explain very well in words iyong nakikita niya. Hindi ko alam kung kaya kong gawin iyon, but I will just describe.

Ito po ay mga advertisement na ang bida ay doktor o at least mukhang doktor na pino-promote ang sigarilyo. Hindi ba ngayon ay medyo na-shock tayo? Wow! Talagang gumamit pa ng doktor to promote cigarettes. But this is how it was, maybe 50 years ago, doktor at dentist ang ginagamit. Guess what? Ngayon, fast forward, ganoon pa rin ang ginagamit nila. Doktor ngayon ang gusto nilang bolahin para doktor din ang magpo-promote ng vapes at e-cigarettes. It is the same story. Huwag naman tayong magpabola. Ngayon, shocked tayo.

With all due respect, I try to be a responsible chairperson of the Committee on Sustainable Development Goals, Innovation and Futures Thinking. So, let us put ourselves 50 years from now. *Hindi ba titingnan din natin iyong advertisements na ang kasama ay doktor na nagpo-promote ng vapes and e-cigarettes? Sasabihin din natin, “Ha? Ganoon? Pumayag tayo na ganoon?” So, ngayon pa lamang, samahan ninyo naman ako na sabihin na hindi tayo papayag na ganyan, na nagpapa-seminar in the guise of scientific forum.*

In fact, *iyong isang invitation, let me read the details — “It is an oncology-focused event.” So, oncologists pa. Mga specialists pa ng cancer ang mga inimita nila para sabihin na ano? “Mag-vape na lamang iyong mga pasyente ninyo.” Tama ba iyon? Hindi tama iyon.*

So, on that note, let us celebrate our anniversary and be united in fighting the good fight.

gb

REFERRAL OF SPEECH TO COMMITTEE

Upon motion of Senator Villanueva, there being no objection, the Chair referred the privilege speech of Senator Cayetano (P) to the Committee on Health and Demography.

REMINDER OF THE CHAIR

At this juncture, Senate President Zubiri reminded the Body that the budget deliberation would start at 10:00 a.m. the next day and every day thereafter. He requested the senators to keep their Fridays open until the following week in case there would be a need to extend the deliberations. He also took note of the senators' agreement that the passage of the budget of the departments would proceed even if those who enlisted to ask questions were not present when called to interpellate the sponsor.

At this juncture, the session was suspended and was resumed shortly thereafter.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, there being no objection, the session was suspended until ten o'clock in the morning of Wednesday, November 9, 2022.

It was 5:26 p.m.

RESUMPTION OF SESSION

At 10:07 a.m., Wednesday, November 9, 2022, the session was resumed with Senator Ejercito presiding.

COMMITTEE REPORT NO. 10 ON HOUSE BILL NO. 4488

(Continuation)

Upon motion of Senator Villanueva, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4488 (Committee Report No. 10), entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY-THREE.

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

Thereupon, the Chair recognized Senator Angara, sponsor of the measure, and Senator Pimentel for his interpellation.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Villanueva acknowledged the presence in the gallery of the finance and economic teams of the Executive branch headed by the following:

- Secretary Benjamin Diokno of the Department of Finance (DOF);
- Secretary Arsenio Balisacan of the National Economic and Development Authority (NEDA);

GR

- Secretary Amenah Pangandaman of the Department of Budget and Management (DBM); and
- Governor Felipe Medalla of the Bangko Sentral ng Pilipinas (BSP).

Senator Ejercito welcomed the guests to the Senate.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel thanked Senator Angara for allowing him to ask questions about the 2023 budget, which President Marcos dubbed as “the agenda for prosperity.” He hoped his questions would help the public understand the following aspects of the budget: amount of allocation; amount of national debt; continuity of government operations; and adjustments and changes that must be made. He stated that his queries would be based on the President’s budget message as well as of his own understanding of the budget.

He then outlined the government’s Eight-Point Socioeconomic Agenda, which can be found on page 15 of the President’s Budget Agenda, as well as in the Medium-Term Fiscal Framework (MTFF): 1) ensure food security; 2) reduce transportation and logistics cost; 3) reduce energy cost to families; 4) address health; 5) strengthen social protection; 6) safely reopen face-to-face education; 7) enhance bureaucratic efficiency; and 8) pursue sound fiscal management. He then inquired from the Development Budget Coordination Committee (DBCC), or those involved in the preparation of the President’s budget message, how the proposed budget for the following fiscal year would pursue, in broad terms, President Marcos’ Eight-Point Agenda.

Senator Angara responded that the 2023 budget fleshes out the Eight-Point Agenda in a variety of ways. He stated that the P200 billion in subsidies or aid spread throughout the proposed budget, which included the DSWD budget, education assistance under the Universal Access to Quality Tertiary Education Act (UAQTEA), and fuel subsidies under the Department of Agriculture (DA) and the Department of Transportation (DOTr) was concerned with protecting the peso’s purchasing power and mitigating socioeconomic scarring. He also stated that the item addressed rising inflation, as well as the concerns brought about by the pandemic. Furthermore, he stated that many Filipinos lost their jobs and had to rely on their savings to survive.

He stated that the aforementioned budget interventions addressed the second item in the Eight-Point Agenda, which was focused on vulnerability reduction and mitigation of the pandemic’s scarring effects. Furthermore, he stated that livelihood and emergency employment programs are available through both the Department of Social Welfare and Development (DSWD) and the Department of Labor and Employment (DOLE). He also informed the Body that indigents could obtain medical assistance from the Department of Health (DOH).

Believing that the entire budget supports sound macroeconomic fundamentals, he emphasized the need for Congress to fund it and equip the government agencies in charge of revenue collection, the latter being the bedrock of government spending, with loans accounting for a small portion of the budget. He also emphasized the need for government borrowings to be kept to a manageable level, in accordance with standard ratios.

Concerning item nos. 4 to 6, which involve the creation of high-quality, environmentally-friendly or green jobs, he identified interventions in the proposed budget that would help the country become more resilient over time, such as the DPWH budget, wherein funds would be allocated for waterways protection and anti-flood projects, with some going to green jobs, which are geared toward environmental preservation. He also mentioned the calamity fund, which was increased to around P31 billion nearly half of what has been allocated for the same purpose in the

previous years. He informed the Body that the marked increase in the fund was intended to allow the government to better respond to calamities, which had been increasing in intensity and negative consequences.

With regard to the government's law enforcement mandate, he stated that internal security needs to be strengthened. With regard to external security, he cited the Armed Forces of the Philippines' (AFP) modernization program, which has received increased funding.

On the matter of ensuring a level playing field, he stated that the government should support the private sector, ensure that it does not have any undue advantage in business, and that there will be competitive bidding to guarantee that the legal requirements of the Government Procurement Law are met.

At this point, Senator Pimentel believed that it was appropriate to discuss the MTFE in relation to the proposed budget, which will serve as the political framework for the GAB.

In response to Senator Angara's earlier statement that revenue collection must be robust, he inquired as to the revenue collection ratio or the metrics being followed in that regard. He also inquired about the proposed budget for the following year and how much of it was funded by government revenues, which included both tax and non-tax collections.

Senator Angara responded by stating that P3.6 trillion of the P5.268 trillion allotted for 2023 was sourced from both internal revenue and other revenue sources. In that regard, he stated that the government would be forced to borrow the remaining amount, which was estimated to be around P1.6 trillion.

In terms of how much of the P3.6 trillion revenue would come from taxes, he stated that tax revenues would be approximately P3.46 trillion, broken down by collection agency P2.67 trillion for the Bureau of Internal Revenue (BIR) and around P765 billion for the Bureau of Customs (BOC). He also included non-tax revenues totaling approximately P168.27 billion.

Senator Pimentel mentioned the need to borrow P1.6 trillion to partially finance the proposed budget. However, he noted that the government's borrowing program targets for 2023 exceeded the amount. He then asked why, despite having calculated the country's budget deficit at P1.6 trillion, the government's borrowing program exceeded the figure. He also sought an explanation as to why the practice has been going on for a number of years.

Senator Angara maintained that the practice intends to provide a buffer and to take advantage of the occasionally beneficial financing arrangements, so that the margins would not be too thin.

Senator Pimentel conjectured on the lower interest rates in previous years, referring to the advantageous financing arrangement mentioned by Senator Angara. He surmised that interest rates would increase in the following years. He then asked what happens to the excess amounts being borrowed. In response, Senator Angara informed the Body that the excess amounts whether in pesos, dollars, or other foreign currencies were being deposited in the BSP, and subsequently lent out to earn interest. He also stated that if the excess was in foreign currency, it would be included in the BSP's declared reserves.

Senator Pimentel then asked if the government kept track of the accumulation of the excess borrowings made through the years, and if so, what the current balance was.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 10:25 a.m.

RESUMPTION OF SESSION

At 10:33 a.m., the session was resumed.

INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

Upon resumption, Senator Pimentel noted that the government borrows funds not only to have a buffer fund and advantageous financing arrangements but also for principal amortizations. He stated that the public should be made aware that the annual budget includes not only the interest payments on government loans, but also the principal amortizations, which are not included in the annual budget because they are "below the line entry" authorized by law. For example, he stated that the public should be made aware that if the interest payment on a loan due the following year is P500 billion, the government will also be paying P1 trillion in below-the-line expenses.

Assuming that the government's total debt is P13.5 trillion, he inquired whether the interest payment due the following year would be P1.5 trillion, or 11% of the total amount. Senator Angara replied in the affirmative.

In reply to another query, Senator Angara stated that the payment would not reduce the total debt because the principal amortization plus interest for 2024 is expected to be more than P1.5 trillion but he believed the debt stock would decrease by the end of the Marcos administration because the goal of the MTFE is to reduce the deficit and debt.

Senator Pimentel expressed concern that the country's total debt would not be reduced even if the government paid the total debt's 11% interest in one calendar year and more in the following year given that the country's debt-to-GDP ratio is currently 61% to 63%.

Senator Angara responded that the administration's economic team intended to gradually reduce the debt ratio to 51% by 2028. He stated that the administration's economic team acknowledged that the increase from 39% to 63% was partly due to COVID-19 pandemic, as the government had to secure vaccines and provide financial aid to its citizens. He noted that several countries experienced an increase in their debt-to-GDP ratio, with some exceeding 100%.

Senator Pimentel, however, stated that the Philippines should not take solace in the fact that neighboring countries have greater debt burdens, but rather focus on its own situation.

Noting that the previous administration's plans were thwarted due to the 63% increase in the debt-to-GDP ratio, Senator Pimentel expressed concern that even if the government succeeds in bringing it down to 51%, another global crisis would have a chaotic impact on the world economy. He then asked for the report on his previous questions which he could share with policymakers or lawmakers. Senator Angara assured Senator Pimentel that he would be furnished with the report.

Senator Pimentel also questioned why the government was borrowing P5.268 trillion, the budget's bottom-line, and not P5.882 trillion, which includes unprogrammed appropriations and in his opinion should be considered the total budget because it is already authorized by the General Appropriations Act (GAA) if one of the three conditions is met.



Senator Angara replied that the Unprogrammed Appropriations is a standby appropriation because its funding is contingent upon the realization of certain conditions laid out in the GAA Special Provisions, such as the collection of new revenues.

Senator Pimentel recounted that during a committee hearing, he asked the Bureau of Treasury (BOT) for an actual scenario of the previous years' Unprogrammed Appropriations. He stated that the BOT informed him that in a particular fiscal year, an Unprogrammed Appropriation of P170 billion was included, of which a substantial amount of P120 billion was actually spent.

He then asked why the authority to spend the Unprogrammed Appropriations, which is already embodied in the budget law, had not been incorporated into the GAA itself. He noted that doing so could result in situations in which an administration could claim a certain increase in the budget for a particular fiscal year compared to the previous year, but when the Unprogrammed Appropriations for both years are added to their respective budgets, the actual increase in the budget is greater than claimed.

Senator Angara responded that the Unprogrammed Appropriations are not included in the budget because they are dependent on contingencies, and that budget deficits are calculated based on certainties. He also explained that the principal debt amortization is below-the-line due to a presidential decree requiring automatic appropriation for debt servicing. He stated that if the law is repealed, the principal debt payments will be included in the GAA. He also said that the law is contentious and there is a growing call for its review.

Adverting to page 21 of the MTFF, which states that the government will continue to exercise prudent macroeconomic and fiscal management in prioritizing expenditures, which is the foundation for its fiscal framework, Senator Pimentel stated that the policy made him consider the confidential and intelligence funds spread out in the 2023 budget totaling P9.3 billion, the amount of which could be used for more meaningful programs and services for food, subsidies, employment, and health.

Senator Angara stated that the aforementioned funds are part of the expenditure that contributes to national security which is the bedrock of prosperity. However, Senator Pimentel stated that the confidential and intelligence fund allocations could still be reduced and limited to agencies with a direct mandate for national security.

Senator Angara explained that the funds provide some flexibility in their utilization, allowing a head-of-agency to determine which needs and contingencies should be met. He stated that including such allocations as line items would limit their flexibility.

Senator Pimentel mentioned three new agencies that received confidential fund allocations: Office of the Vice President (OVP), P500 million; Department of Education (DepEd), P150 million; and Office of the Solicitor General (OSG), P19.2 million. He urged the Body not to give the three agencies the confidential funds because it would establish a new practice that could no longer be reversed.

Senator Angara then stated that he was informed by Secretary Pangandaman and Undersecretary Canda that the aforementioned agencies had received such funding at one point in time, about 10 or 11 years ago.

Senator Pimentel pointed out that the amount allocated back then was approximately P5 million or P6 million, which was a far cry from the massive amount that was being proposed. He disputed Senator Angara's explanation that the current amount that is being proposed corresponded to the overall growth of the current budget, saying that the proportion of increase in amount vis-à-vis their respective budgets did not add up.

He said that at the proper time, he will propose amendments to reduce the confidential and intelligence funds, thereby reducing the overall budget deficit, or to reallocate the excess funds to line-item programs and services that are more responsive to the needs of the people. However, he agreed that government agencies involved in national security should be given access to confidential and intelligence funds.

Asked on the general rules governing the liquidation and audit of confidential and intelligence funds, Senator Angara replied that there are limitations to the use of the funds. He stated that they cannot be used for salaries, wages, representation, consulting fees, building construction, or documentary requirements. Furthermore, he stated that such utilization should be supported by documentary evidence of payment that is submitted to the Commission on Audit (COA) in a sealed envelope, accompanied by a certification and signed under oath by the accountable officers.

In response to the question about the submission of periodic reports on the utilization of confidential and intelligence funds, Senator Angara stated that under the 2023 GAA, agencies using intelligence funds must submit quarterly accomplishment reports to the President of the Philippines and to both Houses of Congress.

Senator Pimentel proposed that intelligence funds be reported in the same way that confidential funds are. Senator Angara agreed to discuss the matter at the proper time.

On another matter, Senator Pimentel mentioned possible assumptions and projections that were considered in developing the proposed national budget. He referred to the President's budget message, which included Macroeconomic Parameter Assumptions such as average inflation rate projections ranging from 4.5% to 5.5% for 2022, which are expected to gradually taper off and settle between 2.5% to 4.5% in 2023. He noted that the projections were already inaccurate, as the current inflation rate was 7.7%.

He also pointed out that the document assumed an exchange rate of between P51.00 and P55.00 to US\$1, which he said was already inaccurate because the rate was currently set at P58 to US\$1.

Asked how inaccurate assumptions and projections affect the validity of the proposed budget amounts as well as their execution, Senator Angara stated that variations in economic factors have a number of repercussions on the national budget, particularly on exchange rates, as a depreciation of the Philippine peso would make imports more expensive and raises the interest rates on external borrowings. However, he stated that the national government must make adjustments and proceed with its action plan.

As to how the adjustments would affect the projected budget deficit, he stated that there would be an increase in customs revenue, while external borrowing, at 30%, would decrease as compared to the previous years.

On whether the projected P765 billion tax revenue from the BOC would increase due to the devaluation of the peso against the dollar, he stated that for every peso depreciation, the government's revenue would increase, resulting in a P7.6 billion reduction in the government's budget deficit.

He stated that interest payments, which are a budget line item, would have an effect only on the foreign debt.

Senator Pimentel estimated that 30% of the interest payments would be for foreign borrowing due to the depreciation. As an example, he stated that 30% of the P500 billion is determined by

ga

the P51-P55 peso-to-dollar exchange rate. He surmised that the BOC would increase its revenues as well as its expenditures.

At this juncture, Senator Angara cited information provided by Secretary Diokno that for 2023, the impact of peso depreciation on interest payments would be P2.39 billion for every P1 depreciation against the U.S. dollar, and that the windfall in revenue collections would be around P9.7 billion, for a net impact of P7.6 billion for every P1 depreciation. He added that the depreciation would have an impact on the principal, which is currently below the line.

Senator Pimentel agreed with Senator Angara that the principal would be below the line, which is why there is a buffer fund to absorb the impact of depreciation.

Concerning the unprogrammed fund, he stated that it can be tapped under three conditions, one of which is to borrow directly for the purpose of unprogrammed appropriations. He predicted that the depreciation of the peso would result in the non-funding of unprogrammed appropriations because it had become more expensive.

Senator Angara believed that the availment of debt would most likely be in the form of local debt and not foreign debt which has become more expensive.

Senator Pimentel cited the Special Provisions of the unprogrammed fund found on page 999 of the 2023 National Expenditure Program (Vol. III), to wit:

- “1. *Availment of the Unprogrammed Appropriations.* - The amounts authorized herein for purposes nos. 1-2, 4-7, and 9-10 may be used when any of the following exists:
- Excess revenue collections and any one of the identified non-tax revenue resources from its corresponding revenue collection target as reflected in the BESF;
 - New revenue collections or those arising from new tax or non-tax sources which are not part of, nor included in, the original revenue sources reflected in the BESF; or
 - Approved loans for foreign-assisted projects”

Asked if condition “c” referred to foreign loans, Senator Angara replied in the affirmative. He stated that according to Secretary Diokno, there are times during the budgetary process when some loans are still being negotiated and are not yet finalized, but are being finalized while Congress is still debating the budget. He reiterated that foreign loans would be subject to condition “c.”

Asked if the peso-to-dollar exchange rate influences loans before the government decides whether or not to finalize a foreign loan, he stated that it does to some certain extent.

On whether the government could walk away from an intended or planned foreign loan if the peso continues to deteriorate, he stated that Governor Medalla believed the positive effect would be increased loan due to the high exchange rate of the foreign currency.

Senator Pimentel averred that because it is a two-way street, the payment cost would also be higher.

Senator Angara stated that according to Senator Villar (M), the government always considers exchange rate risk when entering into a foreign loan agreement.

Asked by Senator Pimentel whether the projections were made by the DBCC or by the economic team of the present administration, Senator Angara replied that the DBCC usually has a projected target that has been studied, but that excess revenue is not projected because they simply go with the flow, which is based on facts.

94

To Senator Pimentel's statement that unprogrammed funds are usually taken from foreign loans, Senator Angara replied that foreign loans vary from time to time; sometimes the excess dividends are high, and there are instances where it would come from privatization proceeds. He stated that it would vary from year to year. He added that the proceeds of privatization are not taxed.

On another matter, Senator Pimentel noted that some agencies have a fourth column in their budget—Financial Expense (FinEx)—other than the usual Personal Services (PS), Maintenance and Other Operating Expenses (MOOE), and Capital Outlay (CO) expenditures. Asked about the purpose of FinEx, Senator Angara explained that it is a Commission on Audit (COA) requirement. He stated that agencies that did not fill out the column do not have FinEx, which used to be part of the MOOE.

Senator Pimentel then asked the DBM to provide the Body with a brief explanation and guidance on the matter. He wondered if the agencies knew the purpose of FinEx.

Senator Angara stated that when it comes to computing for the PS, the general rule is to provide a budget for filled positions. He stated that the legislative and judiciary departments, as well as the constitutional commissions, are exempt.

Senator Pimentel then read to the Body Section 47 of the General Provisions, to wit:

"The appropriations for Personal Services under this Act shall be used for the payment of personnel benefits authorized by law to be given to the National Government personnel. Any available allotment for Personal Services within a department or agency may be utilized by a state department or agency for the payment of deficiencies in authorized personnel benefits. Implementation of this section shall be subject to guidelines issued by the DBM."

He stated that Section 47 of the General Provisions was unclear about whether the appropriation is intended for a filled or authorized position. He stated that the proposed measure would allocate P588 billion to the unprogrammed fund and P149 billion to the Support for Infrastructure Projects and Social Programs (SipSP). Noting that the funds were not specified, he expressed concern that the Senate might violate the standards set by the Supreme Court in the *Belgica vs. Araullo* case.

Senator Angara responded that under the *Belgica* ruling, the appropriation for the unprogrammed fund under the GAA sufficiently identified the public purposes for which the funds may be used the clearly discernible, singular appropriation purpose of providing standby appropriation to be sourced from unexpected or windfall revenues to fund specific programs and projects. He stated that the unprogrammed fund is the test of an item of specificity or appropriation, which must be an item characterized by a singular corresponding allocation of a singular amount for a specified purpose, otherwise known as a line item.

Senator Pimentel stated that although the Supreme Court ruling in *Belgica vs. Araullo*, G.R. No. 209287, July 1, 2014 was specific to the fiscal year involved in the said case, it set the guidelines on the use of unprogrammed funds. He then cited the Special Provisions on the SipSP second item on page 999 of the National Expenditure Program (NEP) for the Fiscal Year 2023 on Unprogrammed Appropriations, to wit:

"Support for Infrastructure Projects and Social Programs. The amount of One Hundred Forty-Nine Billion Six Hundred Ninety Nine Million Six Hundred Seventy-One Thousand Pesos (P149,699,671,000) appropriated herein chargeable against Purpose No. 1, shall be used in support for infrastructure projects and social programs.

"Release of funds shall be subject to Special Provision No. 1 hereof and the guidelines issued by the agencies concerned."

He noted that no other details, nor an annex, on SipSP were provided in the NEP. He asked where the fund to finance the standby appropriation on SipSP would go in the event that the national government was able to raise the needed amount, and how the P149 billion would be spent.

Senator Angara replied that the said provision would give the government flexibility that had been crucial in the past few years, as in the implementation of Bayanihan 1 and 2. In the case of SipSP, he said that the provision provides a wide latitude for the government to supplement any of the SipSP should the need arise in the future.

On whether SipSPs' inclusion in the upper-end program appropriations already would cure its insufficiency in details, Senator Angara assumed that the standard was not as stringent due to the need for the fund's flexibility in identifying a future need that must be supplemented. He added that the standby appropriation would be contingent or as needed.

Senator Pimentel noted that certain amounts were lump sum in nature, even as the Constitution requires transparency, which can be achieved by line-item budgeting; hence, he would be scrutinizing and questioning lump-sum funds in the 2023 NEP, and would request that these be itemized.

On whether the DBM has a formula in arriving at the amount for the Contingent Fund, Senator Angara replied that DBM did not depart greatly from the amount of the previous years' contingent funds, fixed at P13 billion since 2018, with the exception of the fiscal year 2021 when the government had to cut it in order to fund COVID-related expenses.

While he agreed that the funds used to address the pandemic was best left as a lump-sum amount, Senator Pimentel questioned how the DBM arrived at the very specific amount of P149,690,671,000 for SipSP. In reply, Senator Angara said that he had also requested the details of the amount, although Undersecretary Canda had stated that the DBM also sourced the funding for the damages brought by Typhoon Odette from the SipSP and since the government's disaster fund was insufficient, it needed to be supplemented through the proposed SipSP fund for 2023, hence, the need for a larger amount in the 2023 NEP. Senator Angara explained that the SipSP fund under the 2023 NEP in the amount of P149,690,671,000 was based on previous figures and future needs.

Senator Pimentel maintained that the allocation must have been based on specific formula taking into consideration certain factors like inflation and population increase. Senator Angara replied that he would later provide Senator Pimentel with an explanation for the SipSP fund.

At this point, Senator Pimentel said that he would temporarily suspend his interpellation.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros recalled that NEDA Secretary Balisacan recently stated that there was a need to support the country's vulnerable sectors and families in times of high and rising inflation. She surmised that the secretary said it to emphasize the need for more support on top of what had been already proposed in the 2023 NEP.

As to how such support must be reflected in figures in the budget, Senator Angara replied that the 2023 GAB has various cash transfers and subsidy programs, including P200 billion that targeted farmers, fisherfolk, public transport drivers, disadvantaged sectors, displaced workers, as well as P115.6 billion for the 4Ps that would help the said sectors.

Senator Hontiveros inquired if the NEDA or the economic cluster of the Cabinet asked the DBM Secretary to prepare a supplemental budget, in view of the DOF's high windfall revenues

for 2023 at P9.7 billion coming from the extraordinarily high cost of food and fuel imports. Senator Angara replied that there was no need yet for a supplemental budget. However, he said that there was a need to improve the delivery system of certain benefits in order to ensure that the assistance would reach the beneficiaries on time.

Senator Hontiveros agreed. However, she would leave the matter at the moment and raise some questions on it again at the proper time.

On further queries on the need for austerity measures in public spending, Senator Angara replied that while austerity measures are very important given the post pandemic need to ensure fiscal sustainability the national government would give importance to expanding public spending as a way of addressing the needs of vulnerable sectors. Likewise, he said that it was necessary to ensure the provision of right amounts to stimulate recovery and transformation in the economy. Thus, he added, fiscal policy and economic managers continued to navigate the balance between the two extremes.

While the national government might not want to frontload its six-year borrowing plan to avoid contributing to the increase in the interest rates, Senator Hontiveros stated that there was a tendency to spend more since interest rates were still lower than when the growth was above six percent in 2018. She said that such could mean that the national government could provide more support to the vulnerable sectors, even as it might put some upward pressure on interest rates.

In reply, Senator Angara stated that Congress could realign appropriations without increasing the total appropriations. Should Congress prefer to increase spending for certain sectors, he said that it would have to cut on the appropriations of other sectors a difficult job that all Members of Congress would have to perform.

Senator Hontiveros expressed confidence that with Senator Angara's leadership as chairman of the Committee on Finance, the Senate could further push the envelope for the benefit of the vulnerable sectors.

On whether the increase in the GDP growth rate would keep 9.7 million Filipinos afloat amid the savings drain caused by the continuous increase in food prices, transportation fares, and electricity rates, Senator Angara replied that while it could help, the COVID-19 pandemic is still ongoing, even as the economy is positively returning to normalcy.

Aside from the social safety nets, the pro-people programs, and anti-poverty programs that are scattered all over the different departments of the government, Senator Angara said that the government was putting emphasis on job creation, even as there was already an improvement in the employment rate, unlike during the height of the pandemic.

Senator Hontiveros also expressed hope that there would be a new and better normal through the regeneration of jobs lost, employment, and earning power and capacity of employees in order for them to replenish their depleted savings. She then asked which between the earning capacity of Filipino families and the prices of basic goods would most likely increase in the following year.

Senator Angara said that while the country's economy grew at 7.8% during the first half of the year, inflationary assumptions have been overtaken due to high prices, so the economy must grow faster to help more people move forward. He opined that Congress should pass the budget on time because government spending accounts for a significant portion of GDP. He expressed openness to providing more safety nets because some of the measures, such as reskilling the employees and creating more jobs, do not happen overnight.



Senator Hontiveros averred that the buffer funds of Filipino families—their savings—had already been depleted during the pandemic, leaving them vulnerable while waiting for the nation's economic recovery. Even though she agreed with Senator Angara that the economy needed to grow faster, she also emphasized the need to redistribute government resources more equitably in order to benefit more people. She believed that GDP growth benefitted only the wealthy.

Agreeing with Senator Hontiveros that there is inequality in society, Senator Angara said that prior to the pandemic, government was on the right track in terms of poverty reduction, as one of the main goals under the MTRF was to reduce poverty to 9% by 2028.

Senator Hontiveros reiterated that reducing inequality and enabling Filipino families to cope with rising prices of basic commodities by increasing their capacity is a critical tool for reducing poverty.

Asked by Senator Hontiveros about other ways to manage inflation, Senator Angara stated that in addition to subsidy programs for poor families scattered across the country for fuel, education, and health, there would be interventions to increase local production. He stated that the DA would provide increased budgetary support for distribution of high-quality seeds, fertilizers, farm equipment, new farming technologies, and irrigation, among other things, as well as financial assistance through government financial institutions. He also stated that the administration had issued a number of orders for timely importation of basic goods and crucial food items, and that measures would be put in place to leverage local government and private sector resources to bring food closer to consumers and to improve the food transport, storage, and distribution chain. Similarly, he stated that energy security measures would address rising electricity costs.

He also stated that the administration, under EO 171, modified import duties on certain products such as pork, rice, corn, and coal in order to address high prices of food and energy. He also stated that the DBM had released a total of P12.4 billion for three programs: P2.5 billion for the DOT's fuel subsidy program, which covers over 377,000 PUV drivers; P500 million for the DA's fuel discount program, which covers 158,746 farmers and fisherfolk; and P9.4 billion for the DSWD's targeted cash transfer beneficiaries, which covers 12.4 Filipino households for six months.

Senator Hontiveros stated that interventions could also include public utility vehicle modernization to address rising transportation costs, service contracting, addressing congestion at the Port of Manila, protecting the income of fisherfolk, supporting the Housing department's budget, and making power from Mindanao available to Luzon to address high electricity rates.

In terms of power, Senator Angara stated that the National Grid Corporation of the Philippines (NGCP) would have to address a structural flaw. He stated that despite the excess power in Mindanao, it had not benefited the other regions due to the grid's lack of interconnectivity.

On transportation, he stated that the government had released P1.41 billion for the *Libreng Sakay* Program. He admitted that it can be difficult to balance the interests of various sectors, such as giving in to PUV drivers' request for higher fares, which contributes to inflation. Nonetheless, he assured that government was studying all options for addressing the various concerns. Senator Hontiveros opined that an alternative intervention, such as service contracting, could have avoided the PUV drivers' request for higher fares.

On another matter, she noted that almost every year, it has been said that the macro-economic fundamentals are sound. However, she stated that the country has a current account deficit of more than 7% of GDP, which is currently among the world's second highest and is also driving peso depreciation. She expressed concern that the expected rise in coal prices would exacerbate the current account deficit. In this regard, she believed that the country would be better off with a two-year foreign exchange reserve rather than the current seven-month reserve.

Senator Angara responded that while two years is preferable to seven months, the current foreign exchange reserve of approximately seven-and-a-half months is greater than the three months' reserve recommended by the IMF. He stated that according to BSP Governor Medalla, the country has one of the highest reserves, and that, in terms of the current account deficit, the BSP believed that it will be financeable BPOs, travel, tourism, and remittances recover.

Senator Hontiveros noted that the Finance Secretary appeared to have recently ventured into the policy territory of the BSP by stating that the peso-dollar exchange rate would not be allowed to exceed P60.00 to US\$1.00. She asked whether President Marcos had asked the DOF Secretary to make such a statement, to which Senator Angara replied in the negative, explaining that Governor Medalla could make suggestions but that other officials were not obligated to follow. Senator Angara revealed that Finance Secretary Diokno and Governor Medalla were colleagues at the U.P. School of Economics and worked very closely together in many ways. He added that there was free exchange of ideas between the two of them without jeopardizing the independence of the monetary authority.

Senator Hontiveros expressed appreciation for the articulations of independence by officials of important government institutions, including Secretary Diokno who spoke out a different mind on monetary matters in relation to fiscal policy. She recalled him as one of the more outspoken advocates for increased public spending to meet the country's economic targets or to provide the necessary social protection for the vulnerable, particularly in the early months of the pandemic.

She stated that she finds it problematic whenever the exchange rate is used as the primary tool for managing the current account deficit, even when assurances are given that the deficit is financeable. In reply, Senator Angara reiterated that the current account deficit of about 7% of GDP was still manageable and financeable because it could be offset in part by a recovery in travel, BPO revenues, and remittances as the economy reopened and travel restrictions were lifted. While there was some degree of foreign exchange intervention, he stated that allowing a flexible exchange rate policy, in general, would help control peso depreciation.

Senator Hontiveros stated that the DOF, in collaboration with NEDA, determines how flagship infrastructure and non-infrastructure projects will be funded. She observed that the country's debt had ballooned in the past six years as the previous administration took on more loans than it needed. She recalled that the Kaliwa Dam and the Calamba-Tumatnog Railway already had private proponents ready to bid for the right to shoulder the investment requirement, but the previous administration walked away from the two PPP projects, saying that they should instead be financed with foreign loans.

Noting the continuing refusal of the indigenous peoples' communities to grant a free, prior, and informed consent for the previous administration's version of the Kaliwa Dam project, Senator Hontiveros asked whether the Marcos administration was exploring a return to the Public-Private Partnership (PPP) modality for the revision of the two projects. Senator Angara replied in the affirmative, saying that the Marcos administration is open to it. Senator Hontiveros said that it was a welcome shift away from the previous administration's reliance on debt, at least for the two projects mentioned.

Asked whether PPP projects requiring budget expenditures or guarantees would change as projected by the former finance secretary, Senator Angara replied that the ventures are currently under review. He believed that the words "golden means" was used because the Department of Finance has been looking for the golden means or the best practice to make the venture attractive enough to the private sector and at the same time not disadvantageous to the government. He added that the government wanted the venture to be a kind of competition in order to secure the best deals for the projects.

Asked if there were PPP projects in the DOF's pipeline that would need complementary financing from the GAA 2023 or in the years ahead, Senator Angara replied that the projects were still in the development stage, hence open for exploration.

Senator Hontiveros surmised that the former finance secretary was correct in not allowing the government to finance the PPP projects to avoid favoritism as regards subsidies to PPP ventures.

Asked how the PPP partners could help ensure that they could deliver sufficiently to the government by "golden means," Senator Angara admitted that it would be difficult because there were PPP projects undertaken that have subsidies, for instance, the LRT and the MRT with respect to the tickets. He believed that the government is spending billions yearly to subsidize the riding public because having an affordable fare is perceived to be a public need.

Senator Hontiveros admitted that she is liberal when it comes to public spending, especially to support the poor families and the Micro, Small and Medium Enterprises (MSMEs). She supposed that the PPP partners from the private sector would comparatively need less assistance.

Asked about new policy guidance documents from NEDA and the DOF that would discipline the exercise of discretion by government on subsidies or guarantees for PPP projects, Senator Angara replied that the NEDA recently amended and made clearer the Implementing Rules and Regulations (IRR) of the BOT and the accountabilities of the government. He said that he would furnish Senator Hontiveros with a copy highlighting the specific provisions.

For her part, Senator Hontiveros stated that she would submit in writing or sit down and discuss with the DOF her other questions.

Moreover, she recalled that she introduced special provisions in the budgets of NEDA and Department of Human Settlement and Urban Development (DHSUD) in the 2022 GAA, which urged support for the expansion of project footprints for the proposed train stations in the south and north of Manila so that the areas could become new urban hubs with affordable housing, access to jobs in the cities, urban-rural connectivity, and at the same time earning revenues from value increments of lands near the stations. She said that the DOTr reportedly submitted a proposal for additional right of way around the stations, including for housing families that were displaced by the DOTr rail projects.

Asked whether there were categorical rejection or approval as regards her proposal, Senator Angara replied that the committee accepted the amendment. As to the DOTr proposal for additional right of way around the stations, Senator Angara replied that the NEDA board had yet to receive the proposal from the DOTr and the NEDA secretary had expressed his commitment to update Senator Hontiveros on the proposal.

Senator Hontiveros recalled that a similar proposal to expand the project footprints in the vicinity of the Davao-Tagum-Mindanao Rail stations was flatly rejected by NEDA three years ago. She assumed that the project was rejected by the technical staff because it did not fully understand the idea yet, as she divulged a recent report that only Region III-NEDA has actually studied the idea of transit-oriented development. She opined that it might be good to have transit-oriented development both in the transport and the connectivity chapters of the new Philippine Development Plan. Senator Angara replied that the NEDA secretary expressed openness to the different modes and ideas that would provide economic viability to a project.

Senator Hontiveros stressed that transit-oriented urban development has been the key to ensuring the high ridership in trains and bus rapid transits, compared to cars, in many parts of the world, including Tokyo, Hong Kong, and Singapore. She asked whether NEDA would be open to



the possibility of paying for rail project debts and subsidizing transit rides as an alternative to subsidizing tickets in the current transport system. Senator Angara answered in the affirmative, adding that if the venture enhances the economic viability of a project, then that would argue toward the adoption of the project.

Senator Hontiveros said that there were specialists both at the DOTr and the DSHUD who were developing enabling policies and even pilot projects in the country regarding the transit-oriented development. She believed that such could be a key component of NEDA's own spatial strategy, which is transit-oriented development, being a major source of revenue to keep the country's debts down.

Senator Angara stated that he, the NEDA and DSHUD officials agreed with Senator Hontiveros about the value that could redound to the government from such a proposal.

Senator Hontiveros recalled that Secretary Balisacan had stated that a modernized agriculture sector should drive the expansion of business and employment opportunities for agro-processing and food manufacturing. However, she said that the secretary must know that small producers could not always sell to the value chain like supermarkets which demand certain quality standards for certain products. Also, she noted that women backyard hog raisers could not sell to Monterey or Pampanga's Best for many reasons, including the ASF scare. She also cited the municipal fisherfolk who could not supply to sardine manufacturers, for instance, for lack of necessary cold storage facilities for their catch.

Asked if there were proposed programs that could help connect rural producers to the value chains in the formal retail and manufacturing sector, Senator Angara enumerated some of the programs and initiatives of the DA, such as 1) the Farm and Fisheries Consolidation and Clustering (F2C2) Program; 2) the agribusiness venture agreement and sugarcane block farms program; 3) the KADIWA ni Ani at Kita; 4) the Enhanced KADIWA Financial Grant; 5) the Community Fish Landing Center (CLFC) program implemented by DA-BFAR, the Philippine Fisheries Development Authority, and the LGUs; 6) the provision of regional and municipal fish ports equipped with facilities such as brake water, refrigeration, or cold storage; 7) the Farmer and Fisherfolk Enterprise Development Information System pursuant to the Sagip Saka Act; 8) the Agri-Negosyo (ANYO) and the Kapital Access for Young Agripreneurs (KAYA); and 9) the Second Additional Financing for Philippine Rural Development Plan.

Senator Angara pointed out that in connection with the F2C2 program, as of October 2022, 480 out of 767 or 63% of the identified clusters have been validated and 118 out of 144 cluster development plans have been finalized for implementation.

As to the KADIWA program, he informed the Body that it has generated P349.13 million in total sales from the 2020 regular Kadiwa outlets operating nationwide benefiting 27,619 farmer cooperatives, associations, and agri-fishery enterprises and serving over 987,000 households. He added that under the 2023 General Appropriations Bill, the DA had proposed P18.13 million and P276 million for KADIWA selling activities and KADIWA food system, respectively.

Furthermore, he stated that the KAYA program sought to fund capital requirements of small farmers and fisherfolk as well as MSMEs and the youth for agricultural engagements. He said that the borrowable amount for individuals is P300,000, and for MSMEs from P300,000 to P15 million, depending on the assets of the borrower, payable up to five years with some at zero interest.

Senator Angara stated that item no. 9 refers to the Second Additional Financing for Philippine Rural Development Plan for a more modern, value chain-oriented, and climate-resilient agriculture and fisheries (A&F) sector which is designed to address disruptions in the acquisition of inputs and



farm implements resulting in increased productivity, decreased losses, and unemployment in the agricultural sector. He added that the Department of Agriculture (DA) was likewise promoting urban and peri-urban agriculture and backyard gardening to boost local production and assist the farmer and fisherfolk sector.

Senator Hontiveros expressed hope that a similar comprehensive strategy similar to the former agriculture secretary's Philippine Rural Development Plan (PRDP) would be implemented for agriculture.

Asked if the target for agricultural productivity was ambitious enough to become the basis for accelerated growth in other sectors of the economy, Senator Angara confirmed that the Marcos administration was quite ambitious, given the budget increase for the programs by more than 30%, demonstrating seriousness in addressing both short-term and long-term issues.

Senator Hontiveros said that her office would just make a follow-up with the DOF and the NEDA regarding queries which she opted not to ask at the moment. Senator Angara likewise thanked Senator Hontiveros for her interventions of holding accountable the agencies concerned.

INTERPELLATION OF SENATOR TOLENTINO

Senator Tolentino stated that his questions will be based on the various modeling systems offered by the Philippine Statistics Authority (PSA), such as the regression and classification models.

Referring to the regional allocation of expenditure programs, he asked why the highest budget, at 18.8%, or about P989 billion, would be given to NCR when some regions still have budget gaps. In reply, Senator Angara explained that the budget considered the Personal Services and the location of central offices of government agencies in NCR, despite the previous administration's relocation of some government agencies to Clark and other locations.

Senator Tolentino asked if a more equitable allocation of resources could be expected in the coming years to other regions that are in dire need of resources. He remarked that he was beginning to doubt the basis of the data being reported by the PSA. He then asked which office supervises the PSA. Senator Angara stated that it is under the NEDA.

Citing a newspaper report that according to the PSA, the unemployment rate fell from 2.68 million in August 2021 to 2.5 million in September 2022, he said that he still could not reconcile the validity of the report because per records of the Commission on Higher Education (CHED), there was no significant increase in the number of unemployed or underemployed, but if the report is true, the equation in terms of expenditures would change. Senator Angara replied that the PSA was generally correct, although there have been instances in the previous years where they revised or corrected their data. Senator Tolentino averred that it was not only the unemployment rate but also the poverty situation data provided by the PSA that resulted in a different data set being used by financial authorities.

Asked if the Community-Based Monitoring System (CBMS) Law passed in 2019 was being implemented by the PSA, Senator Angara replied in the affirmative, recalling that he sponsored the CBMS Law, which covers 640 LGUs, when he was still the chairperson of the Senate Committee on Local Government.

In light of the implementation of the CBMS Law, Senator Tolentino inquired why Quezon City Mayor Joy Belmonte was lamenting on the incorrect PSA census result, saying that it was implausible and far from the data gathered by the QC government. He then quoted the news report,



to wit: "*Napaka-imposible ng resulta ng census na ito. Paanong nangyari na ganoon na lang ang itinaas ng aming populasyon, na malayong-malayo sa datos na nakalap namin.*"

He supposed that the same error could also occur in far-flung provinces like Sultan Kudarat and Maguindanao del Norte. He surmised that the erroneous data might have been used by several agencies, including Congress. However, he averred that the data had been changed many times in the past because the PSA admitted the inaccuracies, such as the data on poverty, unemployment, and underemployment.

Senator Angara opined that the PSA method was scientific, but admitted that scientific methods are not always perfect. He then proposed engaging with the PSA and NEDA Secretary Chua, both of whom have expressed willingness to discuss any concerns in depth.

Asked whether the PSA's current methodology is mathematical or statistical, he opined that the PSA data is generally based on actual surveys or human intervention, and that sampling requires some modeling.

Senator Tolentino stated that statistical models are more flexible than mathematical models, and because the PSA is fixated on the belief that their data cannot be wrong, people may be lost if it is the only process to be followed or relied on. He believed that something should be changed, either by legislation or policy, especially since everything is sourced from the PSA. He stated that he would defer his questioning on the PSA's statistical data gathering methodologies when its budget is taken up on the floor

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva expressed support for Senator Tolentino's statements about the importance of the PSA's reliability and process, saying that he would also join in the discussions with the NEDA secretary on the subject.

INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

Senator Pimentel asked if the 2023 budget was still cash-based budgeting and, if so, how it differs from previous cash-based budgets. Senator Angara replied that previously, Congress shifted from obligation-based budget to cash-based budget, but because many projects were still not completed by yearend, the effectivity of appropriations was extended. He stated that for 2022, a modified cash-based budget with longer effectiveness for expenditures was used so that government agencies could comply until December 31, 2023, while the 2023 budget adopted a similar setup for items like infrastructure and MOOE but not for Personal Services, which still adheres to strict cash-based budgeting because all money is spent during the calendar year.

Senator Angara stated that the effectivity for MOOE and non-infrastructure outlay expenditures would last until June 30, 2024, while it would be until December 31, 2024 for infrastructure.

Senator Pimentel recalled that in the previous budget under a cash-based budgeting system, the effectivity of the appropriations was also extended because several projects were still not completed at the end of the year. He then asked whether the same feature would be applied to the 2023 budget. Senator Angara replied in the negative, explaining that unlike in the past when the cash-based budget was only good for the calendar year regardless of expenditure item, the proponents already extended the horizon in the 2023 budget for the expenditure of some items such as MOOE, so there would be no need to extend its effectivity. However, he clarified that the general rule of obligating funds within the calendar year would continue in effect.



On another matter, Senator Pimentel asked whether the Development Budget Coordinating Committee (DBCC) had reviewed any studies on how much of the budget was lost due to corruption. Senator Angara replied that the matter is beyond the purview of the DBCC. Senator Pimentel expressed regret that the country continues to face myriad of problems, with corruption being one of its biggest challenges.

With regard to the President's certification of the House bill as urgent, Senator Pimentel believed that there was no need for the certification because the appropriations bill is the principal piece of legislation that the Congress enacts every year within a timetable. Senator Angara opined that the certification was simply done for practical reasons, in order to dispense with the constitutionally-mandated period between the Second and Third Readings.

However, Senator Pimentel remarked that the period being referred to by Senator Angara is very critical since it is when the Members of the Body would have the opportunity to see the printed copy of the measure approved on Second Reading before voting on Third Reading.

He then read Section 26, paragraph 2 of Article VI of the Constitution, to wit: "No bill passed by either House shall become a law unless it has passed three (3) readings on separate dates and printed copies thereof in its final form have been distributed to its members three (3) days before its passage except when the President certifies to the necessity of immediate enactment to meet a public calamity or emergency. Upon the last reading of a bill, no amendment thereto shall be allowed and the vote thereon shall be taken immediately thereafter, and the yeas and nays entered in the *Journal*."

Senator Angara reiterated that the only rationale he could think of for the certification was for practicality to allow the Body to pass the GAA on the same day, considering the limited number of session days of the Senate and the House of Representatives. Nonetheless, he agreed with Senator Pimentel that it could not be an emergency because Congress does it every year.

Senator Pimentel said that even a 15-page certified bill would still have to be revisited after amendments have been finalized, implying that the Body require considerably much more time to review the budget bill, including its annexes, which has many more pages. He pointed out that the Constitution does not mention practicality as one of the grounds for certifying a bill as urgent. He then recalled the Body's experience when the printed version of a measure contained provisions not found in the bicameral conference version.

Senator Angara said that the measure being referred to was the 2019 budget which former Senate President Sotto refused to sign due to discrepancies, until Senator Drilon suggested that the Senate President sign it with reservations with respect to the items that were inserted after the bicameral conference as they are clearly illegal and violative of the Constitution. He recalled that as a result, the President vetoed the said items which was a legal action but at the same time detrimental to public interest as the capital outlay spending went down by about P90 million. Nonetheless, he considered it a lose-win situation on the legal front because the smuggled items did not make their way into the legislation.

Stating that haste is not a friend of transparency, Senator Pimentel hoped that for transparency and the exercise of his right and duty as a lawmaker to know what he is voting on, he would be given reasonable time to go over the final form of the budget that the Body was about to approve. Senator Angara took note of the request as well as Senator Pimentel's concerns.

TERMINATION OF THE PERIOD OF INTERPELLATIONS ON THE GENERAL PRINCIPLES

There being no further interpellation, upon motion of Senator Villanueva, there being no objection, the Body closed the period of interpellations on the General Principles.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:56 p.m.

RESUMPTION OF SESSION

At 2:04 p.m., the session was resumed with Senate President Zubiri presiding.

**DEPARTMENT OF BUDGET AND MANAGEMENT
AND ITS ATTACHED AGENCIES**

Upon motion of Senator Villanueva, there being no objection, the Body proceeded to consider the budget of the Department of Budget and Management (DBM) and its attached agencies.

INTERPELLATION OF SENATOR VILLAR

Senator Villar noted that the GAB contained numerous items indicating budgetary support for government-owned and -controlled corporations (GOCC). While the budget of GOCCs was not yet being debated, she stated that she would like to ask questions about GOCC principles, particularly the Philippine Reclamation Authority (PRA). She believed that while the PRA's reporting lines were unclear to her, it does not require a budget because it has its own source of income from land reclamation projects.

Asked by Senator Villar why the agency's name was changed from the original Public Estates Authority (PEA) to its current name, deeming that the change also meant institutionalizing reclamation as a practice despite its association with climate change, Senator Angara stated that he was unaware of the reason. He surmised that the PRA was created by a law or an executive order. He also confirmed that the agency is independent, as it receives no government funds or subsidy from the General Appropriations Act (GAA).

Senator Villar pointed out that while it could be true, it would not prevent Congress from scrutinizing its activities. Senator Angara agreed, adding that, to the best of his knowledge, the PRA's role is to supervise the process of reclamation of lands.

Senator Villar held that prior to its change of name, the agency's function was not land reclamation. She also maintained that it was not good to legitimize the practice and, as such, suggested that it revert to being called the PEA so as not to legitimize reclamation. Relative thereto, Senator Angara stated that Congress could pass a law to restore the PRA to its previous name and function.

As to who mandated the PRA's creation and the rationale behind it, Senator Angara stated that the PRA, formerly the PEA, was created by virtue of PD 1084 on February 4, 1977 to serve primarily as the clearing house for all reclamation projects in the country. He stated that it was designated as the agency primarily responsible for integrating, coordinating, and directing all reclamation projects on behalf of the national government, and is vested by its charter with the power and authority to develop and dispose public lands; to enter into contracts and loan agreements with private, public, or foreign entities; and to exercise the right to eminent domain in the name of the Republic of the Philippines. He clarified that the PRA was created by virtue of a presidential decree issued during the years that Martial Law was in effect and not via legislation.

At this point, Senator Villar stated that the PRA has not been serving the public interest. She then used three examples to prove her point.



First, she informed the Body that a 1,500-square meter land was purchased from the PRA for P78 million with the intention of expanding the Las Piñas General Hospital. She stated that the budget was given to DOH in order for the DBM to pay for the land. However, she stated that the construction activities for the hospital could not begin because the DBM had not yet released the funds to the PRA. She stated that she was surprised by the PRA's opposition, despite the fact that the construction paper work was already completed and awaiting DBM release. Moreover, she deemed reasonable a promise made by the DBM to another government agency. He stated that the same should not be an issue between the DOH and the PRA, particularly during a pandemic when building the hospital expansion was of the utmost importance.

In response, Senator Angara echoed the DBM's response, stating that only the Special Allotment Release Order (SARO) and the progress billing were required for the construction of the hospital expansion to begin.

However, Senator Villar stated that despite the DBM's assurances, the PRA would not yield. Senator Villar lamented how such a case could have occurred.

Second, she recalled the purchase of another tract of land from the PRA in order to construct the DPWH District Office in the City of Las Piñas. Despite having already bought the land, she claimed that the PRA would not allow the district office to be built due to DPWH's P4 billion loan in connection with the Manila-Cavite Toll Expressway Project (CAVITEX). She stated that the construction of the district office would not begin until the loan was paid off. Senator Angara responded that the DBM and DPWH should respond to Senator Villar in writing once the facts of the case are established.

Senator Villar lamented how the PRA was able to get away with the incidents she described, despite the fact that it is a government agency. Furthermore, she asked why the construction of the district office was being withheld unless the P4 billion loan relative to right-of-way concerns has been paid. She then stated that the CAVITEX issue and the DPWH District Office were unrelated matters.

Senator Angara confirmed that the problem was with the Governance Commission for GOCCs (GCG). Senator Villar stated that she would be meeting with the GCG about the PRA. She emphasized that the projects she undertook were all for the public good, and that the aforementioned responses of the PRA were unwarranted. In anticipation of her absence the following day, she mentioned that she was relying on Senator Angara to request that the GCG exercise proper regulation of the PRA.

For her third point, Senator Villar cited the PRA-owned Las Piñas-Parañaque Wetland Park, which is a legislated protected area. She informed the Body that the PRA has a history of making it difficult for non-government organizations (NGOs) to donate and is known for making the process hard for the donors. In that regard, she inquired as to what authority the government possessed to ensure that well-intentioned interventions on government property were not met with undue hardships by the PRA.

Replying to Senator Villar, Senator Angara stated that he will ask the GCG to prepare their responses to Senator Villar's concerns so that they can be addressed properly the next day.

Senator Villar stated that the issues have been occurring for quite some time. She added that there were numerous instances where their concern was for the public good, but they were met with impediments from the PRA.

She maintained that the government has not been good at maintaining property, and that it was better left to the private sector. She used CAVITEX as an example, observing that the expressway

98

had deteriorated due to poor maintenance practices since its takeover by the PRA. She said her concern was valid because CAVITEX is in close proximity to the Las Piñas-Parañaque Wetland Park that is being showcased in environmental conferences. She believed that poor maintenance of the expressway would degrade the overall experience of foreign tourists visiting the park.

Senator Villar raised an apparent abuse of power by the PRA at this point, and called the attention of the Executive Branch in that regard.

Asked if the DBM has an opinion on the matter despite the fact that the PRA has not requested any budget from them, Senator Angara proposed that Senator Villar course her concern through the GCG because under Republic Act 10149, or the GCG Law, the Commission could conduct periodic study, examination, evaluation, and assessment of the performance of GOCCs. Senator Villar concurred with the suggestion. Senator Villanueva likewise thanked Senator Villar for raising the issues relative to the PRA, as well as the assurance that the same would be tackled the following day.

INTERPELLATION OF SENATOR PADILLA

As a preface to his interpellation, Senator Padilla gave the following statement:

Una sa lahat ay nais kong kunin ang pagkakataong ito upang batiin ang Senate Committee on Finance sa pagbalangkas at pag-sponsor sa Committee Report No. 10 on House Bill No. 4488 or the General Appropriations Bill. Batid ko na napakahaba po ng oras ang ginugol ng ating Chairperson ng Committee on Finance, gayon din po ng kaniyang mga vice chairpersons sa pagsasagawa ng kabila-kabila at sabay-sabay na mga committee hearing lalo na sa pagsulat ng committee report. Sinadya ko po na gawin ang aking makakaya na puntahan po ang halos lahat ng committee hearings upang makinig, matuto, at magtanong habang binubusisi at hinihimay ng komite ang pambansang budget sa taong 2023. Nais ko rin pong ipahayag upang maisama sa Record ng Senado ang aking suporta sa pambansang budget at sa mga ahensya ng pamahalaan. Bagaman at ako po ay nakatindig ngayon upang magtanong sa ilang mga piling ahensya, ang akin pong mga katanungan ay reiterasyon na lamang ng mga issues na akin din pong tinanong noong committee hearings. Nais ko lamang pong ulitin ang mga isyung ito upang maisama sa Tala ng Senado ang magiging tugon sa aking mga tanong sa araw na ito, para sa susunod na taon ay maaari itong mabalikan sa parehong pagkakataon.

Muli po, buo ang aking suporta sa pambansang budget, gayon din sa mga ahensya ng pamahalaan at sa mga programa nito para sa mga Pilipino.

Patuloy po tayong magmamatyag at mag-aabang sa implementasyon ng mga magagandang programang ipinepresenta sa atin nitong mga nakaraang linggo. At tayo rin po ay maniningil sa mga accomplishments nila sa pagdinig sa Senado sa pambansang budget sa susunod na taon.

Ito po. Patungkol po ito sa Department of Budget. Ito po iyong allocation to local government units, Bangsamoro Autonomous Region in Muslim Mindanao.

Alinsunod sa Article VI, Section 4 ng RA 11054 or Bangsamoro Organic Law ay inilikha ang Intergovernmental Fiscal Policy Board (IFPB) na tutugon sa mga imbalance na kita at pagbabagobago sa mga pangangailangan sa pananalapi ng rehiyon at sa kapasidad ng gobyernong Bangsamoro sa pagpapalaki ng kita nito.

Sa Article VII, Section 37 and 38 naman ng parehong batas ay isinulat ang tungkulin at composition nitong Intergovernmental Fiscal Policy Board. Nakasaad sa mga nasabing probisyon na ang board ay pinamumunuan ng Secretary of Finance at nang nakatalagang Minister ng Bangsamoro government, kasama ang ilan pang mga miyembro. Kabilang naman po sa mga tungkulin ng board ay ang mga sumusunod: recommend the necessary fiscal policy adjustment by undertaking periodic reviews of the taxing powers, tax base, rates, wet sharing arrangements, and sources of revenues of the Bangsamoro government vis a vis its development needs.

Pangalawa, address disputes between the national government and the Bangsamoro government involving the collection of capital gains tax, documentary stamp tax, donor tax, and estate tax.

Pangatlo, determine the extent of the participation of the Bangsamoro government in the board of directors or the policymaking bodies of government-owned or -controlled corporations that operate a substantial portion of the businesses directly or through their subsidiaries in the Bangsamoro autonomous region or where the Bangsamoro government has a substantial interest.

Pang-apat, determine the participation of the Bangsamoro government in the operations of government-owned or -controlled corporations and their subsidiaries operating in the Bangsamoro autonomous region and its share from the results of the said operation.

Panglima, determining the participation of the Bangsamoro government in the Al Amanah Islamic Investment Bank of the Philippines and the Southern Philippine Development Authority subject to the provision of Section 33 of this article and define the modalities for the filing of income tax returns for corporations or firms whose central, main, or head offices are located outside the Bangsamoro autonomous region but are doing business within its territorial jurisdiction to determine the income realized from such operations in the Bangsamoro autonomous region, which shall be attributed as income derived therein and subject to the sharing scheme between the national government and the Bangsamoro government.

Kasama rin po ang pag-review sa formula ng annual block grant sa tungkulin ng nasabing board. Nakasaad din po na ang Intergovernmental Fiscal Policy Board ay magpupulong ng hindi bababa sa isang beses kada anim na buwan or as often as necessary.

Noong budget hearing po ng Department of Finance, akin pong tinanong si Sec. Benjamin Diokno tungkol sa updates sa mga pagpupulong nitong nasabing Fiscal Policy Board. Ayon po sa kaniya, itinalaga ng Department of Finance si DBM Secretary Pangandaman upang pamunuan ang nasabing Board. Una, dahil siya po ay kapatid na Muslim, at higit sa lahat ay dahil mas nauunawaan niya ang mga pangangailangan ng BARMM.

Nito din namang mga nakaraang araw o linggo, dahil ako po ay sumusunod sa Facebook account ni Secretary Pangandaman, ay nakita ko po sa post ng DBM na nagpulong na ang nasabing Fiscal Policy Board.

Senator Padilla then asked whether Congress could make a way so that the Bangsamoro government would be able to further participate in discussions on matters concerning fiscal policy. He said that doing so would allow the BARMM to generate its own income to finance the development programs and projects for the region, particularly the formulation of the Revenue Code of the Bangsamoro Transition Authority.

He also asked whether there is a plan to review the intergovernmental board since it has been five years since the ratification of the BOL which analyzes the block grant.

Senator Angara replied that the Intergovernmental Fiscal Policy Board (IFPB) had met three times, with the most recent one held last June 1, 2022. He said that the following matters had been resolved during the meetings: the computation of the annual block grant; the transfer of functions from the BIR National Office to the Bangsamoro Revenue Office (BRO); the process of collecting and sharing of revenue; and the release of the Bangsamoro government share in the national taxes. However, he said that there were still pending issues awaiting discussion such as the remaining deliverables related to the process and procedure on the collection and remittance of the Bangsamoro share in national taxes; the transfer of the assessment function; and the digitalization of the BRO.

He said that the tax study group of the DOF has yet to give its recommendations on the proposed guidelines of the Bangsamoro government on the payment of taxes of corporations, partnerships, firms, which should include the taxes and fees covered, allocation of income, sharing of taxes, procedure for filing and payment of corporate income tax returns.

As regards the participation of the Bangsamoro government in the Al Amanah Islamic Investment Bank of the Philippines and Southern Philippines Development Authority (SPDA),

he stated that the Bangsamoro government would be submitting its nominees to the two organizations. He added that the joint secretariat of the IFPB was also studying the repurposing and reorganization of the SPDA due to the overlapping issues about its work with the Mindanao Development Authority (MinDA) and the reconstitution of the board of directors of the SPDA.

Asked to clarify whether all the pending issues would be resolved in the current year or in 2023, Senator Angara replied that the discussion would push through but could not give the assurance that they would all be addressed since some matters are complicated and have to be deliberated more thoroughly.

Noting that it has been five years since the creation of the BARMM, Senator Padilla underscored the importance of having such matters resolved as soon as possible in order for the Bangsamoro Organic Law and the BARMM to be successful. He also requested that his office be furnished with the DBM's report as he expressed concern on the outcome of the BARMM.

Senator Angara thanked Senator Padilla for closely monitoring the implementation of the provisions of the BOL. He also said that the DBM was assuring Senator Padilla that the latter would be updated on any events or developments about the talks on BARMM. Moreover, he said that the DBM was inviting Senator Padilla to attend the Philippine Congress Bangsamoro Parliament Forum scheduled on November 15, 2022.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri lauded Senator Padilla for being sympathetic to his Muslim brothers and assured him that the Senate was working on the release of the BARMM's block grant so that the development programs in the region could be implemented.

He informed the Body that more projects were already underway in the BARMM, specifically in Lanao del Sur, Tawi-Tawi, Basilan, part of Maguindanao and Cotabato City. He likewise advised the BARMM authorities to keep their reputation from being tainted by exercising prudence in using the funds under their stewardship.

INTERPELLATION OF SENATOR PIMENTEL

At the outset, Senator Pimentel noted that the unprogrammed appropriations for 2022 was P251 billion. He then asked which of the unprogrammed appropriations in the 2022 GAA had been released, particularly since he had learned from the committee hearings that only P122 billion or 69% of the P176 billion unprogrammed appropriations for 2021 had been disbursed. Senator Angara explained that as of October 31, P200 billion out of the P251 billion unprogrammed appropriations had been released. In that case, Senator Pimentel opined that the amount could be considered as a programmed appropriation since it is about 80% of the total allocation.

For the unprogrammed appropriations for 2023, Senator Pimentel asked why the P18.9 billion original allocation for Public Health Emergency Benefits and Allowances for Healthcare and Non-Healthcare workers had been increased to P52.9 billion under the Senate committee report.

Asked why such an important item was placed in the Unprogrammed Appropriations and not within the program – just as a similar COVID 19-related line item was included for P42 billion – Senator Angara surmised that the payment of health benefits to health workers is dependent on the existence of a public emergency and that the uncertainty of having such a situation in 2023 warrants the fund to be considered under Unprogrammed Appropriations. He added that there would not be a need to pay the said benefits should the state of calamity be lifted.



At this point, Senator Pimentel sought clarification if it was indeed the interpretation that the government will not fund that particular item under the Unprogrammed Appropriations if the declaration of a state of calamity is lifted. Senator Angara replied that he had been informed by Usec. Janeth Abuel that there would not be a vesting of benefits if there is no public health emergency. However, he explained that the arrears that would be paid to the health workers can be funded even in the absence of a state of calamity.

He concurred with Senator Pimentel in stating that the term "arrears" is associated with expenses incurred before the fiscal year, adding that it is in accordance with R.A. No. 11712 which provides for the retroactive payment of health worker benefits from the declaration of the state of national public health emergency. He pointed out that the provision compels the government to seek various sources of funding for the purpose.

Senator Pimentel stated that this was akin to the item for the payment of arrears of the Land transportation Office (LTO) IT service for P2 billion under the Unprogrammed Appropriations.

Upon further query, Senator Angara said that the amount in arrears payment to health workers is pegged at P64 billion. Hence, he said that the proposed allocation of P52 billion which was increased by the committee from the original P18 billion was still not enough to cover the expense. However, he surmised that the shortfall may be accommodated in the 2024 national budget.


Asked for the basis behind the P149 billion budget for the Support for Infrastructure Projects and Social Programs (SipSP), including the P3.5 billion increase added by the committee to the original budget, Senator Angara replied that it was in anticipation of possible needs with regard to vaccinations and had also been proposed upon the recommendation of Senator Cayetano (P).

He explained that in 2020, the DBM had over a hundred billion in actual releases for SipSP which provided an additional P22 billion for vaccine procurement as well as another P20 billion for the program.

Noting that the proposed allocation for SipSP was just P13.1 billion for 2022, Senator Pimentel asked why the DBM did not use the information of the 2020 actual releases to request for a higher amount in 2022, and only used the information as basis for the budget request in 2023. Senator Angara said that the budget planning process starts early in the year where the amount of actual releases for the previous year have not yet been fully determined and, as such, cannot be used as a reference in preparing the annual budget.

On whether the DBM had already acted on the concerns involving the Procurement Service of the Department of Budget and Management (PS-DBM) which had been embroiled in the Pharmally controversy and other issues, Senator Angara stated that a special audit had been conducted by Undersecretary Canda and that he had asked for a report on the same. Senator Pimentel welcomed the action taken by Undersecretary Canda as previous secretaries had always kept a "hands off" stance when it came to the PS-DBM. He stated that the new and current Executive Director of the PS-DBM was a very competent individual but that the image of the agency had already been tarnished.

Queried on the possible reforms that the DBM can implement to address issues with regard to the PS-DBM, Senator Angara emphasized that the department agreed with his position that reforms are necessary to address issues brought to the fore by the Pharmally and computer laptop procurement investigations. He stated that the Department will focus on the procurement of Common-Use Supplies and Equipment (CSE), and suspend the procurement of Non-Common use Supplies and Equipment. He pointed out that the former is the primary mandate of the PS-DBM in the first place, ensuring savings in the purchase of common-use items.



In response, Senator Pimentel underscored the importance of ensuring that the definition and scope of what is considered as “common use” adheres to what it really is and not manipulated to accommodate items that may be considered otherwise as doing so would defeat the purpose of the reform. Senator Angara agreed and committed to ensuring the same.

Senator Pimentel then asked the Budget Secretary to comment on whether the PS-DBM was still relevant because all government agencies already have their own bids and awards committee (BAC), which means they can determine which supplies are common or non-common. Senator Angara stated that Secretary Pangandaman believed that PS-DBM is still relevant because it is realizing savings. He then requested the DBM to quantify any savings that they may have realized or anticipate realizing.

Senator Pimentel suggested that the report’s details focus on economies of scale, such as how much a particular supply would cost if it were bid out by the government and how much savings it would achieve. Senator Angara stated that the committee would request a detailed breakdown of the report.

Senator Pimentel inquired about the Growth Equity Fund (GEF) and whether it was time for it to be included in the budget. Senator Angara stated that it has been included in the Local Government Support Fund (LGSF).

Senator Pimentel pointed out that the GEF has a P13.9 billion budget in the NEP, which is higher than the P10 billion budget of NTF-ELCAC. He stated that the NTF-ELCAC’s budget is always in the form of a lump sum, but that it would always include an annex listing 900 barangays, giving the public an idea of where the budget would go. He noticed, however, that the GEF only mentioned an EO and no beneficiaries. He remarked that such lump sum funds are frowned upon and discouraged by the Senate.

Senator Angara clarified that while the GEF is a lump sum budget, its beneficiaries belong to fourth and fifth class municipalities, and they must be identified as the poorest, most disadvantaged, and most lagging LGUs.

SUSPESION OF SESSION

Upon motion of Senator Pimentel, the session was suspended.

It was 3:10 p.m.

RESUMPTION OF SESSION

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

Upon resumption, Senator Pimentel stated that he received information from the Alliance of Health Workers that the National Government (NG) has not paid the One COVID-19 Allowance worth P18.7 billion since July 2021.

Reverting to the LGSF, he mentioned the P5 billion Financial Assistance to Local Government Units and Support for Capital Outlays and Social Program. He stated that it appeared that the fund, like the SipSP, has repeatedly been written into the bill. Furthermore, he stated that the *Mandanas-Garcia* ruling of the Supreme Court has effectively increased the Internal Revenue Allotment (IRA) share of Local Government Units from the NG. He asked the department to justify the budget’s amount and beneficiaries.



Senator Angara explained that there is a special provision on the fund allocation for the LGSF on page 697 of the General Appropriations Bill, to wit:

- “1. The amount of Five Billion One Hundred Eighty Five Million Three Hundred Thousand Pesos (P5,185,300,000) appropriated herein shall be used for financial assistance to LGUs for the following projects: (i) implementation of agriculture related programs and projects such as: (a) provision of agriculture, support services, including planting materials, distribution system, and operation of farm produce collection and buying stations; (b) extension of onsite research services and facilities related to agriculture and fishery activities; (c) construction, restoration and improvement of infrastructure facilities including farm-to-market roads, slaughterhouses, small water impounding projects, fish ports and water supply systems; and (d) provision of various production inputs for crops, livestock, and poultry and fisheries; (ii) Information and Communications Technology Systems and infrastructure developments, such as but not limited to establishment of integrated business permit and licensing system; digitalization of payments for collections and disbursements; (iii) Construction, maintenance, and rehabilitation of the following projects: (a) green, open spaces such as public parks and plazas, arboretum and botanical gardens; (b) infrastructure for active mobilities, such as physically-separated bicycle lanes, bike racks; and (c) elevated or at grade pedestrian footpaths and walkways, implementation of programs projects and activities for disaster response, rehabilitation and recovery including procurement or acquisition of disaster equipment and vehicles for disaster response and rescue activities.

Disbursement and utilization by the LGUs shall be subject to the pertinent provisions of Republic Act 9184 xxx.”

Adverting to the Special Provision, Senator Pimentel pointed out that the P13.9 billion GEF would be allocated for poor, disadvantaged and lagging LGUs, whereas the P10 billion under NTF-ELCAC serves as a financial assistance to cleared barangays and other local government units as certified by the NTF-ELCAC, adhering to a menu of items that they can be spent on. He also mentioned that combining both funds would allow the national tax allotment to be reduced for three years due to a lower tax base.

He also stated that the Senate committee report reduced the NEP’s P84 billion miscellaneous personnel benefits fund (MPBF) by P27.3 billion. He inquired whether the reduction would affect any of plans in the NEP. He also inquired as to how the initial sum was determined.

Senator Angara replied that the bill includes a provision for a performance-based bonus (PBB), which would still be within the range despite the reduction.

Asked by Senator Pimentel if the amount of P210 million for the *Refund of the Service Development for the Right to Develop the Nampeidai Property in Tokyo, Japan* would be a one-time payment or a part of a series of payments under the DBM’s special provisions on unprogrammed funds, Senator Angara replied that there is still a pending case before the Supreme Court and that the allocation was included in the annual national budget as a contingent fund, but with authorization, in the event that the Supreme Court issues a ruling.

On whether the inclusion of the said fund in the 2023 national budget would indicate willingness to pay and whether it could be omitted until the Supreme Court hands down its decision, Senator Angara replied that there was a contract and the money had been paid in advance by the contractor. He said that when the project was cancelled, the contractor filed a case asking for a refund.

When asked if the refund would consist of returning funds already received by a national government agency, he replied in the affirmative.

Asked if the government could proceed with the refund without waiting for the court ruling, he replied that while there was no temporary restraining order or injunction barring it, and the government also did not have a legal basis to pay it.

On whether the GAA would suffice as the legal basis for the refund, Senator Angara replied that the DBM sought the advice of the Office of the Solicitor General (OSG), which instructed the department to simply have the amount ready. Senator Pimentel, however, opined that the inclusion of the unprogrammed fund in the 2023 NEP would convey to the court that it could safely decide since the refund money would be available.

On another matter, Senator Pimentel stated that rightsizing the national government had been recommended in the past six years. He then inquired whether there was a preliminary study that served as basis for the abolition of certain agencies. Senator Angara replied that the DBM would provide Senator Pimentel with a copy of the preliminary recommendations on the matter.

Senator Pimentel expressed his reservations that the power to abolish an agency created by law cannot be delegated to the Executive department. Senator Angara agreed, saying that the DBM Secretary held the same position.

Senator Angara said that he would be submitting to Senator Pimentel documents detailing the SipSP and the DBM's preliminary recommendations on rightsizing.

INTERPELLATION OF SENATOR CAYETANO (A)

Senator Cayetano (A) stated that former DBM Secretary Emilia Boncodin identified the budget as the most essential legislation passed by Congress every year. He also cited the biblical verse that "a man reaps what he sows," pointing out that one can talk about economic, monetary and fiscal policies, programs, or projects but it will all be in vain if the funds to fuel it are not available.

Referring to the earlier discussions on the debt-to-GDP ratio, the economic strategies of both the Duterte and Marcos administrations as earlier explained by Finance Secretary Benjamin Diokno, and the Eight-Point Socioeconomic Agenda, Senator Cayetano (A) opined that such policies would be difficult to align without a guiding principle. He considered the Preamble to the 1987 Philippine Constitution to be the guiding principle, which speaks of "a just and humane society," and "a Government that shall: (a) embody our ideals and aspirations; (b) promote the common good; (c) conserve and develop our patrimony; and (d) secure to ourselves and our posterity, the blessings of independence and democracy under the rule of law and a regime of truth, justice, freedom, love, equality, and peace."

He pointed out that many Filipinos, particularly those in the provinces, have fewer opportunities for education and employment, and emphasized the necessity of the 4Ps and the national government's targeted approach to subsidies. Senator Angara acknowledged that the 2023 NEP would offer almost P200 billion in various forms of subsidy.

Senator Cayetano (A) stated that GAA includes both programs and projects. He stated that while programs, such as in education, are continuously provided annually, projects, such as highway construction, end upon their completion and are no longer included in the next GAA. He stated that the rule of thumb for administrative costs for any government project is 20% to 30% of the project cost. Senator Angara replied that administrative costs for government projects actually run from 3% to 5%, and for the 4Ps, it is 8%, excluding salaries.

Senator Cayetano (A) then stated that administrative costs, including salaries and MOOEs, might range from 10% to 20%, which is standard in both the private and public sectors. He added

that even in infrastructure projects, 30% of administrative costs comprise the labor component. As a result, he estimated that if financial assistance were handed directly to the 15 million poor and needy families, the national government could save P20 billion in administrative costs, or 10% of the total P200 billion subsidy. He noted that such a direct approach would ensure that all beneficiaries received the subsidies more easily and quickly, whether in two batches of P5,000 apiece or in a one-time P10,000 allocation. Furthermore, he stated that the savings, when added to the administrative costs to be saved from the other programs under the Department of Human Settlements and Urban Development (DHSUD), the Sustainable Livelihood Program (SLP), and the transportation department's assistance to taxi and jeepney drivers, would realize total savings for the national government of P50 million, which could be used for other purposes.

He proposed providing incentives to Filipinos who apply for a national ID by sending the subsidy through their GCash, PayMaya, or other electronic wallets or accounts, which would open the option of granting *ayuda* individually instead of per family.

Senator Angara stated that the suggestions of Senator Cayetano (A) were very logical and convincing, however, the subsidy programs, such as the 4PS, Social Pension, UAQTEA, and the Senior High School Voucher Program, are well-established and legislated programs with their own good points, purpose, and respective beneficiaries. He mentioned the UAQTEA for students' tuition, the Pantawid Pamilyang Pilipino Program for the children's medical checkup and educational assistance, the financial support and assistance for indigent senior citizens aged 60 years old and above, the protective services for individuals and families in difficult circumstances, the Medical Assistance to Indigent and Financially Incapacitated Patients (MAIP), and the program that provides fuel subsidies for public utility vehicle drivers.

Senator Cayetano (A) suggested that the matter be revisited in 2023 for the 2024 budget proposals, taking into account the ongoing threat of the pandemic, unemployment, and high commodity and service costs.

In this regard, Senator Cayetano (A), citing the pro-technology stance of DSWD Secretary Tulfo, further recommended that the Finance and Budget departments explore with the DICT the possibility of developing an application similar to GCash to enable beneficiaries to access the DSWD subsidy for maintenance medicines with prescriptions, as well as financial aids under the Assistance to Individuals in Crisis Situations (AICS) and the Sustainable Livelihood Program (SLP). He believed that the mobile applications will also help to eliminate politics in the process of distributing subsidies and financial assistance. He expressed confidence that the project will be feasible under the leadership of the DBM and DOF, both of whom are advocates of digitalization, especially Secretary Diokno, who as BSP governor pushed for the use of the e-payment system, which saw an increase in usage as a matter of necessity during the pandemic lockdowns.

At this juncture, Senate President Zubiri relinquished the Chair to Senator Binay.

Senator Angara averred that the utilization of e-payments arose naturally from the COVID-19 pandemic, but with the tacit consent of the banking institutions led by then-Bangko Sentral Governor Diokno. He expressed confidence that Secretary Diokno would continue to advocate digitalization in the DOF, particularly in the Bureau of Internal Revenue. He also mentioned Budget Secretary Pangandaman, former BSP deputy governor who also pushed for the digital payment systems, alongside then-Governor Diokno. He also noted the discussions on the universal basic income which some countries were already pushing because of the growing arguments for it.

Senator Cayetano (A) reiterated that a side benefit of digitalization is getting rid of corruption especially in agencies suspected of being graft-ridden.

Concerning social protection, he recalled having discussions with the DPWH during which the Committee on Government Corporations and Public Enterprises discovered that the majority of SSS members are inactive, basically due to two major issues: 1) active members receive relatively little pension, forcing them to rely on their children or relatives; and 2) inactive members receive nothing. He said that the DPWH assumed that their contractors would take care of their employees' social contributions.

To ensure that workers receive social protection benefits, he proposed that the DPWH withhold payment to their contractors until they provide confirmation that the workers' mandatory social contributions have been paid. He made mention that President Biden's executive order requiring that any federal government project costing US\$30 million and above be covered by a labor agreement between the contractor and the laborers.

He also mentioned that the DPWH confirmed that labor costs approximately 30% of the total project cost, and suggested that the contractors be required to pay 10% more for workers' wages, which other governments are doing for two reasons: 1) to help the workers; and 2) to keep skilled workers who might opt to work in the private sector, which can offer higher wages, rather than working in government projects, which can only offer the amounts stated in the bid. He also said that many skilled workers prefer to work abroad because of higher pay, which would be detrimental to the booming local construction industry.

He then asked the DBM and the DOF Secretaries to look into how government, in times of economic difficulty, might assist workers, particularly those working in government projects, and how their social protection benefits can be paid. He revealed that in Taguig City, Mayor Lani Cayetano hired barangay health workers as casual or contractual employees who were insured by the SSS. He urged the economic team to make a dent in assisting SSS and other agencies not only in gaining members, but also in growing their membership and receiving the benefits due them.

Senator Angara agreed that it is the DOLE's responsibility to ensure that every worker receives their PhilHealth or SSS benefits. He pointed out that the DOLE was funded by Congress and that it should do its utmost to carry out its responsibilities. He added that the workers might also file complaints under the Occupational Safety and Health Standards Act.

Senator Cayetano (A) recalled that during the Duterte administration, Secretary Bello requested Secretary Diokno a budget for 20,000 inspectors to ensure that companies are compliant with labor laws, which request was denied because according to Secretary Diokno, inspections could be done at random and in other better ways. He expressed his eagerness to work with Secretary Laguesma on program convergence, such as the SSS providing benefits to tricycle drivers under the TUPAD program. He suggested that the DPWH use a part of the project cost to monitor or ensure that all contractors are following the labor laws.

Senator Angara agreed to the suggestions of Senator Cayetano (A) - on social protection, and he noted Secretary Pangandaman's reminder to the PCAB, the entity tasked with issuing licenses to contractors under the DTI, and the GPPB (Government Procurement Policy Board), that there are requirements for infrastructure projects that need to be followed. Senator Cayetano (A) added that the Department of Migrant Workers should do the same monitoring to ensure that the recruiters are doing their job.

On another matter, he asked why the IRA allotment was reduced and how much the reduction will be for 2023.

Senator Angara stated that IRA allotment was scheduled to increase if not due to the pandemic. He said that the basis for the 2023 IRA, currently known as the National Tax Allotment



(NTA) because it includes all national taxes rather than just internal revenue taxes, was the average tax collection from 2020, or three years prior to 2023, which was significantly lower than the previous allocation, from over P1 trillion to P800 billion, because the national tax collection decreased.

Senator Cayetano (A) noted, however, that some LGUs were complaining because other cities and municipalities received a higher percentage of the allocation. Senator Angara replied that shares were distributed to the cities and municipalities according to a formula. He stated that as early as 2016, when he was chairperson of the Committee on Local Government, he was made aware of the inequitable shares. He stated that the committee conducted a review, and one of the resource persons, a U.P. economics professor, observed that the formula was not commensurate with the duties delegated to local governments.

Senator Cayetano (A) clarified that he was referring to the formula for the cities and municipalities. He cited the City of Taguig, which had an income of approximately P2 billion in 2010 and received an IRA of about P1 billion or 50%, but when its income climbed to P10 billion, its IRA was just P1.1 billion. He lamented the fact that certain cities, like Taguig, received less IRA despite having a larger population and a higher cost of living than other cities in Metro Manila, while some rural municipalities with no big businesses, subdivisions, or other sources of revenues and fees would forever be reliant on the IRA.

In this regard, he informed the Body of Secretary Diokno's program of providing LGUs with a five-year increase as a stabilization or equalization fund; for example, if the IRA is P1 billion in the first year, the LGU would be given P1.250 billion in the second year, P1.5 billion in the third year, P1.250 billion in the fourth year, and P1.1 in the fifth year. He stated that if the funds were not used by the LGU, it would be their fault.

He proposed that Congress look into the possible solutions to the problem of inequitable allocation sharing, paying special attention to rural agricultural municipalities that desperately need funds for water supply, infrastructure, education, health, and even internet access.

He mentioned that people in Napa Valley, California prefer to live in rural areas rather than highly urbanized cities because rural areas have internet access, adequate health care, and even schools. However, he stated that in the Philippines, many people prefer to live in cities because jobs are scarce in rural areas and their basic needs are not met. He also pointed out that 40% of the barangays in the Philippines lack a primary health unit or barangay health center, and that PhilHealth services in rural municipalities are still pegged at 2015 or 2016 levels, for instance, dialysis still costings P2,600 per session.

Senator Angara assured Senator Cayetano (A) that the committee would address his concerns.

Senator Cayetano (A) hoped that after the Marcos administration, other regions will have specialized hospitals like the Philippine Heart Center, Philippine Orthopedic Center, National Kidney and Transplant Institute, National Children's Hospital, and Dr. Fabella Memorial Hospital, as well as more elementary schools, high schools, and health, electricity, water, and communication services in Northern Luzon, Southern Luzon, Visayas, and Mindanao.

Senator Angara agreed that the proposal of Senator Cayetano (A) would be an excellent scorecard for the current administration. He stated that if the Committee on Finance had complete freedom to recast the budget, he would do a rural bias because poverty statistics show that the poor and vulnerable are mostly from the countryside.

Senator Cayetano (A) surmised that the first two years of an administration are spent planning and experimenting, with the administration reaching its peak during the third and fourth years. He

stated that by the fifth year, people would already be sorting out who the next president would be. He stated that because the construction of specialized hospitals usually takes two to three years, it should commence before 2025.

Senator Cayetano (A) recalled that when he was the House Deputy Minority Leader 18 years ago, most agencies opposed centralizing basic services and preferred to have one in their respective locations. He added that another advantage of rural bias is that it helps prevent overpopulation in cities because people, especially construction workers, tend to settle with their families in cities such as Metro Manila, where free basic services such as education are available. He believed that if Filipinos had a decent life in the province, they would not migrate to Metro Manila.

He pointed out that Section 29(1), Article VI of the 1987 Constitution states that “(n)o money shall be paid out of the Treasury except in pursuance of an appropriation made by law,” implying that government funds should not be spent without appropriation. He then cited the specific loan for EDSA as mentioned by MMDA Chairperson Artes, which was signed in 2022 with one-year grace period for payment. He stated that, as in the past, Congress could deny loan payment because such government loans required prior approval by Congress and must be covered by appropriation.

Senator Angara, on the other hand, pointed out that the Constitution states that the President may contract or guarantee foreign loans on behalf of the Republic of the Philippines with the prior approval concurrence of the Monetary Board and subject to any limitations imposed by law. He pointed out that the Constitution does not expressly require congressional approval for such foreign loans, despite the fact that the loan payments are automatically appropriated in the national budget.

Senator Cayetano (A) averred that the constitutional provision was replicated in the NEP’s General Provisions, to wit:

“Section. 16. Loan Agreements. Departments, bureaus, offices and instrumentalities of the National Government, including Constitutional Offices enjoying fiscal autonomy, SUCs and GOCCs, except those engaged in banking, shall in no case enter into foreign or domestic loan agreements, whether in cash or in kind, unless the following conditions, as may be applicable are complied with:

- a) Prior approval of the President of the Philippines;
- b) Concurrence of the Monetary Board;
- c) Conditions provided by pertinent laws; and
- d) Issuance of Forward Obligation Authority (FOA) by the DBM for project loans or issuance of a DBCC resolution covering the full amount in the case of program loans, and an equivalent document for those undertaken by GOCCs.

In the issuance of a FOA, the DBM shall consider the budgetary implications of foreign-assisted projects.

The Monetary Board shall, within thirty (30) days from the end of every quarter, submit to the Congress a report x x x”

However, he expressed concern that the taxpayers would then have to pay for something that Congress had not approved, such as a multi-million infrastructure loan from the country’s foreign partners. Senator Angara, however, stated that the automatic appropriations are approved by Congress.

Senator Cayetano (A) said that he would make a proposal during the period of amendments because, as previously stated, it appeared that Congress was delegating the matter to the Executive department because no congressional approval was provided. He clarified that he did not want the Executive department to keep asking Congress for approval for each and every loan, but that there

should be a middle ground where some kind of congressional approval is not difficult to obtain. He hoped that a long-term solution to review either PD 1177 or the general provisions of the GAA would be found during the period of amendments.

Senator Angara, on the other hand, stated that adding another requirement could raise the borrowing costs, especially if creditors see that there are additional risks, because loan payments are contingent on many decision-makers. He proposed a separate discussion about amending the Automatic Appropriations Law because it is outside the scope of the national budget. He stated that there would be a time for such concerns to be discussed in order to strike a balance between executive freedom and legislative restraint.

Senator Cayetano (A) asserted that PD 1177 had to be harmonized with the 1987 Constitution. While he agreed to automatic appropriation for salaries and deficit payments, he believed that loans made for government projects would require appropriation.

Senator Cayetano (A) then urged the Department of Finance to come up with creative ways of raising funds without imposing taxes, such as the production and sale of vanity plates. He recalled seeing a Rolls Royce car in Hong Kong with a vanity plate that was actually more expensive than the car. He stated that PhilPost could offer customized stamps for organizations' founding anniversary celebrations for a fee. He expressed regret that young people growing in the technological age are no longer familiar with stamps due to the prevalence of email and social media applications such as WhatsApp, Viber, and Facebook.


He recognized Secretary Pangandaman and Secretary Diokno's limitations and authority, but also acknowledged that they are, at the very least, working on certain things to increase tax revenues. He hoped, however, that they would also look into the possibility of raising funds from non-tax services, which, while in small amounts, could help the government with its finances if combined.

While he welcomed the idea of raising funds from vanity plates, Senator Angara expressed concern over the fact that there were still problems being faced by the government with regard to the production of normal plates; hence, it might take a long time for it to produce and make vanity plates available to interested vehicle owners.

Senator Cayetano (A) stated that while he advocates for simplicity in life, vanity is not entirely wrong if government can profit from it, as luxury watches, for instance, are being marketed and purchased by those who can afford them. He also mentioned the possibility of offering personalized passport numbers or national ID numbers in exchange for a handsome sum ranging from P50,000 to P100,000 which could put money into the country's coffers.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF BUDGET AND MANAGEMENT AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Budget and Management, along with the budgets of the Office of the Secretary, Government Procurement Policy Board-Technical Support Office, Budgetary Support to Government Corporations, Metropolitan Manila Development Authority, Special Shares of Local Government Units in the Proceeds of National Taxes, Local Government Support Fund, Special Shares of LGUs in the Proceeds of Fire Code Fees, Barangay Officials' Death Benefits Fund, Bangsamoro Autonomous Region in Muslim Mindanao, Contingent Fund, Miscellaneous Personnel Benefits Fund, National Disaster Risk Reduction and Management Fund, Pension and Gratuity Fund, and Unprogrammed Appropriations, was deemed submitted for the Body's consideration.



SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:52 p.m.

RESUMPTION OF SESSION

At 5:09 p.m., the session was resumed with Senate President Zubiri presiding.

LEGISLATIVE-EXECUTIVE DEVELOPMENT ADVISORY COUNCIL

Senator Tolentino presented the budget of the Legislative-Executive Development Advisory Council (LEDAC) in the amount of P3.088 million, which was 28.5% less than its requested budget as it would only involve two permanent personnel requiring P2.879 million new appropriations and P209,000 automatic appropriations.

SUBMISSION OF THE BUDGET OF THE LEGISLATIVE-EXECUTIVE DEVELOPMENT ADVISORY COUNCIL

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Legislative-Executive Development Advisory Council was deemed submitted for the Body's consideration.

DEPARTMENT OF FINANCE

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the Department of Finance (DOF).

Thereupon, the Chair recognized Senator Angara, sponsor of the budget of the DOF, and Senator Villar (C) for her interpellation.

INTERPELLATION OF SENATOR VILLAR (C)

Senator Villar (C) requested current information on the Philippine Crop Insurance Corporation (PCIC), specifically the reforms implemented by the DOF during the previous administration to allow it to operate as a legitimate insurance company. Senator Angara responded by confirming that various PCIC improvements were planned, including expanding coverage from 3.2 to 3.9 million farmers and increasing reinsurance.

Senator Villar (C) reiterated her request to be briefed on the PCIC situation and to be introduced to the current head of the agency, stating that a better understanding of the PCIC would lead to a better grasp of how the planned reforms would affect the farmers as well as the Coconut Farmers and Industry Development Fund Law. She then recalled how, during the previous budget deliberation, former Senator Pangilinan intervened on behalf of the PCIC, resulting in the agency receiving 4% of the fund.

Furthermore, she stated that despite her past reservations about the PCIC, she made allowances in order to pass the Coconut Farmers and Industry Development Fund Law. She reiterated her eagerness in meeting the head of PCIC and learn about his future plans for the corporation. Replying to Senator Villar (C), Senator Angara stated that PCIC President Bernabe would pay her a courtesy call and brief her on the agency's new programs.



INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel asked if the P4.5 billion allocated to the PCIC under Budgetary Support for Government Corporations was the same 4% allocation earlier mentioned by Senator Villar (C). Senator Angara replied that the figure Senator Villar (C) cited pertained to the coco levy fund and, as such, was a different amount altogether.

Asked if the 4% allocation was given to the PCIC as an automatic appropriation in the GAA, Senator Angara stated that it was not reflected in the budget and has the nature of a special account.

Senator Villar (C) interjected that the Coconut Farmers and Industry Development Fund Law was enacted to utilize the P80 billion coco levy fund deposited in the Bureau of Treasury. She affirmed that the yearly appropriation from the coco levy fund is not part of the GAA, but rather an addition to it.

As to whether the receipt of the aforementioned allocation by the PCIC is reflected in its corporate operating budget that is submitted annually to Congress, Senator Angara replied in the negative, stating that it is submitted to the DBM and forms part of the Budget of Expenditures and Sources of Financing.

As regards the 4% allocation under the law, Senator Angara stated that the actual amount translated to about P200 million. He clarified that in addition to the P4.5 billion worth of subsidy requested by the PCIC, part of the funds it used to receive from penalties under the Agri-Agra Law had already ceased as a result of the law's amendment. Furthermore, he stated that the PCIC's corporate operating budget would be around P6.1 billion if the remaining P1.6 billion from the Agri-Agra Law were added to the P200 million and P4.5 billion subsidies earlier discussed. However, he emphasized that the remaining balance as provided by the Agri-Agra Law could only be utilized for three more years due to the aforementioned amendment, reaching zero balance by 2027.

Senator Pimentel asked if a study on the country's crop insurance law and system had been conducted in the light of Typhoon Paeng, which was believed to have caused an estimated P3 billion in damage to property, to which Senator Angara replied in the negative. However, he stated that the PCIC disbursed around P4 billion to approximately 750,000 farmer beneficiaries the previous year.

Asked how much was insured relative to the damage wrought by Typhoon Paeng, Senator Angara answered that the PCIC would pay roughly P400 million. He surmised that the damage brought by Typhoon Carding, which cost the agency over P600 million, would have to be prioritized.

Upon further queries, Senator Angara replied that the PCIC was expected to cover about 10%, or P350 million, of P300 billion worth of agricultural crop losses caused by Typhoon Paeng. He also stated that the PCIC was looking into expanding its insurance coverage.

As regards the estimated losses and the insurance covered by the PCIC for Typhoon Karding, Senator Angara replied that the estimate was below P5 billion and the payout was around P600 million.

In response to the observation that the payout was a higher percentage of the estimated losses of P5 billion, Senator Angara stated that the DA's estimate for damages, which includes infrastructure damage, was not always covered by crop insurance. He stated that the PCIC has a database but only lists those under its coverage, which is approximately three million farmers out of the estimated 10 million farmers in the country.

Senator Pimentel stated that he would join Senator Villar (C) in requesting additional information from the PCIC and in helping plan strategies to assist the farmers. He believed that they should first consider whether small-scale farmers are aware of the Crop Insurance Program; whether PCIC is transparent enough in communicating the requirements of the insurance system; and whether claimants can easily access their insurance benefits. He proposed meeting with PCIC representatives to assist them with the 2024 budget.

Senator Angara clarified that the PCIC was not seeking anything in the 2023 budget, rather to have its charter amended.

He then enumerated the following data when asked about the programs, activities, and projects that would be funded by the 2023 budget of the Department of Finance (DOF), which includes a proposed allocation of P4.365 billion for its digitization/digitalization and modernization initiatives:

Bureau of Customs (BOC) digitization	— P1.57 billion
Bureau of Internal Revenue (BIR) digitization	— P2.22 billion
Office of the Secretary	— P146 million
Bureau of Local Government Finance	— P4.9 million
Bureau of Treasury	— P300 million
Insurance Commission	— P100 million
National Tax Research Center (NTRC)	— P2.8 million
Privatization and Management Office (PMO)	— P9.9 million

In reply to another query, Senator Angara mentioned other expenditures like- the establishment of a command center, provision for cloud computing, application of programming interface for BIR e-Services and Application Programming Interface management tools, cyber security policies and tools including assessment programs, document tracking and management system, a taxpayers' ledger portal, and the BIR Assist Act Project which is a mobile application designed for ordinary taxpayers.

He then enumerated the following BOC digitization projects:

- 1) Automated Export Declaration System — allows electronic submission of all authorized export documents related to all cargo for loading at all international seaports and airports;
- 2) Document Management System — used to capture, track, and store electronic documents;
- 3) Electronic Certificate of Payment in E2M — allows the sending of Electronic Certificate of Payment (ECP) to the Land Transportation Office once payment of duties and taxes has been made by the importer;
- 4) Paperless Accreditation — enhances the client profile registration system module by allowing e-documents needed for accreditation;
- 5) PEZA Input Data — integrates the data with PEZA to cater to the submission of import permits;
- 6) E-Auction System — web portal that allows ACDD users across all ports to manage auction processes and automatically transmit disposition and status of Ok-ran cargo to the central office; and
- 7) ASEAN Customs Declaration System — provides advanced information to enhance custom's risk targeting and profiling activities.

98

Senator Pimentel expressed support for the modernization of the BOC and BIR, adding that as a former chairperson of the Committee on Foreign Relations, he believed that international treaties entered into by the government could force the BOC to modernize. He also stated that some businessmen have expressed dissatisfaction with the BOC's delayed online responses to their concerns and submissions. He also believed that the BOC should not only modernize to reduce human interaction but must also be quick to provide feedback to its clients.

Asked on the BIR's 10-year digital transformation roadmap, Senator Angara said that the project, with an average estimated annual cost of P2 billion, had been ongoing for the past two years and was estimated to cost around P20 billion after 10 years.

He stated that the projected revenue collection of P2.67 trillion for the BIR and P7.65 billion for the BOC would be 14.5% of GDP for the current year and 14.6% in 2023. He said that the prediction was relatively high in comparison to the previous years, particularly in 2011, and 2012 when the tax effort was 11.8% and 12.3%, respectively. He stated that if not for COVID-19 pandemic, which resulted in decreased tax collections, revenue would have been higher.

Asked for figures on the agencies' revenue efforts, he stated that the projections were 15.2% for 2022 and 15.3% for 2023. He noted the actual percentages for the previous years, as follows: 13.4% in 2011; 13.9% in 2012; 14.2% in 2013; 16.1% for 2019; and 15% in 2021. He said that revenue collections were quite high in the 1990s, particularly during the Ramos administration.

When asked if metrics could be used to judge the efficacy of the modernization and digitization programs of the BOC and BIR, Senator Angara replied in the affirmative, saying that the efficacy of any innovation is measured by metrics, though there are some subjective measures, such as the perception index.

Senator Pimentel then asked if the 2023 budget projection would be met. He also requested information on the number of large taxpayers in the country, as the new administration had stated its intention to focus on that sector. Senator Angara stated that there were 2,721 registered large taxpayers, with a total collection of P1.034 trillion between January and September 2022.

On whether the administration would tax online sellers and entrepreneurs, he stated that while local online sellers and social media influencers were already being taxed, the challenge was in taxing non-residents or those operating outside the country but whose digital platforms reach Filipino consumers and who eventually benefit from the consumption. Senator Pimentel stated that the dilemma could be addressed by the Internet Transactions Act, which requires online platform operators to register their businesses.

Asked how social media influencers should be taxed, Senator Angara stated that existing matrices such as YouTube statistics can show the income of such internet celebrities based on their number of subscribers.

Senator Pimentel suggested that more research be conducted to ensure that what is taxed is the actual income earned and not mere estimates as it might harm a considerable number of brick-and-mortar businesses that have transitioned to online platforms in order to survive.

Senator Angara informed the Body that the tax breaks provided to brick-and-mortar businesses were also available to online sellers. He stated that they were also subject to the P250,000 general exemption for income tax, and that individuals earning less than P3 million may choose to pay a percentage tax. Senator Pimentel stressed the need for a new law to allow the taxation of non-resident online entrepreneurs abroad.

Asked on the department's position on Philippine Offshore Gaming Operators (POGO), Senator Angara said that Secretary Diokno believed that allowing POGOs to operate in the country has societal consequences and that he was open to modifications in the policy regarding such enterprises. He confirmed the observation that actual collections under the law fell short of the projected revenue because POGOs do not even voluntarily comply with Republic Act No. 11590.

Asked whether the DOF was pressuring the administration to adopt its position on the matter, Senator Angara replied in the negative.

Senator Pimentel inquired about the Local Governance Reform Project, for which P304.9 million was proposed for the Bureau of Local Government Finance. He noted that it is a foreign-assisted project to support the upscaling of local government revenue mobilization, with a total cost of P1.56 billion, of which P1.39 billion was sourced from loan proceeds, with the government counterpart at P172.5 million. In response, Senator Angara explained that the project, which is funded by the Asian Development Bank (ADB), began in July of 2020 and would end in 2024. He said that the goal was to improve local government revenue mobilization in order to improve local public service delivery and strengthen local governance. He stated that the project focuses on improving real property tax (RPT) administration and LGU management reforms — by 1) strengthening institutional arrangements and development of policies on property valuation; 2) developing and implementing property tax valuation databases and information systems; 3) improving — RPT administration for selected local government units; 4) professionalizing local assessors; and 5) strengthening of LGUs' capacity on property appraisal and assessment.

Asked for a written report on how the LGRP helped professionalize local government assessors and built the capacity of LGUs towards more effective local government revenue mobilization, Senator Angara committed to have the DOF comply with the request.

As to the validity of the Commission on Audit report stating that 553 regulated commodities totaling P1.411 billion were imported, processed, and released despite the lack of import permits and other supporting documents required under Section 117 of the Customs Modernization and Tariff Act and other relevant laws, rules, and regulations, Senator Angara replied that the BOC had already complied with the COA's recommendations and had not only submitted the goods declarations but was also investigating those without such declarations. He affirmed that as a consequence of the investigation, charges might be filed against the customs personnel involved, who could be placed under preventive suspension, as well as against erring importers.

Senator Pimentel then cited the negative impact of smuggling activities on the Regional Comprehensive Economic Partnership, an ASEAN-led free trade accord. He noted that the Philippines was the only country out of 15 that had not ratified the treaty. Given that one of the arguments used against the ratification of the treaty during the floor deliberations was the issue of agricultural smuggling, he inquired as to what efforts the BOC had made to curb such illegal activities. He also sought information on the number of cases that had been filed against smugglers, the amount and value of the goods involved, and the number of convictions obtained by the BOC against smugglers.

Senator Angara informed the Body that as of September 2022, 274 criminal cases had already been filed with the Department of Justice — 17 in 2022; 103 in 2021; 74 in 2020; and 27 in 2019. He added that the agency had also filed 142 administrative cases with the Professional Regulation Commission (PRC) as of September 2022 — 16 in 2022; 63 in 2021; 52 in 2020; and 11 in 2019. He also noted that three cases of agricultural-smuggling resulted in convictions at the Regional Trial Court level since 2019. He assured Senator Pimentel that he would get a complete report from the BOC.

MANIFESTATION OF SENATOR VILLAR (C)

Senator Villar (C) stated that she and Senator Ejercito authored R.A. No. 10845, the Anti-Agricultural Smuggling Act of 2016, which was passed into law to combat large-scale agricultural smuggling. She stated that rice smuggling amounting to P10 million and smuggling of other agricultural products amounting to P1 million are considered economic sabotage, which is a non-bailable offense.

Senator Angara stated that he previously mentioned three RTC convictions, with smugglers already serving time in jail without bail.

Senator Villar (C) then requested the names of those who were imprisoned, expressing surprise that until that day, nothing has been heard about the convictions of smugglers. Senator Angara assured that the information would be provided at a later time.

INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

Senator Pimentel asked why the three convictions were never made public. He stated that through the budget deliberation, information can be provided to the public. Senator Angara replied that the Bureau had released the information.

Asked if the BOC's modernization and digitalization project would be used to combat smuggling, Senator Angara replied in the affirmative.

Senator Pimentel asked if the DOF was the responsible agency to release to the Nampeidai Property fund found under the Unprogrammed Fund. Senator Angara stated that the funding for the property's Service Development Fee was included in the programmed appropriation in 2014. However, he stated that because the provider had a pending case, the Executive department placed it under the unprogrammed fund to free up fiscal space for other items.

Senator Pimentel said he would leave the matter to the DOF which knew the history of the dispute. Senator Angara stated that the department would submit in writing to the Body the property's history.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

With regard to the RCEP, Senate President Zubiri stated that he had a brief discussion with Secretary Diokno on the matter earlier that day. He revealed that there was no formal letter or endorsement by the administration on the Regional Comprehensive Economic Partnership (RCEP) in spite of the President's request for the Senate to ratify the agreement. He said that while the DBCC, NEDA, and DOF were pushing for the RCEP, two other agencies need to endorse it.

Senator Angara stated that the ball was clearly in the court of the Executive branch. Senate President Zubiri affirmed that because the matter was not on the table, the Senate could not act on it. He then called the attention of the DOF on the matter considering that the Philippines was the only country in the region that had not signed the treaty. He stated that parliamentarians from ASEAN and other countries were perplexed as to why the Philippines had not ratified the agreement. Senator Angara stated that Secretary Diokno would confer with the Cabinet members in order to speed up the process.

INQUIRY OF SENATOR VILLANUEVA

Senator Villanueva stated that he had also met with Secretary Diokno the previous day at the Manila Hotel for the Extractive Industries Transparency Initiative (EITI) conference. He inquired

whether the DOF was the main implementer of the EITI, and in charge of the secretariat and its operation. He said that as the author of Senate Bill No. 577, he wanted to be assured by the DOF of financial support for the EITI implementation. Senator Angara confirmed that the DOF was the lead agency, and that its funding was included in the 2023 budget of the department.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF FINANCE AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Finance and its attached agencies were deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR HONTIVEROS

Senator Hontiveros expressed her appreciation to the Committee on Finance for sending a briefer on the mining fiscal regime that came from the DOF. She believed that the Body would address the important issues such as the intersection of mining, fisheries, groundwater resources, and food security in relation to agriculture and aquaculture, as well as how the fiscal regime for mining might be corrected given the current fiscal regime, certain problems and wrongs perceived in the current situation, and some emerging proposals about how legislation would fix the current situation, as contained in the briefer when the Alternative Mineral Management Bill was brought to the floor.

She also informed the Body that in addition to the previous administration's executive order on mining and the proposed measure, a case was pending before the Supreme Court to make the fiscal regime in mining inclusive, specifically to give a greater share of the proceeds to LGUs and indigenous people in ancestral domains where mining is being conducted.

Senator Angara thanked Senator Hontiveros for sharing the information. He stated that he was unaware of the pending case before the Supreme Court.

SUSPENSION OF SESSION

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

It was 6:17 p.m.

RESUMPTION OF SESSION

At 6:45 p.m., the session was resumed.

BIRTHDAY GREETING

At this juncture, Senate President Zubiri greeted NEDA Sec. Arsenio Balisacan on the occasion of his birth anniversary on Tuesday, November 8, 2022.

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Senator Angara presented the budget of the National Economic and Development Authority (NEDA).

INTERPELLATION OF SENATOR VILLAR (C)

In reply to the query of Senator Villar (C) on the Tariff Commission's organization and mandate, Senator Angara stated that it conducts investigations on petitions for tariff modification



from any interested party—domestic manufacturers, traders, or government agencies—and that its investigations include the conduct of public hearings, ocular inspections, and data verification. He stated that the commission submits evidence-based reports of findings and recommendations to the NEDA; it also prepares the necessary implementing executive order for signature by the President.

Senator Villar (C) stated that she wanted to report to the Tariff Commission the findings on meat importation of the various agricultural sectors, which obtained reports from the World Bank on the amount of meat imported into the country. She revealed that the agriculture sector was aware that a significant amount of good meat was imported but misdeclared as offal at the Bureau of Customs in order to avoid the 30% tariff on good meat and reduce the tariff to 5%.

Senator Villar (C) suggested reforming the tariff rates by lowering the rate for good meat to close to that of offal in order to eliminate misdeclaration issues by various importers. Senator Angara responded by saying that the Tariff Commission could conduct a study and make recommendations on the matter.

Senator Villar (C) noted that the Philippines was the only country left among ASEAN countries that had not yet implemented the National Single Window System (NSWS) which would prevent smuggling in the country. She stated that she would make a report on the NSWS and push for its immediate implementation.

Senator Angara stated that the BOC, as the chair of the NSWS Technical Working Group, spearheaded the implementation of activities for the establishment, implementation, operation, and monitoring of the NSWS and the ASEAN Single Window in the country. He cited the following additional agencies that were on-boarded for its implementation: Civil Aeronautics Board, Philippine Ports Authority, Energy Resource Development Bureau, Bangko Sentral ng Pilipinas, National Commission for Culture and the Arts, Philippine Amusement and Gaming Corporation, Forest Management Bureau, Civil Aviation Authority of the Philippines, Office for Transportation Security, Philippine Coast Guard, Bureau of Treasury, Cooperative Development Authority, Department of Social Welfare and Development, Bureau of Philippine Standards, and Board of Investments.

Senator Villar (C) then proposed a meeting with the relevant agencies to discuss the NSWS, which was introduced by previous administrations but had yet to be implemented.

INTERPELLATION OF SENATOR PIMENTEL

To Senator Pimentel's query whether the Philippine Development Plan (PDP) 2017-2022 was the current development plan cycle, Senator Angara replied in the affirmative, adding that the NEDA would complete the PDP for the next cycle by December 2022.

Noting that the current cycle was about to end, Senator Pimentel said that the goal of the PDP 2017-2022 was to enable the Filipinos to attain a *matatag, maginhawa, at panatag na buhay*. He then cited the following targets of the plan:

- The Philippines will be an upper-middle income country by 2022;
- Growth will be more inclusive as manifested by a lower poverty incidence in the rural areas, from 30% in 2015 to 20% in 2022;
- The Philippines will have a high level of human development by 2022;
- The unemployment rate will decline from the current 5.5 percent to 3-5 percent in 2022;
- There will be greater trust in government and in society;

- Individuals and communities will be more resilient; and
- Filipinos will have a greater drive for innovations.

As to whether the Philippines had met any or all of the targets outlined in the PDP 2017-2022, Senator Angara believed that while none of the targets had been fully achieved by the end of 2022, the country was actually on track in 2019 in terms of reducing poverty incidence in rural areas and achieving upper-middle income status. However, he said that the impact of the two-and-a-half years of the ongoing COVID-19 pandemic derailed the country's efforts in meeting the targets, and the country would have to recover from it.

He noted that prior to the pandemic, the country's unemployment rate was at 5.2%, which was close to the 5.3% target at that time, while the current year's unemployment rate was 5.8%, according to the Philippine Statistics Authority.

Senator Pimentel stated that, at the proper time, he would ask the PSA about the definitions of "unemployed" and "underemployed." Senator Angara replied that the PSA was adhering to the International Labour Organization's definitions. Senator Pimentel then proposed obtaining the exact definition of an "unemployed" person.

In reply to Senator Pimentel's further queries, Senator Angara confirmed that some of the targets of PDP 2017-2022 would be restated in PDP 2023-2028, and that the Eight-Point Socioeconomic Agenda mentioned in the MTFP would serve as a framework for the next development plan.

When asked if there was any provision about Gross National Happiness, Senator Angara pointed to a special provision that states, "The NEDA shall ensure that the implementation of projects and activities authorized under this Act contribute towards the improvement of the level of happiness in the country as measured through the four pillars of the Bhutanese concept of gross national happiness—good governance, sustainable socioeconomic development, preservation and promotion of culture, and environmental conservation."

As to why the concept of the Gross National Happiness was not even mentioned in the MTFP, Senator Angara replied that the NEDA was looking at the concept of quality of life. He stated that the NEDA secretary was open to any suggestions on the subject. He pointed out, however, that the concept of Gross National Happiness had been included in the special provisions of previous GAAs.

Senator Pimentel recalled raising, during the committee hearing on the NEDA budget, the risk of a non-Filipino obtaining a Philippine National ID. He stated that at the proper time, he would inquire with the PSA about the matter and the delays in the delivery of the IDs.

MANIFESTATION OF THE CHAIR

At this point, Senate President Zubiri excused Secretary Balisacan from the deliberation on the PSA budget, which was the only remaining attached agency under the NEDA whose budget was still subject for interpellations.

SUBMISSION OF THE BUDGET OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the National Economic and Development Authority, along with the Office of the Secretary, the Commission on Population and Development, the Philippine National Volunteer Service Coordinating Agency, the Public-Private Partnership Center of the Philippines,

the Philippine Statistical Research and Training Institute, the Tariff Commission, and the Philippine Institute for Development Studies, was deemed submitted for the Body's consideration.

Senate President Zubiri reminded the PSA officials to return to the Senate, as several Members would be interpellating on the PSA budget.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 7:04 p.m.

RESUMPTION OF SESSION

At 7:07 p.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4488

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

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, there being no objection, the session was suspended until 10 o'clock in the morning of the following day, November 10, 2022.

It was 7:09 p.m.

RESUMPTION OF SESSION

At 10:18 a.m., Thursday, November 10, 2022, the session was resumed with Senate President Pro Tempore Legarda presiding.

COMMITTEE REPORT NO. 10 ON HOUSE BILL NO. 4488

(Continuation)

Upon motion of Senator Villar (M), there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4488 (Committee Report No. 10), entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY-THREE.

Senator Villar (M) stated that the parliamentary status was still the period of interpellations.

Thereupon, the Chair recognized Senator Angara, sponsor of the measure, and Senator Pimentel for his interpellation.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Angara acknowledged the presence in the gallery of the following guests:

- Executive Secretary Lucas Bersamin of the Office of the President;
- Senior Deputy Executive Secretary Hubert Guevarra of the Office of the President; and
- Sec. Jesus Crispin Remulla of the Department of Justice.

The Chair welcomed the guests to the Senate.

pb

OFFICE OF THE PRESIDENT

Senator Angara presented the budget of the Office of the President for the Fiscal Year 2023.

INTERPELLATION OF SENATOR PIMENTEL

Asked by Senator Pimentel which attached agencies or corporations would be tackled under the Office of the President, Senator Angara replied that under consideration would be the budget of the Office of the President and the offices under it. He said that the Body was also supposed to consider the budget of the Presidential Management Staff but its representatives were in Cambodia with the President. He then asked if the Body could dispense with the interpellations on the PMS budget because no senator had shown interest in it during previous years' deliberations. Senator Pimentel believed that the deliberation on the PMS budget should be rescheduled and discussed on another day, citing the Senate committee's increase to its budget.

Senator Pimentel then stated that the Body had retained the budget of the Office of the President at P8.9 billion as proposed in the NEP. He stated that he would focus his interpellation on the MOOE where 65%, or P4.5 billion, of which would be allocated for confidential and intelligence funds totaling P2.25 billion each.

He then questioned the justification of the P2.25 billion allocation for intelligence funds in the Office of the President's budget, saying that there are already existing intelligence agencies and units which can serve the intelligence needs of the Office of the President or the President himself. Senator Angara responded by saying that under the Constitution, the President is the commander-in-chief of the Armed Forces of the Philippines and the chair of the National Security Council—roles that would necessitate good intelligence or information particularly in a country with 7,000 islands, a variety of dialects, regional aggrupation, and the presence of forces exerting their will and power in their areas of jurisdiction. He believed that said intelligence fund would provide the President with much-needed reliable information to maintain peace and order.

Noting that the President is a user and consumer of intelligence and that intelligence is generated by the practitioners and agencies devoted to intelligence gathering, Senator Pimentel asked whether it is better for the P2.25 billion to be lodged in the budget of said intelligence agencies rather than under the Office of the President. Senator Angara believed that the President is not only a user but also a gatherer of information, and that there are individuals who disclose information directly to him because they are unwilling to surrender information to a large organization at the risk of being exposed.

While he respected the view of Senator Angara on the justification of the intelligence budget, Senator Pimentel believed that they should also put their trust in practitioners and experts who have been in the field for decades. He expressed apprehension that the P2.25 billion intelligence funds under the budget of the Office of the President would simply add another layer of government with the same administrative structure as intelligence units or government agencies. He stated that it would run counter to the campaign of the Marcos administration for fiscal consolidation and growth inducing spending under the MTRF because it would result in duplication of expenditures for the same purpose.

Senator Angara responded by saying that the aforementioned confidential and intelligence funds have been lodged in the budgets of the same offices since 2010, with the same amounts continuing until 2020. He reasoned that such funds had served their purpose in aiding former President Duterte in maintaining peace and order in the country, which was of his extremely high popularity among Filipinos.



As regards the financial austerity mentioned in the MTFF, Senator Angara explained that it is about limiting the budget increase to only four percent which is usually 8% to 12%. He clarified that the current administration did not request additional funds and that it was in line with the MTFF's goal.

Senator Pimentel also stated that Office of the President's budget for 2023 was simply copied from their previous year's budget. On the concept of fiscal responsibility mentioned in the Medium-Term Fiscal Framework, he stated that it includes ensuring that no funds are wasted by the government's tendency to duplicate already existing programs. For example, he stated that despite the existence of DOH and PhilHealth, some agencies still requested funds for their own Medical Assistance to Indigent Patients Program, as well as a fuel subsidy similar to that of the DSWD. He believed that it would be a welcome symbolic gesture if the Office of the President cut its confidential and intelligence funds on their own initiative and in accordance with the administration's pronouncements.

Senator Angara agreed with Senator Pimentel on the importance of information sharing. However, he admitted that the reality on the ground is that some of the security agencies do not trust one other, which had resulted in unfortunate incidents in the past, such as what happened in Mamasapano and other incidents that required information sharing.

Senator Pimentel believed that as the sole national Chief Executive, the President has the power to discipline and put order on a chaotic system through the help of adequate information. Thus, Senator Angara stressed that the President should not be denied access to information. Senator Pimentel maintained that it would be better to increase funding for intelligence agencies in order to generate reliable intelligence.

Senator Pimentel stated that one of the objections against confidential and intelligence funds was the lack of transparency on their use. He then asked whether the Office of the President would be open to the idea of submitting periodic reports on the use of the funds without revealing the recipients of such. Senator Angara agreed that as a measure of accountability, agencies should submit a periodic report to the President, the Congress, and to the respective department secretaries. He believed that Congress could be a recipient of said accomplishment report on the use of intelligence funds for information that is not overly sensitive. Concerning confidential information, he believed that given the cordial relationship between the Executive and the Legislative departments, it would not be a problem if said accomplishment reports only contained general terms that would not jeopardize any emerging situation.

Senator Pimentel said that at the proper time, he would propose an amendment to change the wording of the provision requiring the submission of periodic accomplishment reports for confidential funds to match the standard used for intelligence funds. He also said that it should be clear that the report in question is an accomplishment, not a liquidation report.

Senator Angara agreed, stating that as long as the essence of the terms "intelligence" and "confidentiality" was protected, there would be not much resistance. Senator Pimentel stated that in practice, the document is submitted in sealed envelopes to the Senate President and the Speaker of the House of Representatives. He also expressed confidence that both offices shared the same sense of responsibility for its handling.

Still on the subject, Senator Angara proposed that an agreement be reached regarding the form of information disclosure, ensuring accountability for the funds in the least susceptible to leakage.

As regards the capital outlay of the Office of the President, which, as Senator Pimentel noted, remained at around P500 million despite spending on different items every year—office improvement,



vehicle maintenance, among others—Senator Angara stated that the Office of the President would welcome an increase because of ongoing projects from the previous years, as well as those that have yet to begin, such as the construction of a four-storey parking structure and the retrofitting of the Kalayaan Hall. He informed the Body that the construction of the Malacañang building began in 1750 and it had since been the home of governors-general and subsequent Philippine presidents. While a demolition would be more economical, he emphasized the importance of retrofitting—even though it would be a costlier process—as it would be the appropriate treatment for a structure that is already designated as a heritage building.

Senator Pimentel replied that while he agreed with the justification, he was simply calling the attention of the Body to the level of the capital outlay. He opined that the requested P500 million was a huge amount of money, considering the challenges of the times. He stated that at the proper time, he would propose reducing the Office of the President's confidential and intelligence funds, and if the proposal would be welcomed by the Office of the President which developed the MTF, it would be a good and symbolic gesture on its part. As he commended the Marcos administration for being the first to publicly issue an MTF, which was later approved by Congress, to rationalize and guide the budget process during its six-year term, Senator Pimentel stressed that lowering the confidential and intelligence funds would reduce the government's unnecessary and less-transparent expenses.

SUBMISSION OF THE BUDGET OF THE OFFICE OF THE PRESIDENT AND ITS ATTACHED OFFICES

There being no further interpellation, upon motion of Senator Villar (M), there being no objection, the budget of the Office of the President including the President's offices, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villar (M), the session was suspended.

It was 10:46 a.m.

RESUMPTION OF SESSION

At 10:57 a.m., the session was resumed.

BUDGET OF THE DEPARTMENT OF JUSTICE

Upon motion of Senator Villar (M), there being no objection, the Body considered the budget of the Department of Justice (DOJ) and its attached agencies.

Thereupon, the Chair recognized Senator Angara, sponsor of the DOJ budget, and Senator Padilla for his interpellation.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senate President Pro Tempore Legarda acknowledged the presence in the gallery of the officials of the DOJ headed by Secretary Remulla.

INTERPELLATION OF SENATOR PADILLA

Senator Padilla informed the Body that he had an earlier meeting with Secretary Remulla of the DOJ, specifically on the condition of the New Bilibid Prison. He stated that it took him 30 years

and a half for him to have an expert understanding of prison life, but during his aforementioned 15-minute meeting with Secretary Remulla, he was convinced that the latter already had a clear grasp of prison life even if the DOJ Secretary did not spend time in prison as an inmate.

Senator Padilla sought clarification on the plan of the Department of Justice (DOJ) for establishing regional penitentiaries. Senator Angara replied that the DOJ would include the proposal in the 2024 budget and was even open to the plan of relocating maximum security prisoners from the New Bilibid Prison (NBP) to Sablayan Prison and Penal Farm in Occidental Mindoro or to the Fort Magsaysay military reservation in Laur, Nueva Ecija to decongest prisons and break the criminal syndicates that were formed inside the penitentiary. He said that the agency is likewise asking for support and time to do what they should do.

Recalling that the detainees in the NBP numbered around 12,000 during the time that he was incarcerated, Senator Padilla lauded the concrete solution of the agency for decongesting the overcrowded penitentiary which ought to house only about four thousand to five thousand inmates. He hoped that the other Members would also support the DOJ's plan of regionalizing the penal institutions and solve the proliferation of illegal drugs inside the facility. He said that having regionalized prisons would make it easier for relatives to have regular visits with their loved ones inside the penitentiary, which would greatly help in the inmates' rehabilitation.

Senator Padilla also called the attention of the Bureau of Immigration (BI) regarding the exodus of people from Sabah who are currently residing in Tawi-Tawi and Sulu after the Lahad Datu standoff. He pointed out that the deportees do not know whether they are Filipino or Malaysian since they have long been living in Sabah, which they believe to be part of the Philippines. He then asked if the BI has data on the number of stateless people deported every month or every year since 2013 from Sabah, Malaysia.

Senator Angara said that the agency would welcome and properly document anybody who would pledge allegiance to the country but need more time to investigate the background of the applicant through the help of the Philippine Statistics Authority (PSA).

In reply to the previous query, Senator Angara said that Sabah has a registration of state identified population, adding that in 2019, it had a special mission onsite civil registration activity wherein certificates of live birth and passports were issued to 9,389 undocumented Filipinos. He assured Senator Padilla that the agency would help the unregistered deportees.

However, Senator Padilla lamented that the deportees, most of whom are uneducated and have not been formally registered at birth, are required to present proof that they are Filipinos before they could be assisted by the Department of Social Welfare and Development. He expressed hope that their problem could be assisted by the BI and the DSWD. He said that he was willing to cooperate with both agencies and even visit the deportees. Senator Angara replied that the agency would send a new mission to help the deportees. He said that Senator Padilla would be informed on when it would be undertaken so that he could accompany the said agencies in the special mission.

On whether the BI has programs or interagency efforts, or talks with Malaysia about the situation of the deportees, Senator Angara answered that the Body could take up the matter during the budget deliberation of the Department of Foreign Affairs. He said that Senator Padilla could also relay through the DFA, the possible actions that Malaysia can take to help the deportees. Senator Padilla welcomed the planned intervention, saying that he would share the good news with Filipinos in Tawi-Tawi who have relatives who are still stateless.

He then thanked the DOJ Secretary and expressed his full support for their plans and projects.

A

INTERPELLATION OF SENATOR TULFO

As a preface to his interpellation, Senator Tulfo made the following statement:

During the budget briefings, I manifested my support for the budget of the Department of Justice, particularly the Public Attorney's Office. I have seen the Public Attorney's Office in action and what their work means to the people. I really fought for the budget of the PAO to be increased because they are overwhelmed with cases. And if there are not enough lawyers in the PAO, they cannot give quality service to the weak and the voiceless. *Hindi puwede na ang mga mayayaman ay may maayos na abogado na may sapat na oras na aralin ang kaso ng kanilang kliyente pero sa PAO, sobra-sobra ang kasong hinahawakan ng kada abogado kaya napipilitang paspasan ang pag-aaral ng kaso.*

At this juncture, Senate President Pro Tempore Legarda relinquished the Chair to Senator Ejercito.

The Public Attorney's Office is the hope upon which our less fortunate people rely on when their rights are trampled upon. It gives litigants a fighting chance when they are being abused or wrongly accused. With this budget, I am comforted that our indigent litigants will continue to have counsels all ready to address their legal needs before the Public Attorney's Office. I do likewise support the budget of the National Bureau of Investigation. In my 20 years' experience, or more than 20 years as a broadcaster doing public service, *nakita ko po kung gaano kataas ang respeto at expectation ng mga mamamayan sa NBI* because they are considered the premiere investigative body of the country.

Pero ang akin lamang pong nakita, nakakalungkot, na ito po ay hindi napapantayan ang expectation na ito ng tamang budget para sa kanilang ahensiya. By this time, the budget that we have provided for them will give them the capacity to perform their duties more ably. They could hire the right personnel and experts, purchase equipment, update their systems, improve their structures, and execute programs. Furthermore, giving them ample budget for their operations and personnel services will protect the agency from corruption and undue influence.

I hope that they will utilize the budget for what we provide them for. And I also support the budget for the Bureau of Immigration. However, *mayroon lamang po akong kaunting katanungan, kaunting pag-uusisa dito po sa Bureau of Corrections.*

At this juncture, Senator Tulfo asked how the BuCor plans to address the problem on the continued entry of contraband into prison facilities.

In response, Senator Angara conveyed the agencies' gratitude for the senators' support, and informed Senator Tulfo that the committee had increased the budget for the National Bureau of Investigation, as the latter proposed during the hearings. He stated that the DOJ was aware of BuCor's shortcomings and was planning systemic reforms to be implemented within the next two to four years.

Asked if the DOJ could make the changes in months rather than years, Senator Angara said that department committed to making initial changes immediately.

On whether the BuCor's problems were due to erring personnel so the agency needed to clean its ranks, Senator Angara replied in the affirmative. Senator Tulfo then proposed that, in addition to providing adequate training for its personnel, the BuCor conduct lifestyle checks on its employees and tighten security measures by inspecting vehicles entering and leaving the prison compound, subjecting employees to supervised body searches, and installing CCTV cameras in and around the premises.

Senator Angara stated that the DOJ and BuCor officials agreed with the recommendations and promised to implement them in the relevant agencies.

REMARKS OF THE CHAIR

Senator Ejercito interjected, stating that Secretary Remulla intended to relocate the New Bilibid Prison in order to curb the presence of syndicates within. He also informed that Body that Republic Act No. 11928 mandates the establishment of a separate facility for persons deprived of liberty or convicted of heinous crimes.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel requested an update on the activities of the Board of Pardons and Parole, specifically its post-conviction remedy operations and decongestion policy under the new administration. Senator Angara replied that the agency can review at least 1,800 cases or *carpetas* per month and convenes at least three times a week to determine which cases can be facilitated for release, clemency, parole, and sentence commutation.

Upon further queries, Senator Angara stated that the BuCor has jurisdiction over the application of the Good Conduct Time Allowance Law. He also clarified that the reported number of *carpetas* only referred to the efforts made to review cases, not the actual number of beneficiaries. He then stated that the agency had an average of 350 releases per month.

Senator Pimentel inquired as to why there was a decrease in the number of beneficiaries upon learning that the BuCor used to have more than 400 releases per month. Senator Angara surmised that it could be due to the varying degrees of complexity of the cases under consideration. He also provided the following information on GCTA releases between July and October 2022: 710 were released after serving the minimum sentence; 4,129 were released due to the provisional dismissal of their case; 631 were released on account of preventive imprisonment equivalent to the maximum imposable penalty, implying that their cases were still pending; 8,520 were released due to completed service of sentence; and 18,863 were released for other legal reasons. He stated that a total of 32,853 prisoners were released during that time period.

Responding to the request for a written report and additional information on other legal bases for the release of the PDLs, Senator Angara stated that it includes acquittal, grant of the motion to quash or demurrer to evidence, probation, posting of bail, provisional or permanent dismissal of the case, plea bargaining, and release on inquest or for further investigation.

When asked how many overstaying DPLs were entitled to compensation, Senator Angara stated that only those who were wrongfully convicted were eligible for compensation of not more than P10,000, a very small amount that must be reviewed. He stated that PDLs who overstay in prison were not entitled to compensation.

Lamenting the plight of overstaying PDLs, Senator Pimentel noted that some of them had no idea why they were imprisoned or what punishment they were serving. Some, he said, had been abandoned by their lawyers as well as their families. He said that it is the state's responsibility to provide them with much-needed assistance.

Senator Angara said that the Public Attorney's Office (PAO) informed him that communication gaps between the PDLs and their lawyers could be attributed to the complexity of the country's legal system. He admitted that the system is perplexing even for experienced lawyers, even more for those unfamiliar with the law. He believed it would be prudent to work toward system simplification.

Senator Angara responded to additional questions by stating that a department order gives the PAO the mandate to handle cases of overstaying PDLs because it has a larger manpower resource needed for that purpose.



Asked about the rationale for the P468.4 million increase in the Office of the Secretary's budget, Senator Angara explained that P220 million would be for appointing and deploying 150 new prosecution attorneys; P132.9 million for the witness protection program to fund 50 new witnesses with a per capita cost of P274,500, the reactivation of officers of the regional implementers in Regions IV-A, IV-B, and BARMM, correctional institutions which include investigations from witnesses related to extrajudicial killings, cases and forced disappearances, the acquisition of surveillance equipment; and P115.5 million for general administration and support to pay for security personnel detailed to department officials and prosecutors, rental of transport vehicles for the national prosecution function of the department, and rental of safe houses for case build-up activities of the prosecutors.

With regard to the P500 million increase in the budget of the NBI, Senator Angara explained that the NBI building which was condemned by the DPWH as structurally unsound in 2015 and was further damaged by an earthquake that hit Metro Manila in 2019, needed to be demolished and replaced with new building that would cost P300 million. He added that P200 million was budgeted for the various NBI modernization programs mandated by Republic Act No. 10867, which include a clearance processing and issuance system, a criminal history information system, a document management and retrieval system, and the Automated Fingerprint Identification System.

Senator Angara stated that prior to Secretary Guevarra's term, Solicitor General Calida had requested for funds to repair or relocate their office because it was already unsafe for everyone to use it; and P146.7 additional fund for the transfer of the office in phases beginning 2023. He said that in the future, the committee would consider other requests from the Inter-Agency Council Against Trafficking, the Public Attorney's Office, and other agencies, and any suggestion made by Senator Pimentel, as former chairperson of the Committee on Justice.

Concerning the increased budget of the Personal Services (PS), Senator Pimentel stated that part of the increase was intended to pay for personnel. He inquired if it would be a permanent increase in the PS of the department. Senator Angara stated that the increase would be permanent for general administrative personnel and prosecutors.

Senator Pimentel congratulated the NBI for the recently concluded investigation into the Percy Lapid killing, and stated that he is proud to be referred to as the "Father of the Modern NBI," despite the minor controversy that it faced near the end of the previous administration.

Asked who was in charge of the Office of Solicitor General (OSG), Senator Angara replied that it is former DOJ Secretary Guevarra.

Senator Pimentel stated that he has been questioning agency confidential and intelligence funds as it has become a practice. He then inquired about the P19.2 million in confidential and intelligence funds of the OSG. Senator Angara replied that according to Solicitor General Guevarra, there were already confidential funds in 2017.

Senator Pimentel pointed out that there was no mention of confidential fund in its 2022 budget. He urged the agency not to reintroduce it if it was not used. He then asked for the justification of the confidential fund.

Senator Angara responded by stating that the intelligence fund is used by the solicitor general for multifarious issues and concerns which necessitate his handling of sensitive and complex cases in the country, as well as those with international ramifications. He pointed out that the funds were being used for legal research; data gathering; contingency planning; sensitive government cases; buying of information within the country and abroad; and workshops, conferences, and collaborating arrangements to support government policies.



Senator Pimentel observed that something was wrong with the fund's definition, given that what was mentioned was about intelligence fund. He defined confidential expenses as those that are chargeable to the fund and pertain or relate to surveillance activities to support another agency's mandate or operations. He believed that the OSG overreached in order to have such a fund. He added that based on research, there were three years between 2016 and 2022 when the fund item was not included in the OSG's budget. He emphasized that the agency can function without the confidential fund and with better budgeting, the agency's needs could be listed as itemized expenses rather than lump sums.

Agreeing with Senator Pimentel, Senator Angara believed that when it comes to survival, all agencies could survive without the confidential funds; however, the solicitor general serves as the government's lawyer. He assured the Body that given Solicitor General Guevarra's track record while at the DOJ, the funds would not be misused.

Senator Pimentel stated that his objection was not based on personality, as the person actually strengthens the grant. However, he stated that the entire concept should be discouraged because other agencies would want such funds as well.

Senator Angara stated that while Senator Pimentel questioned the fund's principle and logic, the solicitor general's personality strengthened the argument that the fund would not be misused, because of which he was willing to convert it into a lump sum item. He reiterated that the use of public funds would be prudent under the supervision of Solicitor General Guevarra given his record as a law practitioner in various capacities at the Office of the Executive Secretary and at the helm of the DOJ.

Senator Pimentel stated that he was not worried with the use of the OSG's confidential funds.

SUSPENSION OF THE SESSION

Upon motion of Senator Angara, the session was suspended.

It was 11:49 a.m.

RESUMPTION OF SESSION

At 12:01 p.m., the session was resumed.

INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

Senator Pimentel disclosed that during the brief suspension of the session, the OSG informed him of the reason for the inclusion of the confidential fund in the budget. Nonetheless, he stated that he would keep his omnibus continuing objection to the inclusion of confidential and intelligence funds in the budget. He noted that the DOJ's current confidential fund was P176 million and was proposed to be P168 million in 2023, a P5 million decrease.

Senator Angara stated that the DOJ's confidential fund was used for the OSG's handling of the Sabah case, which has international ramifications, and that the costs included travel expenses as well as fees for necessary information and services.

Senator Angara stated that because the DOJ is in charge of the Witness Protection Program (WPP), the department incurs costs to implement the program. He stated that the DOJ estimated that 50 new witnesses would be covered under the program in 2023, resulting in a budget request

of more than P200,000. Aside from living expenses, he said, the DOJ would spend on the following: livelihood program for witnesses and their families' sustenance; WPP in other regions in the country; correctional institutions; investigations for witnesses of extrajudicial killings and forced disappearances; acquisition of certain equipment and bulletproof transport vehicles; and provision for security personnel detailed to DOJ officials.

Senator Pimentel advised all 35 agencies with confidential and intelligence funds to revisit the applicability of the COA-DBM-DILG-GCG for GOCCs-DND Joint Circular No. 215-01 dated January 8, 2015 to their respective offices and to use it as the general rule on the use of confidential funds.

When asked if the WPP allocation of P238 million in the 2023 national budget did not yet include the increase requested by the DOJ and the increase proposed by the Senate Committee on Finance, Senator Angara affirmed that the P238 million was proposed to be increased by the Senate Committee on Finance by P132 million, resulting in a total of P370.9 million for the program in Committee Report No. 10.

Senator Pimentel stated that the Senate Committee on Finance had approved a P500 million budget increase for the NBI, P300 million of which would be used for demolition, design, and initial construction of its building, and P200 million for another purpose. He believed that an additional P200 million could be added for building construction because P300 million might not be sufficient. He stated that he would propose the additional P200 million during the period of amendments.

He also stated that the Senate recently concurred in the ratification of the 1961 Convention on the Reduction of Statelessness. Through the Philippines' accession to the United Nations (UN) convention, he stated that a person returning from Sabah to the Philippines without a Filipino birth certificate that proves his citizenship would no longer be a stateless person.

Asked if the DOJ was the primary implementer of the treaty on the reduction of statelessness, Senator Angara replied in the affirmative.

In reply to further queries, Senator Angara stated that the Refugees and Stateless Persons' Protection Unit is a permanent office under the Office of Secretary that handles the program and is given budgetary support. Senator Pimentel noted that the said unit was already existing even before the Senate's concurrence in the treaty.

When asked about new projects and programs the RSPVU had undertaken since the country entered into the said treaty, Senator Angara replied that Justice Secretary would be responding to the request of Senator Padilla to send a mission to Sabah to document people at the risk of becoming stateless. He added that based on the principle of citizenship—*jus sanguinis*—persons born in the country have the presumptive claim to citizenship. In coordination with the Department of Foreign Affairs, he said that the DOJ would document and grant certificates of live birth and passports to persons presumed to be Filipinos, and such would entail expenditures under the Office of the Justice Secretary.

But since the treaty entered into force only in June 2022, he pointed out that the program might not have been factored in when the DOJ proposed its budget. Senator Pimentel then said that at the proper time, he would push for an additional budget for the implementation of the treaty.

When asked if the DOJ budget was flexible enough to accommodate the fulfillment of the country's obligations under the treaty, and if the confidential funds provided enough flexibility, Senator Angara replied in the affirmative. He added that he was one with Senator Pimentel's desire for transparency and accountability. He joined Senator Angara in discouraging the practice of including contingent and intelligence funds in the budget.

On the issue of Philippine offshore gaming operators (POGO), Senator Angara stated that the Senate was conducting two investigations—in the Committee on Ways and Means chaired by Senator Gatchalian and in the Committee on Public Order and Dangerous Drugs chaired by Senator Dela Rosa. He requested the senators to refrain from discussing the investigations in the ongoing budget deliberations. Senator Pimentel said that he was merely soliciting the position of the DOJ Secretary on the POGOs. In reply, Senator Angara said that Secretary Remulla believed that the POGOs must be registered and licensed by PAGCOR in accordance with the current policy of the government, adding that there should be a crackdown on illegal operations. In that respect, he stated that the BI and the NBI would be taking the same position.

Senator Pimentel noted the difference in the positions of the DOF and the DOJ as the former preferred a reversed policy by making all POGOs illegal while the latter maintains that the country can afford to maintain the current policy on POGOs but with a crackdown on illegal operations.

Senator Angara said that the OSG and the OGCC, which are DOJ agencies that represent the PAGCOR, must respect and implement current government policy regarding gaming and gambling.

Senator Angara stated that according to Executive Secretary Bersamin, the Executive department would wait for the recommendations of the Senate committee investigating the matter in deference to the Senate investigations. Senator Pimentel, on the other hand, opined that the Executive department could expedite matters by reversing existing POGO policies.

Asked by Senator Pimentel if the tax imposed on POGOs legalized the activity, Senator Angara affirmed that to a certain extent, tax regulates a certain activity. However, he pointed out that PAGCOR had stated that it would abide by the existing policy if the President reversed it.

Senator Angara responded to Senator Pimentel's observation that the Bureau of Immigration's "visa upon arrival" policy facilitated the entry of POGOs, stating that the policy had been suspended since January 2020 but had already facilitated the entry of about approximately 400,000 foreign nationals.

Senator Villanueva recalled that in the Eighteenth Congress, he raised the issue of the arbitrary issuance of special working permits by the Bureau of Immigration, prompting the Senate to draft a provision in the GAA stating that the BI may only issue special working permits to certain individuals such as concert performers, artists, athletes, and the like.

Nonetheless, Senator Villanueva stated that he was perplexed by the State's gambling policy, not just on POGOs. He stated that it appeared that gambling was legal as long as it gets the imprimatur of PAGCOR. He urged the Body to revisit the PAGCOR's mandate, as it serves as both a regulator and an operator of gambling enterprises and activities.

He also asked the Body to support the DOJ, BI, and other attached agencies in addressing their worsening problems, particularly with POGOs, because it is difficult to determine which are legal and which are illegal. He recalled that the DOF stated in the 18th Congress that the POGOs owed the government approximately P50 billion in taxes, but that the government has not collected even half of that amount from the POGOs.

Senator Pimentel then questioned the BI's legal basis for granting visas on arrival, to which Senator Angara responded that Commonwealth Act No. 613 permitted such practice. He informed the Body that a bill had been filed to modernize the BI, and that the issue could be thoroughly discussed during the consideration of such measure.

Senator Pimentel recalled when he was chairman of the Committee on Justice and Human Rights, a similar bill was introduced but not passed due to infighting among the commissioner and



the deputy commissioners. Senator Angara assured Senator Pimentel that the incumbent commissioner and the deputy commissioners were united on the issue.

Senator Pimentel also asked the Bureau of Corrections to submit a written report on the prison reforms implemented by the acting director-general, as it was a concern shared by Senators Padilla and Tulfo.

Senator Pimentel expressed doubt whether the P70 per day allowance for persons deprived of liberty was sufficient for three meals a day. Furthermore, he requested similar reports on the reform programs being undertaken by the two other attached agencies of the DOJ that, according to the Justice secretary, required cleanup, namely, the LRA and the BI.

Senator Pimentel then pointed out that the P20 million requested by the PCGG was not included in the committee report. Senator Angara explained that the P20 million was in the previous NEP as MOOE but had not been spent due to the pandemic. However, he stated that due to a change in circumstances, the PCGG felt that it would require those funds in the coming year.

Senator Pimentel stated that during the period of amendments, he would propose an amendment to restore the P20 million for the PCGG's MOOE.

At this juncture, Senator Ejercito relinquished the Chair to Senate President Pro-Tempore Legarda.

Asked by Senator Pimentel on the death of Spanish national Diego Bello Lafuente, Senator Angara said that Lafuente was killed by policemen in Siargao during his visit to the country. Senator Pimentel asked that the DOJ do everything in its power to put the killers to jail. He affirmed that it was not an ordinary case due to the international ramifications and high stakes.

Senator Angara said that the secretary had taken quick actions on the matter as he was familiar with the DOJ's operations.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva informed the Body that he would no longer interpellate on the budget of the Department of Justice as he has high regard for Secretary Jesus Crispin Remulla, a friend and former colleague in the House of Representatives. He cited the Secretary's integrity, competence, and leadership. He also commended Secretary Remulla for handling the Percy Lapid case and expressed his commitment to seeking justice for all those involved, not just for the Lapid family.

On the issue of POGO, Senator Villanueva reiterated his request for a copy of the report requested by Senator Pimentel, as well as updates on the issuance of special working permits to Chinese nationals who typically entered the country as tourists. He expressed hope that the issuance of such permits would stop, as Senator Legarda had held hearings on the subject. He also mentioned a provision in the GAA that would prevent immigration officials from abusing the issuance of special working permits.

He expressed hope that there would also be no problems with regard to sharing of information from the Bureau of Immigration, as mentioned by Secretary Remulla during an executive meeting.

Senator Villanueva also commended Solicitor General Menardo Guevara and BuCor chief General Catapang.

Lastly, Senator Villanueva voiced out his six-year long advocacy for the filling of unfilled positions in government offices. He revealed that the number of job orders and contractual services

in government numbered 642,027, while the unfilled positions in government numbered 170,668. However, he noted that the number of vacant positions in the DOJ was not that large, with only 509 job orders and 897 unfilled positions. Nonetheless, he requested for a copy of the department's plan regarding the matter.

Senator Angara stated that he would request the department concerned to comply with the request.

INQUIRIES OF THE CHAIR

In reply to Senator Legarda's query in relation to the issue of information sharing, Senator Angara stated that the Bureau of Immigration was sharing information about the POGOs with the DOJ. However, Senator Legarda recalled that the PNP had expressed difficulty in obtaining information from the BI. Senator Angara clarified that PNP was part of the interagency composite team.

Senator Legarda stated that she would clarify the matter during the DILG and DND budget deliberations. She then inquired whether the DFA was a member of the composite team, as it mentioned that it could also share with law enforcement agencies information about visas issued by its offices in Beijing and Shanghai.

Senator Angara responded that DFA was not a member of the composite team, but it could be.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF JUSTICE AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Justice and its attached agencies, namely, the Office of the Secretary, Bureau of Corrections, Bureau of Immigration, Land Registration Authority, National Bureau of Investigation, Office of the Government Corporate Council, Office of the Solicitor General, Parole and Probation Administration, Presidential Commission and Good Government, Public Attorney's Office, Office for Alternative Dispute Resolution, were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:49 p.m.

RESUMPTION OF SESSION

At 12:53 p.m., the session was resumed.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON HUMAN RIGHTS AND OTHER EXECUTIVE OFFICES

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of the Commission on Human Rights, Human Rights Violations Victim's Memorial Commission, Dangerous Drugs Board, Mindanao Development Authority, Movie and Television Review and Classification Board, National Historical Commission of the Philippines, National Intelligence Coordinating Agency, National Library of the Philippines, National Archives of the Philippines, Philippine Competition Commission, Presidential Legislative Liaison Office, Credit Information Corporation, Cultural Center of the Philippines, Inter-Country Adoption Board, National

Council on Disability Affairs, Presidential Commission for the Urban Poor, Advanced Science and Technology Institute, Food and Nutrition Research Institute, Industrial Technology Development Institute, Metals Industry Research and Development Center, the National Academy of Science and Technology, National Research Council of the Philippines, Philippine Council for Health Research and Development, Philippine Institute of Volcanology and Seismology, Philippine Science High School, Science Education Institute, Science and Technology Information Institute, Philippine Institute of Traditional and Alternative Healthcare, National Commission on Muslim Filipinos, Philippine Public Safety College, Intramuros Administration, National Parks Development Committee, and Philippine Commission on Sports Scuba Diving were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:56 p.m.

RESUMPTION OF SESSION

At 2:25 p.m. the session was resumed.

GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS, BASES CONVERSION AND DEVELOPMENT AUTHORITY, CAGAYAN ECONOMIC ZONE AUTHORITY, AND ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY

Upon motion of Senator Villanueva, there being no objection, the Body considered the budgets of the Governance Commission for Government-Owned and Controlled Corporations, Bases Conversion and Development Authority, Cagayan Economic Zone Authority, and Zamboanga City Special Economic Zone Authority.

SUBMISSION OF THE BUDGETS OF THE GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS; BASES CONVERSION AND DEVELOPMENT AUTHORITY; CAGAYAN ECONOMIC ZONE AUTHORITY, AND ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTHORITY

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of the Governance Commission for Government-Owned and Controlled Corporations, Bases Conversion and Development Authority, Cagayan Economic Zone Authority, and Zamboanga City Special Economic Zone Authority were deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR ANGARA

Senator Angara recalled that in the previous session day, Senator Villar (C) raised an issue against the Philippine Reclamation Authority.

Senate President Zubiri confirmed that he was in receipt of a message from Senator Villar (C) asking to reconsider the budget of the Governance Commission for Government-Owned and Controlled Corporations back to the Plenary.

Senator Villanueva apologized for overlooking the approval of the said agency's budget.



RECONSIDERATION OF THE BUDGET OF THE GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS

Upon motion of Senator Villanueva, there being no objection, the Body reconsidered the budget of the Governance Commission for Government-Owned and Controlled Corporations.

DEPARTMENT OF ENERGY AND ITS ATTACHED AGENCIES

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the Department of Energy and its attached agencies, namely: Office of the Secretary, National Electrification Administration, National Power Corporation, and Philippine National Oil Company.

The Chair recognized Senator Gatchalian, sponsor of the budget, and thereafter welcomed Secretary Cusi and the officials of DOE and its attached agencies to the Senate.

MANIFESTATION OF SENATOR TULFO

Senator Tulfo stated that as chairperson of the Committee on Energy, he was grateful to his fellow senators for prioritizing the need of the DOE, especially in the light of the looming energy crisis threatening not only the country, but the world. He said that he was in full support of the flexibility given to the DOE for the Total Electrification Program as it would allow the effective implementation of the project, which is critical in ensuring people's basic needs. He believed that it was high time for all households to have electricity since off-grid areas were experiencing a recurring problem due to the National Power Corporation's lack of capability to pay the generation companies; hence the need to authorize NPC to use the subsidies from 2014 to 2021 to pay for the electricity in off-grid areas provided by generation companies. He stressed that sufficient and reliable electricity is necessary because energy is security.

As he hoped to lower the price of electricity to assuage the public and attract more investors, Senator Tulfo suggested finding alternative sources of energy, including nuclear energy. He believed that supporting the transition from renewable energy to hybrid power generation system rather than diesel generator set would reduce the negative impact of conventional energy sources to the environment.

Since the energy sector has been a primary driving force to achieve the optimum economic development of the nation, he said that even Pres. Bongbong Marcos has placed the energy sector as top priority in his agenda, the reason why the government was supportive of alternative energy source explorations in the country with short-, medium-, and long-term plans for the energy industry. He said that besides legislation, adequate fiscal resources or definitive enabling sources for energy agencies would be needed to carry out the functions for policy and regulatory implementation.

At this point, Senate President Zubiri expressed appreciation for Senator Tulfo's concern to uplift people's lives, particularly by lowering electricity costs.

ENERGY REGULATORY COMMISSION

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the Energy Regulatory Commission (ERC).

INTERPELLATION OF SENATOR PIMENTEL

Asked by Senator Pimentel if there would be any subsidy for PNOC, Senator Gatchalian replied in the negative.



As to the budget of ERC, Senator Gatchalian stated that the proposed total allocation was P1.127 billion but the committee report increased it by P403 million.

On why the ERC budget was increased, Senator Gatchalian said that the ERC regulates the entire electric power industry valued at P600 billion, including the transmission lines of more than 130 utilities, as well as the monitoring and supervising of generation companies. He noted that as a regulator, the ERC protects the interest of the consumers and the Filipino people, and that the P400-million increase in budget would allow the ERC to conduct its regular activities and ensure that utilities and regulated entities are charging reasonable rates to the consumers.

Thereupon, Senator Gatchalian enumerated the increase per item, to wit: P190 million — General Management and Supervision; P96 million — Regulation of energy-related industries through screening and registration; P6 million — Enforcement of rules and regulations; P61 million — Monitoring of regulated entities; and P47 million — Consumer Education and Protection Program.

To the observation that the ERC budget was initially increased by P418 million, but was reduced by P15 million, Senator Gatchalian explained that there was a realignment of the P15-million confidential fund as there would be no item for confidential expenses in the ERC's 2023 budget. Senator Pimentel lauded Senator Gatchalian's initiative of realigning the lump sum confidential fund to particular items in the ERC budget.

As to how the ERC would educate the consumers on very complicated procedures, laws, and concepts, Senator Gatchalian said that consumers would be informed on the timetable of refundable amounts from various utilities, and that part of the P50-million reallocation would go to the digitalization program to hasten the promulgation of applications filed by industry players.

While the ERC as a quasi-judicial organization receives application fees, docket fees, fines and penalties, Senator Gatchalian stated that the money is directly remitted to the Bureau of Treasury; in fact, he was conferring with Chairperson Dimalanta and Secretary Lotilla on how to possibly utilize the ERC collection which was close to P1 billion.

Adverting to his pronouncement describing PNOC as "*palpak*," Senator Gatchalian explained that the remark was based on his personal analysis. He pointed out that the original mandate of PNOC was to ensure energy security through the exploration of oil or gas fields but nothing followed the discovery of gas in Malampaya in the West Philippine Sea. He added that in the budget hearing, he found out that the programs listed the PNOC budget were not in line with oil and gas discovery, as it planned to embark on oil trading to public utility vehicles, on the development of a possible strategic petroleum reserve similar to the one in the U.S., and on some logistical support for oil and gas companies. He expressed the hope that under the new leadership of Secretary Lotilla, PNOC would refocus its programs to its original mandate.

Since PNOC does not receive even a single centavo from the national government through the GAA, Senator Pimentel said that the Senate could examine its corporate operating budget.

Senator Gatchalian agreed, stating that the Body could even reduce some of PNOC's corporate operating budget allocations, as the committee did recommend P2.5 billion decrease from its corporate operating budget for 2023, specifically the fuel relief program amounting to P2.5 billion and its strategic petroleum reserve amounting to P45 million. Such programs, he believed, should be best left to the private sector, which was already involved in fuel trading. He pointed out that the proposed fuel relief program was simply a duplication of the Pantawid Pasada Program of the DOTr, whereas the strategic petroleum reserve project would require billions of pesos, not to mention the cost of its feasibility study.



Asked whether the law requires PNOC to remit to the Bureau of Treasury any unused revenues from its operations, Senator Gatchalian replied that the dividend law requires PNOC to remit 50% of its net income to the national government in the form of dividends.

On whether the P2.5 billion decrease recommended by the committee from PNOC's corporate operating budget for 2023 would be taken from PNOC's cash on hand or cash to be collected, Senator Gatchalian replied that the P2.5 billion was the projected revenue or cash inflow yet to be collected from the sale of banked gas and lease rental from various facilities.

Senator Pimentel averred that once the corporate operating budget was realized, PNOC could spend only up to the amount it was authorized. However, he said that because the committee reduced their corporate operating budget, the realized collections would increase by P2.5 billion.

When asked what would happen to the extra money, Senator Gatchalian replied that it could be declared as income by PNOC, with 50% of it remitted to the national government by the end of 2023. He affirmed, however, that PNOC could use the remaining 50%, or P1.5 billion, that would be retained in their future operating budget.

As to the amount of PNOC's retained earnings in the previous year, Senator Gatchalian stated that the agency had P29.5 billion in retained earnings in the previous fiscal year. While retained earnings could be in the form of cash, receivables, or various assets, he pointed out that according to the 2021 audited financial statements, PNOC's retained earnings have zero receivables and that the bulk of it is in the form of banked gas inventory and investment property, which are approximately P13 billion and P11 billion, respectively.

He explained that banked gas is the accumulated gas in the past that the government has the right to sell to the market, and that PNOC is required to sell banked gas as it has done in the past. However, he clarified that actual gas is regulated by the consortium, which prioritizes electric producers such as power plants before distributing a portion to the government. Nonetheless, he stated that the government receives approximately 60% of the total sales of the banked gas, while PNOC receives 10% of the remaining 40% net share per contract. He confirmed that the banked gas being referred to was from the Malampaya gas project.

Senator Pimentel shared his earlier conversation with the GCG commissioner, who mentioned that the members of the PNOC board of directors only serve for one year per the GCG Law, and that there is review and evaluation to determine whether the government corporation stayed true to its original mandate.

With regard to banked gas, Senator Gatchalian clarified that the government only has the accounting of the gas, and that whenever it sells banked gas, it is the consortium that allocates and physically delivers the portion of gas that the government is entitled to from Malampaya operations. Senator Pimentel expressed concern that while the inventory of banked gas was large on paper, actual gas reserves were actually depleting.

Senator Gatchalian responded by stating that the department secretary had admitted that the volume of gas coming out of the Malampaya was actually decreasing. Reiterating that the consortium allocates gas first to power plants, he expressed concern that as gas reserves are depleted, the consortium would fail to physically deliver the portion of gas entitled to the government, thereby jeopardizing contracts with private parties. When asked about the government's solution to the problem, he stated that the Secretary recommended that contracts with private parties should be extended in case the delivery of banked gas becomes stranded.



Senator Pimentel stated that a concession to some private parties is in the best interests of the government. He believed that the government should be involved in all energy issues because the country was in the midst of an energy crisis resulting in high electricity rates.

Senator Gatchalian informed the Body that the DOE-ERC was already working with the DOJ on contract reviews and energy-related cases.

Senator Gatchalian reiterated Senator Pimentel's position that the government should protect its interest in natural gas because it is a financial asset in its books. While it was reflected in the balance sheets, he stated that the government was unable to sell it due to its physical absence. He mentioned that the consortium controlled gas distribution, putting government at its mercy as it prioritized whomever it wanted to sell to. He informed the Body that the DOE Secretary would look into the matter to ensure that the government's interest was protected.

As to which government agency was exploring potential substitutes for the gas from the Malampaya field, Senator Gatchalian stated that it was the DOE. He added that with the impending depletion of the Malampaya gas reserves between 2024 and 2027, the government has two options: 1) discover new gas reserves, or 2) import supply. He revealed that the department had issued three notices to proceed with potential importation of liquefied natural gas. For his part, Senator Pimentel noted that the remedial action of importing gas was similar to the government's response to the country's food shortage problems. Senator Gatchalian emphasized the importance of finding an alternative to the Malampaya gas field.

While he agreed that the government needed to explore the country's resources, which on the surface appeared promising, Senator Pimentel surmised that the existence of the said resources would have to be double-checked to truly protect the government's interest in the matter. He expressed confidence that with Secretary Lotilla at the helm of the DOE, the previously discussed reforms would be realized. He also stated that under the supervision of the Governance Commission for GOCCs, the Philippine National Oil Company should be able to refocus its operations in a year. Furthermore, he proposed that the commission implement a strict policy on monitoring performance that does not tolerate mistakes.

Senator Gatchalian concurred, expressing optimism that the following year would see a number of energy sector reforms, in collaboration with DOE Secretary Lotilla and Energy Regulatory Commission Chairperson Dimalanta.

Senator Pimentel then sought clarification on overlaps in the government's electrification programs, specifically the Total Electrification Program in the amount of P500 million under the Office of the Secretary and the Sitio Electrification Program (SEP) that would have an allocation of P1.6 billion under the National Electrification Administration (NEA).

Furthermore, he proposed that the government develop standards to determine which between the OSEC and the NEA was more capable of handling the task of electrification, in order to reduce waste of resources such as personnel, vehicles, electric posts, and wires.

Senator Gatchalian observed that there was indeed an overlap. He stated, however, that the P1.6 billion allocated under the NEA was subject to strict procedures and criteria, and that it would initially prioritize electrification in the most remote areas.

With regard to the DOE, he informed the Body that the amount would be downloaded to the National Power Corporation (NPC) as well as the NEA. Although the objective is the same, he explained that the difference between the P500 million fund and the NEA and NPC allocations was the flexibility that it provides the DOE by downloading additional funds to typhoon-stricken areas. Furthermore, he stated that the funds' implementing agencies were also the NEA and the NPC, and the latter was in charge of off-grid and missionary areas.



On Senator Pimentel's observation that the aforementioned areas were not covered in the SEP, Senator Gatchalian explained that off-grid and missionary areas were serviced by utilities, and that NEA could include them in its service areas. To illustrate, he stated that when the P500 million in the DOE is downloaded to the NPC, it will allow the NPC to purchase generators or improve lines in those areas. He also confirmed that while the SEP had pre-identified programs for 2023 that were limited to electric lines, the DOE allocation was quite flexible in terms of what electrification projects could be done.

Senator Pimentel stated that power generation through the use of generators was not the government's plan, but rather a quick response. Senator Gatchalian stated that he brought the matter to the DOE Secretary's attention, as the NPC was in charge of off-grid and missionary area electrification using available technology such as generators, among other things. He revealed that he alerted the NPC to the issue, urging them to begin bringing in the private sector—the new power providers, qualified third parties, and those provided under the Microgrid Systems Act.

Senator Pimentel expressed confidence that Secretary Lotilla would follow through on the department's masterplan to eventually connect all previously unconnected areas to the grid. Senator Gatchalian stated that because the Philippines is an archipelago, islands with fewer sitios and houses would not be conducive to line extensions, and that microgrids, generators, and small or micro distribution operations would be more appropriate. He also stated the Microgrid Systems Act was enacted to encourage the private sector to build microgrid systems powered by renewable energy.

Regarding the Marcos administration's stance on nuclear energy, Senator Gatchalian stated that the department was officially adopting Executive Order No. 164 issued by President Duterte, which clarified the government's position on a nuclear energy program. He also stated that during his State of the Nation Address, President Marcos announced his administration's plan to explore the possibility of nuclear power as a means of achieving energy security. In that regard, he informed the Members that the administration was already reviewing compliance with the International Atomic Energy Agency requirements, particularly its 19 infrastructure prerequisites. He also mentioned that the DOE was in the process of proposing legislation to make use of nuclear energy into the government's energy mix.

When asked if legislation was required to explore the possibility of tapping nuclear energy to generate power in the country, Senator Gatchalian responded that legislation was not required, however, the government should issue a legal framework and establish an independent nuclear power regulatory body. He surmised that the aforementioned requirements were part of the 19 IAEA recommendations before the country embarked on nuclear energy production, which recommendations included the ratification of the following treaties prior to the construction of a nuclear power plant: 1) Convention on Nuclear Safety; 2) Joint Convention on Safety of Spent Fuel Management; and 3) amendment to the Convention on Physical Protection of Nuclear Materials.

REMARKS OF SENATE PRESIDENT ZUBIRI

At this juncture, Senate President Zubiri informed the Body that while he was a proponent of nuclear energy as a cheaper source of electricity and fuel in the country, his parliamentary visit to France with Senator Ejercito during session break, which included a visit to one of the country's 58 nuclear reactors, which produces 1,600 megawatts of power on its own, provided him with several realizations regarding the obstacles the Philippines would face relative to a nuclear power program, to wit:

- 1) the number of disasters the country faces in a year, earthquakes in particular;
- 2) the staggering costs associated with the construction of nuclear reactors that could reach hundreds of billions of euros, which was already equivalent to trillions of pesos or the country's annual operating budget; and

A

3) the long time (at least ten years) required to complete a nuclear project.

While the idea of nuclear energy powering the country was ideal, Senate President Zubiri believed that the country's situation required the government to act on high power rates. Furthermore, he stated that the energy managers should concentrate on developing the country's renewable energy. He suggested that the department tap the country's eastern seaboard, which he estimated could provide 1,000 megawatts via turbines.

He then expressed trust in Secretary Lotilla who was in charge of the DOE. He stated that he became acquainted with the Secretary's expertise on the subject while working with him as a congressman in the House of Representatives.

At this point, he reasoned that the country needed an unrestricted open access market to attract investors on energy because the feed-in tariff was limited.

He stated that the Feed-in-Tariff (FIT) is limited because it is a levy paid by all renewable energy users. He surmised that having an open access market would not only allow renewable energy operators to better compete against those offering traditional and more expensive energy sources like diesel, bunker fuel, and coal, but would also encourage the construction of more plants and projects for that purpose.

He stated that like the late Sen. "Nene" Pimentel, he also believed in the use of renewable energy, particularly because the Philippines can harness energy from volcanoes for geothermal power, wind from typhoons, heat for solar power, and rain for hydroelectric power. He urged the Members to prioritize renewable energy, noting that solar and wind power plants could be built in just two years, lowering electricity costs. He emphasized the importance of having an open energy market with the assistance of the National Grid Corporation of the Philippines to ensure interconnectivity between the islands. He pointed out that Negros, one of the top solar energy producers, was unable to sell its solar power to neighboring provinces such as Cebu and Bohol due to a lack of interconnectivity caused by the NGCP's inaction.

In this regard, Senate President Zubiri stated that he was relieved that the Energy Regulatory Commission was hounding the NGCP on the issue of interconnectivity, otherwise, no new players would want to build power plants. He stated that several investors were anticipating open market access, particularly in light of the Supreme Court's decision to allow foreign ownership of renewable energy plants.

INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

Senator Pimentel identified himself with the manifestation of Senate President Zubiri, but noted that the administration's position on the matter was vague and ambiguous. He lamented that exploring and maintaining the Bataan Nuclear Power Plant cost P77 million annually, on top of the P270 million spent to fund the feasibility study for the adoption of nuclear power, which the sponsor claimed had resulted in nothing. He stated that if the amounts were used for renewable energy, it could have already generated several kilowatts or megawatts of electricity. He then asked for a copy of the nuclear power study.

Senator Gatchalian stated that while P266 million had been allocated during the previous administration to fund a feasibility study and survey on nuclear power, the money was returned to the Treasury because it was never used. He stated, however, that it resulted in the issuance of Executive Order No. 164, entitled "Adopting a National Position on a Nuclear Energy Program and for Other Purposes."



He informed the Body that the new DOE administration was not closing its doors to any technology, including small modular reactors. He noted that several countries interested in participating in the country's nuclear program were selling SMRs with power capacities ranging from 100 to 300 megawatts. He also stated that nuclear technology was becoming more agile and safer, no longer too expensive and too long to build. He added that Korea, China, and the U.S. were at the forefront of research and development aimed at reducing the size of nuclear reactors. He suggested that the DOE should do the same because the Philippines is not a small country and building massive nuclear power plants would harm the grid.

Senator Gatchalian emphasized that because nuclear technology was evolving and becoming safer and less expensive, a study should be conducted to see if it can be adopted to meet the needs of consumers.

On whether there was an allocation in the budget for studying the rehabilitation and future use of the Bataan Nuclear Power Plant, Senator Gatchalian replied in the negative. He stated that he had consulted with Korean, Chinese, and Russian experts, all of whom agreed that the power plant is beyond repair because technology has advanced dramatically in the last four years that it is preferable to build smaller plants that are more efficient and could deliver cheaper electricity.

At this juncture, Senator Tolentino stated that there is a line item in the DOST budget for the study of nuclear ingredients, specifically in Pangasinan.

Senator Gatchalian recalled traveling to Austria with Senator Pimentel and learning that nuclear energy could also be used for medicine. He also stated that the DOST secretary had informed him that the department was allocating funds to study other uses of nuclear energy, such as for agricultural and medicinal purposes.

Finally, Senator Pimentel proposed that the DOE obtain the consent of the community in Morong, Bataan where the plant is located before allowing the BNPP to resume operations.

INTERPELLATION OF SENATOR HONTIVEROS

Asked by Senator Hontiveros whether the raw materials needed for the production of nuclear power were available locally or must be imported, Senator Gatchalian replied that most of the uranium was provided by the U.S., China, and Russia, although there were other small suppliers. He said that even China had been purchasing its nuclear requirements from the U.S.

Senator Hontiveros stated that the Philippines would have to spend resources to import raw materials for nuclear energy rather than buying raw materials for most renewable energies that are readily available domestically.

When asked if any sector of the nuclear energy industry anywhere in the world had resolved the issue of nuclear waste disposal, Senator Gatchalian responded that there is no way to dispose nuclear waste because it can only be stored in sea facilities. He mentioned that Austria and Finland built massive underground storage facilities for their nuclear wastes, about 800 kilometers away from their cities, whereas other countries recycle their wastes so they can use a portion of it. He maintained that there is yet no technology available for the permanent disposal of nuclear wastes and no country has done so.

Senator Hontiveros noted that while some aspects of nuclear energy technology cannot evolve far enough to resolve the issue of its proper disposal, renewable energy eliminates the need to build nuclear waste storage facilities for that would outlive the lifetimes of generations. She agreed with Senator Pimentel that government funds had been wasted on nuclear technology and that it

would be far better to increase funding for renewable energy due to its economic viability and benefits.

Senator Gatchalian replied that in the energy industry, all technologies have advantages and disadvantages. As an example, he stated that intermittent power sources, such as wind and solar energy, are vulnerable to nature, and there is no available technology, other than batteries and gas, to efficiently balance them. He believed that the pursuit for clean energy is a transition.

He recalled that the DOE's 2022 budget included a fund to jumpstart the energy transition study but the debate over the use of nuclear technology, which does not emit greenhouse gases, was still raging due to the desire to achieve a carbon-free future. As a result, he stated, some countries, such as Korea and France, were rethinking their nuclear power policy. He then emphasized the importance of funding research to determine where the country should go in that regard.

REMARKS OF SENATE PRESIDENT ZUBIRI

Senator President recalled that during a visit to the Electricite de France office, he was shown the design of a 200-megawatt SMR that would be operational by 2031 or 2032. He also informed the Body that he recently met with former New Zealand Prime Minister Helen Clark, who was representing a group for sustainable mining, an international regulatory body that established guidelines for responsible mining.

He recalled Prime Minister Clark describing the Philippines as the mining sector's darling because the country has natural resources such as copper and nickel, which are components for battery production. He enjoined the secretary to study the possibility of attracting investors to set up battery manufacturing businesses in mining provinces in order to generate jobs for the locals as well.

Senator Gatchalian explained that the Electric Vehicles Law had been renamed the Electric Vehicles Industry Law in order to promote not only e-vehicles but the entire industry, including battery manufacturing. He stated that the future of clean energy will rely on extractive materials such as the minerals and metals required to manufacture batteries.

In response, Senate President Zubiri reiterated his position that mining communities should be given opportunities to prosper through the establishment of battery manufacturing plants in their communities. He stated that it was only after touring a nuclear power plant in France that he realized the complexities involved in operating such facilities. He also believed that the government should promote the use of wind turbines and solar panels because they are less expensive to install and maintain.

Senator Gatchalian agreed with Senate President Zubiri that renewable energy will improve the country's self-sufficiency in the long run, but that the pros and cons of various technologies must be balanced.

At this juncture, Senator Pimentel asked how the country can achieve an open access market and what obstacles must be overcome.

Senator Gatchalian explained that the Retail Competition and Open Access (RCOA) provision under the Electric Power Industry Reform Act allows consumers to choose their electricity suppliers. However, he stated that the RCOA has not yet reached the household level due to some technical issues that must be resolved. He said that some issues had already been flagged during the budget hearings, and the Energy Regulatory Commission was looking into how to get the provision down to the household level so that consumers could choose their electricity suppliers.



Senate President Zubiri stated that Visayas and Mindanao lack a Wholesale Electricity Spot Market (WESM) where the bulk of renewable energy projects can be developed. He averred that if Mindanao had a WESM and access to all the grids, the renewable energy generated by the two island groups could be sold to Luzon.

Sharing some observations from her trip to the United States, Senator Cayetano (P) stated that some energy companies offer their products in bundled packages to make them more appealing to consumers. She mentioned that they were free to change providers. She asked how long it would take for the Philippines to come up with the same system and offers.

Senator Gatchalian stated that he had a similar experience in Singapore. He stated that the ERC intends to pilot the system in specific areas by 2023. He identified a few challenges, such as the need to replace meters and review stranded contracts, but expressed optimism that it could be done.

Asked by Senate President Zubiri on the status of the open access market and interconnectivity of Luzon, Visayas, and Mindanao, he stated that the ERC had committed to operating WESM in Mindanao by the end of 2022. On the other hand, he said that the interconnectivity which was supposed to be completed at the same time had been plagued by delays from the National Grid Corporation of the Philippines (NGCP). He informed the Body that ERC Chairperson Monalisa C. Dimalanta was already demanding accountability from stakeholders and making every effort to ensure that interconnectivity was implemented.

Senator Pimentel asked for the DOE's near-term and medium-term plans to prevent the escalation of electricity costs and possibly lower the per kilowatt cost of electricity, especially since some consumers' electricity bills have reportedly increased by as high as 300%. He also asked to know how the proposed budget would benefit consumers.

Senator Gatchalian responded that while the country is vulnerable to global price shocks because half of its energy requirements are sourced from abroad, the ERC was taking the following steps to ensure the reasonableness and stability of electricity prices:

1. reset utilities and transmission lines regularly to bring down electricity prices in the near-term;
2. review Power Supply Agreements (PSAs) to update them; and
3. operate WESM in Mindanao.

He stated that the department was working toward energy self-sufficiency in the long run in order to protect the country from global price shocks. He also stated that the recent policy allowing foreign companies to own 100% of renewable energy in the country would spur the growth of renewable energy in the country and expressed optimism that such efforts would bear fruit in the next six years, with the PSA review and WESM Mindanao operations having near-term effects by 2023.

Senator Pimentel asked for a copy of the current per-kilowatt-hour prices as a reference for deliberations on the 2024 budget.

Senator Gatchalian then informed the Body that the ERC had already developed the implementing rules and regulations of Republic Act No. 11552, or the "Act Extending and Enhancing the Implementation of the Lifeline Rate until 2050," which provides for a mechanism to give subsidies to electric consumers on and below the poverty line.

Senator Pimentel supported the committee's decision to increase the budget of the commission, citing its enormous role in the establishment of the country's energy administration. He expressed his full support for the ERC and stated that his office was open in receiving any suggestions for amendments to any legislation involved in providing people with reasonable and sustainable energy sources.



When asked if foreigners are allowed to own 100% of renewable energy projects, Senator Gatchalian replied in the affirmative, citing a DOJ opinion.

Senator Pimentel noted that the DOJ opinion was based on Article XII, Section 2 of the Constitution, which mentions the sources of potential energy. He then read to the Body the provision, to wit:

“Section 2. All lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources are owned by the State.”

He assumed that the DOJ based its decision on the phrase “potential energy.” He also believed that hydropower is a renewable energy,

Senator Gatchalian explained that when water is extracted, it falls under the 60-40 rule on ownership. However, he stated that once the water is extracted and placed in a dam or pond, it becomes a potential energy source and is thus open to foreign investments.

Senator Pimentel stated that he was unsure of the DOJ opinion’s complete validity and the same could be challenged in court as the Constitution’s phraseology vaguely mentioned “all forces of potential energy.” Senator Gatchalian believed that the DOE and DOJ lawyers were closely listening and taking notes on the matter.

As regards the Philippine National Oil Company–Exploration Corporation and PNOG-Renewables Corporation, Senator Gatchalian opined that PNOG as a whole had lost track of its direction. He said that according to the energy secretary, part of their review and the department’s direction, was to get it back on track with the goal of achieving energy security, self-sufficiency, and exploring more oil and gas in case the Malampaya runs out.

Senator Pimentel asked, citing recent reports, why NGCP criticized the ERC and DOE when they were controlled by the same business interests. Senator Gatchalian noted that the DOE issued a policy on contracting ancillary reserves, which the NGCP has yet to implement. He stated that one of the contracting policies was a competitive selection process that requires DOE approval, which the NGCP did not follow, and which the ERC, as the regulator, found out. He stated that the ERC fined the NGCP P5 million and sent a message to the agency to follow the policy and rules. He noted that the ERC had been flexing its muscles and holding industry players accountable, reminding them to follow policy because failure to do so would result in chaos which would eventually affect consumers. He emphasized the importance of ancillary reserves as a buffer system in the event that power generation would fail.

Senator Pimentel stated that he had spent two hours interpellating on the DOE budget because he wanted to help the department achieve its mission. He stated that the true test of affordable electricity is when the general public can afford it. He urged the DOE to work with the Minority bloc, saying that it is neither an enemy nor a critic, and will cooperate constructively to achieve affordable electricity. He lamented that although the term “affordable” is subjective, it should be interpreted in the context of daily wage earners, unemployed, or lifeline raters. He emphasized that once the poorest of the poor are helped, the middle class and those above the poorest of the poor will also be helped.

Senator Gatchalian informed the Body that the DOE had a list of 10 pieces of legislation that would be submitted to the senators for them to study and support, all of which were intended to protect the consumers, reduce electricity cost, and achieve energy security.

INTERPELLATION OF SENATOR CAYETANO (P)

Senator Cayetano (P) said that she, as chairperson of the Committee on Sustainable Development, Innovations and Futures Thinking, along with Senator Gatchalian, was the go-to person in the Senate for sustainable energy. She stated that she has been a senator for 18 years and has worked closely with advocates for clean and renewable energy. She recalled that during the first hearing, the energy secretary showed the committee a variety of energy mixes.

She informed the Body that SDG-7 is about ensuring access to affordable, reliable, sustainable, and modern energy for all; specifically, SDG 7.1 aims to ensure universal access to affordable, reliable, and modern energy services by 2030, and SDG 7.2 aims to significantly increase the share of renewable energy in the global energy mix also by 2030. She stated that while the SDGs did not clearly mention clean energy, she assumed that the renewable energy mentioned in SDG 7.2 meant the same thing.

Senator Cayetano (P) then asked for the current energy mix and whether coal was still the cheapest source of energy. Senator Gatchalian replied that coal was not the cheapest energy source on the market as it cost \$400, up from \$30. Renewable energy was the cheapest, he said.

Senator Gatchalian then read to the Body the current energy mix: 43% coal, 14% oil, 12% natural gas, and 29% renewable energy. He stated that the DOE's goal was to achieve 35% renewable energy by 2030, and 50% renewable energy by 2040, and the ERC, as the regulator, had started moving toward that direction under the leadership of Chairperson Dimalanta. He pointed out that because it is a mix of energy resources, the ERC was also carefully studying the possibility of increasing the renewable portfolio standard.

On whether the study would take into consideration renewable energy as the cheapest mode of energy, Senator Gatchalian replied in the negative. However, he stated that a study was already conducted in 2019-2020, and since then, circumstances have changed dramatically, and market forces were pushing renewable energy up due to the high price of coal.

Senator Cayetano (P) then requested that she be updated by the department as to the legislations that it would request Congress to pass.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF ENERGY AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Energy and the Office of the Secretary, along with the budgets of its attached agencies, namely, the National Electrification Administration, National Power Corporation, Philippine National Oil Company, and Energy Regulatory Commission, were deemed submitted for the Body's consideration.

INQUIRY OF THE CHAIR

Asked by Senate President Zubiri whether the issue of Senator Villar with the Governance Commission for Government-Owned and Controlled Corporations (GCG) had been resolved, Senator Villanueva replied in the affirmative.

SUBMISSION OF THE BUDGET OF THE GOVERNANCE COMMISSION FOR GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the

budget of the Governance Commission for Government-Owned and Controlled Corporations was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:24 p.m.

RESUMPTION OF SESSION

At 5:04 p.m., the session was resumed.

DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT

Senator Hontiveros presented the budgets of the Department of Human Settlements and Urban Development (DHSUD) and its attached agencies.

At the outset, Senator Hontiveros welcomed the new officials of the DHSUD led by Secretary Jose Rizalino Acuzar, the undersecretaries and assistant secretaries, Pag-IBIG CEO Marilene C. Acosta, National Housing Authority General Manager Joeben Tai, National Home Mortgage Finance Corporation President Renato L. Tobias, Social Housing Finance Corporation President Federico Agustin Laxa, and Atty. Melzar P. Galicia of the Human Settlements Adjudication Commission.

In sponsoring the budget of the DHSUD, Senator Hontiveros made the following statement:

The new appropriations of the Department of Human Settlements and Urban Development approved by the House of Representatives in the GAB stands at P1,451,726,000. There was no change from the 2023 NEP. This can be broken down into P1,042,798,000 for the Office of the Secretary, and P408,928,000 for the HSAC.

Your subcommittee recommended that an additional P50,000,000 be given based on the agency's request to allow the DHSUD to more effectively fulfill its mandate. The Senate's recommended budget for the agency now stands at P1,451,726,000.

The other key shelter agencies' budgets include P2,000,000,000 for the National Housing Authority and P500,000,000 for the Social Housing Finance Corporation. There are no changes from the GAB budget approved by the House of Representatives.

In our previous committee hearing on this DHSUD budget, we urged the agency to obligate all the funds that remained unobligated and disburse the funds that cannot be disbursed; to seek implementation partnerships with LGUs and the private sector so that underspending could become a thing of the past; and finally, to start the dialogue with the DBM so that the DHSUD and the key shelter agencies will know how to methodically develop a portfolio of projects that would be immunized against underspending.

Having said that, this Representation is ready to answer questions on the 2023 budget of the DHSUD and key shelter agencies.

MANIFESTATION OF SENATOR ANGARA

Senator Angara manifested that no National Home Mortgage and Finance Corporation (NHMFC) representatives were present in the Session Hall because the agency has zero budget in the 2023 NEP, which was retained in Committee Report No. 10.



INTERPELLATION OF SENATOR PIMENTEL

Asked by Senator Pimentel why the NHMFC would have zero budget under the 2023 NEP as also reflected in the Committee Report, Senator Hontiveros replied that the NHMFC still had a balance for fiscal year 2022, and the corporation had already informed the DBM that it intended to spend the 2022 fund until the following year. She described the NHMFC budget situation as remarkable, stating that the full amount of P1 billion mandated by the GAA for fiscal year 2022 had not even been released yet to the corporation.

Asked if the corporation needed the fund to pay for the salaries of its employees, Senator Hontiveros replied that GAA items such as Personal Services were already included in the corporate operating budget. She explained that the P1 billion was intended for reimbursement of loans.

When asked if it would be appropriate to call the fund a subsidy, Senator Hontiveros replied in the affirmative.

As to whether the NHMFC still needed the fund that has not been released yet, Senator Hontiveros replied that the corporation still needs it and would be able to use it until fiscal year 2023. She reiterated that the NHMFC would not request additional funds for the next budget year as it would just use the P1 billion subsidy from the 2022 budget.

On whether the corporate operating budget is separate from the NHMFC fund, Senator Hontiveros replied in the affirmative, saying that the Corporate Operating Budget (COB) for fiscal year 2023 would be P3,081,265,000, whereas the NHMC budget would still be the unspent P1 billion. She stated that the COB for 2022 was P7,645,632,000.

Asked how the unreleased subsidy affected the NHMFC given that the P7.6 billion COB already had a calendar for spending, Senator Hontiveros replied that the loan takeout for 2022 was so small that it did not make a dent on the P1 billion subsidy. As such, she said that the DBM allowed NHMFC to use its 2022 subsidy to reimburse loan takeout until 2023. She informed the Body that the loan portfolio in the NHMFC's COB was over P1 billion.

On whether the expected number of borrowers was not met, such that NHMFC did not find the need to use the subsidy in its loan portfolio, Senator Hontiveros replied that the NHMFC budget, just like other proposed budgets of other departments and agencies, was possibly affected by the pandemic's impact in the housing sector. Since the NHMCF handles secondary mortgage, she said that the mortgages brought in by the originators did not reach a magnitude enough to use the P1 billion subsidy.

At this point, Senator Pimentel stated that it had been established that the NHMFC was not complaining that it would be getting zero from the 2023 GAA.

As to how the corporation would be able to operate for one calendar year given that the expected expenditure would be at P6.6 billion and P4 billion for the next calendar year, Senator Hontiveros pointed out that the NHMFC had been implementing cost-cutting measures. She said that since the pandemic, the corporation had spent only on pandemic supplies and on the purchase of a shuttle service vehicle for its employees.

On Senator Pimentel's query whether the Pag-IBIG Fund is required to present its COB in the same way that the PNOC—which does not receive funding from the GAA—presents its COB, Senator Hontiveros replied that while the law requires that PNOC's COB be approved by Congress, Pag-IBIG Fund is not similarly situated. She acceded to Senator Pimentel's request for a copy of HDMF's COB for fiscal year 2023.

Senator Pimentel stated that the Senate would be treating HDMF just like other GOCCs, such that it would be required to submit its COB. He recalled having asked Pag-IBIG, during the budget hearing, for details on the contribution of informal income earners or associations, as well as a report on the members affected by the Globe Asiatique scam, and he had not received the requested documents.

Senator Hontiveros stated that she was holding a copy of a letter from Pag-IBIG Fund, dated November 9, 2022, addressed to her and Senator Pimentel, with the following documents attached: 1) the status of Pag-IBIG Fund's marketing campaign to the informal sector and other earning groups; 2) the Group Land Acquisition and Development Program; 3) the developers who have wholesale loans with Pag-IBIG Fund; 4) updates on the Globe-Asiatique Realty Holding Corporation incident; 5) updates on the Globe-Asiatique accounts in Pampanga as of September 30, 2022; and 6) policy reforms to safeguard the fund from another Globe-Asiatique incident.

On Senator Pimentel's query about the distinction between the NHMFC and the Social Housing Finance Corporation (SAFC), Senator Hontiveros explained that the SHFC focuses on the Community Mortgage Program in partnership with the originators, particularly informal settler organizations, whereas the NHMFC focuses on secondary mortgage. She stated that the NHMFC replenishes funds and promotes liquidity and affordability in the housing market by expanding secondary mortgage operations and upscaling products, services, and stakeholders' satisfaction.

Senator Pimentel stated that he found the budget of the housing department reasonable, with the Office of the Secretary receiving P1.09 billion, the Housing Settlements Adjudication Commission receiving P408 million, and the NHA receiving P2 billion.

Senator Hontiveros thanked Senator Pimentel for pointing out that the proposed 2023 budget for the housing sector was reasonable, even if it was actually very small. She averred that the 2023 NEP of P3.9 billion was 48% lower than the 2022 housing sector budget of P7.6 billion and would represent only 1/30th of the total 2023 proposed budget and 4% DHSUD's proposed budget of P95.980 million.

Asked by Senator Pimentel on the purpose of the P50 billion increase in the Office of the Secretary's budget, Senator Hontiveros replied that it would be for the purchase of additional vehicles for the DHSUD, a relatively new department established in 2019. She pointed out that the additional P50 million was only half of the P100 million that was requested.

Senator Pimentel stated that based on DHSUD's presentations, it is in charge of policy making and regulation; NHA of housing unit production; HDMF, NHMFC, and SHFC of financing; and HSAC of dispute adjudication. He stated that the department's goal was to reduce the housing backlog currently pegged at P6 million units and to produce housing units at the rate of a million housing units a year for the next six years. He asked whether there was any housing fund that was not visible in the GAA and whether the P2 billion budget would be sufficient to meet the targeted number of housing units for the following year.

Senator Hontiveros stated that targets were set because of the new Housing Secretary's innovative and audacious vision, who believed that only a small portion of the total amount would be required to complete the projects. However, she stated that in order to mobilize a larger portion of the bold and audacious plan, it would be necessary to explore partnerships with the private sector and the LGUs.

Aside from the P2 billion allocation in the 2023 budget, Senator Pimentel asked how much funds NHA could access from the 2023 budget. Senator Hontiveros replied that according to the Housing Secretary, while the NHA is in charge of the production of the housing units, under the new 4Ps



program known as the Pambansang Pabahay para sa Pilipino Program, the construction of housing units would be in partnership with developers and LGUs.

On further queries about the projected number of housing units produced by the NHA under the new 4Ps program, Senator Hontiveros said that NHA was expected to build about 200,000 housing units per year in the next six years in the amount of P1.3 million per housing unit.

Asked by Senator Pimentel whether the P2 billion in national government funds would be mixed up with private developer funds, Senator Hontiveros stated that the NHA would produce socialized housing with its funds, but more units would be built in partnership with the private sector and LGUs.

On whether there is a ceiling amount under the law for socialized housing units, Senator Hontiveros stated that the ceiling amount for NHA's construction of socialized housing units is P580,000 per unit. Senator Pimentel then pointed out that P2 billion divided by P580,000 could only produce a small number of housing units for NHA.

Senator Hontiveros reiterated that under the new 4Ps program, not only would the NHA be expected to produce houses every year for the next six years, but the private sector and the LGUs would be tapped for additional housing units. She informed the Body that the groundbreaking of certain projects had begun in some areas in Luzon, Visayas, and Mindanao, as well as in Metro Manila. She affirmed that the funding requirements for the projects were almost secured.

At this point, Senator Tolentino expressed his support to the current initiatives of the DHSUD Secretary, particularly his efforts to be financially creative in order to obtain additional funds for housing. He recalled President Marcos even ordering that idle government lands be used as part of the housing program. He also mentioned that there were bills pending on rental subsidy program. He also mentioned that the Housing Secretary was in favor of in-house resettlement programs, which would result in more housing projects in the National Capital Region. In this regard, he stated that in a brief conversation with the Secretary, he suggested that San Jose del Monte be included in the in-site, on-site resettlement area because it is close to Metro Manila.

Senator Hontiveros expressed appreciation that Senator Tolentino mentioned the matter on rental housing which was also her advocacy and that of the previous DHSUD administration. She also acknowledged the efforts of the current DHSUD secretary in giving importance to on-site and in-city relocation.

As regards the point raised by Senator Pimentel on interest subsidy, Senator Hontiveros expressed hope that the GAA could accommodate the P36 billion requirement so that the partner agencies in the private sector could have confidence in the program with such interest subsidy from the government.

Regarding the mega housing project in Nangka, Marikina that recently had its groundbreaking, Senator Hontiveros explained that it is a turnkey project which would be completed by the private developer before turning over to the beneficiaries who would pay the cost of the building through a bank loan program. She informed Senator Pimentel that the land is owned by the LGU of Marikina City and would remain so.

Asked whether private developers are protected in case plans do not go as planned, Senator Hontiveros replied that they are protected by the MOA they signed with DHSUD and with the LGUs. She said that currently there are 12 MOUs in the NCR and Luzon area and four others in the Visayas. She acceded to Senator Pimentel's for copies of the said MOAs.



As to who would determine the beneficiaries, Senator Hontiveros replied that the LGUs are the ones in charge of identifying the beneficiaries. She added that it would also be the LGU which would maintain the buildings.

On whether the developer and the beneficiaries would have their own negotiations as regard the payment because they would have their own choice of bank, Senator Hontiveros said that in case the bank would not pay the developer, the DHSUD would back up all the contracts through the interest subsidy which is the counterpart of the government in the program.

Senator Pimentel observed that even after the groundbreaking of the Marikina housing project, there were still developers who expressed their interest in the contract, which Senator Hontiveros confirmed, adding that similar arrangements were being entered with other LGUs. She said that there were seven engagements in Luzon, six in the Visayas and 10 in Mindanao.

Asked whether the department was expecting similar interest subsidy to be allocated in the 2024 GAA, Senator Hontiveros replied in the affirmative, stating that the department had started talks with government financial institutions, banks and the private sector on future 4Ps housing projects.

Senator Pimentel expressed his full support to the plan to reduce the housing backlog and he believed that the incumbent secretary was the right man for the job because he is bold and imaginative. He expressed the hope that the secretary will truly meet the high expectations of the people to have a roof over their heads.

At this juncture, Senator Hontiveros clarified that the interest subsidy of P36 billion was revised, so that for 2023, only around P10 billion to P15 billion would be required, which would be smaller but more reasonable. Senator Pimentel observed that the adjustment to P10 billion to P15 billion was done after the committee hearing. Nonetheless, he believed that P10 billion to P15 billion was still a big amount.

On whether the number of housing units would also be decreased because of the adjustment, Senator Hontiveros replied in the negative, explaining that DHSUD officials adjusted the item because they realized that the need would only arise only after the housing units were all constructed and taken out by the bank, considering that such are turnkey projects.

On the budget of the NHA, Senator Pimentel sought explanation why the agency requested only P2 billion which is equivalent to only about 3,000 housing units for 2023. Senator Hontiveros gave her assurance to request the NHA to set a meeting with Senator Pimentel and other senators to clarify the matter.

Finally, Senator Pimentel reiterated his pledge of support to the housing secretary's efforts to lower the 6.5 million housing backlog. He stressed that having a roof over their head gives people human dignity and security.

REQUEST OF THE CHAIR

Senate President Zubiri stated that a relocation project near the airport in Bukidnon was started six years ago with the construction of several houses and a covered court, but there were 20 houses left that needed to be relocated. He asked whether his staff member, Davidson Torres, could visit the NHA head to discuss the matter.

Senator Hontiveros replied NHA General Manager Joeben Tai was already setting up a meeting with Senate President Zubiri's staff member.

↑

MANIFESTATION OF SENATOR EJERCITO

As sponsor of the bill that created the Department of Human Settlements and Urban Development (DHSUD), Senator Ejercito stated that nothing would be more fulfilling than to see the department succeed in the coming years. However, with the sudden increase of housing backlog from two million to six million, he hoped that Secretary Acuzar would think outside the box to resolve the massive backlog. Given that housing received the least funding from the government, he stated that he was looking forward to the increase in the DHSUD budget, as housing is a priority program of the new administration.

He said that another solution would be to seek the assistance of the private sector through financing or collection, although he stated that in his experience as an LGU official, it was difficult to collect payments due to some people's unwillingness to pay their housing dues.

Senator Ejercito opined that the DHSUD would be successful if it is able to meet the ultimate goal of providing housing even to squatters. He emphasized that payments must be collected as revolving fund for the construction of more houses, and that the department must prioritize the implementation of in-city and near-city housing to break the vicious cycle of being relocated but later returning to squatting. He proposed that the department consider township development, which includes not only housing but also access to health care, education, transportation hubs, and livelihood opportunities.

Noting President Marcos' recent declaration to use idle lands for housing, Senator Ejercito hoped that the DHSUD would receive more funding in 2024 to address the backlogs, as they did in San Juan, where the LGU provided the land, and the NHA or DHSUD built the houses. He stated that the joint venture was also carried out in Valenzuela and other urban areas. He stated that as principal sponsor of the DHSUD Law, he would exercise oversight functions to ensure that the department will be on the right track.

Senator Hontiveros thanked Senator Ejercito for mentioning the principles of housing and development, the components required for the success of the 4Ps' Pabahay Program, and the goal of providing housing programs to minimum wage earners.

Senator Villanueva expressed his support for the DHSUD Law, believing in the importance of having a housing department in the country. He also commended the administration for appointing Secretary Jerry Acuzar as DHSUD head.

Senator Hontiveros thanked Senator Villanueva for assisting her in assuring Senator Revilla about the issues raised by the NHA. Senate President Zubiri also thanked Secretary Acuzar for inviting the senators to visit Las Casas Filipinas de Acuzar resort in Bataan.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Human Settlements and Urban Development, along with its attached agencies, namely, Office of the Secretary, Human Settlements Adjudication Commission, National Home Mortgage Finance Corporation, National Housing Authority, and Social Housing Finance Corporation, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

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

It was 6:15 p.m.



RESUMPTION OF SESSION

At 6:21 p.m., the session was resumed.

SUBIC BAY METROPOLITAN AUTHORITY, OFFICE OF THE PRESIDENTIAL ADVISER ON PEACE, RECONCILIATION AND UNITY, SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY, FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES, NATIONAL COMMISSION FOR CULTURE AND THE ARTS AND DEVELOPMENT ACADEMY OF THE PHILIPPINES

Upon motion of Senator Villanueva, there being no objection, the Body considered the budgets of the Subic Bay Metropolitan Authority, Office of the Presidential Adviser on Peace, Reconciliation and Unity, Southern Philippines Development Authority, Film Development Council of the Philippines, National Commission for Culture and the Arts, and Development Academy of the Philippines.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Villanueva acknowledged the presence in the gallery of the following:

- Rolen C. Paulino, chairperson of Subic Bay Metropolitan Authority (SBMA) and former Olongapo mayor;
- Abdulghani "Gerry" Ajul Salapuddin, administrator and chief executive officer of Southern Philippines Development Authority (SPDA); and
- Tirso Cruz III, head of the Film Development Council of the Philippines.

REQUEST OF SENATOR PIMENTEL

Senator Pimentel requested to be given more time to propound questions on the SPDA budget.

SUBMISSION OF THE BUDGET OF THE SUBIC BAY METROPOLITAN AUTHORITY, OFFICE OF THE PRESIDENTIAL ADVISER ON PEACE, RECONCILIATION AND UNITY, FILM DEVELOPMENT COUNCIL OF THE PHILIPPINES, NATIONAL COMMISSION FOR CULTURE AND THE ARTS, AND DEVELOPMENT ACADEMY OF THE PHILIPPINES

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of Subic Bay Metropolitan Authority, the Office of the Presidential Adviser on Peace, Reconciliation and Unity, Film Development Council of the Philippines, National Commission for Culture and the Arts, and the Development Academy of Philippines were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 6:27 p.m.

RESUMPTION OF SESSION

At 6:37 p.m., the session was resumed.

MANIFESTATION OF SENATOR LEGARDA

Upon resumption, Senator Legarda stated that the budget of the Climate Change Commission (CCC) was also scheduled for deliberation that day, but that she received information that its three

commissioners were presently in Egypt attending a conference. She then inquired as to who the commission had sent in their place. Senator Marcos replied that Climate Change Commission Undersecretary Borje was present in the waiting room.

Senator Legarda informed the Body that according to the World Risk Index Report, the Philippines was the most vulnerable nation in the world to natural calamities and disasters, as evidenced by the recent climate crisis caused by Typhoon Paeng. She also pointed out that according to the World Bank East Asia Regional head, climate change has been occurring for over two decades and that in order to address it, climate change adaptation is required.

Noting the existence of a climate change law, she inquired what the government agencies had done to make the country more resilient and averse to risk since the law's passage in 2009. She also requested the Climate Change Commission to submit a report on all its officials' overseas trips, as well as to give updates on how they have mainstreamed climate change adaptation in government processes and how they have coordinated with other government agencies.

Underscoring that climate change is a problem that needs to be addressed by the whole government, Senator Legarda also requested that the Climate Change Commission prepare a report for the various committees, citing how climate change affects agriculture, health, infrastructure, and education, among other things. She then requested that the commission's budget deliberations be deferred to another day.

Senate President Zubiri concurred with Senator Legarda, saying that the heads of agency and members of commissions should be respectful enough to appear before the Body given that budget deliberations are only held once a year.

Senator Marcos acceded to the request of Senator Legarda to defer the deliberation of the Climate Change Commission's budget.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva then adverted to page 6 of the President's budget message, where he reminded everyone of the importance of climate change expenditure tagging, to wit: "Towards Green Governance: P453.1 billion of the proposed National Budget has been tagged for climate change expenditures of implementing units such as projects for sustainable energy and environmental stability."

Given the importance of the Climate Change Commission's role, Senator Villanueva agreed that the commissioners should be present during the deliberation of their agency's budget. Senator Marcos informed the Body that the commissioners would be back from their overseas trip on November 18.

Senate President Zubiri reminded the Members that the deliberations would only be until November 16. Senator Legarda pointed out that Commissioners Herrera and Dela Cruz were not even negotiators in the Conference of Parties (COP) and were only attending the onsite event. As such, she stated that the two commissioners should be home by weekend, pointing out that only CCC Vice Chairperson Borje was present.

Senate President Zubiri reiterated his position on the issue, adding that if the commissioners would not return by the end of the budget sessions, their requested budget would face the danger of getting slashed.

Senator Legarda requested that Vice Chairperson Borje send her a private message giving her updates on Commissioners Herrera and Dela Cruz's appointments between that day and the

18th of the month. She surmised that the days they spent attending the COP would help bring down greenhouse gas emissions to 1.5%. But she also deemed it important that they explain to the Senate the concept of loss and damage, which had been mentioned for the first time in the COP—her long-running advocacy for the past 20 years—and a term that industrialized nations was only beginning to get acquainted with.

Further, Senator Legarda said she also wanted to know the CCC's strategy for ensuring climate resilience across the country's 80 provinces, as well as how it would become mainstream in every aspect of governance in the country, regardless of institution size. She reiterated the importance of the commissioners' presence in every plenary debate.

She stated that when the CCC was created 15 years ago, it was envisioned to craft policies that would integrate the programs of all agencies in climate change adaptation, mitigation, disaster risk reduction, and resilience. While she deemed it important for the CCC to attend the COP, she pointed out that the commission already had technical personnel and negotiators in place. In this regard, she requested that the commissioners return before the 18th of the month. Senator Marcos agreed with Senator Legarda, adding that presence of the commissioners was critical to the survival of the agency.

Senator Legarda recalled that when the enabling legislation was passed in 2009, the commission had little funding. She then suggested that a reduced budget might refocus the commission's attention to farmers, fisherfolk, and indigenous peoples affected by Typhoon Paeng's onslaught, rather than on excessive travels as a result of available funds. She also revealed that the list of government personnel on official mission abroad was not limited to the two CCC commissioners, but included 20 to 30 personnel from various government agencies. She underscored the importance of government personnel submitting reports following each official mission so that the lessons learned from negotiations and contacts made could be properly documented and referred to in the future.

DEFERMENT OF CONSIDERATION OF THE BUDGET OF THE CLIMATE CHANGE COMMISSION

Upon motion of Senate President Pro Tempore Legarda, there being no objection, the consideration of the budget of the Climate Change Commission was deferred.

MANIFESTATION OF SENATE PRESIDENT PRO TEMPORE LEGARDA

Senate President Pro Tempore Legarda clarified that she was not angry but rather passionate about a commission whose enabling law she authored. She added that she even formed a standing committee, which the Chamber later subsumed and merged with another. She then reiterated that the CCC commissioners would have to return home before the 16th of the month, the last day of budget deliberations, as Senator Marcos suggested, and submit a full report on the COP in Egypt.

She recalled that the People's Survival Fund (PSF) was created as a result of an amendment to the original law that created the CCC, and that she was responsible for the allocation of funds to the PSF amounting to P1 billion, and demanded an update on its utilization—if the Commission worked toward liberalizing access to the fund so that people's organizations and local government units could benefit from it, saving lives, and averting loss of livelihood during disasters. She stated that the Commission should work with the National Disaster Risk Reduction and Management Council on climate change adaptation and mitigation as well as disaster risk reduction. He stressed that only by focusing on the two items would the country be able to avert calamities as Typhoon Paeng, which claimed nearly 200 lives.

At this point, Senate President Zubiri proposed the suspension of the *Rules of the Senate* to allow the CCC officials to respond directly to the queries of the senators. Senator Villanueva agreed and expressed similar sentiments as Senate President Pro Tempore Legarda on the subject. He believed that he was still a novice and that merely listening to the Senate expert on climate change would teach him a lot.

As regards the CCC's budget presentation, Senator Legarda requested that the Commission include and explain in its report what the "75% nationally-determined contribution (NDC)" as well as "conditional 72.59%" meant. She also asked on the percentage allotted to unconditional NDC.

She believed that the national budget, amounting to approximately P5 trillion, should be aligned with the NDC. She stated that U.N. submissions should also be aligned with the government's budgetary allocations in light of the country's NDC. In her meetings with the French Parliament, the European Union, the Senate President, and her fellow senators, she emphasized the importance of industrialized nations improving their NDCs in order to avoid exceeding the 1.5-degree Celsius threshold, which was already causing storms the magnitude of Typhoon Paeng. She surmised that humans would face extinction if temperatures would rise by four degrees Celsius. Despite the fact that the Philippines contributes only a third of 1% of global greenhouse gas emissions, she deemed it important to urge developed nations to do their part in reducing emissions.

REMARKS OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri noted the presence of Secretaries Diokno and Balisacan despite being supposedly part of President Marcos' delegation to the ASEAN. He stated that the two officials decided to stay despite being senior members of the President's Cabinet and official mission negotiators. He stated that the preceding observation should put the Body's deferment of the CCC budget in proper perspective. Senator Villanueva stated that a number of senators had already indicated their intention to interpellate on the commission's budget. But Senator Pimentel stated that the Minority had no objections to the deferment of the CCC budget.

SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the Southern Philippines Development Authority (SPDA).

SUBMISSION OF THE BUDGET OF THE SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY

Senator Villanueva stated that Senator Pimentel had waived his reservation to interpellate on the SPDA budget.

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Southern Philippines Development Authority was deemed submitted for the Body's consideration.

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

At this juncture, Senate President Zubiri acknowledged the presence in the gallery of SPDA Administrator and former Deputy Speaker of the House of Representatives Abdulghani Salapuddin.

REQUEST OF THE CHAIR

Senate President Zubiri requested the sponsors of the budgets of the various government agencies to mention in their opening statements the proposed amounts of the agencies' budgets so that these would be placed on record.



PHILIPPINE POSTAL CORPORATION

Senator Tolentino presented the proposed budget of the Philippine Postal Corporation (PhilPost) in the amount of P15 million. He mentioned that traditionally, PhilPost has been receiving an average amount that ranged from P301 million to P515.256 million per year since 2012 as reimbursement for the franking privileges of the Executive, Legislative, and Judiciary departments, as well as other offices of the government. He added that it has zero budget in the National Expenditure Program (NEP).

INTERPELLATION OF SENATOR PIMENTEL

In reply to Senator Pimentel's query, Senator Tolentino affirmed that PhilPost did not receive funding in the NEP and in the GAB but the Senate committee had allocated P15 million subsidy to the agency, which would be used for various personnel expenditures, including its operation in remote areas of the country. He stated that it was only the first time that PhilPost did not receive an allocation, which traditionally was used to reimburse the franking privileges enjoyed by the Office of the President, the Office of the Vice President, the Commission on Elections, the Land Registration Authority, the Office of the Solicitor General, the Office of the Ombudsman, the Philippine National Police (PNP), and the Congress, among other offices.

Asked if the Senate had heard the PhilPost budget at the committee level, Senator Tolentino replied in the negative, explaining that there was no allocation for the agency in the NEP for the first time.

Senator Pimentel surmised that because PhilPost is a GOCC, it must have submitted a corporate operating budget. He then asked about the amount of its corporate operating budget for 2023, and whether the P15 million subsidy would be added to the COP. In reply, Senator Tolentino informed the Body that the proposed corporate operating budget for the agency's 2023 MOOE was P2,526,609.763, while the agency's expected net revenue would be P5.2 billion, or a total of P5.795 billion corporate operating budget. He affirmed that the P15 million subsidy would be added to PhilPost's total corporate operating budget.

As regards the amount to cover the reimbursement of the franking privilege of government offices, Senator Tolentino stated that PhilPost was requesting the amount of P544,836,000. He clarified that the franking privilege expenditures of various government agencies referred to PhilPost reimbursement.

Asked whether there was something wrong with the budgeting process because the agencies would have payables due to the PhilPost but were not provided funds for them, Senator Tolentino surmised that the tradition was simply maintained. He stated that franking privileges were previously available only to a few agencies; however, the creation of more courts resulted in more judicial notices being served. He also noted that agencies which did not normally avail of franking privileges, such as the Office of the Solicitor General and the Philippine Statistics Office, were already using it.

Asked whether the franking privilege is provided by law, Senator Tolentino replied in the affirmative.

Senator Pimentel stated that he was open to any suggestion for raising the P554 million required to reimburse PhilPost. He pointed out that the Senate committee proposed P15 million for the purpose, while none was allocated by the House of Representatives.

4

In response to further questions, Senator Tolentino stated that PhilPost would be operating at a loss, with a deficit of P26,266,000. He also stated that reimbursement would be made per agency, with the Judicial branch receiving the bulk of the funds. He stated that the Supreme Court, through the Court Administrator, could consider whether it should be included in their budget for the following year. He pointed out that the reimbursement for the Executive branch would be P108 million, while P7,204,000 would be due for both Houses of Congress.

Senator Tolentino proposed that the agencies pay PhilPost directly since each has its own budget. In terms of funding the reimbursement for 2022, he stated that he would introduce a proposal during the period of amendments so that the chairperson of the Committee of Finance could tap unprogrammed appropriations or other sources.

Assuming the P15 million subsidy is approved, Senator Pimentel asked if the P7 million debt of both Houses of Congress could be written off. He expressed concern that PhilPost might still retain their receivables the following year because it would not attribute the P15 million to any agencies that owed it. Senator Tolentino responded that the reimbursement from both Houses of Congress was only 1.3% of the total amount and would completely pay off the debt. However, he stated that PhilPost's main concern was the Judiciary's due.

If the P15 million subsidy in the GAA is approved, Senator Pimentel asked if it would pay off the P7 million debt of both Houses of Congress in the next budget cycle. Senator Tolentino reiterated that the P15 million subsidy could cover the P7.2 million reimbursement, with the remaining P8 million treated as an advance payment on their books.


Senator Pimentel stated that Congress would have to provide funds in the next budget cycle to agencies which have payables to PhilPost. However, Senator Tolentino pointed out that the bulk of the needed reimbursement, amounting to P429,208,000, would be for the Judiciary, and he expressed concern that the issuance of their judicial notices would be jeopardized if the necessary funding was not provided.

Senator Tolentino then suggested that a portion of the reimbursement be taken from the Judiciary Fund.

Having worked with the LBRMO on the same issue the previous year, Senator Hontiveros suggested that the Office refresh their memory on how the matter of reimbursement was handled. Senator Tolentino explained that traditionally, the reimbursement for PhilPost was charged to the national government, and as a result, the agency had been shouldering the cost of the franking privilege, which resulted in the diminution of its own funds. He suggested that the PhilPost collect directly from the agencies with franking privileges. He said that the current practice would continue unless they amend the law to set a limit for such franking privileges.

Senator Pimentel believed that the amendment should come from PhilPost because it is in charge of implementing the franking privilege. If it is not sustainable, he suggested that they change the policy by not expanding the privileges and limiting it to indispensable communication. However, he lamented that the problem was not with the amendment of RA 7354 but with the subsidy that served as a reimbursement. Senator Tolentino stated that they could get the proposal from PhilPost on how to sustain its operations, given that it was previously considered a bureau rather than a GOCC.

Asked if the P544 million was an accumulation over time or for a single fiscal year, Senator Tolentino said it was PhilPost's collectibles for 2021. He explained that collection was delayed for two years, and that reimbursement from the national government was included in the GAA.



Senator Pimentel observed that the reimbursement would be paid directly to PhilPost through the GAA rather than being distributed among the agencies with franking privileges. Senator Tolentino agreed, but added that the figure did not include the amount owed to the postal corporation in 2022. He also stated that the DBM had written to PhilPost, explaining that the latter's request for reimbursement could not be considered due to the tight resource outlook for fiscal year 2023. He then urged the Body to help find ways to sustain the operations of the PhilPost so that it can compete with private couriers such as LBC. He stated that the postal corporation is already part of the country's history and has had several achievements.

Senator Pimentel reiterated that he would welcome any solution that would help PhilPost. Senator Tolentino responded by suggesting that they amend the law, adding that Senator Angara can address the issue through amendments to the budget bill.

At this juncture, Senator Villanueva noted that even with the proposed P15 million subsidy, the PhilPost still anticipated a P26 million loss in fiscal year 2023. Senator Tolentino stated that the expected loss would be P518 million. He then suggested that they obtain the corporation's cash flow statements as well as other fiscal financial projections in order to help them. Senator Villanueva agreed and suggested that the information be provided to the Senate in writing.

Asked on the amount needed for the postal corporation to survive, Senator Tolentino replied that it is P544,836,823.

INTERPELLATION OF SENATOR BINAY

Asked by Senator Binay whether the PhilPost would be violating the law if it would not honor the franking privileges of government agencies, Senator Tolentino replied in the affirmative, as he cited several special laws such Executive Order No. 207, which is the franking privilege of the Judiciary; Republic Act 6770 for the Office of the Ombudsman; a law for the Land Registration Authority; and Republic Act No. 180 for the COMELEC. He pointed out that COMELEC would be using the privilege next year for the barangay and SK elections, while the Judiciary had been using the bulk of the franking privilege for daily delivery of judicial notices.

Senator Binay stated that without funds, PhilPost would be unable to serve the agencies because it would be unable to pay its own employees. As a result, she opined that PhilPost would not be breaking the law if it could not honor the franking privileges of the agencies because it lacked funds for its operations. Senator Tolentino, on the other hand, pointed out that the postal corporation still has some revenues to subsidize some of its expenses, as he recalled that once it had its own bank.

Further, Senator Tolentino stated that while the Senate could continue availing of its franking privileges after fully reimbursing PhilPost for the service, the same service could not be suspended for the Judiciary because it would not only jeopardize the operation of the justice system but would also violate some of the country's treaty obligations, particularly international postal treaties.

Asked by Senator Villanueva why the Executive department was not aware of the problem, Senator Tolentino said that he could not respond to the query because he was only given the job of defending the agency's budget 24 hours before.

INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

He conveyed his support for the agency but requested the submission of its corporate operating budget. He manifested his interest in learning about the GOCC's budgeting process as well as in its revenue and cash flow, especially since the requested amount would be in the form of a subsidy

but treated as a reimbursement. Senator Tolentino stated that he would provide Senator Pimentel with a copy of the corporate operating budget within day.

In summary, Senator Pimentel said that the committee's P15 million allocation would be deducted from the agency's P544 million proposed budget, leaving a P529 million balance that the committee must fund.

Asked which years would be reimbursed if the entire amount was given to PhilPost, Senator Tolentino stated that the allocation would cover reimbursements for franking privileges in 2021. He stated that the reimbursement process had been delayed for two years.

Senator Pimentel expressed his help and support for PhilPost.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE POSTAL CORPORATION

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Philippine Postal Corporation was deemed submitted for the Body's consideration.

COMMISSION ON FILIPINOS OVERSEAS

Senator Tolentino presented the budget of the Commission on Filipinos Overseas (CFO).

INTERPELLATION OF SENATOR VILLANUEVA

Asked by Senator Villanueva about the proposed budget of the Commission on Filipinos Overseas (CFO), Senator Tolentino said that it would be P181,017,000 under the Senate version, up by P29.44 million from the proposed P151 million in the GAB.

On how the CFO's mandate differs from that of other agencies dealing with Filipinos abroad, Senator Tolentino explained that the commission's clientele are the permanent overseas residents and immigrants, including their spouses, as well as Filipino partners of foreign nationals. He stated that the CFO's mandate is to promote the interests and welfare of Filipino immigrants, as well as to encourage their participation in Philippine development initiatives.

Asked whether there were any overlapping functions between the CFO and other agencies, Senator Tolentino replied in the negative, noting that the former deals with Filipinos with permanent residency abroad, whereas the DMW deals with Filipino migrant workers.

When asked about the distinction between the CFO's Balikbayan Program and the Department of Trade and Industry's Foreign Trade Service Corps, Senator Tolentino replied that he was unfamiliar with the DTI program. But he pointed out that the CFO has partnered with 32 LGUs and eight overseas Filipino associations for its Balikbayan Program, which is a one-stop online portal that offers an integrated platform that taps into the skills and knowledge of overseas Filipinos so they can contribute to the country's development initiatives.

Recalling that the DFA had a similar program, Senator Villanueva expressed concern about the possibility of overlap among government programs aimed at harnessing the social resource that is the overseas Filipinos, and suggested that such programs be reviewed.

Senator Tolentino stated that while there may be convergence among different government programs, they must have different menus of services. For example, he stated that the Balikbayan Program caters to online platforms, whereas the FTSC is focused on direct foreign investments.

↗

He said that he had made the same point in an earlier session when he said that the DOST and DOE had similar initiatives and programs.

On whether the CFO still collected fees from its registrants, Senator Tolentino answered in the negative. He also stated that as directed by Congress, the commission had ceased collecting fees for its seminars, implying that the CFO relies solely on the legislated budget appropriations for its funds.

Asked about the number of overseas Filipinos, excluding those working abroad, he stated that there were 4.8 million permanent migrants, but that the figure could be higher because some overseas Filipinos may not have been recorded by the CFO. He stated that the data came from the CFO's database of registrants from the top 10 countries.

At this juncture, Senator Ejercito relinquished the Chair to Senate President Zubiri.

Senator Villanueva inquired as to how the CFO updates its database and whether it is done in coordination with other agencies and departments. He recalled that during his trip to France, he received conflicting reports on the number of overseas Filipinos in that country, with the DMW records showing 879 overseas Filipino workers versus the CFO data of 3,419 Filipino immigrants from 1981 to 2020. On the other hand, he stated that the DFA informed him that there were 24,809 Filipinos in France in 2019 while the Philippine ambassador placed the number at 25,677.

He expressed concern about the lack of an integrated shared information system between the agencies as mandated by Republic Act No. 8042, the Migrant Workers Act, which was passed in 1995.

Senator Villanueva recalled that when the COVID-19 pandemic struck, various figures were released regarding the exact number of OFWs to be repatriated, the expected number of Filipinos returning home, and the number of Filipinos stranded in different parts of the world. He stated that R.A. No. 9042, the Migrant Workers Act, was passed into law in 1995 with the intention of creating a shared information system, but that it had not materialized despite calls to various agencies to do so.

Inquired about the CFO's position on the matter, Senator Tolentino stated that if he had access to the exact database of Filipinos living abroad, he would have formed a championship team for the FIBA basketball competition or a soccer team by recruiting children as young as 11 years old and providing them with Philippine passports to allow them to represent the country. He explained that the CFO only keeps track of Filipino immigrants whose point of departure is the Philippines. He stated as an example that those born to Filipino parents in another country, such as Hong Kong, and then migrate to another country, such as Canada, are not included because they did not originate from the Philippines. He stated that there appeared to be a tussle between the DFA and the CFO as to who maintains the database of Filipinos abroad.

Senator Villanueva expressed hope that something could be done about the issue, despite the fact that it had been 27 years since the law was passed and nothing had happened. He also stated that he would raise the issue during the deliberations on the budgets of DOLE, DMW, DICT, DFA, and other relevant agencies so that whenever Filipinos abroad look for data, it is exact and readily accessible. He also urged the heads of relevant agencies to do their part in ensuring that the figures are correct.

INTERPELLATION OF SENATOR PIMENTEL

Asked by Senator Pimentel if the creation of the Department of Migrant Workers (DMW) had affected the workload of the CFO, Senator Tolentino replied in the negative. He stated that each agency has a distinct clientele and mandate: the CFO's clients are permanent residents and immigrants overseas, including spouses and other partners of foreign nationals, whereas the DMW's concern



is overseas Filipino workers who stay abroad temporarily and are subject to the terms of their work contract. He stressed that while both agencies have their separate and distinct mandates, their functions may possibly overlap.

Senator Pimentel informed the Body that he had filed a bill seeking the creation of a department for OFWs, which at one point included migrant Filipinos overseas. However, he said that he reverted it back to its original intent to focus on OFWs.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON FILIPINOS OVERSEAS

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Commission on Filipinos Overseas was deemed submitted for the Body's consideration.

PHILIPPINE SPACE AGENCY

Senator Tolentino presented to the Body the budget of the Philippine Space Agency (PhilSA). He stated that the NEP proposed a budget of P747,658,000 for 2023, while the Senate approved a budget of P947,658,000. He stated that the agency requested a larger amount, but the Senate granted an extra P200 million to cover the PhilSA's expansion for the following: development of a smart watershed and monitoring system; development of a space industry roadmap; communications campaign; development of space food and agriculture; establishment of a space analogue mission's laboratory; development of a communication's payload; deployment of an amateur radio kit as a stem learning material; counterpart funding for Pan-Asia Partnership for Geospatial Air Pollution Information Project and the Pandora Asia Network (PAPGAPI-PAN), as well as the ratification of space treaties; and continuing support for scholars.

While PhilSA's programs and projects may appear ambitious, he pointed out that it is a space program that involves flying objects into space, such as the Multispectral Unit for Land Assessment (MULA) and Diwata-3, which can communicate through a system based in the Philippines while the spacecraft is in orbit

INTERPELLATION OF SENATOR PIMENTEL

On whether the programs were expanded due to the additional P200 million, Senator Tolentino stated that the PhilSA requested an additional P356,180,000 to cover the items mentioned, as well as other items such as the design, fabrication, and testing of the Diwata-3 satellite components, and the development and launch of the cube satellite with local industry partners. He stated that the Senate deemed it necessary to grant P200 million without diminishing the value of whatever space programs the PhilSA intends to do in 2023, which are intricate scientific gadgets and empirical data. He stated that while the PhilPost, as stated earlier, is considered a heritage agency, the PhilSA is the agency of the future.

As to who heads PhilSA, Senator Tolentino stated that it is led by Director General Joel Joseph S. Marciano Jr., an electrical and electronics engineer.

Senator Pimentel stated that the Senate supports the cause of science in the country. He stated that the space agency was so rich in scientific content and knowledge that it is likely the last frontier.

As to the body that regulates the use of outer space, Senator Tolentino stated that the Philippines is a member of the United Nations' Office for Outer Space Affairs' (UNOOSA) Committee on the Peaceful Uses of Outer Space (COPUOS). Senator Pimentel recalled that



during an online conference with PhilSA, there was mention of a treaty to which the Philippines is not a party because the Senate had not acted on the treaty.

Senator Tolentino stated that the conference referred to by Senator Pimentel was the Liability Convention. He stated that the day's newspapers featured an article about space debris that were found near Mindoro's shores. He said that nations who sign the treaty would be held accountable for the foreign debris that falls from the sky and lands on the territory of another country, and will be forced to pay for property damage and injury to persons. He clarified that the Philippines had signed the treaty but had not yet ratified it. He stated that if Diwata-3 crashes in another country, the Philippines will be liable for the damages.

When asked if the Philippines, which had yet to ratify the treaty, could seek compensation for damages caused by falling space debris, Senator Tolentino reasoned that because the treaty had not yet been ratified, the country has no treaty obligations with other states, and vice-versa. He stated that the government could not claim any benefit unless it has fully ratified the treaty, unless the claims are obtained through other means, such as a backdoor diplomatic channel.

Senator Pimentel inquired about the PhilSA's budget for 2022, recalling that it had a budget of less than P100 million in previous years. Senator Tolentino replied that it received P179 million in 2022.

Senator Pimentel stated that the budget given by the Executive department demonstrated the level of support the Marcos administration and the Senate had for the space program. Senator Tolentino hoped that the PhilSA would use the budget to advance not only knowledge but also agricultural innovation and climate change mitigation.

Senator Pimentel then proposed that the PhilSA submit periodic reports to the Senate and to publicize its achievements so that Filipinos could be proud of the agency and the youth would be inspired to become scientists or astronauts themselves. Senator Tolentino stated that he himself had many questions to ask but would have to settle for the quarterly reports to be submitted to Congress. Nonetheless, he requested a picture of the West Philippine Sea as well as a weather update on different parts of the world since the satellite could cover places like California or Ukraine. He also mentioned that the agency intended to establish a monitoring facility in Clark.

Senator Pimentel stated that under Republic Act No. 11363, the director general is tasked to "advise the President on the promulgation of executive and administrative orders and formulation of regulatory and legislative proposals on matters pertaining to space science and technology applications development."

As to whether the director general or the PhilSA actually performed the said role, Senator Tolentino replied that the agency had been briefing the President as well as the Philippine Space Council. He added that the council—which Senator Cayetano (A), as chairperson of the Senate Committee on Science and Technology, should be a member of—meets regularly.

INTERPELLATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri asked whether the PhilSA conducts research and development on satellites that the country might use in the future, whether PhilSA was looking at outward space, and whether the country has an astrological or astronomical group that studies stars and comets. He also asked about the simple day-to-day responsibilities of the PhilSA. Senator Tolentino replied that PhilSA's focus was to have more satellite images of planet Earth.

As to whether the Philippine satellites could provide high-definition photos as it hovers over Ukraine and California and whether PhilSA could conduct a briefing for the Members of the

Senate, Senator Tolentino replied that the Diwata II satellite was able to secure a five-meter resolution over Ukraine.

Expressing his interest on the images that could be captured by the satellite, Senate President Zubiri hoped that PhilSA, through Senator Tolentino, could present to the Body photos captured by the satellite in order for the Body to have a better appreciation of how the yearly P900 million budget is spent. In reply, Senator Tolentino said that PhilSA's website "Our Place in Space" contains compilations of photos over the West Philippine Sea and Ukraine, among other images.

Senate President Zubiri then suggested that PhilSA also serve the needs of the agriculture sector by conducting a satellite mapping of the country, particularly on areas that are vulnerable to climate change. He said that the government could probably fund it in order that such service to the farmers would be for free. He believed that satellite mapping would be very useful and would be more responsive to the Filipino farmers' needs since it could provide information on where scouring and desertification occur. In reply, Senator Tolentino said that the PhilSA director general pledged that his agency would be providing all senators the following week with a copy of the compilation of satellite images of Ukraine, the West Philippine Sea, and calamity-stricken areas hit by the recent typhoons.

As to Senate President Zubiri asked whether the PhilSA would be the appropriate agency that could give information on possible sightings of unidentified flying objects and whether it had known any recorded UFO sightings in the country. He related that the National Aeronautics and Space Administration (NASA) had already declassified its UFO records. Senator Tolentino said that PhilSA would try to endeavor the suggestion, but that there was yet to be a report on UFOs in the country.

At this point, Senate President Zubiri said that PhilSA is a very interesting agency as he himself was interested in science research and technology development.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE SPACE AGENCY

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Philippine Space Agency was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 8:15 p.m.

RESUMPTION OF SESSION

At 8:17 p.m., the session was resumed.

COMMISSION ON THE FILIPINO LANGUAGE

Senator Cayetano (P) presented the budget of the Commission of Filipino Language in the amount of P80,643,000.00.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel noted that the Committee on Finance increased the budget of the Commission on the Filipino Language from P70 million in the 2023 NEP to P80 million in Committee Report No. 10.



As to why the Committee granted an additional P10 million in the commission's budget, Senator Cayetano (P) replied that the said amount would fund the *Aklatang Balmaceda*, the implementation of the Filipino Sign Language Law (Republic Act No. 11106), and the *Komisyon sa Wikang Filipino* (KWF) publications like the Cebuano, Filipino, and English dictionaries, among others. She said that she would furnish Senator Pimentel a copy of the list of included publications.

On the controversial KWF order stopping the publication of five books, Senator Cayetano (P) replied that the Commission issued on August 9, 2022 Memorandum No. 2022-0663—signed by five or majority of the eight commissioners—against the said creative works that it deemed “subversive” and political in nature as it contains subliminal ideology that incites rebellion. A month after, however, she said that three of the signatories withdrew their signatures from the memorandum, rendering it invalid.

As to the head of the commission, Senator Cayetano (P) pointed to Chairman Arthur Casanova who was present in the hall.

On whether the commission's composition changed after the controversial order, Senator Cayetano (P) replied in the negative.

Senator Pimentel then reminded the commission to exercise caution in issuing memoranda.

Senator Cayetano (P) averred that the KWF chairperson had no personal knowledge of the memorandum because he was not among those who signed it. However, he believed that the commission's work had become politicized as a result of the events that transpired.

Asked by Senator Pimentel on the primary mandate of the KWF, Senator Cayetano (P) replied that the KWF was established to conduct, coordinate, and promote research for the development, propagation, and preservation of Filipino and other Philippine languages. She stated that as pointed out by Senator Pimentel, the KWF is not tasked with determining whether the content of any publication is subversive.

On whether she was aware of any conflict among the KWF commissioners, Senator Cayetano (P) replied in the affirmative. However, she stated that their disagreement had no bearing on their work in the commission. Senator Pimentel advised the KWF to set aside their personal differences and focus solely on the commission's mandate.

Senator Pimentel informed the Body that Senator Legarda had requested a copy of the five controversial publications for the Senate Library so that those interested could determine whether the book contained any hidden ideologies.

INTERPELLATION OF SENATOR DELA ROSA

Asked by Senator Dela Rosa what happened to the books labeled “subversive” by the security sector, Senator Cayetano (P) replied that the KWF issued a resolution withdrawing the previous memorandum that labeled the five books “subversive,” and the books were no longer banned from publication and distribution.

Senator Dela Rosa stated that he had read a copy of the controversial publications and that, as a father, he was concerned that the “subversive” books would influence his children. He expressed disappointment that while the AFP was working hard to combat insurgency, another government agency appeared to support the radicalization of young people's minds. He asserted that government officials should exercise prudence when it comes to publications and books funded by government funds by investigating their contents.

Senator Cayetano (P) reiterated that the KWF's mandate does not include determining whether a publication is subversive, prompting the commission to withdraw a previous memorandum banning the publication and distribution of the controversial books.

Senator Dela Rosa lamented the use of academic freedom by leftist groups to advance and promote their interests in their fight against the State. He stated that all government agencies should work together in nation-building, and that it was the Senate's responsibility to stop the brainwashing of the Filipino youth through the controversial reading materials.

Asked by Senate President Zubiri whether the controversial reading materials were funded by the government, Senator Cayetano (P) responded in the affirmative.

Senator Dela Rosa informed the Body that he also endorsed the chairman to then-President Duterte to head the commission, so there was no personal issues between them. He clarified that he only wanted to point out how subversive the books were.

INQUIRY OF SENATOR BINAY

Senator Binay inquired about the authors of the books mentioned. Senator Cayetano (P) replied that *Teatro Pulitikal Dos* was authored by Malou Jacob; *Kalatas: Mga Kuwentong Bayan at Kuwentong Buhay* by Rommel Rodriguez; *Tawid-Diwa sa Pananagisag* by Bienvenido Lumbera; *Ang Bayan, ang Manunulat, at ang Magasing Sagisag sa Imahinatibong Yugto ng Batas Militar 1975-1979* by Dexter B. Cayanes; *May Hadlang ang Umaga* by Don Pagusara; and *Labas: Mga Palabas sa Labas ng Sentro* by Reuel M. Aguila.

Senator Binay informed the Body that Bienvenido Lumbera is a national artist.

REQUEST OF SENATOR PIMENTEL

Senator Pimentel asked the commission to furnish the Senate with copies of the books in question. Senator Cayetano (P) stated that the commission would comply.

At this point, Senate President Zubiri asked Senator Dela Rosa to highlight the parts of the book he considered subversive. He also asked on the status of the books.

Senator Cayetano (P) replied that while there was a resolution stopping their publication, the signatories withdrew, so only one batch of the books was published, and more would be published when the demand is high.

MANIFESTATION OF SENATOR HONTIVEROS

Senator Hontiveros expressed the hope that the KWF would continue to exercise its freedom and pursue the mandate given to them despite the controversy. She thanked Senator Cayetano (P) for mentioning the titles and authors of the books, as well as Senator Binay for pointing out that one of the authors is a national artist for literature.

She believed that the issue was one of freedom, including the freedom of enterprise to publish books with private-sector funds, as well as academic freedom. She underscored that the commission's primary concern is language, which is the life of the mind and the freedom of people. She expressed gratitude that the issue was brought to light at a time when red-tagging was also a concern. She stated that it brought to mind historical issues such as Nazi book burnings and the country's ban on certain books.

She believed that allowing the commission to publish books would be beneficial to the youth, even those who are passionate about military service, such as her late husband who was a cadet at the Philippine Military Academy, as well as those who are apolitical and activists who are non-violent and do not engage in armed struggle. She said that rather than banning the books, the commission should continue to carry out its mandate, while parents, teachers, adults, and, most importantly, the government should champion superior ideas by guiding and molding critical minds.

INTERPELLATION OF SENATOR LEGARDA

Senator Legarda stated that the Komisyon ng Wikang Filipino was one of her favorite government agencies, and she spent time listening to the presentation of its mandates and projects. She then inquired as to how many languages are actually spoken in the country, given that one website reported 133 and others counted 180. She also inquired about the distinction between language and dialect, the number of languages based on ethnolinguistic groups, which languages have died, and what the commission had done to preserve the languages.

Senator Cayetano (P) responded that the KWF had listed 130 languages, but that recent research had discovered three new languages. However, she revealed that the Summer Institute of Linguistics had a list of 180 languages. She clarified that the KWF and U.P. made their independent researches on the matter.

Senator Legarda then asked if there was a database containing a complete report on the 133 or 180 languages, as well as cultural and language mapping to determine where each language originated, the status of the language—whether it is still spoken or not, written and audio forms, and history. Senator Cayetano (P) replied that there is an *Atlas ng Wika*. However, Senator Legarda stated that the atlas, written by former KWF head and National Artist Almario, was incomplete because it included only 133 languages. Senator Cayetano (P) stated that the KWF was planning to revise and update the edition.

Senator Legarda stated that she would not request an additional budget for the KWF because she assumed that the allocation would be sufficient to fund research to gather additional data about the 133 Filipino languages, including proof of the existence of the language. She wondered, however, as to why the country lacks a language museum where information and cultural mapping of all 133 languages could be exhibited, which would be educational, would bring pride to the country, and would promote nationalism.

She proposed establishing a Philippine studies program in various universities around the world where the history of Philippine languages would be taught. She mentioned Chairman Casanova who could give lectures on Philippine languages. Senator Cayetano (P) replied that the commission already has a website but that it would be updated to include Senator Legarda's suggestions, such as audio-visual recordings. She mentioned that the commission has released some infographics on the various languages.

Senator Legarda also proposed holding poetry readings using the eight major languages of the 133. Senator Cayetano (P) stated that the commission was taking note of all of Senator Legarda's suggestions.

Furthermore, Senator Legarda stated that language contests, including essay and poetry readings, to be open to all ages, could be held in coordination with the DepEd, CSOs, or NGOs at the grassroots or in the barangays where the language originated, or in Intramuros and the National Museum. Similarly, she suggested that walking tours be organized and language markers be placed in locations where the language originated. Senator Cayetano (P) stated that the commission would discuss the suggestions with the Secretary of Tourism.

Finally, Senator Legarda stressed the importance of language in encapsulating the Filipino culture, emphasizing the importance of preserving the 183 living languages identified by the Summer Institute of Linguistics.

MANIFESTATION OF SENATOR PIMENTEL

In connection with the discussion on the alleged subversive books, Senator Pimentel informed the Body that the Anti-Subversion Law had been repealed in the 1990s.

MANIFESTATION OF SENATOR DELA ROSA

Senator Dela Rosa explained that his appeal was based on moral grounds, particularly the people's moral obligation to contribute to nation-building. He considered it immoral to use government funds for subversive reading materials that would indoctrinate or brainwash the children to hate their own government. He then urged parents and families to look after their children so that they are not misled into joining subversive groups or organizations.

Senate President Zubiri stated that Filipinos should promote the Philippines for development and investments rather than bring it down.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON THE FILIPINO LANGUAGE

There being no other reservation for interpellation, upon motion of Senator Ejercito, there being no objection, the budget of the Commission on the Filipino Language was deemed submitted for the Body's consideration.

NATIONAL SECURITY COUNCIL, PHILIPPINE RACING COMMISSION, PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT, AND ANTI-MONEY LAUNDERING COUNCIL

There being no reservation for interpellation, Senator Ejercito moved that the budgets of the following agencies be deemed submitted: National Security Council, in the amount of P418,834,000; Philippine Racing Commission, P316,176,000; Philippine Center for Economic Development, P27,435,000; and Anti-Money Laundering Council, P208,828,000.

SUSPENSION OF SESSION

With the permission of the Body, the session was suspended to allow the heads of the aforementioned agencies to be present in the Session Hall.

It was 9:11 p.m.

RESUMPTION OF SESSION

At 9:12 p.m., the session was resumed.

Senator Ejercito acknowledged the presence of the heads of the agency in the Session Hall.

INQUIRY OF THE CHAIR

Senate President Zubiri informed the Body regarding the plan to reduce taxes on racing bets and prizes of the Philippine Racing Commission (Philracom) considering that over-taxation had

become counterproductive as fewer people were betting. Senator Ejercito confirmed Philracom's earnings had plummeted.

Recalling that horseracing was once a huge industry, Senate President Zubiri stated that at the proper time, he would request the agency to submit its position on how the Senate could help increase its revenue, such as by streamlining taxes and providing support to the industry's stakeholders.

SUBMISSION OF THE BUDGETS OF THE NATIONAL SECURITY COUNCIL, PHILIPPINE RACING COMMISSION, PHILIPPINE CENTER FOR ECONOMIC DEVELOPMENT, AND ANTI-MONEY LAUNDERING COUNCIL

Upon motion of Senator Ejercito, there being no objection, the budgets of the National Security Council, Philippine Racing Commission, Philippine Center for Economic Development, and Anti-Money Laundering Council were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 9:17 p.m.

RESUMPTION OF SESSION

At 9:23 p.m., the session was resumed.

CIVIL SERVICE COMMISSION AND CAREER EXECUTIVE SERVICE BOARD

Upon motion of Senator Villanueva, there being no objection, the Body considered the budgets of the Civil Service Commission and the Career Executive Service Board.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva stated that approximately 170,000 government positions were unfilled, but the allocations for the positions were being used as Christmas bonuses in the various departments, so the DBM issued a memorandum when it discovered the lapses.

However, he expressed regret that despite the initiatives made on the matter, some positions in the government were being taken over by job orders because employees were having a hard time passing the civil service exam required for the said positions. Hence, he said that he was glad to hear the statement of Civil Service Commission Chairperson Karlo Nograles about implementing the points system in filling up vacant positions in government. He then asked the Civil Service Commission to provide a timeline for their action plan and to inform the Body if there was a need to augment the budget of the commission in order to implement such programs.

On the issue of job orders and contractual arrangements, Senator Villanueva recalled that the Anti-Endo Bill passed by the previous Congress was vetoed by the President because of the contention that while private sectors were being pressured to end endo, the government remained to be the number one violator of the said scheme. He reiterated his request for the input of the commission on the issue and expressed confidence and trust in the leadership of Chairperson Karlo Nograles.

At this point, Senator Villanueva placed on record that for 2023, the Civil Service Commission would have a budget of P1,905,112,000, and the Career Executive Service Board would have P96,479,000.



MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel shared the concern of Senator Villanueva about government's job orders and contract service hiring scheme. He said that based on his office's research, the government had employed at least 25%, or about 582,000 job order and contract service personnel, out of 2.3 million government workers as of August 2021. He said that he would no longer propound questions on the issue but would just submit his questions to the CSC, which he hoped the commission would be able to answer through a written reply. He likewise hoped that the CSC would include in its written reply the action plan of the CSC to finally end the endo scheme not only in the private sector but also in the government.

In response, Senator Hontiveros assured Senator Villanueva and Senator Pimentel that CSC also shared the senators' vision of advancing the rights and welfare of the people working in the public sector. She stated that the CSC would submit in writing its ongoing plans and innovative ideas to advance security of tenure of the workers in government.

She then thanked Chairperson Nograles and Commissioners Lizada and Acosta of the CSC, Executive Director Ballesteros of the Career Executive Service Board, and Undersecretary Perez of the Anti-Red Tape Authority for their presence.

SUBMISSION OF THE BUDGETS OF THE CIVIL SERVICE COMMISSION AND THE CAREER EXECUTIVE SERVICE BOARD

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of the Civil Service Commission and the Career Executive Service Board were deemed submitted for the Body's consideration.

ANTI-RED TAPE AUTHORITY

Senator Hontiveros presented the budget of the Anti-Red Tape Authority for 2023. She stated that the House of Representatives approved a P256,099,000 for the agency, but the Senate recommended an additional P80 million, for a total of P336,099,000.

REMARKS OF THE CHAIR

Senate President Zubiri said that he would be the first one to recommend the approval of ARTA's budget because he was the sponsor of the Ease of Doing Business Act, which established ARTA. He lauded ARTA for staying to its mandate even though it was under fire many times for its actions and vigilance against red tape.

He then read a joint statement of support for ARTA signed by various groups on October 14, 2022, to wit:

"The difficulty of doing business with the government has always been a problem for businessmen and a disincentive to investment in the Philippines. So, it was welcomed when Congress passed RA 11032 creating the Anti-Red Tape Authority.

While much improvement is to be desired in the area of ease of doing business, ARTA, in the three short years of its creation, has done its share and delivered through the hard work of its people. Approvals for permits, licenses ... have been simplified and greatly sped up the process.

The three days, seven days, and 20-day requirement detailing the number of days within which approval must be granted has seen many provincial government agencies and local governments introduce procedures to obtain the swift attainment of approval.



We were concerned when particularly our friends in the Ombudsman called for its abolition. And we agree that the Ombudsman, within the white scope of its authority, has a role to play in improving government services. But ARTA's primary role is to improve government services. The Ombudsman and ARTA complement each other's functions. Hence, both should be working together.

A case was brought before the Court of Appeals as to the role of ARTA and the Court of Appeals confirmed that ARTA was operating legally. Senate President Juan Miguel F. Zubiri thanked the court for supporting the role of ARTA and congratulated ARTA on the leadership of its director general, Jeremiah Belgica, for a job well done."

Senate President Zubiri stated that the statement was also an appeal to the Ombudsman to work together with the agency in improving the government services that the people need. He disclosed that the signatories of the statement were the American Chamber of Commerce, Anvil Business Club, Alyansa Agrikultura, Canadian Chamber of Commerce, Cebu Business Club, Cebu Business Foundation, Employers' Confederation of the Philippines, European Chamber of Commerce, Makati Business Club, and Justice Reform Initiative, among others.

He stated that he read the statement to let ARTA know that it was doing a good job despite the difficulties. He pointed out that ARTA had assisted in the creation of a number of LGUs' citizens' charters, increasing the number of LGUs with citizens' charters from 20% to over 95%.

Senate President Zubiri explained that a citizen's charter contains every citizen's right when applying for certificates, licenses, and permits, including the three-day and seven-day ruling regarding their approval. He reaffirmed his commitment to support ARTA by doing his best to ensure that the Ombudsman will also collaborate with the agency. He hoped that ARTA would keep up its excellent work in promoting the Philippines through ease of doing business.

Senator Villanueva joined Senate President Zubiri in his support for ARTA, recalling that the Anti-Red Tape Act was his first law as a member of the House of Representatives during the Twelfth Congress.

Senator Hontiveros thanked Senate President Zubiri and Senator Villanueva for championing ease of doing business as well as of ARTA. She also thanked Senator Pimentel for submitting his questions to ARTA in writing which she assured ARTA would satisfactorily answer. She also congratulated Undersecretary Perez of ARTA.

SUBMISSION OF THE BUDGET OF THE ANTI-RED TAPE AUTHORITY

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Anti-Red Tape Authority was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 9:42 p.m.

RESUMPTION OF SESSION

At 9:44 p.m., session was resumed.

↑

PHILIPPINE DRUG ENFORCEMENT AGENCY (PDEA)

Senator Dela Rosa presented the proposed budget for the Philippine Drug Enforcement Agency (PDEA) in the amount of P3,109,572,000, broken down as follows: P1.82 billion for Personal Services; P1.92 billion for Maintenance and Other Operating Expenses; and P100 million for Capital Outlay.

**SUBMISSION OF THE BUDGET
OF THE PHILIPPINE DRUG ENFORCEMENT AGENCY**

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of PDEA was deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR CAYETANO (A)

At this juncture, Senator Cayetano (A) informed the Body that PDEA was planning to establish anti-drug agency attaches in selected countries, which the agency deemed potential entry points for illegal drug supplies. He stated that the PDEA was currently reliant on police embassies abroad. He added that the more coordination points the agency had to go through, the more illegal drug supplies were at risk of getting lost. He then proposed that the bicameral conference consider establishing PDEA attaches in three or four countries identified as potential illegal drug gateways, and whose governments are willing to cooperate in the Philippines' crusade against illegal substances. Senate President Zubiri compared the proposal to that of the U.S. Drug Enforcement Administration, which has outposts in many countries, particularly in South America.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 9:49 p.m.

RESUMPTION OF SESSION

At 9:52 p.m., the session was resumed.

AUTHORITY OF THE FREEPORT AREA OF BATAAN

Senator Ejercito presented the proposed budget for the Authority of the Freeport Area of Bataan (AFAB) in the amount of P191,260,000.

REMARKS OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri lauded the officers of AFAB for performing their duties well. He observed that in the few years that AFAB had been in operation, it was able to establish many business ventures in the freeport zone.

MANIFESTATION OF SENATOR CAYETANO (A)

Senator Cayetano (A) associated himself with Senate President Zubiri's remarks. He informed the Body that AFAB was the first Export Processing Zone Authority (EPZA) and that it was designated as a "special economic zone." He added that despite the influx of special economic



zones being established across the country, it was able to stay afloat in the face of difficulties. He believed AFAB deserved more congressional support because of its resilience, including serving as the model for Cebu economic zone's operations and what IT centers nationwide have emulated.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva informed the Body that when he was Director General of the Technical Education and Skills Development Authority, he had a great partnership with AFAB, which was featured in international news reports as having low unemployment rates, happy employees, and an abundance of products in public markets due to people's increased purchasing power.

He commended the AFAB leadership but lamented that it has yet to receive the percentage of the budget specified in its charter, which he has been advocating for the issue for quite some time. Senate President Zubiri also congratulated the officials of the Province of Bataan for their unwavering support for AFAB.

SUBMISSION OF THE BUDGET OF THE AUTHORITY OF THE FREEPORT AREA OF BATAAN

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of AFAB was deemed submitted for the Body's consideration.

DEPARTMENT OF NATIONAL DEFENSE

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the Department of National Defense (DND) and its attached agencies.

At this juncture, Senator Villanueva acknowledged the presence in the gallery of the Defense Undersecretary and Officer-in-Charge, retired Gen. Jose Faustino Jr.

Senator Dela Rosa presented the recommended budget of the Department of National Defense in the amount of P232,304,645,000, broken down as follows: 1) Office of the Secretary Proper, P1,178,988,000; 2) Government Arsenal, P1,519,876,000; 3) National Defense College of the Philippines, P116,729,000; 4) Office of the Civil Defense, P1,374,577,000; 5) Philippine Veterans Affairs Office, P601,843,000; 6) Veterans Memorial Medical Center, P2,498,374,000; 7) Armed Forces of the Philippines, P225,014,258,000; 8) Philippine Army, P110,176,684,000; 9) Philippine Air Force, P38,868,675,000; 10) Philippine Navy, P34,939,904,000; and 11) General Headquarters, P44,028,995,000.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri thanked Undersecretary Faustino, General Bacarro, as well as the men and women of the Armed Forces of the Philippines—the Philippine Navy, Philippine Marine Corps, Philippine Air Force, Philippine Army, Citizen Armed Force Geographical Units, as well as the reservists—for their service to the country. He stated that their dedication to their work enabled the Senate to become a bastion of democracy.

INTERPELLATION OF SENATOR CAYETANO (A)

Asked by Senator Cayetano (A) how much the budget of the New Peoples' Army (NPA) for 2023 was, Senator Dela Rosa replied that while the DND has some information regarding its locally-generated funds through its extortion activities from the telecommunication companies (telcos), banana plantations, mining, logging, construction, and transportation companies, it did not know exactly how much the budget of the New Peoples' Army was.



Regarding the DND's budget, he stated that in 2016, it received a record budget of P4.2 billion, while in 2022, it decreased by approximately P8.3 million.

Senator Cayetano (A) pointed out that while the DND had intelligence and surveillance information on the NPA, it had no way of determining the enemy's exact budget or the number of troops and arms, among other things. Senator Dela Rosa stated that the DND was aware of the number of NPA personnel but had no information as to its annual budget.

Senator Cayetano (A) surmised that the DND did not also have knowledge of the armaments and submarines of neighboring countries like Vietnam, Malaysia, and China. He stated that while the government has diplomatic relations with the aforementioned countries, the West Philippine Sea dispute was a different matter altogether.

He then pointed out that the situation was analogous to NPA members wanting to topple the Philippine government, wherein their ethnicity had already been set aside in lieu of achieving their goal. He believed it was counterproductive to be showing the fund allocation for the DND, AFP, and PNP in a public deliberation due to their confidential nature.

Senator Cayetano (A) also stated that there are many ways of holding the military accountable for the intelligence fund.

He stated that he would not openly discuss the budgets of the AFP, PNP, and DND during the plenary debates, which are being covered by various media outlets, because it could reveal sensitive information on national security. As such, he stated his intention to ask his questions in a forum that will not endanger uniformed personnel.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva expressed his full support for the budget of the DND and its attached agencies and likewise thanked the uniformed personnel for their bravery and service.

INTERPELLATION OF SENATOR EJERCITO

Senator Ejercito expressed his support for the three Horizons in the AFP modernization. He noted that despite the program's allocation being cut by P10 billion, the Senate was able to provide an additional budget of P17 billion. In this regard, he inquired as to what was required to close the gap, particularly because the implementation of Horizons 2 and 3 was being delayed due to budget constraints. He also asked to be updated on the status of Horizon 2.

Senator Dela Rosa replied that only 15 of the 102 projects for Horizon 2 had been completed, while 42 were already being implemented. He stated that as of November 10, 2022, there were 45 unfunded projects that would necessitate a P299.118 billion budget.

He also explained that Horizon 2 refers to "minimum capable defense," which envisions the military becoming fully mission capable for territorial defense in the West Philippine Sea, whereas Horizon 1 is for internal security operations.

Senator Ejercito surmised that the military had already acquired new supersonic aircraft. He then asked if the frigates and corvettes for minimum decent defense had also been delivered. Senator Dela Rosa replied in the affirmative.

Noting that Horizon 3 covers the defense of the country's air space and territorial waters, Senator Ejercito asked how long it would take to complete. Senator Dela Rosa stated that the timeline for Horizon 3 is five years, or from 2023 to 2027, if it is funded.



Given the ongoing maritime disputes in the West Philippine Sea, Senator Ejercito inquired as to how the country's defense capabilities would be affected if Horizon 3 is not implemented as scheduled. Senator Dela Rosa replied that in the event of a superpower attack, the country's only defense would be its infantry forces because the AFP still has limited airpower capabilities and maritime assets. However, he stated that the armed forces could give attackers a fair fight. Senator Ejercito noted the recent success of the armed forces against insurgents in Mindanao, which is no longer dangerous.

Senator Ejercito stated that Horizon 3 would be a deterrent in the event of an aerial or naval attack. He then emphasized the importance of not only strengthening the country's naval forces and air assets but also of improving the AFP's monitoring and radar systems.

He then expressed concern that if Horizon 3 is not implemented, the Philippines will be vulnerable to attacks by other countries. He pointed out that the Philippines, like other third world countries such as Vietnam and Indonesia, which also claim the West Philippine Sea (WPS), is no match for a superpower such as China. However, he stated that Vietnam, despite its small navy, has earned China's respect for its ability to protect its country's territorial waters.

Senator Dela Rosa responded that the WPS standoff between Vietnam and China, as reported by the media, resulted in the massacre of Vietnamese troops who refused to back down. He believed that it would not happen to the Philippine Marines stationed on Sierra Madre because he knew they would never back down.

Senator Ejercito opined that having a strong naval force would at least serve as a deterrent to foreign incursions into Philippine waters. Senator Dela Rosa agreed, stating that some defense is preferable than no defense at all. He believed that increasing funding would help elevate the country's defense capabilities.

At this point, Senate President Zubiri asked Senator Ejercito for suggestions on developing a good credible defense. Senator Ejercito believed that acquiring submarines would aid the country's territorial integrity. He recalled being shown state-of-the-art naval vessels during a parliamentary visit to France with Senate President Zubiri. He also informed the Body that Secretary Faustino and the AFP chief had informed him about the recently concluded Rim of the Pacific (RIMPAC) Exercise, in which all allied nations, including the U.S., Australia, Japan, and the United Kingdom, demonstrated the capabilities of their modern naval vessels, including submarines that can avoid radar and sensor detection.

While acquiring submarines would be costly, he believed that such vessels could be a significant deterrent to the Chinese Navy or any armada. He then showed some photos on of the West Philippine Sea's development that had been featured in the media.

Senator Dela Rosa stated that while Philippine Navy officers have advanced training for submarine duties, they would need a submarine for their skills to be utilized. Senator Ejercito stated that, in addition to the benefits of technology transfer, the Navy would receive training while the submarines were being built.

Commenting on the photos showing the development in WPS that were flashed onscreen, Senate President Zubiri noted that there appeared to be a high-tech radar system in the structures that could detect aircraft hundreds of miles away.

Asked by Senator Ejercito to confirm the veracity of the photos, Senator Dela Rosa stated that the DND has been monitoring developments through the conduct of legitimate aerial and maritime sovereignty patrols over the WPS.



He also disclosed that the information gathered by the patrols supported the government's diplomatic protest against activities that violate Philippine sovereignty, rights, and jurisdiction in the West Philippine Sea.

Senator Ejercito expressed concern over the presence of new structures in the area as it was an indication that China did not honor the agreement to ban the construction of new structures and reclamations. He emphasized the need to modernize the AFP so that the country would have a formidable defense system.

Asked whether the completion of Horizon 3 would be a deterrent to foreign aggression, Senator Dela Rosa answered in the affirmative. He said that Horizon 3 was fully capable of defending not only the West Philippine Sea but the entire country.

At this point, Senator Ejercito appealed to the Body to increase the allocated budget for Horizon 3 so that it could be completed on time. He averred that the photographs would show a clear and present danger that would warrant a decent and capable defense system for the country.

Senate President Zubiri expressed his support for the AFP modernization and Senator Ejercito's appeal, saying that the men and women of the AFP are tried and proven soldiers who only need efficient weaponry so that they can have mobility against a larger force and perform their mandate of defending the country against foreign aggressors.

REMARKS OF SENATOR LEGARDA

In associating herself with the position taken by Senator Ejercito on the issue, Senator Legarda noted that in the past, Congress only provided a meager allocation for AFP modernization and, as such, urged the Body to find the necessary resources to fully implement the decades-old law, especially in light of the arbitral ruling favoring the Philippines over China.

Queried on the total backlog of Congress's allocation in relation to the AFP modernization requirements of P5.2 trillion, Senator Dela Rosa estimated the total backlog at P299.118 billion. Senator Legarda urged the Body and the national security agencies to find ways to secure the necessary funds rather than waiting for a crisis to happen before fully modernizing the country's armed forces.

She also emphasized the importance of personnel training, which was being addressed through the various joint military exercises with countries like the United States and Australia. She recalled that as a young journalist, she opposed the Visiting Forces Agreement on environmental grounds. However, she said that the geopolitical landscape had changed since then and she has become supportive of such activities. She then called for more trainings for AFP personnel so that the armed forces can also get grants for equipment.

At this juncture, Senate President Zubiri asked about the status of the Japanese Visiting Forces Agreement as it may open doors for the AFP to receive grants and bring economic investments to the country. Senator Dela Rosa informed the Body that Japan was joining the Philippine-U.S. Balikatan exercises as an observer and Singapore was also interested in having joint military exercises with the AFP. He informed the Body that the Department of National Defense was expected to come to an agreement with Japan in 2023.

Senate President Zubiri stated that he would try his best to gather enough votes for the ratification of the treaty should it be submitted to the Senate.

With regard to the French provision of a flagship for the Philippine Coast Guard, Senator Ejercito explained that the French naval group offered a reasonable 18-year payment scheme for

the purchase of two submarines. He said that the offer included personnel training and the setting up of a center in Subic. Senate President Zubiri added that the French government was just waiting to frontload the payment.

Senator Legarda underscored the importance of the country having submarines as it is an archipelago. She also posited the possibility of having partnerships with other countries in order to attract investments in hardware, training, and possibly manufacturing which could generate employment and livelihood for Filipinos.

Being a full colonel of the Philippine Air Force reserve force, she expressed her support for the Master in National Security Administration program of the National Defense College of the Philippines which recently began offering an e-MNSA virtual program. Relative thereto, she enjoined the Body to prioritize the bill creating the National Defense University.

INTERPELLATION OF SENATOR EJERCITO

(Continuation)

Senator Ejercito noted that the Senate increased the DND budget by P17 billion. He stated that after extensive research, he was able to locate an additional P10 billion that he would propose to be added so that the department could catch up with Horizon 3 by 2028.

Senator Dela Rosa clarified that the Senate added P12 billion to the original budget of P5 billion, for a total of P17 billion.

Asked by Senate President Zubiri if the P12 billion included the submarines, Senator Dela Rosa replied in the negative. He said that the additional funds would be for unfunded Horizon 2 projects, not gun purchases.

Senate President Zubiri stated that the Body would look for the funds, if not for 2023, then for the following year. Senator Dela Rosa expressed his support for the effort to find much-needed funds

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel expressed concern about the purchase of a submarine as part of the AFP modernization, stating that the government has limited resources and that it would be more practical to obtain surface vessels such as helicopters, which could be used to respond to disasters, rather than a submarine, to which Senator Dela Rosa agreed.

Senator Pimentel stated that Senator Ejercito's descriptions gave the Body an idea of Horizons 1 to 3. Asked if the purchase of a submarine would fall under Horizon 3, Senator Dela Rosa replied in the affirmative.

At this juncture, Senate President Zubiri relinquished the Chair to Senate President Pro Tempore Legarda.

Senator Pimentel believed that the plans for each Horizon could change, thus, he requested that the DND and AFP update or inform the Members of Congress as representatives of the people whenever there are changes. Senator Dela Rosa assured the Body that the department would submit to Congress so that they could learn firsthand about any changes Horizons 2 and 3.

In response to further questions, Senator Dela Rosa stated that Horizon 3 would run from 2023 to 2028. However, he said that there would be no funding for Horizon 3 in 2023, and that any funds

for AFP modernization would be limited to Horizons 1 and 2. He specifically stated that the P17 billion would be used to fund projects under Horizon 2 because there was still a list of unfunded projects. He also stated that once funding is secured, a list would be submitted to Congress. In terms of Horizon 1, he stated that it cost P300 billion, is fully funded, and is nearly completed, with only few projects still being implemented.

Senator Pimentel pointed out that the law calls for the convening of the Congressional Oversight Committee sunset review. He then inquired as to whether the committee had met. Senator Dela Rosa stated that the DND would be requesting a sunset review of the AFP Modernization Law for Horizon 1. Senator Pimentel assumed that Horizon 1 update and details would be revealed during the review, which could be done behind closed doors if necessary.

Senator Pimentel also mentioned the news about the government's acquisition of the BrahMos Missile System. He stated that the goal of the AFP Modernization Law was to have minimum credible defense. He then inquired as to whether the BrahMos missile is a defensive or offensive system. Senator Dela Rosa replied that the BrahMos is part of the Horizon 2 program and is a defensive missile system.

Senator Pimentel inquired which branch of the AFP procured the BrahMos missile system in response to reports that former DOF Secretary Dominguez criticized the splitting of the contract for the BrahMos missile system. Senator Dela Rosa stated that both the Navy and Army procured the missile system. He clarified that the procurement was not split because the Philippine Navy-Marines and Philippine Army each have their own program for procuring the missile system, with the Navy as the first to procure, and the Army followed. He added that each branch of service has its own pacing, which was why the procurement happened at different times.

Senator Pimentel stated that the country's defense should be an integrated master plan. Nonetheless, he stated that the COA review the contracts in due course.

Asked about the Russian helicopter deal, Senator Dela Rosa stated that the government was in the process of terminating it, and the DND was planning to exhaust all diplomatic means to recover the P1.9 billion advance payment.

Senator Pimentel assumed that the Russian government would understand the decision of the Philippine government and consider returning the down payment that had already been made. He stated that the cancellation was due to the possibility of sanctions being imposed on the Philippines by Western powers led by the United States if it continued to still deal with Russia. He stated that the Philippines, as a sovereign nation, would want to decide with whom to interact; however, the reality is that it affects everyone – the financial system, OFWs, the banking system, and many others.

Asked if the House of Representatives changed the NEP or augmented the DND and AFP budgets, Senator Dela Rosa replied in the negative. He stated that the HOR, in fact, reduced their budgets. He stated that the Senate increased the programmed funds of the DND and its attached agencies by P2 billion while increasing the unprogrammed fund by P12 billion. He then provided the following breakdown of the P2 billion additional fund: Office of the Secretary, P500 million; Government Arsenal, P100million; Office of the Civil Defense, P125 million; Veterans Memorial Medical Center (VMMC), for the purchase of drugs and medicines, P200 million; Philippine Army, P350 million for the construction and mobilization of centers in Ilocos Region; Philippine Air Force, P500 million; and Philippine Navy, P226 million

Senator Pimentel requested that the Body be given, the breakdown of the additional budget in writing. He noted that the additional P200 million for the VMMC only mentioned funding for their



out-patient service. He inquired whether the VMMC had received what they had requested. Senator Dela Rosa stated that the VMMC initially requested P425 million, but only P200 million was granted to cover out-patient medicines and drugs. Senator Pimentel reiterated his request for a written breakdown of the items for the specified amount.

Senator Dela Rosa stated that the VMMC's request was prioritized by the committee because its operations are critical to the armed forces. Senator Pimentel stated that the list was created for transparency and to better understand the needs of the defense sector; the more understood, the more assistance will be provided.

Senator Dela Rosa replied that there was a special housing program for uniformed personnel or AFP members that was being implemented by the National Housing Authority.

As to whether the AFP's housing needs were already included in the reported backlog of six million housing units, Senator Dela Rosa replied in the negative. He stated that he would be providing the exact number of units for the AFP's housing program.

Senator Pimentel stated that had he known about the AFP's housing needs, he could have asked the NHA during the agency's budget deliberations about the P2 billion subsidy for the agency. In reply, Senator Dela Rosa stated that a total of 2,580 off-base housing units were already occupied and awarded through the NHA. However, he said that the 2,681 on-base housing units, or those located within military camps, were occupied by active military personnel who were performing duties inside the camp and were separate from those awarded by the NHA.

Senator Pimentel stated that on-base housing units are actually temporary housing for the active personnel. As to whether off-base houses that had been awarded already became the properties of the awardees, Senator Dela Rosa replied in the affirmative.

As to whether off-base housing was a program regularly provided to the members of the Armed Forces, Senator Dela Rosa replied that it was simply an AFP-NHA partnership and that the housing project depends on whether there would be takers from the AFP.

Asked what happened to the military housing property occupied by *Kadamay*, Senator Dela Rosa explained that the housing units were supposed to be for the members of the AFP, but that the soldiers did not like the project; hence, it was left unoccupied until the *Kadamay* took over and claimed it as their residence.

Senator Pimentel opined that the said housing project could have had takers had it been built in an acceptable location for the intended beneficiaries, with a good site development, as well as an attractive size and unit design. He then recalled how the NHA officials earlier explained their budget and the senators would have to understand how the NHA obtained its funds.

On another matter, Senator Pimentel stated that part of the country's minimum credible defense would be cyber defense. He asked whether cybersecurity defense equipment or paraphernalia were included in the AFP Modernization Plan. Senator Dela Rosa replied that defense from cyberattacks is part of Horizons 2 and 3 of the AFP Modernization Program.

Senator Pimentel recalled that he had earlier manifested that he would be asking about the COA reports. Instead, he asked the DND to submit in writing how it intended to address concerns regarding the Philippine Army and the Philippine Navy rebates, as he hoped that it would no longer be included in the following year's cycle.

At this point, Senator Pimentel stated that he did not have any objection to the P2 billion augmentation of the programmed appropriations as well as the P12 billion augmentation of the

91

unprogrammed appropriations of the DND budget, as long as it would be reasonable. He stressed that he was also one with the DND in pursuing the minimum credible defense concept for the country.

MANIFESTATION OF SENATOR PADILLA

Senator Padilla stated that he was supporting the AFP Modernization Program and that every citizen, not only Congress, should advocate for a bigger budget for the AFP. He said that some of his questions were already answered during the earlier interpellation of Senator Cayetano (A). Nonetheless, he agreed with Senator Cayetano (A) that one should keep from revealing information to the enemies as well as keep mum on the identity of one's allies.

Acknowledging that both internal and external threats existed in the country, he believed that the country should be united in order to be more effective in dealing with outside threats. He said that while some battles could be won through force, others could be won through the use of one's heart and mind. He then quoted Sun Tzu's *Art of War*, which states: "You can subdue the enemy without fighting."

As to whether there was government funding for the AFP's program on rebel returnees, Senator Dela Rosa replied in the affirmative, citing funds for the Enhanced Comprehensive Local Integration (E-CLIP) and Task Force Balik-Loob.

Senator Padilla believed that the two programs should have received more attention from media outfits such as TV, newspapers, and social media sites in order to encourage more Filipino rebels to surrender and return to society.

As to the number of rebel returnees, Senator Dela Rosa replied that there were a total of 9,463 rebels who were integrated into society.

Asked about the conditions for the rebels to be accepted into the program, Senator Dela Rosa stated that while a rebel is not required to have a firearm during his surrender because not all rebels carry one, it is critical that he voluntarily surrenders and that the intelligence community validates his membership in a rebel group for one to be accepted under the Balik-Loob Program or E-CLIP.

When asked if acceptance into the programs would be immediate upon meeting the requirements, Senator Dela Rosa replied that it would take time for the AFP and the PNP to process and validate the applications, but it would not take longer than six months after surrender.

Senator Dela Rosa recalled that when he was the police provincial director of Compostela Province, NPA rebels who surrendered to him had their papers processed immediately, and that once the documents were released by the R2—the intelligence division of the Police Regional Office 11—the rebel returnees received their cash incentives immediately. He also stated that during his time, a rebel returnee who surrendered an ArmaLite rifle was given P15,000, while one who surrenders a caliber .45 pistol gets P5,000. Furthermore, he stated that a rebel returnee who surrenders, even without a firearm, could avail of the government's livelihood program.

On whether a rebel returnee is required to work as an AFP asset, Senator Dela Rosa replied in the negative. He believed, however, that the government's counter-insurgency or counter-terrorism program would be more effective if the returnee voluntarily became an asset, given his knowledge of the rebels' identities, locations, and other vital information.

As to whether a rebel's surrender would also mean an indirect pardon, Senator Dela Rosa replied that a rebel returnee's case would have to go through a process and would require proper

ok

coordination with the Judiciary, in which the AFP and the PNP would have to ask the court to dismiss any case filed against the returnee and quash the warrant of arrest issued on the subject returnee.

Senator Padilla then asked if a rebel's surrender guarantees him a new life, to which Senator Dela Rosa responded that the mere act of surrendering is already considered a major turnaround in the life of the returnee. However, he said that any pending warrant of arrest against the returnee would have to go through the process for it to be quashed.

Senator Padilla stated that he asked his previous questions in order to be enlightened on his past situation, in which he was the subject of a warrant of arrest in 1995 for his involvement with a leftist group. He said that he had surrendered to the government, paid a fine, was imprisoned for three and a half years, was granted conditional pardon, granted an absolute pardon, until he was absorbed by the Philippine Army with the help of the then DND Secretary. However, he said that it saddened him that when he ran for senator in the 2022 national elections, the Commission on Elections still required him to secure a clearance allowing him to carry a firearm during the gun ban.

Senator Padilla recalled that in connection with his request for clearance during the COMELEC gun ban in the May 2022 elections, the ISAFP report considered him a "marked man" based on his photographs with Jose Maria "Joma" Sison. He lamented that he was still referred to as such although he was already an AFP reservist. He asked whether such notation could be removed in the future. Senator Dela Rosa replied that that intelligence community's records are periodically updated through a process called OB workshop. He said that if the records would show that Senator Padilla was indeed an AFP reservist and that information was validated, then the notation on Senator Padilla's record may be removed.

Senator Legarda stated that Senator Padilla's situation was not isolated. She shared her similar experience in connection with her own photographs with Nur Misuari and Joma Sison but she did not feel bothered because she was confident that the truth was on her side. She recognized that the ISAFP was doing its job in gathering information, but because the military receives intelligent reports, such reports should be confirmed and vetted.

Senator Padilla clarified that he had no ill will toward the AFP. However, he stated that he never denied being a leftist as he was raised as a socialist by his labor leader father. He stated that he was simply saying his piece on behalf of the rebel returnees who wanted to affirm their loyalty and commitment to the Philippine flag. He wondered whether it was possible for rebel returnees to have their previous records expunged.

He also recalled accompanying some Abu Sayyaf members to surrender during President Duterte's tenure. He expressed disappointment that the rebel returnees have yet to receive the livelihood program that was promised to them.

Senator Dela Rosa replied that the Enhanced Comprehensive Local Integration Program (ECLIP) was originally designed for NPA surrenderers but it was extended to the Abu Sayyaf surrenderers in 2021.

Senator Padilla disclosed that prior President Duterte's administration, he provided information about the presence of Islamic extremists and ISIS members in Mindanao, particularly in Marawi City, but he was ignored. He averred that the surrender of Abu Sayyaf members was still made possible in 2018 through the help of Senator Go.

Senator Dela Rosa requested that a list of the surrenderers be submitted to the committee so that it could follow up with the AFP on the status of the livelihood benefits due to them.



Senator Padilla reiterated his support for the AFP budget increase, specifically for the AFP modernization program. He also expressed hope that Congress will also be able to increase the CAFGU's budget in the future.

INTEPELLATION OF SENATOR CAYETANO (P)

Asked by Senator Cayetano (P) about women representation in the AFP leadership, Senator Dela Rosa replied that in the PMA, 25% was female and there were female PMA graduates who were already full colonels, and brigade and battalion commanders.

Senator Cayetano (P) stated that she had the opportunity to study in the Asia Pacific Center for Security Studies, where only two of the 38 students in her class were female. She said that her other female classmate was a lesbian, so she was labeled as male. Though she was aware that men dominated the world, she believed that the world would be a better place if women were given equal representation. She pointed out that SDG 5 and Target 5.5 enshrined in the Magna Carta for Women seek to ensure women's full and effective participation and equal opportunity for leadership at all levels of decision making in political, economic, and public life.

She also mentioned SDG No. 3, which focuses on good health and she expressed her commitment to working with Senators Dela Rosa and Pimentel to promote the health and well-being of both veterans and service members. She said that she was very passionate about health, having co-sponsored the budget of the Committee on Health with Senator Go. She also expressed her concern about K-9 units, which, as Senator Dela Rosa stated, are present in all branches of the AFP. She noted that the Philippine Army K-9 battalion has numerous working dogs deployed across the country in various field units for combat tracking, explosive detection, and as scout dogs. She disclosed that the AFP has a partnership with Hound Haven, which she was also affiliated with, and which rescues dogs, particularly retired military dogs. She said she wanted to ensure that retired dogs are cared for because it was heart-breaking to see photographs of retired dogs being neglected, malnourished, and left to die without attention. Thus, she stated that she wanted to ensure that there would be an allocation for them.

Senator Dela Rosa replied that K-9 units have subsistence allowance for military dogs which was higher than the subsistence allowance soldiers.

Senator Cayetano (P) expressed gratitude that K-9 units had sufficient budget, but was not happy with the comparison because it implied that soldiers were receiving less support. Senator Dela Rosa replied that it was normal because canine food is more expensive than the food for soldiers.

Senator Cayetano (P) confirmed Senator Dela Rosa's statement, saying she bought imported *dilis* for her dog for twice the price of the fish she bought for her family. She wondered if the same level of care would be provided when the dogs retire. She reiterated that there should be allocation for retired dogs because they are also prone to illness as they age.

MANIFESTATION OF SENATOR GO

Senator Go joined his colleagues in expressing support for the budget of the DND and its attached agencies. He stressed the importance of uniformed personnel because they are in charge of the country's defense and security, as well as the protection of its sovereignty, and thus it was proper to not only support but also augment the department's budget. He said that Congress must be of service to them by developing and promoting for legislation to support initiatives for the betterment of the military service. He stated that even before becoming a senator, he had supported not only the military but also the police, firefighters, coast guard, and city jail personnel.



He pointed out that soldiers, in performing their duty to secure peace and order in the country, are often placed in dangerous situations endangering their lives and making the future of their family and loved ones uncertain. He stated that they should be commended for their unparalleled service, bravery, and heroism.

Asked by Senator Go if E-CLIP was included in the budget or if it was lodged with the DILG, Senator Dela Rosa replied that E-CLIP programs under the DND were only for administrative expenses, while the rewards, cash benefits, or aids that surrenderees received were lodged with the DILG.

Senator Go asked whether the rewards should be centralized, because, according to Senator Padilla, some people were not able to receive what was due to them. He said he had also received reports that some provinces did not receive the package, which included the livelihood program, cash assistance, and housing projects. He proposed that the programs for the uniformed personnel be integrated into one agency so that allocations are not spread in multiple agencies. He also proposed that funding for housing be lodged with the NHA.

He also proposed institutionalizing that the Balik-Loob Program be institutionalized to encourage insurgents to surrender and receive what was promised to them. He cited one province in the Visayas where all those who surrendered gathered for months to await their cash assistance and livelihood program in vain. He clarified that he was not questioning the program, but rather supporting it and the other ELCAC programs. He wondered how the government would persuade the insurgents to surrender if the promised rewards were not genuine.

Senator Dela Rosa expressed appreciation for Senator Go's suggestions noting the gaps and weaknesses in the current system, such as how, under the ELCAC, the various programs for returnees were scattered across different agencies, each with their own funding — DILG, DSWD, NHA, DOLE for TUPAD, and DTI for the livelihood package. He believed that it would be more practical to combine all of the programs into one agency to make it a one-time big deal and to expedite the distribution of rewards to returnees. He believed that Congress could make the necessary adjustments to the budgets for such programs.

He stated that government's sincerity in fulfilling the promises made to the returnees matters most, and he believed Senator Dela Rosa knew the situation because he was a former PNP chief.

Senator Dela Rosa also cited Senator Go's knowledge of the insurgency problem, citing his encounters with many rebels in the mountains.

Senator Go explained that he went to the mountains solely to retrieve the soldiers who were captured by the rebels. He stated that it was President Duterte's sincerity that won the rebels' trust. He stressed the importance of sincerity in gaining the support of the armed forces.

Asked who was in charge of the DND's E-CLIP program, Senator Dela Rosa said Usec. Reynaldo B. Mapagyu was in charge of the E-CLIP and Balik-Loob Programs.

Senator Go thanked his colleagues in the Seventeenth and Eighteenth Congresses, specifically, then-Majority Leader and incumbent Senate President Zubiri, and Senators Legarda, Villanueva, and Ejercito who supported the move to double the salary of soldiers.

Asked if the program for wounded-in-action and killed-in-action members and veterans was still ongoing, Senator Dela Rosa replied in the affirmative, stating such assistance funds were still available.

Finally, Senator Go reiterated his support for the budget of the DND and its attached agencies.



MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva informed the Body that DMW Secretary Ople, a cancer survivor, was in the Chamber as early as 9:00 a.m. On the other hand, he stated that the director-general of the Philippine Information Agency (PIA) informed the Senate of his absence from the budget deliberation because he was attending a strategic planning conference.

Senate President Zubiri said that the PIA's budget would be deferred.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino expressed his appreciation to Senator Ejercito for his earlier intervention regarding the revised AFP Modernization Act, and stated his full support for the DND and AFP budgets. He revealed that he was an Air Force ROTC member before receiving his star in the Army, and that he was also an adopted member of PNPA Class 1993. He said that only BuCor and BJMP were the only organizations he was not affiliated with.

He admitted that the Philippine Navy was also very close to his heart, which was why he filed Senate Bill No. 654, which raises concerns about the Philippine Navy's forward operating bases. He believed that even with limited resources and the inability to purchase the P70-billion submarines mentioned earlier in the interpellation, the Navy's forward operating bases would greatly aid in the defense of the archipelago.


Asked by Senator Tolentino if there were plans in the proposed budget that would establish and semi-institutionalize strategic locations for the establishment of naval outposts or forward operating bases (FOBs) as identified by the Philippine Navy directorate, Senator Dela Rosa confirmed that more FOBs would be established in the following areas: Mavulis Island in Batanes; Subic Bay in Zambales; Lubang Island in Mindoro Occidental, Busuanga and Balabac in Palawan; Santa Ana in Cagayan; Polillo Island in Quezon Province, Allen in Northern Samar; Surigao; Mapon, Bato-Bato, Rio Hondo in Zamboanga City; Sarangani-General Santos; and Sarangani-Glan.

Senator Dela Rosa then reported the current status of the naval outposts, to wit: Subic - needs boundary relocation survey for its fence to be conducted by DENR; Lubang - for survey planning, acquisition and development; Busuanga - survey was completed on February 2020; Balabac - for land titling; Santa Ana - for fencing original Philippine Navy CISA as MOA on the use of the airstrip has expired; Polillo Islands - for survey; Allen - for survey; Surigao - for survey; Mapon - survey has been completed; Bato-Bato - for feasibility study; Rio Hondo - on process to transfer title to the Philippine Navy; Sarangani Naval Reservation-General Santos - untitled; and Sarangani Naval Reservation-Glan - for feasibility study.

Senator Dela Rosa stated that majority of the naval stations were under construction or in the final stages ownership title, and only the Mavulis Island naval station was being occupied by the Philippine Marines.

On whether Oyster Bay in Palawan was part of the Philippine Navy's FOB master plan, Senator Dela Rosa confirmed that it was included in the navy budget. He also affirmed that some FOBs had been allocated funds for the enhancement of naval outposts in order to create a credible defense posture.

Senator Tolentino surmised that the backlogs in Horizons 2 and 3 could be completed concurrently with the AFP's wish list for forward operating bases. He then enjoined Senator Dela Rosa to cosponsor Senate Bill No. 654 and thereafter infuse intensive capital to make all FOBs of the Philippine Navy operational by 2023 or 2024.



Asked by Senator Tolentino on the budget of the Philippine Navy, Senator Dela Rosa stated that it had been allocated P34,939,000,000 but that the agency had not yet submitted its wish list for Horizon 3, and that Horizon 2 had to be interlinked with the P300-billion wish list, which included two navy submarines.

In conclusion, Senator Tolentino expressed his hope that the Philippine Navy, as one of the country's defense structures, would be strong and tough.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF NATIONAL DEFENSE AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of National Defense – Office of the Secretary Proper, along with the budgets of the Government Arsenal, National Defense College of the Philippines, Office of the Civil Defense, Philippine Veterans Affairs Office, Veterans Memorial Medical Center, Armed Forces of the Philippines, Philippine Army, Philippine Air Force, Philippine Navy, General Headquarters, Armed Forces of the Philippines, and AFP-Wide Service Units, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:17 a.m.

RESUMPTION OF SESSION

At 12:22 a.m., the session was resumed.

OFFICE OF THE PRESS SECRETARY AND ITS ATTACHED AGENCIES

Senator Ejercito stated that the recommended total budget for the Office of the Press Secretary and its attached agencies for fiscal year 2023 was P1,040,069,000, distributed as follows: Office of the Secretary, P453,072,000; Bureau of Broadcasting Services, P439,448,000; National Printing Office, P16,034,000; and News and Information Bureau, P131,515,000.


SUBMISSION OF THE BUDGET OF THE OFFICE OF THE PRESS SECRETARY AND ITS ATTACHED AGENCIES

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Office of the Press Secretary, along with the budgets of its attached agencies, namely: the Office of the Press Secretary Proper, Bureau of Broadcasting Services, National Printing Office, and News and Information Bureau, were deemed submitted for the Body's consideration.

Thereafter, Senator Villanueva recognized some of the journalists present—Ben Rosario, and Undersecretaries Marlon Purificacion and Ina Reformina.

GAMES AND AMUSEMENT BOARD

Senator Go presented the budget of the Games and Amusement Board for fiscal year 2023, amounting to P139,972,000, with P81,953,000 for Personal Services and P58,019,000 for Maintenance and Other Operating Expenses.



Senator Go informed the Body that no chairperson and commissioners of the agency had been appointed; however, the officer in charge and head of GAB's Legal Department, Atty. Ermar Benitez, was present in the gallery.

SUBMISSION OF THE BUDGET OF THE GAMES AND AMUSEMENT BOARD

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Games and Amusement Board was deemed submitted for the Body's consideration.

PHILIPPINE SPORTS COMMISSION

Senator Go presented the budget of the Philippine Sports Commission with a total of P1,181,700,000 in new appropriations for additional expenditures for the preparation, training, and participation of athletes, as follows: P50 million for the Paris Olympics, P140 million for the Southeast Asian Games, P50 million for the Asian Games, P30 million for the Asian Indoor Martial Arts Games, P30 million for the World Combat Games, P30 million for the ANOC World Beach Games, P30 million for the Asian Beach Games, P30 million for the Asian Paragames, P30 million for the ASEAN Paragames, P30 million for the Grassroots Program under the Sports Development Council, P30 million for the Advance Research and Development in Sports Sciences and Sports Technology, P10 million for Sports Infrastructure Development, P30 million for Batang Pinoy Program, P70 million for the Philippine National Games, P10 million for the Philippine Swimming, Inc., P200 million for Financial Assistance to Athletes, and P200 million for the hosting of the 2023 FIBA World Cup.

INTERPELLATION OF SENATOR CAYETANO (P)

Senator Cayetano (P) acknowledged the Philippine Sports Commission's role in bringing glory to the country by supporting Philippine Olympians and athletes such as Hidilyn Diaz and EJ Obiena. However, she asked about its support to the grassroots competitions such as those under the Batang Pinoy Program, where aspiring athletes hone their skills to become future representatives of the country in international competitions.

Senator Go agreed with Senator Cayetano (P) on the importance of supporting aspiring athletes and community sports at the grassroots level, such as barangays, not only to discover talents, but also to encourage young people to get into sports and avoid the use of illegal drugs. He stated that the PSC had two flagship programs under the National Sports Development Plan, namely, the Project Duyan ng Magiting Grassroots Program and the Gintong Laban Elite Program.

He described the Duyan ng Magiting Program as a mix of national competition projects and sports-for-all activities. He added that under the said program, LGUs and families play a crucial role in the service and support system to achieve its objectives of making sports accessible to the greatest number of Filipinos and providing sports activities at all levels leading to pathways to success. He then enumerated the projects and activities under the Duyan ng Magiting Program: 1) an entry level sports camp; 2) a festival of sports; 3) Batang Pinoy; 4) the Philippine National Games; 5) women in sports; 6) Laro't Saya sa Parke; 7) activities for PWDs and indigenous peoples; 8) the National Sports Association's Corporate Social Responsibility to train trainers; and 9) talent and identification.

When asked how much budget was allocated for the grassroots program under the Sports Development Council, Senator Go reiterated that the Batang Pinoy Program would have a budget of P30 million. Senator Cayetano (P) believed that said amount was too little compared to the budget set aside for the competitions at the Olympic level. She believed that there should be a balance of support for elite athletes and aspiring athletes at the grassroots level.



She then inquired if PSC had begun coordinating with DepEd regarding the sports track in the senior high school program. Senator Go replied that the PSC had already requested the National Sports Association to coordinate with physical education teachers.

Senator Cayetano (P) stated that such sports track in senior high school would prepare students to be coaches or assistant coaches after graduation. In this regard, she mentioned a conversation she had with a coach who graduated from the sports track of the University of Perpetual Help and who told her that after graduating from senior high school, he pursued a degree in Physical Education in the University of Sto. Tomas where he discovered that what was being taught in college was simply a repetition of what was taught in senior high school. She asked CHED to clarify the sports program under the school curriculum.

Furthermore, she asked about the management of the sports complex in New Clark City. Senator Go replied that PSC Chair Noli Eala and BCDA President Aileen Zosa had already met and agreed to come up with a memorandum of understanding regarding the use of the sports facilities in Clark for the National Games. He added that Chairman Eala had already made an on-site visit to the sports complex to inspect the proposed alternative location of the Philippine Sports Training Center. He agreed with Senator Cayetano (P) that the sports complex in Clark has great facilities as seen during the 2019 SEA Games when the country was its host.

He, however, pointed out that the facilities of the National Academy of Sports were not yet complete, hence, more funds would still be needed to provide training to the country's athletes.

Senator Cayetano (P) explained that the reason why she wanted BCDA or other private groups to also be part of the management of the sports complex in the New Clark City was to ensure that it would be maintained and used at the level for which it was built.

INTERPELLATION OF SENATOR VILLANUEVA

Adverting to the incident that happened recently during the NCAA game between the Jose Rizal University and the College of St. Benilde, Senator Villanueva mentioned that he was saddened by the incident because he is a basketball player himself, having represented the country twice in international competitions. He also said that when one would hear statements such as "we will immediately come up with an investigation," or, "we will indefinitely suspend this particular individual," one could only surmise if such acts would suffice. He added that the basketball player has been called a lot of names because of the incident; noting that the same had been met with negative reactions from fellow athletes. Moreover, he observed that social media site Facebook has been replete with indignation from Filipino netizens that resorted to name-calling as well.

He then inquired as to the official stand of the PSC on the incident, as well as its plan of action moving forward. He feared that if the Commission would merely investigate the issue *sans* any concrete action, similar security-related occurrences were bound to happen.

As a fan of basketball and a regular citizen who plays the sport, Senator Go disapproved of court violence and opined that Mr. Amores should be dealt with in the same manner. However, as Chairperson of the Committee on Sports, he was supportive of endeavors supporting sportsmanship. He stated that on the part of the PSC, the Samahang Basketbol ng Pilipinas (SBP)—the national sports association (NSA) for basketball—should adopt preventive measures such as strengthening security protocols and imposing necessary sanctions in order to avoid similar incidents in the future.

He informed the Members that under Republic Act No. 6847, the PSC was mandated to promote and develop sports in the country, including amateur sports. He also mentioned that the Commission is empowered to impose penalties on athletes and other entities for violations of its policies, rules, and regulations. He believed that violence in sports meant a violation of the PSC's

ab

mandate. He said that relative to the issue, the Commission would monitor the actions of the NSA, but would exercise supervision over amateur sports, which might involve calling on the NCAA and Mr. Amores.

Senator Villanueva thanked Senator Go. Sharing the sentiment of the latter, he said that the Members shared the same view—with reactions that ranged from sadness, disappointment, to outrage. He added that like himself, they disapproved of what transpired in the court.

Asked if the PSC should show the same outrage over the incident, Senator Go replied in the affirmative. On that note, Senator Villanueva expressed hope that the senator would not end with a mere statement but follow the same with appropriate action to show the world that the matter was an isolated event; and that the commission would not tolerate another episode of court violence happening in the future.

Finally, he expressed confidence in the leadership of PSC Chairperson Eala, and likewise thanked Senators Angara and Go for the additional P200,000 allotment that was taken up during the hearing on the 2023 FIBA World Cup, as well as for funding other sports competitions.

INTERPELLATION OF SENATOR CAYETANO (A)

At the outset, Senator Cayetano (A) thanked Senator Villanueva and Senate President Zubiri for their love of basketball; adding that PSC Chairperson Eala would completely understand the points made by Senator Villanueva, having been a commissioner of Philippine Basketball Association (PBA) in the past. He opined that while there are instances where tolerance is the required intervention, one would have to be decisive when situations call for a firmer action. He also affirmed the earlier statement of Senator Go that sports would solve many issues, including the country's illegal drug problem. He also added that sports fostered the development of teamwork—as concepts of discipline, passion, and sacrifice are embedded in team activities. In that regard, he echoed the observation of some of the employers that many Filipinos who graduated from college in recent years lacked the skills required to work in a team. He believed that the phenomenon may have been brought about by the discontinued grassroots program of then Department of Education, Culture and Sports (DECS), as well as the predominance of the online mode used to accomplish tasks that removed the human interaction altogether.

He also recalled the time when there was an abundance of basketball, volleyball, and badminton courts, as well as track and baseball fields in public schools nationwide; when the mandate to develop sports had been with the DECS. Having assumed the sports mandate since its creation, Senator Cayetano (A) then inquired from the PSC an estimated amount needed to reinstitute the aforesaid grassroots sports program in the 82 provinces across the country. He added that as the budget for 2023 was nearing its full allocation, the figures would surely inform the five and 10-year plan the government would make, as has been an emerging trend in governments worldwide. To carry out the plan, he pointed out that the Commission would have to work with the state universities, the Department of Education (DepEd), as well as with the local government units (LGUs). Senator Go replied that while the Commission appreciated that the infrastructure problem was being addressed, there was also a need to attend to the manpower side of the equation.

Senator Cayetano (A) also deemed government plans as necessary to put into perspective the amount needed to pay for coaches and facilities, as well as the logistics needed to carry out the development of sports in the country. He then recalled the earlier discussion between Senators Cayetano (P) and Go that in the early identification of a child's potential in sports, be it in football, martial arts, or other activities, there has been an apparent lack of government support. He stated that if one would observe the Emperor Stadium in Taguig City, as well as the growing football scene in Bacolod City, one would realize that a child would have to come from a privileged

background in order to enroll in sports clinics. He added that the same could be said of martial arts; noting that private schools especially in the summer, would offer a variety of sports activities such as basketball, volleyball, chess, e-games, among others, in order to cater to different interests of their students.

On the subject of hosting sports, he believed that with a grassroots sports program in place and in coordination with state universities, DepEd, and local government there would come a point that sports is so integrated in the society that money from commercial sources, in the form of advertisements, would cover funding problems.

In response, Senator Go agreed that the PSC should formulate grassroots development plan, including the necessary investments required to achieve its goals. He echoed Chairperson Eala in saying that the Commission was in the midst of finalizing the National Sports Development Plan which was the equivalent of the comprehensive grassroots program. Moreover, he informed the Body that the PSC would submit to the Committee on Finance its estimated budget for the long term.

At this point, Senator Cayetano (A) lamented that if not for the 2019 Southeast Asian Games, many facilities of the PSC would remain unimproved. Relative thereto, he inquired as to how much was allocated for new sports facilities in 2023. Senator Go answered that the PSC added P10 million in its proposed budget for the purpose. He said that the amount would enable the Commission to construct new facilities at par with international standards, as well as aid in the maintenance of existing sports facilities in the country.

Senator Cayetano (A) emphasized a whole-of-government approach in developing the nation's sports facilities. He argued that the prevailing practice was for the national government to delegate to the local government units (LGUs) and state universities the responsibility of providing their respective sports facilities; or, in the case of congressmen, to ensure that their respective districts have their own sports centers. He argued that the strategy was bound to encounter problems if plans and programs relative to the promotion of certain sports were not properly coordinated in order to encourage their growth across the country.

For instance, he stated that the agency lacked the foresight to promote certain sports by constructing the needed facilities and consulting with the international federations concerned to encourage their growth across the country. He believed that they could assist the PSC by allocating some funds from its budget for the development of sports facilities.

Despite the fact that DPWH constructs most government facilities, he stated that PSC should ensure that the regulations for such facilities are followed in the same way that the DepEd supervises the construction of school buildings handled by the DPWH as the item falls under the DepEd budget.

Given most predictions show the growth of the sports industry by US\$700 billion to US\$ 800 billion over the next three years, Senator Cayetano (A) believed that allocating funds for the PSC would not be a waste of money. He stated that participation in sports would help children develop character, teamwork skills, peer camaraderie, as well as hard work ethic and values. He also stated that such an investment would yield a good return on investment.

Adverting to the New Clark City Sports Complex, the venue for the 2019 Southeast Asian Games, Senator Cayetano (A) stated that the American coach of Isreal's winning team, which trained at the aquatic center, commented that it was the best he had seen. He also stated that during the harsh winter season, even the Koreans and Japanese athletes chose the Philippines as their ideal training location.



Finally, he expressed hope that if more funding could not be provided to the PSC, then it should at least be given an item in the budget.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE SPORTS COMMISSION (PSCA)

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Philippine Sports Commission (PSC) was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 1:11 a.m.

RESUMPTION OF SESSION

At 1:15 a.m., the session was resumed.

DEPARTMENT OF MIGRANT WORKERS (DMW) AND OVERSEAS WORKERS WELFARE ADMINISTRATION (OWWA)

Senator Ejercito presented the budget for 2023 of the Department of Migrant Workers (DMW), amounting to P16,094,276,000, which is broken down as follows: Office of the Secretary, P4,324,837,000; and Overseas Workers Welfare Administration (OWWA), P11,769,439,000.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva commended Senator Ejercito, Committee on Finance chairperson Senator Angara, the other senators, and especially Senate President Zubiri, whose interventions enabled the Senate to pass the DMW's first budget in the amount of P16,094,276,000 up from only P14.9 billion in the 2023 GAB.

He also expressed his unequivocal support for the DMW budget, which provides all necessary services for OFWs, including addressing complaints about the difficulties that they face from deployment to repatriation or integration.

He stated that the DMW Law was crafted the previous year, during which time the Members were already discussing its budget. He expressed hope that the DMW's current structure would address the concerns of the migrant workers, and he offered to assist its leadership.

Finally, he thanked the first DMW Secretary, Maria Susan "Toots" Ople, and several under-secretaries who assisted him in crafting the measure: Undersecretaries Bernard Olalia, Hans Leo Caddac, Patricia Yvonne Caunan, Maria Anthonette Velasco-Allones, and OWWA Administrator Arnel Ignacio.

INTERPELLATION OF SENATOR CAYETANO (A)

Asked by Senator Cayetano (A) about the economic contribution of OFWs to the country, Senator Ejercito stated that their remittances for the last five years totaled around US\$148,457,000,000.

He said that the amount is also equivalent to P2.093 trillion, or approximately P400 billion a year.

Senator Cayetano (A) said that the P16.2 billion allocated budget for the Department of Migrant Workers (DMW) paled in comparison to the economic gains provided by their clientele, pointing out that the figure only indicated cash remittances and did not take into account other economic contributions such as the purchase of real estate and goods.

He emphasized the difficulties faced by a department that must seek funding from other agencies in order to carry out its mandate. He also believed that, just as in a corporate setting, the department that generates the most revenue should be rewarded, the DMW, which, being responsible for OFW concerns, should be given a larger allocation for its first year of operation.

He expressed support for Secretary Ople and was confident that she would do excellent work befitting her last name which has long been connected with service for laborers.

He then reiterated his call to increase the budget allocation of the DMW in order to give the department the needed resources to properly serve the OFWs who substantially contribute to the economy.

Asked whether the labor attaches have been transferred to the DMW to act as representatives of the Department abroad, Senator Ejercito replied in the affirmative, adding that the Philippines has labor attaches in 40 countries. Senator Cayetano (A) then asked the Department to submit how many countries have yet to have Labor Attaches.

He also urged the Members, as well as Secretary Ople, to look into the possibility of expanding or strengthening the Commission on Filipinos Overseas (CFO) in order to harness the immense potential of the millions of migrant Filipinos in contributing to the nation's development. He added that it might even be a venue to find safer areas for employment abroad.

Moreover, he expressed hope that funds can still be identified and transferred to the DMW during the bicameral conference for the GAA 2023, as it would facilitate more targeted and informed programs for OFWs.

At this juncture, Senator Cayetano (A) stated his support for Secretary Ople, whose immense experience working with OFWs and brave determination in overcoming a health challenge made her the perfect person to be at the helm of the DMW as she could identify with the challenges faced by migrant workers. Senator Ejercito and Senate President Zubiri concurred, saying that Secretary Ople had been consistent in her advocacies and her last name was practically synonymous to the protection of the rights and welfare of laborers.

SUSPENSION OF SESSION

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

It was 1:37 a.m.

RESUMPTION OF SESSION

At 1:37 a.m., the session was resumed.

MANIFESTATION OF SENATOR TULFO

Upon motion of Senator Ejercito, there being no objection, Senator Tulfo's manifestation of support for the budget of the Department of Migrant Workers was deemed inserted into the *Journal and Record* of the Senate.



The following is the full text of his manifestation:

Mine is not really an interpellation but a reiteration of my firm and unwavering support to the National Budget, especially to the budget allotted for the newly-created Department of Migrant Workers. I would also like to put on record, apart from my support for the National Budget, my extreme gratitude to my colleagues, with special commendation to our Chairman of the Committee on Finance, for painstakingly preparing our nation's budget.

In line with my previous statements during my maiden privilege speech on August 17, 2022, and to all similar statements I have made during budget committee hearings, I stand before you today with my humble, noble and whole-hearted commitment to ensure that both the spirit and the letter of Republic Act 11641 or the "Act Creating the Department of Migrant Workers" and all other laws and projects that will govern and promote the rights of our migrant workers shall come to fruition with resounding success, thus making the milestone DMW creation a legacy that we can all be very proud of.

I am delighted that we increased the allocation for the DMW by over 1.1 billion pesos. To me, this and the 100 million pesos increase for the OWWA is a commendable and substantial increase that reflects our will to do good by our OFWs. *Natutuwa ako na mayroon nang karagdagang pondo para sa pagpapatayo ng OFW Hospital, pagbukas ng karagdagang MWO's or Migrant Workers' Offices at meron din dagdag sa operational budget ng regional offices. Si Admin Ignacio ay malamang nagagalak din sa ating dagdag na P100 M para sa OWWA, na dating ZERO capital outlay. Ngayon maari na ninyong palitan ang mga bulok na sasakyan ng OWWA para mas mabilis at maaliwalas ang paghatid at pagsundo sa ating mga OFWs.*

Our commitment to continually work hard for the betterment of our people continues with more vigor.

I congratulate the Committee on Finance and all the sub-committees for their good work... and best of luck to Secretary Susan Ople, Usec. Olalia, Usec. Hans Cacdac, Usec. Patricia Caunan, Usec. Maria Anthonette Allones, OWWA Administrator Arnel Ignacio, mga Assistant Secretaries Jerome Alcantara, Pampolina, Levinson Alcantara, Francis De Guzman, Felicitas Bay, Venecio Legaspi, Violeta Illescas, Deputy Administrators Mary Quino and Emma Sinclair, and to all the other officers and members of the Department.

INTERPELLATION OF SENATOR PIMENTEL

At the outset, Senator Pimentel thanked Secretary Ople who had been waiting for the turn of the plenary consideration of the DMW budget since 9:00 a.m. He stated that he would submit most of his queries in writing for the Department to respond in the same manner.

He inquired about the situation of repatriated OFWs who had been victimized by wage theft by their overseas employers. He cited the results of COVID-19 impact assessment on returned OFWs conducted by the International Organization for Migration (IOM) which revealed that of the 8,000 respondents 67% of OFWS had been repatriated due to the pandemic; 19% went home due to pre-terminated contracts, 59% failed to receive their separation or compensation pay; 17% did not get their final wages, 83% were still unemployed three months after arrival, 48% had stated that there was a drop of 60% in income household upon their return to the Philippines, and 48% expressed their desire to remigrate.

Noting that the statistics showed that the main issues experienced by repatriated OFWs were pre-terminated contracts, and unpaid compensations and wages, he also asked to be updated on the status of the repatriated OFWs.

In response, Senator Ejercito informed the Members of a number of wage debt-related issues that were handled by the Philippine Overseas Employment Administration (POEA) – which became the current DMW – between 2020 and 2022:

↑

- A total of 3,040 money claim cases – 947 in 2020 and 2,093 in 2021 – were provided with legal assistance and endorsed to Single Entry Approach (SEnA) and the National Labor Relations Commission (NLRC);
- Of total of 559 cases for non-payment and underpayment of wages – 337 in 2020 and 222 in 2021 – 492 had been settled and 67 are disciplinary action cases; and
- Of total of 615 cases for default on contractual obligations – 357 in 2020 and 258 in 2021 – 535 cases were settled and 80 are disciplinary action cases.

Inquired further on the plans of the DMW to assist OFWs who had fallen victims to abusive employers especially in the countries of Dubai and Saudi Arabia, Senator Ejercito informed the Body that the DMW had already entered into a bilateral labor agreement with countries like Saudi Arabia includes wage protection and mandatory insurance for the OFWs.

At this juncture Senator Pimentel gave some suggestions for the Department to consider:

1. Bilateral talks with countries of destinations to present cases of wage debt;
2. Create joint task forces with the countries of destination to review the cases, ensure claims are legitimate and require companies to pay;
3. Allow repatriated workers to issue or reissue SPA in favor of embassies, consulates and the DFA, and to send the position as needed to prove claims despite the signing of waivers and quit claims;
4. Allow online or virtual hearings to connect directly with the workers already repatriated;
5. Provide social protection safety nets for repatriated OFWs to be sourced from Bayanihan funds and the AKSYON Fund; and
6. Request the NLRC to fast track resolution of wage debt cases of agency-hired workers.

Senator Ejercito stated that Secretary Ople had taken note of the suggestions. He went further to state the DMW took note of all of Senator Pimentel's suggestions, particularly about online/virtual hearings if necessary. He stated that Secretary Ople had discussed the matter with the Chief Justice.

Asked about the appropriation for the OFW hospital in 2023, Senator Ejercito stated that it would be a combination of the DMW and DOH budgets. He stated that through the Senate's intervention, an additional P500 million was placed for the OFW hospital services, while some of the budget would come from the DOH's Health Facilities Enhancement Program.

Senator Pimentel averred that there is currently only one physical OFW hospital. However, he stated that, like him, President Marcos wanted to have a wing in existing hospitals, either by renting out or entering into a memorandum of agreement, so that government would not have to spend money on construction.

Senator Ejercito informed the Body that the OFW hospital in Mabalacat, Pampanga is already complete and only requires additional funding to be fully operational. He reiterated that President Marcos directed the DMW and DOH to meet and discuss the possibility of having OFW wings in various hospitals. He also believed that having a wing would be more practical because OFWs come from different provinces; for example, OFWs from Mindanao or the Visayas would not have to travel all the way to Pampanga.

Further, Senator Ejercito disclosed that a technical working group from the DMW and DOH was already identifying the provinces and regions with a high concentration of OFWs, as well as

hospitals where the OFW wing could be designated, and that the TWG would make recommendations by the end of the year.

Asked who would decide where the OFW wings would be established, Senator Ejercito stated that the DOH would determine the hospital's capacity, and the DMW would identify which province or region has the most concentration of OFWs.

Senator Pimentel stated that he would look into the matter during the deliberation on the DOH budget, and that he would submit the rest of his queries in writing.

Asked on the amounts added by the committee, Senator Ejercito replied that it was P1 billion for the OSEC, P500 million for the OFW hospital, and P100 million for OWWA.

Thereafter, Senator Ejercito thanked Senator Pimentel for his insightful questions and interventions. He stated that Senator Pimentel was not an obstructionist as a member of the Minority, but rather very helpful to the Senate.

MANIFESTATION OF SENATOR GO

Senator Go expressed his support to the Department of Migrant Workers, OFW Hospital, and all the OFWs.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF MIGRANT WORKERS AND THE OVERSEAS WORKERS WELFARE ADMINISTRATION

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of the Department of Migrant Workers and of the Overseas Workers Welfare Administration were deemed submitted for the Body's consideration.

INTERCONTINENTAL BROADCASTING CORPORATION (IBC-13)

Senator Ejercito presented the budget of the Intercontinental Broadcasting Corporation (IBC-13), which was allocated by the Senate P615,530,000 for fiscal year 2023.

INQUIRY OF THE CHAIR

In reply to Senate President Zubiri's query whether the president of IBC-13 was present in the session hall, Senator Ejercito expressed regret that the president tested positive for COVID-19, so the agency was represented by its vice president.

Senate President Zubiri stated that by tradition, the Body would always require the agency's head to be present during their budget deliberations. He directed the agency to provide the Senate with a medical certificate proving that the agency's head did have COVID, rather than just verbal information. He explained that it would be unfair to other agencies that were sent home because their agency head was unable to attend.

Senator Ejercito informed the Chair that the president of IBC-13 tested positive for COVID-19 the day he went to the House of Representatives. Senate President Zubiri stated he would trust the result if it would come from the Bigger House.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel noted that the NEP allocated no funds to IBC-13, but the Senate committee allocated P619 million. Senator Ejercito explained that P123,065,000 would be used to pay for the

salaries of its employees. However, he disclosed that payments to retired IBC-13 personnel amounting to P496,465,000 had remained unpaid and swept under the rug since 2009. He stated that the committee deemed it necessary to settle the obligation once and for all because it was money the retirees earned over the years.

Senator Pimentel confirmed that retired employees of IBC-13 wrote his office about their back wages, retirement benefits, and separation pay, which they claimed totalled approximately P400 million.

Senator Pimentel stated that the issue would be resolved with the P619 million provided by the Senate. He expressed the hope that the budget would survive the bicameral conference and be approved by the President.

INQUIRY OF THE CHAIR

Asked by Senate President Zubiri if Ms. Ina Reformina worked with IBC-13, Senator Ejercito clarified that she is the undersecretary for broadcast in the Office of the Press Secretary.

SUBMISSION OF THE BUDGET OF THE INTERCONTINENTAL BROADCASTING CORPORATION (IBC-13)

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Intercontinental Broadcasting Corporation (IBC-13) was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

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

It was 2:03 a.m.

RESUMPTION OF SESSION

At 2:09 a.m., the session was resumed.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva thanked Senators Go, Tolentino, Angara, Cayetano (A), Cayetano (P), Ejercito, and Pimentel, and Senate President Zubiri, as well as the Senate employees who were still physically present in the session hall at 2:10 a.m.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4488

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

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, there being no objection, the session was suspended until one o'clock in the afternoon later that day, Monday, November 14, 2022.

It was 2:11 a.m.

RESUMPTION OF SESSION

At 1:26 p.m., Monday, November 14, 2022, the session was resumed with Senate President Juan Miguel "Migz" F. Zubiri presiding.

BIRTHDAY GREETINGS

On behalf of the Body, Senator Villanueva greeted Senator Marcos who celebrated her birthday on November 12.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Villanueva acknowledged the presence in the gallery of Vice-President Sara Vicenta Z. Duterte-Carpio.

COMMITTEE REPORT NO. 10 ON HOUSE BILL NO. 4488

(Continuation)

Upon motion of Senator Villanueva, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4488 (Committee Report No. 10), entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY-THREE.

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

Thereupon, the Chair recognized Senator Angara, sponsor of the budget of the Office of the Vice President, and Senator Pimentel for his interpellation.

OFFICE OF THE VICE PRESIDENT

Senator Angara presented the budget of the Office of the Vice President.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel stated that when the Body considered the budget of the Office of the President last week, he raised questions regarding the P2.25-billion confidential fund and P2.25-billion additional intelligence fund for the Office of the President, and that based on the list of agencies which received confidential and intelligence funds (CIF), the Office of the Vice-President was also one of the agencies which has CIF allocation in the amount of P500 million. He pointed out that the 2022 budget for the OVP did not have confidential funds, and that during the committee budget hearing, Vice-President Duterte stated that she was deferring to the good judgement of Congress regarding the CIF. He also noticed that there was no change in the overall OVP budget amounting to P2.3 billion.

To Senator Pimentel's query whether the P500-million in confidential funds would be retained for the OVP, Senator Angara replied in the affirmative.

Senator Pimentel stated that at the proper time, he would move for the deletion of intelligence funds for the Office of the Vice President, explaining that some agencies like the PhilPost needed funds to reimburse its expenses for franking privileges. He said that from the definition of



“confidential funds,” the amount in question was unjustifiable to be lodged in the Office of the Vice-President.

However, Senator Angara remarked that he would instead look for other sources for the funding requirements of PhilPost and not prejudice the OVP’s budget. He noted that the Vice-President is the second highest official of the land that deserves the support of Congress.

To the observation that the 2023 budget would be three times bigger than the 2021 budget, Senator Angara explained that the OVP budget provided by the DBM was not arbitrary because it underwent discussions and examination of programs and priorities for the coming year. He added that the budget trend showed a gradual increase from 2004. Senator Pimentel said that while there was an increase through the years, it was not of the same magnitude as the current budget.

On another matter, Senator Pimentel mentioned that according to President Marcos, the total agency requests were around P8 trillion, which meant that many of the national government agencies’ requests were unfunded as these were not granted by the DBM.

On the information that the Office of the Vice President only requested P709 million which suddenly became P2.3 billion, Senator Angara supposed that the amount might have been requested by the previous vice-president for the opening of satellite offices in Luzon, Visayas, and Mindanao which would entail additional costs for personnel services, maintenance, and other operating expenses.

As to the P500-million confidential fund given to the OVP, Senator Angara cited Section 78 (*Special Provisions*) which states that confidential expenses are those related to surveillance activities in civilian government agencies that are intended to support the mandate or operations of the agency.

Asked about the mandate of the Office of the Vice-President, Senator Angara stated that there was no fixed mandate under the Constitution, but aside from being the second highest official of the country, the vice-president may serve as member of the Cabinet without need for confirmation. He said that traditionally, it is the President who determines what role would be given to the vice-president, unlike in the US where it is mandated by the Constitution that the vice president shall be the president of the Senate.

Senator Pimentel argued that the use of the word “mandate” under Article VII, Sections 7 and 8 of the Philippine Constitution pertains to the function of the vice-president to be prepared to become president any time, but this could not justify the giving of confidential funds. He cited the plans and programs of the Office of the Vice-President for fiscal year 2023—medical and burial assistance program, Libreng Sakay program, Disaster Risk Relief Operations Center; satellite offices; PagbaBAgo campaign; Mag-Negosyo Ta ‘Day livelihood program; Kalusugan Food Trucks; relief for individuals; Peace 911; and the construction of the OVP’s permanent office.

Senator Pimentel stated that the budget of the OVP would triple in 2023 as a result of new plans, projects, activities, and programs, such as the establishment of satellite offices. Senator Angara responded that given the OVP’s mandate to deliver public services across the country, it has, in fact, bigger requirements than the Senate in terms of providing public assistance for burial expenses, medical expenses, food, education, shelter, and other needs of indigent Filipinos.

Senator Pimentel stated that burial and medical expenses, for example, could be referred to the Department of Social Welfare and Development, which already has programs in place, and that it would be a duplication of functions and resources if the OVP also handled such matters. Senator Angara stated that there would be no duplication because the OVP’s assistance would be

supplemental to that provided by other government agencies, similar to how the Senate assists the poor through its Public Assistance Center.

He also responded to Senator Pimentel's observation that the OVP would have an advantage over the Senate because the latter has only one PAC office while the former would have satellite offices in different regions of the country. He stated that the plan to set up satellite offices would be an attempt to institutionalize the nationwide assistance provided by the OVP in accordance with its mandate.

As to the budget for OVP satellite offices, Senator Angara stated that it would be P150 million per office, including the expenditures for personnel, MOOE, and office rental. Senator Pimentel stated that the Senate could review OVP's budget utilization in the next budget cycle. However, given the definition of confidential expenses, he maintained that the OVP should not be entitled to confidential funds.

Regarding the huge capital outlay increase from P3.6 million in 2022 to P42.5 million in 2023 for the OVP, Senator Angara explained that P10 million would be used for the acquisition of land where the permanent office of the vice-president would be built and the rest for the purchase of motor vehicles to be used during the vice-president's local travels. He pointed out that the OVP's proposed budget would account for only .04% of the total 2023 budget.

Senator Pimentel then stated that, as he would propose his amendment at the appropriate time, the Body should consider the Vice President's statement during the hearings that she was leaving the matter of confidential and intelligence funds for the OVP to the wise judgment of Congress, in contrast to the Office of the President, which stood firm on its proposed CIF allocations.

Finally, he enumerated the various offices and programs that needed additional funding, as follows: supplemental feeding program—P400 million; Senior Citizen Law, P25 billion; Bureau of Fire Protection, for fire trucks; National Children's Hospital, P468 million; PHILRACOM's stud farm, P50 million; special education, P500 million; National Anti-Poverty Commission, P50 million; Commission on Human Rights, P5 million; Veterans Hospital; NBI for building construction; Film Development Council for building construction; PCGG, P20 million; DFA for promotion of UNCLOS Award, P29 million, and Offsite Temporary Passport Services, P136 million, among other expenditures. He also mentioned the possible supplemental assistance for the programs of DSWD, DOLE, and the scholarship programs of the DOST, CHed, DepEd, and TESDA.

MANIFESTATION OF SENATE PRESIDENT PRO TEMPORE LEGARDA

Senator Legarda expressed her gratitude to Vice President Sara Duterte, Finance Secretary Benjamin Diokno, and other agency heads who were physically present and stayed all throughout the deliberations of their respective 2023 budgets. She then urged all other department and agency heads to follow the example set by their fellow government officials.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 2:05 p.m.

RESUMPTION OF SESSION

At 2:23 p.m., the session was resumed.

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

At this juncture, Senator Villanueva acknowledged the presence in the gallery of Mr. Kyle “Kulas” Jennermann, a social media influencer known for his vlog, @becomingfilipino, on various platforms.

Senate President Zubiri welcomed Mr. Jennermann to the Senate. He stated that he was inspired by the Canadian citizen’s promotion of Mindanao in his video blogs, particularly the one in which he spoke in the fields of Cotabato, noting how peaceful the area was and how wonderful the people were. He expressed gratitude to Mr. Jennermann on behalf of the Senate.

SUSPENSION OF SESSION

With the consent of the Body, the session was suspended.

It was 2:26 p.m.

RESUMPTION OF SESSION

At 2:33 p.m., the session was resumed.

DEPARTMENT OF EDUCATION

Senator Cayetano (P) presented the budget of the Department of Education (DepEd) and its attached agencies, broken down as follows: 1) Office of the Secretary, P676,245,962,000; 2) Early Childhood Care and Development Council, P291,798,000; 3) National Academy of Sports, P356,776,000; 4) National Book Development Board, P121,828,000; 5) National Council for Children’s Television, P74,570,000; 6) National Museum of the Philippines, P944,407,000; and 7) Philippine High School for the Arts, P107,171,000.

She stated that the DepEd has strived over the years to propose a budget that was both future-proof and sustainable, taking into account the concept of intergenerational fairness in preparing the next generation. She thanked Senator Angara for supporting the initiative.

INTERPELLATION OF SENATOR GATCHALIAN

Senator Gatchalian thanked Senator Cayetano (P) for accepting his recommendations relative to the DepEd budget. He informed the Body that eight of the 12 items he proposed to supplement the Department’s budget had been accepted. He stated that he was willing to work with Senator Cayetano (P) to find funding for the remaining four items in his proposal, some of which he deemed to be in need of substantial allocation.

Senator Cayetano (P) responded that because Senator Gatchalian and herself are usually in agreement, amendments to the DepEd budget that go through her office are also subject to additional scrutiny. Nonetheless, she believed Senator Angara was completely supportive of her and Senator Gatchalian’s intentions.

Senator Gatchalian also thanked the Finance Committee chairperson for accepting his recommendations. He stated that he found the act of reviewing the budget in order to find funding to be quite a challenge. He stated that he would always include funding sources in his recommendations as much as possible. He stated that he would try to improve the other four recommendations that were not accepted and would further improve and further analyze funding sources for the items.



He informed the Body that the current total allocation for the education sector was nearly 3.9% of the gross domestic product, or .1% shy of the global recommendation of 4%-6%. He mentioned that it has been a long goal of his to reach the 4% mark. He then thanked Senators Cayetano (P) and Angara for prioritizing education, which he saw as the key to driving the country's economic growth. Senator Cayetano (P) then recalled that Senator Gatchalian and she had the same discussion on the subject the previous year. She believed it was possible to augment the education budget because it had always been the goal.

She also recalled that in the same discussion she had with Senator Gatchalian, that importance of focusing on the quality of education was likewise brought up. She believed that because the majority of senators have always supported the sector, the Senate should focus on raising the country's educational level. Senator Gatchalian agreed, stating that over the years, the government has been able to meet many of the minimum requirements for education, such as classrooms and additional teachers. However, he agreed that the challenge and ultimate goal in the coming years would be to improve the quality of education as well as learner outcomes.

Still on the subject of education spending, Senator Cayetano (P) recalled Senator Angara's previous statement that local government spending on education should be considered as well, as it may not be reflected in the DepEd budget. She surmised that because both the Taguig and Valenzuela local governments have spent significant amounts of money on education, the country may have already exceeded the 4% target. Senator Gatchalian agreed, pointing out that the Special Education Fund (SEF), saying that it was not included in the measure because many cities and other LGUs not only had their own SEFs, but also borrowed money to increase education spending at their level. He stated that through loans, the City of Valenzuela nearly doubled its SEF. However, he expressed regret that the SEF was a budget item that had not been adequately captured in recent years. Nonetheless, he expressed hope that with the SEF and other spending by the LGUs, the 4% target could have been realized.

Concerning the education system's return to face-to-face classes, Senator Gatchalian commended the DepEd, led by the Vice President, on the successful reopening of schools, which began on a voluntary basis before becoming mandatory in November on that year. He added that both Senator Cayetano (P) and he had always been staunch supporters of the face-to-face delivery of education to students. Furthermore, he stated that since October 2022, recorded cases of COVID-19 in Valenzuela's public schools have been very low, allowing for a trial period to be conducted and the schools to learn from it. Senator Cayetano (P) joined Senator Gatchalian in commending Vice President Duterte and her team for sticking to their guns. She stated that the department's success in reopening the schools was due to their firm decision.

Senator Gatchalian stated that the Body still has a lot of issues to work out in the country's basic education sector. He regarded meeting its basic requirements a challenge, given that the Philippines has experienced around 6%-7% economic growth and a student population growth rate of 4%-5%.

He emphasized the need for the Members to discuss and resolve the staggering amount required to construct additional classrooms and to come up with targets so that every budget deliberation in the succeeding years would take the learners' classroom needs into account. He then inquired about the size of the country's nationwide classroom shortage, as well as the amount required to address it.

Senator Cayetano (P) responded by saying that the classroom shortage based on the National School Building Inventory for school years 2019 to 2022 was 167,901 classrooms, which was an updated estimate from the initial figure of 91,156. She recalled that during the hearings, she presented scenarios to address the gap within the current administration's six-year term, adding that

if the proposed P5.95 billion budget is used for the original estimate of only 91,156 classrooms, it would already take 60 years to address the shortage. However, with a higher projected classroom shortage, she stated that P419,752,500,000 would be needed to complete the construction and repair of school buildings throughout the country.

Senator Gatchalian, who had come up with the same P420 billion estimate, Senator Gatchalian admitted that there are two challenges in addressing the shortage: the sourcing of funds and the absorptive capacity of building classrooms. Senator Cayetano (P) pointed out that the larger issue is absorptive capacity. She stated that because it could not be done in just a few years, the chart she prepared during the hearing could give the agency options on how to spread out the deficit, adding that she had already discussed the matter with Budget Secretary Pangandaman.

Senator Gatchalian stated that it is Body's responsibility to help find sources for funding P420 billion in subsequent years, as it is nearly impossible to secure such an amount in a single year. He added that every time they craft the budget, they should consider diverting and allocating some funds to help close the gap in the classroom shortage.

Senator Gatchalian stated that the Philippines is the third most vulnerable country in terms of calamities and natural disasters, as evidenced by the numerous school buildings damaged by earthquakes or typhoons such as Typhoon Paeng.

Asked how many damaged classrooms there were and how much it would take to repair them, Senator Cayetano (P) said it would take P45 billion to repair the 37,795 classrooms that were damaged between 2016 to 2022. She explained that the data was based on disaster-related damages since 2016, and that she did not have information for prior years. She also stated that the DepEd lumped regular classroom repairs with another item.

For the Quick Response Fund, which would be used for the damaged classrooms, Senator Cayetano (P) stated that the House of Representatives added P2 billion to the P2 billion already in the NEP, which was carried over in the GAB. Furthermore, she stated that there was P4.73 billion item under "Repair and Rehabilitation."

Senator Gatchalian, on the other hand, stated that, according to DepEd data, 413,000 classrooms need repair not only due to wear and tear but also due to damage caused by typhoons and earthquakes. Moreover, he said that with a benchmark of P500,000 for repairing one classroom, it would take approximately P626 billion to address physical classroom needs.

Senator Cayetano (P) stated that her data differed from that of Senator Gatchalian and asked that she be allowed to reconcile their figures. Senator Gatchalian replied in the affirmative. He estimated that it would take more than a year to find a source for the P600 billion needed to repair classrooms.

Senator Cayetano (P) stated that the DepEd had made several interventions to come up with alternatives in order to reduce the figures that were initially presented during the hearings.

Senator Gatchalian agreed with Senator Cayetano (P) that LGUs play an important role in funding programs and projects, stating that he raised the issue of classrooms so that he could look for other funding sources. He also recalled a counterparting program building classrooms in which the DepEd would provide 50% of the funds and the LGU would provide the other 50%. He described it as a financing innovation and is one method of obtaining funds at the local level.

He then thanked Senator Angara for restoring and even increasing the Special Education (SPED) budget, particularly with the enactment of the inclusive education law. He surmised that P581 million would be sufficient to keep the program running.



Senator Gatchalian asked how much it would cost to convert one SPED Center into an ILRC, noting that P96 million of the P581 million fund would be used to convert the 16 SPED Centers into ILRCs. Senator Cayetano (P) replied that it would cost between P8 million to P10 million. She stated that having a SPED Center in each school is ideal, and the ILRC is a center where all support services are available. She explained that it is not a classroom where teaching and learning take place, but rather a support service where students can be assessed and allied services, such as physical, occupational, and speech therapies, among other things, are provided. She believed that P8 million to P10 million is the bare minimum because, given scientific advances, developing such interventions could be costly.

Senator Gatchalian thanked Senator Cayetano (P) for including P96 million in the conversion fund. However, he noted that the amount would be P60 million short because P160 million would be required to convert the SPED centers in the 16 regions. In this regard, he recommended raising the capital outlay for the conversion to P160 million in order to have one ILRC model per region. Senator Cayetano (P) agreed, saying she would work with Senator Gatchalian in finding ways to make it happen. Senator Gatchalian stated that he would present the committee with some potential funding sources for the same.

He also mentioned that the flexible learning option, which had been allocated P19 billion in the GAB, had been reduced to P4.3 billion. He pointed out that the DepEd budget was dispersed across several important learning initiatives, particularly the computerization program, which received P11.36 billion instead of the original P4.2 billion. He reiterated his support for redirecting funds to the computerization program, noting that one of the lessons learned from the pandemic was to invest heavily in digitalization and computerization. However, he stated that the computerization program would be a sticking point during deliberations on the national budget due to the low disbursement rates for the same: 13% in 2018, 26% in 2019, 28% in 2020, and 23% in 2021. He then inquired about the reforms being undertaken by the department to improve the disbursement of the computerization program.

Senator Cayetano (P) replied that it is the DepEd itself and not the PS-DBM that would be conducting a suppliers' forum to directly solicit input from the suppliers on the products currently on the market.

She commented on the low utilization rates of computerization and digitalization programs, adding that it would be difficult to justify an increase in the department's budget due to its dismal utilization rate for programs, including the disbursement for the Early Childhood Development Checklist (ECDC).

Senator Gatchalian thanked Senator Cayetano (P) for considering his recommendations, particularly for improving the Inclusive Education Program. In relation thereto, Senator Cayetano (P) underscored the importance of expanding the Doktor Para sa Bayan support system in order to address the shortage of Special Education (SPED) professionals.

Senator Villanueva also stated that the Teacher Education Act, which strengthened the Teacher Education Council, could help the SPED efforts of DepEd.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros expressed her support for the DepEd's pursuit of accessible, quality, and equitable basic education and agreed that more money should be poured into the education system as a long-term investment. However, she stated that due to economic and fiscal constraints, it is necessary to ensure the effective and efficient use of its budget.



She thanked the committee for increasing at least five attached agencies' budget allocations by total of P911.86 million. She stated that the increase included funding for teachers' training on reproductive health and HIV/AIDS education, the pooling of registered guidance councilors and other school-based mental health programs, and institutional support for civil society and non-governmental organizations involved in the accountability and monitoring of school construction projects.

However, she stated that the proposal to realign the Department's proposed confidential funds to more important programs such as child protection, SPED and Indigenous Peoples Education Program (IPEd), and SPED remain on the table for discussion.

Senator Cayetano (P) stated that the confidential funds allocated for the DepEd had been retained or realigned to more worthy programs, and that the Secretary had issued a statement stating that the department was deferring to Congress on the matter. In this regard, she recalled having been asked by Members in a caucus to make suggestions for how the fund should be used.

Senator Hontiveros lauded the Secretary's position on the matter but noted that the Department was adamant in its belief that the funds were legal and necessary to protect the learners. On the contrary, she believed that there were no extraordinary and compelling reasons to provide confidential funds to an education agency, and she urged other Members to follow suit. She then stated that she would submit her proposals on the issue at the appropriate time.

On whether there were sufficient allocations for the SPED and IPEd programs in the proposed budget, Senator Cayetano (P) informed the Body that the committee report already reflected the Department's initiative to realign funds from the flexible learning program into the SPED and IPEd programs. She added that due to the waning effects of COVID-19, as well as the government's vaccination efforts, the flexible learning program was not as crucial as it had been during the peak of the pandemic; thus, the allocation for flexible learning was realigned to the two other programs.

Senator Cayetano (P) stated that the proposed funding of P8 million to P10 million for the creation of Inclusive Learning Resource Centers (ILRCs) was not enough. She also supported Senator Gatchalian's recommendation to allocate P60 million for the ILRC program. She added that the IPEd budget had been increased to P154.431 million.

Upon further query, Senator Cayetano (P) recounted her personal experience with her deceased son who had special needs, saying that funding for such programs would never be enough; however, the increases in allocation were a good start.

Senator Hontiveros opined that since realignments from the flexible learning program had been made, the allocation for the DepEd's confidential funds could still be allocated for other important programs other than SPED and IPEd. She then inquired about the department's plans for developing a program for IP teachers.

Senator Cayetano (P) replied that since 2016, DepED has been encouraging IP students to pursue education and teach in their communities, and that currently, there are 4,033 LET passers who belong to and were hired by their IP communities. She stated that the results of their teaching will be seen in the coming years.

Senator Hontiveros proposed that the DepEd earmark funds for a scholarship recruitment program for teachers from IP communities in order to strengthen IP education programs and to attract students from such communities to enter the teaching profession. She assumed that if 100 IP students each year expressed an interest in becoming teachers and eventually taught in their respective communities, the IP education would be robust and never fall behind.



Senator Cayetano (P) stated that DepEd and Senator Hontiveros share a desire to strengthen IP education. However, she stated that despite the recent 4,033 LET passers from IP communities, there was still a need to close the gap, which the DepEd was working on. She said that she has personally witnessed the vibrant basic education program in Benguet, where they grew up and became teachers in their own communities, and where they have even established their family.

Senator Hontiveros also stated that the Senate increased the Early Childhood Care and Development Council's budget by P232.383 million in order to fund the establishment of the National Child Development Centers. However, she noted the council's low budget utilization and performance, and expressed concern about whether it could utilize the additional quarter of a billion budget.

Senator Hontiveros agreed with Senator Cayetano (P) that supporting the request for additional funding is difficult when utilization rates are low. However, she stated that with the exception of the food, energy, and transportation sectors, Memorandum Circular No. 3 of 2002 forbids agencies from entering into a Memorandums of Agreement with LGUs. She stated that regardless of the council's performance, their programs must proceed with the assurance that they will use the budget, because failing to do so would mean losing their opportunity to request a budget the following year.

She then requested the ECCD Council to submit the work plans for the NCDC, as well as its own quarterly report on the progress and implementation of their projects, saying that failure to do so would be a waste of money.

Senator Cayetano (P) expressed her support to holding the council accountable for the funding secured by the Senate. She stated that Mr. Isip gave her a hard copy of the catch-up plan which she would then give to Senator Hontiveros.

Senator Hontiveros opined that the catch-up plan is the first urgent step in a work plan that should be reinforced with quarterly and yearly work plans on which to base their report.

Asked if an Executive Director had been appointed to the ECCD Council and if the DepEd Secretary had submitted her recommendations to the President, Senator Cayetano (P) replied that the Secretary had already done so and that they were waiting for the appointment.

Senator Hontiveros expressed hope that once the Executive Director is appointed, the DepEd's complement of officials, particularly the ECCD Council, will improve their performance as well as the DepEd's overall commitment to ensuring the children's education, especially since November is National Children's Month.

In a related matter, she informed the Body that Aral Pilipinas, a reform advocacy group, contacted her office and presented a case for the implementation of safe school calculators in educational facilities to ensure the health and safety of teachers and learners during and in the event of a pandemic. She stated that the group had made the same presentation to Undersecretary Ablan. She then inquired about the status of the proposal of Aral Pilipinas. Senator Cayetano (P) responded that the department is considering the proposal and that they welcome all the recommendations and suggestions regarding student health and well-being. She said that the department would update the Body after fully assessing the recommendation and possibly improving it.

Senator Hontiveros expressed concern about a report that the DOH announced a possible COVID-19 outbreak from unvaccinated students regarding the optional use of masks in schools and classroom ventilation issues. She asked if the DepEd had issued guidelines to assist school principals and teachers in dealing with pandemic prevention and control, such as forming a COVID-19 infection control committee for DepEd-accredited schools.



Senator Cayetano (P) responded that while the use of mask has been made optional, it has been observed that most teachers and students prefer to wear their masks even when not in school, unless when outdoors.

Agreeing with Senator Cayetano (P), Senator Hontiveros believed that it is still prudent for some people to wear masks. She stated that some private school teachers and administrators still enforce the policy of wearing masks while on campus. She expressed hope that the DepEd would continue the practice despite the government's decision to make it optional, and that they would issue additional COVID-19 prevention and control guidelines.

Asked if the DepEd would consider establishing an infection control committee in public schools, Senator Cayetano (P) stated that it is dealing with the COVID-19 pandemic by encouraging all schools to coordinate with their respective LGUs' epidemiological surveillance units. She assured the Body that the DepEd shared the concern that everyone should be vigilant and proactive in their prevention efforts.

Senator Hontiveros stated that her proposal to establish a committee for COVID-19 infection, prevention, and control committees in schools, as well as the establishment of the department's own epidemiological surveillance unit, could be funded by realigning confidential funds while the pandemic was still ongoing.

Senator Cayetano (P) stated that the decision by the DepEd to make masking optional for schools was based on the IATF's directive as recommended by the DOH, aside from the budgetary provisions for schools and classrooms. She stated that it is reasonable that any kind of support needed by the schools, whether for teachers, other personnel, or students be coordinated with the LGU, because the cases would revolve around the LGUs rather than DepEd.

Asked whether the GAB would have items for the LGU in coordination with the schools for COVID-19 prevention and control, Senator Cayetano (P) replied that the matter could be answered during the deliberations on the DOH budget, recalling that during the preparation stage, there was funding for such coordination. She emphasized that most of the concerns are being addressed in coordination with the LGUs, as the response should not be centralized but rather location-based.

Senator Hontiveros stated that she would pose the questions again during the DOH budget deliberations.

Senator Hontiveros hoped that, given the flexibility in the DepEd budget, the senators would support the realignment of confidential funds to other items at the proper time.

With the current policy that makes indoor mask use voluntary, she believed that the public health approach must take precedence over all else at the time when the pandemic persists. While the IATF recommended easing the rules on facemasks, she stated that public health experts still recommended that facemasks be worn indoors and outdoors at all times. She said that even South Korea, a more developed country, kept the mandatory mask policy in place for at least three months because the virus was still mutating into different variants and subvariants.

When asked if the P9.8 billion allotted to the DepEd school-building in the proposed 2023 national budget would be enough to build 2,400 classrooms to lessen the 90,000-classroom shortage nationwide, Senator Cayetano (P) replied that the basic education fund was increased from P5.95 billion to P23 billion, which the government might not be able to fund immediately. She clarified that the DepEd budget in the 2023 NEP was P9.8 billion, while the GAB budget was P5.95 billion.

As to whether the P23 billion basic education facility fund was allotted only for the school-building program, Senator Cayetano (P) replied that the fund was divided into two parts: 1) new classroom construction at P15.8 billion; and 2) repairs and rehabilitation at P4.7 billion. She stated that there was no funding for furniture, electrification, and school health facilities in the said fund, despite the fact that DepEd wanted to prioritize funding for school health facilities which were supposed to promote hygiene through hand washing among students, teachers, and school staff members because it is the simplest preventive health measure other than wearing facemasks.

Senator Hontiveros suggested that the Body consider realigning certain funds for school health facilities from items with no compelling justification during the pandemic. Senator Cayetano (P) responded that she would have her staff and the LBRMO confirm whether school health facilities are covered by LGU funds.

Asked about funding for new classrooms, Senator Cayetano (P) confirmed that it was P15 billion, not P9.8 billion. She pointed out that the money could cover 6,347 new classrooms out of the P167,000 classroom shortage.

Senator Hontiveros then compared the DepEd's classroom shortage to the DHSUD's housing gap, noting that both are increasing year after year. She inquired whether the DepEd would be permitted to use its budget to rent out unutilized classrooms from private schools in order to close the gap in the upcoming school year. Senator Cayetano (P) replied that department's budget includes a special provision that authorizes it to pay a rental fee for the use of private school facilities. She said that the special provisions made no mention of a limit on the rental fee for classrooms.

Senator Hontiveros then inquired about the DepEd's plan for addressing the widening infrastructure development gaps, as well as whether the DepEd had already amended its guidelines to account for the new normal conditions in the construction of school buildings and classrooms, such as higher ceilings, larger windows, and improved ventilation. Senator Cayetano (P) stated that while the general rule of DepEd is face-to-face learning, blended learning may be used in schools where there is inability to deliver a full face-to-face learning due to classroom shortages, such as in disaster-stricken areas. She emphasized that the department was reviewing the institutionalization of its blended learning programs as one solution to the classroom shortage problem.

On a personal note, Senator Cayetano (P) expressed her appreciation to the DepEd for its position to return to face-to-face learning while improving blended learning. She stated that the department had taken a scientific approach to providing interventions in the event that the preferred face-to-face learning was not available.

Senator Hontiveros stated that while blended learning could be an alternative response to the school infrastructure problem, DepEd should develop a primary plan to address the growing infrastructure development gaps. Senator Cayetano (P) recalled having requested an infrastructure development plan during the DBCC briefing, where she noted the previous classroom shortage of 91,000 with the expectation that an extra funding would be made available for DepEd in order to address the shortage.

Senator Cayetano (P) pointed out that as stated in her last year's committee report in the Committee on Sustainable Development Goals, Innovation, and Future Thinking, blended learning was not invented during the pandemic but has already being practiced before, but that it became popular because many countries had to resort to such mode of learning during the pandemic. She opined that blended learning must still be used at the proper time and at the proper place and for the purpose of enhancing learning and not as an excuse from going back to face-to-face learning.



Senator Hontiveros said that DepEd must ensure the quality of blended learning modalities while addressing old issues on the credibility of learning materials, parental support in the facilitation of learning, and effectivity of mobile teachers.

As to whether high ceilings and big windows to improve ventilation were already included in the new classroom design, Senator Cayetano (P) replied that DepEd had new designs based on the experiences during the pandemic.

Relative to the low utilization rates of ECCD earlier mentioned, Senator Hontiveros stated that the briefer from the Congressional Policy and Budget Research Department cited low obligation rates in education human resource development programs at only 26.9%, while the obligation rate for textbooks and instructional materials was only 25.9%.

She opined that the low obligation rates would further contribute to learning losses because a lack of learning materials will not only deprive learners of education materials but will also deprive teachers of adequate training on such education materials.

Responding to Senator Hontiveros' query regarding DepEd's plan in relation to the expenses to address learning loss, and whether there was a budget to support blended learning, Senator Cayetano (P) stated that the budget for computerization, which directly supports blended learning, was P8.48 billion. She noted, however, that the deployment of teachers to perform election-related tasks, as well as the election ban on textbook procurement, could have had an impact on their HRD training.

Senator Hontiveros argued that the election ban does not cover the entire year, and that education reform advocates believed that even with insufficient classrooms, textbooks, and other instructional materials, teachers could be provided with teacher training to equip them with effective teaching strategies.

Senator Cayetano (P) agreed that teacher training and textbook and instructional material procurement should not be compromised in any way. Despite the election ban, she pointed out that the 2021 figures put teacher training at 84.75%. She surmised that the transition to a new administration also had an impact on the utilization rate. She informed the Body that DepEd already has a technical working group tasked with ensuring the delivery of textbooks and other instructional materials. She assured Senator Hontiveros that the TWG would look into the concerns on education HRD concerns as well as the procurement time, which could be shortened.

Senator Hontiveros requested that a copy of the TWG's finding, recommendations, and report be provided to the Senate Committee on Education.

Asked how DepEd intends to improve its government assistance and subsidy disbursement, Senator Cayetano (P) explained that government subsidies to private schools have always been fully utilized, but the low utilization rate cited during the budget hearings was most likely due to the difference between the school calendar year and the fiscal calendar year.

As to DepEd's position on requests for consideration of the SPED, ECCD, and K-3 learners as priority groups in the disbursement of the vouchers program, Senator Cayetano (P) admitted that identify specific areas of focus because all programs, including IP education, were important. However, she stated that based on her discussions with the cities of Taguig and Valenzuela, it was found that the GASTPE subsidies to private schools have proven to be very effective. She revealed that during the pandemic, supporting private schools was less expensive than building new schools.

Senator Hontiveros expressed hope that EDCOM II would provide a framework that would look into the long-standing issues of education crisis and learning poverty.

Concerning the innovations that the DepEd planned to implement in the school feeding program the following year, Senator Cayetano (P) stated that the department continues to recognize and support the feeding program as vital component in ensuring the health of students. She stated that with the return of in-person classes, the DepEd would revert to school-based feeding and discontinue household distribution.

Relative to the school feeding program, Senator Hontiveros recalled that during her meetings with some groups, a particular interest that was brought to her attention was the possibility of moving from “targeted” to “universal social” feeding programs, particularly in impoverished areas where the feeding program would be extended to all children rather than just undernourished, malnourished, stunted, or wasted students. She stated that the program would be available all year, so that even during summer vacation, when the children are not in school, the learners’ target weight, health, and nutrition would be maintained in order to prepare them for the following school year.

Asked if DepEd could consider such a proposal and provide a study on its funding requirements, Senator Cayetano (P) said that DepEd was open to considering other options for the feeding program, such as universal feeding for the wasted, severely wasted, and stunted K to Grade 3 students, as well as extremely stunted Grades 4 to 6 students for 20 feeding days. However, she stated that the entire program would cost P80 billion, as opposed to the current P5.7 billion budget for the school feeding program.

Senator Hontiveros lauded the department for considering the various options which could be revisited and connected to existing nutrition laws and programs. She also cited the school feeding program under the First 1000 Days Law, which nutrition advocates were hoping could bridge the gap in the pre-school years, or the age after two-years-old but before kinder.

On another matter, Senator Hontiveros noted a proposal to ban extracurricular activities in schools, which some stakeholders found to be counterproductive as it would restrict holistic learning and development of the learners. She asked for an update on the status of such proposal and whether DepEd already issued a policy order in consultation with the teachers and students groups.

In reply, Senator Cayetano (P) cited Provision No. 6 under Department Order No. 34, series of 2022, which states that co-curricular and extracurricular programs may be conducted throughout the school year with the following conditions: 1) It should be after school hours—weekend, holidays, et cetera. ; 2) It shall not affect instructional time of the learners; and 3) Participation shall be optional and voluntary.

She then cited the activities that could be considered extracurricular, such as student government program; environmental education; comprehensive sexuality education; drug and substance abuse and other forms of addiction prevention; advocacy campaigns and intervention; mental health programs and psychosocial support for learners; capacity- building and student leadership formation programs; culture and arts program; scouting movement; *Gawad Siklab*; Philippine youth convergence; and DepEd-nationally initiated or mandated co-curricular activities.

Senator Hontiveros surmised that there was really no ban on extracurricular activities but the list of activities would only serve as guide or suggestion on what extracurricular activities could be done, so that other activities not on the list could also be conducted by the school.

Senator Cayetano (P) averred that there are guidelines to be followed for extracurricular and co-curricular activities and list was not exclusive as the schools could add to it, for instance, community service, festival celebrations as extracurricular, while co-curricular clubs could include drama, computer, P.E. and sports, arts, choir, and other learning areas.

Asked whether the youth and student partner organizations could be assured that there was really no ban on extracurricular activities and that there was no closed list of extracurricular activities, Senator Cayetano (P) replied that the department never banned such activities, and the department never used the word "ban," although these should be conducted after school hours.

Going back to the matter of nutrition, Senator Cayetano (P) pointed out that nutrition has two spectrums, namely, undernourished and obese. She underscored that physical education is an important component of life, especially health, and students should be encouraged to engage in sports instead of indulging in sedentary activities like being hooked to computer.

Senator Hontiveros believed that many life and social skills are developed through extracurricular activities like sports, journalism, and student governance, among other activities in the proposed list of the department order. She emphasized the need to promote the holistic development of the learners.

Senator Hontiveros agreed that physical education should be part of the curriculum and sports clubs must be encouraged in schools. She averred that student councils are part of school extracurricular activities.

On another matter, Senator Hontiveros cited DepEd Order No. 49 which was aimed at further professionalizing the delivery of basic education programs at services. She told the Body that the said order received negative reactions from teachers' groups, saying that it restricted their freedom of expression and rights as it prohibits teacher-student relationship, interaction, and communication, including following social media with learners outside of the school setting except if they are relatives. She believed that the prohibition must be clarified so that a positive learning environment between the teacher and the students would be ensured considering that teachers have special parental authority over their students.

Senator Cayetano (P) said that the DepEd merely wanted to encourage the teachers to conduct themselves in a professional manner especially in using social media to air their grievances. She also told the Body that DepEd discouraged teachers from contacting or interacting with their students outside of the school setting because there were situations that resulted to a more personal relationship between them. She pointed out that DepEd had no desire to limit the efforts of some very well-meaning teachers to extend extra help to students who need help.

Senator Hontiveros stated that teachers and their organizations engage directly and follow the correct processes with their administration or owners of their schools in solving problems they encounter. Senator Cayetano (P) averred that DepEd should also keep open their channels of communication with the teachers.

However, Senator Hontiveros stated that teachers and their organizations use social media to educate their members and mobilize them for legitimate issue-based campaigns and advocacies. She reiterated that a greater number of teachers and administrators have been providing support to their students even against sexual harassment and violence, as well as on the matter of mental health, through private messages and consultations in social media.

Thereafter, Senator Hontiveros cited a World Health Organization report stating that the youths in the age bracket of 11 to 17 years old lack physical activities and ambition. She asked how DepEd would carry out the task of encouraging the young people to pursue their dreams and maintain a more active lifestyle like engaging in sports.

Senator Cayetano (P) opined that since it was a WHO report, the problem might be worldwide. She assumed that the age bracket referred to was the age where the interest of the youth is in



computer games. As regards the intervention on the matter, she said that DepEd has a program called "*Galaw Pilipinas*" where the youth as well as the teachers are encouraged to engage in worthwhile physical activities. She recalled attending a conference in Seoul, where the break time was not called food break but mobility break in which the participants were encouraged to join in K-pop dance.

Senator Hontiveros maintained that there were no extraordinary or compelling reasons to allocate confidential funds to the DepEd, instead funds should be given to support sports programs like the Palarong Pambansa built on community-based and school-based sports development programs for the youth.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:48 p.m.

RESUMPTION OF SESSION

At 4:54 p.m., the session was resumed.

MOTION OF SENATOR PIMENTEL

Senator Pimentel moved that the Body allow Vice-President Duterte to leave the session hall. Senate President Zubiri and Senator Villanueva agreed to the motion.

However, Senator Cayetano (P) stated that the vice-president had expressed willingness to stay to support the budgets of the OVP and the DepEd.

INTERPELLATION OF SENATOR PIMENTEL

Asked by Senator Pimentel if the committee report increased the DepEd budget by P911 million, Senator Cayetano (P) replied in the affirmative.

As to why there was no recommended budget increase for the Office of the DepEd Secretary, she stated that the agency had internally realigned the funds for other important needs within the Office of the Secretary, its attached agencies, and the Philippine High School for the Arts, considering the huge budget for flexible learning. She pointed out that aside from flexible learning, a total of P15.7 billion was reallocated to the following programs and attached agencies: Indigenous Peoples Education - P101,072,000; General Management and Supervision - P1 billion; construction and repair/rehabilitation of various region and division offices; Learners' Support - P97 million; Child Protection Program - P3 million; Special Education - P531 million; operations of schools for Elementary - P212.8 million; operation of schools for Junior High School - P14.8 million; operation of schools for Senior High School - P207.5 million; Teacher Quality and Development Program - P92.3 million; Basic Education Facilities - P3.2 billion; National Assessment System - P276 million; Basic Education Curriculum which covers the development and provisions activity sheets for Grade 1 to Grade 3 learners and detailed lesson plan for teachers and bilingual policy implementation; Senior High School review and provisions of curriculum guide - P5 billion; Computerization Program to procure 1,170 classroom packages with 46 laptops, 2 charging carts, and one smart TV - P2.4 billion; National Literacy Policy and Program - P12 million; Early Language Literacy and Numeracy (ELLN) Program - P58 million; and Development and Promotion of Campus Journalism - P44.8 million. She said that only P15 billion out of P19 billion increase was from reallocations.

9/3

Senator Cayetano (P) noted that only P4.3 billion out of the P19 billion allocation for flexible learning would remain. As to the rationale for the P15 billion reduction, she explained that the original enormous amount was for the government's response to the pandemic needs, particularly for printed modules for self-learning, which would be reduced as the schools begin face-to-face classes.

On Senator Pimentel's observation regarding the errors found in distance learning modules and textbooks, Senator Cayetano (P) clarified that it occurred during the previous administration, but department officials explained that the errors were found in locally-produced materials or those written by teachers, and not in materials coming from the head office.

She informed the Body that the printed modules were already being reviewed by the "Error Watch" team, which continues to monitor all learning materials, including the contents of DepEd Commons and DepEd TV YouTube channels. She added that errors in printed modules had already been corrected through "teacher's notes," which informed students of the error and its correction.

Asked about the accomplishments of "Error Watch," Senator Cayetano (P) stated that the team had not received any reports of erroneous materials since June 2021, although it had discovered a few errors before the materials were printed.

On whether the errors could justify the disqualification of the printer or publishing firm from contracting with the DepEd, Senator Cayetano (P) stated that the errors were minor and could not be grounds for disqualification. She added that there were no errors carried over into the following year's copies.


Senator Pimentel inquired whether the budget school building program and budget for rehabilitation of schools and classrooms were separate. In response, Senator Cayetano (P) stated that the total amount proposed for basic education facilities was P23 billion, which would cover, among other things, the construction of new buildings and the renovation of school buildings. She stated that she would inform Senator Pimentel of such breakdown in writing.

Senator Pimentel expressed his interest in the budget utilization rate, citing the May 2021 COA report that noted the low budget utilization rate for classroom rehabilitation. Senator Cayetano (P) explained that rehabilitation efforts in 2020-2021 were impacted by the COVID-19 outbreak, although she conceded that low utilization rates existed prior to the pandemic and that the same situation occurred in 2022 due to the election ban on infrastructure projects. Nonetheless, she believed that the utilization rates were not particularly low, as one batch of new constructions was already at 57% as of July 31, 2022, and another batch at 85%.

To Senator Pimentel's query whether the P676 billion budget of the Office of the Secretary would include the P10 billion for the school buildings program added in the House Bill, Senator Cayetano (P) replied in the affirmative, stating that the Senate committee also added P10 billion, making the total allocation P80 billion for the construction of new school buildings.

When asked if the DepEd would get an additional amount of P10 billion, and if the Senate Committee report prevailed, Senator Cayetano (P) replied in the affirmative.

Noting that the agency's budget augmentation request was P80 billion, Senator Pimentel sought clarification on news reports that Vice President Duterte said that if the DepEd was given P100 billion additional funds, all of basic education's problems would be solved. Senator Cayetano (P) explained that the P100 billion fund for the next six years was only meant to address the country's school building shortage. Senator Pimentel thanked Senator Cayetano (P) for her clarification.



As regards the DepEd's computerization program budget, Senator Cayetano (P) confirmed that it is P8.9 billion for 2023. She stated that, with the exception of the funding that was made available through the Bayanihan Law, the department had handled its own computerization program's budget,

Asked further if the agency had sufficient experience in procuring computers, desktops, laptops, and tablets, she replied in the affirmative.

Senator Pimentel questioned why the DepEd did not use its own Bids and Awards Committees to procure its laptops worth P2.4 billion under the Bayanihan 2 Law, although he clarified that the procurement occurred prior to the terms of Vice President Duterte and Undersecretary Densing. He expressed confidence that with Undersecretary Sevilla's institutional knowledge, having been with the agency longer than the officials mentioned, his query would be answered.

Senator Cayetano (P) informed the Body that the P2.4 billion in question was eventually handled by the DBM's Procurement Service because it was not part of the DepEd's procurement plan and was only made available under the Bayanihan 2 Law. She added that the agency's BACs had been performing limited functions at the time, and the undersecretaries who comprised the committees were also in charge of DepEd's transition to blended learning in response to the pandemic. She also stated that the numerous lockdowns and a lack of vaccines also exacerbated the situation.

She stated that the funds eventually went to the PS-DBM due to the DepEd's recognition of its inability to handle the procurement of the laptops given the limited validity of the funds, and PS-DBM's availability to handle the matter. She further stated that, while the DepEd had previous experience and capacity in procurement activities, the challenges of the pandemic forced them to deal with having limited functions and an inability to comply with the process. Senator Pimentel stated that the department's inability to see the process through was a criticism of its BACs.

Asked how many BACs the DepEd had at the time, Senator Cayetano (P) replied that it had five committees that handled the procurement of items, all of which were headed by undersecretaries.

On whether the DepEd's BACs still procured regular items but did not welcome the additional workload of P2.4 billion worth of laptops, Senator Cayetano (P) replied in the affirmative, surmising that the transfer to PS-DBM was made because it could handle the workload and the items were not in DepEd's procurement plan.

In reply to further queries, she stated that the transaction took place earlier, rather than in 2021. Senator Pimentel contended that with the deadline set for June 30, 2021, the agency's inability to carry out the procurement process and delegate it to another was already a criticism of its BACs' efficiency. Senator Cayetano (P) emphasized that the DepEd's procurement committees already had a regular workload in accordance with its procurement plan, let alone additional challenges that limited their ability to function at the time. She stated that the additional workload was passed on to PS-DBM due to all of the factors mentioned.

Asked if the DepEd's reluctance to accept the additional funds, which also meant additional workload, was manifested by the agency during the Plenary debates on the Bayanihan 2 Law, Senator Cayetano (P) stated that from personal experience, no agency had ever turned down an opportunity for additional funds and would rather deal with the problems later.

Asked if Vice President Duterte had ordered a fraud audit of the transaction involving laptops that amounted to P2.4 billion, Senator Cayetano (P) replied that the DepEd had requested the Commission on Audit to do so. Senator Pimentel thanked the Vice President for her quick action on the issue.

As regards a 2021 COA report mentioning that the DepEd purchased multivitamins, Senator Cayetano (P) stated that as per the notes of the Senate Legislative Budget Research and Monitoring Office, the agency made “excessive air purifiers and multivitamin procurement.” She also stated that Undersecretary Sevilla had no recollection of the purchase and opined that the procurement might have occurred at the regional level. She then informed the Body of a report mentioning the procurement of multivitamins for a DepEd regional office for sick personnel with COVID-19. She added that reports of such nature do not go up the level of the Secretary, except for big item purchases that directly go to the head office.

She then informed the Body that 340 boxes of multivitamins of various brands were reported to have been procured in Region VI. She then requested that Undersecretary Sevilla look into the matter and report her findings to the Senate. She believed that there would be no problem at all if the items were purchased with a justifiable explanation.

Senator Pimentel pointed out that if there was an exit conference, and the COA was satisfied with the explanation, then the item should no longer appear in the 2023 COA report. Senator Cayetano (P) responded that if there was a final report on irregularities, then there would be a notice of suspension, but that the DepEd has not received any such notice. Senator Pimentel surmised that the issue might have already been resolved.

Senator Pimentel mentioned the 2019 Trends in International Mathematics and Science Study (TIMSS), the 2019 Southeast Asia Primary Learning Metrics (SEA-PLM), and the 2018 Programme for International Student Assessment (PISA) as survey results pertaining to the nation’s quality of education.

When asked if the 2019 surveys were the most recent in the series, Senator Cayetano (P) replied in the affirmative, stating that the TIMSS survey results are released every four years. Senators Pimentel and Cayetano (P) agreed that the survey results were unacceptable.

Asked whether the Philippines should simply stop its participation in the surveys, Senator Cayetano (P) relayed the stance of Vice President Duterte, which was to continue participating in the surveys.

At this juncture, Senate President Zubiri relinquished the Chair to Senator Ejercito

Senator Pimentel agreed with the Vice President’s stance, adding that the DepEd’s reliance on objective third-party assessments was appropriate. He also believed that the country’s continued participation in education surveys would be one method of determining whether the country’s 15 strategies to close the learning gap were effective.

Senator Cayetano (P) informed the Body that the agency had already notified the Programme for International Student Assessment (PISA) that the Philippines would be participating in the PISA assessment in 2025. She stated that the results of the 2022 assessment, in which the country also participated, would be available in 2023. Senator Pimentel stated that given the country’s position, there would be no way to go but up. Senator Cayetano (P) stated that she was only interested to see the raw score because it could still be lower.

Asked on the 15 strategies of the DepEd for addressing learning poverty, Senator Cayetano (P) cited only 14 strategies, as follows:

- 1) profile and cluster learners based on academic needs and/or learning gaps;
- 2) expand learning time;
- 3) strengthen the implementation of the policy on engaged time on task;

98

- 4) conduct end-of-school-year or summer learning remediation and intervention programs;
- 5) develop learning, remediation, and intervention resources;
- 6) implement in person and virtual study groups buddy system;
- 7) engage parents and, legal guardians, in facilitating learning;
- 8) intensify implementation of reading intervention programs;
- 9) intensify the use of the English language in the teaching learning process for subjects taught in English;
- 10) conduct regular home visitation follow-ups;
- 11) establish literacy at home and in the community;
- 12) conduct professional development activities for teachers, including the Learning Action Cell sessions;
- 13) provide additional learning support aids; and
- 14) intensify instructional supervision.

In relation to strategy No. 2—to expand learning time—Senator Cayetano (P) pointed out that when there are two batches of classes in a day, learning time is obviously shortened. But she called the DepEd’s attention to the case of Las Piñas Science High School where classes begin at 6:45 a.m. and end at 5:00 p.m., for a total of 10 hours in school, less time for lunch and recess. She expressed concern that the students would collapse from lack of rest and exhaustion. She then asked assurance from the DepEd that they would look into the issue.

On whether P5 billion out of the 19.9 billion flexible learning budget had been reallocated to basic education curriculum, Senator Cayetano (P) replied in the affirmative, adding that P4.89 billion had been allocated for the development and distribution of activity sheets for Grades 1 to 3 learners. She then mentioned the following big tickets items: learning resources (LR) for the National Reading Program, P1.95 billion; National Mathematics Program, for building stronger foundations in numeracy, P1 billion; and for the learner support program, P1 billion.

Asked how much would be spent to review the curriculum, Senator Cayetano (P) replied that the senior high school review and provisions of curriculum guides would cost P125 million.

Senator Pimentel stated that he understood the word “provision” to mean reproducing materials for learners as well as conducting a review to determine the effectiveness of the curriculum. Senator Cayetano (P) defined curriculum as a document that identifies the critical skills that children need based on their age and grade level in order to plan for activities and lessons, as well as allocate time to develop such positive outcomes. As an example, she said that for Grade 4, they would have 50 minutes of Science everyday, for which teachers would be trained, and activities and lessons would be planned, among other things.

Asked if the basic education curriculum was not periodically reviewed and whether its annual budget could be less than P5 billion, Senator Cayetano (P) replied that the realigned amount of P5 billion was higher than what it used to be.

On whether the DepEd felt there was a need to review the current basic education curriculum, Senator Cayetano (P) responded that more than 600 personnel were involved in revising the K to 10 curriculum for 2019 and 2022. She stated that the same is continually being assessed, so that after 2022, or as needed, interventions can be made immediately. She stated that the budget increase from P200 million to P5 billion shows the agency’s intention to enhance and improve, if not completely revamp, the curriculum.

Senator Pimentel reiterated his understanding of the the word “provision” – as being associated with physical and material efforts, rather than the mental costs of reviewing the curriculum. He inquired whether or not computer encoding skills would be included in the basic education curriculum. Senator Cayetano (P) clarified that the word “provision” was not included in the law.

Senator Pimentel asked whether the P5 billion fund would be used for consultancy, discussions, or curriculum review. He pointed out that because the new curriculum was implemented after 2019, no survey was conducted to assess its effectiveness.

Senator Cayetano (P) explained that the review is done every five years, but changes are made based on current observations of the program. She stated that the review for Senior High Grades 11 and 12 was still ongoing, whereas the evaluation for K to 10 had already been completed. She clarified that the P5 billion would be used to put the new curriculum into effect.

On whether the DepEd plans to improve the basic education curriculum by introducing subjects on data encoding, Senator Cayetano replied that the curriculum includes Information and Communications Technology subjects from Grades 4 to Senior High.

Asked about the increase in subscription expenses from P24.6 million to P2.56 billion, Senator Cayetano (P) responded that the curriculum includes Microsoft licenses and cloud services. She added that the DepEd began using cloud services during the pandemic to improve blended learning delivery.

Senator Pimentel noted that the subscription expense budget rose from P17 million in 2021 and P24 million in 2022 to P2.56 billion in 2023. He questioned why there had been a massive increase when the pandemic was almost over and in-person classes had already begun.

SUSPENSION OF SESSION

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

It was 6:13 p.m.

RESUMPTION OF SESSION

At 6:20 p.m., the session was resumed.

INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

Senator Cayetano (P) explained that the allocation for subscription expenses which used to be included in the Capital Outlay item of the department’s previous budgets, has been listed as a specific item under Maintenance and Other Operating Expenses upon the advice of the DBM.

Responding to the comment that most of the allocation for the ECCD Council was meant for construction and infrastructure, even though it was not the Council’s main mandate, Senator Cayetano (P) explained that the fund would be used to build National Child Development Centers which hold trainings for day care teachers and personnel in charge of early education. She informed the Body that such trainings have been successfully conducted in the existing NCDCs.

However, she noted the low budget utilization rate because the funds were being downloaded to LGUs that would implement it. She further explained that LGU implementation was being hampered by the pandemic and exacerbated by Memorandum Circular No. 3 of 2022, which prevents an Officer-in-Charge from entering into any contract.

Senator Pimentel noted that the ECCD Council seemed to be performing the function of a “bridge” where the funds would be coursed through them and end up with the LGUs.

Senator Cayetano (P) averred that while the ECCD Council’s primary role is to act as the primary agency supporting the government’s ECCD programs that cover health, nutrition, early education, and social services for children ages 0-4 years, it is also in charge of developing policies and programs, providing technical assistance and support to ECCD service providers, and monitoring the benefits and outcomes of ECCD services. She reiterated that the Council must prioritize the centers in order to train teachers and fulfill their mandate.

She informed the Body that the budget provided by the NEP and the Senate for the construction of the centers was lodged in the MOOE and would be downloaded to the LGU for the construction of the centers. Senator Pimentel then proposed that the law be reviewed on an ongoing basis.

Senator Pimentel asked if the National Academy for Sports (NAS) is similar to the Philippine High School for the Arts and that graduates can continue their education in the tertiary level. Senator Cayetano (P) stated that the NAS is intended to provide secondary education to its students and to develop their talent to become elite athletes; with their secondary education training, the athletes can become assistant coaches of their respective sports after senior high school.

On whether the success of NAS is based on the number of victories in international sports competitions, Senator Cayetano (P) stated that it creates a large pool of talents from which potential elite athletes can be selected, that it increases the ability to win in international competitions, and that the results in actual winning will be realized in the next few years when the students graduate. She emphasized that the goal of the NAS is to create an environment in which young student athletes with potentials do not have to forego their studies. She averred that many students are forced to choose between staying at home to study and foregoing a potential athletic career, or giving up their studies because they do not have relatives to stay with in Manila or near NAS headquarters, and eventually abandoning their studies entirely. She stated that while there were students who could balance being a student and an athlete, such as the former U.P. volleyball team captain who graduated summa cum laude and was already a certified doctor, the goal of the NAS is to educate athletes so that they can pursue careers that are not necessarily in sports.

Senator Pimentel recalled that Australia won a lot of gold medals in one Olympic game and attributed their success to their national sports academy. He inquired whether the NAS would be like Australia’s national sports academy. Responding thereto, Senator Cayetano (P) believed that the NAS’s barometer should be its ability to produce many gifted athletes who qualify for the Asian and Olympic games, rather than hauling medals. She informed the Body that while some countries do not actually have qualifying athletes, they do allow representation through the wild-card system, as the Philippines had done in track and field and swimming events. She recalled Hidilyn Diaz’s first Olympic weightlifting competition taking place through a similar system. She stated that the NAS recently won Taekwondo events in international ASEAN competitions.

Senator Pimentel stated that the people should be able to feel the difference between having a NAS and not having one, as it was before. He stated that because the NAS was still a relatively young agency, it should be given time to prove itself. Senator Cayetano (P) stated that the NAS was on its second year and was seeking budgetary support for the second phase of operation. She stated that the academy had not held in-person classes or training because the actual structure would not be completed until the first quarter of 2023.

Regarding the National Museum, Senator Pimentel noted that the Senate subcommittee doubled its budget for 2023. He then inquired about government spending on culturally significant private

Ⓜ

properties and churches for renovation and repair. Senator Cayetano (P) stated that the law allows the government to spend only on culturally and historically significant properties because the majority of them are privately or religiously owned. She mentioned instances where the board decided to purchase such properties or enters into a MOA with private properties to allow public access.

Senator Pimentel asked the National Museum's legal officer to submit a legal memorandum justifying the government's holdings on culturally and historically significant private properties and churches. He noted that when the National Museum invests in a culturally significant private property, the MOA it enters into limits the private owner's property rights, particularly the right to dispose of it.

As to how the investment of the government in private property could be protected, Senator Cayetano (P) stated that it is protected if it buys the property. She pointed out however that the National Museum had made no purchases under the term of Executive Director Barnes. She surmised that other agencies like the National Historical Commission and the National Commission for Culture and the Arts might have made purchases because their efforts in conserving and preserving such properties overlap.

Senator Tolentino interjected at this point, stating that several churches were damaged during the earthquake in Bohol in recent years, and that the government's intervention was needed to rehabilitate the churches which are considered as heritage sites. He assumed that the National Museum was not behind the efforts.

Senator Cayetano (P) clarified that the National Museum makes two types of property investments, and that in the case of churches, it would have an agreement on access and rehabilitation so that the public could view the church. She stated that it was a continuing project that was included in both the GAB and Senate versions.

With regard to the planetarium, Senator Cayetano (P) stated that it had reached its end-of-life period and had to be decommissioned because it has become obsolete. She stated that in 2024, the National Museum would present a new budget for the planetarium which is under its mandate.

Senator Pimentel then thanked the DepEd officials and Vice President Duterte for their presence. But he said that he had more questions about the National Book Development Board and the Philippine High School for the Arts.

SUSPENSION OF SESSION

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

It was 6:45 p.m.

RESUMPTION OF SESSION

At 6:47 p.m., the session was resumed.

INTERPELLATION OF SENATOR CAYETANO (A)

In reply to the query of Senator Cayetano (A), Senator Cayetano (P) confirmed that the classroom shortage was at 167,901.

ph

As to student-teacher ratio, Senator Cayetano (P) pointed out that the ratio ranges from 30 to 40 students per teacher: 25 learners in a class with a maximum of 30 learners at a double shift for kinder; 30 learners in a class with a maximum of 35 learners for grades 1 to 3; 40 learners in a class with a maximum of 45 learners for grades 4 to 10; and a maximum of 40 learners for grades 11 to 12.

As to the number of schools currently implementing two or three shifts, Senator Cayetano (P) replied that three percent of the total number of schools had two shifts of six hours each, from 6:00 a.m. to 12 p.m. and 12:00 p.m. to 6:00 p.m., while 97 percent had one shift for six hours from 7:00 a.m. to 1:00 p.m. But since the shift to K-12, she said, the regular school hours became six and a half hours, or only a 30-minute difference with schools that have two shifts, while kinder has three hours, grade 1 has four hours, and the rest has six and a half hours.

Based on the reports of the DepEd regional offices, Senator Cayetano (P) stated that schools did not have any three shifts but they did have an evening class, which is a different program intended for those who are working. In cases of three shifts, she said that the third shift is for six hours from 6:00 p.m. to midnight.

Senator Cayetano (A) recalled that in 1998, a shift meant only four hours of classes at either 6:00 a.m. to 10:00 a.m., 10:00 a.m. to 2:00 p.m., or 2:00 p.m. to 6:00 p.m. He asked whether the three percent of the total schools that used two shifts of six hours each was concentrated in Metro Manila. Senator Cayetano (P) replied that 52 schools in Metro Manila were not adopting 100 percent face-to-face modality, as these schools were either affected by a natural calamity or suffering from classroom shortage. In such cases, she said, the students either physically attend school for three days and attend online classes for two days per week or physically attend school for four days and study at home for a day per week.

Senator Cayetano (A) then surmised that the reason the DBM was not granting the DepEd the necessary budget for the additional 167,000 classrooms was that students still get to complete six hours of study per week through the hybrid system of learning. But Senator Cayetano (P) stated that the quality of learning might suffer as teachers have to teach for two grueling six-hour shifts a day while using two hours in between checking papers. In such a case, Senator Cayetano (A) suggested realigning a part of the P420 billion budget for the construction of school buildings to the hiring of new teachers to address the student-teacher ratio without having the teacher take two shifts per day, thereby improving both the quality and the availability of teachers.

As to the number of students in private schools who use vouchers for the senior and junior high schools, Senator Cayetano (P) replied that there were around 1.1 million student beneficiaries. She explained that the amounts corresponding the vouchers were supposed to be used for renting available classrooms in private schools in lieu of having to build new classrooms or schools.

On whether GATSPE is implemented in both elementary and high school levels, Senator Cayetano (P) stated that even before the K to 12 program, GATSPE was implemented only in the high school level.

Senator Cayetano (A) recalled that during the presidency of Ferdinand Marcos Sr., elementary school tuition fee was free, and that following the EDSA revolution, public high school tuition fees were also free. He stated that during the term of President "Noynoy" Aquino, kindergarten was added to the educational system, which increased the demand for new classrooms and exacerbated the problem of classroom shortage. He stated that during the pandemic, students transferred from private to public schools as the economic crisis worsened.



Senator Cayetano (P) clarified that the DepEd was already supporting private schools prior to the pandemic. Senator Cayetano (A) acknowledged the government's support for private schools, but disclosed that even nearly tuition-free parochial schools were complaining that their students were transferring to public schools. He stated that he would delve deeper into the classroom shortage issue during a public hearing of EDCOM II or a regular public hearing of the Committee on Basic Education, as he expressed doubt that only 3% of public schools had class shifts and that there were classes without three shifts.

At this point, Senator Cayetano (A) requested a copy of the report on classroom requirements from DepEd so that legislators can determine which schools have a large student population requiring three shifts and which do not.

On the teacher-to-student ratio, Senator Cayetano (P) reported that for school year 2022, it was 1:28 in elementary schools, 1:26 in junior high schools, and 1:35 in senior high schools. Senator Cayetano (A) disputed the figures, arguing that other factors, such as teachers performing administrative work, school districts with an excess of teachers, and school districts with a shortage of teachers, must be considered.

Senator Cayetano (P) then presented the classroom-to-learner ratio data: 1:30 for elementary, 1:41 for junior high school, and 1:43 for senior high school.

Concerning the K to 12 program, Senator Cayetano (A) recalled that during the deliberations and debates on its introduction and institutionalization in the Philippine education system, the K to 12 advocates promised that the ladderized program would provide better quality education and that senior high school graduates would be able to find employment immediately after completing senior high school. Senator Cayetano (P) stated that, apparently, there is Grade 10 graduation option for those who do not wish to attend college.

Senator Cayetano (A) disclosed that the per-student cost at the Philippine Science High School for school year 2022 was P300,000, while the national per-student cost was approximately P20,000 per student. In this context, he recalled that one of the arguments for the K to 12 program was that it was essential for engineering students, especially those who intend to work abroad. However, he stated that only less than 1% of Filipinos studying engineering work abroad as engineers.

He also lamented the fact that some schools lacked the laboratory or equipment required to provide a quality education, unlike Don Bosco Technical School, which uses real cars and light fixtures as teaching materials for its automotive and electrical courses, respectively. He added that Don Bosco has a partnership with TESDA for NC II certification.

Regarding the K to 12 tracks, Senator Cayetano (P) stated that students in senior high school can choose between three tracks: Academic, Technical-Vocational-Livelihood, and Sports and Arts. She stated that the Academic track includes three strands: Business, Accountancy and Management (BAM); Humanities, Education, and Social Sciences (HESS); and Science, Technology, Engineering, and Mathematics (STEM).

Senator Cayetano (A) reiterated the importance of having the proper teaching materials and equipment to support the various tracks. He said that the sports track must have an oval, a gym, sports equipment, coaches, and a swimming pool, while a tech-voc track must have a garage with testing equipment, a real car, a motor, and other machines. He expressed dismay that there appeared to be a disconnect between TESDA and DepEd, with TESDA focusing more on servicing out-of-school youth.

Senator Villanueva responded that when he was TESDA chair, the agency had only about P3 billion, but after the passage of the Universal Access to Quality Tertiary Education Act (UAQTEA), TESDA's budget ballooned to about P17 billion to P18 billion per year.

However, he denied that TESDA only offered programs for out-of-school youth. He stated that part of TESDA's programs complied with the UAQTEA and K to 12 standards.

He also averred that there were no facilities available which could be used by students in the K to 12 program, so they would attend tech-voc schools instead of regular DepEd schools. Senator Cayetano (A) opined that regular DepEd schools with a tech-voc track should be equipped with the required facilities.

Senator Villanueva explained that the problem was a lack of funds to purchase equipment, which prevented regular students from enrolling in the animation track program of DepEd and caused them to seek out the program of TESDA.

Senator Cayetano (A) noted that with the implementation of the K to 12 program, two years were added but the curriculum remained the same. He lamented that as a result of the program, teachers endured greater hardship while parents spent more on tuition and other school-related expenses of their children. Noting that the quality of education deteriorated rather than improved, he suggested suspending the K to 12 program for five to 10 years, or until all the resources required for the program's proper implementation had been acquired.

Asked by Senator Cayetano (A) if "Education for All" was still the department's slogan, Senator Cayetano (P) responded that it was currently EduKALIDAD, which stands for quality education. She believed it was distinct from the mantra "No One Left Behind" as it focuses on quality education.

Senator Cayetano (A) lamented the decline of the quality of education after the EDSA revolution, primarily because President Cory Aquino was advised not to establish secondary schools and there were insufficient funds for free primary and secondary education. He stated that the quality of education had only recently improved.

On the percentage of Filipinos with learning disability, Senator Cayetano (A) stated that it was between 8% to 12% when he chaired the Committee on Education from 2007 to 2009, whereas an internet report stated that one in seven Filipinos had learning disabilities. Senator Cayetano (P) acknowledged the DepEd's lack of a solid program or assessment basis, such as global statistics.

Senator Cayetano (A) recalled that the City of Taguig invited doctors to examine the eyes and ears of school children and teachers and were surprised to discover that the students were not slow learners but instead had disabilities. He emphasized the need for relevant or theories on the matter.

Regarding the budget for learners with disabilities, Senator Cayetano (P) replied that it was P581 million, which was taken from the department's MOOE budget. She stated that the allocation did not include compensation for teachers of learners with disabilities. Senator Cayetano (A) proposed that 5% of the budget should be allocated to learners with disabilities if the working theory was 5%.

Asked whether reports were true that SPED had no allocation when the budget was first submitted to the House, Senator Cayetano (P) replied that in the past two or three years, she and



Senator Gatchalian, who was chair of the Committee on Basic Education, had successfully pushed for a separate line item for SPED so that Congress could always keep track of it. However, she stated that the line item was not included in the proposed budget, but DepEd officials had committed to realigning it, most likely using flexible learning funds. She explained that the budget was not included due to a low utilization rate, and that DepEd and the DBM should have pushed harder for its inclusion. Senator Cayetano (A) believed that the DBM would actually delete the budget if there was a low utilization rate, as budget allocations from other agencies, such as DFA, were removed from tier one.

Senator Cayetano (A) remarked that the Special Education Fund's guidelines included restrictions on classroom construction. He also observed that the SPED budget was concentrated in highly urbanized regions with larger SES. He suggested that DepEd properly identify where the SEF could be utilized.

In addition, he suggested that the department consider matching funds with the LGUs to encourage them to implement programs or pilot projects for automotive, electrical, or animation to get the track moving.

He also requested clarification on the low disbursement and procurement issues cited in the Senate investigation into laptop computers, noting that P5 billion was disbursed in 2021 and P11 billion in 2022. Senator Cayetano (P) responded that was typically a forum for suppliers where product availability can be verified. She assumed that the procurement issue arose because the department failed to determine which products were available.

Senator Cayetano (A) stated that it was evident during the hearing that DBM and DepEd were both involved in the transaction. He added that the transaction was only supposed to be for laptop computers, but there was an accompanying requirement for bags, and many bidders were disqualified because their package did not contain bags.

As to how the proposed budget for computers would be utilized, Senator Cayetano (P) replied that it would be used to construct a computer laboratory as part of the DepEd computerization program, known as the e-classroom package, which would include laptops, routers, Smart TV, and charging cards. Senator Cayetano (A) stated that the laboratory supplies could be bid on separately and later on assembled. Senator Cayetano (P) informed the Body that the total cost of a classroom was P1.9 million.

Senator Cayetano (A) suggested that DepEd eliminate the bidding process and instead give the MOOE to the teacher, who would be responsible for buying the computers, or the MOOE could be given to the principal by region or district if they could not be given to the central office. He asked the incumbent DepEd officials to explain why only P2 billion of the P11 billion budget was utilized. Senator Cayetano (P) gave her assurance that the DepEd would submit its report on the matter. She concurred with the suggestion of Senator Cayetano (A) that the program be done with DICT.

At this juncture, Senator Cayetano (P) stated that the DepEd had clarified that the budget was actually P8 billion and that only P700 million had not been bid out.

On the matter of distribution, Senator Cayetano (A) recalled that the laptop program in Bayanihan 2 failed because instead of giving the laptops to students, they were given to the supervisors; therefore, when a list was required, it was unclear who the beneficiaries were; in fact, it was discovered that many laptops were still in the bodegas while others ended up in pawnshops. He requested that the DepEd compile a list of the program's beneficiaries.

dp

Finally, Senator Cayetano (A) said that the Congress and the Executive department might have to decide either to remove two years from K to 12 or to allocate the funds for the four tracks in order that the students who would choose not to enroll in college could work right away. Senator Cayetano (P) averred that many students had claimed that the things they learned from senior high school were also taught in their freshman and sophomore years in college.

Senator Cayetano (A) suggested that the CHED discuss this concern with the DepEd considering that CHED officials were not present during the deliberations on the Philippine Development Plan.

REQUEST OF SENATOR VILLANUEVA

Senator Villanueva, instead of asking questions on the DepEd budget, requested a report on the status of the Philippine Qualifications Framework (PQF) as well as the implementation of Republic Act No. 11476 (GMRC and Values Education Act).

Senator Cayetano (P) replied that the implementing rules and regulations of RA 11476 had already been published.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF EDUCATION AND ITS ATTACHED AGENCIES

Upon motion of Senator Villanueva, there being no objection, the budgets of the Department of Education and its attached agencies, namely: Office of the Secretary, Early Childhood Care and Development Board, National Book Development Board, National Council for Children's Television, National Museum of the Philippines, Philippine High School for the Arts, and National Academy for Sports were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 7:49 p.m.

RESUMPTION OF SESSION

At 8:02 p.m., the session was resumed.

PEOPLE'S TELEVISION NETWORK, INCORPORATED

Senator Villanueva stated that the People's Television Network, Incorporated would have a total budget of P125,159,000.

SUBMISSION OF THE BUDGET OF PEOPLE'S TELEVISION NETWORK, INCORPORATED

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the People's Television Network, Incorporated was deemed submitted for the Body's consideration.

PRESIDENTIAL MANAGEMENT STAFF

Senator Villanueva stated that the Presidential Management Staff would have a total budget of P1,753,141,000.

AB

SUBMISSION OF THE BUDGET OF THE PRESIDENTIAL MANAGEMENT STAFF

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Presidential Management Staff was deemed submitted for the Body's consideration.

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

The Chair acknowledged the presence in the gallery of Commission on Elections Chairman George Garcia.

SUSPENSION OF SESSION

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

It was 8:06 p.m.

RESUMPTION OF SESSION

At 8: 12 p.m., the session was resumed.

**STATE UNIVERSITIES AND COLLEGES
AND COMMISSION ON HIGHER EDUCATION**

Upon motion of Senator Villanueva, there being no objection, the Body considered the budgets of State Universities and Colleges and the Commission on Higher Education.

The Chair recognized Senator Cayetano (P) to sponsor the SUC and CHed budgets.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 8:12 p.m.

RESUMPTION OF SESSION

At 8: 18 p.m., the session was resumed.

Thereupon, Senator Cayetano (P) presented the budget of State Universities and Colleges amounting to P97,447,592,000 and the budget of the Commission on Higher Education amounting to P35,463,893,000.

She pointed out that all concerns on the budget of SUCs, except the University of the Philippines, had been addressed by the subcommittee and education officials. She stated that the remaining reservations for interpellations were on the Commission on Higher Education budget.

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

Senator Villanueva acknowledged the presence in the gallery of Philippine Association of State Universities and Colleges (PASUC) President Tirso A. Ronquillo.

SUBMISSION OF THE BUDGET OF STATE UNIVERSITIES AND COLLEGES

Upon motion of Senator Villanueva, there being no objection, the budget of State Universities and Colleges, with the exception of the budget of the University of the Philippines System, was deemed submitted for the Body's consideration.

98

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 8:22 p.m.

RESUMPTION OF SESSION

At 8:32 p.m., the session was resumed.

MANIFESTATION OF SENATOR CAYETANO (P)

Senator Cayetano (P) stated that a number of her colleagues have requested clarification regarding some of their CHEd-related concerns. As the next agency was already seated in the gallery, she stated that she would discuss the concerns with Chairperson de Vera and other officers of the Commission so that they would be ready with their answers when the Body reconsiders the CHEd budget.

DEFERMENT OF CONSIDERATION OF THE BUDGET OF THE COMMISSION ON HIGHER EDUCATION

Upon motion of Senator Cayetano (P), there being no objection, consideration of the budget of the Commission on Higher Education was deferred.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri suggested that Chairperson de Vera and Senator Cayetano reach out to the senators that have concerns on the CHEd budget, particularly on the scholarship programs.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 8:33 p.m.

RESUMPTION OF SESSION

At 8:36 p.m., the session was resumed.

UNIVERSITY OF THE PHILIPPINES - PHILIPPINE GENERAL HOSPITAL

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the University of the Philippines - Philippine General Hospital (PGH).

At this juncture, Senate President Zubiri acknowledged the presence in the gallery of the PGH Director, Dr. Gerardo "Gap" Legaspi.

Thereupon, the Chair recognized Senator Cayetano (P), sponsor of the measure, and Senator Pimentel, for his interpellation.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel inquired how long Dr. Legaspi has served as PGH Director. Senator Cayetano (P) replied that Dr. Legaspi was on his third term as hospital director. She added that there is no term limit for the position, as the matter is decided by the Board of Regents.

As regards news reports of pregnant women dying in the early months of the pandemic in 2020, allegedly as a result of being denied admission pending the issuance of clearances by hospital directors, Senator Cayetano (P) stated that the PGH was transformed into a COVID-19 referral hospital by virtue of its agreement with the DOH. She said that it would not accept new patients during the last week of March 2020 in preparation for its conversion. She also stated that Director Legaspi was unaware of any similar incidents reported involving the PGH. Senator Pimentel expressed relief that his wife and child did not experience the same fate as the women and unborn children in the news.

Sought for clarification as to what Senator Pimentel deemed an abruptly-ended communication between him and Director Legaspi at that time when his wife was in labor, which left him still waiting for confirmation of his wife's transfer to the PGH from a private hospital, Senator Cayetano (P) stated that according to Director Legaspi, it might have been the obstetrician-gynecologist, with whom the couple made initial contact, who recommended the transfer. She added that during that time, Director Legaspi had wanted to accept the Senator's wife; however, it was eventually determined that the hospital would be closed and, as a result, no patients would be accepted. She stated that Director Legaspi assured her that he was able to respond to Senator Pimentel and inform him of the next steps to be taken, and that Senator Pimentel even thanked him for his assistance.

Senator Pimentel opined that Director Legaspi's account was a misrepresentation of the facts because he has yet to receive a reply from the doctor regarding their March 2020 Viber conversation. He lamented that if such an incident could happen to a senator, how much more would the average citizen endure, though he clarified that he was not attributing the reported deaths to the PGH.

As he had previously communicated with Director Legaspi that year regarding his lungs, he deemed it natural to use the same communication channel to follow up on the case of his wife, who, at the time of her labor, had received prior clearance from her doctors to transfer to the PGH. He then stated that the hospital director overruled the other physicians.

Senator Cayetano (P) responded that while she sympathized with Senator Pimentel and his wife's ordeal, the policy of non-admission of patients was issued by the PGH's COVID-19 Crisis Management Committee and was not Director Legaspi's decision alone. Having previously worked with the obstetrics-gynecology team, she also stated that the PGH doctors would make every effort to accommodate their patients. She believed that there was no intention to singularly refuse anyone's admission to the PGH and that it was a difficult decision imposed on every doctor whose patients desired to avail of the services of the hospital at the time.

She stated that she had also heard that the hospital turned away several patients, which was a regrettable incident.

Senator Pimentel lamented that while the PGH was referred to as the premier hospital, its service was markedly different from that of the Quirino Medical Memorial Center (QMMC) which was willing to deliver their baby after he requested assistance from the hospital through Dr. Ivy Reside of the DOH.

Senator Cayetano (P), speaking on behalf of the PGH director general, thanked Senator Pimentel for sharing such a difficult experience. She explained that the QMMC is a non-COVID referral hospital and could accept non-COVID patients, unlike a designated COVID-19 referral center like the PGH which implemented a temporary closure to allow its medical personnel time to set up their COVID-19 triage area. She stated that the director general was saddened to learn that a member of the Senate had such an unfortunate experience with the hospital. She emphasized



that the PGH had no intention of singling out or jeopardizing the life of Senator Pimentel's wife and daughter.

Senator Pimentel stated that the PGH staff initially accepted his wife's case only to become unresponsive to his family's need by not dispatching an ambulance for her. He said that while the lack of a negative-pressure delivery room was their reason for not admitting his wife, such facility was also not available at the QMMC but the latter was able to accommodate her.

Senator Cayetano (P) expressed regret that Senator Pimentel did not receive the necessary support at the time. She explained that the PGH director remembered being preoccupied with several concerns at that time and had spoken with the senator, but their conversation was cut short. She believed that the PGH intended to accommodate the senator's wife but things were happening so fast at the time, with the PGH being designated as a COVID-19 referral center; thus, non-COVID-19 patients were not accepted at the facility.

Senator Pimentel stated that he understood the situation and that he simply wanted the public to know about his experience so that it would not happen again. He also advised hospitals to look after women who are about to give birth.

Senator Cayetano (P) said that it was unfortunate that what happened to Mrs. Pimentel occurred during a period of transition at the PGH. She believed that the lessons pointed out by Senator Pimentel were well taken and could lead to a more responsive healthcare system.

Given that the incident occurred during the initial days of the pandemic, along with the three-year experience during COVID-19, Senator Pimentel asked whether the initial fear of the disease was justified. Senator Cayetano (P) responded that the virulence of the virus was so high that the mortality rate at PGH was 25%. However, she stated that it is currently no longer a major concern because a COVID-infected person only needs to rest and isolate in order to recover.

Senator Pimentel suggested that the PGH find the cause of the high mortality rate, as his own monitoring showed only a maximum rate of 5% to 8% worldwide since the pandemic began. Senator Cayetano (P) clarified that the mortality rate was based on the admission of COVID-19 patients to hospitals, such as those in Italy where the rate was much higher than for the general population. She explained that as a tertiary hospital, the PGH treats COVID-19 patients who are severe and critical, as well as those in the initial stages of the disease. Senator Pimentel then surmised that the current COVID-19 death rate was less than 1% and not as officially reported considering that several COVID-19 cases were unaccounted for. He explained that he was requesting data on the mortality rates because he was concerned about the country's healthcare system, especially since diseases like Ebola have a death rate of 70% to 80%.

Asked what the PGH would do if Ebola reaches the Philippines, Senator Cayetano (P) said that as part of the lessons learned, one of the priority bills she would introduce after the national budget would be the Center for Disease Control Bill, as well as the Medical Reserve Bill.

Going back to his wife's experience, Senator Pimentel stated that in the end, they were assisted by the Filipino-Chinese community and his wife gave birth in the Chinese General Hospital.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri suggested that the PGH send a written explanation to Senator Pimentel why the hospital staff did not respond to the text message of Senator Pimentel during the emergency. He stated that ghosting was not an option among public servants. After serving with the Red Cross for 24 years, he recognized the value of life and the importance of saving as many



lives as possible. Thus, he believed that, at the very least, Senator Pimentel deserved a written explanation.

Senator Pimentel thanked Senate President Zubiri for making the suggestion. He stated that despite being informed by the DOH that adjustments to hospital policies had been made, many pregnant women continued to die because they were unable to give birth in hospitals. And noting the occurrence of pandemics such as MERS, SARS, and SARS-COV2, he emphasized the importance of government being prepared for such health crises.

At this juncture, Senator Cayetano (P) informed the Body that the budgets of the University of the Philippines and the Commission on Higher Education had been deferred due to the concerns of other Members. She stated that they could be called back to resolve some issues before their budgets could finally be submitted.

ACKNOWLEDGMENT OF THE PRESENCE OF GUEST

At this juncture, Senate President Zubiri acknowledged the presence in the gallery of U.P. President Danilo Concepcion whose six-year term would end in February 2023.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF THE UNIVERSITY OF THE PHILIPPINES

Upon motion of Senator Cayetano (P), there being no objection, the Body suspended consideration of the budgets of the University of the Philippines.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 9:04 p.m.

RESUMPTION OF SESSION

At 9:12 p.m., the session was resumed.

BUDGET OF THE COMMISSION OF ELECTIONS

Senator Marcos presented the budget of the Commission on Elections (COMELEC).

INTERPELLATION OF SENATOR POE

Asked by Senator Poe on the amount that had been allocated for the proposed new building that would house the COMELEC, Senator Marcos stated that the P500 million set aside for the item under the NEP had been increased by another P500 million by the House of Representatives, for a total of P1 billion. She noted that the amount fell short of the P1.5 billion requested by the COMELEC for its new building.

Senator Poe opined that it is but reasonable for the COMELEC to have its own location, given the agency's need to store a large number of election documents. She recalled that fires had previously broken out in COMELEC facilities and expressed hope that the new building would be outfitted with cutting-edge safety equipment to prevent future occurrences. She urged the committee to seek out other sources for the additional P500 million.



Upon further query, Senator Marcos stated that the committee had proposed using the COMELEC's savings to fund the construction of the new building. She noted that the COMELEC's off-budget and trust accounts totaling approximately P340 million could be used for the project.

Senator Poe reiterated her support for the COMELEC having its own building. Senator Marcos also noted the need to provide the local COMELEC offices with their own buildings considering that they are housed in locations provided by local government, which arrangement had placed COMELEC's neutrality in question.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros referred to a component of the COMELEC's regular program that had received substantial funding over the past few years. She stated that the Software Systems and Procedures Development Program had a proposed budget of P442.136 million in the 2023 NEP. She added that the program received P450.539 million in 2022, P514.046 million in 2021, and P345.466 million in 2020, for a total of approximately P1.75 billion. She requested that the COMELEC provide additional information on the projects covered by the line item as well as the program's significant accomplishments.

Senator Marcos informed the Body that the COMELEC had developed a number of proprietary software for local and overseas registration, demographic matching, candidate profiles, payroll, automated fingerprinting, personnel and document trackers, case management, Election Registration Board (ERB) payment, electronic case raffling, the e-Rehistro system, and the COMELEC website. Despite the accomplishments, she noted that a number of systems still needed to be developed for property management, poll workers monitoring, leave monitoring, and personnel training monitoring, particularly for manual elections such as those for the barangay and Sangguniang Kabataan elections.

Asked what the COMELEC wanted to achieve with the Software Systems and Procedures Development Program, Senator Marcos replied that the goal is for the program to provide the COMELEC with its own customized, exclusive, and proprietary software for the automation of elections. She stated that an amendment to the Poll Automation Law was necessary so that the COMELEC could use a new software without first demonstrating its capability and success in a previous electoral exercise as required by law.

Asked how much funding would be needed to fully implement the Software Systems and Development Program, Senator Marcos stated that software and hardware acquisition would cost P5 billion. Senator Hontiveros expressed hope that, over the next six years, Congress will be able to work with COMELEC to develop its own customized software for the automated elections. Senator Marcos agreed that it would be a good long-term-investment.

Senator Hontiveros then commented on the COMELEC's plan to pilot the Register Anywhere Project (RAP), noting that it would allow eligible voters to register outside their city or municipality. She then inquired about the safeguards against multiple registration. Senator Marcos reaffirmed that the commission has developed the Automatic Fingerprint Identification System (AFIS) and expressed her hope that the national ID would also be implemented. So aside from the traditional manual methods of barangay and precinct-level checking, she stated that the two technical advancements could provide additional security.

Asked whether verification of registrants could be done in real time, Senator Marcos opined that given the COMELEC's current IT structure, real-time verification of registrants would not yet be feasible due to the lack of internet connectivity in remote areas of the country.

Senator Hontiveros averred that the COMELEC has no control over the internet, so she would question real-time verification once the government is able to address the issue of fast, reliable, and constant internet. Senator Marcos concurred, adding that the voting process should also be livestreamed in order to avoid unpleasant surprises.

Regarding the AFIS, Senator Hontiveros stated that it takes the COMELEC-IT department three to six months to examine the system and delete multiple registrations from the time its field offices submit the list to the main office, resulting in the abatement of multiple registrants, which typically occurs by deleting their names from the computerized voters' lists printed a few days before election day. She stated that several electoral reform advocates have expressed concern that the RAP could result in a high incidence of flying voters, which the COMELEC has slowly corrected. She then requested the section of the 1996 Voter's Registration Act pertaining to RAP.

In response, Senator Marcos clarified that voter verification used to take a long time in the past but the COMELEC had stated that voter registration now takes six months, automatic fingerprinting takes about one month to be verified, and the list is updated quarterly. Regarding the Vote Anywhere, Register Anywhere initiative, she stated that it would be a year-round continuing program. She added that the COMELEC has expansive rule-making authority and has expanded the registration process to assist in resolving vexing issues such as the registration of repatriated OFWs and seafarers.

In spite of the possibility of glitches, Senator Hontiveros surmised that the reduction of the verification period to one month brings it closer to real-time or near- real-time verification, tagging, and deletion of double or multiple registrants.

On the matter of oath-taking before COMELEC field officials for registrants coming from different jurisdictions, Senator Marcos stated that the commission would appoint an election officer at large in each of the five pilot malls in the NCR who can administer the oath to anyone who registers through the RAP. She stated that initially, there would be five pilot malls in the NCR, with two additional malls planned for 2023 in different regions. She added that it was suggested that the Senate and House of Representatives utilize the same system.

Regarding the COA audit findings, Senator Hontiveros stated that the COMELEC complied with audit findings in prior years. However, she noted that, to date, only 44 out of 102, or 43% of the commission's recommendations, have been complied with, while 57% remained unimplemented.

As to the reason for such low implementation rate, Senator Marcos acknowledged that the commission has an organizational problem, as has been noted year after year. She stated that the COA had observed a significant amount of negligence in the COMELEC documentation, so the commission attempted to reorganize and decentralize the documentation considering that in the past, documents were generated at the central office and not delegated to the regional and provincial levels where they should be completed. She believed that the commission had already increased its compliance rate. Senator Hontiveros expressed hope that before the GAA is passed into law, the COMELEC could update the Body of its compliance once more.

Senator Marcos informed the Body that the COA had adjusted the compliance rate of COMELEC to 93% as of November. She assumed that other matters could involve old accounts with unliquidated cash advances. Senator Hontiveros believed that a presumption of regularity should be established at a compliance rate of 30%, or double what she had previously stated.

Senator Marcos expressed hope that when the delegation of power and decentralization of documentation to the regions and provinces have been fully implemented, the COA would find everything in order.



Citing the confirmation process of Chairperson Garcia, Senator Hontiveros expressed confidence that the institutional reforms envisioned for the COMELEC would result in a consistently high rate of compliance with the COA recommendations. However, she noted that according to the COA report, the commission has approximately P671.473 million in unliquidated cash advances. She recalled that during her term as budget sponsor for the COMELEC, she pleaded with them on the matter but the amount of unliquidated cash advances appeared to have increased over time. She then inquired as to what institutional measures the commission would implement to address the issue.

In response, Senator Marcos stated that the unliquidated sums of P671 million have been reduced to P200 million. However, she pointed out that there were additional unliquidated accounts from the 2022 national and local elections that would soon be liquidated.

Asked about the timeline for addressing the P200 million unliquidated sums, Senator Marcos stated that COA's deadline is March 2023, or one year from the release of funds.

Senator Hontiveros stated that as a constitutional body, the COMELEC enjoys fiscal independence. She noted that as of October 2022, 40% of its budget of P28,446,993,000 amounting to P11,414,453,000 remained unobligated. Senator Marcos explained that of the amount, P8.5 billion was intended for the postponed barangay and SK elections, while the remainder remained unliquidated due to the late submission of receipts and balances from the 2022 national and local elections.

Senator Hontiveros observed that Congress ignored the commission's request for additional funding, citing Chairperson Garcia's pronouncement that the postponement of the barangay and SK elections would entail additional expenses. She then inquired as to how it would impact on the preparations for the barangay and SK elections. Senator Marcos responded that, despite being able to purchase ballot paper and print some required documents, only a small portion of the budget was used, and the remaining P8.5 billion would be carried over to the following fiscal year.

Senator Hontiveros estimated that the P8.5 billion and the P2.7 billion supplemental budget would be sufficient to prepare for the barangay and SK elections scheduled for 2023.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel stated at the outset that COMELEC would have a P6.48 billion budget for the construction of a building complex in 2023. He stated that the NEP included P500 million, the GAB added another P500 million, and the Senate granted P1 billion, for a total of P2 billion.

As to the cost of funding the complex construction, Senator Marcos informed the Body that originally, the proposal was at P9.3 billion; however, upon consultation with the DPWH, it was brought down to P8.5 billion. She expressed optimism that there would be less inflation in the coming months. She stated that based on the monthly rent of P157 million and a cost-benefit analysis, it was evident that the government would benefit from having their own space. She added that the DPWH had to be consulted because it would be a multi-year contractual project.

In reply, Senator Marcos said that the total amount of savings was P981 million — P219 million in 2020 and P761 million in 2021.

Senator Pimentel stated that it costs around P700 to generate every vote cast under the overseas voting system while it costs around P436 under the domestic voting system. He asked whether there was a downward or upward trend in the cost per vote cast in the overseas voting system, Senator Marcos replied that there was an upward trend. She also noted a bigger voters' turnout. Nevertheless, she said that improvements would have to be made as recommended by



the DFA: 1) the early delivery of ballots, which usually arrived at the last minute; 2) setting of a date earlier than the mandated 30 days prior to elections for qualified overseas absentee voters to cast their vote, which was already being done in the United States; 3) The provision of “register anywhere” and “vote anywhere” system; and 4) voting using modern technology through electronic means, internet, and mobile app, which others find controversial and subject to security hazards.

Senator Pimentel stated that some of the suggestions would require new laws that would authorize such forms of voting. As regards early voting system, he pointed out that the U.S. was using it in its domestic voting and not in overseas voting which is the Philippines’ problem. Senator Marcos then suggested that a law could expand the country’s early voting for its OFWs from one month to a longer period prior to the national elections, or without legislation, to just ensure the early delivery of ballots. She said that while the COMELEC believed that the 30-day voting period was adequate, the DFA requested a longer period in order to address the last-minute arrival of ballots—aside from the confusion and lack of information on where and how OFWs should cast their vote and the voters’ personal reasons of being unable to leave their work or homes in order to travel and vote.

Asked by Senator Pimentel on whether the COMELEC had a study on how to increase overseas voters’ turnout, Senator Marcos replied that the commission had ongoing efforts, in collaboration with the DFA and the DMW, for a massive joint voter education and information campaign. She added that the commission was also working on the possibilities of expanding the “register anywhere” and “vote anywhere” system as well as the mail-in votes which had already been done but for selected countries only because of lack of personnel. She said that the mailed ballots were sent to the Philippines through the post.

As to the number of posts implementing the mail-in option, Senator Marcos replied that half of the posts was already equipped to mail and count votes.

On the latest updates on the “register anywhere” and “vote anywhere” system, Senator Marcos informed the Body that the “vote anywhere” system was still a proposal while the “register anywhere” system was already being implemented and expanded so that seafarers and repatriated Filipinos—whether registered locally or overseas—would already be accepted as locally-registered voters.

On whether there was a need to amend the law to adopt the said systems, Senator Marcos replied that it would not be necessary in the case of the “register anywhere” system. She pointed out that there was already an ongoing and continuous registration for local voters and that individuals may apply for a voter’s registration at any place but should indicate the place where they would actually vote. For instance, she said, a qualified voter could personally appear and register in Marikina City Election Office for him to be included in the voters’ list of Cagayan de Oro City.

As to whether the COMELEC already had the capability for the said system, Senator Marcos stated that the country was using the automated fingerprint ID and would eventually be using the national ID as an addition safeguard.

Senator Pimentel opined that the government had relied too much on Automated Fingerprint Identification Systems. He inquired as to the performance of the AFIS and as to the number of detected cases of double or multiple fingerprints. Senator Marcos replied that there had been a significant number of attempts at double or triple registration.

As to whether the COMELEC voided the second or third registration, Senator Marcos replied that the COMELEC would uphold the first registration and would void the rest. She said that such is an election offense and charges had actually been filed against offenders.



Senator Pimentel then requested a copy of the consolidated report on the “register anywhere” system and the AFIS performance.

As to whether the transfer of registration would follow the same procedure as with the “register anywhere” system, Senator Marcos replied in the affirmative.

On further queries, Senator Marcos clarified that the “vote anywhere” system was being offered to overseas voters only to address the concerns of seafarers as well as those who were repatriated and expatriated again. She explained that while a person who transferred from Saudi Arabia to one of the emirates could vote in the latter, the said person could not vote locally once he returns to the Philippines because the coverage of the “vote anywhere” system was for overseas voting only and not applicable to local voting in the Philippines.

As to whether the proposed “vote anywhere” system would require legislation, Senator Marcos affirmed that in order to allow registered overseas voters to vote locally when they are in the country at the time of the election would require an amendment to the law.

Asked if all posts have access to the same database for overseas voters such that the Egypt post could access the Saudi Arabia database, Senator Marcos replied in the affirmative. She added that an overseas voter, on the day of voting, would simply have to file a manifestation that he is a registered overseas voter of Saudi Arabia and that he would be recognized and allowed to vote in the U.A.E. on the same day after checking his identity through the AFIS central database.

Senator Pimentel cautioned the COMELEC from relying too much on the AFIS, given its track record.

At this juncture, Senator Binay asked the duration for the conduct of overseas absentee voting, to which Senator Marcos replied that it is 30 days.

Senator Binay also inquired as to the mechanism in place to prevent an overseas absentee voter from casting his vote twice in two different countries within the 30-day period. Senator Marcos replied that because there is a reporting system between posts and a central database to corroborate reports, it would be impossible for someone who voted in Saudi Arabia to vote again in U.A.E. as the database would reflect that the person had already cast his vote in another post.

Still on the “vote anywhere” system, Senator Pimentel asked on whether the double checking of the voters’ list would be by searching the name and not the fingerprint. In reply, Senator Marcos said that the name of the voter would be checked and the fingerprint would be used to determine whether there was double or triple registration.

Senator Pimentel pointed out that registration is not the issue on the “vote anywhere” system. But he stated that it would be impossible to do an instantaneous search through the 65 million fingerprints in the AFIS such that a voter’s identity would have to be checked by name.

As to how the second post would be able to detect a second attempt to vote, Senator Marcos replied that while a voter from the first post would not be reflected in the list of the second post, a verification from the database would indicate whether the person had already voted.

On the possibility that a person might be voting for another voter, Senator Marcos stated that it is the responsibility of the COMELEC to verify a voter’s name, photo, identification card, fingerprints, and other identifying information, and if there is any discrepancy, the person should not be permitted to vote. She believed that onsite fingerprint verification ought to be conducted rapidly. Senator Pimentel added that, for such an election offense, the individual should be charged in the



Philippine embassy or consulate where the attempt to vote was made. Nonetheless, he recommended further research into the proposed “vote anywhere” system.

Senator Marcos stated that the COMELEC was also taking its time to approve the guidelines for the “register anywhere” program because it wanted to be cautious and ensure that all safety checks and security provisions are in place.

Senator Pimentel acknowledged COMELEC’s efforts to increase the effective participation of overseas voters. He stated that Filipinos living abroad have always expressed a strong desire to vote. However, he stated that his office would look into the cost of conducting overseas elections using the economies of scale concept, as the increase in the number of voters was accompanied by a corresponding increase in the cost of maintaining the overseas voting system. Senator Marcos confirmed that the number of voters in the election held in May 2022 was double that of the previous election, and that reversed logistics contributed to the increase in transportation costs.

MANIFESTATION OF SENATOR TOLENTINO

Senator Tolentino stated that the recently-concluded midterm elections in the United States utilized technology that interconnected election results with the media, allowing them to broadcast election results near almost real time. He stated that within the next three to six years, the COMELEC should have mainstream social media technology. He then expressed his support for the conduct of the barangay and SK elections in 2023 by the COMELEC.

Senator Marcos stated that the 2023 barangay and SK elections would be done manually. She stated, however, that the IRR for television and media for the upcoming election should be implemented as soon as in order to reduce costs and level the playing field.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON ELECTIONS

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Commission on Elections was deemed submitted for the Body’s consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 10:18 p.m.

RESUMPTION OF SESSION

At 10:23 p.m., the session was resumed.

UNIVERSITY OF THE PHILIPPINES SYSTEM

Senator Villanueva presented the budget of the University of the Philippines System amounting to P23,480,577,000.

SUBMISSION OF THE BUDGET OF THE UNIVERSITY OF THE PHILIPPINES SYSTEM

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the University of the Philippines System was deemed submitted for the Body’s consideration.

↑

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 10:25 p.m.

RESUMPTION OF SESSION

At 10:32 p.m., the session was resumed.

**DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT
AND ITS ATTACHED AGENCIES**

Senator Marcos presented the budgets of the Department of Social Welfare and Development and its attached agencies.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Villanueva acknowledged the presence in the gallery of DSWD Secretary Erwin Tulfo, together with the undersecretaries and directors.

Senate President Zubiri welcomed the guests to the Senate.

INTERPELLATION OF SENATOR CAYETANO (P)

Senator Cayetano (P) thanked Secretary Tulfo for fulfilling his commitment to include the National Advisory Council's allocation in the DSWD's so that the NAC, although it was still an attached agency to the DSWD, could already carry out its mandate of finding foster homes for needy children.

Senator Marcos stated that the law was passed only in January 2022 and that the P221 million budget of the Inter-Country Adoption Board still remained with the DSWD, which would be transferred in three years; therefore, in recognition of the urgency of the issues at hand regarding the children who require temporary or permanent homes, it was proposed that the amount of P300 million be added to the DSWD budget for ICAB operations. She assured Senator Cayetano (P) that P221 million would be transferred to ICAB within three years.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros stated that the DBM issues local budget circulars every July to guide the LGU budget authorization processes for the following year in order to implement the Expanded Solo Parents Welfare Act. She stated that the circulars list new laws for which LGUs have specific mandates to perform, such as providing financial resources proportional to the number of beneficiaries assigned to them.

Asked if the DSWD had already made official representations with the DBM to ensure that the mandates of the Solo Parents Act were communicated to the local governments, Senator Marcos replied in the affirmative. She explained that the bill was passed only in June along with the Extended Solo Parents Act, which they both authored, and that the LGUs were mandated to provide a monthly cash subsidy of 1,000 to solo parents earning minimum wage, as well as a 10% discount and exemption from VAT on baby products to solo parents earning less than P250,000 annually. She informed the Body, however, that the DSWD was still in the process of consolidating its database of solo parents.



Senator Marcos informed the Body that the Inter-Agency Coordinating and Monitoring Committee would hold an organizational and planning meeting in December 2022, so she assumed that the finalization of guidelines and the collection of data for a database would occur within the next few months.

Senator Hontiveros expressed hope that the planning meeting would be fruitful so that Secretary Tulfo would have good news to share with all of the country's solo parents in the upcoming holidays. She also anticipated the DBM to ensure that the LGUs would be provided with the means to implement the Expanded Solo Parents Welfare Act.

Senator Marcos informed the Body that the DSWD leadership had reaffirmed their commitment to advancing the Expanded Solo Parents Welfare Act. She disclosed that the list of solo parents was merged with the 4Ps beneficiaries so that the beneficiaries of the Extended Solo Parent Welfare Act could already receive their subsidies.

Senator Hontiveros lauded the DSWD for the innovation, which she deemed appropriate because the Expanded Solo Parents Act included similar criteria to the 4Ps, such as minimum wage earners or those with sufficient annual income to be listed or enrolled in the 4Ps program. In addition, she lauded the commitment of the DSWD leadership, led by Secretary Tulfo, in coordinating with the DBM for the implementation of the result of the planning meeting of the DSWD for the Solo Parents Welfare Act as it pertains to the LGUs.

Concerning the Social Protection Program for Adolescent Mothers and their Children, Senator Hontiveros recalled that in June 2021, then-President Duterte signed Executive Order No. 141 declaring the prevention of teen pregnancies as a national priority. She stated that the issue's urgency and gravity were highlighted by a November 2020 SWS survey that identified teenage pregnancy as the most pressing issue facing Filipino women. She noted that 157,060 babies were born to adolescent mothers in 2020. She disclosed that in response to the issue, the government allocated P4 million to DSWD for the social protection program for adolescent mothers and their children for 2023. She assumed that the bulk of the P4 million allocation would be distributed to the 17 regions, taking into account the regions with the highest rates of adolescent pregnancies, such as Davao with 13.6% and BARMM with 10%, so that each LGU or barangay would receive only P984 or P12.69 per adolescent mother for psychosocial support and services.

Senator Marcos agreed with the observation of Senator Hontiveros that P4 million budget would not be sufficient given the magnitude of the problem of teenage mothers. She noted that even the World Bank has stated that the issue was no longer health or gender-related, but economic in nature.

Senator Marcos clarified that the total budget for the social protection program for adolescent mothers and their children was not P4 million, but rather P6 million plus an additional of P4 million, for a total of P10 million. She stated that the DSWD received P4 million to fund programs like "Protect Teen," capacity building, information, and Population Commission, the latter receiving an additional P6 million, a portion of which would be allocated as a training grant subsidy. She opined that the P10 million budget was still modest, but better than the P4 million budget. She informed the Body that DSWD had begun the disbursement in Regions IV-A and X, but should have targeted Region XI, BARMM, and Regions I and II, where adolescent motherhood was prevalent.

Senator Marcos noted that for its part, PopCom could only conduct the training component starting February as it was still preparing the materials and personnel.

Senator Hontiveros said that as in the other line items or programs, activities, and projects considered in the 2023 GAA, both the DSWD and the PopCom could guide the government's

4

budget in the next six years if the goal was to reduce the number of teenage pregnancies in the regions, and to implement social protection for teen parents. Senator Marcos averred that the six-year plan could adequately fund the program.

On the matter of privatizing adoptions, Senator Hontiveros disclosed that adoptive parents were worried about entrusting the creation of home study reports and assessment to child placement agencies or accredited independent social workers of prospective adoptive parents because they were asked to pay huge amounts like P50,000. She noted that Section 25 of Republic Act No. 11642 (Domestic Administrative Adoption and Alternative Child Care Act) provides that the case study would be submitted by the adoption social worker of the NACC, the social service office of the LGU, or any child-placing agency or child-caring agency, and it was the intention to make the adoption process faster by doing away with the judicial track, but not a private and expensive process.

Noting DSWD's assurance that there would neither be privatized nor expensive adoptions, Senator Marcos added that the DSWD field offices had already consulted with the LGUs to ensure the institutionalization of adoption process by placing social welfare officers who would handle the cases at the local government level, and that the DSWD would not surrender its duty of regulating the child-placing agencies. She stressed that fees should not be exorbitant considering that the intent of the law was to ensure that every child gets a chance to have a loving and caring family. Furthermore, she stated that the DSWD had strengthened its Program Management Bureau, the National Authority for Child Care, and the Inter-Country Adoption Board to regulate fees and payments concerning adoption.

On the Expanded Solo Parents' Welfare Act in relation to the Pantawid Pamilyang Pilipino Program (4Ps), Senator Hontiveros stated that the enactment of the 4Ps Law or RA 11310 institutionalized the government's conditional financial aid program to improve the lives of the poorest of the poor but the abrupt delisting of about 600,000 beneficiaries who were not found in the addresses so provided had caused a stir in the marginalized sector.

Senator Marcos disclosed that the number of family-beneficiaries multiplied, the reason why radical delisting was implemented to guarantee the compliance but it was found out that those delisted were compliant so their names were restored in the list. However, she admitted that those who were finally delisted no longer have children under 18 years of age, or whose children already graduated, or have completed the vaccination process. She pointed out that the 4Ps program had the same intent as domestic adoption, which was to help Filipinos move out of poverty, and secure the health and education of their children. But she noted that many people who lost their source of livelihood had left the cities during the pandemic.

On another matter, Senator Hontiveros hoped that the PhilSys ID registration would prioritize poor LGUs, so that the needy in those places could be added to the list of qualified 4Ps program beneficiaries.

Asked if the DSWD has exerted efforts to align the roster of missing beneficiaries to the PhilSys ID database, Senator Marcos stated that the list was not yet amended since a huge number of "newly poor" surfaced due to the pandemic. Senator Hontiveros then commended the DSWD for restoring and adding qualified beneficiaries to the 4Ps program which was an effective means of support for the marginalized sector; in fact, many 4Ps families have children who graduated from high school as valedictorians or salutatorians and became SUC scholars.

Furthermore, Senator Marcos added that in case the beneficiaries could not get a job soon, they would be given different exit strategies such as free education, scholarships, TESDA or DOLE training courses, or sustainable livelihood program (SLP)/Kapit-Bisig Laban sa Kahirapan-



Comprehensive and Integrated Delivery of Social Services (KALAHI-CIDSS) programs from DSWD, to ensure that the beneficiaries would get out of poverty. Senator Hontiveros then lauded the efforts of various government agencies offering various socio-protection programs among government agencies to complement the needs of various vulnerable sectors.

Adverting to a PSA report that the number of poor Filipinos rose by 2.3 million individuals between 2018 and 2021 which covered the COVID-19 pandemic period, Senator Hontiveros asked how many were new enrollees of the 4Ps program. In response, Senator Marcos admitted that the 2.3 million increase accounted for the new poor households, but that the DSWD was working hand in hand with NEDA, PSA and other data-driven collecting agencies to address the problem.

At this point, Senator Tolentino inquired from which data collecting agency the figures of the poverty incidence level came, and whether it was aligned to the recently passed law on community-based survey system. Senator Marcos stated that the DSWD used the list from the National Household Targeting System (NHTS) for the 4Ps program while the CBMP community survey was LGU-driven. She hoped that the data collecting agencies would be able to align their data, including the NHTS which surveys households, and the PSA which assesses poverty level per family.

On Senator Tolentino's observation that the country was apparently still in a state of flux on which data to rely on, Senator Marcos asserted that the DSWD relied exclusively on the NHTS in coordination with municipal and provincial social welfare officers.

Asked by Senator Hontiveros whether the delisted beneficiaries and 443,000 new enrollees would be covered by the 4Ps program, Senator Marcos stated that the target beneficiaries of the 4Ps program were fixed at 4.4 million year-on-year since it was the budget allocation although it might not be aligned to the current situation. In clarifying that the figure she previously mentioned was per family and not individually, Senator Marcos lamented that 400,000 beneficiaries who graduated from the program were of similar count as the number of the new beneficiaries. She said that the number could not be increased due to budget constrictions.

As to the source of funding of the DSWD to cover all new enrollees of the 4Ps program, Senator Marcos reiterated that the target household for 2022 to 2023 would still be around 4.4 million beneficiaries, so the budget source would remain the same. She added that no new beneficiaries would be enrolled until the existing beneficiaries have not graduated from the program, unless Congress provides additional funds.

Senator Marcos averred that until the existing beneficiaries graduate, no new beneficiaries can be accepted, unless Congress would provide for additional funding. However, she pointed out that various assistance funds had already been provided in the budget such as those under the DSWD, the MAIF of DOH, the TUPAD under DOLE, the fuel subsidy under the DOTr, the assistance to corn farmers and fisherfolk under the DA, which amounted to more than P206 billion. And she expressed the fear that the world economy might worsen which would require more subsidies.

Senator Hontiveros, therefore, suggested that the assistance be limited to programs with proven track record in terms of poverty alleviation and sustainable development.

In this regard, Senator Hontiveros pointed out that in consultation with the BFAR, the DSWD was tasked to develop an income support or social protection system for fisher folk whose livelihoods were negatively affected during closed seasons and fishing bans declared by BFAR, and also during periods of calamities when small crafts were prevented from going out to sea. She requested an update on this support program. In reply, Senator Marcos averred that the sustainable livelihood program of DSWD had targeted not only the underprivileged like PWDs and senior citizens but also the marginalized fisher folk.



On whether there was no need for a special provision to cover the fisher folk, Senator Marcos noted that such special provision was deleted by the DBM in the 2023 NEP but the subcommittee took the initiative to include the fisher folk in the AICS and SLP of the DSWD. And while the DSWD and DBM said they had provided for 366 beneficiaries in Region IV (Calabarzon), she believed that similar assistance should have been extended to the severely affected fishermen of Palawan and Zamboanga. Senator Hontiveros stated that all other provinces affected should receive the assistance.

On another matter, Senator Hontiveros inquired on the status of the transfer of senior citizens' related functions and programs from the DSWD to the National Commission on Senior Citizens by virtue of RA 11350 which created the NCSC under the Office of the President. In reply, Senator Marcos disclosed that while the law took effect in July 2019, the positions in the Commission had not yet been filled, especially those of the commissioners and executive director, and certain offices like the HR and Bids and Awards Committee had not been organized. She stated that some DSWD employees were also awaiting transfer to the NCSC. Because of this situation, she said, the 204,000 senior citizens remained unserved, especially as to their stipends which was increased by P500 and which had amounted to P25 billion plus the backlog of P2.6 billion.

Asked what the DSWD was doing in the meantime in order to implement the programs for the senior citizens, Senator Marcos informed the Body that DSWD continued to distribute the pension of senior citizens, and that it was also acting as the personnel selection board for the appointment of more than 200 employees of the NCSC.

Senator Hontiveros averred that the P30,296,000,000 allocation for social pension under the 2023 budget had to be rolled out for the P1,000 monthly pension of senior citizens. She lamented the fact that such social fund could not be dispensed but huge confidential and intelligence funds were earmarked for offices whose mandates do not cover functions that require these amounts.

In relation to the budget of the National Commission on Indigenous Peoples, Senator Hontiveros cited the spate of abuses that the indigenous peoples has suffered, particularly the incident in April 2022 when presidential candidate Lody De Guzman visited the leaders of the Manobo-Pulangiyon indigenous community where violence erupted and some people were fired upon. She noted that the incident was related to the competing land claims between the Manobo-Pulangiyon community and the Kiantig Corporation. She inquired on the developments surrounding the case.

In reply, Senator Marcos stated that NCIP had issued a cease and desist order stating that Kiantig Corporation no longer has any right over the land but the latter obtained a TRO against the order. She admitted that the indigenous people were caught in this legal procedures but the NCIP would be convening at the earliest possible opportunity the inter-agency task force together with the provincial leadership to ask Kiantig to abide by the order.

Senator Hontiveros expressed the hope that the Supreme Court would uphold the constitutional right of the indigenous people over ancestral lands. She said she was happy to know that former governor Zubiri was supporting the cause of the Manobo-Pulangiyon indigenous community.

Senator Marcos then noted that the Senate, for its part, had allocated an additional P20 for the NCIP to be able to hire lawyers and consultants who would take care of concerns on ancestral domain, land security and development, and the issuance of certificates of ancestral domain titles.

Senator Hontiveros observed that applications for certificates of ancestral domain titles had remained unacted upon by the NCIP.

She informed the Body that she had information that applications for Certificate of Ancestral Domain Titles (CADTs), specifically for the Tagbanua Tandulanen group, had been processed so



quickly at the expense of the other stakeholders in the area. She also stated that the Cuyonon Tribe, who have lived in El Nido and the province of Palawan for as long as anyone can remember, were contesting the same application. She stated that, according to the leader of the Cuyonon Tribe with whom she spoke, there have been individuals going around the area on a mission to recruit people to join the Tagbanua Tandulanen group. As a means of encouraging membership to the tribe, she stated that word was being spread that El Nido investment royalties would be distributed among tribe members. She then asked what steps the NCIP has taken to investigate the veracity of competing claims under the Indigenous People's Rights Act. In addition, she inquired as to how the agency would ensure that indigenous groups or its advocacy were not used for personal gains.

Senator Marcos confirmed the issues brought to the Body's attention by Senator Hontiveros, citing a report in which the Cuyonon Tribe allegedly asserted that the entire island of Palawan belongs to their tribe. She also stated that she has received information regarding a group claiming a 2% stake in the P100 billion-worth Malampaya gas project. She concluded that it had prompted other indigenous tribes to support the Cuyonon group as the rightful claimant to the area, rather than the Tagbanua Tandulanen tribe.

In addition, she stated that the NCIP had already required the Cuyonon tribe to submit supporting documents as evidence to their claim, noting how far the island of Cuyo, the group's ancestral domain, was located from the Malampaya site.

Senator Hontiveros noted, relative to the Malampaya claim, that the claimed area is larger than El Nido island, whose land area was 90,000 hectares. She added that the Tagbanua Tandulanen tribe's initial CADT application was 150,000 hectares, which was later increased to 250,000 hectares. She opined that, based on the most recent figure submitted by the Tagbanua Tandulanen tribe, the Malampaya natural gas platform would fall within the claimed territory. She then expressed concern regarding the national security and energy implications of the issue's recent developments.

Senator Marcos confirmed the information and added that the NCIP voiced concern over the excessive claims. She stated other indigenous people's groups have been attracted to their cause by the issue.

At this point, Senator Hontiveros informed the Body that a cease and desist order had already been issued, prohibiting further development in El Nido. She explained that, despite the existence of valid Certificates of Non-Overlap, the order could possibly halt operations at El Nido's sole airport. She explained that the Cuyonon residents of Villa Libertad signed a petition opposing the Tagbanua Tandulanen tribe's application for a CADT due to the latest development, which has massive implications for their livelihood and land claims. In addition, she inquired if the Cuyonon had the opportunity to examine the documents submitted by the individuals claiming to be part of the Tagbanua Tandulanen group, or to submit their own counterevidence pertaining to genealogical concerns.

Senator Marcos responded that the NCIP had issued a second cease and desist order pertaining to the claims, and likewise, against Ten Knots Philippines, Inc. (TKPI), which is owned by Ayala Land, Inc., issued in August that year, to temporarily cease operations in El Nido. In addition, she mentioned that the NCIP was urging the Cuyonon Tribe to submit as many relevant documents as possible. She also reported that an order for eventual segregation had been issued.

She then reiterated NCIP's request for funding to provide for the legal representation of IPs in the country, including all associated costs, so that the tribes would have a fighting chance against large property developers.

Senator Hontiveros agreed on the statement. She also expressed hope that the NCIP would continue to encourage the Cuyonon tribe's participation in the process of inspecting and analyzing the documents being submitted by the Tagbanua Tandulanen group and by TKPI. Senator Marcos stated that the second cease and desist order would allow the agency time to investigate and examine the veracity of the presented documents.

Regarding reports that some applicants for Certificates of Ancestral Land Title (CALTs) and CADT applicants were resorting to the use of arms, grave threats, and intimidation, specifically in Brgy. Corong-Corong, El Nido, wherein an applicant allegedly forced a number of residents out of the area and destroyed a portion of the mangroves in order to construct a resort. Senator Marcos believed the act to be a clear violation of both ancestral domain and DENR policies. She then urged those affected to immediately notify the NCIP of the details so that immediate and appropriate action could be taken. Senator Hontiveros thanked Senator Marcos, stating that she would notify the affected party immediately.

Senator Hontiveros observed the emergence of a pattern in the various cases handled by the NCIP, which appeared to 1) uphold the financial interests of CADT and CALT applicants in some ancestral domain cases involving high-profile tourism areas such as Palawan; and 2) disregard just and rightful claims, as in the case of the Manobo-Pulangiyon tribe. Despite the fact that the agency has already taken steps to address the issue, as stated by Senator Marcos, she characterized NCIP's actions as not simply a circumvention of, but a travesty against, the IPRA. Senator Marcos agreed, stating that the government should endeavor to preserve indigenous communities and their culture *via* policy issuances, and the provision of assistance to help them achieve land security and sustainable development.

She then expressed hope that, with more positive actions from the agency, there would be a gradual shift in public perception, and that eventually indigenous groups would view the NCIP as their champion.

Asked on the extent of the National Anti-Poverty Commission's (NAPC) participation in the formulation of anti-poverty programs and projects relative to the 2023 proposed budget, as well as how the Marcos Administration viewed the NAPC's strategic role in poverty alleviation in the succeeding years, Senator Marcos stated that the Commission is part of the National Economic and Development Authority's policy planning activities. She added that the NAPC has a presence in the NEDA's regional development councils (RDCs) and is likewise part of the Cabinet cluster addressing the nation's poverty issue. She lamented that the budget cut of more than P100 million would hinder the implementation of NAPC's various programs, despite the Commission's central role in all government efforts to combat poverty. She stated that she was proposing that the Senate reinstate a minimum of P29 million in that regard, adding that it would be preferable if it were increased further. Senator Hontiveros thanked Senator Marcos for her proposal.

Asked what the budget cut meant relative to NAPC's role in the Marcos administration, Senator Marcos informed the Body that the agency had additional spending authority under Tier 2 in 2022 that it had not fully utilized, resulting in the budget cut. She stated that the Commission had to retrace its steps from its current coordination, oversight, monitoring, and evaluation stages back to its policy and formulation phase. She then expressed hope that NAPC would be able to implement its plans in subsequent years. She deemed it unfair that the NAPC's budget would be reduced for failing to implement its programs during the pandemic. Senator Hontiveros agreed, adding that the proposed P29 million increase would be a good starting point for subsequent efforts to add to the Commission's budget in the coming years to help fund its programs.

As to the rationale behind why the NAPC was attached agency to the DSWD when it was originally created to be under the Office of the President by virtue of Section 5 of Republic Act

No. 8425, Senator Marcos stated that the Commission's chairmanship remains with the President. She noted, however, that the NAPC's administrative and housekeeping duties were transferred to DSWD due to the duplication of urban programs between the two agencies. She noted, however, that currently, there has been no duplication of programs yet, but rather a scarcity.

Senator Hontiveros added that in addition to urban programs, NAPC also serves rural communities across the country. In this regard, she believed that if institutional adjustments were required in succeeding years, she would bring it up again in future budget deliberations.

Regarding the appointment of the NAPC lead convenor and director general with the rank of secretary, she inquired as to whether President Marcos had already chosen his appointee from the pool of candidates for the position. Senator Marcos responded in the negative and added that the DSWD Secretary had already raised the concern to the President. In regard to the reason for the delay, she argued that although there were many candidates, the President was truly really keen on selecting the best so that the commission's performance would improve over time. Senator Hontiveros opined that Senator Marcos could use the NAPC's past successes as a point of reference to aid in the selection process. Senator Marcos responded that she would gladly support Senator Hontiveros' recommendations.

Senator Hontiveros pointed out that Section 6 of RA 8425 mandates the formation of sectoral councils which are tasked with nominating sectoral representatives to be appointed by the President for a three-year term with no possibility of reappointment. She then inquired as to whether the sectoral councils and sectoral representatives had been members of NAPC since 2011, implying that they had served the commission for more than the maximum terms allowed.

Senator Marcos responded that the sectoral councils and representatives were serving the commission as holdovers from the previous administration. She stated that the commission's programs would continue despite the fact that none of its officials had been removed from office and its new leader has yet to be appointed.

Asked how much of the NAPC budget had been allocated for the holding of the National Sectoral Assembly (NSA), and whether the assembly intends to elect a new SEP from the sectoral councils and nominate sectoral representatives to the NAPC, Senator Marcos explained that no amount had been allotted for the NSA in the NAPC budget, and that the assembly only requested financial assistance from the Office of the President. Noting that the NSA's last meeting was in 2015, she suggested its convening to form councils and designate sectoral representatives even without a larger budget.

Senator Hontiveros expressed hope that the Secretary would be able to persuade the President to appoint new leaders and provide financial resources to the NAPC for the holding of the NSA in order for it to nominate the representatives of the commission.

She then inquired whether the NAPC secretariat and members of the national government agencies covered the operational costs of basic sectoral participation. She also asked if the representation and transportation allowance was sufficient for financing the work of the basic sector organization, or if the NAPC member-agencies were providing enough funds and technical assistance to the sectors. Senator Marcos stated that the directors, vice chairpersons, or sectoral representatives received small RATA of only P8,500 to P13,000 and they had been requesting an increase from the DBM and COA because it was not enough to support their operations.

On whether the NAPC member-agencies provide technical assistance to the sectors, Senator Marcos replied in the affirmative, saying that P1 million is set aside each year for institutional support, capacity-building, and training for all sectors.



Senator Hontiveros asked if the NAPC secretariat had complied with Section 7(8) of RA 8425, which mandates the NAPC to submit an annual report to Congress, including but not limited to all aspects of its operations, program and project implementation, financial status, and other relevant data, and whether the committee had received the report. She also requested that copy be made available to her. Senator Marcos responded in the affirmative, stating that the commission had submitted an annual reports, the most recent of which was dated March, 2022. She said that Senator Hontiveros would be given a copy of the report.

Senator Hontiveros proposed that other senators be given a copy of the report as well, so that they would be guided on how to oversee the NAPC's implementation of the laws and better support the commission in the annual budget exercises. She expressed concern that despite having such an important mandate, the NAPC has been neglected and marginalized as a government instrumentality in its fight against poverty and inequality. She expressed hope that through the proper committee, the Senate would be able to revisit the NAPC's mandate, introduce some innovative reforms, strengthen the institution and reconsider returning the commission to the management of the Office of the President as a vital government basic sector organizational vehicle to address poverty and inequality through the appropriate committee.

Furthermore, she stated that if the administration was serious about addressing social reforms and transformations, it should begin by designating officials in the NAPC, promoting basic sector assembly, designating representatives, allowing basic sector involvement in national agencies, and bringing the NAPC back under the Office of the President.

Senator Marcos thanked Senator Hontiveros for supporting the efforts of the NAPC in overcoming its own poverty.

MANIFESTATION OF SENATOR GO

Senator Go manifested his full support for the proposed budget of the Department of Social Welfare and Development and its attached agencies. He said he could not overemphasize the importance of this department in making sure that the people are given sufficient and adequate social services for their daily and basic needs. He stated that Congress must therefore ensure that every peso that is allocated for the department goes directly to the less fortunate Filipinos, most especially in those trying times.

He then acknowledged the efforts of DSWD in bringing help to the people through the Sustainable Livelihood Program (SLP), Assistance to Individuals in Crisis Situations (AICS), Pantawid Pamilyang Pilipino Program, Social Pension Program for Indigent Senior Citizens, and others government programs during the pandemic. He made special mention of the untiring service that the social workers had rendered for the people.

Regarding the budget for the social pension of indigent senior citizens, Senator Go noted that Congress already passed a law increasing their pension from P500 to P1,000, therefore it must also ensure that the funds therefor will be included in the 2023 budget.

He also expressed the hope that DSWD will sustain its operations in various Malasakit centers across the country, especially in the hospital bills and financial and transportation needs of the indigent patients.

Further, Senator Go underscored the need to continuously fund the Balik Probinsiya Program under the previous administration wherein the DSWD provides financial assistance to those in Metro Manila who want to go back to their provinces to start a new life.



He expressed optimism that the DSWD would be able to secure funds for the priority programs which are aimed to uplift the lives of the Filipinos.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT AND ITS ATTACHED AGENCIES

Senator Villanueva informed the Body that the proposed budget of the DSWD was P210,631,390,000.

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of the Department of Social Welfare and Development and its attached agencies, namely, the Office of the Secretary, Council for the Welfare of Children, Juvenile Justice and Welfare Council, National Anti-Poverty Commission, and National Commission on Indigenous Peoples, were deemed submitted for the Body's consideration.

BUDGET OF THE COOPERATIVE DEVELOPMENT AUTHORITY

Senator Villanueva stated that the budget of the Cooperative Development Authority was P653,174,000.

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Cooperative Development Authority was deemed submitted for the Body's consideration.

BUDGET OF THE PHILIPPINE INFORMATION AGENCY

Senator Villanueva stated that the budget of the Philippine Information Agency was P431,208,000.

He also informed the Body that the Senate had accepted the apology of PIA head after the latter explained that the agency had accidentally sent a letter to the Office of the Senate President when it was addressed to the Office of the Press Secretary.

There being no interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Philippine Information Agency was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:02 a.m.

RESUMPTION OF SESSION

At 12:21 a.m., the session was resumed.

DEPARTMENT OF FOREIGN AFFAIRS

Senator Legarda presented the budget of the Department of Foreign Affairs (DFA).

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva stated that the budgets of the following offices would also be considered by the Body: Office of the Secretary, Foreign Service Institute (FSI), Technical Cooperation



Council of the Philippines (TCCP), UNESCO National Commission of the Philippines (UNESCO), and the Presidential Commission on Visiting Forces Agreement (PCVFA).

MANIFESTATION OF SENATOR LEGARDA

Senator Legarda cited the following relevant figures: an allocation of P20,000,356,644 for the Office of the Secretary; P65,000,716 for the FSI; P3,000,083 for the TCCP; 22,000,743 for UNESCO; and P37,000,251 for the PCVFA.

She then acknowledged the presence of Sec. Enrique Manalo, his undersecretaries, and other DFA officials and thanked the department for exerting all efforts to repatriate Filipinos overseas even during the pandemic lockdown.

INTERPELLATION OF SENATOR CAYETANO (A)

Senator Cayetano (A) expressed his support for the DFA budget, recalling that the department received an 18% budget increase during his tenure as Secretary. He believed, however, that the DBM's formula might have affected tier 1. He then appealed to Secretary Pangandaman and Senator Angara for the passage of the DFA budget.

Recalling that the Living Quarters Allowance (LQA) was approved by the Executive Secretary also during his tenure, Senator Cayetano (A) stated that it had become outdated, especially since the foreign exchange rate had reached P60 to a dollar. He believed that other portions of the DFA's budget required adjustments, but stated that he would accede to the committee's judgment.

Senator Legarda acknowledged the efforts of Senator Cayetano (A) especially during his tenure as DFA Secretary when Congress also increased the Assistance to Nationals Fund and the Legal Assistance Fund, and reopened several posts that had been closed for some time. She pointed out that there were four more posts waiting to reopen in the coming years – Havana in Cuba, Dublin in Ireland, Finland, and Bucharest in Romania. She also informed the Body that despite the creation of the Department of Migrant Workers, the Legal Assistance Fund and the Assistance to Nationals Fund were not reduced in order to continue assisting Filipinos living abroad.

At this juncture, Senator Ejercito relinquished the Chair to Senate President Zubiri.

Senator Legarda then thanked the DFA, led by Secretary Manalo, for spending the entire day in the Senate and waiting until their budget was called in the wee hours. She stated that due to the government's limited resources, the President could not provide them with as much as they deserved. She expressed hope, however, that the committee would work on a better budget during the bicameral conference committee, so that when the GAA is signed into law, the DFA would have what it truly deserves.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri thanked the DFA for its service in representing the Filipino people around the globe. He appealed to the department to also help in promoting the country and selling the Philippines to potential investors.

SUBMISSION OF THE BUDGETS OF THE DEPARTMENT OF FOREIGN AFFAIRS AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of the Department of Foreign Affairs and the Office of the



Secretary, Foreign Service Institute, Technical Cooperation Council of the Philippines, UNESCO National Commission of the Philippines, and Presidential Commission on Visiting Forces, were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:32 a.m.

RESUMPTION OF SESSION

At 12:42 a.m., the session was resumed.

OPTICAL MEDIA BOARD

Senator Villar (M) presented the 2023 budget of the Optical Media Board in the amount of P71,657,000.

INTERPELLATION OF SENATOR ESTRADA

At the outset, Senator Estrada stated that as a proud member and producer of the entertainment industry, his heart bleeds whenever he hears about the proliferation of movie piracy – movies that were created by creative and dedicated artists and other members of the industry. He stated that he was saddened by the fact that movie pirates took advantage films that were painstakingly created by people who invested their time and talent. He added that the entertainment industry was demoralized by the fact that the OMB lacked a mechanism to address the problem, had no regard for the industry, and disregarded its mandate as evidenced by its failure to take action to address the problem.

He recalled that during the committee budget hearing of the OMB, he moved for the deferral of the approval of its budget due to the failure of the agency's chairperson/CEO to perform the agency's mandate, as he admitted that there were no administrative cases filed against violators of RA No. 9239, or the Optical Media Act of 2003.

Senator Estrada said that the number of resolved administrative cases during Chairman Marquez's one-year incumbency since November of 2021 was also zero, such that the use of the word "ineptitude" on the part of the OMB was an understatement. He recalled having mentioned in a television interview about giving the OMB a one-peso budget, which he deemed to be even bigger than the zero performance of the bureau under the current chairman.

He also recalled that Chairman Marquez mentioned in a committee hearing about cleansing the agency for a year, and while the former found the duration too long, he supported the bureau's action. He then inquired as to the result of the said cleansing. In reply, Senator Villar (M) presented the following accomplishment of OMB's Registration and Licensing Division as of December 30, 2021:

- From the first to the third quarter, the target was 1,617 licenses—it was able to issue 2,820 licenses;
 - In the first quarter, the target was 5,001 permits—it was able to issue 7,776 permits;
 - In the second quarter, the target was 1,507 permits—it was able to issue 2,010 permits;
 - In the third quarter, the target was 2,149 permits—it was able to issue 2,098 permits; and
 - In the fourth quarter, the target was 5,311 permits—it was able to issue 6,882 permits.
- 9/4

Senator Villar (M) said that the OMB also conducted numerous stakeholders' consultations that were attended by about 400 industry players, including importers, exporters, retailers, distributors, and creators, as well as face-to-face consultations with the LGUs of Metro Manila for the fairness, integrity, and transparency for change information campaign.

With regard to administrative cases, he said that there were 1,674 unresolved administrative cases inherited from the former legal division head, Atty. Valenzuela. As of date, he stated that there were 13 approved resolutions, two of which were imposed with administrative penalties to be paid on November 22 amounting to P1,600,000. He explained that the delays were due to the non-turnover of files, missing evidence, and the lack of lawyers—only two at that time—working in the administrative cases. He noted that the OMB had pending 1,177 administrative cases filed from May to October 2022. As of November 2022, he added, the OMB had two additional lawyers that would be handling administrative cases, as well as two paralegals to assist them in filing and resolving administrative cases.

Senator Estrada stated that the mentioned accomplishments were not cleansing efforts.

Senator Villar (M) then cited other efforts and accomplishments of the bureau such as the disposal of unserviceable and seized items; fairness, integrity, and transparency for change information campaign; aggressive information campaign for stakeholders' needs and awareness on the OMB's mandate; and the celebration of the World Anti-Counterfeiting Day through a signing event on June 20, 2022.

At this point, Senator Estrada requested that the Body suspend the *Rules* in order to directly ask his questions to OMB Chairperson Marquez.

SUSPENSION OF THE *RULES OF THE SENATE*

Upon motion of Senator Villanueva, there being no objection, the Body approved the suspension of the *Rules of the Senate* to allow OMB Chairman Jeremy S. Marquez to respond directly to the queries of Senator Estrada.

Following is the full exchange between Senator Estrada and Chairman Marquez:

Senator Estrada. Thank you, Mr. President. Good morning, Mr. Chairperson.

Mr. Marquez. Good morning, Mr. President.

Senator Estrada. You are the son of the famous former mayor of Parañaque, my good friend, Joey Marquez.

Mr. Marquez. Yes.

Senator Estrada. *Naging artista ho ba kayo?*

Mr. Marquez. Yes, sir.

Senator Estrada. All right, good. As a member of the movie industry, what can your agency or the Optical Media Board help or contribute in reviving the ailing movie industry?

Mr. Marquez. Mr. President, that is actually one of the things that we are exploring right now due to the reports, recently, on the movies being pirated. Right now, we are testing a case with a certain producer, Ms. Elaine, to establish the Optical Media Board to be a one-stop shop for producers and copyright holders for them to run to.

Right now *kasi*, Mr. President, when there is a copyright infringement, *medyo nahihirapan po* iyong copyright owner. *Dadaan pa po sa RTC, pupunta pa sa IPO,*

pupunta sa OMB. So, we are doing a test case now. OMB na po as mandated by [Republic Act No.] 9239 that we can be serving a case as the complainant, na kami na po ang magpa-file ng cases against the copyright owners or the producers, Sir.

Senator Estrada. Okay. When were you appointed, Mr. Marquez?

Mr. Marquez. Mr. President, I was appointed last October 2021. I assumed the position as chairman of the Optical Media Board after one month, which is November, your Honor.

Senator Estrada. Last year.

Mr. Marquez. Yes, sir.

Senator Estrada. So, you have been in office for one year.

Mr. Marquez. That is correct, sir.

Senator Estrada. All right, what is your accomplishment?

Mr. Marquez. Sir, as mandated by Republic Act No. 9239, the Optical Media Board is tasked to promote and protect the intellectual property rights. The agency is tasked with three fronts in terms of service, one of which is adjudication, another is enforcement, and another is our business licensing side.

We would like to inform this honorable Body that in terms of the licensing division performance, we exceeded the targets that were set during the previous administration by at least 30 percent. And in terms of other activities, we have also exceeded the targets provided by the DBM in terms of issuing IOs and mission orders. For the enforcements and adjudications, we have also filed cases as well from May to this current day amounting to 600 plus.

Your Honor, one of the things that we would like to mention...

Senator Estrada. Excuse me, before you continue, Mr. President.

During the committee hearing, there were zero administrative cases filed against violators of Republic Act No. 9239 from November 21, when you took over, until about July of this year. How can you promote intellectual property rights when there is zero performance or zero administrative cases filed?

Mr. Marquez. Mr. President, while I acknowledged that during the questioning—

Senator Estrada. And you even admitted that there were zero administrative cases filed during your term, zero collection filed during your term. Are you being remiss in your duty as the Chairman of the OMB?

Mr. Marquez. Mr. President, again, while we acknowledged during the committee hearing that the honorable Senator raised a few questions, unfortunately, I was not backed up with data and I did not want to give any data—

Senator Estrada. You should know about it, being the chairperson of the agency.

Mr. Marquez. Yes, sir.

Senator Estrada. *Hindi mo naman kailangan ng backup data.*

Mr. Marquez. That is why, Sir, after the budget hearing, we wrote the office of the honorable Senator—

Senator Estrada. Yes, I have received your letter. In fact, I read your letter. You mean to say you admitted that there was zero performance in the budget hearing? *Pagkatapos ng budget hearing ay nagkaroon na kayo ng performance? Ganoon ba iyon?*



Mr. Marquez. Mr. President, I felt it more fit to have a conservative number rather than affirm to a much larger statistics that I could not validate.

And one of the things—if I may continue—that we are doing aside from the hard campaign, in terms of enforcement, is that we are also giving extensive efforts on informing the stakeholders of the Optical Media Board. Recently *kasi* due to the changes in technology, the Optical Media Board shifted to storage devices, no longer the CDs or DVDs. And with the passage of Memorandum Circular of 2018-02, we now have in our wings our stakeholders—those establishments selling phones, smart TVs, and laptops. And through our initial review of the pending cases when I arrived in the Optical Media Board, many of the position papers stated that they were not informed or they did not know that they had to acquire the Optical Media Board license and stated that they have all the necessary documents from the barangay, local government, DTI, BIR, and even SEC, and that they fully intend to abide by all regulations. And, unfortunately, because of the memorandum circular being fairly new, that they were not informed.

So, one of the things that we did was we held numerous consultation meetings with different stakeholders, from the distributors, the importers, and the retailers, aside from also going to numerous local governments informing the BPLOs of the said local governments of the requirement of the necessary licenses from OMB.

And there is still a gap, Your Honor, even now, even some government agencies still do not require the Optical Media Board license, namely the PS-DBM, which they sell laptops but still do not require it.

So, there is still an information gap that we have to give priority to and we also like to inform this honorable Body that we have been coordinating with other NGOs and other agencies, like the cinema producers that helped us disseminate—I am sorry—the movie players that helped us disseminate our campaign which is titled the “F.I.T. for Change”—the Fairness, Integrity, and Transparency—to teach the stakeholders as well and the public *na* they need the OMB license *po*.

Senator Estrada. Mr. Marquez, you mentioned that you collected P1.5 million. Am I correct?

Mr. Marquez. Yes, Mr. Chair, P1.6 million, Sir.

Senator Estrada. As per my information, this collection—*iyong sinasabi ninyong* P1.5 million—arose from the case filed prior to your time. *Ngayon lamang nagbayad* during your time. So, *ang ibig sabihin ay wala ka pa ring ginawa*. It was the time of Atty. Christian Natividad who is the incumbent Mayor of Malolos, Bulacan.

Mr. Marquez. Mr. Chair, it is true that the case was filed during the time of the former chair, now mayor of Malolos, Bulacan, but the case was finalized during my time and I was the signatory of that admin case, Sir.

Senator Estrada. Who initiated it, you or your predecessor?

Mr. Marquez. It was filed during my predecessor.

Senator Estrada. See? So, *wala kang nagawa*. Anyway, I will just—I have a data here that says during your time as chairman of OMB, number one, zero administrative cases filed against RA 9239 from November 2021 when you took over until about July of this year, 2022. In contrast, the OMB was averaging 200 administrative cases filed each month before you arrived. In fact, the DBM target for administrative cases filed by the OMB per year is 2,500 cases.

In 2020, at the height of the pandemic, the OMB filed 1,200 administrative cases, while in 2021, also during the height of the lockdowns, 1,508 administrative cases had been filed

from January to November of 2021. From November 22, 2021 until the end of December 2021, during your time, there had been zero administrative cases filed.

And may I state, in 2018, the administrative penalties collected per year: 2018, P560,000.00; 2019, P1,835,000.00; 2020, P350,000.00; 2021, from January to November of 2021, P2,300,000.00; 2022, January to August, and that is during your time, zero collection.

All right, I note that recently this month, a violator paid a penalty of—this is what we are talking about—that recently this month, a violator paid a penalty of P1.5 million but this violator was apprehended and its case resolved during the time of former Chairperson Christian Natividad.

Number two, zero seizures of counterfeit and illegal storage devices from November 2021 when you took over until August of this year. In fact, you recently ordered the OMB agents to conduct seizure operations against violators of RA 9239, just so you can have something to report for the budget deliberation in both Houses of Congress.

The amount of seizure per year by the OMB are as follows: 2018, P736,155,285.00; 2019, P309,927,224; 2020, P213,488,755.00; 2021, P78,476,700.00; and during your time, less than P100,000.00.

I will mention to you the table of the administrative cases that had been resolved for administrative cases filed from 2018 up to the present. It can be seen that despite failing to file new administrative cases during your almost one year of tenure, you did not even bother to resolve any of the pending backlog administrative cases that had been filed during the time of your predecessors. It is as if you did not want to work. In fact, [there is a] report reaching my office that you only report to your office once a week. And you did not even bother to sign any document. Everything you instruct your staff, *ginagamit iyong* e-signature or stamp signature with your dry seal, all signed by your staff in your office.

Resolved administrative cases during the term of Atty. Adriano, 2,698. During the term of Atty. Christian Natividad, 2,587 resolved administrative cases. During the time of Atty. Xyrus Paul Valenzuela, 1,093 resolved administrative cases. During your time, zero. Am I correct?

Mr. Marquez. Mr. President, the statistics that were shared to us by the senator is partly correct, Sir. In terms of the record of 2018—

Senator Estrada. What do you mean by “partly correct?” Can you expound further? What do you mean by “partly correct?”

Mr. Marquez. Yes.

Senator Estrada. *Hindi ba lahat iyon ay katotohanan—na zero talaga, walang koleksiyon, walang seizure? At totoo ba iyong sinabi ko na iyong P1.5 million na ibinayad, iyong pinag-uusapan natin, ay galing pa sa nai-file ng iyong predecessor na si Mayor Christian? Ngayon lamang nagbayad, during your term. Because you did not resolve anything.*

Mr. Marquez. In 2018, it is correct that the agency collected P763 million plus, with issuing IOs of 2,644. Likewise, in 2019, we issued IOs of 2,500 and seized items equivalent to P309 million. Again, in 2020, 1,200 IOs equivalent to P213 million. In 2021, 1,500 IOs equivalent to P78 million.

As you can see, from 2018 to 2021, the seized items have already been decreasing by more than 50% each year. But in 2022, compared to 2021, we issued 2,174 IOs and mission orders. Unfortunately, it only amounted to P300,508 in terms of seized items. One of which, we can explain, that this administration no longer requires the Enforcement



Division to confiscate all of the items they see in the establishments. *Namimili na lamang po kami ng sample size* so that we can file.

We have filed 600 administrative cases to date. And we would like to say *po*, the case that was mentioned by Sen. Jinggoy Ejercito Estrada amounting to a fine of P1.5 million, that case was resolved during my time. We are the one who signed the resolution and we are the one who resolved it. But, yes, the case was filed during the time of Atty. Adriano.

And, yes, we do report to the office more than once a week. We tried to go there more than thrice a week and we take advantage also, if we are not there, of the mediums that are available to us, in terms of Zoom—

Senator Estrada. Mr. Marquez, can I just interrupt you?

Mr. Marquez. Yes.

Senator Estrada. I think you are not answering directly my question. *Ang tanong ko po, totoo ba ang mga binanggit kong mga datos sa inyo?*

Mr. Marquez. Hindi po.

Senator Estrada. *Sinabi mo kanina*, partly correct. *Ngayon, hindi. Ano ba ang totoo?*

Mr. Marquez. I may clarify the question, did you ask if *totoo ba iyong mga—*

Senator Estrada. I mentioned the data. *Uulitin ko pa ba?*

Mr. Marquez. Everything is true. But the zeros, *mayroon naman po kaming mga na-seize at mayroon naman pong—*

Senator Estrada. *Kailan?* After the budget hearing?

Mr. Marquez. No.

Senator Estrada. When?

Mr. Marquez. Again, I did not mention this during the budget hearing—

Senator Estrada. But you admitted during the budget hearing that you never had any seizures and any collections. And now, you are telling this Body that you have some accomplishments?

Mr. Marquez. *Wala kaming data* available to me at that time. Like what I have said, I felt that it was more fit to just acknowledge the—

Senator Estrada. *Ibig ninyo pong sabihin, noong nag-usap tayo sa budget hearing three weeks ago ay hindi mo alam na mayroon kang accomplishment?*

Mr. Marquez. Sir, I just did not know the exact figure, that is why we wrote right away our response.

Senator Estrada. Have you apprehended anybody, any violators of this law?

Mr. Marquez. Yes, sir.

Senator Estrada. How many? One, two, three, or four?

Mr. Marquez. We have issued 2,174—

Senator Estrada. No. I am asking you, how many have you apprehended so far during your one-year stint in the OMB?

Mr. Marquez. With the corresponding IOs that EID has issued, the enforcement division now submits to the Legal their findings. And from that, Sir, we have enumerated about 600 cases already.



Senator Estrada. Filed or apprehended?

Mr. Marquez. Filed.

Senator Estrada. How many have you apprehended?

Mr. Marquez. Currently, the Optical Media Board is also—

Senator Estrada. When was this filed?

Mr. Marquez. It started from May 12 to present. Perhaps we should move for one-minute suspension.

Senator Estrada. In *May lamang*?

Mr. Marquez. Yes.

Senator Estrada. What have you been doing since you were appointed from November 2021 up to May?

Mr. Marquez. *Noong pagkaupo ko po*, I guess in every agency, there is a term of resistance to change and a few policy changes. Unfortunately, during that stage, the Legal Division was not very supportive of the policy changes and they were not accepting the IOs and MOs that were returned to them by the Enforcement Division. Thus, no administrative case could not be filed because they were not receiving any of the reports.

The Majority Leader. If I may, with the permission of our distinguished colleague.

The President. The Majority Leader is recognized.

The Majority Leader. If I may just interject and ask about Betamax and Atari. You are laughing.

The President. Betamax and Atari, why is that?

The Majority Leader. I am sure you love Betamax and Atari, VHS.

Because I heard the word “law enforcement.”

Just a clarificatory question on the part of this representation.

How does the enforcement function of the OMB differ with that of the Intellectual Property Rights Enforcement Office or the IEO of the intellectual property office? I am just wondering. *May diperensiya ba* or it is just the same?

I am raising that question to the good OMB (chairperson).

The President. Yes.

Mr. Marquez. If I am not mistaken, the difference between IPO and OMB is that that copyright owner needs to complain in the IPO before they can do the necessary charges, but with OMB as mandated by RA 9239, we can serve as a complainant already.

The Majority Leader. When you talk about enforcement, how does the enforcement function of the OMB (differs) from those of the Philippine National Police, from the National Bureau of Investigation, or the Bureau of Customs? Are they the same?

Mr. Marquez. *May sinusunod po kaming* operations manual.

The Majority Leader. May we know the difference? From where I am coming from, all I wanted to know, that is why I started by saying I wanted to ask questions with regard to Betamax and Atari and I do not see any Betamax or Atari anymore.

So, when we talk about OMB, and this has been the talk of the town for the past few days here in the Lounge, here in the Senate Session Hall, *kung may diperensiya ba*.



So, I wanted to find out. Is there a difference? For example, if I report to PNP, *sasabihin ba sa akin ng PNP, "Hindi namin puwedeng i-enforce ang batas dahil may OMB tayo. Sila lamang ang puwede gumawa niyan."* Is that correct? *Puwede po ba iyon? Ang NBI sasabihin, "hindi kami puwede riyon, OMB lamang iyan."*

Well, to help out our friends from OMB, another question that I would like to ask is: In your enforcement operations, would you coordinate your enforcement operations with the law enforcement agencies for back up or reinforcement, such as, for example, PNP, to undertake raids and seizure of goods?

Mr. Marquez. In our previous enforcements, even in the previous administration, they have opted numerous times to acquire the assistance of the PNP.

The Majority Leader. That is exactly my point.

Kung kailangan din nila iyong PNP para i-enforce ito, bakit pa mayroon sila—

Again, I do not want to belabor the issue but I also wanted to ask: How many operators do you have? How many enforcement agents does the Optical Media Board have?

Mr. Marquez. We have 36 enforcement and....

The Majority Leader. Thirty-six, enforcers *po iyan?*

Mr. Marquez. Investigative agents and enforcement.

The Majority Leader. So, again, *ano ang gagawin nitong 36 na ito kung hihingi rin sila ng tulong sa PNP, sa NBI. Yung enforcement hindi rin nila magagawa.*

Anyway, on average, how many establishments does the OMB inspect in a year? *Iyon na lamang po sa isang taon.*

Mr. Marquez. This year, we have already inspected 2,174.

The Majority Leader. *Kayo lamang po ang nag-inspect noon, wala kayong ibang kasama?*

Mr. Marquez. No. *Kami lamang po.*

The Majority Leader. So, what is the universe of the total number of establishments? If you say—I am sorry, how many?

Mr. Marquez. Those are just two inspections that we served. But in terms of the licenses, this first quarter, we issued 2,820 licenses; in the second quarter we issued 2,010, and roughly we have already issued about 7,000 licenses.

The Majority Leader. The gentleman issued, not inspected. *Kasi kung sinasabi ninyo 7,000—7,000 establishments po ba iyong na-inspect ninyo?*

Mr. Marquez. These are the applicants.

The Majority Leader. The applicants, you inspect every applicant. How do you do this? You go to these areas or do the applicants actually just submit the documents?

Mr. Marquez. We prescribe the requirements that the board has set. And, whether they apply online—

The Majority Leader. So, it is just a document.

Mr. Marquez. Yes.

The Majority Leader. So, it is nothing really like you go there and inspect (*kung*) *mayroon ba silang ginagawang kalokohan.*

Now, my question is, *iyong* universe, what is the universe of the total number of establishments that are subject to inspection?

Mr. Marquez. That is the figure that we are still—

The Majority Leader. We do not have that?

Mr. Marquez. We are still requesting the Department of Trade and Industry for that.

The Majority Leader. So, again, it is the Department of Trade and Industry which has the data, Senator Estrada?

I just want to put that on record, because, based on the staffing, and summary of the DBM, OMB has only 77 permanent positions—70 are field, and there are only 36 enforcers.

I just wanted to put that on record, *kasi*, again, *kung walang diperensya* with the IEO of the IPO, *walang puwedeng gawin ang OMB na sila lamang ang puwedeng gumawa*. I wonder what we are doing with this agency and with the performance that we have been hearing. *Nakakalungkot lamang*. I will leave it at that and I will give back the floor to Senator Estrada.

Senator Estrada. According to Sen. Alan Peter Cayetano, that was the shortest intervention.

Anyway, for the record, I personally welcome the information relayed by the chairperson of the OMB in relation to the number of seizures they conducted since May of this year, which is contrary to the information we receive and to the previous admission of the chairman *na talagang zero seizures*. *Kaya lamang, hindi ko talaga maiwasan na magduda sa katotohanan ng mga pahayag ng inyong chairman*.

All right. My next question is, is online piracy under your jurisdiction?

Mr. Marquez. No.

Senator Estrada. No. *Kasi maraming mga piracy ngayon. Ang nangyayari sa online katulad noon*, for example *iyong mga hindi naipalabas kasi pandemic*. Supposedly, *ipalalabas sa mainstream ay napilitan na lamang ipalabas sa online, sa internet. Karamihan doon mga pelikulang ipinalalabas na hindi naipalabas* because of the pandemic, *nailabas na lamang sa online. Sino ang puwedeng mahuli or sino dapat ang managot doon sa online piracy na nangyari?*

Mr. Marquez. That is actually part of one of our proposals in terms of our roadmap, in terms of drafting a bill, called the Anti-Digital Piracy Act, as we acknowledge that the shift of mediums is no longer with the CDs and also the hard drives—*medyo diminishing na rin po*. It is really in the Cloud and streaming *na po*.

So, right now, our mandate does not cover that but—

Senator Estrada. All right. The law that created the OMB, what is the real function of—what is the purpose of this law? To fight piracy?

Mr. Marquez. The policy is to protect and to promote the intellectual property rights. But our main function *po* is to regulate the manufacturing, the replication, the distribution—

Senator Estrada. To combat piracy in short.

Mr. Marquez. —of the medium.

Senator Estrada. Yes, to combat piracy.

Mr. Marquez. *Opo*.

Senator Estrada. *Ngayon ay nasa advanced stage na tayo ng technology. Wala ng mga DVD, wala nang mga CD—ako, hindi naman ako techie—mukhang hard drive na iyong ginagamit. So, ano pa iyong magiging function ninyo? Sino pa huhulihin ninyo?*

Mr. Marquez. When it comes to piracy activities, we have records submitted to us by NCIPR that the Philippines still ranks among—in terms of other countries in the world—*na mataas iyong ranking natin* in terms of engaging and illegal downloading, and in illegal streaming. And we acknowledge that our agency is tasked to protect the intellectual property rights, that is why we are taking the initiative *na kami na muna ang mag-draft ng Digital Anti-Piracy Act* for Congress to act. And, hopefully, see that the OMB can shift to a different means in terms of protecting—

Senator Estrada. So, you want us to amend the law that created the agency?

Mr. Marquez. For us to be more effective, that would be something that we—we would be open—

Senator Estrada. In fact, I am contemplating on abolishing your agency, because of your lackluster performance. I am sorry.

And, in fact, I have received information during your Christmas party of last year, you purchased gift baskets that were given to your employees, am I right?

Mr. Marquez. That was all done by personal funds, private funds, and no funds from the OMB was used for the purchases of the gifts given to—baskets given to—

Senator Estrada. *Bakit dumaan sa bidding kung walang—*

Mr. Marquez. *Hindi po dumaan sa bidding.*

Senator Estrada. No. My data states here that it was only on January 27, 2022 that the Bids and Awards Committee partook in the discussion of bidding the same. *Kung private funds iyon, bakit kailangan dumaan sa bidding.* That I cannot understand.

Mr. Marquez. *Hindi po dumaan sa bidding.*

Senator Estrada. What is this bidding all about? And many members of BAC decided not to partake on the matter. How can they be discussed in the bidding of the same when such had already been procured as early as December 19, 2021, when the same was delivered to the only office and distributed to every employee.

Mr. Marquez. The Optical Media Board can submit reports given to COA.

Senator Estrada. So, *pinalalabas ninyo na private funds iyon dahil* you have already violated the law.

Mr. Marquez. No.

Senator Estrada. *Ano itong bidding na naganap noong January 27?*

Mr. Marquez. *Wala pong bidding.*

Senator Estrada. There was a bidding.

At this juncture, with the permission of the Body, the session was suspended and was resumed shortly thereafter.

Senator Estrada. I will not dwell anymore with the Christmas baskets. I will take his word for it. On another note, there was a pending measure during the Eighteenth Congress in the House of Representatives, authored by KABAYAN Partylist Rep. Ron Salo, abolishing the OMB, as the industry it seeks to regulate is an obsolete industry—

AS

video shops, compact disks. *Ano po ang masasabi ninyo rito?* Would the gentleman agree that the use of compact disks and video rentals are now obsolete?

Mr. Marquez. *Hindi.*

Senator Estrada. *Kung hindi po, sa inyong palagay, gaano po kalaganap ang paggamit nitong CDs, Betamax, at saka mga video tapes?*

Mr. Marquez. This is exactly the reason why Memorandum Circular 2018-02 was passed by the Optical Media Board because the shifting of technology shifted away from the optical media devices. So, *nagkaroon po ng ibang medium iyong pag-store ng content* because of that *kaya po namin nire-regulate ngayon iyong mga storage devices* as basically going with the times of the advancement of technology.

Senator Estrada. Anyway, I still believe the data submitted to me and the gentleman's lackluster performance in his stint as the OMB chairman, considering the dismal performance of the OMB under the current leadership, and the obsolete technology that it has regulatory jurisdiction over, and the various suggestions raised including the abolition of the agency altogether.

The recommendation to abolish requires a drastic move and amendment of our laws and could affect the livelihood of approximately 100 employees and their families. *Ayaw ko naman po mangyari ito kasunod ng maling pamamalakad ng kanilang pinuno. Ayaw na natin lumobo pa ang bilang ng mga unemployed sa panahong ito.* And this representation may introduce, at the proper time, a legislative proposal to transfer the functions of the OMB, if not to abolish the OMB, to other existing Executive offices such as the FDCP, or the Department of Trade and Industry, specifically, the Intellectual Property Office of the Philippines—as OMB serves the function of ensuring the protection of promotion of intellectual property rights including software and sound recording.

At the proper time, I will move that the budget of the Optical Media Board be reduced and we retain the budget of the Personal Services because I still believe that the chairman of the OMB has not performed its function and duties as chairman of the OMB.

Thank you to the chairperson.

TERMINATION OF THE SUSPENSION OF RULES

Upon motion of Senator Villanueva, there being no objection, the Body terminated the suspension of the *Rules of the Senate*.

Senate President Zubiri stated that Senator Estrada's insights were an eye-opener. Despite the proliferation of pirated CDs and videotapes, he stated that he would request the OMB to step up its efforts, as no arrests had been made in the previous year.

Senator Estrada stated that it should serve as a warning to all public officials who fail to fulfill their duties.

MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel stated that he gained the insight during the previous interpellation that one should not respond with zero if unsure of the number. He believed that the appropriate response was "I do not have the information at the moment."

REMARKS OF SENATOR VILLAR (M)

Senator Villar (M) expressed his appreciation to his colleagues who stayed late to complete deliberations on the budget scheduled for the day. Similarly, he thanked the OMB for their time and



urged them to take into heart Senator Estrada's passionate recommendations against piracy. He stated that the discussion on piracy would continue, but Congress should work together to ensure that intellectual properties are protected and that relevant departments become responsive to the needs of the entertainment industry and other industries dependent on intellectual property rights.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva stated that when the Executive department requested a review of all government agencies and departments, he believed that the time was ripe for rightsizing. He stated that the glaring duplication of work in government was readily apparent.

Senate President Zubiri requested that the Committee on Civil Service, Government Reorganization and Professional Regulation, chaired by Senator Revilla, and the Committee on Finance, chaired by Senator Angara, consider the bill that would right-size government. He mentioned the need to merge government agencies for more efficient and effective government service.

SUBMISSION OF THE BUDGET OF THE OPTICAL MEDIA BOARD

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Optical Media Board was deemed submitted for the Body's consideration.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4488

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

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended until 10:30 in the morning of the same day.

It was 1:37 a.m.

RESUMPTION OF SESSION

At 10:41 a.m., Tuesday, November 15, 2022, the session was resumed with Senator Ejercito presiding.

COMMITTEE REPORT NO. 10 ON HOUSE BILL NO. 4488

(Continuation)

Upon motion of Senator Villar (M), there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4488 (Committee Report No. 10), entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY 1 TO DECEMBER 31, 2023.

Senator Villar (M) stated that the parliamentary status was still the period of interpellations.

Thereupon, the Chair recognized Senator Angara, sponsor of the measure.



THE JUDICIARY AND ITS ATTACHED AGENCIES

Senator Angara stated that under the Senate Committee Report, the proposed budget for the Judiciary, which includes the Supreme Court, the lower courts, the Presidential Electoral Tribunal, the Sandiganbayan, the Court of Appeals, and the Court of Tax Appeals, for fiscal year 2023 was P53,170,000,176. He added that Senators Escudero, Tulfo, Villanueva, Tolentino, Villar (M), and Binay had expressed support for the Judiciary budget.

ACKNOWLEDGMENT OF THE PRESENCE GUESTS

At this juncture, Senator Villar (M) acknowledged the presence in the gallery of Representative Noel Rivera of the Third District of Tarlac.

Also, Senator Angara acknowledged that presence of the members of the bench in the gallery, namely: Hon. Jose Midas Marquez, Associate Justice; Hon. Samuel Gaerlan, Associate Justice; Hon. Raul Villanueva, Court Administrator; Hon. Remedios Salazar Fernando, Presiding Justice of the Court of Appeals; Hon. Edwin Sorongon, Associate Justice; Hon. Amparo Cabotaje-Tang, Presiding Justice of the Sandiganbayan; Hon. Carl Miranda, Associate Justice; Hon. Kevin Narci De Vera, Associate Justice; Presiding Justice Roman Del Rosario and Atty. Debbie Jean De Juanco from the Court of Tax Appeals; and Sandiganbayan Associate Justice Arthur Malabagio.

Senator Ejercito welcomed the guests to the Senate.

SUBMISSION OF THE BUDGET OF THE JUDICIARY AND ITS ATTACHED AGENCIES

There being no reservation for interpellation, upon motion of Senator Villar (M), there being no objection, the budget of the Judiciary which includes the Supreme Court of the Philippines and the lower courts, the Presidential Electoral Tribunal, the Sandiganbayan, the Court of Appeals, and the Court of Tax Appeals was deemed submitted for the Body's consideration.

Senator Angara stated that Senator Pimentel also expressed his support for the budget of the Judiciary.

SUSPENSION OF SESSION

Upon motion of Senator Villar (M), the session was suspended.

It was 10:44 a.m.

RESUMPTION OF SESSION

At 10:56 a.m., the session was resumed.

SENATOR TULFO'S MANIFESTATION OF SUPPORT

Upon request of Senator Villar (M), there being no objection, the Body approved the insertion of Senator Tulfo's manifestation of support for the budget of the Judiciary into the *Record of the Senate*.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Angara acknowledged the presence in the gallery of Ombudsman Samuel Martires, Overall Deputy Ombudsman Warren Lex Liong, Deputy Ombudsman Cornelio Sumido, Deputy



Ombudsman Jose Balmeo Jr., Deputy Ombudsman Dante Vargas, Deputy Ombudsman Anderson A. Lo, Asst. Ombudsman Weomark Layson, Chief Administrative Officer Christopher Lim, Project Evaluation Officer Manolet Eugenio, and Planning Officer Francis Mayoralgo from the Office of the Ombudsman.

Senator Ejercito welcome the guests to the Senate.

OFFICE OF THE OMBUDSMAN

Senator Angara presented the proposed budget of the Office of the Ombudsman for 2023 totaling P4,721,000,331.

INTERPELLATION OF SENATOR PIMENTEL

In response to Senator Pimentel's observation, Senator Angara affirmed that there was no proposed increase to the Office of the Ombudsman's budget, unless a future request is made during the period of amendments. However, he stated that the Office of the Ombudsman, under the leadership of Justice Martires, had always maintained to live within its means.

Asked by Senator Pimentel if the P4.7 billion budget for the Office of the Ombudsman under the GAB would not be increased or decreased, Senator Angara stated that the allocation was made without prejudice to any increase that could be made in the period of amendments or the bicameral conference committee.

On whether the Office of the Ombudsman submitted a budget augmentation request list during the committee hearing, Senator Angara replied in the negative. He also stated that the House of Representatives just passed the NEP amount for the Office of the Ombudsman.

Regarding the lump-sum confidential and intelligence funds, Senator Pimentel suggested that all such funds of the different agencies, including the P51.4 million for the Office of the Ombudsman, be itemized for transparency's sake, even as it was the same amount in the previous year as stated by Senator Angara. Senator Pimentel opined that the Office of the Ombudsman should be a model agency on this matter.

Senator Angara said that according to Justice Martirez, it is up to the Committee on Finance to determine up to what level of transparency would be required, considering the nature of confidential and intelligence funds.

To cite a good example of an agency that heeded the call for transparency, Senator Pimentel disclosed that the Energy Regulatory Commission (ERC) had a confidential fund of P15 million which was waived in the subcommittee level, and thereafter reallocated to another item within the ERC budget which was not under the line of confidential fund.

Senator Pimentel recalled that during the committee hearing, Ombudsman Martires shared his sentiments about fighting corruption in the country, so the former hoped that the Ombudsman would come up with a publication of ideas and insights on the matter, for the Office of the Ombudsman indeed needed support to be more effective in fighting corruption. Senator Angara said that Ombudsman Martires was willing to provide such publication.

With respect to a news report that Ombudsman Martires sought the repeal of the Anti-Red Tape Authority (ARTA) law, Senator Angara said that the Ombudsman felt it was unconstitutional because it encroaches on the powers of the Ombudsman.



Senator Pimentel suggested that while the Members of Congress already discussed the question of constitutionality of the said law, Ombudsman Martires could submit a memo, briefer or position paper so the legislators could take a second look at the law. Senator Angara said that Ombudsman Martires committed to submit a report within a week.

Asked if the theory about the ARTA's unconstitutionality had led to the filing of cases against certain individuals, Senator Angara stated that there was a private party who filed a case against the Anti-Red Tape Authority, which was taken cognizance by the Office of the Ombudsman but would undergo due process and the rules of procedure.

Senator Pimentel then requested Ombudsman Martires to submit a budget wish list which he would examine with a predisposition to grant the same and should the Office of the Ombudsman choose to exercise restraint, he would understand it, considering the limited fiscal space and priority funding needed by other offices. Senator Angara stated that the Office of the Ombudsman appreciated the initiative of Senator Pimentel who, together with his father, has been a paragon for good government in lifestyle and advocacy. Senator Pimentel noted that the Majority and Minority blocs should always be supportive of the fight against corruption.

SUBMISSION OF THE BUDGET OF THE OFFICE OF THE OMBUDSMAN

There being no other reservation for interpellation, upon motion of Senator Villar (M), there being no objection, the budget of the Office of the Ombudsman was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villar (M), the session was suspended.

It was 11:14 a.m.

RESUMPTION OF SESSION

At 11:27 a.m., the session was resumed.

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT

Senator Angara presented the budget of the Department of the Interior and Local Government and its attached agencies which include the following:

- Office of the Secretary;
- Bureau of Fire Protection (BFP);
- Bureau of Jail Management and Penology (BJMP);
- Local Government Academy;
- National Commission on Muslim Filipinos;
- National Police Commission (NAPOLCOM);
- National Youth Commission (NYC);
- Philippine Commission on Women (PCW);
- Philippine National Police; and
- Philippine Public Safety College.

He also acknowledged the presence of various representatives of the DILG who were present in the session hall that day:



- DILG Sec. Benhur Abalos;
- Undersecretaries Iringan, Villanueva, Gutierrez, Barreto, Valenzuela and Llamas;
- Assistant Secretaries Aldana, Cruz and Pasaraba, as well as the various directors and heads and technical personnel;
- PNP Chief General Azurin;
- General Cambay;
- Colonel Dela Cruz;
- Lieutenant Colonel Cuyco;
- Josefina Sanchez;
- Atty. Alberto Bernardo from the NAPOLCOM;
- Vice Chairperson Atty. Chito Bustanera, Atty. De Castro, Atty. Amirante, BFP Chief Puracan;
- BJMP Director Iral;
- Atty. Yuson Chavez from the PCW;
- NYC Chairperson Ronald Cardema, with EA Reolin Namnama;
- Public Safety College President General Sevilla;
- Commission on Muslim Filipinos Commissioner Yousef Mando and Dir. Tahil Ledasan; and
- Local Government Academy Executive Director Thelma Viceno.

INTERPELLATION OF SENATOR HONTIVEROS

Preliminarily, Senator Hontiveros said that she appreciated the early policy statements of Chief PNP Azurin and his openness to maintain lines of communication with legislators like her. She then asked for an update on the hostage-taking incident involving former Senator Leila de Lima in Camp Crame custodial center, particularly on whether perceived security lapse in the security of the former legislator had been identified.

Senator Angara explained that aside from tightening the security for Senator De Lima, the National Police Commission (NAPOLCOM) initiated the revalidation and investigation of the incident and required the PNP Custodial Unit and PNP Headquarters Support Service to submit pertinent documents to the Internal Affairs Service and the Criminal Investigation and Detection Group (CIDG). He added that the PNP had started a *motu proprio* investigation while the forensic group conducted a drug test that would apply to all personnel of the Custodial Unit. Moreover, he said that security inspection and threat assessment had been done at the PNP Custodial Center and that the Commission on Human Rights also interviewed P/Cpl. Roger Agustin who rescued Senator de Lima.

Asked how the hostage takers were able to acquire their weapons, Senator Angara replied that he was still trying to get more updates on the report that one of the improvised weapons had been smuggled into the center. As an aside, he said that the senior deputy executive secretary had also gone to Camp Crame to personally check on the security arrangements of the former senator.

For her part, Senator Hontiveros said that she had been informed by Senator De Lima that President Marcos called her to check on her condition. Senator Hontiveros believed that such expressions of concern, particularly the conduct of investigations, were much appreciated as these would help prevent a repeat of such an unacceptable incident. She also thanked those who were responsible for saving the senator's life.

Asked how the hostage takers were able to get such close to their victim, Senator Angara explained that the hostage-taking appeared to have been unplanned since the detainees had already locked the exit when they chanced upon Senator De Lima who was taking an early morning walk around the compound.



Senator Hontiveros expressed confidence that the PNP would take into account all the other details of the findings of their investigation and further tighten security arrangements for the former legislator. She believed that it was important for the PNP to provide updates on the investigation not only to clarify doubts in the public's mind but also ensure that Senator De Lima's safety would not be compromised again.

Senator Angara stated that the PNP had guaranteed the safety of the former legislator by tightening security in the area, implementing a "buddy system" among the police guards on duty, and providing additional CCTV cameras around the prison compound.

Senator Hontiveros then asked on the condition of the PNP personnel who was stabbed during the incident. Senator Angara responded that although the PNP personnel who sustained stab wounds eventually recovered, he still needed time to rest due to the abdominal location of his wound. Senator Hontiveros wished for the speedy recovery of the policeman and extended her best wishes to him through the PNP leaders present in the gallery.

On whether the PNP already had information on the murder of Municipal Environment and Natural Resources Officer Richard Cabilan of Dumingag, Zamboanga del Sur, who was shot on government premises on November 3, 2022 during a Commission on Audit conference, and in the presence of the mayor and vice mayor of Dumingag, Senator Angara stated that an investigation was ongoing. In addition, Senator Hontiveros stated that prior to the murder, Mr. Cabilan himself reported to the Dumingag municipal police station that he received death threats, however, the authorities took no action.

Senator Angara stated that the PNP had decided not to disclose the details of the case to the public. Senator Hontiveros then thanked the PNP in advance for the relevant information it would provide to her office. She said that she was supporting Mr. Cabilan's family, friends, and colleagues in their pursuit of justice for the late MENRO, whom she revealed was an Akbayan member. She also informed the Body that she would provide the PNP with a copy of the letter written by Mr. Cabilan's wife.

On whether the PNP has the capacity to match its new responsibilities under the Anti-Online Sexual Abuse or Exploitation of Children (OSAEC) Law, Senator Angara replied in the affirmative. As an illustration, he stated that the PNP had secured two warrants by Branch 24 of the Manila Regional Trial Court, requiring social media platforms Facebook and YouTube to provide information about the online account Usapang Diskarte, which promoted the exploitation and sexual abuse of minors and already had more than 250,000 followers. He then informed the Body that the PNP's Women and Children Cybercrime Protection Unit had already taken the necessary measures regarding the Usapang Diskarte account.

In addition, he stated that the PNP intended to acquire forensic software to aid in online investigations, provide child-friendly facilities in its anti-cybercrime group offices, and coordinate with the DOJ regarding international complaints.

He stated that in September of that year, the DILG and PNP conducted an entrapment operation in Sampaloc, Manila which resulted in the rescue of 15 minors as young as 13 who were allegedly victims of online sexual abuse and exploitation, as well as the arrest of two alleged sex traffickers.

Senator Hontiveros expressed delight to learn that law enforcement agencies were already implementing the newly-passed law and that the court had issued the warrants to assist the PNP in carrying out its duties. She recalled that public outrage against the online account Usapang Diskarte reached its peak in August 2022, prompting her office to take action on the matter.



She then disclosed that her office subsequently requested the PNP assistance on the matter, and that its anti-cybercrime group took positive action. She hoped that the unit would continue to take action against similar groups.

Further, she also supported the proposal to acquire forensic software, as she gave the assurance that she would continue to support the budgets of the PNP and other law enforcement agencies, allowing them to continually update their technological infrastructure to protect the nation's youth.

Senator Hontiveros also noted the ongoing efforts to establish and maintain child-friendly facilities in relation to the OSAEC and other child-related offenses and she expressed hope that the agencies of the Executive department would dispense appropriate parallel action even if the subject was still the subject of an ongoing Senate investigation, as in the case of POGO-related prostitution and crimes against children.

Senator Angara commended Senator Hontiveros for her continuing advocacy for women and children.

INTERPELLATION OF SENATOR ESTRADA

Senator Estrada inquired if PNP cadets were already considered uniformed personnel under the 2023 DBM staffing summary for the PNP, specifically its 221,419 strong manpower complement broken down as follows: 15,666 police commissioned officers; 192,565 police non-commissioned officers; 1,082 cadets; and 12,106 non-uniformed personnel. Senator Angara responded that PNP cadets were considered to be under job orders and therefore not considered as uniformed personnel. However, he stated that according to PNP Chief General Azurin, the PNP was already working with the Civil Service Commission to come up with a regulation that would grant PNP cadets the status of government employees on a temporary basis, allowing them to receive benefits in the event of training-related accidents.

Asked if there was an ideal ratio of commissioned officers to non-commissioned officers in the PNP, Senator Angara replied in the negative, pointing out that the ratio was 1:8. He stated that what is important is the ideal ratio of policemen to the public, which should be 1:500.

Regarding the proportion of the PNP police force assigned in the field relative to the total police force in the country, Senator Angara stated that approximately 85%, or 180,000 out of the total 226,000 manpower component of the PNP, was assigned to the field.

Senator Estrada then noted that an amount of P1,662,976,000 had been appropriated as rice subsidy allowance to PNP uniformed personnel, equivalent to 20 kilos of rice per month. Senator Angara confirmed that the rice subsidy allowance was P650 per month. Senator Estrada stated that the amount could not buy one cavan of rice, which cost about P2,000, to which Senator Angara agreed.

On the possibility of increasing the rice subsidy allowance of uniformed PNP personnel to 50 kilos per month. Senator Angara replied that he would study the proposal at the appropriate time. He stated that the practice of providing rice subsidy allowance in the PNP began during former President Duterte's term and continued under the Marcos administration.

Further, Senator Estrada noted that P790,764,000 had been appropriated for Personal Services, which included the regular pay and allowances of the uniformed personnel of the PNP's Internal Affairs Service (IAS). He then inquired as to the number of PNP uniformed and non-uniformed



personnel that were assigned to the IAS. Senator Angara replied that there were 806 PNP-IAS personnel. Senator Estrada observed that the number was lower than what the PNP Internal Affairs Service Guidelines and Procedures requires, which should be 1,000 and the number of civilian employees at 297.

Asked on the current case resolution efficiency of the IAS, Senator Angara replied that the efficiency rating was 100%, with no pending cases. He stated that the quickest resolution of an IAS case against an erring police official was around one month, while more complex cases took approximately three to four months to resolve.

Senator Estrada disclosed that when he and Senator Revilla were still incarcerated, a certain police officer frequently visited them and requested favors, but when the police officer became the chief of the PNP Custodial Center, he began to exert his influence by not allowing their lawyers to enter the jail premises, despite the fact that lawyers, priests, and members of their immediate families were previously permitted access to the center any time of day.

Senator Angara stated that the police officer was already assigned to the BARMM, specifically Cotabato City. Senator Estrada expressed hope that the officer would not be promoted. Senator Angara stated that if a particular police officer violated the rights of a citizen, it should be documented in the officer's file.

Asked if increasing the rice subsidy of PNP personnel to P1,000 per month would require an additional funding of P80 million, Senator Angara replied in the affirmative. Senator Estrada stated that he would propose the rice subsidy increase, recalling that his father, former President Joseph Estrada, did the same for the military. Senator Angara said that he would work with Senator Estrada to determine how the increase could be implemented.

In closing, Senator Estrada suggested that the proposed increase also cover the BJMP and BFP uniformed personnel.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel stated that since the DILG and its attached agencies receive one of the largest portions of the annual budget, the Body has to scrutinize it to give justice to the budget and to the people.

He noted that the PNP receives the largest budget in the department and requested a breakdown of the P1.08 billion added to it in the committee report. Senator Angara then enumerated the following items and their corresponding budgets: Office of the Secretary, P5 million; Local Government Academy, P15 million; National Commission on Muslim Filipinos, P15 million; National Youth Commission, P30 million; Philippine Commission on Women, P21.29 million; and the PNP's new National Headquarters (NHQ) Building, P1 billion.

On whether the P1 billion allocation for the new NHQ was not its final cost, Senator Angara replied that it was just the initial funding because the actual estimate was P9 billion.

Queried on the condition of the existing building, Senator Angara stated that it was constructed during the time of the PC-INP between the 1960s and the 1970s, but was significantly newer than the Commission on Elections office at Palacio del Gobernador.

On another matter, Senator Pimentel informed the Body that Senator Angara was the head of the Philippine delegation that would negotiate on behalf of the country for a possible



extension of the Generalised Scheme of Preferences Plus (GSP+) concession granted by the European Union.

Asked for an update on the case of Spanish citizen Diego Bello Lafuente, who was killed in Siargao and the subsequent conviction of one of the suspects who was a police officer, Senator Angara stated that the PNP was willing to provide him with the details of the case, particularly on the leader of the group, which could lead to the arrest of the other suspects. He said that he shared Senator Pimentel's concern for its resolution because the reputation of the country and its trade privileges were at stake.

In response, Senator Pimentel stated that the PNP could always furnish him with a copy of the confidential report.

Asked to verify the allegation by the EU parliament representative that one of the police officers involved had even been promoted, Senator Angara said that the PNP leadership would look into the matter. He agreed with Senator Pimentel on the importance of having good relations with the other members of the European Parliament because more than a thousand tariff lines are at stake.

Senator Pimentel inquired about the P20 million increase in the DILG's confidential funds after noting its confidential fund allocation of P80.6 million for 2022 and P100.6 million for 2023, as well as the PNP's intelligence funds in the amount of P806 million. Senator Angara replied that it would serve the following functions: to sustain the gains in the anti-illegal drugs campaign and strengthen case building against illegal drug suspects; to gather information on uniformed personnel directly or indirectly involved in the sale of firefighting equipment and those soliciting monetary consideration for services rendered or clearances needed; to monitor and intensify efforts on information gathering for local officials allegedly involved in terrorism and other illegal activities, insurgency, and supportive of atrocities by the left; to do surveillance activities, machinations, and strategies of offenders using cyberspace in victimizing minor children and women; to conduct Operation Greyhounds in jail facilities in cooperation with the Philippine Drug Enforcement Agency, the Philippine National Police, and to gather information against illegal drugs activities of jail personnel and persons deprived of liberty (PDLs); to ensure evidenced-based surveillance reports against syndicates carrying out economic sabotage activities such as price manipulation, illegal importation, trading, and smuggling; and to assist the National Police Commission (NAPOLCOM) in the investigation and surveillance of suspects and attached officials and employees who are respondents to cases and charges before the Commission.

As for the Intelligence Funds, Senator Angara read into the *Record* the following information furnished to him by the PNP:

"The intelligence fund of the PNP is utilized to support intelligence and counterintelligence activities, the purchase of information, monetary rewards for the arrest of most wanted persons included in DND-DILG joint memorandum circulars, the support to intelligence and counterintelligence operations on anti-criminality campaign through the special projects like anti-terrorism, internal security operations, drug operations, anti-criminality operations as well as support to covert operations against organized crime groups and high-profile criminals and personalities whether here and abroad. These funds also support the operations of nine attaches abroad. In the US, there are two; one in China, one in Saudi Arabia, Malaysia, Pakistan, Indonesia, France, and Thailand."

After noting that the confidential and intelligence funds had been used for the same purposes in 2021, in 2022 and in the coming year, Senator Pimentel stated that he would request for a copy of the report. He believed that some of them are recurring or too common an expense that they deserve an actual line in the budget, such as the "support to seven police attaches."

Senator Angara stated that the PNP supported the proposal. He stated that Senator Pimentel's advocacy has been very consistent and that he was clear on what should be done to ensure budget transparency and accountability.

On the observation that the intelligence fund for 2023 was the same as in 2022, Senator Angara replied in the affirmative.

Upon further query, Senator Angara clarified that "Greyhound Operations" pertained to interagency operations within the DILG to flush out illegal activities, particularly the smuggling of contraband in the jails. He stated that it was previously implemented exclusively by the BJMP, but the department became involved as it became an issue of interest for the DOJ.

Asked if the P70/meal allowance for Persons Deprived of Liberty (PDLs) in the BuCor was the same as that of the BJMP, Senator Angara replied in the affirmative. Senator Pimentel suggested that any increase in the meal allowance rate for PDLs held under BuCor should also apply to those in the BJMP.

Senator Pimentel then recalled that in February 2021, there was a misencounter between police and PDEA agents in a mall which endangered the lives of civilians. He noted that both agencies had intelligence funds for 2023—PDEA with P500 million and PNP with P806 million. He then inquired on the likelihood of a similar incident occurring in the future despite the agencies' enormous budgets.

In response, Senator Angara stated that the two agencies share intelligence information, but that the targeted suspect in the reported incident was a PDEA agent. As such, he stated that the PNP could not share certain information with PDEA because it would have jeopardized the buy-bust operation.

On whether an official report on the incident had been released, Senator Angara replied in the negative, stating that the NBI was tasked with investigating the incident. Senator Pimentel believed that the incident did not demonstrate proper management of public funds and should not occur again, regardless of whether the funds used for the operation originated from regular or intelligence funds.

Queried on the collection of fees under the Fire Code, Senator Angara responded that it is the responsibility of the Bureau of Fire Protection and that the funds are remitted to the Bureau of Treasury. Since its budget is regulated by the DBM, he explained, the BFP receives a fixed annual allocation of P1 billion even if it remits more than the amount. He reported that the collection, which was recorded at P2.5 billion in 2021, had increased to P3.5 billion by October 2022. He noted that the DBM views the remittances as revenue and reports the balances to BFP.

Senator Pimentel noted that despite the automatic allocation of P1 billion for the BFP for 2023, nothing would prevent the Senate from augmenting the amount and charging it to the same account. Senator Angara clarified, however, that the proposal might be vetoed by the President. Senator Pimentel stated that it could be explained to the President that the additional budget could be used to address the severe lack of firetrucks in fifth and sixth class municipalities. Relative thereto, he asked for the BFP's plans to purchase firetrucks so that he could determine the funding requirement and persuade the administration to raise the P1 billion ceiling on the BFP's remittance.

Senator Angara stated that the BFP was planning to purchase 66 firetrucks in 2023 as part of its re-fleeting program. He explained that eight of every 10 firetrucks acquired would be distributed



to densely-populated first and second class municipalities, while the remainder would be distributed to municipalities without firetrucks.

Senator Pimentel surmised that only 12 of the 66 units to be purchased would go to municipalities without firetrucks. Senator Angara averred that 203 municipalities lacked such vehicles. He said that the total cost of the purchase would be P990 million, as each vehicle costs P15 million. Senator Pimentel noted that the BFP had been allocated only P25.7 billion, which may cover the cost of 66 firetrucks but not sufficient to meet the needs of the municipalities that do not have firetrucks. He then surmised that the computations could persuade the administration to grant the BFP access to additional funds which Congress could add to the special account.

Regarding the BFP's expanded role in the provision of emergency services, which requires the bureau to have rescue vehicles, Senator Pimentel argued that the bureau's budget should be increased to accommodate the new function.

Asked if the DILG has functions connected with the budget of the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC), Senator Angara replied in the affirmative, stating that there was a line item in the PNP budget for it. In addition, he explained that a portion of the NTF-ELCAC funds had been allocated to the various agencies that would implement the program. He noted that the PNP was allocated P1.084 billion for monitoring activities to address the root causes of insurgency, which would include the following: counter-mobilization activities, focused law enforcement operations, capacity building and situational awareness, RCSP-related activities, intensified monitoring, assistance on interagency case buildup, information and education communication activities, PNP orientation seminars, participation in retooled community support programs as a platform for localizing the NTF-ELCAC Executive order, interagency coordination and collaboration, utilization of traditional mass media, and distribution of IEC materials.

Senator Angara stated that the bulk of the NTF-ELCAC fund, which the DBM is responsible for releasing, can be found under Assistance to Local Government Units, in the line item Support of the Barangay Development Program, totaling P10 billion. He stated that its objective is to purge barangays of insurgents identified by the council and the DILG monitors and evaluates its implementation.

Senator Pimentel noted that the DILG was required to report to Congress an objective evaluation of the effectiveness of the program. But since the NTF-ELCAC had been in existence for only three years, he surmised that it was premature to request such an evaluation. Nonetheless, he stated that the DILG should have conducted an initial evaluation in 2020 and 2021.

Senator Angara stated that the committee was awaiting the PNP's submission of a report on the previously allocated funds. He said that he received a one-page document detailing the LGU recipients, while Senator Binay informed him that she received a copy of a more comprehensive report. He believed that the DILG should provide the Body with the comprehensive report.

Senator Pimentel noted that the one-page document he was given seemed to be like a statistical report. He stated that the department was expected to evaluate the program's implementation and determine its efficacy and success. He believed that the program had no impact on people's lives and recommended its discontinuation.

In response, Senator Angara stated that the DILG had contracted with a third-party monitor so that the assessment would vary by region. He said that a three-page document also detailed the funds disbursed to barangay beneficiaries, their utilization, the number and status of projects.

But he reiterated that a more comprehensive assessment could have been done, although the failure could be attributed to the pandemic. He assured the Body that the DILG would furnish the Body the results of the third-party monitoring.

Senator Pimentel stated that he was expecting a published report in magazine or booklet of the NTF-ELCAC report, as the Body would want to know how much of the funds allocated to the DILG was utilized for the specific task. Senator Angara stated that the department was allocated P400 million for the evaluation of the program in 2022, as requested by Senator Drilon in the previous Congress, and for 2023, it would be P1.08 billion. Senator Pimentel remarked that such allocation should have been given to other agencies, like PhilPost, which need more funds.

Senator Angara clarified that the P500 million of the fund deposited with the DILG was not intended solely for monitoring the NTF-ELCAC, but also for other local government support programs. Senator Pimentel maintained that the program was overfunded.

At this point, Senator Angara stated that he was given a book about the NTF-ELCAC, which he then gave to Senator Pimentel. The former lamented that the department should have turned it over sooner in order to expedite the proceedings. Senator Pimentel noted that the publication covered only fiscal year 2021 and he surmised that there was also a document for 2020. Senator Angara explained that the funding increase occurred in 2021.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Binay, there being no objection, the budget of the Department of the Interior and Local Government, along with budgets of the Office of the Secretary, Bureau of Fire Protection, Bureau of Jail Management and Penology, Local Government Academy, National Police Commission, National Youth Commission, Philippine Commission on Women, and Philippine National Police, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 12:52 p.m.

RESUMPTION OF SESSION

At 2:09 p.m., the session was resumed with Senator Ejercito presiding.

COMMISSION ON AUDIT

Senator Angara presented the budget of the Commission on Audit (COA).

ACKNOWLEDGEMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Angara acknowledged the presence in the gallery of COA Chairperson Gamaliel Cordova, Commissioner Roland Pondoc, Commissioner Mario Lipana, Assistant Commissioner Nilda Plaras, Director Veronica Coscos, and Director Rebecca Dacanay.

Senate President Zubiri welcomed the guests to the Senate.



INTERPELLATION OF SENATOR ESCUDERO

In reply to Senator Escudero's queries on the budget appropriated by Congress and the amounts borrowed by the Philippine government for the procurement of vaccines in late 2020 and early 2021, Senator Angara stated that the total appropriations amounted to P8.93 billion—approximately P2.6 billion under the GAA and P6.3 billion in the items under the continuing appropriations—and the total foreign-assisted projects amounted to almost P70 billion—P36 billion under the ADB loan item and P25 billion under the World Bank item.

Senator Escudero recalled that based on news reports, the government appropriated and borrowed a total of P300 billion in the procurement of vaccines; hence, Philippine debt increased by over P6 trillion in 2020 and 2021. He surmised that since the amounts were not included in the GAA, it was most likely included in the Bayanihan to Heal as One Act and other laws.

Senator Angara pointed out that the purchases of vaccines in 2020 and 2021 amounted to P75 billion and P70 billion respectively, or a total of P145 billion. He admitted that he was still trying to put together the amounts used in financing the country's vaccine program. Senator Escudero then requested the COA to submit data on the total allocation for the purchase of vaccines, which he recalled amounted to more than P300 billion.

Senator Escudero noted that the Constitution states that government can only spend money that is either appropriated by Congress or money that came from borrowings made by the president, which does not need a congressional approval. He said that he based his data on the purchases of vaccines only on news reports because there were no actual reports coming from the DOH, DOF, or the COA. He said that audited reports by all government agencies from the previous year must already be in the hands of Congress during budget deliberations. Senator Angara asked that he be given time to have the data reconciled since a number of laws were involved in the said appropriations.

As to how COA treated the expenditure of P150 billion or the news-reported P300 billion from both the appropriations of Congress and from borrowings and as to the amount reflected on COA's report with regard to the said expenditures, Senator Angara replied that the inventory of the quantities bought by the government and the utilization of vaccines have been subjected to audit. However, he said that the contract between the government and the suppliers have not been subjected to a detailed audit because of the non-disclosure agreement (NDA) provisions contained in the purchase documents or contracts of vaccines.

At this juncture, Senator Ejercito relinquished the Chair to Senate President Zubiri.

Senator Escudero remarked that COA is not a mere general services office that checks on whether the delivery of a purchased item was correct and whether the government was able to use the purchased item. He stressed that it is the constitutional commission's job to ensure that the money was spent in accordance with law and consistent with the requirements of transparency and accountability as provided in the Constitution. In reply, Senator Angara said that while COA initially felt restrained by the NDA, the commission later realized that it was not bound by the NDA as the commission was not a party to the agreement.

Senator Escudero averred that the Constitution thought it best to separate COA and make it an independent constitutional commission for it to perform its job independent from either the executive, legislative, or judicial branch of government; hence, COA is not bound by the Executive department and the NDA under the contracts it entered into. Senator Angara affirmed that COA would assert its legal right under the Constitution and make representations with the agencies that are parties to the agreements.

4

Senator Escudero surmised that the DOH might continue to keep mum on the vaccine reports because of the NDA, especially since the current acting secretary of the department was part of the previous administration and would most likely be knowledgeable and a party to the NDA.

As to what is in COA's arsenal to enforce its power to audit and the compel compliance of government agencies to transparency and accountability, Senator Angara replied that it has subpoena powers to legally compel the agencies concerned to testify and submit documents. Senator Escudero opined that it was about time that COA summoned the DOH which could not keep on citing the NDA to leave the auditing on the government's vaccine expenditures hanging.

Senator Angara recalled that during the LEDAC, the DOH expressed its desire to extend or amend the country's vaccine procurement law, Republic Act No. 11525 or the COVID-19 Vaccination Program Act of 2021, that was passed by the Congress in February 2021. Aside from using COA's subpoena power, he surmised that the Body might have a chance to elicit the information from the DOH if the Senate committee would hear the said proposal of the department. He then suggested that the Body agree to the proposal only if the DOH would come clean as to amounts involved in the purchase of vaccines.

Senator Escudero said that he was the governor of Sorsogon province then and was not part of the previous Senate when the law was passed, but he was sure that there is no provision in the said law that allows any NDA in the procurement of vaccines. Senator Angara confirmed that there is no such provision on NDA in the law.

Senator Escudero stated that an NDA was a "new breed of excuse." Senator Angara agreed that an NDA has no place in government documents because all government expenditures would have to be accounted for. Senator Escudero added that the declaration of a national emergency does not suspend the operation of law, especially with respect to transparency and accountability.

In this connection, Senator Angara read Section 6 of RA 11525, to wit:

"Section 6. *Transparency and Accountability in COVID-19 Vaccine Procurement.* – The National Government, as well as LGUs, private entities and the Philippine Red Cross, may only procure COVID-19 vaccines that are registered...[and] [f]or purposes of transparency, the following information shall be posted in a conspicuous place of the Procuring Entity and in the Government Procurement Policy Board (GPPB) Online Portal... : (a) Approved budget for the contract; (b) Name and details of the COVID-19 vaccine or ancillary service or supplies; (c) Name of the supplier, manufacturer, or distributor; and (d) Amount of contract as awarded."

With that provision, Senator Angara said that COA also has statutory authority—aside from constitutional authority—to ask for the information on the procurement of vaccines. He also expressed doubt as to the validity of such NDA provision as it might be against the law or public policy.

Senator Escudero then asked whether the COA has a copy of the NDA signed by the national government at that time the vaccines were procured—for the Body to know its terms and signatories. Senator Angara replied in the negative, suggesting that it should be included in the documents to be required by COA from the relevant agencies concerned, particularly the DOH.

Senator Escudero stated that he had not seen a copy of the contracts with NDA provision. He asked whether the NDA was just an excuse of DOH in order not to divulge the vaccine prices and to evade auditing by COA and ADB which granted a loan for the procurement of vaccines. He remarked that the NDA-protected vaccines procurement even exceeded the already controversial confidential funds as the former did not even have an accounting or liquidation report.

Thereafter, on behalf of all the former local officials and former department secretaries and directors, Senator Escudero requested Chairperson Liel Cordoba to come up with a booklet that

gives a singular interpretation of COA's memorandums circulars and policy issuances. He recalled that when he was governor, the provincial COA auditor differed with him and the other governors as to the interpretation of some COA memorandum, issuance, or regulation. He said that it was also the case in the municipal level, which disagreements led to different implementations in different municipalities. He believed that it was high time that COA clarified the meaning of certain issuances and provisions of the law through the publication of a clarificatory or interpretative booklet so that there would be uniform implementation, interpretation, and consistent application of all COA issuances. Senator Angara agreed that there is such a need to address the conflicting interpretations given the magnitude of the penalties at stake in case of wrong or unintentional actions.

In addition, Senator Escudero recalled that in his first week as governor, the provincial COA auditor refused to advise him on certain things to be done for the reason that there would be conflict of interest because she would be the one to audit him. He observed that the key performance indicator (KPI) of COA is the number of Audit Observation Memorandums (AOMs) it has issued, such that if no AOM is issued to an agency, COA would be deemed not to have done its job. He maintained that COA can properly guide and advise local government officials and heads of various agencies of the executive department as to the proper implementation of legal issuances. He clarified that COA and the government agencies are not enemies but are supposedly partners to be able to maximize the limited funds and make sure that there would be no corruption and that transparency and accountability are practiced.

Senator Angara said that the COA chairperson agreed with Senator Escudero that COA should have no conflicts of interest with government officials who need guidance on how to properly implement the law and adhere to legal procedures and processes.

Senator Escudero thanked the COA family, led by Chairperson Gamaliel Cordoba, and stated that he would wait for the subpoena to be issued to the DOH concerning vaccine procurement.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva agreed with Senator Escudero that there should be no adversarial relationship between COA and government agencies. He recalled that when he was the TESDA head, one of his regional offices was not allowed to do something that the other regional offices were permitted to do. He joined Senator Escudero in the call that COA produce a guidebook detailing how it could fulfill its mandate. He said he supported COA because he was confident that the chairperson would provide what was necessary for the commission and its offices to function more efficiently.

INTERPELLATION OF SENATOR BINAY

Senator Binay stated that government's information campaign included the utilization of social media. She asked if the COA had already provided the various government agencies with guidelines on how to utilize their social media campaign funding. She stated that the Department of Tourism, in particular, was interested in the auditing procedures for its use of Instagram or Facebook in its informational campaign.

Senator Angara replied that the COA was still using the existing guidelines but might come up with a new set of rules with the advent of technology.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel stated that he would also wait for the submission of COA on the inconsistencies on government transactions vis-a-vis COA policies, as mentioned in the interpellation of Senator Escudero. He urged COA to publish a "COA Memorandum Circulars Annotated" that

the public could also access, just as the Senate Electoral Tribunal compiled analyses of election cases with topical approaches, annotations, and commentaries. He stated that the COA compilation should not only be for internal use, but also for public consumption, especially by those being audited, so they can anticipate COA's official interpretation of a particular section of a circular.

Senator Angara disclosed that COA only has a compendium, which was essentially a compilation of all their issuances. Regarding commentaries, he acknowledged that the commission still needed to produce them, recognizing their necessity based on the interpellations.

Senator Pimentel urged COA to come up with such project proposal which Congress could support in the next budget hearing. Senator Angara stated that he would also support the project.

On the ostensibly adversarial relationship between COA and government agencies, Senator Angara opined that it is the system's default mode of checks and balances. However, he stated that there are shared objectives to pursue. He recalled that during the interpellation on the DOJ budget, it was stated that the responsibility of prosecutors is not merely to secure the filing of a case or a conviction, but also to ensure that justice is served. By analogy, he stated that the function of COA is not merely to disallow expenditures or even to convict officials for malversation or misappropriation of funds, but rather to observe, as a measure of success and as a component of good governance, how proper management of resources are ingrained in the various agencies of government.

Senator Pimentel believed that Senator Escudero also was able to explain in his interpellation how government resources could be utilized most efficiently and in accordance with law. In addition, Senator Angara stated that teaching case studies in the corporate world involves learning the best practice. Therefore, he stated that one does not need to actually experience conviction to learn a lesson.

Senator Pimentel assumed that the new COA chairperson, who was only 51 years old, was aware of the shift from adversarial to cooperation, as well as the annotations-related projects. He stated that the measure of COA's performance is not convictions or cases, but rather the public's perception that government resources were utilized efficiently and effectively.

He then lauded COA's reports and hoped that its auditors would maintain their objectivity, as they play a significant role in many Senate investigations. He commended COA for discovering the anomaly surrounding the DepEd's failed PS-DBM laptop deal. He noted that the insiders were not aware of the pricing information, but it took an outsider, the COA, to discover the inefficiencies.

Asked whether COA's budget was retained at P13.1 billion in the NEP, GAB, and Senate committee report, Senator Angara replied in the affirmative. He also confirmed that COA would continue to have a P10 million confidential fund, which had been allocated for the past 10 budget years. He explained that the confidential fund's objective is to aid the agency in detecting fraud in government transactions.

On whether the amount could not be covered by their regular budget, given that fraud detection is part of COA's job description, he stated that part of the auditing function is to identify potential fraud and prevent it in the future. He stated, however, that sometimes it is necessary to purchase information.

Senator Pimentel stated that confidential and intelligence funds are in the form of a lump sum, which is then liquidated via a special COA procedure. He asked whether COA was auditing confidential and intelligence funds. In response, Senator Angara stated that the audit of intelligence and confidential funds is being conducted by the Intelligence and Confidential Fund Audit

Unit (ICFAU), a unit created under the COA chairperson's office, that conducts post-audit of the liquidations of disbursements from the cash advances for the confidential expenses and intelligence expenses of government agencies. He added that the unit maintains an up-to-date record of the cash advances and their liquidations in relation to confidential expenses and intelligence expenses for each accountable officer and agency. He stated that in accordance with COA Circular No. 20906 dated September 28, 2009, the unit also issues and maintains records of audit observation memorandum, Notice of Suspension or Notice of Disallowance addressed to the head of the agency, and provides audit team leaders and agency accountants with copies of the documents.

Senator Pimentel stated that it was reassuring that COA was auditing confidential and intelligence funds over the years pursuant to law. Senator Angara affirmed that the auditing of confidential and intelligence funds will continue.

Asked if there had been a case of misuse of confidential or intelligence funds, Senator Angara answered in the affirmative, citing approximately 50 cases that included disallowances in which the accountable officer was required to return the confidential fund.

Asked if the findings were resolved or just carried over the books or subsequent COA reports, Senator Angara stated that some cases had been resolved while others were pending resolution. Senator Pimentel hoped for the matter to be resolved before the next budget cycle so people would be convinced to follow COA's circular.

He said that the COA could furnish the reports thereon with the exclusion of confidential information.

As to whether there was an audit finding on Commission on Audit, Senator Angara replied that there had been a case where notices of disallowance were issued to the chairperson himself.

Noting that the majority of COA employees were near retirement age, Senator Pimentel believed that Commissioner Cordoba must prepare for imaginative ways to recruit new applicants. He asked what the basic educational requirements for COA officials are, to which Senator Angara replied that officials must be certified public accountants, lawyers or accounting graduates, and that there were 8,000 filled and 5,000 unfilled out of 13,000 positions in the Commission on Audit.

Regarding the COA budget, Senator Angara pointed out that of the P723 million allocation, P455 million would be for Personal Services, and P235 million would be for MOOE, which items were not considered during the budget submission to the DBM. He said that the MOOE consisted of recurring items for the provision of COVID-19 supplies — P5.8 million; operational cost (security and janitorial, communications, utilities, and insurance) of ten completed provincial satellite offices — P26 million, and for information system strategic plan.

In reply to the observation that the DBM releases PS funds for authorized positions in the COA, Senator Angara confirmed that there was a Miscellaneous and Personal Benefits Fund for new positions. He affirmed that the authorized unfilled positions were considered in the determination of PS level for a constitutional office like COA. He also explained that the requested P455 million for PS was for the implementation of COA restructuring in 2021 wherein DBM based the amount on the old figure of 13,283 positions although the approved plantilla positions were 14,102.

INTERPELLATION OF SENATOR HONTIVEROS

Considering that COA already conducted a special audit on COVID-19 funds, Senator Hontiveros requested a report or audit update with respect to Pharmally deals, noting that she filed

Senate Resolution No. 710 that calls for a special audit on Bayanihan funds in the previous Congress. She further cited that on 26 January 2022, an Inquirer report revealed that “(a) Commission on Audit special audit team is now finalizing its report on the government’s pandemic-related supply deals with Pharmally Pharmaceutical Corp., which may be released by March this year.” In reply, Senator Angara stated that COA would submit its report in two months.

As to what caused the delay of COA report, Senator Angara explained that COA had a new chairperson who just assumed post, but that the latter had pledged to be on top of the situation so the report would be submitted by January 2023. He said that although there were initial findings, COA had to make corrections, confirmations and affirmations from the persons involved for purposes of certainty.

Senator Hontiveros hoped that the findings of COA’s special task force regarding the offenses committed by Pharmally and those who were accountable to it would be disclosed to the public the soonest time.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON AUDIT

Upon motion of Senator Villanueva, there being no objection, the budget of the Commission on Audit was deemed submitted for the Body’s consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 3:07 p.m.

RESUMPTION OF SESSION

At 3:22 p.m., the session was resumed.

DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

Senator Angara presented the budget of the Department of Public Works and Highways in the amount of P737,357,000,327.00.

He then acknowledged the presence of DPWH officials headed by Sec. Manuel Bonoan, along with Undersecretaries Sadayin, Cabral, Medenilla, Bernardo, Pipo, Carvajal, Mutuc, and Luz, as well as Assistant Secretaries Molano, Ayapana, Canlas, Palafox, Llanes, and Versoza.

INTERPELLATION OF SENATOR REVILLA

Asked by Senator Revilla on the estimated amount of damage to infrastructure caused by the recent earthquakes and typhoons, Senator Angara replied that it was approximately P2.3 billion. However, he said that the DPWH had already released a P1 billion Quick Response Fund (QRF) for the rehabilitation of the structures, and that the process of validating the actual damages was ongoing.

Asked why there was no allocation in the GAB for the repair of several infrastructure, including one bridge in Datu Odin, Sinsuat, Maguindanao, as well as the Oyungan and Paliwan bridges in Antique, Senator Angara explained that the DPWH had initially released P130 million from its QRF for the repair of eight bridges in Maguindanao. He clarified that there is a budget for the repair of the Datu Odin bridge.



Senator Dela Rosa interjected at this point, stating that he had been informed by the DPWH that it is not involved in the infrastructure programs in BARMM as it has its own BARMM-DPWH. Considering that the DPWH had released funds for the repair of some bridges in BARMM, he asked whether the BARMM-DPWH has its own QRF allocation, as there could be a duplication of funding for the repair of such structures.

Senator Angara replied that the sum was merely an initial disbursement from the fund in order to facilitate repairs that would allow motorists to traverse the damaged bridges.

Senator Dela Rosa asked whether the DPWH had already released a portion of its QRF for the repair of the Datu Odin Sinsuat bridge. Senator Angara replied in the affirmative.

Senator Dela Rosa recalled that whenever the BARMM requested infrastructure projects for the region, the DPWH would always respond that the BARMM has its own office that implements public works, thereby excluding the BARMM from the DPWH projects. With the release of the QRF for the repair of the bridges, he surmised that the BARMM might also have its own QRF for similar projects, which could result in duplicate fund allocations.

Senator Angara, echoing the response of the DPWH, stated that the eight bridges in BARMM were classified as part of the national road and, as such, remained under the agency's jurisdiction. However, he said that the BARMM is responsible for other infrastructure projects in the region, including local roads, among others.

Senator Revilla then informed the Body that the DPWH has a P28.962 billion Bridge Program, consisting of the following activities and funding allocations: 1) replacement of permanent weak bridges, P7 billion; 2) retrofitting/strengthening of permanent bridges, P4 billion; 3) rehabilitation/major repair of permanent bridges, P2.7 billion; 4) widening of permanent bridges, P13.5 billion; and 5) construction of new bridges, P1.3 billion. Having observed that typhoon-related disasters typically occur during the third and fourth quarters of the year, whereas budget preparations occur during the first and second quarters, he inquired if the amounts mentioned were sufficient to cover the cost of repairing the damaged bridges. Senator Angara concurred that the budget call was done early in the year, with amounts allocated for poor and severely-damaged bridges, months before Typhoon Paeng and the others that followed wreaked havoc in the country.

Asked which of the activities of retrofitting, strengthening, building, or repairing bridges should be prioritized in light of the government's limited resources, he responded that the agency's prioritization list would need to be revised due to the severely-damaged infrastructure caused by Typhoon Paeng.

Senator Revilla emphasized the need for the DPWH to allocate a portion of its budget to the purchase of backhoes and other dredging equipment to address the excessive siltation in rivers, which causes flooding issues. Once the equipment had been turned over to the LGUs, he believed that they should be responsible for the dredging operations, as well as the logistics involved, such as paying for fuel and the salary of drivers, so that the national government could distance itself from any potential corruption allegations. In this regard, he recalled that dredging activities were prohibited during Secretary Singson's tenure, surmising that it could have easily been viewed as a potential source of corruption. In addition, he suggested that the department look into the procurement of trucks to transport the dredged silt from the river. He pointed out that in the case of Cavite, uncollected mud along the sidewalks tended to return to the river whenever the cycle of floods begins again.

Senator Angara stated that according to Secretary Bonoan, dredging equipment and hauling equipment were necessary. He noted that the General Administration and Support for Capital Outlay allocations included a P2.19 billion line item that could be used for the purpose.

A

Senator Revilla, on the other hand, believed that larger funds could be turned over to the LGUs. Although dredging activities in rivers were only temporary solutions to the problem, he also believed that the government would have a difficult time constructing revetments along river banks.

Senator Angara responded that the DPWH could allocate at least P100 million per region. He added that the agency could contact the chairperson of the Committee on Public Works if the senator needed additional budget information. Senator Revilla believed that the allocation would go a long way toward assisting the Province of Cavite and other typhoon-affected areas.

INTERPELLATION OF SENATOR TULFO

At the outset, Senator Tulfo expressed support for the budget of the DPWH. However, he followed up with the department the following concerns which he raised during the committee hearing: 1) the reported accidents in government project sites because of inadequate safety measures in place, which were aggravated by the lack of liability insurance to cover deaths or injuries as result of these accidents; 2) the practice of subcontracting a government projects resulting in multiple layers of subcontractors; and 3) the unfinished diggings on roads which caused accidents.

Senator Tulfo then mentioned the comment that he received calling the DPWH Department of Parking Works and Highways because allegedly, budget funds were being “parked” in the DPWH to be taken out later on for various projects like farm-to-market roads and other infrastructure projects from which some people make money.

On the matter of liability insurance, Senator Angara stated that the agency had already coordinated with, and was awaiting reply from the Philippine Contractors Association.

To ensure that the agency would fulfil its promise that by the beginning of 2023 all contractors will have their liability insurance, Senator Tulfo stated that he would randomly inspect DPWH projects and ask for contractor names and documents proving their compliance.

Senator Angara stated that by 2023, the DPWH would be requiring all contractors to secure comprehensive insurance. Senator Tulfo hoped that the value of the insurance would be sufficient to cover claims exceeding P50,000. He pointed out that in some cases, hospitalization could cost hundreds of thousands of pesos but the contractor would only pay P10,000 or P50,000. Senator Angara informed Senator Tulfo that the department had already consulted with the Insurance Commission regarding the coverage amount.

Regarding project subcontracting, Senator Tulfo stated that the practice places both the general public and the government at a disadvantage because having so many subcontractors in one project diminishes the actual amount left for the materials and therefore the volume and quality of the project suffer. Senator Angara informed the Body that the DPWH was allowing the practice of subcontracting so long as the subcontractors are duly accredited and approved by the agency itself. Regarding the quality of the projects, he maintained that accountability still rests with the main contractor. He advised those who won the bid to exercise caution if they choose to work with subcontractors.

Asked how much the original contractor would profit from the project if it were subcontracted, Senator Angara stated that one is allowed to subcontract up to 50% of the project, executing the remaining 50%.

As to the going rate among individual subcontractors if the subcontracted portion of the project is further subcontracted, Senator Angara stated that the DPWH did not have a specific policy



regarding the matter, and the rate was usually determined between the contracting parties. He reiterated that what was being determined by the DPWH is the percentage of the project that is allowed to be subcontracted. Senator Tulfo responded that, to date, no legislation has been passed that addresses the subcontracting issue.

Considering that there is no law prohibiting subcontracting, he proposed that such a practice be disallowed so that the principal contractor would be solely responsible and answerable for any issues that may arise on the project. Senator Angara, however, stated that it would require amending RA 9184, or the Government Procurement Act, which allows subcontracting. He assured Senator Tulfo that he would look into the matter.

Based on some information he had gathered, Senator Tulfo stated that projects carried out through subcontractors typically use substandard materials because funding is passed from one subcontractor to another. In response, Senator Angara opined that the DPWH should penalize and blacklist the principal contractor and the subcontractor responsible for projects using substandard materials. He opined that such penalties would encourage contractors to perform their best work lest they lose their contracts.

Senator Tulfo asked whether cases had been filed against erring contractors. To illustrate, he stated that the newly constructed roads he would use to travel to Isabela and Cagayan during Holy week would be damaged by All Saints' Day. He then asked as to which agency or office handles quality control and determines whether certain infrastructure are substandard so that a case can be filed against the involved contractors. Senator Angara replied that the DPWH has a quality assurance unit to inspect projects and has data on the number of contractors in the blacklist, which totals 18 since 2016.

Asked how the public can contact the quality assurance unit and where complaints on substandard infrastructure could be lodged, Senator Angara replied that the policy of the DPWH can be reached through its 24/7 DPWH hotline as well as via SMS through TEXT 2920. He also stated that the DPWH can be reached via landline (165-02) or through Viber (09616847084).

Asked why DPWH repair crews drill holes in the roads but take so long to complete the repairs resulting in traffic congestion and vehicle damage, Senator Angara replied that the DPWH's policy is to ensure that the area under repair is adequately illuminated and that contractors are instructed to erect warning signs 150 meters in advance of any roadwork to alert the public.

At this juncture, Senator Tulfo informed the Body that his staff had been trying to contact the DPWH through its hotline numbers but had received no response on the other end.

He also asked whether the roadwork could be done round-the-clock to prevent accidents and traffic congestion. Senator Angara replied that it is done around-the-clock; however, the cement requires 18 days to cure. He stated that it is the shortest period that could not be avoided.

Senator Tulfo asked why unfinished or abandoned projects are not being secured to prevent accidents. He recalled seeing a three-year abandoned project but was fixed by the DPWH in three days after he made some calls. He then requested the department to install signs or safety measures, such as an early warning device or lights, to prevent accidents around the area undergoing repair. Senator Angara replied that it is a company policy to install road signages and lighting devices in construction projects.

Asked why the budgets of other agencies that require more funds were slashed while the budget for the DPWH was increased and even have parked funds, Senator Angara recalled that the issue of parked funds was raised by former Senator Lacson and then by Senator Cayetano (A)



during the committee hearing. He stated that funds are “parked” when a legislator places a project in another district but later collects the project’s “parking fee.”

Asked how funds parked in one district are transferred to the DPWH, Senator Angara replied that the funds may have been originally allocated to the congressman’s district.

When asked if each congressman’s budget was P25 billion, Senator Angara replied in the negative. Senator Tulfo stated, however, that a certain congressman informed him that he parked his P25 billion fund in Bulacan because of the province’s “accommodating contractors.” Senator Angara stated that Secretary Bonoan and Undersecretary Cathy Cabral refuted the allegation, claiming it was false.

Senator Tulfo urged the DPWH to ensure that none of its parked funds are taken from agencies with the smallest budgets, whose budgets had been slashed by some legislators so that they are parked with the DPWH in exchange for some commission.

Upon query, Senator Angara explained that insertions to the budget are typically made by legislators. However, he stated that the case adverted to by Senator Tulfo involved slashing the budget of one agency and transferring the fund to another project for financial consideration.

Senator Tulfo likened the case of the DPWH to the TUPAD program of the DOLE, in which a big chunk of the department’s budget was slashed and transferred to TUPAD which already has huge funds. He then underscored the importance of not shortchanging the public of much-needed road projects or social services that are provided by the various agencies.

Upon further query, Senator Angara replied that he would provide Senator Tulfo with information on workers’ livelihood insurance.

Senator Tulfo also mentioned a DPWH road construction project in EDSA, specifically near Camp Crame and Greenhills, which has caused a traffic bottleneck. He urged the department to install warning signs on its ongoing projects so that traffic congestion could be lessened and commuters could find alternative routes, and hope that it could be done the following year. Replying in the affirmative, Senator Angara said that the department does put up warning signs and Facebook updates informing the public about ongoing construction projects.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros raised the issue of the recently-inaugurated 3.98-kilometer Samal Island–Davao City Connector Project (SIDC). She stated that some advocates have claimed that the bridge’s landing point could cause irreversible and irreparable harm to the healthy and biologically productive Paradise Reef. She added that marine biologists have emphasized the importance of Paradise Reef as a spawning ground for corals and coral reef fish, which allows their development and propagation in other areas of the island.

In addition, she stated that a Japanese Ministry of Economy, Trade and Industry (METI) study had identified an alternative landing site for the bridge that would avoid Paradise Reef.

She stated that the DPWH was able to obtain an Environmental Compliance Certificate after conducting a survey dive to collect video footage of the underwater environment in the vicinity of the designated landing site, in addition to conducting key informant interviews and consultations with stakeholders, including oppositors, to better understand their concerns.

Senator Hontiveros then inquired if it was true that the current landing point was chosen due to economic considerations, the airport’s height restrictions, the connection to the Davao coastal

A

road, the least impact on current shipping routes, the least impact on existing traffic network, and the lowest risk and uncertainty associated with construction and land acquisition. Senator Angara answered in the affirmative. He also responded affirmatively to the question of whether changing the landing site would incur substantial costs, stating that the current site was the most viable option with the greatest economic alignment, given that changing the location would cost over P2 billion.

Senator Hontiveros noted that P2 billion is only one-ninth of the P18.67 billion loan agreement for the construction of the bridge, which was signed on June 13, 2022 by Chinese Ambassador Huang Xilian and then-Finance Secretary Dominguez.

Asked if the DPWH was certain that the chosen landing site would not damage any critical coral reef ecosystems, Senator Angara answered in the affirmative, saying that exhaustive studies had been conducted on the environmental impact of the project.

Noting that the underwater survey revealed the presence of corals, giant clams, and numerous species of marine life in the area, Senator Hontiveros urged the Members to evaluate the ecological services provided by coral reef ecosystems in the area.

She mentioned a resolution she had previously introduced which cited research indicating that the unlawful island-building activities conducted by China in the West Philippine Sea have caused at least P33 billion in annual damage to marine ecosystems in the Philippines' continental shelf and exclusive economic zone since 2013. She added that the estimates were derived from a 2012 study published in the *International Academic Journal – Ecosystems Services* which estimated the baseline value per hectare of a coral reef to be at US\$353,429.

Queried on whether the DPWH had assessed the value of ecological services that could be impaired by the project, Senator Angara stated that according to a certification issued by the Provincial Environment and Natural Resources Office of Davao del Norte, the area where the bridge will connect to the Samal Island side is located outside of the National Integrated Protected Area System. He also stated that the DPWH surveys were conducted within the NIPAS area.

Senator Hontiveros stated that she would try to reconcile DPWH's claim with the reports provided by the Paradise Reef advocates.

Asked if the DPWH had assessed the value of the marine ecological services that could be compromised by the project, Senator Angara answered in the negative, explaining that the bridge's landing site is not within the protected area. Nonetheless, he mentioned that one of the ECC's conditions is the creation of a multiparty monitoring team composed of representatives from national government agencies, local government units, and stakeholders. He also said that the monitoring team must provide an environmental guarantee fund which will be used for the following: compensate aggrieved parties for any damages to life and property; undertake community-based environmental programs; conduct environmental research aimed at strengthening measures to prevent environmental damage; and finance restoration and rehabilitation of environment quality of the project affected area.

To determine the total costs and benefits of the project, Senator Hontiveros emphasized the importance of assessing the value of its potential damage to ecological services, regardless of whether the affected area is within or outside of the NIPAS.

Asked why the DPWH decided to disregard METI's recommendation to build on a different landing site which avoided Paradise Reef, Senator Angara stated that a more comprehensive feasibility study was conducted after the METI study.



Senator Hontiveros drew attention to the fact that the METI study proposed the construction of a one-kilometer bridge across the Pakiputan Strait, whereas the current project would span 3.98 kilometers. She then compared the costs of the two projects and stated that the Japanese proposal was estimated to cost only P16,476,645,825 while the Chinese proposal cost approximately P18.67 billion.

According to Senator Angara, the 2015 pre-feasibility study conducted by the Japanese Ministry was a P12 billion proposal for a two-lane, 4.4-kilometer bridge, whereas the 2019 feasibility study conducted by the consulting firm Ove Arup was for a four-lane, 3.98-kilometer bridge that would cost approximately P16.6 billion. He stated that on a per-linear meter basis, the latter proposal which was estimated to cost P2.085 million per linear meter was less expensive than the Japanese design, which was estimated to cost P2.727 million per linear meter. In addition, he stated that the Japanese proposal only included estimates for a 2.5-meter shoulder and 1.5-meter sidewalk, but not the cost of the roads.

Asked why a bridge requires four lanes when two would suffice, Senator Angara stated that Samal Island is projected to become a tourist destination, necessitating infrastructure that can accommodate heavier traffic in the future. Senator Hontiveros expressed interest in the Department of Tourism's stance on the issue because it relates to the department's mandate to promote sustainable tourism.

She opined that it would be prudent to reconsider realigning the project's landing point if the value of Paradise Reef's unimpeded ecological services would offset the P2 billion cost of realignment.

She then asked for additional information regarding the proposed environmental impact mitigation plan that the Bridges Management Cluster Unified Project Management Office submitted to the DENR-EMB on September 27, 2022.

Senator Angara responded that the impact on marine biodiversity could be mitigated through the use of modern construction techniques, such as bubble curtains; the observance of the conditions set in the ECC that was set by the multipartite monitoring team composed of various government agencies, LGUs and stakeholders; the provision of the Environmental Guarantee Fund, which compensates any aggrieved party, should there be any damage to life and property; and community-based environmental programs.

Concerning the number of ecosystems that would be preserved by the proposed mitigation measures, Senator Angara stated that the department could conduct the detailed engineering design that could be incorporated into its study.

Senator Hontiveros suggested that the DPWH consult the international academic scientific journal *Ecosystem Services* for the methodology that it could be used to calculate the value of ecological services that could be compromised by the construction of the project and what could be preserved as part of their mitigation and reduction measures. Senator Angara stated that the department would consider the suggestion of Senator Hontiveros and coordinate with her office regarding the matter.

SUSPENSION OF SESSION

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

It was 4:33 p.m.



RESUMPTION OF SESSION

At 4:47 p.m., the session was resumed.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel noted that for 2023, the NEP for DPWH was approximately P717 billion, net of automatic appropriations, while the GAB added P20 billion to bring the total to P737 billion. However, he stated that he only saw a P10 billion allocation for the construction of water systems in underserved upland barangays and he was unable to account for the other P10 billion. Senator Angara explained that the additional P20 billion allocated to the DPWH was a result of the “plus-minus” of the following programs:

Decrease

General Administration	P 2.5 billion
Support to Operations	42.4 billion
Locally Funded Projects	8.9 billion
Foreign Assisted Projects	17.1 billion

Increase

Asset Preservation Program	P 6.6 billion
Network Development Program	5.5 billion
Bridge Program	1.9 billion
Flood Management Programs	19.3 billion
Convergence and Special Support Program	57.5 billion

As to why the P10 billion for the construction of water systems in underserved upland barangays was highlighted and as to where the items mentioned by sponsor would be allotted for, Senator Angara replied that there is a regional breakdown of the said amount, which was only one of the many movements in the DPWH budget. He affirmed that such water systems project would fall under convergence.

On the issue of accuracy of the summary of changes made by the House of Representatives to the P10 billion NEP, Senator Angara stated that he would be furnishing Senator Pimentel with a copy of the items he read earlier. He added that Committee Report No. 10 was the same as the GAB and that there was no internal realignment or re-allotment.

Referring to the earlier interpellation on the funding of the infrastructure works in BARMM, Senator Pimentel recalled that the DPWH secretary said that a bridge forms part of a national road, network or system, which is why the DPWH can extend financial assistance or Congress can even provide in the GAA funds for something related to that national road or bridge. He clarified that the roads and bridges alluded to by Senator Dela Rosa refer to the infrastructures in the BARMM which has the funding responsibility therefor.

On the difference between a national road and a local road, Senator Angara pointed out that Executive Order No. 113, series of 1955, sets forth the national road network system which includes the bridges. Senator Angara affirmed that the DPWH has an inventory of all national roads and bridges and that when the road and/or bridge fall under the DPWH “national” listing, the government could fund the same through the GAA. He said that there had been a long debate on the funding of infrastructure works in BARMM.

As to whether an amendment, if accepted or becomes part of the GAA, could then fund the rehabilitation, repair, or extension of a national road or bridge inside the BARMM, Senator Angara replied in the affirmative.



As to the purpose of the P100 million per region allotment by the DPWH as discussed during an earlier interpellation of Senator Revilla, Senator Angara replied that the fund would be used for the purchase of dredging equipment, not for hauling equipment. He explained that while the regional DPWH office would own the dredging equipment, the LGUs of that particular region could borrow it.

On whether there is a reasonable civil works contract and contractor's profit in the private sector and if such concept is carried over to public works contracts by having a profit ceiling, Senator Angara replied that the profit margin is around 8 to 10 percent in program of works while the final profit margin would depend on the bid—which may be lower than the indicated amount in the program of works.

At this juncture, Senator G. Ejercito relinquished the Chair to Senate President Zubiri.

To the query whether commitment fees represent the penalties to be paid in case the government fails to execute or implement a project, Senator Angara replied that commitment fees are inherent parts of loan agreements whether or not delay in the implementation of a project is incurred, such that its payment is not taken from the DPWH budget, but is managed by the DOF through the Bureau of Treasury that negotiates the loan agreements.

Senator Pimentel noted that the 2021 COA report flagged the DPWH for its failure to sustain the 3,440 infrastructure projects worth P245 billion. He then read the pertinent observations and recommendations of the report, to wit:

“The provisions of the contract/loan agreements...were not observed or complied with in the implementation of foreign-assisted infrastructure projects funded by the Official Development Assistance (ODA) which adversely affected the timely utilization of the loan proceeds and completion of the projects, thereby resulting in the incurrence of commitment fees amounting to P97,274,420.19 (P97.3 million) in CY 2021.”

Senator Pimentel expressed the fear that the GAB's reduction in the government counterpart for the foreign-assisted infrastructure projects would delay the implementation of projects that would result to incurring commitment fees or other fees related to the delay. Senator Angara shared Senator Pimentel's concern, adding that since the Executive is the one that contracts the loan and implements the spending of the loan proceeds, it is in a better position to know about the spending priorities.

As to how much was reduced in the government counterpart for the foreign-assisted infrastructure projects under the GAB, Senator Angara replied that it was P5 billion.

On whether the Senate was inclined to agree with House version or with that of the Executive branch, Senator Angara replied that the Body would still have to reconcile the figures in the period of amendments since it is the department that usually decides on which fund it prefers to restore.

As to the DPWH secretary's position on the matter, Senator Angara replied that the former would want government counterpart fund for the foreign-assisted infrastructure projects restored. Senator Pimentel then stated that he would be looking into the House committee report as to the explanation for the budget cut.

Adverting to the department's flood control programs, Senator Pimentel asked why some places in Marikina experienced flooding during Typhoon Ondoy but did not suffer the same during Typhoon Paeng. Senator Angara however pointed out that there were also certain areas of the country that experienced rains which they never experienced before, such as Biñan and Sta. Rosa in Laguna, many areas in Quezon Province, and Noveleta and Bacoor in Cavite.

When asked what was being done to control flooding in Metro Manila, Senator Angara responded that according to the Secretary, the agency has a flood master plan or feasibility study, and LGUs could approach DPWH for advice or assistance to determine the possible cause of flooding, particularly in relation to large river basins.

Senator Pimentel noted that in Cagayan de Oro, even light rainfall would already result in flooding in the Limketkai area. He stated that some infrastructure projects were blamed for the flooding, but no one could ascertain the cause.

Asked whether the LGU could request the DPWH to send its experts to Cagayan de Oro to analyze and recommend solutions to the problem, Senator Angara answered in the affirmative.

Senator Pimentel admitted that he himself could not pinpoint what really caused the flooding. He asked whether it was appropriate to say that the best engineers in the country could be found in the DPWH. Senator Angara replied that the DPWH officials were amused by the question. He surmised that the best and brightest of the nation's civil servants were with the DFA, and the best engineers with the DPWH. He said that the statement was a challenge to individuals to demonstrate their worth, and to DPWH personnel to strive to be the best.

Senator Pimentel inquired if the P45 billion, 45-kilometer road connecting Davao City and Panabo City was a DPWH project. Senator Angara replied that the Davao City-Panabo Road was ODA-funded, JICA-assisted project. He stated that the bypass is a four-lane road with two lanes in each direction, spanning 45.98 kilometers and including two mountain tunnels measuring 2.3 kilometers, two cut-and-cover tunnels measuring 350 meters and 130 meters, and a 600-meter underpass at the intersection of the Davao-Bukidnon Road. He added that the project was comprised of various packages, including Package 1.1 — 10.7 kilometers; Package 1.2 — 12.8 kilometers; Package 1.3 — 6.1 kilometers; Package 2.1 — 2.7 kilometers; Package 2.2 — 3.5 kilometers; and Package 2.3 — 9.7 kilometers. He stated that travel time from Davao City to Panabo City via the bypass road will be reduced from one hour and 44 minutes to just 49 minutes. He added that the road project would cost P46.8 billion and would be built between December 2020 and January 2026.

In reply to further queries, Senator Angara stated that the road system connecting Davao City to Panabo City was the Pan-Philippine Highway Diversion Road which went through the NEDA Board.

At this juncture, Senator Pimentel read the following question sent to him by email:

“While structural issues/defects affecting some bridges are already manifesting in the form of collapse causing property damage and death, the health condition of our flyovers and bridges in Metro Manila deserves special attention too. Take the case of the tall C-5 Ortigas flyover which I use at least twice a day. In the morning on my way to my Makati office, huge loaded trucks get stuck in traffic on that flyover. Adding to my concern is the fact that all of these big trucks are on the outer lane edge of the flyover where there is less structural support. This morning, not too far from the foot of the flyover/bridge is a green notice to the public, sign, which reads: ‘Be informed that on this site new bridge expansion joints will be installed. This is a DPWH Metro Manila First District Engineering Office project under contract with. DPWH took note of the bad condition of the expansion joint. I hope they also look into the structural integrity and the possible structural overloading which are happening. The flyover is very near the east valley fault. When I was younger, I can remember seeing loading capacity signs at the foot of the bridge. Now we have to guess. Looks like this practice must be reinstated.’”

Senator Pimentel called the DPWH Secretary's attention to the bridge collapse incidents mentioned during the committee hearing which took place prior to the collapse of the bridge in

Pangasinan. He surmised that the people may already be requesting that the government examine the integrity of the various public infrastructure.

Concerning the action plan that would assure the public that bridges, flyovers, and overpasses were still safe to use, Senator Angara responded that signs were installed on bridges indicating both their height and weight capacity limits; however, some vehicles weighing up to three times the limit continued to pass over the bridges, some of which were already quite old. He suggested that the law regarding overloading should be reconsidered as well.

Asked if ensuring the presence of prominent signs, like load limit, at the approaches to bridges was no longer standard practice, Senator Angara replied that the DPWH would ensure that such signs are in place.

Senator Pimentel then asked whether the San Juan Bantilan Bridge connecting Batangas and Quezon was a national or local bridge. Senator Angara replied that it was a national secondary bridge similar to the Carlos P. Romulo Bridge in Barangay Wawa, Bayambang, Pangasinan that collapsed during Typhoon Paeng.

As to the Borja Bridge in Catigbian, Bohol which collapsed on June 16, 2022 when a 12-wheeler truck carrying sand passed over it, Senator Angara said that it was a provincial bridge.

Asked whether the DPWH is not responsible for the repair, rehabilitation, or even inspection of the structural integrity of provincial or local bridges, Senator Angara replied in the affirmative, but stated that LGUs could consult the DPWH on matters like structural integrity of public infrastructure works, as well as flood control.

He further identified Clarin Bridge in Barangays Poblacion Ubos and Villalimpia, Loay, Bohol, which collapsed on April 27, 2022 and which claimed several lives, as a national secondary bridge. Senator Pimentel recalled that the bridge collapsed under heavy traffic, sending about a dozen vehicles plummeting into the river below and killing at least four people.

As to the Davao City-Kulafu River Bridge which collapsed on February 18, 2022, Senator Angara said that it was a national bridge. He explained that bridges are categorized as national primary, secondary, and tertiary: primary bridges are the backbone of highways, secondary bridges connect regional centers, and tertiary bridges connect municipalities.

Senator Pimentel disclosed that the Davao City-Kulafu River bridge was about to be turned over but it collapsed. He asked whether the contractor would rebuild the bridge and shoulder all the associated costs.

Senator Angara confirmed that additional costs regarding the collapse of Davao City's Kulafu River Bridge would be borne by the contractor.

Further, Senator Pimentel cited item no. 6 referring to a bridge which collapsed in Majayjay, Laguna on January 20, 2022, and item no. 7 regarding Bayugao Bridge in Sta. Cruz, Ilocos Sur which collapsed on October 12, 2021 due to flooding caused by Typhoon Maring. Senator Angara remarked that floods had weakened the pillar that supported the pier.

Finally, Senator Pimentel said that item no. 8 was the collapse of a bridge in La Carlota City, Negros Occidental on August 1, 2021 while three vehicles were crossing. He revealed that one girl suffered minor injuries, and 15 persons were rescued from the three vehicles.

To the observation that the amount of DPWH's Bridge Program had increased, Senator Angara explained that the funding includes retrofitting, rehabilitation, repair, and construction of new bridges.

Senator Pimentel hoped that the DPWH Secretary understood that his questions were intended to inform the public regarding the state of infrastructure in the country.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 5:35 p.m.

RESUMPTION OF SESSION

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

INTERPELLATION OF SENATOR GATCHALIAN

At the outset, Senator Gatchalian stated that instead of asking questions, he would cite a few items on which he requested the DPWH to submit the information to his office.

First, on the matter of electric poles along, and sometimes in the middle of, various national roads. He recalled that during the budget deliberation of the National Electrification Administration (NEA), he presented to the Body several pictures of these electric poles, which, based on the research done by his office, remained to be about 58,000 that need to be realigned. He said that over the last few years, about P4 billion had been allocated to relocate the polls but it was insufficient for the relocation and the relocation schedule was not catching up with the figures. He noted that in 2023, another P467 million will be allocated for poll relocation and the said amount was already beyond the P4 billion required to relocate the 58,000 polls.

At this point, Senator Gatchalian requested DPWH to submit to his office an updated number and timetable on the 58,000 poles to be relocated. He expressed doubts on whether the P4 billion would be enough to cover the pole relocation. However, he received information that to cut red tape, the reimbursement would be downloaded to the electric cooperatives directly instead of the NEA. He disclosed that there was supposed to be a MOA to be signed but the signing did not push through. He further requested that the documents be submitted to the committee before the period of amendments to allow his office sufficient time to make the necessary amendments.

On the school-building program, Senator Gatchalian stated that it was a shared relationship between the DepEd and the DPWH. He stated that P3.1 billion was allocated to build schools in 2022 but to date, only P30 million had been disbursed, which was less than 1% of the total allocated amount. However, he said that over the past few years, the appropriation to the school building program had been disbursed quite efficiently with about 96% on the average. He surmised that the delay might have been in the transfer of funds from the DepEd to DPWH and then it usually took one year for DPWH to construct a school building.

He then requested the DPWH to submit an updated status on the school building program and a strategic plan to implement, execute and expedite the construction of the school buildings and classrooms, which were about 167,000 based from the budget deliberations of DepEd the previous day.

Replying to the concerns raised by Senator Gatchalian, Senator Angara stated that there was P467 million in the GAB for the payment of utility relocation and that the DPWH would submit to the committee a comprehensive report on the matter at the soonest possible time.

On the school building program, he said that of the P3.19 billion appropriated in 2022, the DPWH received the SARO of P409 million on June 3, 2022 and another SARO of P2.64 billion



in October, 2022 for a total of P2.78 billion. However, he said that the DPWH was still in the process of bidding for the construction of the classrooms.

Senator Gatchalian recalled that in the previous day's plenary budget deliberation on DepEd, it was reported that approximately P403 billion was needed to construct new classrooms. He surmised that in the next few years, there would be an increased demand and allocation for the construction of classrooms, which was the reason why he requested from the DPWH the strategy on how to improve the turnover of the classrooms.

Moving on to another matter, Senator Gatchalian stated that the DPWH received the biggest budget allocation vis-à-vis the entire government budget, having received 13.6% of the P5.2 trillion budget allocation. He said that having checked the performance indicators of the DPWH in the GAA, he was surprised to discover that out of the 36 performance indicators in the GAA, only five exceeded targets, 15 had no data, while nine had no targets. He stressed the importance of achieving the performance targets, considering the huge amount being allocated to the DPWH.

He then requested that the DPWH commit on improving and taking the performance indicators seriously to be able to gauge its performance.

Senator Gatchalian expressed hope that with the new Secretary, the DPWH would be able to improve its recording, allowing the Body to determine whether the department was spending its budget prudently. In this regard, he requested that the agency submit a commitment to the Senate along with a letter detailing the department's strategy for improving its recording of performance indicators.

Senator Angara acknowledged Senator Gatchalian's observation. Regarding the performance indicators, he said that only a few that had been exceeded, while the rest remained unfulfilled. He stated that he would remind the agency to complete its report and fill in the details corresponding to the unfilled indicators.

Regarding the delayed infrastructure projects of DPWH, which Senator Gatchalian estimated to be 3,440 items totaling P245 billion, Senator Angara stated that the agency would submit to the committee a report with an updated list of the projects, a new timetable outlining the execution and catch-up process involved; and a strategy to avoid similar delays in the future. He stated that according to the Secretary, the project delays were likely caused by the previously implemented "For Later Release" (FLR) policy. In addition, he stated that of the P245 billion, a compliance rate of 33.58%, or approximately P82.2 billion, represents projects that have been completed or have resumed implementation.

Senator Gatchalian stated that the delays were a result of issues with the technical viability of the projects during their feasibility and preliminary engineering studies, which he believed the department could control. He urged the DPWH to include commentary on the delayed projects in its report to the committee.

He also observed that delays in the foreign-assisted projects led to an increase in project costs, necessitating that the government pay at least P93 million in commitment fees. He opined that the delays were caused by various processes within the control of the department and that the government paying the fees would not be to the public's benefit. He requested that a list of delayed foreign-aided projects be provided to the committee, along with the reason for the delays and the total amount of commitment fees charged as a result. He believed that by submitting the required document, the agency would be able to avoid future project delays.

Senator Angara reaffirmed the DPWH's commitment to submit all of Senator Gatchalian's requested reports. He then thanked the chairperson of the Committee on Energy and noted that his well-researched questions had helped expedite the proceedings.

↑

INTERPELLATION OF SENATOR VILLAR (M)

Senator Villar (M) expressed his full support for the DPWH budget. Having served as the department secretary for more than five years, he stated that he was very familiar with the department. He then commended the agency for its hard work, and welcomed his former colleagues who were present in the gallery.

He stated that the DPWH was one of the agencies tasked with implementing the Coconut Farmers and Industry Trust Fund Act for the benefit of the country's coconut farmers, and with consolidating and expediting the delivery of benefits due to them to increase their incomes, alleviate poverty, and achieve social equality. He added that under the law, infrastructure development will receive a 10% annual allocation to be implemented by the DPWH in identified coconut-producing LGUs. He stated that DPWH shall prioritize the use of coconut coir or Coconet Bio-Engineering Solutions for controlling soil erosion and for slope stabilization road construction and other applicable projects.

Concerning what coconut farmers can expect from the DPWH regarding its use of coconut coir and coconet, Senator Angara believed that the agency has undertaken slope protection projects using coconut coir in the past. He added that he has seen a similar project implemented in his own province of Aurora about a decade ago. He informed the Body that the use of "coconet" for slope protection has been encouraged whenever possible. Senator Villar (M) requested a detailing the extent to which the products were used for the purpose. Senator Angara responded that the department would indicate the amounts and allocations in its submission. Senator Villar (M) thanked Senator Angara, believing that government ought to promote the products because they provide means of subsistence.

Asked how much was allocated in the GAB for the Maintenance and Other Operating Expenses (MOOE) of the DPWH, Senator Angara responded that the House of Representatives allotted approximately P11.32 billion, a reduction from the National Expenditure Program (NEP) allocation of P24 billion.

As to the specific purpose of the MOOE, Senator Angara replied that the fund was for the repair and rehabilitation of infrastructure and facilities, maintenance of national roads and bridges, and operation of way bridge stations. He added that the fund proactively covered simple small-scale activities associated with the routine upkeep of infrastructure and other assets, in an effort to protect them against normal wear and tear.

On the basis for the original amount specified in the NEP, Senator Angara stated that the length of the national road was the basis for the amount. Senator Villar (M) surmised that any reduction in the fund would result in a decline in the quality of service provided by the department. Senator Angara responded affirmatively.

Senator Villar (M) opined that for the proper maintenance of way stations and bridges, regular inspection activities should be covered by the maintenance fund. He then noted that most of the earlier-mentioned collapsed bridges were caused by overweight trucks that traversed the bridges on a regular basis. Moreover, he stated that way stations are among the items covered by the maintenance fund. He also pointed out that the amount allocated to the maintenance fund was directly proportional to the level of service that the DPWH would be able to provide to the public. Thus, he believed that Congress should endeavor to provide the amount recommended by the agency. In response, Senator Angara stated that the DPWH Secretary agreed with Senator Villar (M) on the issue.

MANIFESTATION OF SENATOR VILLAR (M)

Senator Villar (M) informed his colleagues that if they wished to see the full extent of the DPWH's service capabilities, they should begin by allocating the funds necessary to carry out the



maintenance of roads and bridges, thereby ensuring the safety of the infrastructure. He urged the Members to heed the recent news reports of bridges collapsing, adding that the same could have been avoided with a properly allocated budget for maintenance. He emphasized that the budget cut would have serious medium- and long-term repercussions, including fatalities. He then urged his colleagues to carefully consider the matter. In conclusion, he reiterated his call for the Body to support the agency's recommended maintenance fund, noting that it would only be able to carry out its tasks if it received the necessary resources.

Senator Angara thanked Senator Villar (M) for his intervention. He clarified that the House of Representatives' budget cut, which left the amount at P11.3 billion, was still substantially larger than the 2022 GAA amount of P4.4 billion.

REMARKS OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri stated that the five years of the Build, Build, Build Program represented one of the nation's golden ages in infrastructure development. He attributed the program's success to Senator (M) Villar's stint as the department secretary, as well as the agency officials present in the gallery. He stated that he had never witnessed as much construction of six-to eight-lane roads across the country.

For his part, Senator Angara estimated that three times as much infrastructure was built during Senator (M) Villar's tenure compared to the same period in previous administrations. He added, however, that his remark was not intended to diminish any other administration's achievement, but merely to emphasize that the Duterte administration's thrust was on infrastructure, which former DPWH Secretary Mark Villar delivered as one of its architects.

Senate President Zubiri then mentioned the Cebu-Cordova Bridge as one of the numerous bridge programs made possible by the senator's feasibility studies while he led the agency. He then expressed hope that the programs will eventually connect the entire Visayas. He stated that he and his constituents in Mindanao immediately felt the improvement brought about by the addition of new roads to the existing Sayre Highway. He stated that with the addition of new alternate routes, they were no longer subject to the hours-long traffic jams in the Sayre Highway whenever accidents occur. He again commended Senator Villar (M) and the entire agency for a job well done.

SUSPENSION OF SESSION

With the consent of the Body, the session was suspended.

It was 6:30 p.m.

RESUMPTION OF SESSION

At 6:49 p.m., the session was resumed.

INTERPELLATION OF SENATOR CAYETANO (A)

Preliminarily, Senator Cayetano (A) pointed out that low-wage earners such as construction workers, welders, and tinsmiths are the unsung heroes behind the nation's infrastructure, but remain poor in contrast to contractors who have the necessary resources for their projects.

He then recalled that U.S. President Biden had signed an executive order mandating the need for a labor agreement whenever the U.S. federal government awards a contract worth more than

\$35 million. He suggested that the DPWH, along with the contractors' associations and labor unions, come to a similar agreement to establish uniform building parameters, such as paying workers five percent more than the minimum wage on public works projects, that way, skilled workers undertaking government projects would not be enticed to move to the private sector.

Concerned that the government might lose more skilled workers as a result of the booming economy and the increasing involvement of the private sector in infrastructure development, he requested that the DPWH Secretary monitor compliance for the social protection of its employees, such as the payment of their the SSS and Pag-IBIG contributions.

In addition, he suggested utilizing a convergence program in which seminars can be held with regional directors to discuss how they can access innovative projects with other agencies, such as the Department of Housing, in order to prepare housing for minimum wage workers. Senator Angara replied that the DPWH has committed to ensuring compliance for social protection programs for workers, including SSS, PhilHealth, and Pag-IBIG, among others.

Senator Cayetano (A) also proposed TESDA's inclusion in the program for unskilled workers or those wishing to upgrade their skills.

Referring to his slide presentation on the Grand Summary of the Programs and Projects of the DPWH, Senator Cayetano (A) noted that the appropriations for the Asset Preservation Program (APP) under Operations in the General Appropriations Act for 2019, 2020, and 2021 were only half of those for the Network Development Program, but would be nearly the same in 2022 and 2023.

In addition, he noted that the allocation of more than P90 billion for the Flood Management Program remained the same in 2019 and 2020, with only a 10% increase in 2021.

At this juncture, Senator Angara requested a hard copy of the summary from Senator Cayetano (A).

Senator Cayetano (A) noted that the 2023 APP budget would be used for maintenance and flood control rather than the construction of building networks and infrastructures. He added that the Local Program's budget had been slashed in 2022, but that it was included in the Convergence and Special Support Program alongside a new item called Locally-Funded Projects. He then asked if the aim of the government is to "build better more," as opposed to "build more flood control and maintenance."

He then explained that the DPWH budget was divided into three programs: General Administration and Support; Support to Operations; and Operations. He also enumerated the following programs and projects with their corresponding appropriations: Asset Privatization Program, P90 billion; Support to Operations under letter (e), for maintenance, repair, rehabilitation, and infrastructure — P11 billion; Bureau proper — P71 million; routine maintenance of national roads — P6.8 billion; routine maintenance of national bridges — P759 million; and maintenance of floating equipment — P647 million.

He also enumerated the following budget appropriations: Asset Preservation (maintenance and rehabilitation), P90 billion; under Operations, Flood Management (construction and maintenance of flood mitigation projects), P105 billion; and preventive maintenance for foreign-assisted projects, P891 million for primary roads and P662 million for tertiary roads.

He said that the total appropriations for maintenance and rehabilitation would be more than P200 billion, which indicates that it is a budget for maintenance rather than for construction.



Additionally, he remarked that something appeared to be amiss with the government's public works because preservation efforts were focused on projects that were either too old or of substandard quality.

Upon further queries, Senator Angara clarified that the item on floating equipment refers to dredging equipment. He added that the DPWH's inventory includes 90 amphibious excavators, 40 multi-purpose dredgers, 21 cutter suction dredgers, 20 support vessels, two trash skimmers, and 63 land-based equipment worth P15 billion to P20 billion.

On another matter, Senator Cayetano (A) noted the erratic fluctuations in maintenance appropriations as can be gleaned from the following figures: P215 million in 2019, P215 million in 2020, P430 million in 2021, P100 million in 2022, and P467 million in 2023. He assumed that the government purchased the equipment because it was cheaper to use and operate than to outsource dredging, but wondered why its maintenance was so costly.

He also noted that the P90 billion allocation for Support to Operations is broken down as follows: 1) Preventive maintenance — P14 billion for primary roads, P11 billion for secondary roads, and P6 billion for tertiary roads; and 2) rehabilitation, construction, and upgrading of paved roads (P17 billion), P7 billion for primary roads, P5 billion for secondary roads, and P4 billion for tertiary roads.

He pointed out that the appropriation does not include the P33 billion for the rehabilitation and construction of roads prone to slips, slopes, collapse, and landslides, broken down as follows: for primary roads – P6 billion, for secondary roads – P15 billion, and for tertiary roads – P11 billion.

Furthermore, he stated that the appropriation for the rehabilitation of secondary roads in 2021 was P32 billion, excluding the construction, upgrading, and rehabilitation of drainage for national roads.

Regarding the bridge program, he stated that P4 billion had been allocated for the retrofitting and strengthening of permanent bridges, while P 2 billion had been set aside for the rehabilitation and major repair of permanent bridges. He wondered why the construction of new bridges has a budget of only P1.3 billion while retrofitting and rehabilitation were allocated P6.8 billion.

In response, Senator Angara stated that government is compelled to maintain its assets.

Relative thereto, Senator Cayetano (A) suggested that the DPWH inform the President about the situation as he might be anticipating that more resources would be allocated for the construction of new infrastructures rather than their maintenance. He noted that in previous years, maintenance budget allocations for infrastructures constructed during the Duterte and Aquino administrations were only half of what was proposed for 2023. He then asked if there were any infirmities in the construction of the infrastructures to warrant a substantial allocation for maintenance.

Senator Angara opined that the department had shifted its focus to the maintenance and rehabilitation of existing roads and infrastructures since there were no more national roads to be paved. Senator Cayetano (A) disagreed, stating that there was still an urgent need for farm-to-market roads, particularly given that President Marcos had made agriculture a priority of his administration. He hoped that Senator Angara would take the matter into account during the bicameral conference.

On another matter, Senator Cayetano (A) referred to the budget line item labelled as "Engineering and Administrative Overhead" (EAO) in previous years' national budgets and renamed as "Pre-Project Related Expenses" in the 2023 GAA. He recalled that the line item, which was created during the Arroyo administration, was intended to supplement the then-P47 billion



DPWH budget and ensure the proper construction of the country's infrastructure. He opined, however, that the EAO was no longer necessary because the DPWH had sufficient resources to carry out the EAO's various projects and mandates, given the increase in the department's budget to P700 billion and the allocation of P11.6 billion and P25 billion for Personnel Services (PS) and MOOE, respectively.

He noted that the EAO was meant for the following expenses, as indicated in the GAA: 1) administrative overhead including hiring of individuals engaged to job order or contracts or services under the engagement of personnel without employer-employee relationship; 2) pre-construction activities after detailed engineering; 3) construction of project management; 4) testing and control; 5) acquisition, rehabilitation, repair of related equipment; 6) contingencies related to pre-construction activities; and 7) maintenance and operating expenses.

Given the substantial allocation in the DPWH budget, Senator Cayetano (A) inquired as to whether the aforementioned items were already included in the different bureaus' mandates and, thus, could be carried out by them. Senator Angara responded that the budget for the bureaus was insufficient to fund the 23,000 EAO-related projects.

Asked why the EAO budget was not transferred to the bureaus for greater accountability, Senator Angara responded that the department's bureaus were merely service bureaus.

As to why the GAA provision for quarterly reports, which existed in the GAA from 2018 to 2022, were deleted from the 2023 General Provisions, Senator Angara responded that the agency did not initiate any effort to remove the provision and that he had no objections to its reinstatement.

On why the term "local infrastructure program" was changed to "basic infrastructure program," Senator Angara replied that because of the Mandanas ruling, the term "basic infrastructure" was preferred.

Senator Cayetano (A) noted that approximately 8.5% of a project's budget would be allocated for administrative expenses, and that the EAO would account for 3.5% of the project cost, the bigger part of which would be for Personal Services and MOOE items. He stated that the department's current allocations for PS and MOOE were P11.6 billion and P25 billion, respectively, or 4.9% of the total budget. He opined that it might be more cost-effective to just abolish the DPWH and have the Regional Development Councils (RDCs) submit project proposals to the National Economic and Development Authority (NEDA) while the DBM-PS procures the project for a 3% fee.

As to the number of bureaus under the DPWH, Senator Angara stated that it has six: Bureau of Design, Bureau of Construction, Bureau of Maintenance; Bureau of Research and Standards; Bureau of Quality and Safety; and Bureau of Equipment.

Senator Cayetano (A) then asked for the budget allocations of the Bureau of Quality and Safety and the Bureau of Maintenance.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 7:24 p.m.

RESUMPTION OF SESSION

At 7:36 p.m., the session was resumed.



Upon resumption, Senator Angara informed the Body that 74 of the Bureau of Quality and Safety's 88 authorized positions had been filled, while 64 of the Bureau of Maintenance's 83 authorized positions had been filled. As for the budget, he stated that it was all lumped into Personal Services, the specifics of which would be submitted to the Body.

Senator Cayetano (A) stated that if the agency officials were to attend an international convention of best practices on highways, infrastructures, or transportation, the Philippines might be a laughing stock if questioned about the number of individuals involved in safety and quality. He emphasized the need for the bureau to cultivate quality control specialists, just as private hospitals refer to the Department of Health for testing. He lamented that although the Bureau of Quality and Safety have 88 employees, its expertise was not developed because it had been impeded by the EAO.

Senator Angara stated that similar to senators' offices, the bureau strived to develop competencies for a good office. Senator Cayetano (A) stated that any senator's office has a sufficient number of staff members and approximately 10% of them were outside consultants. He emphasized that the consultants' budget was not lodged in the bureau, but in the EAO.

On whether all P200 billion worth of projects went through the Bureau of Maintenance, Senator Angara stated that regional and district offices are responsible for maintenance operations.

Senator Cayetano (A) asserted that in the same way that local governments have social welfare departments, the DPWH should have its own bureau of maintenance in the regions and districts. But he pointed out that the regional directors and district engineers were taken out of the equation due to the EAO. He stated that he would like to assist in finding a solution to "build, better, more" projects, as opposed to just "build, maintain, and control" projects to address floods. He expressed concern that the bureaus lacked the budget and personnel, whereas the EAO had a budget of approximately P1 billion.

At this point, Senator Cayetano (A) requested the people in the gallery, who were responding to his queries on the side, to provide the information to their agency officials who, in turn, could relay the same to the committee chairman so that these could be put on record.

Regarding the Bureau of Quality and Safety, Senator Cayetano (A) noted that the report indicated that up to September 2022, EAO had spent P1 billion for testing. He questioned why the P1 billion was not allocated to the bureau to use for standards and safety testing. He believed that the testing should have been requested by the regional director of the bureau, as it was the proper procedure.

Senator Angara stated that the secretary informed him that the EAO is project deducted and is included in the cost of the project, while the bureau establishes the standards. Senator Cayetano (A) stated that if it were the case, everyone would conduct their own testing standards and the bureau would be of no use because it had no authority to oversee it. He assumed that if Bureau of Curriculum of the DepEd, for instance, has an EAO, the bureau would not be involved in the publication of its books.

Senator Angara stated that according to the secretary, bureau personnel visit regional and district offices to ensure compliance with the standards they have established.

Senator Cayetano clarified that he was not questioning the necessity of the bureau's pre-construction activities, like testing of materials, but he was inquiring about the 3% budget reduction that would be performed by someone outside of the DPWH's structure. He stated that a district engineer, for example, would want to perform well in order to advance to the regional level. But he believed that the personnel in the department would not want to transfer to the Bureau of Quality



and Safety because there are neither jobs nor promotions within the bureau's budget. He noted that other departments do not have EAO because the work required of them would be performed by the bureaus where the budget is lodged. He questioned why the DPWH would continue to maintain the bureaus if they were unrelated to the P200 billion maintenance projects.

Further, he pointed out that currently, the district engineers and regional directors submit their own proposal on the use of the P200 billion maintenance projects; that the Bureau of Maintenance is removed from the picture; and that the budget had been split between the support to operations and operations departments. He lamented that he was having trouble locating the budgets because they were buried under various projects, including construction with maintenance, rehabilitation with maintenance, support, and operations, among other things.

Asked if there was an allocation for preventive maintenance for foreign assisted projects (FAPs), Senator Angara replied in the negative. Senator Cayetano (A) referred to an entry in the FAP Asset Preservation Program: P891 million for primary roads and P662 million for rehabilitation, reconstruction, and upgrading of paved roads. Senator Angara clarified that there was a preventive maintenance component for FAPs in the past, but there would be none for 2023.

Senator Cayetano (A) noted that the budget for FAPs was P53.539 billion; for Ensure Safe and Reliable National Road, P35,939,000,925; and for Preventive Maintenance, P891,710,000. Senator Angara explained that according to DPWH officials, FAPs were once integrated with operations; however, operations were separated from the programs where FAPs are lodged. Senator Cayetano (A) remarked that the FAPs budgets were typically listed under local counterpart projects.

As to whether it was the local counterpart of the budget—including the loan proceeds—for foreign-assisted projects in the budget, Senator Angara replied in the affirmative, adding that P53,539,000,000 would be the subtotal for foreign-assisted projects.

Asked why there was a component for preventive maintenance over a project that was ongoing, Senator Angara stated that he would provide a written answer because the explanation of DPWH was quite lengthy.

Pointing out that the Bureau of Maintenance should be the office to explain on the matter, Senator Cayetano (A) then inquired as to the organizational setup of the DPWH and its six bureaus including their functions.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 7:52 p.m.

RESUMPTION OF SESSION

At 8:00 p.m., the session was resumed.

Senator Angara stated that before the suspension of session, Senator Cayetano (A) inquired about a project and its preventive maintenance item in the budget amounting to P891 million under the foreign-assisted projects. The former explained that the project was a JICA-assisted program for long-term performance-based maintenance contract. He added that in the road upgrading and preservation project for the period 2014 to 2023, the cost for the fiscal year 2023 would be P1.191 billion while the Philippine counterpart would be P891 million and loan proceeds amounting to P300 million.



Citing page 806 of the GAB, Senator Cayetano (A) stated that there was the asset preservation amounting to P35 billion; GOP, P14 billion; loan proceeds, P21 billion; preventive maintenance, P891 million; rehabilitation and reconstruction, P662 million; and road network development, P21 billion. He noted that the allotment showed that the government would be borrowing even for maintenance.

He then called the attention of the DPWH officials that the Bureau of Maintenance is different from the Bureau of Maintenance Standards that merely sets a level of quality. He opined that the new administration should learn from the past and use its free hand to accommodate change, as he acknowledged the knowledge, experience, and reputation of incumbent DPWH Secretary Bonoan who came back to the department after his retirement as a senior undersecretary and public servant for four decades at the DPWH.

Senator Cayetano (A) clarified that he is not saying that the P20 billion engineering and administrative overhead (EAO) should be taken out from the budget but that there should be a better way of getting and spending the fund like helping the DPWH employees have a much clearer career path. Senator Angara agreed.

Asked how planning was being done in the DPWH, Senator Angara stated that the Planning Service of the department was headed by Undersecretary Maria Catalina "Cathy" E. Cabral. He explained that the regional offices and district engineering offices have their own planning and design, prepare the plans, collect data, do the engineering designs, and submit the regional budget proposals to the Planning Service which then prepares the consolidated annual infrastructure program based on the submissions of the regional offices and the district engineering offices.

As to whether the department needs a preventive maintenance budget in the second year and as to when the preventive maintenance starts, Senator Angara replied that a new construction is under a one-year warranty and that the maintenance starts on the second year and continues thereafter.

Asked on the difference between preventive maintenance and routine maintenance, Senator Angara explained that routine maintenance refers to the proactive simple small-scale activities associated with the regular and general upkeep of infrastructure or assets against normal wear and tear, whereas preventive maintenance is performed on roads in fair to poor condition, which is more extensive than routine maintenance and aims to prevent or delay deterioration to a bad condition where rehabilitation is already required. He stated that preventive maintenance includes asphalt overlay, asphalt overlay with corrections, and selective re-blocking. Consequently, he stated that maintenance consists of routine maintenance, preventive maintenance, and rehabilitation.

In response to reports that there was no asphalt overlay during Secretary Singson's tenure, Senator Angara recalled that Secretary Singson wanted roads to be concreted and did not approve of simply gravelling roads.

Senator Cayetano (A) stated that he followed the same asphalt overlay rule in his district. He added that dredging was prohibited in his district unless riprapping was performed.

When asked if Secretary Singson's policy was successful and if the current Secretary would consider asphalt overlay as a general rule in his first year in office, Senator Angara responded that the current DPWH administration would prefer preventive maintenance because it prolongs the lifespan of the road. Senator Cayetano (A) noted, however, that asphalt overlay could be performed in sections and at night.

Senator Cayetano (A) questioned why the budget for maintenance would double the following year, not only for the DPWH but also for other agencies. He stated that Congress could decide



the budget based on the department's submissions, just as a private subdivision developer would present the owner with a manual detailing, among others, the budget for new roads, housing units, parks, swimming pools, and other facilities, as well as the budget for maintenance. Senator Angara stated that the DPWH would present the basis for its budgetary proposals.

Senator Cayetano (A) reiterated that the maintenance budget was excessive, unless there was evidence that the agency truly required the funds. He expressed some concern that the government was heavily indebted for a budget that prioritized maintenance over the construction of new highways or roads, especially those leading to tourist attractions. He recalled Senator Angara as saying that tourists had already flocked to Aurora after it was featured on television, despite the fact that the roads and hotels were still being constructed; therefore, even more so if roads are already built.

Senator Angara concurred with the suggestion of Senator Cayetano (A), which was similar to the theory underlying the government's convergence program to build roads for tourism. He stated that it was a tested method for rural development.

As to what projects would be prioritized if ever Congress would decide to give the agency, for instance, P1 trillion, and whether maintenance would still claim one-third of the whole allocation, Senator Angara replied that the Secretary and the Undersecretary for Planning would prioritize big-ticket and high-impact projects.

Senator Cayetano (A) then posed questions on the following: 1) the average budget for maintenance; 2) a four- or six-lane highway; 3) the number of years of rehabilitation; 4) the degree of rehabilitation to be performed; and 5) the non-priority projects in the GAB. He believed that the district engineers and regional directors have knowledge of the details which could guide Congress in its budget deliberations, and that Congress could then assist the department in resolving any issues.

Furthermore, he observed that the budgets of certain congressional districts decreased by 93%, for example, from P2.5 billion to P2 billion, P2 billion to P1.4 billion, P13 billion to P1 billion, and P2.3 billion to P160 million. He questioned how districts could conduct testing, safety, and preconstruction activities in light of such budget cuts. He also inquired as to how the matter the GAB had remedied the issue. Senator Angara responded that the department officials had not seen the entire GAB and that they had also posed several questions to the Senate about the matter.

Senator Cayetano (A) inquired as to whether Congress has changed its rule, recalling that during the tenure of then-Senator Lacson, the approval of the RDC and the DPWH was required before the budget could be altered. He asked if the Senate was already permitting the House of Representatives to insert projects without the agency's knowledge. He suggested that the matter be discussed in caucus.

Senator Angara responded that Congress would decide what to do with the budget. He recalled that the rule cited by Senator Cayetano (A) was proposed by then-Senator Lacson and adopted by then-DBM Secretary Avisado, but such a self-imposed policy was no longer enforced after Secretary Avisado left the agency.

While acknowledging that the Constitution vests the power of appropriations in the legislature, and that the two Houses have self-imposed rules (on the budget process), Senator Cayetano (A) believed that the previous practice before was a prudent safeguard.

In this regard, he cited a line item in the NEP that allocated P145 million for the construction of coastal road and slope protection along the San Luis-Alitagtag Road in Batangas, which appeared twice in the NEP, and was identical to the other. Worse, he said, the San Luis-Alitagtag

road is not a coastal road. He surmised that the proposal involved the construction of a coastal road in the western portion of San Luis, Batangas but not as far as Alitagtag, which does not share a coastline with San Luis. He asked as to how the item was made it onto the NEP.

Senator Angara stated that it was the reason why then-Senator Lacson insisted on detailed project descriptions to avoid duplications, and that Congress should adopt a similar policy to prevent double entries. In addition, he recalled that during the discussion of the previous budget, a church was mentioned as a notable landmark, but it could not be found in the area.

The good news, Senator Cayetano (A) stated, was that such anomalies are not widespread. He stated that he merely wished to the DPWH Secretary's attention a few issues in the budget process.

Senator Angara stated that the Secretary appreciated the interventions of Senator Cayetano (A).

Senator Cayetano (A) noted, among other entries, two entries in the NEP for the Davao City Diversion road, without specifying whether it was Phase 1 or Phase 2, two appropriations for the construction of flood control in Tacloban City; and two appropriations for the construction of flood control in San Nicolas, Pangasinan, for a total of P1.06 billion.

Senator Angara stated that the DPWH had already submitted its corrections to the House of Representatives, and the same could be verified in the GAB.

Observing that the list of projects in various areas had the same description while others did not provide for the progress of construction, Senator Cayetano (A) opined that the DPWH should invest in a software that identifies duplicate projects. Senator Angara suggested that the DPWH be allowed to check the GAB and explain why there were duplication of projects, so that the necessary adjustments could be made during the period of amendments.

On another matter, Senator Cayetano (A) stated that during the committee hearings, a number of senators mused why the contingent funds for calamity or quick response were listed in lump sum. He averred that items which could not be predicted could be listed in lump sum, but not those that could be listed as a line item. Senator Angara agreed to the statement.

Asked how much the lump sums were submitted in the GAB, Senator Angara said that the DPWH secretary had not seen the entire GAB yet.

Thereupon, Senator Cayetano (A) stated that he would furnish the DPWH secretary a summary of projects in lump sum. Senator Angara believed that the DPWH should be given a chance to itemize the line budgets as in the past, otherwise, such funds could be realigned.

On unused appropriations, Senator Cayetano (A) disclosed that in 2016, the total available fund was P570 billion but P144 billion were unused. For 2020, during the pandemic, he noted that P41 billion were unused while P87 billion were unused out of P749 billion in 2021. Considering the assurance by the DBM secretary that the department funds would be released, Senator Cayetano (A) requested the DPWH secretary to find out why there were unobligated funds, duplicate projects, and line items in lump sums so that when different procurement entities would start bidding out early in 2023, the possibility for unobligated and unreleased funds would be minimized.

With respect to the Toll Regulatory Board (TRB), Senator Cayetano (A) disclosed that in 2013 or 2014, the Food Terminal, Inc. was sold and privatized partially, and part of the deal was that its development would be connected to the Skyway. However, he noted that various problems came about like traffic and the high increase in right-of-way rates from P38,005 per square meter to



P500,000 per square meter. He added that the TRB and DPWH counterparts said that they would seek legal opinion from the DOJ regarding right of way issues, although, he believed, that was not necessary because the law is clear that when the government needs the land for a public purpose, expropriation could be allowed. All these, he said, contributed to the delay in the said project.

Moreover, Senator Cayetano (A) stated that the DPWH secretary had told him that he would consult the stakeholders to find funds for right of way expenses. He said that the Ayala Group, which purchased 70 hectares from FTI, donated their side of the right of way. He then asked whether the department would still seek legal opinion or would already push for expropriation next year. Senator Angara stated that the DPWH would move for expropriation or negotiations in order to expedite the process.

Senator Cayetano (A) hoped that the laws passed by both Houses of Congress would be implemented to achieve a faster process for right of way projects so that the only thing left is reconciling the fair market value and zonal value of the land for expropriation.

Regarding COA's pre-audit activities for expropriation projects, Senator Cayetano inquired as to the price offer to a property for expropriation which was assessed at P5,000 when the zonal value of the last ten houses sold in the same area were P10,000 each. Senator Angara stated that the amount that would be offered would be only P5,000, otherwise, the DPWH or anyone expropriating, including the LGUs and DOTr, would be put in bad light. He said that the expropriation process must be followed on very friendly terms to speed up foreign-assisted projects.

SUSPENSION OF SESSION

Upon motion of Senator Angara, the session was suspended.

It was 8:48 p.m.

RESUMPTION OF SESSION

At 8:54 p.m., the session was resumed with Senator Ejercito presiding.

SUSPENSION OF CONSIDERATION OF THE BUDGET OF DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

Upon motion of Senator Villanueva, there being no objection, the Body suspended consideration of the budget of the Department of Public Works and Highways (DPWH).

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 8:55 p.m.

RESUMPTION OF SESSION

At 9:03 p.m., the session was resumed.

DEPARTMENT OF LABOR AND EMPLOYMENT AND ITS ATTACHED AGENCIES

Senator Legarda presented the budget of the Department of Labor and Employment (DOLE) and its attached agencies, namely, the Office of the Secretary, Institute for Labor Studies, National

ds

Conciliation and Mediation Board, National Labor Relations Commission, National Wages and Productivity Commission, Professional Regulation Commission, and Technical Education and Skills Development Authority in the amount of P49,223,122,000.

She informed the Body that she had a lengthy meeting with the labor department, which was separate from the budget hearing of TESDA, as well as another briefing with DOLE, during which they discussed several programs and comprehensively addressed numerous issues. She stated that she wanted to ensure that the budget would address employment issues and the plight of overseas Filipinos, including those who lost their jobs during the pandemic, as well as the unemployed and the underemployed.

She then welcomed proposals to increase the agencies' budget and expressed willingness to answer any questions.

INTERPELLATION OF SENATOR TULFO

At the outset, Senator Tulfo expressed his support for the budget of the Department of Labor and Employment and its attached agencies, as the Filipino workers have always been his top priority. He noted that for years, he had been helping them get their compensation and benefits from their employers. He pointed out that the workers suffered so much during the pandemic, and this time they were burdened by the effects of high prices and inflation. He added that many businesses also suffered losses, so they did not hire many workers.

Thus, he said, he wanted to ensure that the government's arm tasked to promote gainful employment, govern and protect the rights of every Filipino worker has sufficient budget to effectively execute its mandate. He underscored that the role of DOLE was very crucial during these trying times. He believed that with the budget given to DOLE, the areas of improvement could be attained, which include, among others: 1) speeding up the process of resolving cases before NLRC to ensure that judgment awards for employees can be executed fully and timely; 2) increasing the number of arbiters to accommodate more cases; and 3) full digitalization in the filing of cases.

Senator Tulfo then pointed out that the budget for Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD) under the NEP was P14,884,879,000 and that it was increased by the House of Representatives to P20.6 billion.

Senator Legarda stated that her stint in the House of Representatives made her realize the importance of cash-for-work program at the local level, particularly during a pandemic, which helped a large number of out-of-school youth, as well as unemployed and underemployed individuals, who were provided with additional sources of income for the short term—ranging from 10 to 30 days. She believed that opportunities for corruption would be limited in the case of the TUPAD Program because the funds would go directly to the program's beneficiaries.

She also stated that when she was a neophyte senator, she would speculate as to why the Members of the House of Representatives would always propose amendments to the particular budget. She stated that when she represented the lone district of Antique in 2019, it was then when she realized that the program was effective in helping individuals in rural areas, particularly farmers, to receive minimum wage even on a temporary basis, when they would normally earn merely between P2,000 and P3,000 per month.

Senator Legarda clarified, however, that there were other alternatives to the TUPAD Program such as the Government Internship Program (GIP), which caters to individuals under the age of 30, and the Kabuhayan Program, which provides funding and equipment to displaced workers.



Noting that the Kabuhayan Program has a longer application process than the others, she requested that the DOLE look into the possibility of expediting the application process in light of the nation's recovery from the pandemic.

She believed that the GIP and the Kabuhayan Program were truly beneficial schemes that deserved budget increases if it was within the agency's capacity to absorb it, as it would also be of great assistance to families of overseas Filipinos.

She then stated that as long as TUPAD remained corruption-free, its recipients would continue to benefit. In this regard, she informed the Body that she was doing everything in her power to ensure that the *status quo* was maintained by informing the individuals with whom she was working in her district that the cash assistance should go directly to those in need.

Senator Tulfo then proposed that DOLE, and not the politicians, be authorized to distribute the funds to TUPAD recipients. Senator Legarda responded that politicians had nothing to do with the program. She stated that from the NEP to their work in their respective Houses, legislators were excluded from the distribution of funds, and that the involvement of local government officials—governors, board members, mayors, vice mayors, councilors, and even barangay captains—was limited to coordination work with the DOLE provincial officer, whose job was to list down and vet possible beneficiaries of the program after the funds had been downloaded to the regional level. She stated, however, that she did not know if TUPAD funds could be downloaded to an LGU.

As regards the Kabuhayan Program, Senator Legarda stated that if an entity is accredited, it could partner with accredited local government units in the implementation of the program, in addition to cooperatives and associations. However, she emphasized that it should be the DOLE provincial officer's responsibility to compile the list of TUPAD beneficiaries, and believed that the fund should directly benefit the program's target—the poor individuals.

In addition, she confirmed that both the Assistance to Individuals in Crisis Situations (AICS) and the TUPAD programs were of great assistance to the Province of Antique and other regions in the country during the height of the pandemic-induced lockdowns.

Senator Tulfo stated that based on his own investigations, a number of politicians have been directly distributing amounts from the TUPAD Program, citing District 2 in Quezon City where politicians pocketed P6,000 from the supposed P10,000 cash-for-work assistance, leaving the recipient with only P4,000. Senator Legarda believed that the act was illegal and the persons behind the scheme should be put in prison.

Senator Tulfo reiterated his earlier suggestion that TUPAD funds should go directly to the DOLE, as he believed the agency to be capable of identifying qualified program recipients. As the funds were being downloaded by politicians themselves, he stated that the process of identifying the program recipients has become arbitrary, giving the politicians' friends, relatives, campaign manager, driver, and bodyguards, among others, instant slots in the TUPAD program. He also informed the Body that the program was being used to advance the political careers of public officers, as it was easy to believe that the funds were coming from the politicians' personal accounts rather than from the government.

Expressing agreement with Senator Tulfo, Senator Legarda then proposed that he, as chairperson of the Committee on Migrant Workers, draft a special provision to prohibit such practice of politicians giving out TUPAD funds, as well as to draft a memorandum of agreement with local governments. She also stated that unlike the Kabuhayan Program, which requires partnership with LGUs or cooperatives, TUPAD relies solely on their agency's manpower and its absorptive capacity to carry out the program. Senator Tulfo stated that he would readily approve



the amount requested by DOLE, and even increase it, to assist displaced workers in sustaining themselves, as long as it was not to promote politicians during elections. Senator Legarda concurred that public officials should not use the TUPAD Program for political purposes, especially in providing financial assistance only to individuals who support them.

She recalled instances in which she gave financial assistance to poor people in her own province regardless of their political affiliation, knowing that she was spending taxpayers' money, to which everyone is entitled regardless of who they supported in the previous election. She believed that if DOLE were to implement the TUPAD Program, it would be in the same spirit, without political bias to truly serve the public. She said that during the period of amendments, Senator Tulfo could propose a specific safeguard provision to address the concern.

Senator Tulfo then enjoined the department to be responsible stewards of the billions of pesos entrusted to it by Congress, and to use the funds to help poor people find employment through the program. He expressed support for the TUPAD Program's inclusion in the DOLE budget, believing that, in the aftermath of the pandemic, the program would not only aid the labor sector recover from unemployment, but also benefit the economy.

He cited instances during mediation procedures by the DOLE between worker-complainants and employers, where the complainants did not have a lawyer to represent them while the employers had the resources to hire lawyers to defend them. He inquired if it would be possible for the mediation process to be completely devoid of lawyers, rendering the affair to be solely between the employee and the employer, with a human resource representative present, in order to level the playing field. He added that lawyers representing employers are known to employ a variety of tactics to coerce the worker-complainant into settling the case for a small amount of money. Senator Legarda replied that the DOLE was receptive to the senator's proposal, and that an amendment to the Labor Code of the Philippines, which classifies mediation as a confidential activity could be proposed.

Senator Tulfo added that if the presence of a lawyer could not be avoided, the worker-complainant should at least be provided with a lawyer from Public Attorney's Office to level the playing field. Senator Legarda concurred in the proposal.

Further, Senator Tulfo informed the Body that another common scenario involving labor complaints was that the DOLE inspector would meet with the employer or company representative in a private room in the absence of complainant, and after the meeting, the investigator would usually leave the room happy. Senator Legarda urged Senator Tulfo to continue exposing such anomalies.

On the other hand, Senator Tulfo cited instances where the DOLE inspectors were not allowed to enter establishments. Senator Legarda replied that DOLE inspectors have visitorial powers, and it would be a violation on the part of the employers if they refused to allow inspection of their establishment. Senator Legarda stated that such an act would be a violation because they have visitorial rights and that further complaints could also be brought before the DOLE.

Senator Tulfo said that several workers who had won the case they filed with the NLRC had come to his program seeking his assistance as they were not able to collect what is due them. He said that it is a situation that has been going on for several years and yet the NLRC has done nothing to address the issue.

He explained that after shutting down operations, some company owners would sell their land and properties, close their bank accounts and change the name of the company and its ownership so that their employees would have nothing to run after. He wondered why the NLRC leadership



has not done anything to help the affected workers, adding that he could have asked the senators or congressmen to pass remedial legislation.

On the suggestion of Senator Legarda to forfeit the cash bond deposited, Senator Tulfo said that he had been informed by the complainants that there was no cash bond. He affirmed that the slow execution of decisions by the NLRC and the lack of bond is the problem which should be addressed through legislation. He expressed concern over the plight of the workers who were illegally dismissed by their employer and had been forsaken by the NLRC because of the slow process in resolving their case.

Senator Legarda stated that the DOLE and the Senate should think of possible solutions to the decades-long problem. She said that the agency under the helm of newly installed Secretary Laguesma committed to come up with possible remedies through legislation.

Relative thereto, Senator Tulfo proposed to have the rules changed so that the cash bond or escrow fund is made equivalent to the amount of the claims. In response, Senator Legarda asked Senator Tulfo to give the NLRC a list of the complaints of those who already won in the dispute so that it could immediately act on their concerns.

For his part, Senator Tulfo likewise suggested that the sheriffs of the agency should be made to take seminars on the proper protocols for going about their duties as it seemed that many of them are not doing their job well. He said that he had even learned that some sheriffs even instruct the claimants to look for ways how they can be awarded their claims when it should be the responsibility of the former. Senator Legarda said that the agency only asks the sheriffs for assistance but does not issue orders. She then stated that she shared Senator Tulfo's advocacy for protecting the rights of the Filipino workers.

Upon further query, Senator Legarda said that the NLRC chairman would be in office until he reaches the age of 65. Senator Tulfo said that he would try to pass the legislation minimizing the term of the NLRC chairman.

Expressing his desire to find a permanent solution to problem, Senator Tulfo said that for several years, people from the labor sector had been coming to him with the same complaints but he was only able to offer temporary remedies. He said that he would call on the NLRC and DOLE to get justice for the affected workers and stated the belief that those who have less in life should have more in law.

Senator Legarda reiterated that the DOLE was willing and happy to serve the complainants and act on the complaints of Senator Tulfo. She requested Senator Tulfo to inform her of steps that had been taken by agency regarding the issue after the passage of the budget.

Senator Tulfo also requested the DOLE to remind the NLRC to always answer the phone calls of the representatives of the workers as well as rid its office of fixers.

For her part, Senator Legarda stated that she learned much from the labor sector and was glad that Senator Tulfo has been helping the poor, the downtrodden, and the mistreated workers.

In summary, Senator Legarda said that Senator Tulfo would furnish the DOLE with the list of the names of the complainants who have gone to his TV program so that the labor secretary himself could look into the complaints in the NLRC. She stated that there was also a request for the special provision on TUPAD to be under the administration of DOLE. Finally, she said that Senator Tulfo also expressed his intention to introduce possible legislation regarding the confidentiality of the mediation proceedings.

INTERPELLATION OF SENATOR PIMENTEL

At the outset, Senator Pimentel noted that the budget of the TUPAD had been reduced in 2023. He pointed out that TUPAD is not actually cash assistance for the poor but is financial aid for disadvantaged or displaced workers, otherwise it would be a program of the DSWD.

Noting that TUPAD is a good government initiative, he sought assurance that there would not be a repeat of the Pampanga incident involving questionable distribution of cash assistance under the program. He then asked how the agency should tighten the rules in order to prevent such a situation from happening again.

Senator Legarda stated that she would accept the proposed special provision to ensure that the funds would be allocated to the TUPAD-designated sectors. She explained that it was a temporary cash-for-work fund distributed to job-seeking beneficiaries.

Senator Pimentel hoped that DOLE had learned from the incident in which 2,600 recipients had identical identification numbers. He added that in Magalang, Pampanga, a single individual received the compensation of 35 TUPAD claimants. He said that such anomalies could be detrimental to the program if they occurred again. Senator Legarda explained that she tried to promote transparency during the pandemic by being virtually present in the distribution of TUPAD funds and by monitoring orientations and distributions. She reiterated her acceptance of the special provision and the responsibility for the program's oversight.

Concerning the presence of syndicates who control the outcomes of cases filed with the NLRC, Senator Pimentel stated that he shared Senator Tulfo's concern based on reports from the field that such anomalies did occur. He stated that as representatives of the people, it is their responsibility to protect not only employees but also small and medium-sized enterprises.

Senator Legarda responded that the senators could directly contact the DOLE secretary or the NLRC board to raise such concerns. Senator Pimentel stated that he would continue to pursue the issue even after the budget deliberations.

Asked what was being done to address the issue of child labor in the country, Senator Legarda stated that the Special Release on Working Children and Child Labor Situation conducted by the Philippine Statistics Authority in 2020 estimated that approximately 600,000 children, aged five to 17, were engaged in child labor, the majority of whom were from Region X, Region V, BARMM, Region VII, and Region IVA. She stated that in addition to the Anti Child Labor Law, other measures were being taken to combat child labor caused by intergenerational poverty exacerbated by natural disasters and calamities, especially by the pandemic, which measures included emergency employment programs, job placement facilitation, skills training through TESDA, financial, housing and medical assistance, the 4Ps Program of the DSWD, and sustainable livelihood programs. However, she acknowledged that despite the numerous programs, it was difficult to completely cover the country's nearly 20 million poor and 2.6 million unemployed.

She emphasized that the government must provide seed money to create microenterprises, nano enterprises, and self-employment in addition to doleouts, as she expressed her willingness to monitor such challenge.

Senator Pimentel opined that Senator Legarda's response of anti-poverty intervention programs did not directly address the issue of child labor. However, Senator Legarda pointed out that the solution must involve a convergence of government programs and agencies. She expressed regret that such issues continue to exist despite the existence of anti-child labor and anti-trafficking of persons laws. She stated that laws alone are insufficient, and that the Senate must exercise its oversight functions over their implementation.



Asked if the eradication of child labor was a priority of the department, Senator Legarda stated that the DOLE has a Child Labor Prevention and Elimination Program that profiles and locates child laborers in an effort to remove them from the situation. In addition, she stated that the children are referred to appropriate agencies to receive safety-related services, while the program provides livelihood assistance to the parents of the child laborers, including business start-up kits and materials.

Furthermore, she stated that the department has a Sagip Batang Manggagawa program, which is an interagency quick-response mechanism that responds to cases of child labor in difficult conditions, as well as Project Angel Tree which offers a variety of social services including food, clothing, educational assistance, and work and training opportunities made available by benefactors to child laborers and their families.

Senator Pimentel stated that he would examine the budget allocations of the aforementioned programs and expressed his hope that the sum would reflect the department's priority as articulated by the secretary.

Asked whether the department was studying the idea of a legislated minimum wage, Senator Legarda replied that the Regional Tripartite Wages and Productivity Board (RTWPB) determines the minimum wage rate in the respective regions after consulting with all stakeholders.

Senator Pimentel surmised that based on the response, the labor secretary was not keen on the idea of a nationally-legislated minimum wage. He opined that the Regional Tripartite Wage System can be reconciled with the concept of a mandated national minimum wage wherein Congress would legislate a national minimum wage if it determines that the regional minimum wage rates are insufficient for a family to live a decent life, and the RTWPBs could provide for a higher amount should they deem it necessary for their regions. Senator Legarda concurred that it made conceptual sense.

Concerning the Continuing Professional Development (CPD) Program of the Professional Regulatory Commission (PRC), Senator Pimentel expressed dismay over the feedback that PRC-licensed professionals view continuing education as an additional financial burden, as opposed to professional development as intended by law. In reply, Senator Legarda stated that such was the underlying rationale for the proposals to amend the CPD Act of 2016. She added that Congress can exercise its oversight function to assess the effectivity of the law.

Further, Senator Pimentel stated that when going to work, he would see construction workers on the ledges of buildings without any harness or protection. He said that he had repeatedly raised the issue with Senator Villanueva and inquired about the implementation of the Occupational Safety and Health Standard Law. Senator Legarda stated that random inspections are the responsibility of the Worker's Welfare Protection Cluster under Undersecretary Benjo Santos M. Benavidez. She then urged the cluster to strictly enforce the law.

For his part, Senator Villanueva stated that he was closely monitoring the implementation of such law. He recalled that two years after the passage of the law, the department's budget was increased by P200 million to accommodate the additional inspectors. He stated that whenever he observed construction sites that did not appear to comply with OSH standards, he would notify the DOLE, and the department would take immediate action. He concurred with Senator Pimentel that the department should update the senators on the law's implementation, the number of inspectors, and the agency's targets.

Senator Legarda pointed out that while the law was relatively new, its compliance rate after correction increased by 10% between 2019 and 2022. She informed the Body that 69,369 business

4

establishments were inspected in 2022, and 3,973,195 employees were covered by the program. She admitted that although there had been progress, there was always room for improvement.

Senator Pimentel averred that there would always be accidents, but some could be prevented. He stated that allowing a worker to paint on the sixth floor without a harness would be inviting an accident to occur, which is a violation of the law. He maintained that since the law was nearly five-year old statute, it should have a system in place. He also recalled an incident in Cebu in which a worker was killed while operating a machine. He stated that the DOLE regional office penalized and fined the company.

QUESTIONS OF SENATOR HONTIVEROS

At this point, on behalf of Senator Hontiveros, Senator Pimentel read the following questions regarding the Technical Education and Skills Development Authority, to which Senator Legarda responded accordingly:

- 1: Based on the assessment and certification of the middle level skilled workers through the Philippine Technical Vocational and Training Competency Assessment and Certification System (PTCACs) program of the TESDA, there is a need to hire competent assessors who will conduct competency assessment process for persons applying for certifications. How many accredited assessment centers does the agency have? How much budget is allocated for each of the accredited center? From this allocation, how many trainers and assessors can the agency hire? And how much does the agency pay for each assessor? A group of assessors complained that they received a very minimal amount of P300 per person with no security of tenure and social benefits like SSS, PhilHealth and Pag-IBIG, while some of them were exposed to hazardous work especially during the training.

Senator Legarda informed the Body that as of October 2022, there were 21,737 holders of national Technical-Vocational Education and Training (TIVET) certificates and 7,516 accredited competency assessors, and that the assessors' fee was P3,192 per assessment batch, or P319.20 per candidate. She stated that complainants may contact TESDA directly or through her office.

2. It seems that the DOLE's budget for 2023 is just business as usual. The economic recovery targets, which supposedly require creating jobs, were not reflected because of the big budget cuts in the workers' protection and welfare programs like the TUPAD and Employment Facilitation Program. What is the reason for the budget cut? Can trade unions and employers' groups, aside from the LGUs, get a significant share of TUPAD and other livelihood programs of the DOLE through the regional tripartite wages productivity boards, regional tripartite industry peace council, and unions of workers associations in the localities?

Senator Legarda explained that the NEP is the budget of the President as prepared by the DBM; the GAB is a product of the House of Representatives; and the GAA reflects the amendments of the legislators from both houses of Congress. She reiterated that the TUPAD typically begins at a certain level, while legislators in their respective districts add amendments as they see fit. She emphasized that the budget is the largest legislative process, and that effective programs would receive larger allocations, while those with low absorptive capacity or low turnout would remain the same or receive smaller allocations.

Regarding the trade unions receiving a significant portion of the TUPAD and other livelihood programs, she stated that so long as the organizations are eligible, they can be beneficiaries. She noted that the DOLE budget has a special provision that gives priority to indigent families under the National Household Targeting System for Poverty Reduction, informal sector families under the next lower poverty level as determined by DSWD, and indigenous people, agrarian reform beneficiaries, and women who perform unpaid care and domestic work.



3. Does the department monitor the full implementation of RA 11210, the Expanded Maternity Leave Law, which was passed in 2019? Are the workers in the private sector already benefitting from this law? How many workers in the informal sector have availed of the benefits of the law? Were there complaints related to the implementation of the law?

Senator Legarda stated that based on inspections of 74,945 establishments in MIMAROPA, Regions I, V, VI, VII, and NCR, overall compliance rate with the law was 99.98%

4. Occupational safety and health is critical to achieving decent work. Last October 7, trade union and organized workers globally celebrated the World Day for Decent Work. Are there available data on work-related injuries, accidents, diseases, and deaths, specifically in terms of industry, working-age populations, and causes.

Senator Legarda stated that available data indicated 125 accidents, the majority of which occurred in the construction, agriculture, mining and quarrying industries, and a lengthy list of COVID-19 infected workers.

5. Are there occupational and health committees in workplaces especially where there are no organized unions and associations?

Senator Legarda stated that according to the DOLE, compliance was 97.32% in the 74,945 inspected business establishments, as it is a requirement under the law.

6. In Section 10 of the implementing rules of the Telecommuting Law, DOLE set up an establishment report system where DOLE is notified about work-from-home arrangements. How many employers, covering how many workers, and what jobs have so far given notice of the work-from-home arrangements?

A study on the teleworkability of different job positions in different industry subsectors was published in 2021 in the *Philippine Review of Economics*. The author, Mr. Ian Generalao, for example, revealed that teleworkability is near 50% for financial and administrative professions and wholesale and retail trade, while it is above 50% for jobs in entertainment, professional and scientific services, real estate, education, finance and insurance, and ICT. Having been vetted by our best labor economist like former NEDA Secretary Emmanuel Esguerra, can these estimates be used as indicators of potential demand for work-from-home activities? Can DOLE set up an index of possible unmet demand for work-from-home arrangements?

Senator Legarda assured the Body that the DOLE would comply with the requests of Senator Hontiveros.

Senator Pimentel informed the Body that he already asked Sen. Marcos, chairperson of the Committee on Foreign Relations, to support the DOLE's initiative on the ratification of the International Labour Organization (ILO) Convention No. 190 (C190) or the Violence and Harassment Convention of 2019.

Senator Legarda stated that the ratification of a treaty is an action by the Executive—in consultation with the department concerned—which would require the concurrence of the Senate. She asked the labor department to speed up the process in the ongoing consultation in order for the treaty to be signed by the President and delivered to the Senate for concurrence.

Asked whether it would be possible for the DOLE to call for a tripartite review with regard to the country's minimum wage setting, Senator Legarda replied that the labor secretary was in favor of a wage increase and that he had already directed the regional wage boards to review the Minimum Wage Law and the minimum wage rates in the regions.

Senator Pimentel then requested the department to submit the following data to his office: the number of agency-hired workers and directly hired workers, a list of industries that have the greatest number of contractual workers, and the definition of contractual workers.

As to the department's plan in lowering the number of contractual workers, Senator Legarda replied that she could not answer the question because the government itself is the biggest employer of contractual employees. She stated that the government should prioritize cleaning its own backyard before addressing the same problem in other sectors. She then suggested the conduct of a hearing in order to have an inventory of contractual workers both in the private sector and in all branches of the government, for the additional purpose of legislating a bill that would provide minimum benefits for government workers. Senator Pimentel pledged to attend the said hearing.

Senator Pimentel reminded the labor secretary to also review the department's own authorized positions, both filled and unfilled, the number of its job orders and CEOs, hoping that the DOLE will espouse the end of contractualization in its own agency. Senator Legarda replied that she would have the DOLE prepare the data on contractualization and its extent in government—legislature, judiciary, or executive. She then stated that she would be putting a special provision in the budget that would provide health insurance, accident insurance, PhilHealth, and other benefits for job order employees in government.

INTERPELLATION OF SENATOR VILLANUEVA

Senator Villanueva stated that Section 12 of Republic Act No. 7796, or the TESDA Law, states that the Director-General shall be assisted by two (2) Deputy Directors-General to be appointed by the President of the Philippines on recommendation of the TESDA Board, one to be responsible for Vocational and Technical Education and Training and one to be responsible for Policies and Planning. He then inquired as to the number of deputy directors-general in the present TESDA.

Senator Legarda replied that four deputy directors-general were present in the session hall and the fifth was not there.

On whether there was a need for an additional deputy-director general and what job the appointee would be fulfilling, Senator Legarda replied that both the Secretary and the Director General were not consulted and were not familiar about the appointment of the fifth additional deputy-director general. She surmised that the person was accommodated in the agency for lack of another job in government for him.

At this point, Senate President Zubiri inquired on the legality of appointing officials in excess of what is stated in the law, in this case it was limited by law to two deputy-directors general. Senator Legarda replied that the additional person was a coterminus political appointee who could be hired if the government provides the budget to pay for the PS.

Senator Villanueva stated that when he was the TESDA secretary, there were only two deputy-directors general. He expressed his dismay that the current TESDA secretary and labor secretary were not consulted on the additional appointment so they did not know the functions of the last appointee.

Senate President Zubiri then requested the suspension of the *Rules* in order to hear the answers directly from the two secretaries.

Senator Villanueva clarified that he did not have anything against any appointee to the deputy director-general post. He said that he received a copy of the fifth appointment letter dated October 9, 2022, while the third and fourth deputy directors-general were appointed by the previous administration.

Senate President Zubiri underscored that the government should trim the bureaucracy considering that the present administration was practicing rightsizing.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 10:45 p.m.

RESUMPTION OF SESSION

At 10:48 p.m., the session was resumed.

SUSPENSION OF THE RULES OF THE SENATE

Upon motion of Senator Villanueva, there being no objection, the Body approved the suspension of the Rules of the Senate to allow DOLE Secretary Bienvenido E. Laguesma and TESDA Secretary Danilo "Danny" P. Cruz to respond directly to the queries of Senate President Zubiri.

Following is the full exchange between Senate President Zubiri, Senator Villanueva, and TESDA Secretary Cruz:

Senate President Zubiri. So, if we may address the question. The Chair will now address the question to the Secretary of TESDA.

Good evening, Secretary Cruz. First of all, the charter is very clear. Correct me if I am wrong, in the charter—because you have a charter for TESDA. It is different from the departments where you have a leeway to political appointees, for Asec. positions and Usec. positions. But when you have a charter for a particular agency created by law, the law has to be followed. *Delikado kasi* because *tama iyong point na sinasabi ng ating* Minority Leader, that how can they get their salaries and emoluments if they do not have an item under the law? If the law only says two deputy directors-general, *paano nagkakaroon ng apat or lima? Paano nagkakaroon ng tatlong extra?*

So, first, can you clarify for the record that the law states that there are only two directors-general allowed under the charter?

Mr. Cruz. Mr. President, members of the Senate, TESDA Act of 1994 provided for the plantilla positions of two deputy directors-general. But, during the last administration, this was increased to four deputy directors-general.

So, when we assumed the position few months ago, we submitted the application for four deputy director general. The plantilla deputy director-general will be the deputy for policies and program; number two, the deputy for operations; the additional two—one will handle administration and finance and the number four will handle legislative matters, legal, and partnership.

Senate President Zubiri: Yes, Secretary, but, again, you came up with two new items without amending the law. Therefore, you are in violation of the law. I have no clue. I have no idea who the deputy directors-general are. I have nothing personal against them. I am just stickler for rules, just like the Minority Leader, we are sticklers for the laws here because what will prevent a fifth, a sixth, a seventh, and an eighth if we do not follow the charter of TESDA. Do you agree with me, Secretary?

Mr. Cruz: Yes.

Senate President Zubiri: It is not just a violation of law but can be also—

Mr. Cruz: But this is happening to a lot of government institution.

Senate President Zubiri: Yes, but there is no legal basis for it, Secretary.

Mr. Cruz: There is a plantilla position but the appointing power will appoint additional.

Senate President Zubiri: Maybe there is a lack of knowledge of the appointing authority because I had a chance to talk to the executive secretary and executive secretary said he will look into this. He did not know. So, being a new appointee, as a matter of fact, he is just going to be confirmed next week. So, we just like to ask the secretary to just confirm that the law states only two deputy directors-general. Is that correct?

Mr. Cruz: Yes.

Senate President Zubiri: Okay. On the issue of the new appointee, was he even vetted out amongst the secretary of labor and who is the chair of the board as well as the TESDA leadership? Was there a consultation between the two of you?

Mr. Cruz: Honestly, we were not consulted nor requested to endorse the appointee.

Senate President Zubiri: The new appointee. And besides, even if you endorse him, under the law, it is still a violation of law because there is really no item for a third, and a fourth, and a fifth appointee.

We would like to put this on record because we want to streamline the bureaucracy. You want to cut off the path and you want to make sure that we are not in violation of the law. Your reasoning, Your Honor, with due respect, you have been my friend for a very long time, since Congress days *lahat tayo magkaibigan*, but with the visioning that it is being done by others should not be the right and legal reason. Because it is being violated by other agencies, should be violated also by TESDA. What we should do is clamp down on those other agencies as well.

So, I just wanted to put that on record. Does anyone of our colleagues also want to ask questions?

Senator Villanueva: Just one intervention and ask the good secretary of TESDA. Just to try to understand the additional appointment for the fifth deputy director-general. Would the secretary give us a bird's eye view of what it is like to have another deputy director general? Are you thinking of an emerging industry, perhaps, that another deputy director-general should be focusing on that, no one is actually doing right now in TESDA? Do you have anything of that sort of idea, *na puwedeng gawing limang deputy directors-general na kung saan ang batas ay sinasabing dalawa lang po dapat?*

Mr. Cruz: Members of the Senate, I can honestly say that the four deputy directors-general can handle all the existing jobs at TESDA.

Senator Villanueva: Thank you.

Mr. Cruz: But having received the appointment of the additional... we can probably... everybody can contribute to the job of TESDA. And right now, we are thinking of just designating him as Deputy Director- General for special concerns.

Senate President Zubiri: Correct, but I believe, we are still at the opinion that it is a violation of the law. There is no legal basis for them to be appointed as directors-general. We will point this out to the proper leadership all the way up to the President if need be, but, definitely, sorry *na lamang iyong matamaan na iba*. If there is a recommendation for four deputy directors-general, Secretary, then you write us. The proper action to take is to amend the law. But you cannot appoint new people into that plantilla. You may call them assistants, you may call them something, but they are not deputy directors-general. Unfortunately, that is the law. *Parang SRA iyan*. SRA, there is the chairman and then there are two members of the board. *Iyong NCMF*, there are five members of the board. *Iyong National Commission for Indigenous Peoples (NCIP)*, there is also a fixed number of directors. You cannot add to that. That is a violation of the law. I am surprised no one has questioned that yet with the Supreme Court. So, just for the record, we thank the good secretary for answering these questions and for their candid answers as well. Thank you.

TERMINATION OF THE SUSPENSION OF THE RULES OF THE SENATE

Upon motion of Senator Villanueva, there being no objection, the Body terminated the suspension of the Rules of the Senate.

db

Senator Villanueva stated that he asked Secretary Laguesma whether he was consulted on the appointment, and the secretary's answer was in the negative.

Asked by Senate President Zubiri as to the number of deputy directors-general when Senator Villanueva was chairman of TESDA, the latter replied that there were only two but prior to him, there were three. He recalled that during the budget deliberation in 2016, he already raised the same issue but it was left unanswered.

Senator Villanueva stated that he was an advocate of rightsizing and he fully supported the administration's call for rightsizing the different government agencies. He clarified, however, that rightsizing is different from downsizing because rightsizing would mean the need to be more efficient and effective in performing duties and responsibilities as public servants in different departments and agencies. He said that he has been consistent in pointing out duplication and overlapping of work, for instance in the budget of the Office of the Optical Media Board and the Commission on Filipinos Overseas; and that he would do the same in the budget of the DOST, which would be tackled the next session day.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF LABOR AND EMPLOYMENT AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budgets of the Department of Labor and Employment, Office of the Secretary, Institute for Labor Studies, National Conciliation and Mediation Board, National Labor Relations Commission, National Wages and Productivity Commission, Professional Regulation Commission, and Technical Education and Skills Development Authority were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 11:01 p.m.

RESUMPTION OF SESSION

At 11:14 p.m., the session was resumed.

DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

(Continuation)

Upon motion of Senator Villanueva, there being no objection, the Body resumed consideration of the budget of the Department of Public Works and Highways.

The Chair recognized Senator Angara, sponsor of the measure.

INTERPELLATION OF SENATOR CAYETANO (A)

(Continuation)

Senator Cayetano (A) stated that he, Secretary Bonoan and Senator Angara had already discussed his desire for reforms in the DPWH, particularly in institutionalizing and strengthening the duties of its engineers and directors by reviewing the organizational chart and the functions of every bureau. He then expressed his support for the budget of the DPWH.

INTERPELLATION OF SENATOR PADILLA

Senator Padilla observed that Sultan Kudarat had well-maintained roads while Maguindanao had rough roads which needed repair in order to improve transport going to Lanao del Sur and other areas, and to aid economic development in that part of BARMM.

As

Senator Angara stated that the DPWH Secretary had given the assurance that the agency would help improve the roads in Maguindanao.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Public Works and Highways was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 11:22 p.m.

RESUMPTION OF SESSION

At 11:32 p.m., the session was resumed.

DEPARTMENT OF TRADE AND INDUSTRY

Senator Villar (M) presented the budget of the Department of Trade and Industry (DTI) and its attached agencies for fiscal year 2023 in the amount of P7,789,331,000. He stated that the proposed amount covered the DTI-Office of the Secretary, as well as the attached agencies of the department, to wit: 1) the Board of Investments (BOI); 2) the Construction Industry Authority of the Philippines (CIAP); 3) the Design Center of the Philippines (DCP); 4) the Philippine Trade Training Center (PTTC); and the following attached corporations: 5) the Center for International Trade Expositions and Missions (CITEM); and 6) the Small Business Corporation (SBCorp). Additionally, he said that the proposal excluded the Aurora Pacific Economic Zone and Freeport Authority (APECO), the Technical Education and Skills Development Authority (TESDA), and the Cooperative Development Authority (CDA).

He also mentioned that no change was made to the Senate version of the 2023 GAB, except for the DTI-Office of the Secretary where the locally funded project called "Malikhaing Pinoy Program" amounting to P250 million was included.

MANIFESTATION OF SENATOR CAYETANO (A)

Senator Cayetano (A) informed the Body that he had already communicated to DTI Secretary Pascual an earlier concern regarding a certain company. On that note, he emphasized the need for the Secretary to strengthen the agency's consumer protection assistance, especially on complaints posted on social media. He surmised that an increase in the number of criticisms—such as on credit card or airline industry services, as well as on products bought from stores—should be enough for the DTI to launch investigations into said complaints. He added that a proactive stance on the subject was bound to inspire confidence from the consumers.

He also expressed hope that with each new administration, there would always be an opportunity to rightsize or reorganize; as well as solve the prevailing concerns of the agency. He then wished Secretary Pascual well in his succeeding six years with the Department. He surmised that the secretary's previous experience in the corporate world would translate to a systematic handling of the complaints on social media.



In reply, Senator Villar (M) stated that he would endeavor to ensure that the DTI functioned well under the watch of Secretary Pascual.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

At this juncture, Senate President Zubiri stated that it was near midnight, but 14 senators were still present in the session hall. Senator Villanueva then acknowledged the presence of the following senators: Senators Pimentel, Ejercito, Tulfo, Legarda, Cayetano (A), Cayetano (P), Padilla, Estrada, Revilla, Binay, Angara, Villar (M), Senate President Zubiri, and himself.

The Senate President thanked all the senators who were present that day.

INTERPELLATION OF SENATOR TULFO

As a preface to his interpellation, Senator Tulfo stated that during the budget briefings, he had a heated exchange with the officials of the DTI about instant noodles. He said that some people would consider it trivial but it was an important issue for the poor Filipinos since the consumption of cup noodles in the country has gone beyond the affordable amount and has a long-term effect to their health. He informed the Body that the DTI had acted on his concern and alerted the proper government agencies, particularly the FDA, to look into the high sodium content of instant noodles and other highly processed foods. He said that he would follow up the matter with the FDA.

He then expressed support for the increased budget given to the DTI, which would help the department in protecting the consumers from any fraud or unfair practices of unscrupulous businessmen, especially during this time of inflation when every centavo counts for the poor people.

Senator Tulfo then took notice of the following hard selling practices of crime syndicates in malls during the holiday season that would bait potential victims into the scheme: 1) letting the shoppers believe that they have won a prize via scratch card; 2) making the victims buy common household appliances such as vacuum cleaners, originally priced at P2,000, at a ridiculous price of P50,000 or thereabouts; 3) urging the use of credit cards to pay for the items when money from the victims' ATM cards would not suffice; and 4) the victims going back the following day to return the items and be told about the "no return, no exchange" policy, then realizing that they fell into a scheme.

Senator Villar (M) believed that the act represented an unfair sales practice, punishable under the Consumer Act which protects buyers from the sale of products at grossly excessive prices compared to their true value. He mentioned that the DTI would immediately undertake advocacy activities similar to what it did in the case of the instant noodles. He said that the agency would coordinate with the Office of Senator Tulfo in order to heighten the public's awareness of the issues so that consumers can file the appropriate complaint if they encountered a similar scheme.

Senator Tulfo suggested that if possible, the DTI should put up a 24-hour consumer hotline dedicated to solving such scams. In response, Senator Villar (M) informed the Body that the DTI currently has an existing hotline number—1384— accessible at all times of the day, and an email address—consumercare@dti.gov.ph—where the department could be reached.

In this connection, Senator Tulfo shared his experience with a certain government agency hotline that was supposed to be accessible at all times but could not be reached when called. He believed that a hotline is a better alternative than an email address, as the person talking to the complainant on the other line could act immediately on the concern.

As regards multilevel marketing wherein victims have been enticed to avail of membership packages that included products supposedly worth a certain amount like P30,000, Senator Tulfo



connected the practice to pyramiding schemes that involved as many as five levels. He explained that a closer scrutiny into prevailing market prices, such as in Divisoria, would reveal that the package availed of by the victims only cost P5,000; so the unscrupulous individuals behind the scheme would profit P25,000 per membership availed. He said that the scheme has been happening for a long time but the DTI and the Securities and Exchange Commission (SEC) were having problems going after the racketeers because they were actually selling products.

In response, Senator Villar (M) stated that the DTI was aware of the activity and had covered the multilevel scheme in the agency's *teleradyo* show to alert the public of the pyramiding scheme. He also mentioned that aside from the agency's show and its presence in social media, a seal of legitimacy was being awarded to companies engaged in direct selling and multilevel marketing per DTI Administrative Order No. 21-09, series of 2021, as amended, to inform the consumers of the legitimacy of certain multilevel marketing firms.

Senator Tulfo offered the DTI his radio show and his YouTube channel should it need additional venues to disseminate information about its programs. He also offered to interview some of its representatives if it needed to inform the public about specific issues. Senator Villar (M) said that the agency was very thankful for Senator Tulfo's support and was looking forward to educate the public regarding multilevel marketing scams.

Finally, Senator Tulfo informed the Body that when members of his staff dialed the hotline number earlier provided by DTI, an automated response stated that department representatives would only be available to entertain complaints from 8:00 a.m. to 5:00 p.m. Senator Villar (M) conveyed the DTI's apology and assurances that the matter will be rectified.

MANIFESTATION OF SENATOR PIMENTEL

Before starting his interpellation, Senator Pimentel stated that he would forward to Secretary Pascual the written questions that Senator Hontiveros wanted the DTI to answer. He said that the agency should directly send its answers to the Office of the Deputy Minority Leader and furnish a copy thereof to the office of Finance subcommittee chair Senator Villar (M). He highlighted the following concerns of Senator Hontiveros: 1) the Philippine International Trading Corporation's compliance with the Commission on Audit's recommendations regarding the parked funds; 2) the Information Technology and Business Process Management industry; 3) the skills shortage compensation and the influx of foreign workers in the construction industry; and 4) the post-pandemic credit problems of micro, small, and medium-sized enterprises (MSMEs).

INTERPELLATION OF SENATOR PIMENTEL

As former chairperson of the Committee on Trade, Commerce and Entrepreneurship, Senator Pimentel expressed his full support for the budget of the DTI and its attached agencies. He stated that the pandemic had raised public awareness of the agency's crucial function in government.

He then asked the rationale of the Small Business Corporation's request for government subsidy of P1.5 billion notwithstanding the existence of a corporate operating budget. In reply, Senator Villar (M) explained that the requested amount was not intended to fund the operation of the government financial institution but for the purpose of lending out to firms.

Senator Pimentel then asked whether indeed the GFI had predicted a net loss in the SBC's comparative income statement for fiscal year 2023, Senator Villar (M) replied in the affirmative, stating that SBC had made provisions for potentially delayed payments from firms that were provided loans during the pandemic. Senator Pimentel recalled that when he, as chairperson of the Committee on Trade, Commerce and Entrepreneurship, conducted hearings on the Pondo sa

Pagbabago at Pag-asenso bill, he was under the impression that the GFI was performing well, with a repayment rate exceeding 90%.

Senator Villar (M) stated that due to the pandemic, numerous businesses were in financial difficulties. He stated that the DTI believed it prudent to anticipate possible late payments from the MSMEs. He added that the situation was a unique case brought on by the health crisis. Senator Pimentel expressed optimism that the country's economy would rebound from the pandemic. However, he expressed uncertainty as to whether the composition of the post-pandemic economy would resemble that before the COVID-19 outbreak.

Asked whether SBC would submit a copy of its 2023 corporate operating budget to the finance subcommittee, Senator Villar (M) replied in the affirmative, adding that it would be the DTI that would be submitting the document. Senator Pimentel stated that he would review the loan loss provisions stipulated therein.

As to whether SBC received P10 billion under the Bayanihan 2 Law, Senator Villar (M) clarified that the amount that had been downloaded was only P8 billion, and that the P2 billion was not downloaded. He affirmed that the P8 billion had already been loaned out. He also stated that SBC's pre-pandemic collection rate was 98%, thereby confirming the earlier recollection of Senator Pimentel with regard to the GFI's performance.

Senator Pimentel inquired about the current collection rate of SBC, to which Senator Villar replied that the current rate was 80%, with a 20% default rate as a result of the pandemic.

Asked if the comparison between the pre-pandemic and pandemic figures of 98% and 80%, respectively, were based on the same set of borrowers, Senator Villar (M) replied in the affirmative, adding that the trend demonstrated the adverse effects of the pandemic.

Concerning the Philippine Creative Industry Development Council (PCIDC), which Senator Pimentel noted was not yet included in the NEP, Senator Villar (M) confirmed that the Senate had already adjusted the GAB in the subcommittee to accommodate funding for the newly created council. He stated that P250 million was added to the Malikhaing Pinoy Program for the purpose.

Asked whether it was safe to assume that the DTI had been consulted regarding the P250 million allocation for the Malikhaing Pinoy Program when the House of Representatives was formulating the GAB, Senator Villar (M) informed the Body that the initial request of the DTI for the program was P1 billion. He lamented, however, that the House deliberations had led to the aforementioned figure.

Senator Pimentel surmised that since the first order of business would be to convene the PCIDC and draft a creative industries masterplan, the first year and six months of the council's existence would be sufficient to determine if its initial funding of P250 million would be inadequate in relation to its plan. Senator Villar (M) stated that it would be Undersecretary Aldaba who would inform the Body of the plans of the newly created council.

Lastly, Senator Pimentel reaffirmed his support for the budget of the DTI and its attached agencies, adding that he would take Senator (M) Villar's lead on any further issues that could be taken up in the period of amendments. In response, Senator Villar (M) mentioned that he would look for ways on how to further improve the DTI's Malikhaing Pinoy Program.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri informed the Body of his unsolicited advice to Secretary Pascual about how the agency should tackle the issue of predatory pricing and excessive profiteering during

91

periods of inflation. He stated that in order to counter the aforementioned problem, Secretary Pascual himself should issue a stern warning on television that all those involved in the illegal activities would face proper legal action. He said he was glad to note that the DTI secretary seemed to be taking his advice to heart.

He stated that his advice stemmed from his tenure as chairman of the Committee on Trade, Commerce and Entrepreneurship prior to Senators Pimentel and Villar (M), and that he considered the DTI as one of the three, if not among the two most trusted government institutions. He lauded the agency for doing a good job, and encouraged it to keep earning the public's trust.

In addition to controlling inflationary predatory pricing, he also encouraged Secretary Pascual to continue the MSME development initiative begun by Secretary Lopez. He recalled that the former Secretary ran a weekly mentorship program for MSMEs called the KAPATID Mentor ME (KMMP) Program with the assistance of then-Presidential Adviser on Entrepreneurship Joey Concepcion. He stated that the program left an impact because it was conducted on a nationwide scale every weekend, in areas like General Santos City, Cagayan de Oro, and Metro Manila, via Zoom application. He also stated that epidemic had no effect on the mentoring of the MSMEs and expressed optimism that the initiative will continue under the present administration.

Senate President Zubiri also lauded SBC and recognized its president and CEO in the gallery. He deemed the GFI as the best among its peers, saying that it was easier for farmers, such as those in his home province of Bukidnon, to obtain a loan with SBC than to comply with the tedious requirements and procedures of Land Bank of the Philippines or the Development Bank of the Philippines. He added that SBC streamlined procedures and requirements so that all funds must may be cashed out at the conclusion of the transaction. He stated that if Secretary Pascual needed a budget for SBC and the MSME programs, he would only need to lobby with the Senate.

Regarding the investment program, which was also a topic of his earlier conversation with the Secretary, Senate President Zubiri mentioned one-stop-shop investment offices, which have become popular in countries such as New Zealand, Brazil, and Thailand. He said that although he was aware that the DTI had a similar program, increasing its visibility would not hurt government efforts. He also believed that establishing an investment office would effectively optimize the efforts of President Marcos in marketing the Philippines as an investment destination overseas. He then urged Secretary Pascual to determine if it was within the department's authority to establish such an office, citing the dilemma of certain investors who did not know whether to transact with PEZA, the Board of Investments, the Fiscal Incentives Review Board, or the DTI about their investment concerns. In addition, he asked the agency to employ a marketing group capable of maximizing the full potential of social media, the internet, and traditional media in attracting foreign investments to the country.

Senate President Zubiri suggested that the DTI hire a good marketing group to help attract investors into the country through social media as well as on TV and radio.

He also stated that some Members had come from a European mission in Brussels, Belgium and had invited the members of the European Parliament to invest in the Philippines. He then suggested that the DTI put up an investment office or a one-stop shop for easy access of investors.

Moreover, he clarified that he was not criticizing the agency but was just trying to work with the new secretary in order to show his support for the new administration.

In response, Senator Villar (M) said that the department would continue to enhance its projects, such as the Green Lane and greening for the investors; and continue its "Make It Happen In The Philippines" (MIH) campaign to generate foreign investments. He then expressed his appreciation to the Senate for all the support.

On another matter, Senate President Zubiri shared the good news that the issue between the Ombudsman and the Anti-Red Tape Authority (ARTA) had been resolved. He said that the ARTA would complement the Ombudsman by continuing to push for the Ease of Doing Business Law which would encourage investors to come into the country.

MANIFESTATION OF SENATOR LEGARDA

Senator Legarda said that she really wanted the DTI to do more projects, and continue their existing programs for MSMEs, especially for those that have died, deteriorated, or are on survival mode because of the pandemic.

Noting that the DTI has several existing programs, such as One-Town-One-Product (OTOP), and National Arts and Crafts Fair, which had not been funded during the pandemic, she expressed her intention to amend the budget so that they could have more MSMEs as well as the regional trade fairs.

As the principal author of the Amendments of the MSME Law in 2007, she urged the Members to continue supporting MSMEs, especially those which have suffered as a result of the pandemic. She hoped that all their programs would continue and they could find ways to innovate.

She informed the Body that during the pandemic, the golden age happened in Antique through the DTI's Shared Service Facilities (SSF) Project which helps the locals, the rural folks, and the indigenous peoples (IPs) find livelihood opportunities through the MSMEs. She said that it was not an easy process in view of the people's lack of knowledge in operating certain machinery and as such, hence, emphasized the importance of shepherding the locals in such processes. She added that the result such government intervention should be measured through the numbers of jobs that have been created, the income earned, and its effect on the families and the community.

Senator Legarda pointed out that SSF is just one of the many programs of DTI as there are other MSME programs in other agencies of government but the DTI is the lead agency of the Amendments to the MSME Law of 2007.

She also asked whether there was funding for the implementation of the Innovation Act, of which she was one of the principal authors. She recalled that it had not been funded due to the pandemic in 2020 and expressed hope that there would be an appropriation for it in the 2023 budget as present and future and the MSMEs would greatly benefit from it.

She pointed out that the DTI is the main agency for the implementation of the Innovation Act, and is supported by the National Innovation Council (NIC) Secretariat of NEDA.

At this point, Senator Villar (C) stated that the Act has a P1 billion budget which has been given to the NEDA. Senator Legarda opined that under the law, the DTI and the NEDA co-chair the NIC. She said that she would look into the matter and discuss it with Secretary Pascual so that the DTI and the NEDA could actively do their part in moving the newly created NIC.

Finally, Senator Legarda expressed hope that the DTI and the NEDA, could work together to initiate the implementation of the Act.

INTERPELLATION OF SENATOR LEGARDA

Asked by Senator Legarda what the DTI would do to propel the MSMEs to continue to be drivers of the economy and how it could help implement the Act, Senator Villar (C) replied that

the DTI, as member of the NIC, would definitely push for the implementation of the law. She also noted that there are 11 regional inclusive innovation centers around the country which are virtual and physical platforms for collaborative programs to generate product, process, or service innovations that are deemed important to enhance the productivity and competitiveness of regions.

Senator Legarda sought more information on the regional inclusive innovation centers in the coming days and welcomed the fact that it is being operated on a virtual platform as it would not only lessen the carbon footprint but also allows easy access to assistance given to MSMEs for those residing in the provinces.

Senator Villar (C) gave the assurance they will work with Senator Legarda to further support the MSMEs. She added that they would submit updates on the matter so that the senator would be informed on the specifics of the programs.

At this juncture, Senate President Zubiri suggested that the DTI continue its “Kapatid Mentor Me Project” and maybe replace it with a “Kuya Program” for the new administration. Senator Villar (C) replied that the program is ongoing; however Senate President Zubiri noted that he does not see it anymore and urged the DTI Secretary to continue the popular program.

Senator Villar (C) maintained that the program has been ongoing, adding that from 2016 to October 2022, a total of 449 mentorings were launched with a total of 12,760 mentees, of which 11,901 have graduated.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF TRADE AND INDUSTRY AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Legarda, there being no objection, the budget of the Department of Trade and Industry, and its attached agencies, namely the Office of the Secretary, Board of Investments, Construction Industry Authority of the Philippines, Design Center of the Philippines, Philippine Trade Training Center, Center for International Trade Expositions and Missions, and Small Business Corporation, was deemed submitted for the Body’s consideration.

SUSPENSION OF SESSION

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

It was 12:22 a.m.

RESUMPTION OF SESSION

At 12:32 a.m., the session was resumed.

LOCAL WATER UTILITIES ADMINISTRATION

Senator Villar (M) presented the budget of the Local Water Utilities Administration (LWAU) amounting to P16,396,000. He stated that no changes were made to the GAB and NEP versions of the agency’s budget.

INTERPELLATION OF SENATOR PADILLA

Senator Padilla stated that he had just returned from a meeting with representatives from the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM) and thanked the Senate



President, the Speaker of the House, and the President for their support of peace and development initiatives in the region. Nonetheless, he stated that he would like to see more water supply systems and infrastructure in the BARM, particularly in Marawi City, and asked for Senator (M) Villar's assurance that it will receive adequate funding for 2024.

Senator Villar (M) responded that Senator Padilla's office would be furnished with LWUA's accomplishment reports on Marawi City developments.

MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel stated that he met with the LWUA Officer-in-Charge and some delegates who pointed out the agency's meager budget allocation for 2023. He then requested a budget increase request and a copy of its corporate operating budget. Senator Villar (M) said the LWUA would submit its proposal.

Senate President Zubiri emphasized that LWUA plays a crucial role in providing the country with potable and affordable water, and agreed that the agency needed a larger budget.

SUBMISSION OF THE BUDGET OF THE LOCAL WATER UTILITIES ADMINISTRATION

Upon motion of Senator Villanueva, there being no objection, the budget of the Local Water Utilities Administration was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:39 a.m.

RESUMPTION OF SESSION

At 12:50 p.m., the session was resumed.

AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY (APECO)

Senator Villanueva presented the budget of the Aurora Pacific Economic Zone and Freeport Authority (APECO) in the amount of P46,283,000.

SUBMISSION OF THE BUDGET OF THE AURORA PACIFIC ECONOMIC ZONE AND FREEPORT AUTHORITY (APECO)

There being no reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Aurora Pacific Economic Zone and Freeport Authority (APECO) was deemed submitted for the Body's consideration.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva manifested that the APECO leadership was present in the gallery for its budget deliberation.

DEPARTMENT OF TOURISM

Senator Binay presented to the Body the budget of the Department of Tourism and its attached agencies and corporations. She informed the Body that under the Committee Report, the DOT and

its attached agencies would have a budget of P3,759,252 that was allocated as follows: Office of the Secretary, P3,320,803,000; Intramuros Administration, P91,730,000; National Park Development Committee, P223,543,000; Philippine Commission on Sports Scuba Diving, P9,530,000; and Budgetary Support to Government Corporations, P113,646,000 for the Tourism Infrastructure and Enterprise Zone (TIEZA). She stated that the 2023 appropriations for the Intramuros Administration, the National Park Development Committee, and Philippine Commission on Sports Scuba Diving were deemed submitted for the Body's consideration on November 10, 2022.

INTERPELLATION OF SENATOR TULFO

Senator Tulfo expressed his support for the DOT budget, stating that the Philippines was one of the world's top tourist destinations, in fact, it won the World's Leading Beach Destination for 2022 at the 29th World Travel Awards, beating out other nominees including Jamaica, Maldives, Thailand, Santa Monica, Mexico, and Galapagos Island. In addition, he informed the Body that the Philippines had been named for the fourth consecutive year as the World's Leading Dive Destination. He stated that the country's past accolades and similar recognitions continued to inspire people and provide Congress with even more reason to support the DOT's budget for its projects and programs, especially in the post-pandemic era.

He stated that the tourism industry was one of the most directly affected sectors of the economy during the pandemic; therefore, rehabilitation and recovery programs should be prioritized. He proposed that the DOT budget be increased in light of the substantial assistance required for individuals like tour guides who lost their jobs and businesses which lost profits like travel agencies and small and medium enterprises such as hotels and other tourism-related services. He then reaffirmed his full support for the DOT's budget.

However, Senator Tulfo recommended that the DOT consult with the CAAP, DOTr, and DOH regarding certain activities that were considered anti-tourism.

First, he questioned the government's requirement that incoming Filipinos and tourists register via the One Health Pass online application and obtain a QR code. He stated that such a procedure was a deterrent for arriving passengers at airports where they are required to wait in long lines. He stated that while it was not within the jurisdiction of the DOT, the department could express to other agencies concerned that the measure was anti-tourism.

Second, he recalled that during his recent trip to Europe, no one was wearing face masks except those suspected of COVID-19 infection. He inquired as to why most Filipinos continue to wear face masks. He believed that tourists might be turned off by the sight of the frontliners at the airport wearing mask.

Third, he described how during the same trip, he overheard two Europeans describing their bad experience in Cebu, where their flight was delayed for several hours and that people were already lying on the floor while others waited by the rest rooms. He said that said Europeans vowed never to return to the Philippines.

Senator Binay informed the Body that the One Health Pass had been replaced by the e-arrival pass. She stated, however, that the Bureau of Quarantine (BOQ) has not yet removed its booth from the airport. She explained that the e-arrival pass can be accomplished electronically before boarding the plane or upon arrival at the airport. She surmised that confusion arises when a search leads to the One Health Pass website, but when the site is accessed, the user is directed to the e-arrival pass site.

Senator Tulfo said that before departing Europe, the airline asked for the One Health Pass QR code, nearly causing them to miss the flight because one of their companions was unable to access

A

the site. He considered the requirement to be ineffective and burdensome. Senator Binay acknowledged that there was still confusion with the new system due to lack of information dissemination. She recalled that upon her return from an international trip, she was also required to present a QR code from One Health Pass at the airport check-in counter so she informed the airport personnel that the One Health Pass had been replaced with an e-arrival pass.

However, she lamented the emergence of a fake website charging unaware passengers \$75 although the service is actually free. She stressed that the DOT had nothing to do with the e-arrival pass and the One Health Pass as it was an IATF requirement. She added that the government was merely replicating what other countries, such as Singapore, were requiring incoming visitors. But she admitted that the Philippines' e-arrival system leaves much to be desired compared to Singapore's efficient tagging system.

Regarding face masks, Senator Tulfo noted that almost all NAIA employees wore face masks, whereas in other airports, such as those in Europe and the United States, airport personnel did not. He believed that face masks discouraged foreign tourists and sent a negative message.

Senator Binay clarified that the Executive department issued Executive Order No. 3 on September 12, 2022, making the wearing of face masks outdoors optional while on October 28, 2022, the President issued Executive Order No. 7, making the wearing of masks indoors optional. She assumed that airport personnel preferred to continue wearing masks for protection against the virus.

At this juncture, Senator Cayetano (P) informed the Body that Singapore and Thailand have a mandate similar to that of the Philippines – no mask requirement indoors and outdoors. She stated, however, that in restaurants and airports, personnel prefer to wear masks. She assumed that it is an Asian characteristic to be careful. But she stressed that it is a basic human right to choose whether or not to wear a mask, and that it should not be a burden on the DOT to devise a plan to have airport personnel and tourism industry workers remove their masks. She stated that she prefers wearing a mask and would only remove it when she is alone.

Senator Tulfo clarified that he was not proposing that not wearing a face mask become mandatory, as he believed it should be voluntary. However, he stated that tourists are turned off whenever they see airport employees wearing masks. He agreed that people have the right to wear masks despite the order of voluntary wearing of mask. But he believed that the DOH and DOT could come up with a plan that could address the situation.

Senator Tulfo stated that he shared the concern of Senator Cayetano (P) for human rights, as he has been fighting for the rights of OFWs and the labor sector for many years.

SUSPENSION OF SESSION

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

It was 1:09 a.m.

RESUMPTION OF SESSION

At 1:11 a.m., the session was resumed.

INTERPELLATION OF SENATOR TULFO

(Continuation)

Senator Binay suggested that the DOT take the lead in informing the local airlines of the policy on the optional wearing of face masks. In her recent experience, she said that the stewardess had instructed her to wear a mask before disembarking when it is no longer mandatory. She also

suggested that there be a convergence among the DOTR, DOT, CAAP, MIA, and other related agencies on how to ensure that tourists would be worry-free in their experience in Philippine airports which are the gateway to traveling in and around the country.

Senator Tulfo also pointed out that the delay in the flight schedule made people wait for many hours and turned tourists off from visiting and traveling in the country. Senator Binay agreed, suggesting that the Body should also ask the DOTr in the next day's budget deliberation regarding the struggles of tourists who have to go through the metro traffic before they get to transfer from one terminal to the next for their connecting flight to other places in the country. She opined that while there is ease in doing business, there should also be ease in traveling. In this regard, she informed the Body that there would be a MOA between the DOT and the DOTr regarding the gateway access improvement that would enhance tourist experience.

Senator Tulfo stated that some countries that have five to six hours flight delays would already have the airport and airline staff attend to the needs and concerns of disgruntled passengers, which was far from the practice in Philippine airports. Senator Binay then suggested the DOT's help in setting up tourist information and assistance booths in airports in order to attend to passengers with delayed flights.

MANIFESTATION OF SENATOR REVILLA

Senator Revilla manifested his full support for the approval of the DOT budget. He stated that budgetary priority must be given to the tourism industry sector in order that it could bounce back from the negative impacts of the pandemic. He said that an increased budgetary support to the tourism industry would also provide more jobs and business opportunities to the Filipinos.

INTERPELLATION OF SENATOR CAYETANO (P)

Asked by Senator Cayetano (P) as to how much other ASEAN countries spend on tourism, Senator Binay replied that some spent as much as 47 percent of their budget, Indonesia spent the equivalent of P37 billion, and that Malaysia spent the equivalent of P20 billion, while the Philippines spent a meager P3 billion.

Senate President Zubiri noted how other countries spend significantly on its international marketing for their respective countries as a tourism destination by putting advertisements and commercials in international news channels such as the CNN. He then suggested that the tourism secretary prepare the infrastructure for the country's international promotion even with its limited budget, so that the department's budget for international advertising could be augmented either in the 2023 or 2024 national budget.

Senator Binay stated that the department currently has P1.1 billion budget for marketing. Senator Cayetano (P) then requested the submission of the rates of ad placements in CNN and other international news channels.

MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel manifested that the Minority joined the Majority in supporting the budgets of the tourism department and its attached agencies. He, however, requested the submission of the corporate operating budgets of all GOCCs attached to the department for full transparency and review of the Body.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva likewise manifested that the Majority joined the Minority in fully supporting the budget of the DOT and its attached agencies. He stated that one foreign tourist that could easily



produce five jobs, both direct and indirect, and help the Philippine economy. In his travel last month, he noted how Turkey annually received 11 million tourists while France annually received 70 million tourists.

MANIFESTATION OF THE CHAIR

Senate President Zubiri opined that the country has an imaging problem when it comes to tourism. He stated that in order to get more tourist visits, the government should take advantage on how to promote the country since the Philippines was voted as the number one island destination of the world.

In support of the multisector effort on the part of the DOT and the DOTr, he said that he would be interpellating on the DOTr budget in the next session day, particularly on the seven busted tubes of the NAIA, which apparently also caused the delays that made passengers wait for hours at the tarmac before boarding the plane.

He then suggested that the DOT and its attached agencies meet with the DOTr, DOH, and other related agencies the soonest to discuss the One Health Pass and other urgent matters.

Senate President Zubiri also noted that the senators had several missions in Europe, particularly in Brussels, Belgium and in France and had promoted the country as a tourism destination. He said that in 2023, the country would be receiving two major delegations—the European Parliament and the French Parliament with its national assembly and senators. In addition, he said that in November 2023, he, together with Majority Leader Villanueva and all the Members, would be hosting the next Asia-Pacific Parliamentary Forum for its 30-member countries with the help of the DOT.

He then thanked the DOT secretary for promoting Mindanao as a very safe place for tourists, an image that Filipinos need to project outside the country in order to contribute in gaining 11 million tourist visits into the country.

Senator Binay then commended the DOT for exceeding the 1.7 million-target for tourist arrivals. She said that the country had reached two million tourist arrivals as of November 14, 2022. Senate President Zubiri congratulated the department.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF TOURISM AND ITS ATTACHED AGENCIES

Upon motion of Senator Villanueva, there being no objection, the budget of the Department of Tourism including the Office of the Secretary, Budgetary Support to Government Corporations, and the Tourism Enterprise Authority, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 1:30 a.m.

RESUMPTION OF SESSION

At 1:35 a.m., the session was resumed.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4488

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

Senator Villanueva commended all the people who spent sleepless nights in the Session Hall for the budget deliberations, especially the Senate employees, for their continuing sacrifices to serve the Lord and the nation.

Senate President Zubiri joined Senator Villanueva in extending appreciation to the Secretariat and the senators' staffs who stayed overtime for the budget deliberation.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended until one o'clock in the afternoon of Wednesday, November 16, 2022.

It was 1:37 a.m.

RESUMPTION OF SESSION

At 1:21 p.m., November 16, 2022, the session was resumed with Senate President Pro Tempore, Hon. Loren Legarda, presiding.

COMMITTEE REPORT NO. 10 ON HOUSE BILL NO. 4488

(Continuation)

Upon motion of Senator Ejercito, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4488 (Committee Report No. 10), entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY-THREE.

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

Thereupon, the Chair recognized Senator Marcos, sponsor of the measure.

CLIMATE CHANGE COMMISSION

Senator Marcos presented the budget of the Climate Change Commission (CCC) amounting to P128 million which was smaller than its 2022 appropriations, and the bulk of which would be for maintenance and other operating expenses (MOOE) with no budgetary provisions for capital outlay.

MANIFESTATION OF SENATOR EJERCITO

Senator Ejercito stated that no senator had manifested the intention to interpellate on the budget of the Climate Change Commission.

REMARKS OF THE CHAIR

The Chair (Senate President Pro Tempore Legarda) stated that the senators requested that the commissioners, technical staff, and advisers of the commission be present in the plenary for their agency's budget deliberation.

Instead of asking questions, Senator Legarda requested that the commission submit to the Body the following information: 1) a partial report on the recently-concluded trip to Egypt for the Conference of the Parties (COP) — the Annual Climate Change Conference, specifically on the status of negotiations and the inclusion of loss and damage in the agenda in the Egypt talks;



2) all funds and projects accessed by the Philippine government since the enactment of the Climate Change Law which created the Climate Change Commission; and 3) a report on the travels that each commissioner had since the beginning of the year. She said that she would be proposing a special provision requiring all staff, technical advisers, consultants, and commissioners to submit a post-travel report on the conferences they attend, which policy should apply to all agencies of the Executive department, and not just to the Climate Change Commission.

Senator Marcos acknowledged that since the law was enacted in 2009, the Commission has very little to show in terms of accomplishments, except for constant travels by the commissioners. She stated that from April to November 2022 alone, 20 trips had been recorded. Senator Legarda noted that in such case, the commission would have to submit 20 post-travel reports to the Body.

Senator Marcos lamented that the commission's mainstreaming at the LGU level was also low at only 18% accomplishment. Senator Legarda commented that mainstreaming, disaster risk reduction, climate change adaptation and mitigation, especially adaptation in a vulnerable country like the Philippines should be the main focus of the task at hand for the Climate Change Commission, and the commissioners should have worked on them instead of traveling. Senator Marcos suggested that an audit be also conducted on the People's Survival Fund. She expressed disappointment that from the initial P1 billion that was released in 2015, P690,000,000 remained unexpended by the CCC.

On Senator Legarda's concern that the funds were not utilized for climate adaptation projects on the local level, Senator Marcos said that she had asked the commission about it year after year, but the officials replied that while the funds were with them, the DOF took over its management and nothing had been granted since 2017. However, she noticed that a project in Sarangani amounting to P93 billion was granted in 2018.

Senator Legarda stated that instead of asking for the suspension of the *Rules* so the senators could directly ask questions to the commissioners of the Climate Change Commission, she would just deliver a privilege speech the following week about climate change and invite the commissioners to the Senate. Senator Marcos agreed that the privilege speech would probably be a more opportune moment to question the programs of the Climate Change Commission given that the agency had been in existence for 13 years but had very little to show except for international travels. She assured the Body that the commission will submit the documents requested by Senator Legarda.

At this juncture, Senator Pimentel said that he would no longer be asking questions from the Climate Change Commission as he had given the commissioners some advice before the session.

SUBMISSION OF THE BUDGET OF THE CLIMATE CHANGE COMMISSION

There being no other reservation for interpellation, upon motion of Senator Ejercito, there being no objection, the budget of the Climate Change Commission was deemed submitted for the Body's consideration.

NATIONAL COMMISSION OF SENIOR CITIZENS

Senator Marcos presented the budget of the National Commission of Senior Citizens amounting to P193.343 million for 2023, an increase from the original NEP of P173 million.

SUSPENSION OF SESSION

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

It was 1:33 p.m.



RESUMPTION OF SESSION

At 1:52 p.m., the session was resumed.

MOTION OF SENATOR PIMENTEL

Senator Pimentel stated that he was scheduled to ask questions regarding the budget of the commission; however, he was informed that some of the commissioners were not present in the Session Hall. He moved for the deferment of the consideration of the budget of the National Commission of Senior Citizens.

Senator Marcos confirmed that only three of the commissioners were present, namely, the chairperson, Franklin Quijano, and Commissioners Edwin Espejo and Enriqueta Rodeles. She said that absent were Commissioners Ida Yap-Patron, Reyman Mansilungan, and retired General Ricardo Rainier Cruz.

Asked by Senate President Zubiri as to the number of commissioners of the NCSC under the law, Senator Marcos replied that the commission is composed of the chairperson and six commissioners, but there were vacancies for Regions VI and VII, thus, only five of the six posts were filled up.

Senate President Zubiri remarked that one post was vacant in the NCSC whereas other commissions have more commissioners than what was provided by law.

DEFERMENT OF THE BUDGET OF THE NATIONAL COMMISSION OF SENIOR CITIZENS

Upon motion of Senator Pimentel, there being no objection, the Body deferred consideration of the budget of the National Commission of Senior Citizens to a later day.

SUSPENSION OF SESSION

Upon motion of Senator Ejercito, the session was suspended to allow the officials of the Department of Environment and Natural Resources (DENR) to prepare for their budget presentation.


It was 1:55 p.m.

RESUMPTION OF SESSION

At 2:14 p.m., the session was resumed.

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND ITS ATTACHED AGENCIES

Senator Villar (C) presented the budget of the Department of Environment and Natural Resources and its attached agencies amounting to P23,131,980,000, allocated as follows: DENR-Office of the Secretary - P17,944,847,000; Environmental Management Bureau - P2,328,917,000; Mines and Geosciences Bureau - P1,249,228,000; National Mapping and Resource Information Authority - P1,378,395,000; National Water Resources Board - P142,724,000; and Palawan Council for Sustainable Development - P87,869,000. She hoped that the fund would be properly utilized to conserve, manage, and develop the country's environment and natural resources aside from fulfilling the State's constitutional duty to protect the people's right to a balanced and healthy ecology.



INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros greeted the DENR team led by Secretary Yulo-Loyzaga and thanked them for answering the questions she sent to their office.

Considering the government's budgetary constraints, she said that it was unfortunate that based on the budget cut, the DENR had excluded mangroves as a priority commodity in their program, and that only the inventory, assessment, and conciliation of records to determine the gains of the program had been funded, which meant there would be no plantation establishment for 2023. She said that the budget cut would also affect fishing communities.

Asked how many fishing sites would be affected by the budget cut, Senator Villar (C) said that for 2023, the maintenance and protected activities under the mangrove commodity would cover a total target of 656 hectares, or about 1.630 million propagules. She noted that such areas to be maintained would include the 556 hectares planted with 1.390 million propagules in 2021 and 100 hectares planted with 240,000 propagules in 2022.

As to whether the hectares of land and propagules to be planted were reduced for fiscal year 2023, Senator Villar replied in the affirmative.

She explained that the targets were reduced to enable them to study how they could monitor what have been done in the past and to work on their future plans. She said that the budget would now be utilized in studying how they could monitor the planting of mangroves.

Moreover, she said that she asked the department to leave more than a billion pesos for their existing projects, including the National Greening Program, with the remaining amount to be used for the legislated protected areas to enable supervision of the budget by the Protected Area Management Board, composed of NGO, local government, and the DENR. She explained that the DENR was trying to revise a system by which it could monitor what has been planted and its benefits to the country.

Senator Hontiveros expressed regret on the reduction as admitted by Senator Villar (C). However, she was surprised on the rationale given by DENR considering that monitoring and evaluation phase is built-in in each of the program and that it has a plethora of data about previous targets and previous performance, particularly about mangroves.

She expressed her gratitude to Senator Villar (C) in her response on the National Greening Program as well as the role that legislated protected area can take. However, she still hoped that plans and actions could be revisited, particularly concerning mangroves.

As to the amount cut on the proposed budget, Senator Villar (C) clarified that there was no cut in the budget, but more than P1 billion was transferred to the legislated protected area, thus, it would be the Protected Area Management Board and the people in the protected area, who were very active, that would do the job instead of DENR.

Asked if those transferred to PAMB include the support to mangrove establishment, Senator Villar (C) answered in the affirmative.

Senator Hontiveros hoped that the budget for mangroves, as a priority commodity under the program, would be restored. She inquired if the communities originally under the item for fiscal year 2023 would be ready for mangrove planting. Senator Villar (C), echoing the answer of the DENR, stated that the department promised that there would be no cut in the budget of the National Greening Program, hence, mangrove planting would continue.



Emphasizing the importance of mangroves, Senator Hontiveros informed the Body that she filed the Coastal Greenbelt Bill to strengthen the program. Senator Villar (C) expressed her support to Senator Hontiveros and made a commitment that her bill will be passed by the current Congress.

On another matter, Senator Hontiveros inquired as to the available information on any public land that can be used for fisherfolk settlement in the regional level. In reply, Senator Villar (C) said that DENR regional offices had initiated coordination with the LGUs to include in their municipal planning and development programs the identification of fisherfolk settlement and BFAR was provided with copies of the regions' initiatives relative to it. She added that the DENR was already 50% in the process of identifying the areas. Senator Hontiveros suggested that the agencies involved speed up the process even more.

Thereafter, Senator Hontiveros stated that relative to her questions during the interpellation on the DPWH budget, particularly on the environmental impact of the Samal Island-Davao City connector project, she would submit in writing some follow-up questions for DENR to answer and comment, particularly on the following points: 1) the valuation of ecological services provided by coral reef ecosystems in the vicinity of the project; 2) The value of the ecological services that can be saved through mitigating measures; and 3) The effects to the affected fisherfolk communities, which shall be considered in establishing a compensation plan for them.

She then manifested that she would forward to Senator Villar (C) a video showing the current state of Paradise Reef and requested that it be shared with other senators.

She continued that the 2023 budget of the DENR would include P17.885 billion for the OSEC, which would be used, among others, for key programs that would enhance biodiversity conservation and coastal and marine ecosystems management. She noted that under the office is the Biodiversity Management Bureau which is responsible for the establishment and management of the country's protected areas, conservation of wildlife, promotion and institutionalization of ecotourism and management of coastal biodiversity.

She also noted that the Environmental Management Bureau is the national authority responsible for environmental impact assessment and it received the second highest allocation of the DENR's budget at P2.39 billion. She stated that she brought up the budget matter in order to discuss the environmental impact of the Samal Island-Davao City connector project on critical ecosystems, which include not just the landing point in barangays Caliclic and Limao in the Island Garden City of Samal, but the takeoff point of the project located in Barangay Vicente Hizon.

In a 2016 study prepared for the Japanese Ministry of Economy, Trade and Industry (METI), Senator Hontiveros noted that Samal Island was listed as a protected area under the National Integrated Protected Areas System (NIPAs), however, it might be delisted considering the rapid development of the area, as well as the decrease of mangroves and degradation of the marine protected area of the habitats with important ecological value.

She then sought clarification as to whether NIPAS covers the whole Samal Island. Senator Villar (C) explained that the Island of Samal is not a legislated protected area but is a protected area by virtue of a presidential proclamation; on the other hand, those areas under the ENIPAS are the legislated protected areas; hence, the need to legislate the inclusion of Samal Island as a protected area.

She added that the DENR had been implementing Natural Capital Accounting (NCA), and valuing the environmental damages by a certain activity was already being done in coordination with marine biologists.



Senator Hontiveros expressed her gratitude to Senator Villar (C) for citing the need to pass the bill that would declare Samal Island as a legislated protected area under the ENIPAS. She then suggested that the NCA that was being used by DENR be shared to DPWH for its guidance.

Senator Villar (C) also mentioned that there was a budget of P346 million for mangrove planting in Region XI, from Tanguip Point in Banao to Quinablangan Island and Island of Samal. Senator Hontiveros expressed hope that measures would also be in place to protect Paradise Reef.

Regarding the status of Samal Island as a protected area, Senator Hontiveros surmised that the DENR Secretary, being the President's alter ego, should uphold the sense of the highest official of the Executive branch. She stated that the protected area classification of the island could be used as a building block. Senator Villar (C) informed the Body that the DENR already has a Protected Area Management Board (PAMB) overseeing the area, even though the island had only been designated as a protected area by an executive issuance. She suggested, however, that Senator Hontiveros coordinate with a colleague from the House of Representatives regarding the introduction of a bill that would finally grant the island legislated protected area status.

Senator Hontiveros noted that on October 8, 2020, PAMB issued Resolution No. 4, series of 2020, clearing the Samal Island – Davao City Connector (SIDC) Project, for being outside the Samal Island Protected Landscape and Seascape (SIPLS) under the ENIPAS Act. She also stated that the ecosystems affected by the SIDC project were not yet covered by any legislation protecting marine resources. Senator Villar (C) responded that a legislated protected area is entitled to a buffer zone for extra protection, and if a protected area lacked a buffer zone, the DENR could determine one so that the area could be protected more effectively.

Senator Hontiveros expressed her desire for the ENIPAS Act to designate both Samal Island and Paradise Reef as protected areas, as she lamented that man-made projects have the potential to negatively impact natural resources such as corals, which would require decades or even a century to recover and regenerate. She informed the Body of the existence of a 2.7-hectare fish sanctuary just off the coast of the SIDC project's launch site in Zone 1, Purok Baybay, Lizada Village, Barangay Vicente Hizon Sr., Davao City, declared as a marine protected area (MPA) under City Ordinance No. 375-07 which mandates the establishment and management of the Davao City Marine Protected Areas and providing funds therefor.

Asked how the project would be reconciled with the MPA plan for the fish sanctuary in Barangay Vicente Hizon Sr., Senator Villar (C) replied that the DENR would continue to protect an MPA from any environmental destruction that certain ventures would cause. In this regard, Senator Hontiveros requested clarification as to whether the protected status of an area would prevent it from being reconciled with a project, specifically the project's takeoff point. In response, Senator Villar (C) conveyed the assurance of the DENR that, in the future, infrastructure projects will be located at a distance from the protected areas, as in the case of Paradise Reef where the project's landing site was not in the area. However, she informed the Body that the reef was currently in poor condition, and that the DENR would do its best to improve the reef's condition, particularly in the vicinity of the project.

However, Senator Hontiveros pointed out that Dr. John Michael Lacson, a marine biologist, had previously described Paradise Reef as "a reef like no other," and assessed it to be in its healthiest state. In response, Senator Villar (C) clarified that the reef covers a vast area and that only a small portion of it, the one near the project, was in poor condition. She also mentioned that, after reading Senator Hontiveros' letter, the DENR Secretary spoke with Dr. Lacson and took note of his suggestions regarding Paradise Reef.



Senator Hontiveros deemed it a good practice when various government agencies work together to accomplish common programs or projects, and when the government, academe, and members of civil society coordinate their efforts toward the protection of marine areas.

Regarding the listing and delisting of an MPA under the ENIPAS Act, Senator Villar (C) informed the Body that the delisting procedure would take place prior to a site's designation as a legislated protected area. She stated that the DENR would conduct a Protected Area Suitability Assessment (PASA) to determine whether a site would be a legislated protected area or whether it would be delisted. Senator Hontiveros emphasized the importance of knowing the processes involved in the listing of MPAs under the ENIPAS Act, both in the Executive and Legislative departments, and added that in environmentally critical areas, a site's inclusion or exclusion in the protected list would serve as the last line of defense.

Senator Villar (C) stated that there were 20 bills in the House of Representatives and seven in the Senate that sought to designate certain areas of the country as protected areas. She expressed optimism that the Nineteenth Congress would pass the said measures. Senator Hontiveros echoed Senator (C) Villar's desire and expressed her support for the bills.

Concerning the DENR's earlier statement that the only portion of Paradise Reef that was in poor condition was the portion adjacent to the project, Senator Hontiveros expressed regret that such a scenario had to occur. On the contrary, Senator Villar (C) opined that such proximity to a project could be a boon after all, as provisions could be put in place to ensure the proper care of the reef section.

Senator Hontiveros believed that the closer an ecosystem, such as the Paradise Reef, is to a large infrastructure project, the greater the likelihood that its condition would deteriorate more rapidly than if it were far away.

As to the acceptability of the 40% efficiency rating of silt curtains that would protect the marine ecosystem once the project began, Senator Villar (C) recommended that an inquiry be directly addressed to the DPWH which was the proponent of the project. Senator Hontiveros stated that she had written the DPWH on the subject and was awaiting its response. She then inquired from the DENR if it was amenable to the 40% efficiency.

Senator Villar (C) echoed the DENR Secretary's stance that any damage to the coral reef would not be tolerated by the agency. She added that the DENR and the DPWH would work on increasing the effectivity of the silt curtain. Relative thereto, Senator Hontiveros likewise encouraged the project proponent to do its fair share in ensuring that the marine ecosystem was adequately protected once the venture started.

As to the possibility of translocating elements of the ecosystem such as the giant clams and the corals via massive diver operations in order to protect them from the remaining 60% of the stirred silt, Senator Villar (C) stated that according to the DENR, it would be extremely difficult to implement the proposal. However, she stated that a sophisticated process of building coral buds around the area could be done in conjunction with the proposed activity. Senator Hontiveros expressed agreement on the difficulty of the task at hand.

Senator Hontiveros explained that she filed the Rights of Nature Bill because she believed that natural ecosystems, populations, and processes have the right to exist through the maintenance of the vital cycles, functions, and processes that ensure their continued sustainability and well-being, as well as the conditions required for their renewal and restoration.

Senator Villar (C) stated that the U.P. Marine Science Institute's reefbud program was successfully implemented in Bolinao, Pangasinan. She expressed optimism that the same could be accomplished in other locations.

Senator Hontiveros responded that it is always beneficial to have models of best practices, but that the planned development of infrastructure along Paradise Reef in Samal Island was a much greater cause for concern, given that environmentalists have been urging the government to protect the reef. In addition, she stated that former Ateneo de Davao University president Fr. Joel Tabora had requested that the government realign the bridge so that it would not damage Paradise Reef.

Finally, Senator Hontiveros stated that she was merely echoing the calls of environmentalists for the administration to preserve the reef.

INTERPELLATION OF SENATOR LEGARDA

Senator Legarda, referring to the National Greening Program (NGP), requested information on the following: the funding allocated to it by Congress, particularly the Senate; the number of trees planted; the trees' species; the regions where the trees were planted; the number of mature trees; the benefit to the community; and the growth rate of the trees planted.

Since the NGP's inception in 2012, she opined that more than P50 billion had been allocated to the NGP.

Senator Villar (C) responded that the NGP had been allocated P55 billion in funding from 2011 to 2022. She stated that the program would receive P2,342,000,000 in 2023, for a grand total of P57 billion.

She added that a total of 1,855,298,000 seedlings have been planted on 2,217,182 hectares of land, with a 78% survival rate. She clarified that the information on the survival rate of the planted trees was the average calculated from the agency's report on survival rates for the following years: 2011 and 2012, 76%; 2013, 77%; 2014, 77%; 2016, 72%; 2017, 79%; and 2018 and 2019, 83% and 84%, respectively.

Senator Legarda requested that before the final approval of the budget, she be provided a copy of the maps showing where the 1.8 billion trees were planted, as well as a report detailing the 78% survival rate. Senator Villar (C) responded that the agency would provide her with a map indicating the locations where trees were planted using drone technology. In addition, she informed Senator Legarda that she had requested that the DENR transfer one-half of the NGP to the Protected Areas for monitoring purposes. Consequently, she stated that half of the NGP's P2,341,873,000 budget would be allocated to Protected Areas, while the remainder would go to the existing greening program, which focuses primarily on Indigenous Peoples (IPs).

Senator Villar (C) responded that she would provide the senator with the funding breakdown if the P2.3 billion budget is a lump sum or will be distributed among the various existing NGP areas, and if the other half had already been allocated to various ENIPAS sites.

On whether the NGP budget was disaggregated per region, Senator Villar (C) responded that the budget would be aggregated only among the 76 Provincial Environment and Natural Resources Offices (PENROs) instead of 81, because the allocation does not include the BARMM.



Noting that an entire sitio in Datu Odin Sinsuat was washed away by Typhoon Paeng as a result of forest deforestation, Senator Legarda believed that nothing in the Organic Law would prevent them from increasing the block grant or identifying forest areas that can be reforested through the NGP. In addition, she opined that nothing could prevent the national government from assisting the autonomous region in implementing reforestation efforts and planting the appropriate tree species, particularly in deforested areas.

She also expressed concern that the P64 billion block grant would be focused on health, medical facilities, education, and roads, and thus may not be sufficient to reforest the denuded areas, which are extremely hazardous and could wipe out sitios and barangays in urban areas.

Senator Villar (C) responded that the flooding was not solely attributable to the failure of the greening program because Maguindanao had implemented it more effectively than other regions in BARMM. However, she stated that the DENR could assist the Ministry of Environment, Natural Resources, and Energy (MENRE) of BARMM in addressing the concern upon request.

Senator Legarda noted that the issue of reforestation was not discussed at the first organizational meeting of the inter-parliamentary forum between Congress and BARMM representatives, which was held the day before. In light of the recent natural disasters, she believed that the national government could assist the BARMM in the areas of environmental sustainability and reforestation. She expressed confidence that the BARMM leadership would be receptive to suggestions so long as their block grant is unaffected and the region receives funding assistance from DENR.

She also inquired as to whether the DENR had pledged to expand the NGP by planting trees on more than two million hectares of land by 2028. She surmised that the promise was made in response to President Marcos' directive to expand the tree planting program and address the problem of flooding and landslides caused by heavy rains, particularly in the BARMM.

She then inquired whether the DENR was implementing other reforestation programs in addition to the NGP, which has been in effect for ten years.

In addition, she inquired if there were nurseries where seedlings could be distributed or if they could be distributed in state universities and colleges where native tree species could be propagated. She recalled initiating an amendment to the DENR budget requiring the SUCs to establish clonal nurseries as NGP partners a decade ago. In this regard, she questioned whether the agency relies solely on the amendments of the legislators but abandons the project in the end, or whether it is continued. She asked what would happen to the reforestation program if the NGP is terminated.

Senator Villar (C) responded that the DENR has mechanized forest nurseries throughout the country, that it is in partnership with 27 state universities and colleges (SUCs) to establish nurseries for seedlings and trees, and that it has forest protection officers provided by DOLE via TUPAD. She added that the DENR has also requested that the private sector adopt certain areas for reforestation, and that the partnership with the 27 SUCs for nurseries was still active.

On the suggestion to expand the partnership to more SUCs considering that there are over 100 SUCs in the country, Senator Villar (C) explained that the DENR has established 11 mechanized nurseries that can produce two million seedlings per day, or 60 million seedlings per month. She further explained that the 60 million seedlings are planted to produce more seedlings, as 1.9 billion seedlings are required annually.

When asked if there is no provision in the budget for the purchase of seedlings, Senator Villar (C) responded that the agency purchases seedlings, but that 27 SUCs produce them as well.

Senate President Zubiri interjected at this point, stating that for the NGP to succeed, newly-planted seedlings must be shielded from harmful human activities such as wood charcoal production, in which young trees are cut down and burned to produce charcoal. Additionally, he stated that weeds and grasses such as *cogon* must be managed for the seedlings to grow. Without such protection and care, he stated that the government would just be wasting money because no seedling would survive.

Senator Villar (C) informed the Body that through the TUPAD program, the DOLE provided forest protection officers to ensure the survival of seedlings. She added that private companies were also being enlisted to aid in the success of the program.

Senate President Zubiri requested that the department provide the Senate with some of the program's success stories. He noted that in some instances, indigenous peoples disregarded appeals against cutting trees, believing that they could continue to make a living from wood charcoal production in their ancestral land. He suggested that the department consider a shift to agroforestry because the community would be motivated to protect the forest area if it would earn a steady income from the trees it grew.

Senator Legarda requested that the agency provide results of drone mapping of NGP areas as well as a commodity mapping. She also requested an inventory of the 1.8 billion trees that had been planted in the areas, as well as the hardwood species intended for reforestation and agroforestry. She noted that the program, which began during the Aquino administration, was not intended to be a reforestation program, but rather a community-based forest management program through which individuals could earn a living.

Senator Villar (C) responded that indigenous species such as narra, kamagong, white lauan, mayapis, bamboo, and mangrove species had been planted by the department. She pointed out that mangroves help fishermen because they are spawning grounds for fish and other marine life, whereas bamboo is used to make furniture, which generates income in areas where it grows. She stated that Aguilar, Pangasinan is one NGP area with a successful bamboo plantation.

Senator Legarda then requested that the department submit comprehensive reports on NGP areas for reforestation with agroforestry, bamboo, mangroves, and native hardwood species, with photographs, names of the stakeholders and partnerships, budgets, examples of best practices, and the resulting community-based livelihood activities.

Concerning the ENIPAS, Senators Legarda and Villar (C) noted that of the 114 protected areas in the country, 13 existed before the ENIPAS Law was passed in 2018, 94 were declared protected in 2018, and seven more were added during the 18th Congress.

On the other lands that could qualify as protected areas under the ENIPAS and for which legislation was pending, Senator Villar responded that there were 43 qualified areas, and that the House of Representatives had already received proposals for 27 of them. Senator Legarda requested copies of the draft bills for the 43 areas in preparation for their inclusion in the list of legislated protected areas.

Asked which of the 114 areas had issues, Senator Villar (C) responded that they all met the criteria for designated protected areas. Senator Legarda requested additional information on which areas were plagued by legal issues, with informal settler families (ISFs), and with unsustainable development practices carried out by illegal groups.

Senator Villar responded that, in addition to the challenge posed by the presence of ISFs in some areas, there were also conflicts between the DAR, DA, and DENR regarding the utilization



and titling of lands within the NIPAS. She explained that the conflicts arose because, after the passage of the ENIPAS Law, some alien-able and disposable lands were designated as protected areas even as the lands were already inhabited and legally-titled properties prior to their designation as protected areas.

Senator Legarda stated that she had no problem with indigenous people living in protected areas, as it is their right to do so, and she considered them as partners in the protection of the area.

Senator Villar (C) stated that informal settler families and indigenous peoples can be partners in the protection of areas such as Taal Volcano.

Senator Legarda expressed concern regarding the construction of the circumferential road around Taal Volcano. She inquired about its ECC and its impact on the lake's aquatic life. She also inquired as to when the regional or central EMB would grant an ECC.

Senator Villar (C) responded by stating that the circumferential road was a DPWH project and that the Protected Area Management Board (PAMB) recommended that an ECC be granted. She explained that similar to the protected area in Las Piñas, roads constructed by the DPWH are permitted to facilitate access.

Senator Legarda surmised that an ECC would be granted so long as the PAMB conducts the Environmental Impact Assessment (EIA) and approves of the road project.

Senator Villar (C) concurred with Senator Legarda that the PAMB would approve a road project if it was consistent with its plan.

Senator Legarda stated that more than two decades have passed since the enactment of RA 9003, or the Ecological Solid Waste Management Law, and that at least a quarter of the population utilizes it while the rest do not. She then questioned the law's application in all 114 protected areas. Senator Villar (C) responded that the Las Piñas protected areas adhere to environmental regulations. She believed that implementation in other areas would depend on the PAMB.

Senator Legarda then requested that the DENR Secretary issue a directive requiring all protected areas, including those whose protection status was pending legislation, to honor, respect, and implement all environmental laws, including the Clean Air Act and the Clean Water Act. She mentioned the river in Pandan, Antique where coliform had begun to proliferate because it was not a designated protected area. She stated that wetlands and waterways should be protected regardless of their status, and that garbage should be separated, recycling should be practiced, and basic environmental laws should be strictly enforced as required by the agency. She suggested posting the memorandum on social media and distributing it to 114 PAMBs.

Senator Villar (C) stated that in order to protect the Las Piñas-Parañaque coastline, the cooperation of local government units was necessary to implement environmental laws, as the majority of garbage from Manila Bay is washed into the protected wetlands. She stated that the PAMB cannot dispose of the large amount of trash that enters the protected area without the assistance of the City Environmental and Natural Resources Office (CENRO) of the local government.

Senator Legarda concurred with Senator Villar (C) that the memorandum should be distributed to both PAMB and outlying LGUs so that both can collaborate. She stated that the same action should be taken to clean Pasig River and Manila Bay, which would include Laguna de Bay and its tributaries such as the San Juan River, Malabon-Valenzuela Tullahan River, and other river systems. She added that the DILG could also be enlisted to promote environmental regulations in the 114 protected areas.



Senator Villar (C) reassured the Body that the DENR will have a memorandum of understanding with the DILG in order to solicit the LGUs' assistance in protecting the legally protected areas. Senator Legarda proposed a memorandum to the PAMB, as it falls under the DENR, as well as a memorandum of agreement with the DILG, so that the League of Municipalities of the Philippines (LMP), League of Provinces of the Philippines (LPP), and Liga ng mga Barangay would also assist.

Senator Villar (C) believed that the CENRO or the Municipal Environment and Natural Resources Office (MENRO) should be included in the PAMB since they collect the LGUs' trash. She stated that the CENROs of Las Piñas and Parañaque were urged to perform their duties; otherwise, both cities would be in jeopardy.

Concerning the National Greening Program, Senator Legarda requested that the department provide the memorandum and a list of the programs' private sector partners of protected areas.

On a separate note, Senator Legarda reported that a number of their colleagues had a successful and fruitful visit to the French Sénat and National Assembly, while another Philippine Senate delegation visited the EU Parliament. She informed the Body that while the High Ambition Coalition (HAC) is not discussed in the Philippines, it is a coalition of governments whose goal is to protect 30% of the world's land and oceans. She stated that as an archipelago, it is essential for the nation to have high aspirations because it will benefit its citizens.

She also thanked the Department of Foreign Affairs and the DENR for their assistance in making the Philippines a signatory of the HAC several weeks prior. Thereafter, she asked the DENR about the nation's ability to uphold its commitment to the HAC — its workable operationalized program, based on its existing programs, which adheres to enacted laws.

Senator Villar (C) responded by listing the department's programs as follows: 1) establishing a baseline for the current condition of the flora and fauna, coastal and marine ecosystems; 2) adopting new scientific methods to assess the state of the nation's biodiversity and carbon stock; 3) encouraging the participation of multiple stakeholders in achieving the 30x30 goal; 4) inviting local and global experts to develop a supermatrix for monitoring the commitment; and 5) intersecting such areas to be identified with NIPAS regions.

Senator Legarda observed that what was enumerated was a concept note. She requested that a workable plan be submitted so that it can be discussed with the founding members of the HAC – France, UK, and Costa Rica. She said that the plan can be discussed with Dean Tony La Viña and other advocates, including the former U.S. senator who was in charge of the advocacy, Senator Feingold, who was currently in the country.

Senator Villar (C) stated that during the COP27, Secretary Yulo met with President Macron, her French counterpart from the Ministry of Ecology, and the U.K. Environment Secretary to discuss matters needed and what they have to do with it.

Senator Legarda stated that she was aware of the short meeting during the COP27, but would like to be briefed by the Secretary on what transpired regarding the HAC. She explained that during the pandemic, she was asked by former Senator Feingold, and other representatives from the U.K., France, and Costa Rica, of the country's support for the HAC. She said that during her term at the House of Representatives, the previous administration and the DENR did not give it much attention. To be fair with the DENR, she said that it was Undersecretary Leones who acted on the matter after the elections. She supposed that the priorities of the DFA and DENR must have shifted because the HAC was not given much attention, when its only goal was for the country to commit to it.

On another matter, she recalled that during the committee's budget deliberations, it was discussed that all LGUs must have access to critical information on the natural risks and hazards in their communities as provided by GeoRisk Philippines, a platform that aims to standardize information and provides risk and hazard assessment to LGUs across the country. She stated that the country experiences 20 typhoons a year, which get more intense and more frequent every year, causing increasing deaths and loss of livelihood. She said that among the most important lessons that government must learn is getting critical information to the local communities so that they can prepare. She added that at times, local officials deflect the blame by claiming there was no sufficient information or warning early enough for them to prepare despite the PAGASA Modernization Act. She supposed that the matter could be avoided if LGUs have knowledge of not only the geohazard map but also multi-risks and multi-hazards. She supposed that if the Maguindanao LGUs like Datu Odin Sinsuat were informed, they would have evacuated the people to a safe area and not where they were wiped out. She added that the agencies should have learned from the lesson of Typhoon Pablo where a barangay in Compostela Valley was also wiped out because the maps were not distributed and understood. She reiterated that the maps should not only be geohazard maps but should also include climate change risk assessment, multi-hazards and multi-risks. She then inquired about the efforts of the DENR to work with the DOST and PAGASA on the matter.

Senator Villar (C) responded that according to the DENR, maps of landslide- and flood-prone areas of LGUs were provided to DOST, GeoRisk, and LGUs. She stated that the maps serve as both platform and thematic layers. She emphasized the need for LGUs to conduct additional research and enhance their communications and capacity-building programs in order to use the maps effectively with DILG and DOST, as well as further refine them. She added that risk communication, not just hazard communication, was the real obstacle.

She also stated that the DENR will adopt a comprehensive risk management strategy that combines climate change risk analysis with multi-hazard risk analysis as it continues to improve its system. In addition, she stated that different departments, such as the DOST, DENR, DA, and DPWH, have distinct data that the DENR must integrate in order to create a more accurate risk analysis that they can share with LGUs.

As it will save lives, Senator Legarda hoped that the DENR would be an active collaborator in developing comprehensive risk management information.

Concerning the Intergovernmental Panel on Climate Change (IPCC) report, she expressed concern that a 1.5°C increase in global temperature could result in the extinction of 70% of all corals and 50% of all insect habitats, which could spell disaster for the entire planet. She then requested that the DENR provide information on the potential scenario should the global temperature exceed 1.5°C, given that the Philippines ranked third of the top 1% greenhouse gas emitters.

On the DENR's preparations to protect the country's biodiversity from the effects of a possible breach in the warming threshold caused by greenhouse gas emissions, Senator Villar (C) replied that the department has been negotiating for the climate adaptation finance in order to reduce the risks, impact, and harm that countries might suffer from climate hazards.

Asked to provide a list of all monies and grants the country had received for the past 10 years from various funding agencies such as the Global Environment Facility (GEF) Fund, Green Climate Fund (GCF), Adaptation Fund (AF), Green Economic Development (GED) Fund, and other bilateral funding, Senator Villar (C) replied that the DENR would be providing Senator Legarda the said list. The latter suggested that the DENR develop adaptation's best practices based on indigenous knowledge for the country's 114 protected areas.

Thereafter, she stated that she would no longer interpellate on the Las Piñas-Parañaque Critical Habitat and Ecotourism Area (LPPCHEA) and its protection. She manifested her support for the budget of the DENR. However, she said she would be proposing special provisions on the department's budget at the proper time.

MANIFESTATION OF SENATOR REVILLA

Preliminarily, Senator Revilla informed the Body that in the aftermath of Typhoon Paeng, he conducted relief operations and, as chairman of the Senate Public Works committee, he inspected the damages that the typhoon brought to public infrastructures. He said that in his visit to the affected areas, especially in Mindanao, the people were pointing to forest denudation as the cause of floods which destroyed their communities, including roads and bridges. He added that the local residents testified that huge cut logs hit bridges and fell on roads.

Senator Revilla underscored the need to identify the root cause of the problem concerning climate change. For this reason, he said, he filed Proposed Senate Resolution No. 262, which directs the appropriate Senate committee to conduct an inquiry, in aid of legislation, on the palpable and emerging effects of climate change to ensure the safety and welfare of Filipinos.

He then adverted to the budgets of the National Greening Program of the DENR: 2011, P1.3 billion; 2012, P2.6 billion; 2013, P5.8 billion; 2014, P6.2 billion; 2015, P8.1 billion; 2016, P8 billion plus; 2017, P7 billion; 2018, P5 billion plus; 2019, P2.6 billion; 2020, P3 billion; 2021, P3 billion; 2022, P2.2 billion; and 2023, about P2.3 billion. He noted that for a decade, the government had spent P58,142,740,000 for the program. He also pointed out that Executive Order No. 913, signed on November 12, 2015, expanded NGP's mandate to rehabilitate all the remaining unprotected, denuded, and degraded forest lands estimated at 7.1 million hectares from 2016 to 2028. He said he wanted to know where the trees were planted.

He also noted how trees in the Cordillera mountains and in Sultan Kudarat have saved the nearby communities from typhoons, in contrast to the already deforested mountains of Maguindanao and some BARMM areas, which were devastated by the typhoon. He asked how the national government could help the BARMM provinces.

In reply, Senator Villar (C) stated that the DENR Secretary suggested that the head of the Ministry of Environment, Natural Resources, and Energy of the BARMM write a formal request to the DENR central office so it could extend the necessary assistance.

As to the number of trees that had been planted, survived, fully grown, and died under the NGP, Senator Villar (C) replied that the DENR had planted 1,000,855,298 trees and that 78% of them survived. She added that she would ask the DENR to provide Senator Revilla with a report on the locations per province of the billion trees planted and where 78% of the trees survived. In Cavite province, she noted, the total land area planted with trees was 4,010 hectares with total seedlings of three million.

On whether the P2.3 billion NGP budget for 2023 would be enough for the program's implementation, Senator Villar (C) replied that half of the budget, or more than P1 billion, would be given to the existing greening program while the other half would be allocated to the 114 legislated protected areas. She suggested that the Senate conduct an oversight in order to locate the specific areas for the greening program, aside from the program for the 114 legislated protected areas which has its own management board to oversee the projects.

Senator Revilla believed that the Senate was ready to help reduce the harmful effects of climate change. However, he pointed out that the issues on reclamation areas must also be carefully studied by the DENR.

ds

Senator Villar (C) stated that she was not only fighting against the flooding in Las Piñas City but she was also concerned about the flooding in Bacoor, Cavite because the rivers connect the two places and should be protected. Senator Revilla assured Senator Villar (C) that he would be helping in the flood control program, acknowledging that climate change was everyone's concern.

In connection with the greening program, Senator Villar (C) noted that there was a protected area in Maragondon and Ternate, Cavite known as the Mounts Palay-Palay Mataas-na-Gulod Protected Landscape where trees would be planted. Senator Revilla stated that it was actually one of the watersheds in Cavite that should be protected. He lamented that many mountains in Cavite were getting denuded and levelled. Senator Villar (C) informed the Body that the quarrying in San Nicolas, Tanza, Cavite had been stopped because no more land was left.

INTERPELLATION OF SENATOR TULFO

At the outset, Senator Tulfo expressed his support for the DENR and its budget which, if properly used for the intended purpose, would help alleviate the environmental concerns affecting people's daily lives. He believed that there was no better time than the present for the legislators to prioritize the ailing environment especially since the country was way past the warning stage about climate change but in fact already experiencing its effects. He stated that typhoons were getting stronger than before because what used to be Signal No. 3 had already reached Signal No. 5. He expressed frustration on how the very obvious environment hazards were getting ignored and unregulated.

Asked on the status of the Masungi Georeserve, Senator Villar (C) pointed out that it was divided into different protected areas: 1,115 hectares or 41% covers the Upper Marikina River Basin Protected Landscape; 226 hectares or 9% covers the Kaliwa Watershed Forest Reserve; and 1,359 covers a wildlife sanctuary declared under Proclamation No. 1636. She explained that each protected area has its own Protected Area Management Board. However, she informed the Body that Masungi Georeserve had a legal issue regarding its MOA which constituted a perpetual land trust between DENR and Masungi Georeserve Foundation (MGFI), which was in direct contravention of Section 2, Article XII of the Constitution which limits the terms of agreements for the use of natural resources to 25 years, renewable for another 25 years. She added that the lack of diligence that led to the omission of a proviso for financial transparency and financial gain to the government in pursuit of the ecotourism business of Masungi resulted in gross disadvantage to the government which lost millions from fees that should have been collected for the Special Use Agreement in Protected Areas, as mandated by Section 5 of the NIPAS Act, as amended.

Furthermore, she disclosed that the certification of precondition was not secured from NCIP prior to the execution of the agreement, in contravention of Section 5, Article XII of the Constitution and Section 59 of RA 8371, or the IPRA Law, and that the Masungi Georeserve development plans were not harmonized with the management plan and management zones of the PAMB as required by Section 10 of RA 7586, or the NIPAS Act, prior to its amendment by RA 11038 and Rule 10 of DAO 2008 to 2026 and its implementing rules and regulation. She said that the situation caused conflict in the supervision and management of the area by both PAMB and Masungi Georeserve.

She also cited the following irregularities: 1) the MOA was used as a carte blanche authority by the Masungi to install fences, block roads, install checkpoints, conduct ecotourism business, build and demolish structure, and summarily evict occupants in the protected area, all without due process or without prior clearance from PAMB; 2) Masungi did not coordinate with the LGUs of Baras, Tanay, and Antipolo in Rizal regarding their plans; 3) the LGUs were not given access to assess

the improvement made for tax purposes and the fencing was done without permits from them; and 4) the indigenous people and other long-time residents in the area were deprived of access to their homes. Thus, she said, the PAMB of Upper Marikina River Basin Protected Landscape issued Resolution No. 02-2022 cancelling the 2017 MOA between Masungi and DENR.

Senator Tulfo averred that there had been a lot of corruption in Masungi, and the DILG had to intervene because it appeared that the DENR could not stop the anomalies. He recalled that on several occasions, armed groups wandered and, in fact, camped in the area but the DENR did nothing about such incidents. He said it was the DILG that sent the authorities to evict the armed men. He surmised that it prompted some groups to lobby in March 2022 for the cancellation of the MOA between MGFI and DENR, in response to which, Acting Secretary Jim Sampulna suspended all MPSAs in the area in June 2022. Senator Tulfo wondered why the MPSAs were only suspended but not cancelled.

Senator Villar (C) said that according to the DENR, what caused the trouble was the dispute between MGFI and the claimants on the lands, and the police came in because the DENR did not have the power to stop the shooting. She added that when DENR was asking MGFI to leave the area, the latter demanded a payment of P800 million to cover the improvements made on the property, but the DENR could not afford to pay the amount. Senator Tulfo lamented that a forest ranger lost his life during the incident.

Senator Villar (C) disclosed that during a meeting between MGFI and DILG on September 23, 2022, PNP Chief Azurin promised to set up a PNP headquarters in the premises as they await a peaceful and orderly turnover.

At this point, Senate President Zubiri asked whose forest ranger was shot considering that the DENR has its own forest rangers and MGFI has its own. Senator Villar (C) clarified that there were three claimants over the land—DENR, MGFI, and the settlers. She stated that the shootout was between the MGFI rangers and the settlers.

Senator Tulfo opined that regardless of whose ranger was shot, the DENR should have intervened and enforced the law because Masungi is a protected area. Senator Villar (C) told the Body that there was already intervention from the police force.

Senator Tulfo, however, said that the DENR reportedly did not act as it wanted to observe due process. He asked what due process was there to await when there was already shooting in the area. Senator Villar (C) clarified that DENR waited for the police to take action because it has the law enforcement power.

Senate President Zubri suggested that a task force be formed, headed by the DENR with the support of the local police force and the DILG. He surmised that the local police might not have the information as to whom and what specific area were they going to look after. Senator Villar (C) informed the Body that Task Force Masungi was created, but it was headed by the DILG because the issue had become a police matter.

Senator Tulfo revealed that on November 24, 2022, a coalition sent a letter to Secretary Yulo-Loyzaga requesting the DENR to convene an oversight committee to address the problem at the Masungi Geo Park project, but the request was reportedly turned down. Furthermore, he said that the group called Upper Marikina Watershed Coalition also wrote a letter on November 10, 2022 to Secretary Yulo-Loyzaga also requesting assistance and action on the Masungi problem but the DENR Secretary sent no reply to the request.

Senator Villar explained that the DENR answered the letter but could not give assistance to the group because the MOA with MGFI was illegal and dealing with them meant the DENR was honoring the illegal MOA, and convening with them would mean that the agency was accepting that they had the legal personality over the protected area.

Senator Tulfo agreed with the DENR Secretary that government should not deal with people doing illegal activities but the request was for an oversight committee which would not necessarily be favorable to the requesting party but for in order to find a resolution to the problem in the forest reserve. Senator Villar (C) pointed out that the oversight that the group requested was in relation to the MOA which was illegal. Senator Tulfo maintained that the DENR should have at least explained it to the group.

At this juncture, Senator Villar (C) suggested that the *Rules* be suspended so that the DENR Secretary could answer questions directly.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:46 p.m.

RESUMPTION OF SESSION

At 4:52 p.m., the session was resumed.

Upon resumption, Senator Escudero expressed agreement to the suspension of the *Rules* so that the senators could hear the DENR's plans for the particular program.

SUSPENSION OF THE RULES

Upon motion of Senator Villanueva, there being no objection, the Body suspended the *Rules* of the Senate to allow DENR Secretary Maria Antonia Yulo-Loyzaga, to respond directly to the queries pertaining to the said agency.

Following is the full exchange between Senator Tulfo and DENR Secretary Loyzaga:

Senator Tulfo. Good afternoon to you, Madam Secretary. *Sabi nga po kanina ni Senate President, what is the DENR planning to do?*

So, in the past six years, this will define who you are, your kind of leadership, your character para pretty much malaman po ng taong-bayan kung ano pong klaseng tao si DENR Secretary. Dito po magkakaalaman tayo.

What is your stand *sa* National Land Use Act?

Secretary Yulo-Loyzaga. With all due respect, Senator Tulfo, we have been in support of the passing of the National Land Use Act since I have been in my previous positions in the civil society community.

Senator Tulfo. Very good.

Secretary Yulo-Loyzaga. And we have been waiting for this long standing measure to actually pass.

Senator Tulfo. Therefore, you will support this Chamber—you will support us, you will support me—to push *na sana* this time around *iyong* National Land Use Act *ay maipasa na* because *apat*

na presidente na ang nagpu-push na maipasa na ito pero hindi maipasa-pasa for whatever reason; one way or the other hindi natutuloy. Kung kayo ay magpapakita ng suporta na wala kayong kinatakatutan, I suppose na maipapasa na itong National Land Use Act.

Secretary Yulo-Loyzaga. Yes, we are in favor of the passing of the National Land Use Act.

Senator Tulfo. Good. At least *alam ko*, for the record, *kayo ay* supportive *na maipasa iyong National Land Use Act.* Very well said.

Balik na po tayo roon sa Masungi. Nasabi ninyo kanina, through Sen. Cynthia Villar—ewan ko kung tama iyong pagka-coach sa inyo—kasi iyong mga criminal elements kahit na kriminal sila ay may karapatan din sila at kailangang dumaan sa due process iyong panggugulo na ginagawa nilang pamamaril sa mga ranger whether that is private forest ranger or from the government, their rights has to be respected. Kahit mamaril sila nang mamaril, kailangan ay pabayaang lamang sila dahil may due process at huwag silang awatin dahil may due process. Iyan po ang pagkakaintindi ko. Puwede po bang paki-explain, Madam Secretary?

Secretary Yulo-Loyzaga. Thank you very much. If we may just clarify. We recognize that at this point, this is a police action that needs to be taken. The DENR does not have the authority to conduct a police action and, therefore, Sec. Benhur Abalos has very generously and very wisely *po* offered to work with us in order to settle this matter as far as the police action is concerned.

If I may, very respectfully, the Masungi Georeserve issue is a very complex issue. When I came into this office, I started to inquire about the background and history of this particularly controversial agreement. This has been ongoing for the last five years in terms of whether or not this agreement should be respected, who should be part of it, et cetera, whether in fact it is in contravention of the Constitution or not.

I do support, very respectfully, that the Senate and the congressional investigations take place so that all of these details, these complexities, may be put forward in full transparency for everyone to understand how complex this issue has become. We are not going to be able to resolve the full complexity here, I am very convinced, very respectfully, during this interpellation. However, we are preparing, as I indicated in my written response to the letter that you have mentioned, we are preparing and we are very willing to cooperate with both the Senate and the House. I understand there has been a motion already from Sen. Risa Hontiveros to open an investigation in the Senate and we are also aware that in the Lower House, in Congress, Rep. Dino Tanjuatco, Rep. Jack Duavit, Rep. Jojo Garcia will also open an investigation to this matter.

The DENR will cooperate fully with both investigations *po*.

Senator Tulfo. Very well said, *at aasahan ko po iyan, iyong tinatawag ninyong cooperation.*

Balik muna tayo riyang sa Masungi. Let us talk about figures—P10 billion po ang inyong operation expenses and then nadagdagan ng P2 billion support for operation—P12 billion para lamang sa operation. And then ang nakapagtataka ay nagsingit pa ng P90 million pagdating sa Lower House, inaprubahan sa Upper House—dito sa Senado—ang laki-laki na nga ng budget P12 billion, dinagdagan pa talaga ng P90 million para mapunta sa Office of the Secretary, P60 million—sa opisina po ninyo—P10 million para sa mining monitoring; and P20 million para sa national water. Hindi pa ba sapat ang P12 billion na operation expense na kailangan pang humingi ng another P90 million para sa inyong tanggapan?

Secretary Yulo-Loyzaga. With all due respect, Mr. Senator, the DENR is tasked to manage trillions of natural resources in value. We are but No. 12 in the order of magnitude in terms of the budget of the government. There is a very severe lack of capacity in terms of being able to monitor and supervise different areas of DENR's work. So, the additional amounts that were referred to by the senator, respectfully, were really additional amounts to help us, first, with water security, which has been an indicated priority of this administration; and secondly, in terms of mining, that was for instruments. As I understand it, that is a ground-penetrating radar instrument that is badly needed by our Mines and Geoscience Bureau in order to actually conduct their investigations as to mining and geostrategic resources for the country.

Senator Tulfo. All right. So what the Secretary is saying is that *iyon pong bilyones na P12 billion ay para roon sa water security mining radar?*

dt

Secretary Yulo-Loyzaga. The additional amounts for the mining and geoscience and for the water security, those were additional amounts. The Office of the Secretary's budget cascades all the way down to the regions in terms of operations. *Hindi po lahat iyan ginagasta ng* Office of the Secretary. *Kina-cascade po iyon pababa* to all the regions to be able to operate and conduct their mandate.

Senator Tulfo. *Opo.* Can the Secretary give me a quick breakdown *dito po sa* P12 billion *kasi mayroon na pong* P10 billion operation expense? *Sana ay sinagad na lamang, nagdagdag po ng* P2 billion, support for operation. While the Secretary is at it *at tinitingnan po iyong mga dokumento, mayroon silang* confidential and intel and extraordinary expense fund, P13.9 million.

Secretary Yulo-Loyzaga. Yes, *po.* If I can just specify in terms of the WRV, the Water Resource Vulnerability Assessment Program, that was part of the additional amounts of P20 million; the Palawan Council for Sustainable Development, additional amount P435; Mines and Geoscience *po,* this is part of the Geological Risk Reduction and Resilience Program that is related to the disaster program of the government. I will give the senator the breakdown *po,* if I can—

Senator Tulfo. I am sorry, P12 billion operation expense. *Sana po kinuha na lamang diyan iyong sinasabi ninyong para sa* Office of the Secretary *na* P16 million; mining, P10 million, national water, P20 million. *Bakit hindi na lamang po diyan kumuha sa* P12 billion total for operation expense? *Huwag ninyo po munang sagutin iyan.* Now, *mayroon kayong* P13.9 million confidential and intel and extraordinary expense. *Dapat po, kung ako po ang tatanungin,* with this amount, *kaya ninyo po sigurong mag-tap ng* network of intelligence *para alamin kung sino-sino po talaga itong mga taong nanggugulo sa loob ng* Masungi Georeserve? And you can use that money with that P13 million. That is a lot of money *para alamin kung sino-sino ang mga grupong ito* and then *ipasa ang* information *na iyan sa* PNP, *sa* Army, *sa* Navy, *sa* Marines. *Bakit po hanggang ngayon, hindi pa rin maituro-turo* who are these people behind *sa* *panggugulo* *riyan sa loob ng* Masungi *at sino-sino itong* armed groups *na gumagala-gala* *riyan na* up to now, even while we speak, *nandoon pa rin sila nanggugulo at namamaril at* they fire randomly *at nangha-harass po ng mga taong naroon sa paligid?* So, please answer *po,* Madam Secretary.

Secretary Yulo-Loyzaga. Thank you very much, Mr. President. With all due respect *po,* as we all know, I am just newly confirmed in this position. These past events occurred not during my time in this position. However, we have obviously deferred at this point to Sec. Benhur Abalos on his request and on his offer to actually conduct the investigation as to what is going on in this area. There are some initial findings and we are working together with the group of SILG in order to come up with a list of participants in these types of activities in the area. At this point, I am not at liberty and we do not have a full knowledge as to who these personalities are. However, there is a history, there are names and I am deferring at this point to the investigation that is being conducted by the police in terms of identifying the characters and taking the necessary action.

Senator Tulfo. So, what is the status of the investigation being conducted by the DILG *na naipasa po ninyo sa kanila?*

Sabi ninyo kasi ay bago lamang kayo sa inyong posisyon. By the way, *bago rin po ako sa* Senado *pero* I know for a fact *na kapag mayroon kang ipinasa—at trabaho mo naman iyon—sa* another agency for help, you should be on top of that, whatever it is *na ipinasa mo roon sa* agency *na iyon,* like the DILG, in this case.

Secretary Yulo-Loyzaga. Thank you very much *po.* I will be meeting with Sec. Benhur Abalos shortly. As you know I have just arrived from being designated by the President as head of delegation to the climate change negotiations. And I do not want this type of conversation really remotely with the Secretary. So, we are due to meet. Definitely, in the next Cabinet meeting, we will be meeting. I will be seeing him there, as with your brother, Secretary Tulfo, who is my seatmate in the Cabinet meeting.

Senator Tulfo. The MOA was entered into by DENR and Masungi. DENR is now saying that the MOA is illegal. So, *mali ang* DENR in entering into this MOA?

Secretary Yulo-Loyzaga. Sir, at this point *po,* the nature and the history of the MOA are what we are trying to finally establish. There are terms and conditions that were stipulated in the MOA that really contravene certain provisions of our Constitution and other types of legal declarations.

df

So, at this point, we will put forward what has been the developing opinion that that instrument will have to be revised somehow, if we are to continue with this kind of arrangement with the group that is currently in possession of this area.

Senator Tulfo. All right. So, with that, *ang gusto ko po*, by next week, *malaman ko—namin—kung ano na ang sitwasyon ng kaguluhan diyan sa Masungi, kung kailan iyan maa-address, kailan natin mapalalayas iyong armed groups diyan sa loob ng Masungi. Iyong report na nakarating sa akin*, just imagine, M16, M203, *mayroon sila, samantalang iyong ating mga pulis kapag pupunta riyan, naka-9mm lamang.* They are outnumbered and they are, of course, *pagdating po sa puwersa, pagdating sa fire power, sila ay talo.* So, I need to know who those people are.

Kaya po kanina, tinalakay ko iyong confidential funds ninyo, na sana magamit ninyo iyan para alamin kung sino-sino itong mga grupong nanggugulo, unless ayaw ninyo talagang malaman—hindi po kayo; sabi ninyo bago lamang kayo. Baka mayroon kayong mga tao riyan na matagal na riyan sa DENR na maaaring kasabwat, maaring friendship, maaaring luko-luko at kayo ay binubulag o kayo ay nililigaw.

Secretary Yulo-Loyzaga. Please be assured, Senator Tulfo, that we will be getting to the bottom of this, and we will be submitting that report to you. We would like this to be formal; therefore, we will base it on the report from the DILG *po*. So, very respectfully, we are also wanting to get to the bottom of this issue for a final resolution.

Thank you very much *po* for your questions. We hope that this will, in fact, advance and accelerate the investigation that is going on.

Senator Tulfo. *Marami po riyang undersecretaries na panahon pa ng dinosaur, nariyan na sa puwesto. Puwede po ba pakiimbestigahan iyang undersecretaries na iyan, na sa tinagal-tagal na nila ay mukhang nagkakaroon sila ng dementia at hindi na nila nagagawa nang tama iyong trabaho nila? Maybe it is about time na ma-assess po ninyo kung sino-sino iyang undersecretaries na iyan na pagkatagal-tagal nang panahon ay nariyan pa rin. Siguro po it is about time na ire-assess ninyo iyong mga posisyon diyan sa DENR. I believe kayo po ay direktso, gusto ninyong mabago ang DENR, pero how can you do that kung iyong mga nasa likod po ninyo ay mga taong, sabihin na natin, salbahe, at kayo ay pinaikot lamang.*

Secretary Yulo-Loyzaga. Thank you very much *po*. That advice is well-taken, and please be assured that we are trying to build a team that has the same kind of vision, that has the same, hopefully, integrity and commitment to the mission of the DENR.

Senator Tulfo. I do not think so, Ma'am. I am sorry. You cannot talk about the integrity of some of the people in your department. Right now, I am not going to mention names. I have with me proof to show you *na marami kang mga tiwaling tauhan diyan sa loob ng DENR.*

Secretary Yulo-Loyzaga. Thank you very much for that, Mr. Senator. We would very much welcome that kind of information, in terms of our trying to build a team within the DENR.

Senator Tulfo. *Kaya nga po. Iyong mga nasa paligid mo na mga undersecretary, kinakailangang i-reassess ninyo sila. Kailangan po sigurong gumawa kayo ng lifestyle check tungkol sa mga buhay nila, kung sino sila. You really have to assess who they are. Kasi nga naman, Ma'am, kahit na gusto ninyong gumawa ng tamang trabaho, pero iyong nasa likod ninyo ay gumagawa ng kalokohan, binubulag at binubukulan kayo, sayang lamang po ang mga ginagawa ninyong kabutihan para sa inyong departamento.*

Secretary Yulo-Loyzaga. We deeply appreciate this, Senator Tulfo, and we hope that we can receive the information from you for our use in the investigation.

Senator Tulfo. *Marami po sa inyo riyan sa mga tauhan ninyo ang nakikipagsabwatan sa illegal miners. Alam ninyo po ba iyan? Do not tell me na hindi ninyo po alam. Do not tell me na hindi nakarating sa inyo ang ganoong klaseng impormasyon. Marami po riyan. Narito po ngayon, kasama ninyo siguro. Hindi ko po tinitingnan ang mga kasamahan ninyo pero may nakikita akong tauhan ninyo riyan na tiwali at kasabwat ng mga illegal miner.*

I am not looking at them right now *pero tingnan ninyo po sa likod ninyo kung sino-sino ang mga kasama ninyo. Ipatanggal ninyo po ang facemask. Baka mas makikita ninyo po nang mabuti.*

ds

Secretary Yulo-Loyzaga. Thank you very much, Sir. That is very well-taken *po*.

Senator Tulfo. All right. *Sige po. Ang sa akin lamang po, alam ko na gusto ninyong mapatino iyong isang departamento na isa sa pinakatiwaling departamento*—I am sorry that I have to say this—*sa ating gobyerno*. You want to clean it and the way to do it is *umpisahan ninyo po ang paglilinis sa mga taong humahawak ng sensitive position*. Start it with your undersecretaries and assistant secretaries.

Secretary Yulo-Loyzaga. We hope for your kind assistance and support *po* in this endeavor.

Senator Tulfo. Thank you *po*.

Now, last *na lamang po, ano po ang status ng Kaliwa Dam, Madam Secretary?*

Secretary Yulo-Loyzaga. As per our latest information and our records *po*, good Senator, there is already a Free, Prior and Informed Consent with the IPs. And we are now awaiting the completion of a special agreement in protected areas. So, MWSS has already secured a PAMB endorsement for the Quezon area. And in the Rizal area, the SAPA application is already under Proclamation No. 573 by PAMB-Rizal. It was elevated already to DENR Region IV-A for review and endorsement to the central office.

So, *ang naiiwan na lamang po* is this work on the special agreement in protected areas *na kailangang tapusin ng MWSS at ng DENR*.

Senator Tulfo. All right. So, *iyong mga indigenous people, iyong mga Dumagat, nakakuha na po ang DENR ng informed consent. Ano po ang ibig sabihin ng informed consent?*

Secretary Yulo-Loyzaga. Sir, *ang MWSS po ang kumuha ng informed consent*.

Senator Tulfo. All right. *Ano po ang nakapaloob doon sa informed consent at bakit? At kung sila po ay nagbigay ng kanilang consent, pumayag, what is the reason? What is in it for them?*

Secretary Yulo-Loyzaga. Sir, we are not going to answer for MWSS *po*. *Pero* in the process, as part of the—

Senator Tulfo. Sorry, Madam, you have to. You have to know. That is why I said you have to be on top of everything. You have to protect these IPs *kasi wala pong nagpoprotekta sa kanila*. So, *kung hindi po kayo makikialam dito, kahit na sinong private companies, private entities, ay papasok na lamang at palalayasin ang IPs. At dahil may consent na po mula roon sa mga nanghihimasok na mga private entity ay hindi na kayo makikialam?* No. *Katungkulan ninyo po to protect the rights of the IPs*.

Secretary Yulo-Loyzaga. Sir, kindly allow me to clarify *po*, when I said I am not answering for MWSS. MWSS is the proponent. The DENR is the one that will be granting the Environmental Compliance Certificate (ECC) for this area, so I cannot speak for MWSS because we are not the proponents.

Senator Tulfo. *Pero* at least, Ma'am, *puwede ninyo po bang malaman kung ano iyong deal between MWSS and the IPs? Bakit po sila pumayag, like, what is in it for the IPs?*

Secretary Yulo-Loyzaga. Sir, if you will allow me I will give you the details.

Senator Tulfo. *Sige po, Ma'am*.

Secretary Yulo-Loyzaga. The memorandum of agreement between the indigenous cultural communities in Rizal and Quezon was signed on December 10, 2021 and January 28, 2022, respectively. Disturbance compensation of P80 million for Rizal and P80 million for Quezon was part of that agreement, and annual compensation during the operations of P10 million for Rizal, and P36 million for the Quezon IP communities is also part of the agreement.

The certification of precondition was approved by NCIP en banc on September 19, 2022. On November 7, 2022, the certification precondition was officially transmitted to MWSS, because they are the proponents. NCIP together with MWSS is currently conducting the final validation of affected IP families. There are 15 IP families to be relocated as of October 2022, based on the latest MWSS survey.

Senator Tulfo. Okay. *Kasi ay nakatanggap ako ng information na ito pong IPs ay tinakot. Karamihan sa kanila ay kulang sa pinag-aralan, kulang sa kaalaman. Kaya for the third time sabi ko nga po sana lahat ng klaseng transaksyon, kailangan you are on top of it. Sabihin na natin na private entity ang MWSS, nandiyan ang NCIP na nagbabantay roon sa transaksyon between the MWSS and the IPs. Hindi po ba dapat alam ninyo rin kung ano ang nagaganap na transaksyon? Alam din ninyo kung ano ang damdamin at kapalit na ibinibigay sa IPs. Now, sabi ninyo na may financial considerations. Magkano po iyong perang ibinibigay per family roon sa binabanggit ninyo na milyones?*

Do we have the names? Or you do not even have to mention the names of those IPs. But at least how many families and do we have their signatures and when they were signing that, they were agreeing? *Mayroon bang mga abogado at public attorney's office man lamang na para bantayan ang karapatan ng IPs na pumipirma? Kasi in so many ways, iyong IPs ay tinatakot, napipilitan silang pumirma dahil may abogado. Kung minsan may kasama pa raw pong sibilyan na may nakasukbit na baril habang pinapipirma iyong IPs. Hindi ba dapat habang pumipirma ang IPs, kung ano man ang deal na iyan, nandiyan ang mga taga-gobyerno natin? Nandiyan ang public attorney's office para basahin po iyong nakalagay roon sa kontrata at nandoon din ang ating PNP para palayasin kung mayroon man doon na may nakasukbit na baril para harasin itong IPs upang pumayag na pumirma?*

Secretary Yulo-Loyzaga. Sir, with all due respect, two government offices are part of this negotiation for the memorandum of agreement for Free, Prior and Informed Consent. The IPs are represented by the NCIP. They have lawyers on the NCIP that actually make the representations for the IP communities, the other government offices, the MWSS. The government is represented, and the representation of the IPs is through a government office as well, which is the NCIP. There are 15 IP families all in all. In Rizal, they will be getting P1 million each for the IP communities. In Quezon, P1 million each for the 36 IP communities as well. There is a breakdown of what we have here. It is just a summary. We can request for the full agreement to be made available to the user so that you can fully peruse the terms and conditions.

Senator Tulfo. *Ito po ay na-brought up ko na noong last hearing natin. Sana po next time kapag kayo ay nakipag-deal sa IPs—I am not saying na hindi mapagkakatiwalaan itong NCIP. Kasi kung may tiwala ang IPs sa NCIP, hindi na po sana sila lumapit sa akin. Bakit lumapit pa rin sila sa akin, despite the fact na nandiyan na pala iyong NCIP noong sila po ay pinapipirma ng isang dokumento na sila ay makakatanggap ng milyones? Why would they still come to me? So, ibig sabihin, medyo may problema po dito.*

Now, *doon po sa P1 million bawat pamilya—P1 million here, P1 million there. Nasabi rin po sa akin na in-offer-an itong mga IPs kapalit daw po ay bahay at lupa. Siguro po, itong P1 million, pagbigay sa kanila ng P1 million cash, "Ibili ninyo iyan ng bahay at lupa."*

Bibigyan sila ng cash at iko-convert sa bahay at lupa, pagkakakitaan sila. Tumubo na doon sa bahay at lupa, nawalan pa ng property, nawalan pa ng kabuhayan iyong IPs. Kasi nga ang sinasabi ng IPs, "We do not need another house and lot. Mayroon nga kaming house and lot pero wala naman kaming hanapbuhay." Useless. "Bakit hindi na lamang kami pabayaon dito sa aming lugar na dito naman kami ipinanganak, dito na kami lumaki. Bakit kami kailangang palayasin pa? So, we do not need a house and lot. Kahit kubo-kubo lamang kami nakatira, makapagtanim po kami sa paligid ng mga gulay, makakakuha kami ng isda diyan sa mga ilog, okay na sa amin, Mr. Tulfo. Pero, binigyan nga kami ng pera, pero iyong pera iko-convert po sa house and lot."

I do not know *kung sino po iyong developer ng house and lot na iyon. Para bang ino-offer kapalit ng pera nila ay magkakaroon sila ng house and lot. Parang in the end, masha-shortchange po ang ating mga pobrang IPs.*

Secretary Yulo-Loyzaga. Sir, we do not have that information and we would welcome receiving that information *po*. However, as I mentioned, two government officers are talking to each other and then talking to us. So, I believe *po* this issue with NCIP is a problematic issue and so needs to be taken up on its own *po* in terms of the treatment and the administration of the resources for the IP communities.

Senator Tulfo. Thank you *po* Madam Secretary. *Kayo po mismo ang nagsabing* “problematic issue,” So, *kailangan po makialam na kayo dito. Kailangan po, bilang secretary ng DENR alam po ninyo ang lahat ng klase ng transaksyon at nagaganap kung saan apektado po iyong ating mga IPs. At may kinalaman po sa environment and jurisdiction po ninyo.* And, I really need you to focus your attention *dito po sa kalagayan ng ating mga IPs.* Because *wala pong iba na makakatulong sa kanila kung hindi ang ating gobyerno. Paano na po kung mismo na ang ating gobyerno na supposed to be na magpoprotekta sa kanilang mga karapatan, ito pa po mismo ang lumalapastangan sa kanilang mga karapatan?* I want you to be on top of this, Madam Secretary.

Secretary Yulo-Loyzaga. Thank you very much *po*, Senator Tulfo. That is well taken.

Senator Tulfo. *Iyan lamang po, Madam Secretary for now, and I will wait po doon sa mga na-promise ninyo na mai-provide iyong mga dokumento and then after that, then we will talk. And last, I would put it on record na si Madam Secretary Loyzaga, siya po ay in favor na maipasa na po iyong National Land Use Act. And you will work with us here in the Senate, including myself, na para maipaglaban, once and for all, maipasa na po iyan kasi apat na presidente na po ang gustong maipasa na iyan. Priority bill po nila iyan pero hindi maipasa-pasa for whatever reason, I do not know. Pero kung kayo po ay susuporta, nandiyang po kayo, maging resource person po namin kayo, then I think this time around maipapasa po iyong National Land Use Act para sa kapakanan po ng taong-bayan, hindi lamang po para sa iilan diyang.*

Okay, *maraming salamat po.*

Secretary Yulo-Loyzaga. Thank you very much, Mr. Senator, if I may just say. The flagship project of the DENR is the National Natural Resource Geospatial Database. This will allow us to map all the natural resources in the country and will be a great support for the Land Use Act.

Senator Tulfo. Thank you very much, Madam Secretary.

Mr. President, *maraming, maraming salamat po.*

Thereafter, Senator Pimentel asked questions which the DENR Secretary answered, as follows:

Senator Pimentel. Thank you, Mr. President.

Madam Secretary, I will pursue the matter of the Masungi agreement issue.

So, we have an agreement which we claim now to be infirm, or constitutionally infirm only, because it has no lifetime—it has no termination period. Actually, it has the entire lifetime *pala*, in perpetuity *nga pala iyon.* Is that the only objectionable feature of the said MOA, Madam Secretary?

Secretary Yulo-Loyzaga. If I may just have a few seconds, Mr. Senator, so we can put our brief together here. Mr. President, if I may just recall the legal issues as had been mentioned previously by the Madam Chairperson.

The MOA constituted a perpetual land trust—so, this is in reference *po* to the no term—between the DENR and Masungi Georeserve Foundation, allowing the latter to hold vast tracts of land in perpetuity. This is in direct contravention to Section 2, Article 12 of the Constitution which limits the term of agreements for the use of natural resources to 25 years, renewable for another 25 years.

The lack of diligence that led to the omission of any proviso for financial transparency and financial gain to the government, in pursuit of Masungi Georeserve Foundation’s ecotourism business, is also manifestly disadvantageous to the government as it results into the loss of millions of Special Use Agreements in Protected Areas’ fees, as mandated by Section 25 of the NIPAS Act, as amended.

The certification of precondition was not secured from NCIP prior to the execution of the agreement in contravention of Section 5, Article XII of the Constitution and Section 59 of RA 8371 of the IPRA Law.

9

Masungi Georeserve development plans were not harmonized with the management plan and management zones of the PAMB as required by Section 10 of RA 7586, or the NIPAS Act prior to its amendment by RA 11038 and Rule 10 of DAO 2008-26 and its implementing rules and regulations. This has caused conflict in the supervision and management of the area by both PAMBs and Masungi Georeserve Foundation.

The MOA has been used essentially as a *carte blanche* authority by Masungi Georeserve Foundation Inc. to install fence, block roads, install checkpoints, conduct ecotourism business, build and demolish structures, and summarily evict occupants in the protected area, all without due process and without prior permit and prior PAMB clearance.

Masungi Georeserve Foundation Inc. did not coordinate with the LGUs of Baras, Tanay, and Antipolo in Rizal regarding their plans. The LGUs were not given access to assess the improvements made for tax purposes and the fencing was done without permits from them. In addition, IPs and other long-time residence in the area were deprived of access to their homes.

The PAMB of Upper Marikina River Basin Protected Landscape issued Resolution No. 02-2022, entitled, "Kapasyahan ng Protected Area Management Board ng Upper Marikina Watershed Basin Protected Area na Makansela na ang 2017 MOA ng Masungi Georeserve Foundation Inc. and DENR, dated March 1, 2022."

The PAMB of the Upper Marikina River Basin Protected Area Landscape also resolved to ask the DENR Secretary to cancel the 2017 MOA with Masungi Georeserve.

And then there is a chronology of other decrees *po*.

Senator Pimentel. Yes, Ma'am. Okay *na po iyon*. So, I think those entries have been read twice into the record. So, *ganyan pala talaga ito ka-complicated*. We need to hear them two times to be able to understand them. Basically, on the content of the agreement, there are around four legal issues or issues that they raised. And then, in the execution of the agreement, *iyong mga* lack of coordination, there are additional objections on how the agreement has been executed. So, the beneficiary of the agreement is the Masungi Georeserve Foundation?

Secretary Yulo-Loyzaga. Yes, Sir.

Senator Pimentel. That is the beneficiary of the agreement. On the part of the government, who signed the agreement?

Secretary Yulo-Loyzaga. It was signed *po* by the late Secretary Gina Lopez.

Senator Pimentel. *Ngayon, iyong binasa ninyo po*, is that the official position of the DENR?

Secretary Yulo-Loyzaga. Yes, Sir. I should also state that it is the position of the DENR that the agreement is grossly disadvantageous to the government.

Senator Pimentel. Okay. And, you are the expert in all of our environmental laws, as well as the law creating the DENR. Do you have the power to summarily cancel the MOA?

Secretary Yulo-Loyzaga. There is a recommendation, Mr. President, to actually cancel the MOA. I have deferred a decision because of the fact that there will be investigations in the Senate and we would like all the details of this particular situation to be then shared with both the House and the Senate.

Senator Pimentel. Yes. When we ask for the details, *manggagaling din sa inyo. Alam ninyo na*. So, actually, Ma'am, it might be—we can call this a complex issue *pero* we can always simplify. *Parang ngayon nga na-simplify na nga natin*. We have four legal issues and then the execution, other laws may have been violated.

The President. Minority Leader, may I interject? Just a question. It is also on this topic.

On the Masungi Georeserve, what I admire, although there are several complex issues in terms of legality on the landholding, is that they were able to protect it. They were able to re-plant, they were able to plant trees. It is now a forest. I have seen that before-and-after pictures.

My question *lang*, Madam Secretary, with due respect, is that, if we let go of this, if your recommendation is that it is disadvantageous, what program would you have in effect that would be able to still maintain the pristine condition that it is now today? My worry, and I think the

Minority Leader will share this with me, in Mindanao, when we open up a lot of areas to local protection to local communities, *ubos iyong kahoy, wala nang naiwan. Talagang kugon na lang.* It is all cogon. All the trees were cut and were used for whatever purpose. I do not put any blame on any particular group, but that is the reality of it. And I have actually stopped asking these particular areas whenever there is a budget hearing in the Senate. I do not anymore ask because it is useless to ask. There are no more trees.

My point is, if we let it go, how can we be assured that the forest that has been there now planted by this foundation will be protected? I think this is also a very important question as well. A lot of environmentalists are asking, "So, what happens now to the forest?"

Secretary Yulo-Loyzaga. Thank you very much for that question, Mr. President.

There are three PAMBs that are already present in this area. With all due respect to the group, Masungi Georeserve Foundation, they have done a very good job in the roughly 300 hectares of over 2,000 hectares that have been made part of this MOA. They have been recognized internationally. We do not want to take that away from them because it has really established itself. However, there are principles of equity here involved. PAMBs need to be heard, other stakeholders in the area need to be heard. And the only solution at this point that I can actually put on the table is there needs to be a multi-stakeholder agreement to actually protect this very large area. It cannot be done by one group alone. This is a vast area and the fact of the matter is, there are existing PAMBs that are present already. The LGUs also should be taken into account because they should be made part of areas that will be managed, and also the ecosystem services that they can provide to the local government units.

We do not have the shape or form of this particular multi-stakeholder arrangement at this moment. I believe there is room for negotiation. However, at this point, what is clear is the agreement, as it stands, is very difficult to defend.

The President. Okay, thank you for the answer, Secretary. Thank you for your time, Minority Leader.

Senator Pimentel. Thank you also for that clarification.

The evaluation of the contract should not be that complex—*iyon pala*. The complex is what to do now, how to manage the three protected areas covered under that MOA.

So, is there no way to simplify the process? *Kasi parang sini-simplify ninyo lahat.* Can it be just the board, the PAMB of each protected area, entering into a similar MOA with an NGO for the preservation of their protected area? This time, *i-legally*, correctly draft the MOA. Could it not be that simple *na lamang*? Why do they still have to involve all the others? *Kasi*, at any rate, Mr. President, *ang dapat piliin* is a responsible entity. *Hindi naman tayo kukuha ng irresponsible entity dapat.*

Secretary Yulo-Loyzaga. Yes, very respectfully, Mr. President. At this point, a MOA is really not the ideal instrument. There could be a tenurial instrument that could be designed to actually begin to protect this area more formally rather than just having a MOA.

I believe there is room for negotiation here; there is room for understanding as to what the value of this area really is; and for the principle of equity to actually prevail — to recognize those that have, in fact, relied and protected this area for one reason or another because of the ecosystem values that it delivers to them.

Senator Pimentel. *Ang konsepto ba natin dito ay* the private sector or civil society organizations can do this better than government?

Secretary Yulo-Loyzaga. With all due respect to the good men and women of government, I really feel that a multi-stakeholder arrangement would actually be a more transparent arrangement for all concerned.

Senator Pimentel. *Sige*, Mr. President.

Senator Legarda. With the permission of the Minority Leader, Mr. President.

The President. Yes, please, the Senate President Pro Tempore is recognized.

94

Senator Legarda. I was speaking to some of our colleagues, and what we wanted was, first, a status quo. Of course, they should not abandon the place, otherwise, no one will care for it, right? So, the present, whoever they are, managers of the reserve, should stay pending the correction of the infirm agreement and pending the hearings that the Senate will hold. Because we have resolutions filed and what we hear from the DENR is there will be a solution, resolution after the consultations.

We will hold consultations here, depending on the chair of the committee but resolutions have been filed. But what we wanted was, I do not think the place should be abandoned and then leave it to the DENR, or the LGU, or PAMB to manage. No, that is not what we intend to do.

Secretary Yulo-Loyzaga. Mr. President, no, that is not what the intention is.

Senator Legarda. Okay, very clear. We thought because the agreement was infirm, they need to leave the place and then a new group will take over with a correct contract. No?

Secretary Yulo-Loyzaga. No, Mr. President.

Senator Legarda. Very good, that will not happen.

Secretary Yulo-Loyzaga. There is a suggestion that, in fact, the MOA can be converted into a SAPA—that is one suggestion.

Senator Legarda. In fact, the so-called infirm agreement can be corrected. And if they are doing a good job, they can continue with a corrected contract. I do not even know them; I have not even been there. So, we will see after an investigation.

So, I just wanted, Mr. President, to know, *sino ba ang gumawa ng kontrata na pinirmahan ni Gina? Nasa langit na nga si Gina.* Perhaps, the DENR, the technical people and the lawyers can explain who drafted the contract which you say is infirm. That is what the Minority Leader was asking me as if I knew but I do not know. So, perhaps, you can yield again, since we have suspended the *Rules*, to whoever drafted the contract, or if they know. If they do not know, we will leave it at that because we cannot ask Gina, obviously. But who drafted it? Who approved it? A Secretary will not approve a contract unless approved by her underlings.

Secretary Yulo-Loyzaga. With all due respect, Madam Senator, at that time, I am informed by the DENR officials who were present then, that former Secretary Gina Lopez was receiving legal advice from one of the DENR officers who, I believe, is actually in your staff at this point, Atty. Epat Luna.

Senator Legarda. Ah, all right. So, Atty. Luna. Yes, yes. So, Atty. Luna was a Usec for legal.

Secretary Yulo-Loyzaga. At that time *po*.

Senator Legarda. And so, I do not think—

Secretary Yulo-Loyzaga. May I qualify my statement.

Senator Legarda. Yes.

Secretary Yulo-Loyzaga. And that she was providing advice. I am not sure as how that advice was processed in order to come up with —

Senator Legarda. So, I cannot imagine that Atty. Luna, who is my chief legal—it is her first day today who is a good friend and an advocate—will draft an infirm agreement. But never mind. You have other lawyers there. So, what a surprise. She is up in the office, but I do not think you want to put Atty. Luna there on the microphone.

Secretary Yulo-Loyzaga. No.

Senator Legarda. So, aside from the Usec for Legal Affairs during Gina Lopez's time, who else in DENR knew about that agreement? *Hindi ninyo alam?* How can that be?

Secretary Yulo-Loyzaga. Madam Senator, I am informed by the team here that a number of them were in fact placed in floating status at that time and that the active advisers of former Secretary Lopez were her contractual technical advisers.

Senator Legarda. Alright. So that I am able to answer the Minority Leader clearly. None of any DENR technical legal staff present in this building today has anything to do with the Masungi agreement. *Para lamang clear, kasi tinatanong ako ni Minority Leader. Hindi ninyo alam.*

Secretary Yulo-Loyzaga. I am relaying the information that has been provided — that they were not participants.

Senator Legarda. Yes, *wala*. Alright. And assuming the agreement is infirm, so, correct it. *Iyon lamang, iyon lamang*, correct it.

Secretary Yulo-Loyzaga. Yes, precisely, Madam Senator, that is what we would like to see at this point.

Senator Legarda. Correct it. But let us not abandon it. And if they are a good group—I do not even know them, I do not even know their names, I have not even been there—If they are doing well, then leave them there with a correct agreement. As simple as that.

Secretary Yulo-Loyzaga. Thank you, Madam Senator.

I think at this point *po*, the DENR seems to be suffering a little bit from a public relations deficiency on this issue because we do not actively campaign in media to promote, in fact, some of these discussions.

Senator Legarda. I am not familiar with any public relations issue.

Secretary Yulo-Loyzaga. Yes.

Senator Legarda. We are talking about biodiversity; we are talking about legal issues; we are talking about nature and people and livelihood. So, it is very simple. Let us not complicate it. If it is infirm, trash it, then, perhaps, the legal issues can be cured. *Iyon lamang*. But I do not even know them, I do not even know them at all.

Secretary Yulo-Loyzaga. Yes.

Senator Legarda. Thank you, Mr. President.

Senator Villar (C). In defense of our DENR Secretary, the one managing Masungi and the DENR Secretary went to COP27. *Mas sikat pa iyong may-ari ng Masungi kaysa sa ating DENR Secretary noong pumunta sa COP27. Ganoon kagaling sila sa media kaya kawawa rin ang DENR diyari sa issue ng Masungi.* In fairness to them, in fairness to them.

Senator Pimentel. When Tita Cynthia Villar was referring to the Masungi owner, that is the Masungi Geo Reserve Foundation? *Iyan na po*, the Masungi Geo Reserve Foundation head *siya*. All right. So, *ang gustong sabihin ay mas marami pang kumamay sa kaniya kaysa kay Secretary. Pero ano po ang assessment natin sa performance nila?* They are there; they have been granted that MOA to protect the reservation. Aside from protection, I do not think it is exploitation. We cannot commercially use that.

Please fix the mic of Senator Villar *para naka-record din po*.

The President. Please do not close the mics of those that are being utilized.

Please, go ahead, Madame Sponsor.

Senator Villar (C). I think it is being operated as a business also because they have hotels for rent, and they ask people who go there to pay. So, it is a business. And they are not renting from the government. It is government land. I mean, one cannot use it for business without any compensation to the government. And it is in perpetuity. So, there is something wrong with that.

The President. Senator Villar is correct, that there is misconception. Because it paints the DENR in a bad light. It looks like the DENR wants to cancel a permit over a very successful reforestation program. As a matter of fact, I watched a CNA documentary about the Masungi Georeserve. It really paints the government in a bad light.

I think the government should take the opportunity, maybe during the coming hearings, to really paint the right picture, to show the right picture of what is going on. Because it is really a misconception that is coming out in the media *na kayo ang may kasalanan*. I think you should come out with your social media answers as well, to clarify the issue. Because it is coming out very clear now that it is a very complicated situation.

Thank you for allowing me, Mr. Minority Leader.

M

Senator Pimentel. Thank you, Mr. President.

So, if the MOA is a unique agreement, *na sinabi ni* Secretary may not even be the correct form of the agreement—that you may even change it to a tenurial agreement—*ano po ang purpose noon?* Let us say, it is the correct form *na ng kontrata*—when you enter into a tenurial agreement, what are you expecting of the second party?

Secretary Yulo-Loyzaga. Mr. President, with all due respect, under the special use agreement in protected areas, there are fees *po* that will be rendered to the government, and here is where, in fact, the current situation in perpetuity is grossly disadvantageous *po* to the government.

Senator Pimentel. So, *iyon lamang*. A party under a tenurial agreement with the DENR can commercially exploit the place—build hotel—*basta ako*, as long as...

Secretary Yulo-Loyzaga. Sir, there is a management plan *po* that is within the ecological sustainability of the area.

Senator Pimentel. *Totoo naman po*. That is a second observation *nga* of the MOA. No. 2, that it lacks financial terms, *hindi ba? Iyon ang* what is paid to the government. *Parang ganoon eh*.

Secretary Yulo-Loyzaga. Yes, *po*. And there is a management plan which we hope to be aligned with the general areas' management and protection plan as well.

Senator Pimentel. No. my point is, what has been happening in the Masungi Reserve, under that MOA being done by the second party—Masungi Georeserve Foundation, under a correct contract, can still be done, *tama?*

What they have been doing now can legally be done, but under a correct contract, *tama?*

Secretary Yulo-Loyzaga. Under a different instrument.

Senator Pimentel. Under a different instrument, *basta* with correct terms. It may be called a tenurial agreement with the correct terms or provisions.

Secretary Yulo-Loyzaga. Yes *po*, Senator.

Senator Pimentel. So, nothing is so alarming about what is being done there or happening there except that *mali-mali nga*. *Kulang lang o* deficient *iyong* so-called MOA on four important points, as mentioned by the Secretary. Okay, so *klaro*.

Senator Binay. Mr. President.

The President. Yes, Sen. Nancy Binay is recognized.

Senator Binay. *Siguro* just for clarification. The direction is to correct the contract and not to remove the foundation.

Secretary Yulo-Loyzaga. With all due respect, Madam Senator, there is a study ongoing as to how this whole process will unfold. We hope that there is an opportunity to come to some agreement with the other party. However, we cannot guarantee what their intentions or their plans are. What we can do is only operate within the bounds of the law.

Senator Binay. Yes, but going *doon ho sa sagot ninyo kanina* with our Senate Minority Leader is, *ang solusyon* is to correct whatever is not correct in the contract. *Pero sila pa rin ho iyong magtutuloy doon sa pagmi-maintain ng lugar*. But with your answer right now, the possibility of them not taking care of the place is a possible scenario.

Secretary Yulo-Loyzaga. There are terms and conditions *po* for the SAPA, and so they will need to comply *po* with that instrument if that is the instrument that will be operative upon the agreement with them.

Senator Binay. Thank you, Mr. President.

Senator Pimentel. *Bakit nag-i-if pa tayo*. What is the correct agreement *nga* to govern such a relationship over such an area? *Para klaro na po, para alam na namin*. *Kayo ang expert, eh*. What is it?

gh

Ang nangyari kasi rito—MOA. Parang gumamit lang ng mother concept—MOA. Lahat pwedeng ilagay sa agreement na iyan—MOA. Pero per practice of the DENR, there is a very specific format or name of agreement, and what is that?

Secretary Yulo-Loyzaga. Under the NIPAS Law, Sir, it is the SAPA.

Senator Pimentel. Okay, SAPA. *Iyang SAPA ang ating gagamitin.*

Senator Legarda. Thirty seconds, promise, Mr. Minority Leader. I just checked with my lawyer, Atty. Ipat Luna, who is up in the office. She had nothing to do with the infirm contract.

Secretary Yulo-Loyzaga. Madam Senator, with all due respect, that is true. As I said at this point, she had given tech advice, but what was done...

Senator Legarda. Whatever it is, so that she had nothing to do with the contract that is allegedly infirm. Just so that it is clear.

Secretary Yulo-Loyzaga. Yes.

Senator Legarda. I asked her categorically. Of course, I was not a witness, and we cannot ask Gina Lopez.

Secretary Yulo-Loyzaga. Yes.

Senator Legarda. Just to be sure, because you stated that that lawyer is with my office. I asked her, "Did you draft that contract?" She said, "No, Ma'am, I did not draft the contract."

Secretary Yulo-Loyzaga. I said she was around to give advice *po*. What was done with that advice, I do not know *po*. I mean, that is not also within—

Senator Legarda. So, the lawyers of DENR did not draft the contract. The Usec Legal at that time, Ipat Luna, who is now with my office, did not draft the contract. So, we do not know who drafted the contract that is allegedly infirm. Anyway, there is a resolution filed. We will hear it and you will do your own investigation. We hopefully will come up with a feasible solution.

Thank you, Mr. President.

Senator Pimentel. Thank you, Madam President Pro Tempore.

The President. Yes, please.

Senator Pimentel. *Sige. Basta* what is clear now, Madam Secretary, is you have this opinion adopted by the department as its official opinion on the Memorandum of Agreement-Masungi Geopark Project. You have an agreement on that. It is a three-page agreement *lang naman pala*. So, you have already your position which you have not yet acted upon. That is the correct statement of facts, is that right?

Secretary Yulo-Loyzaga. That is correct, Sir.

Senator Pimentel. So, since we are a country of observing the rule of law, you look for your remedies. Now, as of the moment, we have to observe and respect the said memorandum of agreement because the person signing under the name of the Department of Environment and Natural Resources at that particular time had the power to bind the said department, unless you have a different opinion, Madam Secretary.

So, *iyon lamang muna* until you go to a court and have this struck down or declared invalid, we have to observe and respect the said agreement.

Secretary Yulo-Loyzaga. Mr. Senator, yes, if I may just confirm, the Secretary at that time had the power and authority to sign that agreement.

Senator Pimentel. Thank you. Anyway, if you are really convinced on the correctness of your position, I expect you to act and move pursuant to your position. In due time, *dapat mag-unravel na po ito*.

Secretary Yulo-Loyzaga. Yes, Mr. Senator. Thank you.

ok

Senator Pimentel. Since *na-involve rito iyong* Upper Marikina River Basin Protected Landscape as one of the three protected areas covered by this wider Masungi Reserve, I have here now a copy of a letter to you dated November 10, 2022 from the Upper Marikina Watershed Coalition. Are you aware of this letter, *para hindi ko na siya basahin*, November 10, 2022 from the Upper Marikina Watershed Coalition.

The topic would be urgent appeal for the cancellation of quarries inside the Upper Marikina River Basin Protected Landscape and adjacent protected areas.

Secretary Yulo-Loyzaga. Sir, if I may just clarify, is this the letter referring to the PAMB's resolution on the recommendation to cancel the MOA?

Senator Pimentel. I will bring this to you, Madam Secretary.

Secretary Yulo-Loyzaga. Thank you *po*, Sir. As I said earlier, I had just arrived from Egypt.

Senator Pimentel. To be fair to the Secretary, *hindi pa pala niya nakikita itong* letter *na ito* having come from Egypt.

I have read this letter and I am just alarmed *na mayroon*—is it possible *na may* MPSA covering some 1,500 hectares in the Upper Marikina River Basin Protected Landscape and nearby protected areas? Could that theoretically happen? Or is that allowed by law that an MPSA exists inside the protected area?

Secretary Yulo-Loyzaga. Mr. Senator, the information we have, per our records, is that MPSAs were granted prior to the designation of the protected area.

Right now *po*, two are already cancelled and the other two are recommended for cancellation *na po*.

Senator Pimentel. So, *apat lamang po lahat iyan*.

Secretary Yulo-Loyzaga. Yes *po*.

Senator Pimentel. *Naninigurado lamang po ako*.

Secretary Yulo-Loyzaga. Yes *po*.

Senator Pimentel. When you say cancelled, effectively cancelled, *talagang* no more activity.

Secretary Yulo-Loyzaga. Cancelled *na po*.

Senator Pimentel. And two for cancellation. *Ano ang timetable natin dito?*

Secretary Yulo-Loyzaga. Sir, there is a three—

Senator Pimentel: ...*anong timetable natin dito?*

Secretary Yulo-Loyzaga: Mr. President, there is a three-letter notice and a 90-day period before it finally takes effect *po*.

Senator Pimentel: More or less, can the Secretary give me the month and the year of the effectivity?

Secretary Yulo-Loyzaga: So, the recommendation for cancellation *po* was two weeks ago, so there is a 90-day period from then before the—

Senator Pimentel: *Sabay sila?*

Secretary Yulo-Loyzaga: *Opo*.

Senator Pimentel: So, this will be cancellations for cause, or these will be cancellations which will be contested by the holder of the MPSA?

Secretary Yulo-Loyzaga: For cause *po*.

Senator Pimentel: And then, *iyong* two cancelled, did they accept the cancellation?

Secretary Yulo-Loyzaga: Yes, Mr. President. The information on record is that the two that were cancelled never operated, did not operate.

Senator Pimentel: So, that was easy for you, *dito tayo sa* more difficult. These two about to be cancelled, operated.

Secretary Yulo-Loyzaga. *Opo.* The remaining two, Mr. President, have not operated since 2004.

Senator Pimentel. All right, so, *basta ang mangyayari*, all the four will be formally and officially cancelled. Therefore, after this, after the effectivity, we can say that there is no more MPSA inside the protected area of the Upper Marikina River Basin. That is a fact.

Secretary Yulo-Loyzaga. Yes, Mr. President.

Senator Pimentel. Concerned *po kasi kami rito dahil sa* I live in Fairlane, Concepcion, Marikina City. Ondoy *andoon po ako*, six feet, eight inches *po iyong tubig mismo roon.* *Napa-exercise ako mismo roon sa pag-akyat ng mga gamit.* *Siyempre, hindi na maiakyat lahat*, so a lot of my things and memorabilia were destroyed by the flood. Plus the fact that I had to wade through flooded waters. That is why *mayroon tayong mga skin disease na rito sa paa natin* which could be attributable to wading in flood waters. *Ganoon po iyon.*

And then *mayroon pang* Ulysses and the second—*ito pa kasi*, Secretary, when Ondoy came, *ang sabi nila*, this is a one in 100 years occurrence. *Parang iyan lamang ang konsuwelo namin.* But lo and behold, after just 10 to 11 years, this one in 100-year occurrence occurred again that was Ulysses. Although Ulysses, *mga two meters lang umabot sa bahay; hindi two meters, two feet.* Unlike Ondoy, six feet, eight inches. And then we were discussing the possible causes of the flood, some are saying the release of water from dams *pero malayo iyon* because if we trace the destination of the waters from the dams, *hindi naman sila abot sa area namin* or *sa Marikina River.* *Ang sabi ni Tita Cynthia—Senator Villar—noon*, it is the cutting of the trees in the water shed.

So, *iyon na iyon.* Let us assume that that is the direct cause. Therefore, we are protecting the watershed by cancelling MPSAs and any other activities within the water shed which contribute to soil erosion, denudation of forest cover, cutting of trees, *ano pa po ba?*

Secretary Yulo-Loyzaga. In terms of the uses in the protected area, there are areas wherein there could be other uses as long as—it is called the multi-use zone, as long as they are within the plans for the protection and the management of the area.

On the causes for Ondoy's floods, at that time *po*, I was executive director with the Manila Observatory which I know the senator is familiar with, and in fact, what had happened is that the amount of rainfall that fell during those hours when Ondoy happened was really equivalent to several—I think, it was half a month's worth of rainfall in several hours. So, the volume of rainfall *po* that actually fell is contributory to the flood, as well as, of course, other causes from the denudation. So, I think, if I may *po*, just introduce at this point that floods are very complex as well because infrastructure is involved. Building an urbanization that is unregulated, infrastructure that is sufficient for drainage for these extreme events *po*, as you have just stated, are all contributory, as well as topography and elevation. So, in the case of Marikina City, most of the city is in a flood plane, which will really flood *po* because that is the nature of the land that it is built on.

Senator Pimentel. Yes, but something is becoming worse, because we have been there since 1976.

Secretary Yulo-Loyzaga. Yes, Sir.

Senator Pimentel. And then, after 35 years of our staying there, it floods. And then, we are consoled by the prediction that it is a one-in-a-hundred year event; and then it happens 10 years later.

Secretary Yulo-Loyzaga. Yes *po*.

Senator Pimentel, So, *kaya nga*, since we are all scientists here; we have our theories, we have to address that factor—the abuse of the watershed, the erosion there, denudation, cutting of trees, *et cetera.*

Secretary Yulo-Loyzaga. Yes *po*.

Senator Pimentel. And then, of course, the release of the water, even desiltation of the river—*lahat po iyan*. We have to address all of these *kasi kawawa rin po* because *baka* close to a million households or persons were affected. And if it keeps on flooding, the value of the houses, the real property, which most likely is the biggest single investment of that family, *wala ng lilipatan*.

Anyway, I know you understand me, Madam Secretary.

Siguro, I advise you to answer this group which wrote your office, and then you also inform them; and then copy furnish *na lamang po siguro ang office ko* through our subcommittee.

Secretary Yulo-Loyzaga. Yes, Sir.

Senator Pimentel. Thank you, Ma'am.

And then, *marami pa sana akong tanong*, but I know you are tired because *may jet lag pa po kayo*. *Iyong sa mining sector na lamang*, Ma'am.

According to the DENR, the President's directive is he will consider the mining sector as a source for economic recovery. But then, the idea is to add value, *hindi ba, parang ganoon?* We are not just a source of ores or the raw minerals *kasi* that will remind Sen. Robinhood Padilla and myself of the time when we were a colony. That is the function of the colony—*kinukuhanan lamang ng raw materials*. So, let us try to.

Senator Villar (C). I just want to make an opinion on mining. The Philippines consists of 30 million hectares; nine million hectares are mineralized. So, when the soil is mineralized, it cannot be used for agriculture. The plants will not grow. We have to remove the minerals; *tapos, ire-restore natin iyong mining* to be an agricultural land. So, *habang hindi natin tinatanggal iyong minerals na iyon, hindi* suited for agriculture. *Kaya maganda rin na iyong legal miners ay i-allow natin para tanggalin nila iyong mga minerals para maging* suited for agriculture *iyong ire-restore na lupa; kaya lamang, kailangan iyong ating mga miners* would be legal miners *na marunong ng restoration*. But this is an asset for the country, *na marami tayong mineral deposit*, because that will earn something for our economy, especially this time *na may problema tayo sa ating economy*. *Iyon lamang ang plus ng mining*. We just want to make sure that the miners are the legal ones, not the illegal ones, because the illegal ones will not restore it to become agricultural land afterwards when they have removed the minerals.

Iyon lamang po ang explanation ko. Kaya tama na i-develop natin iyong mining, but make sure that the miners will restore it into agricultural land afterwards.

Thank you.

Senator Pimentel. Mr. President, *magandang insight po iyon, na mineral land—after it has been exhausted—can be restored and be productive as agricultural land*.

Does the Secretary, as a scientist, back up that statement?

Secretary Yulo-Loyzaga. Yes *po*.

Senator Pimentel. *Puwede talaga*.

Secretary Yulo-Loyzaga. Yes *po*.

Senator Pimentel. *Nabanggit ni Sen. Cynthia Villar iyong our wealth in minerals. Have we come up with an estimate of the peso or dollar value of all of our known—siyempre, kung unknown ay hindi pa natin alam—mineral reserves in the country?*

Secretary Yulo-Loyzaga. Yes *po*, Sir. If you will just allow me a few seconds *po*, we have that information.

The President. We would like to recognize, with the permission of the Minority Leader, Senator Tolentino.

Senator Tolentino. Mr. President, with the indulgence of Senator Pimentel, the Minority Leader, my inquiry is this, there was a suspension of *Rules* a while ago, and it has reference to a point raised previously by Senator Tulfo. That has something to do with the Masungi situation.

ds

My query is this, is this now a full-blown suspension of *Rules* to include the entire universe of the budget of the Department of Environment and Natural Resources, not just the Masungi situation?

The President. We will defer to the Minority Leader.

Minority Leader, maybe the sponsor can answer some of the questions as she is already interjecting answers to your question so that we can allow the Secretary to go back to her seat.

Senator Pimentel. I still remember the words carefully used by our Majority Leader. I do not think he limited it to the Masungi. It was allowing the Plenary to ask questions directly to the Secretary.

The President. All right.

Senator Pimentel. But at any rate, Mr. President, I am into my last question.

The President. All right. Let us allow the Minority Leader to proceed so we terminate and can go back to our *Rules*.

Senator Tolentino. I thank the Minority Leader for the clarification and, likewise, the Senate President.

Thank you, Mr. President.

The President. Thank you very much.

The Majority Leader. Mr. President, if I may.

Mr. President, I agree with the statements made by our Minority Leader, that this is not primarily focused on one particular issue that we are tackling. It is more of the entire agency. Department *ang tinatalakay natin*.

It is just that I also wanted to put on record and I appeal to our dear colleagues that every time we suspend the *Rules—Hindi lamang po iyong humahaba*. It is just that we wanted to appeal to our colleagues—not to the Minority Leader, not to those *na nauna po kay* Minority Leader—*na may mga issue na na-discuss* during the committee hearing. And *kung iyong kasama po natin ay wala noong committee hearing, hindi naman yata fair na ire-raise ulit dito sa Floor* and will ask for the suspension of *Rules*.

Iyon lamang po, Mr. President. I hope it is clear to all the Members. And, again, we appeal to every member of this institution *na*, please, *sumunod tayo sa schedule na pinagkasunduan din natin noong caucus*.

Maraming salamat, Mr. President.

The President. Thank you.

Since, anyway, it is the last question of the Minority Leader, let us allow him.

Senator Pimentel. Although, Mr. President, let us not be alarmed with our use of the suspension of the *Rules kasi* we have used it sparingly. Per your advice, *pangatlong beses pa lamang*. But we have already discussed hundreds of budgets *na*. Okay.

May we get the answer from the Secretary?

Secretary Yulo-Loyzaga. Yes, the estimated total value of our resources is US\$7.3 trillion.

Senator Pimentel. Okay. But you limited that to minerals, meaning *nakasama na po ryan iyong mga* oil and gas.

Secretary Yulo-Loyzaga. Sir, this is metallic and non-metallic.

Senator Pimentel. Metallic and non-metallic. Okay. *Sige po*. Thank you. This is what I will do, Madam Secretary. I will just submit in writing my remaining questions. *Alam ko na may jet lag pa po kayo*, and then congratulations on the successful participation in COP 27.

Secretary Yulo-Loyzaga. Thank you very much, Sir.

Senator Pimentel. I will just submit in writing. *Iyong mga topic ko na Pasig River Expressway kasi mayroon akong information—ito bang environmental impact assessment kayo ang nag-i-issue nito?* For that project you issued a plagiarized environmental impact assessment. *Mayroon daw entries coming from different past impact assessment.* So, just answer *na lamang po* in writing.

Secretary Yulo-Loyzaga. Yes *po*. Just to clarify *po*, it is the ECC *po* that comes from us.

Senator Pimentel. Who writes the environmental impact assessment?

Secretary Yulo-Loyzaga. The proponent is the one that submits the report.

Senator Pimentel. Okay. So, if the proponent submits a report *na medyo na copy-paste sa—*

Secretary Yulo-Loyzaga. There is a review committee *naman po* for those.

Senator Pimentel. It is good that you clarified that.

Ito na lamang po, mining and, of course, if we can do value-added mining, not the colonizer—colony type of mining.

I will ask some questions about the reclamation projects *na lamang* in writing.

Some questions on Kaliwa Dam, and then some questions on green jobs. Is NAMRIA's budget also being considered?

Secretary Yulo-Loyzaga. Yes, Sir.

Senator Pimentel. Is it correct that you have an additional P211 million budget augmentation request?

Secretary Yulo-Loyzaga. Yes, Sir, there was a request.

Senator Pimentel. So, I am okay. I will terminate my interpellation, Mr. President. Of course, state my support for the budget of the DENR and its attached agencies. *Napaka-critical ninyo po sa buhay ng ating bansa. Maraming salamat po.*

Secretary Yulo-Loyzaga. Thank you very much, Sir.

The President. Thank you, Mr. Minority Leader. We would like to thank the Secretary for the wonderful, concise, and complete answers that she was given. Obviously, she knows her job very well. And we thank her for this opportunity to answer in an open session.

Secretary Yulo-Loyzaga. Thank you, Sir.

The President. We would like to terminate the suspension of the *Rules of the Senate*.

The Majority Leader. Mr. President, before we terminate the suspension of the *Rules of the Senate*, I would just like to add to what the Minority Leader had mentioned a while ago, because during the previous committee hearing, this Representation was part of it. We would like to ask, just in writing, because between October 12 *at ngayon po*, we wanted to find out *kung ano ang nangyari doon sa update sa 21 reclamation projects* that were issued Environmental Compliance Certificates even without proper consultation with the stakeholders.

So, *gusto lamang natin ng updates*, Mr. President, after the budget hearing *ng DENR*, *iyong mga scientist fisherfolk* were actually calling the Senate for investigation of about 187 total reclamation projects.

TERMINATION OF THE SUSPENSION OF THE RULES

Upon motion of Senator Villanueva, there being no objection, the Body terminated the suspension of the *Rules*.

INQUIRIES OF SENATOR VILLANUEVA

As there were discrepancies in the reported data, Senator Villanueva sought clarification on the total number of reclamation areas in the country. He noted that during the committee hearings,

the department stated that the number was 21, whereas the media reported 187. Senator Villar (C) replied that, at the time, only data from the central office were available, which revealed that Manila had 19 reclamation areas, while Cebu and Samar each had two. She stated, however, that the department had committed to submit the regional data at a later date.

Senator Tolentino interjected at this point, emphasizing that NAMRIA must be involved in the discussion because some reclamation projects result in the creation of new islands within the country's borders.

Senate President Zubiri then expressed hope that the reclamation projects being implemented along Manila Bay would not impede the public's enjoyment of the magnificent sunset over Manila Bay.

MANIFESTATION OF SENATOR PADILLA

Senator Padilla lauded the DENR's prompt response to his request for a list of mining activities and sites throughout the country. He then reaffirmed his position that mining can contribute US\$7 trillion increase in the Philippine economy and also assist in addressing the country's debt situation.

Asked if the country possesses the technology to maximize the potential returns of mining activities to which budget can be allocated, Senator Villar (C) replied in the affirmative, but clarified that it would require significant investments to acquire them. She emphasized the importance of attracting the right mining investors in order to optimize the country's nine million hectares of mineral-rich land. In addition, she emphasized the significance of restoring or converting mined land into agricultural areas.

Asked if there was anything that was preventing suitable investors from coming into the country, Senator Villar (C) responded that a four-year ban on open-pit mining that was overturned in 2021 was the only impediment to their entry. Both senators then expressed hope that Filipinos will soon realize the economic benefits that responsible mining can bring.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Environment and Natural Resources, along with the budgets of the Office of the Secretary, the Environmental Management Bureau, the Mines and Geo-Sciences Bureau, the National Mapping and Resource Information Authority, the National Water Resources Board, and the Palawan Council for Sustainable Development Staff, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 6:32 p.m.

RESUMPTION OF SESSION

At 6:46 p.m., the session was resumed.



ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Poe acknowledged the presence in the gallery of the officers of the Department of Information and Communications Technology (DICT) led by Sec. Ivan Uy, along with Executive Director Alexander Ramos of the Cybercrime Investigation and Coordinating Center, Privacy Commissioner Atty. John Henry Naga of the National Privacy Commission, and Deputy Commissioner Ella Blanca of the National Telecommunications Commission.

DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY

Senator Poe presented the budget of the Department of Information and Communications Technology in the amount of P11,322,338,000, of which P8,732,227,000 would require congressional approval and the remaining P2,590,111,000 would be appropriated automatically.

INTERPELLATION OF SENATOR TULFO

Senator Tulfo, in expressing his full support for the DICT budget, stated that government should provide the department with sufficient funding to implement the programs that are vital to the country's cybersecurity, especially in the age of information technology, when some nations have become aggressive in attacking other nations and when war, however far-fetched, has become a reality. Using the Russian-Ukrainian conflict as an example, he stated that a number of nations had resorted to cyberattacks. He added that if such threats become imminent, government must be prepared.

He recalled that during the budget hearing, he expressed his concern on the fight against cybercrimes. He revealed that the Cybercrime Investigation and Coordinating Center (CICC) had admitted that the department lacked the essential equipment, tools, and technology to safeguard the nation from such threats. He stated that Congress passed the SIM registration bill in response to the hacking of government websites, the sale of national security information on the dark web, and the proliferation of text scams. He emphasized that such incidents were very alarming because they put the nation's security at risk, and that government should not wait until vital services such as energy, water, and healthcare are compromised by cybercriminals. He urged the Body to equip the DICT with the budget that it requires and requested the department to assess the vulnerabilities to which the country is exposed so that lawmakers could fight for the budget that it requires.

Senator Poe thanked Senator Tulfo for his manifestation of support for the DICT budget. She concurred in the highlighted concerns, which was why she wanted the Members to scrutinize both the budget and the performance of DICT. Regarding the brands used by the government for its computer system and routers, she stated that the computers came from several manufacturers, including those from the United States, Japan, South Korea, and China, and the routers were from Cisco and Huawei, among other manufacturers.

Senator Tulfo expressed concern over government's use of Chinese-made Huawei routers. He then inquired about the importance of the router, especially in cybersecurity. Senator Poe admitted that she was not an expert on the subject's technical aspects. However, she assumed that when computers communicate with one another, all information passes through a router, which functions as a bridge to connect the system.

Since the routers were Chinese-made, Senator Tulfo opined that it might be used to monitor the Philippines' internet usage. Considering the tension between the Philippines and China in the West Philippine Sea, he also believed that it was conceivable for the latter to introduce a virus into the various domains of the Philippines. He questioned the government's adoption of the Chinese



brand Huawei for its router and urged the government to provide the DICT with the necessary funds to replace the router.

Senator Poe noted that most of the country's systems, including telecommunications companies (telcos), use Huawei products. She stated that since the new secretary of the DICT merely inherited the existing system, it would look into the situation and recommend changing the routers during the next budget consideration.

Asked whether Chinese-made routers could pose cybersecurity threats, Senator Poe remarked that no one could be 100% certain that such threats would be eradicated if the routers are replaced, but it would be a step in the right direction. She proposed that the DICT secretary take note of the number of Huawei routers and the replacement cost so that it may be submitted to the Body in the next budget hearing.

Senator Tulfo observed that the DICT has no intelligence fund despite the fact that other agencies that do not need it have it their budget. He believed that the DICT should also have an intelligence fund in order to combat cybercrime, particularly at a time when scammers are on the rise and cybersecurity is under attack.

Senator Poe concurred that it is essential for the department to monitor public safety. She stated that the DICT was fortunate to be collaborating with telecommunications firms like Globe and Smart, which have the financial resources to conduct their own monitoring and investigation, subject to court approval. She stated that in the interim, since DICT lacked its own intelligence fund, it would have to rely on the telcos to provide information in order to capture text scammers.

But Senator Tulfo expressed apprehension that because the DICT relies on telcos, it would be obligated to them; therefore, it would accept and comply with anything the telcos would demand. He asserted that Congress should provide the DICT the necessary funds. In reply, Senator Poe said that the telcos are exercising caution because the NTC falls under the jurisdiction of the DICT. She added that telcos are obligated to preserve the right to privacy of their subscribers, which, if breached, could result in the revocation of their franchise and the imposition of appropriate penalties. She emphasized that it is not a debt but rather an agreement between the NTC and telcos to protect each subscriber's privacy.

Senator Tulfo argued that providing the DICT with the required funds would limit the prospect of requesting favors from telcos, therefore allowing the DICT to conduct its own investigations without explaining anything to telcos. He emphasized that among the agencies that should have intelligence or confidential funds, it should be the DICT because it is responsible for cybersecurity. He reiterated his concern as to why the DICT was not allocated such funds in 2023.

In reply, Senator Poe explained that the DICT used to have an intelligence fund, however, the department failed to submit its request in the 2023 national budget. Should it request the fund from the chairperson of the Senate Committee on Finance, she stated that it would be in accordance with the DICT's mandate.

Senator Tulfo stated that the DICT used to have P400 million in intelligence fund but was apparently used for the elections under the previous department's administration. He said that the fund must be reinstated in order for the department to operate against cyber attackers.

Senator Poe disclosed that the CICC actually requested P4.6 billion to upgrade its system and manpower; however, it only received P347 million or a mere 7.4 percent of the requested fund. She then opined that the authorities deciding on the budget were not taking DICT's role seriously, which might result in an impending doom before the national government actually sees the necessity

9

to provide the proper funding. Senator Tulfo then sought the help of Senator Poe to have the DBM reconsider the big slash in the DICT's 2023 fund when the department truly needs it to protect the country's cyberspace.

On the data breach of the country's national security data, Senator Poe confirmed that there were talks about the personal information of Filipinos as among the data items being sold in the dark web. However, she said that the government has yet to validate it. With the proper intelligence fund, she said that the DICT might be able to dig more on the legitimacy of such claims.

On the existence of cellular towers within military camps, Senator Poe stated that a telecommunications company already has a prior agreement with the national government before installing its cell tower inside a military camp. She said that the military has assured her that there are no threats of electronic eavesdropping of consumers because while the towers are inside military camps, it is not in any way connected to the AFP and military systems.

While independent experts and the private sector expressed concern about the existence of cell towers—such as that of the Chinese government-owned DITO Telecommunity Corporation—within the AFP camp with the fear that a device or technology could be used to eavesdrop on the country's military operations, Senator Poe said that there was a need for a third telco and the previous administration pushed for the approval of the franchise of a third telco at the time, as a result, the third telco franchise was granted with the assurance from the military and the telco that the agreement would not jeopardize the country's national security and that the ownership of the telco in the country would be majority or 60 percent Filipino. She opined that the situation was advantageous since there was low risk and the military can protect the towers.

As to whether the DICT was consulted when the franchises were granted to the telcos such as Globe, Smart, and DITO, Senator Poe replied in the affirmative. She said that the NTC, which was under the DICT, approved the franchises of the telcos. She added that the third telco franchise was granted during the term of then DICT Acting Secretary Eliseo Rio and then NTC Commissioner Gamaliel Cordoba, who is the new COA chairman, and then National Security Adviser and Director General Hermogenes Esperon—all of them were involved in the consultation.

While the Philippines is a friend to many nations such as China, Senator Tulfo cautioned that the national government should remain careful in dealing with them, considering that there was an ongoing row between the two countries over the West Philippine Sea.

As to whether the cell towers could be removed from the military camps and transferred to farther locations in order to secure military facilities from electronic eavesdropping equipment and techniques by telephone companies, Senator Poe replied that Senator Tulfo raised a significant issue. As the chairperson of the Committee on Public Services, she said that she would be conducting a hearing on the matter in order to request for the submission of the evaluation of the towers' safety, the number of towers already erected in various military sites, the feasibility of discontinuing the military and telco agreement, and the possible relocation of the said towers. However, she also noted that the call for the removal and transfer of the towers should be balanced with the country's need for faster ICT speed and connectivity.

Senator Poe also stated that while the DND and the telcos have made a risk analysis before entering into a MOA, the committee has yet to look into and follow-up on the submission of the evaluation on the MOA's effectivity and risk status.

As to whether the DICT had employed ethical hackers to check the weakness of the country's cybersecurity, Senator Poe replied in the affirmative, stating that the DICT occasionally hires

q

people to conduct ethical hacking—a vulnerability assessment and penetration system test—to evaluate its own system. She added that the ethical hackers were not regular employees but hired on need basis only. She then suggested adding an item in the intelligence fund in order to permanently employ ethical hacking experts.

On the national government's efforts to track down scammers behind smishing and text scams, Senator Poe replied that the SIM Registration Act (Republic Act No. 11934) was already passed into law, and once its IRR was issued, offenders of the law could already be punished with the help of the telcos and the DICT. Admitting that the government still depended on the help of telcos, she said that the SIM Registration Act states that telcos would be the repository of information and that the government may request such information through a court order.

Senator Poe added that presently, the NTC has a makeshift call center with hotline number 1682 where people can call to report smishing and text scamming. While the commission was still securing its funding for the NTC hotline, she said that the agency has three hotline operators working under three shifts a day with nine call center agents working 24/7.

At this point, Senator Poe thanked Senator Tulfo for raising important points that she deemed were helpful for the 2023 national budget and the succeeding budgets. While the DICT has been inundated with various needs, she noted that the Body did not harp on the department's intelligence fund because all the Members agree that the agency deserves it and that it would be handled by a responsible secretary.

INTERPELLATION OF SENATOR GATCHALIAN

Senator Gatchalian stated that the learners' lack of access to the internet was one of the problems that the COVID-19 exposed in the past two years of the pandemic. Based on the 2020 World Bank report, he said that 98 percent of the country's learners chose self-learning modules over online learning because many public school students either have no access to or have difficulty in accessing the internet. In the same survey, he added, only 60 percent of the 25 percent of the poorest households have access to the internet while 40 percent of the same 25 percent do not have access to the internet at all. He noted that the survey showed that almost half of the poorest households have problems in accessing the internet and, as a result, have difficulties in their access to learning and information.

Senator Gatchalian stated that 60% of the poor households have access to the internet, while 40% do not have access to internet and information. He recalled that Republic Act No. 10929 or the Internet Access in Public Place Act sought to bring free access to the internet in schools, public places such as parks and other similar areas in order to bring information down to the constituents.

He lamented that only 860 schools out of the 47,000 public schools, or only 1.8%, have access to free public Wi-Fi installed in the schools through RA 10929. Looking at the distribution of the free Wi-Fi, he said that almost 50% were located in Metro Manila resulting in the uneven distribution of the internet privileges in the country.

He averred that he brought the matter to the Floor to underscore the importance of internet to education. He stated that it was the goal of the DepEd under its learning continuity plan to continue to teach and for students to learn through online learning which unfortunately did not happen because of the absence of internet access.

Asked on the status of implementation of RA 10929 in relation to the public spaces targeted by the DICT, Senator Poe reported that the target sites for the year 2023 was 9,674; increased number of free Wi-Fi sites in public places, maintenance and operation of free Wi-Fi live sites in

public places, 5000; increased number of free Wi-Fi sites in SUCs, 150; maintenance and operation of free Wi-F Live sites in SUCs, 939; for a total of 15,834.

She clarified that the free Wi-Fi program was a joint project with the UNDP as she affirmed that the project unfortunately did not turn out as expected. Agreeing with the observation that only 852 remote sites of Phase I of the UNDP project had free Wi-Fi, she revealed that the DICT secretary has decided that the department will now continue the program on its own without depending on the UNDP and they might even move faster on their own initiative.

She informed the Body that the Network Readiness Index of the World Economic Forum has pointed out that the internet speed of the Philippines speed of our internet has gone 12 slots higher; from 83 to 71. She said that it might still be far from the ideal but the Duterte administration had given an ultimatum to the telecommunication companies to speed up their internet service. She stressed that internet accessibility and speed made online learning difficult for students who mostly use only prepaid connections, so they preferred modules to online classes.

She stated that DICT had to meet its targets and address the issues of internet access, affordability, and consistency. She noted that initially DICT targeted 6,000 sites but it was increasing its target to about 15,000, including maintenance.

On the number of public places that can qualify under RA 10929, she replied that included in "public places" are state universities and colleges, national and local governments, and plazas, including barangays. She added that tourist sites should be included because it would generate income to the country, especially from the digital nomads relocating to places like Siargao. She noted that many such digital nomads stayed in Phuket, Thailand or Bali, Indonesia where they could rely on the consistency of the internet and service.

Senator Gatchalian said that under the 2023 budget, there was about P2.5 billion earmarked for RA 10929. He surmised that the P2.5 billion would not be enough to cover all of the identified public spaces. Senator Poe replied that part of the funding came from the spectrum fees that were collected by the NTC which previously collected about P8 billion, and in addition, there was automatic funding that was not sourced from congressional approval.

Senator Gatchalian recommended that the DICT start coming up with its targets on the number of public spaces where free WiFi was intended to be put up in order to assist the government to know if the funds are enough to be covered through GAA or through other sources in the next few years. He believed that the learners would greatly benefit from this because they can do research at home. That, he said, would improve the flow of information, especially to our poorest constituents. He hoped that the Committee on Public Services would go deeper into the matter of improving the rollout of free public WiFi.

Senator Gatchalian requested an update on the IRR of the SIM card registration law, as he continued to receive about 15 spam texts a day. Senator Poe replied that the IRR was still being finalized but after the public hearing on December 5, 2022, the IRR was expected to be issued on December 12, 2022 to be effective on December 27, 2022.

MANIFESTATION OF SENATOR VILLANUEVA

At the outset, Senator Villanueva manifested his support for the budget of the DICT, headed by Sec. Ivan John Uy, and its attached agencies.

He then pointed out that pursuant to Republic Act No. 8042 or the Migrant Workers and Overseas Filipinos Act of 1995, as amended, the DICT was made part of an interagency body that



was established to implement a shared government information system for migration. He said that after 27 years, such mandate had not yet been fully implemented and he was eager to see developments in this aspect, including but not limited to the development of an accurate and regularly updated master list of Filipino migrant workers and overseas Filipinos. He then inquired on DICT's timeline for such mandate as he cited different data coming from the DFA, DMW, and CFO.

Likewise, he underscored the importance of the department's duty to maintain and update a roster of all beneficiaries of the First-Time Job Seekers Assistance Act or Republic Act No. 11261 which he authored and sponsored, and coauthored by Senator Poe and other senators. He pointed out that such law sought to facilitate job applications unlike before when an applicant had to spend about P3,000 to P5,000, just for government documents like birth certificate, police clearance, NBI clearance, transcript of records, among other requirements.

Senator Villanueva stated that from 2020 to 2022, a total of 365,723 Filipinos benefitted from the law. However, he lamented that there were still many Filipinos who did not know about it. He reiterated that the DICT should resolve the issues encountered in setting up the centralized database system as Congress continually was pushing for an efficient and effective government. He pointed out that Senator Poe and Senate President Zubiri were both passionate about the law, noting that 365,723 Filipinos applying for jobs were able to get for free their government documents like birth certificate, police and NBI clearance, among others.

Also, Senator Villanueva recalled that Senator Gatchalian mentioned in his interpellation the Free Wi-Fi Law, which he coauthored and cosponsored. He told the Body that currently there were 3,069 free Wi-Fi sites with 2,020 located in public places and the remaining 1,049 sites situated in SUCs, TESDA-accredited training institutes and local universities and colleges nationwide; and that those were being accessed by around 3.8 million users.

However, Senator Villanueva expressed hope that the internet accessibility to the Filipinos could further be improved and increased. He requested from the DICT a report as regards the status of the implementation of the law and a wish list to know what are needed to improve its services so that the Senate could allocate funds to the agency. He stated that he wanted to assure the public that the implementation of the law would continue.

Senator Poe stated that Senator Villanueva already pointed out everything that was important about the topic. She expressed her appreciation and commended him for the passage of the First-time Jobseekers Act, which was noble and necessary and had benefitted many Filipinos. Also, she said that she agreed to his point that the data should really be coordinated among government offices. She lamented that many government agencies have conflicting sets of data, for instance the number of free Wi-Fi sites given to her by DICT was around 800 but actually it was more than that.

INTERPELLATION OF SENATOR PIMENTEL

At the outset, Senator Pimentel asked whether the budget of the Cybercrime Investigation and Coordination Center, the National Privacy Commission, the NTC, and the OSEC, were included in the consideration of the budget of the DICT. Senator Poe affirmed that all the agencies mentioned are under the DICT.

Senator Pimentel stated that the House of Representatives allocated the DICT and its attached agencies a budget of P8.7 billion, which the Senate committee report retained. However, he noticed an internal realignment in the amount of P120 million. In reply, Senator Poe explained that the budget of the National Broadband Plan (NBP) in the NEP was increased by about one billion in the GAB by the House of Representatives. She said that while she was supportive of the NBP,

she believed that there were more important things that needed to be funded, for instance, the Vaccine Information Management System (VIMS) for which the Senate aligned P100 million. She explained that the VIMS safeguards vaccination information for use by anyone who wanted to go abroad or when establishment requires for vaccination information, but the data, stored in a database, were being managed by a company under contract with the DICT. She added that the amount of P100 million was aligned because the government was paying about P35 million a month for the VIMS services, which she opined was money put to good use and yet too expensive. Also, she said that the government was hoping to buy the software from the company so that it would already be the DICT who would manage the storing of data and provide the people with their vaccination information.

Senator Poe informed the Body that the Senate also realigned P20 million for the National Privacy Commission since the commission would need extra funding for the SIM Registration Act, aside from all the other data privacy issues. She assumed that the amount of P120 million would be taken from the allocation of the National Broadband Plan.

Senator Pimentel surmised that given the P1 billion increase by the House of Representatives, the P120 million would not affect the allocation of the National Broadband Plan. He said that the National Broadband Plan reminds him of the NBN-ZTE. He then asked whether the National Broadband Plan and the NBN-ZTE followed the same concept, to which Senator Poe answered in the affirmative.

Senator Pimentel stated that having a National Broadband Plan was a good idea because it would serve as the backbone of the country's ICT, however, because of the anomalous transaction which happened in the NBN-ZTE deal, the government decided not to venture further into it anymore. He noted that without the broadband, the government would not have its own backbone, thus the delay in the transmission of information. Also, he said that technology has caught up because of the presence of satellite service like Space X. In the meantime, he said, while the government was still completing its national backbone for unserved and underserved areas, the commercial services of the telcos and connectivity could be availed of using new technology like cellular phones.

However, Senator Pimentel said that the government might be challenged by the ongoing turmoil in China, where it would pass, thus the possible delay in the installation of the broadband.

Asked about the allocation of the National Broadband Plan (NBP) in the NEP, Senator Poe replied that it was P1.5 billion, confirming that the P120 million to be realigned would be deducted from the P1.5 billion.

On the entire cost of the NBP and when it would be completed, Senator Poe stated that the total cost of the plan would be P100 billion and currently it was in Phase 2 of the five phases. She explained that the funding would be released in installment basis, and that only 2% of what would be needed for the five phases would be released. For Phase 1, she said, P3 billion was released. She assumed that the government had released only 5% of the total amount. She explained that after the completion of the backbone, there would still be arteries to be installed under the stage called Middle Mile and Last Mile. She said that if the government would wait long enough, it would be overtaken by technology.

Senator Pimentel then asked whether the DICT still had no budget for the Middle Mile and Last Mile Plan, to which Senator Poe replied in the affirmative. She explained that a study would still be conducted using the commercial backbone in order to identify the geographically isolated areas. She said that the DICT was still plotting the plan and the amount therefor.

98

Asked whether the benefits would already be felt if the five phases would be completed even without the arterial connections, Senator Poe replied in the affirmative. She explained that the backbone would not only be used by the government but it can also be leased out to private companies like Globe and Smart. She said that the government could earn income from private companies who would avail of the services of the backbone.

Asked whether private companies currently served as backbones, Senator Poe replied that since the government still had no backbone, both Globe and Smart were the ones installing the connections. She reiterated that if the government would have its own backbone, then private companies could lease from the government to free up their lines from traffic.

On whether leasing to private companies was part of the plan of the NBP, Senator Poe replied that the benefit was only an added possibility. She clarified that it was important for the government network to transfer to the backbone and that there would be no more charges that the government would pay to the commercial providers.

Senator Pimentel further asked when Phase 1 of the NBP started. Senator Poe replied that it started about five years ago. She affirmed that the backbone was a physical structure but no cables had been installed as the physical layout was still being dug. She informed the Body that Phase 1 was from Laoag to Quezon City, which would not only use cables in tunnels but also aerial cables.

Asked whether cables would become obsolete in due time, Senator Poe believed that currently in the general market, there would be no better technology than fiber optics. She surmised that there would be something even better in the coming years but the infrastructure was already in place and the cables could be changed, if necessary.

Senator Pimentel assumed that the budget would not be within P10 billion for the entire project. He said that by the time the loop would be complete, there would also be a need to upgrade the initial stage of the loop because it would have become obsolete. However, he expressed his trust in the DICT personnel who were the experts on the matter.

Senator Poe explained that the plan would be similar to a railway in which the trains had developed to a more advanced state but the railways were basically the same. She said that it was only a matter of choosing between standard gauge or narrow gauge. She pointed out that the government erred because it ordered narrow-gauge trains but what was actually needed was standard-gauge trains.

Recalling the NBN ZTE scandal, Senator Pimentel hoped that Secretary Uy understood the repercussions of aspiring for a NBP that would only be funded at 2% a year rather than seeking the provision of ICT backbone by private companies under a lease agreement since completing the national fiber backbone might take 20 to 30 years, in which time the initial phase of the system would already be obsolete.

Senator Poe replied that the government preferred having a contingency to being at the mercy of any provider, and that being a large enterprise, the government would benefit from having its own network. She said that the project would be completed in phases—for instance, once Phase 1 from Laoag to Quezon City is completed, the system would already be operational even if other phases were not yet finished, so government would not wait for 30 years.

Asked when Phase 1 would be operational, Senator Poe said that since the national fiber backbone from Laoag to Quezon City was 73% complete, it would be operational by mid-2023.

On whether there was a publication regarding the details of the NBP since a staggering amount of P100 billion was involved in the project, Senator Poe confirmed that a file about the NBP agreement could be downloaded from the DICT website.

Asked if some government agencies would maintain subscriptions with private companies even if there was a national fiber backbone, Senator Poe replied in the affirmative, stating however that double subscription would allow certain government agencies with frontline or critical functions like hospitals, NDRRMC centers, or the Executive offices, to keep backup options in case of network downtime.

To the remark that government savings in having a national fiber backbone would be defeated if existing subscriptions were maintained, Senator Poe replied that network rates would be cheaper than usual.

Senator Pimentel then asked if the National Privacy Commission (NPC) was the main implementer of the Data Privacy Act, to which Senator Poe replied in the affirmative.

As to whether the NPC was aware of incidents wherein a government agency requests for documents from another government agency in relation to official functions, but the provisions of the Data Privacy Act were used to deny such request, Senator Poe said that the reason why information was not easily accessible was that there were guidelines on what information could be given out freely. She cited Section 12, Chapter III of Republic Act No. 10173, to wit:

“Sec. 12. Criteria for Lawful Processing of Personal Information. – The processing of personal information shall be permitted only if not otherwise prohibited by law, and when at least one of the following conditions exist:

(a) The data subject has given his or her consent;

X X X

(e) The processing is necessary in order to respond to national emergency, to comply with the requirements of public order and safety, or to fulfill functions of public authority which necessarily includes the processing of personal data for the fulfillment of its mandate.”

Senator Poe stressed that giving out sensitive personal information and privileged information is prohibited by law except if the data subject gave consent, as when one wants to secure a marriage contract to prove marriage, or a certificate of title to prove ownership of property.

As to the incumbent commissioner of the National Privacy Commission, Senator Poe said that it was John Henry D. Naga.

Asked if the NPC noticed an increase in complaints regarding the Data Privacy Act, and if its implementation has made the grant of official requests for information more difficult, Senator Poe stated that from 2016 to 2020, there were complaints for violation of the Data Privacy Act, and that most of the cases involved online lending applications.

On whether there was any study regarding the unreasonableness of the concept which chokes the flow of information, Senator Poe stated that the NPC has the dual function of protecting the right to privacy and ensuring the free flow of information. She revealed that during the SIM registration hearings, the one that was not so supportive was the NPC because the officials felt that privacy might be compromised in registering SIM cards. However, she believed that through the NPC, people would be assured of a government agency that is tasked mainly to protect privacy and information.

94

Asked if the Senate Blue Ribbon Committee could request a copy of a death certificate to confirm the death of a person relevant to its investigation, Senator Poe stated that death certificate could be requested from the Philippine Statistics Authority.

Asked if the PSA could deny the Senate Blue Ribbon's request, Senator Poe replied that under Section 12 (e), the processing of personal information should be permitted to fulfill the functions of public authority. The NPC, she said, has quasi-judicial powers but they could not technically stop anyone or any government agency although they could eventually file a case against them.

Senator Pimentel suggested that the NPC appraise the users of information, like the Senate committees which usually request documents and information, as to how to properly interpret the Data Privacy Act to avoid delays in requesting information. Senator Poe proposed that all government agencies should have a direct communication with the NPC so other people would not take advantage of it.

For his part, Senator Pimentel hoped that the rules would be simplified for better execution and understanding of the law. Senator Poe agreed, saying that the rules could even be promoted on NPC's website.

Senator Pimentel emphasized that he was not against the DICT budget except that the National Broadband Plan reminded him of a fraudulent scandal decades ago; thus, he would continue deliberating about it in the succeeding budget cycles which he hoped could provide him more information and more achievements.

Noting that fraud happens when computers purchased do not follow the required specifications, Senator Pimentel asked what the DICT's role was in the procurement of computers, hardware, software, and other equipment, to which Senator Poe replied that the agency was only involved in the planning but not in the procurement of any equipment.

Senator Pimentel then suggested that the law should be amended to give DICT some participation in the procurement of computers. Senator Poe agreed, citing the incident of the unused laptops of the Department of Education.

MANIFESTATION OF THE SENATE PRESIDENT

Senator Zubiri said that the Seventeenth Congress passed the Ease of Doing Business Law and the Central Business Portal. He surmised that the department was already working on the centralization of all documentation requirements, as the people usually visit agencies with bulk of documents, which, he believed, was unnecessary. He pointed out that Congress adopted the best practice of other countries having a central business portal with a database of vital information, so that agencies like the BIR or BoC would only need to access the business portal and acquire all the necessary details therefrom. But he expressed hope that the system would be safe from cyberattacks, cyber theft, and hacking.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY AND ITS ATTACHED AGENCIES

There being no further interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Information and Communications Technology, including the Office of the Secretary, Cybercrime Investigation and Coordination Center, National Privacy Commission, and National Telecommunications Commission, was deemed submitted for the Body's consideration.

At this juncture, Senator Villanueva requested the officials of the Department of Agrarian Reform headed by Secretary Estrella to proceed to the gallery.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 8:24 p.m.

RESUMPTION OF SESSION

At 8:38 p.m., the session was resumed with Senator Ejercito presiding.

DEPARTMENT OF AGRARIAN REFORM

Upon motion of Senator Villanueva, there being no objection, the Body considered the budget of the Department of Agrarian Reform (DAR) and its attached agencies.

Thereupon, the Chair recognized Senator Villar (C), sponsor of the DAR budget.

In sponsoring the budget of the DAR, Senator Villar (C) made the following statement:

Fellow senators, I come to you to present the suggested budget of the Department of Agrarian Reform for 2023. The Department of Agrarian Reform is the lead implementor of the Comprehensive Agrarian Reform Program and is mandated to provide land tenure security to landless farmers through land acquisition and distribution and other land tenure improvement services; provide legal intervention to agrarian reform beneficiaries through adjudication of agrarian cases and agrarian legal assistance; and to implement, facilitate, and coordinate the delivery of essential support to our agrarian reform beneficiaries.

Sec. Conrado Estrella III will be joining us today in presenting the DAR's proposed budget for 2023. The total proposed budget of DAR for 2023 as recommended by the DBM is P14,397,000,000 which includes 1) the Land Tenure Security Program, which involves the redistribution of government and private agricultural lands to landless farmers and farmworkers, has a proposed budget of P3.03 billion or 21.07%; 2) the Agrarian Reform Beneficiaries Development and Sustainability Program, which provides support services to agrarian reform beneficiaries for them to become more productive enterprising and grow into vibrant players in community undertaking, has a budget of P1,567,000,000 or 10.87%; and 3) the Agrarian Justice Delivery Program, which is not only concerned with attainment of agrarian justice, has a budget of P915.22 million or 6.36%.

There are two existing locally-funded projects of DAR: The Support to Parcelization of Lands for Individual Titling or SPLIT project that involves the subdivision of about 1.395 million hectares of collective and individual land title, has the largest portion of the budget totaling to P6.141 billion or 42.66% of which P4.559 billion is loan proceeds from the World Bank. And the converge projects shall be implemented in six years, 2015 to 2021, by the Department of Agrarian Reform, funded by the government of the Philippines and the International Fund for Agricultural Development. This is a support service to 300,500 farmer beneficiaries awarded with lands and other small holder farmers including women and indigenous people in 11 agrarian reform community clusters in 10 provinces of Region IX, X and XIII with a budget of P6.884 million or 0.05% of the total proposed budget for 2023.

There were no proposed changes or amendments in the budget of DAR from NEP and GAB to committee report. With this, I am hopeful that the DAR budget will be approved to uphold and implement comprehensive and genuine agrarian reform which actualizes equitable land distribution, ownership, agricultural productivity and tenurial security of the tillers of the land towards the improvement of their quality of life.



The total proposed budget of DAR for 2023 as recommended by the DBM is P14,397,000,000, which includes: 1) the Land Tenure Security Program, which involves the redistribution of government and private agricultural lands to landless farmers and farmworkers, has a proposed budget of P3.03 billion or 21.07%; 2) the Agrarian Reform Beneficiaries Development and Sustainability Program, which provides support services to agrarian reform beneficiaries for them to become more productive, enterprising, and grow into vibrant players in community undertaking, has a budget of P1,567,000,000 or 10.89%; and 3) the Agrarian Justice Delivery Program, which is not only concerned with attainment of agrarian justice, has a budget of P915.22 million or 6.36%.

There are two existing locally-funded projects of DAR—the Support to Parcelization of Lands for Individual Titling or SPLIT Project that involves the subdivision of about 1.395 million hectares of collective Certificate of Land Ownership Awards (CLOAs) into individual land titles, has the largest portion of the budget totaling P6.141 billion, or 42.66%, of which P4.559 billion is loan proceeds from the World Bank.

And the ConVERGE project, which has a six year run, from 2015 to 2021, implemented by the Department of Agrarian Reform, funded by the government of the Philippines and the International Fund for Agricultural Development. This is a support service to 300,500 farmer beneficiaries awarded with lands, and other small holder farmers, including women and indigenous people in 11 agrarian reform community clusters in 10 provinces of Regions IX, X, and XIII, with a budget of P6.884 million or 0.05% of the total proposed budget for 2023.

There were no proposed changes or amendments in the budget of DAR from NEP and GAB to committee report. With this, I am hopeful that DAR will be approved to uphold and implement comprehensive and genuine agrarian reform, which actualizes equitable land distribution, ownership, agricultural productivity, and tenurial security for, of, and with the tillers of the land towards the improvement of their quality of life.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros requested an update on DAR's initiative to issue CLOAs and the installation of farmers on lands under the name of the Republic of the Philippines. She also recalled Secretary Estrella's confirmation hearing statement that he would initiate reviews of current administrative orders pertaining to the land acquisition and distribution (LAD) process. She then inquired if Administrative Order No. 5 (AO 5) has been reinstated.

Replying in the affirmative, Senator Villar (C) stated that AO 5 was reinstated because it was determined to be in accordance with the Comprehensive Agrarian Reform Program (CARP) Law, the legal foundation for the government's land reform program. She then described the steps involved in the procedure, as follows: 1) identify the landholding, landowner, and farmer beneficiaries; 2) determine preliminary valuation of the land; 3) if rejected by landowner, deposit the amount in any accessible bank; 4) direct the Regional Director to register the landholding with the Republic of the Philippines; and 5) issue CLOAs until distribution.

Senator Hontiveros lauded the good news from DAR, believing that the AO was more in line with the CARP Law. She also expressed pleasure to learn that the completion of the LAD process, which she regarded as the crucial first phase of the agrarian reform program, was imminent.

She then recalled that former President Duterte announced in August 2019 that his administration would complete the LAD process for approximately 550,000 hectares of agricultural land. She inquired about the LAD's total balance at the beginning of the Marcos administration. In addition, she inquired as to whether the 173,000 hectares marked as cultivable had been incorporated into the remaining balance.

Senator Villar (C) stated that the review and validation of temporarily deleted landholdings would begin in the first quarter of 2023, involving 147,000 hectares of land. She also mentioned that



the target figure for 2023 was 29,000 hectares, subject to modification based on the outcomes of reevaluation of problematic landholdings. In order to prevent injustices in the LAD process, she added that guidelines were currently being drafted in preparation for the start of revalidation in the first quarter of 2023, adhering to the strictest rules and justifications.

Senator Villar (C) responded that the LAD balance at the start of the Marcos administration would be approximately 313,000 hectares if the 173,000 hectares marked as workable were added to the previously mentioned 147,000 hectares, bringing the total to 321,000 hectares of land. She noted, however, that approximately 140,000 hectares had been identified as problematic landholdings, leaving only 173,000 hectares.

She then urged the Body to pass a law in order to resolve the issue. Senator Hontiveros, on the other hand, believed that there was still reason for optimism, given that the current administration still had six years to secure the total LAD balance and set yearly targets that would result in the balance's total distribution by 2028.

Concerning the total number of reviewed landholdings in provinces with the largest distribution backlogs, which Senator Hontiveros noted have been removed from the actual LAD balance, Senator Villar (C) stated that a total of 29,000 hectares of landholdings have already been reevaluated by the agency, representing its initial target for 2023. She added that based on the agency's history of establishing annual goals, the figure could possibly increase to approximately 50,000 hectares. Senator Hontiveros applauded the response and deemed the objective ambitious, albeit supported by the review's findings.

Senator Villar (C) reiterated the previous response of the DAR when asked if there would be guidelines to operationalize the aforementioned review apart from the previously mentioned guidelines that would be issued by the first quarter of 2023, stating that guidelines were being prepared in time for the start of revalidation in the first quarter of the following year.

Senator Hontiveros proposed that the DAR, via its legal and field operations officers, conduct a pilot review of land holdings in provinces, such as Negros Occidental, that were previously identified as having the largest distribution backlogs. In addition, she suggested that the agency submit periodic reports to the designated Senate oversight committee, in an effort to achieve a balance that is workable. Senator Villar (C) responded that the department had already scheduled reevaluation activities in Negros Occidental with civil society organizations.

Senator Hontiveros welcomed the response and emphasized the significance of involving civil society actors in order to validate or improve the inputs, which could then be used by the government or the private sector as a reference. At this point, she reiterated her earlier proposal that the DAR submit periodic reevaluation activity reports to the relevant Senate oversight committee. Senator Villar (C) stated she would direct the agency to provide the requested report. Senator Hontiveros emphasized the significance of the results of the review of landholdings reaching potential agrarian reform beneficiaries.

Senator Villar (C) stated that it would take three years for the DAR to distribute the agricultural lands, based on the time required to distribute the remaining workable acreage of 173,000 hectares. Senator Hontiveros surmised that it could take the agency until the midpoint of the Marcos administration in 2025 to distribute the same. Senator Villar (C) hoped the DAR would be up to the challenge. Senator Hontiveros viewed the distribution of 173,000 hectares as an indication that the government was on track to distribute all available land, regardless of whether the actual figure was an additional 500,000 hectares or thereabouts.

She then noted that previous administrations performed poorly in terms of land distribution, with the previous administration recording the lowest annual land distribution at just 25,000 hectares.

She stated that the current administration's emphasis on agriculture made it an appropriate time to request President Marcos' support for land distribution.

In response to a question about the current status of the DAR's commitment to proceed with the coverage of the Bugsuk and Pandanan Islands in Palawan, which encompass 10,821 hectares and for which a notice of coverage (NOC) was issued in June 2014, Senator Villar (C) stated that the LAD process had been suspended due to a pending protest by the landowner against coverage of the landholding. She stated that the protest cited, among other things, was the existing swapping agreement between the government and the landowner. She added that the agreement should be made as compensation for the acquisition of all of the owner's other lands under the program. She also mentioned that the DAR effectively issued the NOC in 2014 despite the fact that the landowners had filed a protest with the DAR.

Senator Hontiveros, disheartened by recent events, requested a report on the matter, as well as the agency's action plan regarding the pending protest and the existing swapping agreement. She also expressed confusion regarding the phrase "compensation of all other lands," as the NOC in question covered only one island.

Senator Villar informed the Body that the DAR would resolve the case as soon as possible. Senator Hontiveros welcomed the agency's response. She stated that a review of the matter's compliance would be conducted the following year to determine whether the promise would be fulfilled. She expressed optimism and support for Senator Villar (C) regarding the DAR budget.

She then called the Body's attention to the correct beneficiary list of the collective CLOAs and the accelerated implementation of the SPLIT program. She explained that the DAR will rely on the Support to Parcelization of Lands for Individual Title (SPLIT) project with collective CLOA to cover approximately 1.3 million hectares, or approximately 139,000 CLOAs in 77 provinces. She stated, however, that there were reports that former landowners still maintain authority over the land by controlling the list of beneficiaries, which is accomplished by removing legitimate landowners and replacing them with their preferred farmer-beneficiaries.

She believed that the DAR should address the legitimacy of the beneficiaries' list, which is the basis for the distribution of individual titles, as a prerequisite to the success of the CLOA. She then inquired whether the validation process had begun.

Senator Villar (C) responded in the affirmative, stating that the parcelization process includes the validation of the list of individuals annotated on the back of the collective CLOA against the actual occupants of the land. She stated that the department has already begun digitizing its data to facilitate the distribution and authentication of legitimate beneficiaries and has hired 4,000 validators. She added that the department has achieved nearly 75% of its objective. Moreover, she stated that the DAR was expected to deliver 84,000 hectares of land by the end of 2022 and 1.3 million hectares by the end of 2027, which would benefit 1.1 million agrarian reform beneficiaries (ARBs).

Senator Hontiveros requested an update on the Comprehensive Agrarian Reform Program (CARP) implementation in Boracay. She stated that she had received reports that the previous administration had covered beachfront properties that are not suitable for farming and are therefore outside the scope of land reform.

Senator Villar (C) responded that the Boracay CARP covers a total area of 5.2 hectares through six collective and one individual CLOAs that benefit 76 ARBs. She stated that the first is a three-hectare property in collective CLOAs with 44 ARBs awarded in November

2018; the second is a 0.1-hectare property in one individual CLOA with one ARB awarded in November 2018; and the third encompasses 1.9 hectares in two collective CLOAs with 31 ARBs awarded in March 2020. She explained that the last CLOA involves six protest cases, and that only one case had been resolved by the DAR regional office and was currently on appeal at the Bureau of Agrarian Legal Assistance (BALA), while the remaining five cases were still being handled by the DAR regional office. In addition, she stated that the DAR regional office instructed the protestors who claimed the land was unsuitable for agriculture to submit soil analyses to support their claims.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva stated that he would no longer interpellate on the DAR budget and expressed his full support for its approval.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF AGRARIAN REFORM

Upon motion of Senator Villanueva, there being no objection, the budget of the Department of Agrarian Reform was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

With the consent of the Body, the session was suspended.

It was 9:07 p.m.

RESUMPTION OF SESSION

At 9:41 p.m., the session was resumed.

MANIFESTATION OF SENATOR POE

Senator Poe acknowledged the presence in the gallery of the following officials from the DOTr and its attached agencies: Transportation Secretary Jaime Bautista; Civil Aeronautics Board Executive Director Carmelo Arcilla; Maritime Industry Authority Administrator Hernani Fabia; Office of Transportation Cooperatives OIC Cresenciana Galvez; Office for Transport Security Administrator Maria Ranada Aplasca; Philippine Coast Guard Admiral Artemio Abu; Toll Regulatory Board OIC Josephine Turbolencia; Civil Aviation Authority of the Philippines Director Gen. Manuel Antonio Tamayo; Light Rail Transit Administrator Hernando Cabrera; Philippine National Railways General Manager Jeremy Regino; Manila International Airport General Manager Cesar Chong; Philippine Ports Authority General Manager Jay Daniel Santiago; Metro Rail Transit 3 General Manager Federico Canar; Land Transportation Office Assistant Secretary Jay Art Tugade; and Land Transportation Franchising and Regulatory Board OIC Riza Marie Paches.

DEPARTMENT OF TRANSPORTATION AND ITS ATTACHED AGENCIES

Senator Poe presented the budget of the Department of Transportation, as well as the budgets of the Office of the Secretary, the Civil Aeronautics Board, the Maritime Industry Authority, the Office of the Transportation Cooperatives, the Office for Transportation Security, the Philippine Coast Guard, the Toll Regulatory Board, the Light Rail Transit Authority, the Philippine National Railways, and the Civil Aviation Authority of the Philippines. She stated that the DOTr's total agency budget for 2023 would be P122,980,609,000, with P122,555,385,000 in



new appropriations requiring congressional approval and the remaining P425,224,000 to be automatically appropriated.

She pointed out that the Office of the Secretary would receive the bulk of the agency budget, totaling P99,418,158,000, while the attached agencies would receive the following budgets: Civil Aeronautics Board, P229,419,000; Maritime Industry Authority, P910,888,000; Office of Transportation Cooperatives, P35,678,000; Office of Transportation Security, P345,519,000; Philippine Coast Guard P21,583,100; and Toll Regulatory Board, P32,623,000.

She then enumerated the subsidies to be provided to government corporations under DOTr: Light Rail Transit Authority, P1,053,363,000; Philippine National Railways, P740,257,000; and Civil Aviation Authority of the Philippines, P100,000,000.

INTERPELLATION OF SENATOR TULFO

At the outset, Senator Tulfo expressed his support for the DOTr budget and stated that he had no objections to the amount allocated for the agency. Nonetheless, he brought up a matter that had come to his attention during one of his radio programs. He stated that he had received complaints that MARINA Administrator Hernani Fabia owned a school for seafarers, reportedly causing the European Union (EU) to consider banning Filipino seafarers from the EU due to substandard educational practices.

He informed the Body that while Administrator Fabia had divested his shares in the school, the current owners are still his relatives, specifically his children. He opined that such a circumstance could give rise to questionable practices, such as giving favors to the school thereby benefitting the present owners.

Senator Poe concurred that the government agencies must not grant special favors. She expressed disappointment that Administrator Fabia was not present to answer the allegations as he had to attend a meeting of the International Maritime Organization for the accreditation of the country's maritime industry. She stated, however, that Administrator Fabia assured the Body through Secretary Bautista that his former maritime school would not receive any special treatment. She stated that the Senate could investigate the matter should legitimate complaints arise.

Asked on the status of the country's compliance with International Maritime Security Associates, Inc., Senator Poe informed the Body that contrary to reports that the EU had revoked the country's permit, the Philippines did not fail the Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) audit but the organization merely identified deficient areas that needed improved compliance. She added that the government had submitted its response to the European Commission's Assessment Report (ECAR) outlining the corrective measures taken.

She then cited the areas which could be enhanced so that the Philippines would achieve full accreditation: education and training on maritime programs; certification of masters and officers, as well as the Bachelor of Science in Marine Transportation; additional training courses/programs to be provided by higher maritime education institutions; monitoring system of CHED and MARINA; practical assessment of the competence of seafarers' simulator training and assessment; certificate of proficiency requirements for training; and limitations on certificates of competency to be made available through MARINA. She underscored the importance of attaining full compliance and accreditation from the EU for the sake of 49,461 Filipino marine officers and the continued employment of nearly 600,000 certified Filipino seafarers.

Asked for assurance from the DOTr that the country would not be banned from the EU while the improvements were being implemented, Senator Poe stated that the European organization had

not provided a timeline, but the crucial factor was that the Philippines was making efforts to meet the requirements. She believed that the EU appreciated the government's efforts to implement change. She expressed the view that the global maritime industry would not function properly without Filipino seafarers since the country is among the top three providers of maritime seafarers to shipping lines.

Queried on the status of the improvements being made in the Manila Metro Rail Transit System (MRT) which had been plagued by complaints, Senator Poe stated that being an advocate for increased MRT ridership, she shared Senator Tulfo's frustration over the shortcomings in the system. But she reported that the waiting time had decreased since the previous administration negotiated a maintenance agreement with Sumitomo Corporation. She noted that in comparison to the previous 14 operational trains, the system was already operating 22 well-maintained trains, each with three coaches.

However, she stated that the 48 additional trains acquired from Dalian were not yet operational because an agreement with Sumitomo for their maintenance and compatibility with the MRT system had not yet been reached.

Senator Tulfo then pointed out that the Commission on Audit (COA) had identified three delayed DOTr projects: 1) light rail vehicles for the MRT Line-2 expansion project, where only nine out of 39 units totaling P8.1 billion had been accepted by the government; 2) the Unified Grand Central Station — Area A construction at North EDSA in Quezon City, with a contract cost of P2.783 billion; and 3) license plate replacements of registered vehicles which, as of end of 2021, totaled 2.6 million pairs of replacement plates amounting to P1.15 billion representing the fees collected from the owners of four-wheeled motor vehicles, remained undelivered. He then asked for an update on the status and contracts of the flagged projects.

Senator Poe informed the Body that the delay in construction of the Unified Grand Central Station was a result of the pandemic, but that construction was currently in progress and was 70.66% complete. She stated that the project was expected to be completed by second quarter of 2023. She added that the units for the metro rail expansion project were already in the country but acceptance was pending until tests had been conducted to ensure that they would operate in accordance with technically accepted standards. She stated that warranty for the units did not change.

On another matter, Senator Tulfo cited several incidents involving bird strikes in airports: in August 2018, a PAL aircraft hit a bird upon takeoff; in July 2019, a Cebu Pacific plane was damaged by a bird strike; in February 2019, Cebu Pacific passengers were stranded at Kalibo Airport as a result of bird strike; and in September 2022, a plane in Laoag was grounded due to a bird strike. He recalled that in 2011, CAAP promised that it would implement a technology for avoiding birds. He explained that bird strikes or bird hits occur when a bird enters an aircraft's engine during flight, which can cause the airplane to crash, fortunately, the Philippines had never experienced plane crash due to bird strikes. He then inquired about the bird avoidance technology, and the CAAP's response to the problem.

Recognizing the concern of Senator Tulfo, Senator Poe stated that according to CAAP and Secretary Bautista, the Philippines has a number of areas where birds migrate naturally. She stated that in order to address the issue, the department identified and managed the locations where the birds congregate, as well as hired an ornithologist or expert in bird migration patterns. Additionally, she stated that the agency employed sound technology to drive away the birds, however, such technology was utilized only in airports with large populations of migratory birds, such as in Puerto Princesa and Metro Manila. She added that the department would endeavor to train CAAP officials in all airports on how to handle migratory birds.



But Senator Tulfo expressed doubt on the effectiveness of such technology because when he and his wife were on their flight to Davao, he saw birds on the runway of NAIA. He requested the department to show the senators how the bird avoidance technology works.

Regarding the number of runways in the country, Senator Tulfo noted that NAIA has four terminals but with only two runways, despite the large number of planes using the airport. He asserted that two runways were insufficient because airlines were forced to circle in the air while waiting for their turn to land, causing passenger anxiety. He then asked whether it was possible to expand the number of runways.

Senator Poe concurred with Senator Tulfo that the average flight time for domestic travel is one hour or less but due to the congestion on the runway, it would take nearly two hours. She added that an average of 40 planes take off and land in an hour at NAIA, while only two general aviation or private planes take off and land per hour. She added that 25,000 flights enter and exit the Manila International Airport each month. She informed the Body that the projected number of monthly flights into and out of NAIA was 20,000, as tourism opened up again.

Asked whether there were plans to add runways in NAIA, Senator Poe recalled that it had been established in multiple hearings that there is no land available at the Manila International Airport to construct a third runway. For this reason, she stated, Congress expedited the awarding of the franchise for the four-runway Bulacan Airport. She also mentioned that a parallel project was being constructed at Sangley Airport. She averred that the project might be a late response to the problem but that it was being done anyway to address the issue.

Senator Tulfo emphasized that having only two runways at NAIA poses a threat to airplanes that are circling in the air while waiting for their turn to land. Senator Poe admitted to the possibility of a mishap, however, CAAP and DOTr were confident that despite having only two runways, accidents could be avoided because every aircraft is equipped with a collision avoidance system that alerts pilots if they are approaching another aircraft too closely. She added that the Philippines is not the only country with runway issues, as Heathrow Airport in the United Kingdom, an even busier airport, has only two runways as well. She reassured the Body that planes can operate safely due to the technology already incorporated into them.

Senator Tulfo noted that despite technological advancements, there still had been instances of aircraft collisions. He emphasized the need to reduce the risk of airline accidents caused by congested runway traffic. Senator Poe, echoing Senator Tulfo's concern, stated that in addition to aircraft safety features, CAAP has ensured that its training standards for air traffic controllers and pilots are at par with those of other countries. She stressed that aircraft safety always rely on human judgment and expertise in addition to technology.

Regarding passenger welfare, Senator Tulfo cited instances wherein passengers were forced to wait more than three hours due to flight delays. He stated that he had never waited for six hours because he would immediately cancel his flight and return home if the wait exceeded three hours. But he said that long delays infuriate passengers, and that it is also unfair for passengers to cancel their flights. He then inquired on the department's response to the issue, as he believed that whenever flights are delayed, passengers should be provided with food, and if flights are canceled, passengers should be billeted in a hotel near the airport.

Senator Poe stated that according to the CAAP, airport management and airlines should increase the number of ground personnel and provide food or Malasakit kits to stranded passengers in the event of a delay or cancelation.

Senator Tulfo stated that he had not seen the Malasakit kits, as all that he had witnessed were angry passengers yelling at ground personnel. He stated that majority of passengers who expect

to depart do not buy food in the airport due to lack of funds or the expectation that their next meal will be at their destination. He added that in the event of a flight cancellation, those who live far away would prefer to stay in the airport or even sleep in the restroom.

Senator Poe concurred with Senator Tulfo that contrary to what the DOTr claimed, not every passenger had been given a Malasakit kit or food kits. She reminded the department to ensure that the program accommodate all passengers.

Concerning the congestion problem, she stated that efforts were underway to relocate certain flight destinations, such as those to North America, from Terminal 2 to Terminal 1. And as some terminals have more flights than others, she suggested organizing the arrival and departure of passengers as a solution to the decongestion.

Senator Tulfo asked whether the Malasakit kit being referred to has any relation to Senator Go's program. Senator Poe replied that the Malasakit Kit provided by the CAAP contains water, snacks, rubbing alcohol, and a battery-operated fan among others.

Senator Tulfo suggested that the CAAP should have an automatic response for domestic and international passengers in cases of flight delays such as the presence of ground crew at the terminal to pacify irate passengers at the first hour of delay; a clear explanation on the cause of the delay and provision of snacks at the second or third hour; and the provision of shuttle to hotels, allowances, and toiletries for those with cancelled flights.

Senator Poe stated that the DOTr Secretary would be instructing DOTr personnel to post the Air Passenger Bill of Rights in all check-in counters in the country's airports for guidance. Likewise, she said that passenger rights action desks would be installed in certain areas of the airports. Senator Tulfo also suggested including a hotline number for an immediate response. Senator Poe said that while NAIA's hotline is operational 24 hours a day and seven days a week, the hotline numbers in other airports are available during operation hours only. She then suggested to have a national hotline for all airports.

MANIFESTATION OF SENATOR CAYETANO (P)

Senator Cayetano (P) stated that she had been talking about the active transportation, bikeshare system, and safe pathways program in Metro Manila for three years already. With the P1 billion fund for the said program under the DOTr, she said that the department could meet with her staff for a quick update and follow-up on its implementation. She added that biker groups have also been requesting to extend the program's budget to the Greater Manila Area.

Senator Cayetano (P) also stated that the proposal to build elevated walkways along EDSA for the use of pedestrians and bikers already has a design and that according to the MMDA, there are areas that could already be prioritized. She then sought the help of Senate President Zubiri and the other Members to support and fund the active transportation project.

Senator Legarda stated that she was joining the advocacies of Senator Cayetano (P).

In reaction to the manifestation of Senator Cayetano (P), Senator Poe stated that about 240 kilometers—which includes Region I, NCR, IV-A, V, VI, VII, and XI—would be added in 2023. She said that a bike bridge would also be constructed in Commonwealth Avenue in Quezon City. With regard to elevated walkways, she said that the EDSA Greenways was ready for procurement with the DOTr and was merely waiting for the no-objection letter from the ADB. Senator Cayetano (P) then requested a continuous update on the EDSA Greenways project, adding that she was willing to extend any help on it.



INTERPELLATION OF SENATOR HONTIVEROS

On the PUV modernization, Senator Hontiveros stated that the drivers and operators of traditional jeepneys had been anxious because their earnings had become lesser and their jeepneys were about to be phased out. She said that the modern PUVs were priced double than the traditional jeepneys but since the earnings of drivers did not even reach the minimum wage, they could not afford to buy a modern PUV. She pointed out that the situation worsened when the previous LTFRB administration issued LTFRB Memorandum Circular 2022-33, which states that drivers and operators—plying a particular route—who would not join a cooperative that would loan for the purchase of modern PUVs might lose their franchise to private companies. She said that the P160,000 grant per PUV unit as equity subsidy for existing PUV operators with valid franchises was not enough for the purchase. She expressed fear that jeepney drivers and operators were being replaced with bigger players.

In reply, Senator Poe stated that the PUV Modernization Program aims to improve the current state of drivers and transport workers and not displace them. She said that existing routes would be given to existing operators who were consolidated into a cooperative. She clarified that data showed that those drivers and operators, as mentioned by Senator Hontiveros, who refused to be part of a cooperative represented only the minority. Senator Poe enjoined the Body to support the rationalization in order to have a more coordinated system of public transport.

With regard to individual operators who chose not to be affiliated with a cooperative or corporation, thereby opting out of the industry, Senator Poe said that they would be entitled to either a free skills training and free skills assessment through *Tsuper Iskolar* or a livelihood grant through *EnTSUPERneur* to help them transition into a new industry.

On the claim that drivers were not earning enough profits, Senator Poe said that the PUV Modernization Program ensures financial viability of operations, aside from consolidation route planning, and ensures the route's viability. As a result, she said that all maintenance and operational cost shall be covered by the daily revenue and profit is ensured. She added that in order to help the cooperative or corporation during the transition, the subsidy may also cover the first few months of amortization.

On the statement of Senator Poe that the drivers and operators who refused to join the cooperative were the minority, Senator Hontiveros asked the Body to validate the number of PUV drivers and operators' organizations in future coordination with the DOTr in order to pinpoint on whether they could be a significant minority in the public transport sector. She then expressed hope that the best PUV modernization program would continue and that it would be led by a leadership that would optimally include all challenged drivers and operators who still wished to remain in the public transport sector—whether they have chosen to be part of the majority by joining the cooperative or whether they are in the minority who refused to join the cooperative.

Senator Hontiveros also wished for a continuous dialogue between the DOTr Secretary, the small operators and drivers in the public transport sector, and her office in order to tie up the loose ends in the PUV modernization program.

Senator Poe said that there were about 40% of drivers who need to join a transport cooperative for consolidation and they have until March 2023 to finalize the program. She averred that the consolidated scheme was more beneficial because drivers would be granted a guaranteed stream of income since there would be a pool of resources that comes with working as a cooperative. She stressed that the program was based on studies which identified where operations are required, where the passengers are located and the peak time in which the transport services are most needed.

Senator Poe said that according to the DOTr, should the drivers and operators do not want to join a cooperative, they could still operate by getting a franchise and a permit to operate in the particular location where they wish to operate. However, they may not be given a permit to operate if the particular area was already saturated. She opined that while there was a need to have a steady stream of transportation especially at peak times, there must be an organized and scientific program in place.

Senator Hontiveros observed that 40% was still a significant minority of drivers and operators who are not members of a cooperative. Senator Poe opined that getting 60% of the drivers as members of a cooperative was already quite an achievement considering the long struggle to explain the benefits of joining a cooperative. She expressed hope that the remaining 40% would see the merit of being part of a cooperative. She stressed that just like in a labor union, people have a stronger voice when consolidated.

Senator Hontiveros affirmed her support for cooperatives both as a mode of organization and economic action in any sector. She said that since the deadline for registration was still in March 2023, she expressed optimism that the drivers could already decide to assume membership in a cooperative. She disclosed that almost all the PUV drivers/operators she talked to, even those who were not yet members of any cooperative, wanted to participate in PUV modernization, however, some of them did not really have enough resources for it. She hoped that the remaining minority who would opt not to join a cooperative, would somehow find a way or a mode within the PUV modernization.

On the issue of service contracting and the report that P3 billion pesos per day was lost in the economy because of traffic, Senator Poe averred that data had shown that an average commuter who goes to work and who goes back home every day spends four hours in traffic, so it would not be difficult to arrive at the amount of losses per day.

Senator Hontiveros said that it would not be surprising if in a short time the damage of traffic on the economy would be exceeded, especially when the PUV modernization would not be completed and there would be too many people buying new cars, resulting in the so-called "carnageddon" in Metro Manila streets. She recalled that the DBM informed the senators that the reason why it no longer funded service contracting was that it is not a regular program of the agency. She asked whether the transportation secretary could propose to the Cabinet that service contracting be made a regular DOTr program under the Philippine Development Plan.

Senator Poe replied that the DOTr shall coordinate with the NEDA the inclusion of service contracting in the PDP, and aside from that, the DOTr, with its attached agencies and with the help of civil society organizations, would continue to lobby with lawmakers for the passage of a legislation that would establish the service contracting as a regular program in the department.

Senator Hontiveros expressed her support in principle and openness to listen and address the possible legislative framework seeking to establish the SCP as a regular program of the DOTr.

On the matter of the private sector capital assistance to support and improve the service contracting of the EDSA bus carousel, Senator Poe informed the Body that the DOTr was in the process of requesting approval from NEDA and funding from the public-private partnership center to conduct feasibility study regarding the privatization of the EDSA busway system. She said that part of the output of the study would be setting up key performance indicators (KPI) which would determine the operating level of the EDSA busway. However, she held that the DOTr had yet to identify the list of the KPIs but gave assurances that the KPI levels will benefit the commuting public.

As regards the preliminary ideas on how the private sector would be expected to recover from their capital investment, Senator Poe said that there were no proponents at the moment and she assumed that it would depend on the results of the independent study on the revenues or the financial benefits.

Senator Hontiveros believed that a bus system which does not have to go through traffic and at the same time provide so many people with a ride will bring a huge economic value to its operator. She surmised that if the DOTr and the MMDA can provide the extra road space and loading and unloading bases needed by the EDSA Carousel version 2.0, the proposal of the private sector to make the bus system in EDSA a regulated monopoly would probably work and make money.

As to her view regarding the privatization of the EDSA bus carousel system, Senator Poe stated that she has always supported the initiative of the private sector to be part of public services. She believed that the private sector is more transparent because it has shareholders to account for. Citing the case of the National Waterworks and Sewerage Authority (NAWASA), she opined that the private sector initiative in terms providing water has been well although not the best, but it has improved by leaps and bounds compared to the time when it was still managed by the government.

Reverting to the issue of privatization of the EDSA bus carousel, Senator Poe said that DOTr was still relying on the study to be conducted to enable them to determine the potential investors in the project. Nonetheless, she stated that when the private sector gets involved, there would be more bus stops, even as the DOTr would already be opening additional bus stops in Ayala, Makati City and Malibay, Pasay City in the following days. She expressed confidence on the private sector involvement because she felt that its players are more capable of managing the public services as in the case of LRT 1 compared to the MRT which was being managed by the government.

On the issue of toll roads, Senator Hontiveros observed that the government was on a road-building spree and, as the Move as One Coalition stated, "cars are bought because roads are built." She believed that with more private vehicles, traffic was back with a vengeance, creating road congestion. She recalled former NEDA Secretary Karl Chua previously informed the Senate that NEDA would be including in their cost-benefit analysis the cost of congestion resulting from car trips induced by new roads as well as the cause of associated greenhouse gas emissions.

But she lamented that apparently, the overwhelming bulk of major road projects approved in 2021 by the Toll Regulatory Board was able to avoid the calculus of congestion and greenhouse emissions because the vetting process prescribed by the BOT law and its IRR had been replaced by the mere issuance of supplemental toll operation agreement (STOA) by the TRB.

Senator Hontiveros said that the TPLEX and NAJAX-2 and other big-ticket projects underwent the process of the BOT law and therefore underwent careful project evaluation through the NEDA-ICC and interagency diligence. She asserted that a proposed project need to pass the rigorous test of social and economic feasibility or it could be shut down. She said that if the proposed project passes the hurdle, it must then go through a process of competitive selection for the grant of tollway concession to the bidder that either grants the largest revenue to the government or requires the least amount of subsidy.

She expressed concern that if concessions, regardless of how enormous, were acquired by operators merely through STOA, they would not be properly evaluated by the NEDA Board. She argued that even as the TRB says that the use of supplemental toll operating agreements is legal, the DOTr Secretary and the TRB should in no way be prevented from making use of the more



transparent and competitive process prescribed by the BOT law. She pointed out that there were too many toll roads and the TRB might be causing more harm than good because the TRB denies itself the use of institutional practices that can methodically shoot down projects that are unnecessary.

Senator Poe stated that she knew about the “carnageddon” scenario, which was the reason the current administration, with the support of Congress, approved more transportation projects, though delayed, like the Metro Manila subway, the North-South Rail, the MRT-4 which would start from N. Domingo in Quezon City to Tanay, Rizal, and the MRT-7.

On another matter, Senator Hontiveros pointed out that EO 63 required MARINA to evaluate the training and refresher courses submitted by the maritime training institutions to ensure compliance to national standards. She added that MARINA was also mandated to establish and verify the standards set for each course. However, she noted that the standards developed by MARINA in two refresher courses and one regular course did not address some competence areas that the courses should have covered, such as boarding a survival craft while wearing a life jacket and swimming using special equipment.

Asked whether MARINA agreed to the findings contained in the last European Maritime Safety Agency (EMSA) evaluation or that the EU standards were too high, Senator Poe replied that the Philippine maritime was not really rejected and the accreditation was still valid. As regards the courses that needed improvement, she said that the subjects had been revised, approved and were already being implemented. She stated that MARINA agreed with the EMSA findings, which were not actually EU standards but standards provided in the STCW convention adopted by the International Maritime Organization.

Senator Hontiveros stated that while the subjects were revised, approved, and implemented, it needed to pass the next audit of the EMSA. In reply, Senator Poe told the Body that a reassessment of the courses would be done in a meeting scheduled in May 2023. She recalled that the committee mentioned to Senator Tulfo during his interpellation that the Filipino seafarers were a vital part of the world maritime industry, the reason why international organizations had been quite accommodating. She added that there was no definitive timeline for the Philippine maritime to be able to comply with all the recommendations. However, she said that the EMSA appreciated the efforts of Marina for taking the steps necessary to be able to be compliant.

Senator Hontiveros believed that the state of the country’s maritime industry should be assessed in the most positive or constructive attitude. She said that she was informed about large shipping companies having their own in-house training programs so that any deficiencies could be remedied before the seafarers report to their stations. Also, she said that received reports that the Philippine maritime industry was providing the largest number of seafarers aboard EU flagged vessels so that the certification of Filipino seafarers was too big and unlikely to fail, otherwise it would paralyze or cripple the European shipping industry. She noted that around a million Filipino seafarers were aboard vessels of EU flags and other parts of the world. She said that she could understand the scale involved, considering the sheer number of students and seafarers who need to be trained and certified; and thus making administration and regulation difficult.

But she cautioned MARINA to be extra careful and not be complacent. She assumed that both the CHED and MARINA have been working hard at correcting shortcomings as noted in the EMSA audit. She wondered why the Philippines appeared to be the country most audited by the EMSA and unfortunately, each time there was an audit, shortcomings were always observed.

Asked how likely the Filipino seafarers would be decertified, Senator Poe replied that the maritime authorities never took things for granted because many of the Filipinos are dependent on

the industry. She urged the government to work hand in hand with the maritime authorities to comply with the requirements because it would be for the good of all.

Senator Hontiveros stated that she shared the concern of Senator Poe regarding the maritime sector as the former underscored their long-standing contribution to the economy. She recalled her recent working trip in Berlin, Germany where she met a lot of Filipino seafarers when she passed by Doha and Istanbul. She said that they were aware of the situation and one complained why they were paying certain taxes in Aberdeen, while some women seafarers she met in Montenegro complained that a certain shipping body asked for contribution from them. She added that Filipina seafarers were aware of the Marino Bill and the Magna Carta for Seafarers which they wanted Congress to pass into law. Further, she told the Body that the seafarers were concerned not only about the expiration of their certificate of competencies but how they could be issued a new COC so it would be easy for them to board ships. She hoped that the DOTr had heard such concerns of the seafarers.

At this point, Senator Villanueva informed the Body that the Standards of Training, Certification and Watchkeeping was lodged under TESDA and later was given to the DOTr and MARINA. He stated that he and Senator Poe shared the same sentiment for the seafarers because they were together when the members of the French Senate talked about the Filipino seafarers who numbered 345,517 in 2021 alone, which meant that one out of three seafarers around the globe is a Filipino. He stated that the country is the largest seafarer supplying country and that the problem has been hounding the industry since 2004, 2007, and 2022. He said he wanted not only commitment but assurance from the department that the Philippine maritime industry will pass the assessment.

Asked by Senator Villanueva on the deadline for correcting the EMSA findings, Senator Poe reiterated that there was no specific deadline set but Marina had already submitted its explanations on how the deficiencies identified by EU could be corrected, which would be evaluated by EMSA in its meeting in March 2023.

As regards assurance, she admitted that the only assurance MARINA could give was that it was working towards curing all of the deficiencies. However, she said that it would still be EMSA who would determine if the courses are proficient or not. She expressed her assurance that the Secretary would be on top of the matter to make sure that the Philippine maritime would be compliant.

Senator Villanueva reiterated that he wanted assurance, not just statements from MARINA officials that "we will do our best; we are on top of things."

Senator Hontiveros then asked whether a concrete road map was made to correct the observed shortcomings vis-à-vis the education, training, certification of the seafarers and the items considered questionable. Senator Poe replied that audits and evaluation are continuing process to verify the full and effective implementation of the STCW convention. She explained that the convention has been amended several times, thus the need to continuously modify and update requirements and systems. She added that an additional budget of P59.7 million, proposed by MARINA but was not included in the NEP, was intended for the implementation of strategic initiatives such as on board training portal, e-training record book, and enhanced monitoring system. She pointed out that the proposed P59.7 million allocation was included in the Senate committee report which realigned P59,746,000 from the allocation of DOTr for the road right-of-way to give funds to MARINA's undertakings.

Senator Hontiveros lauded the amendment, especially that the bold effort was done by the Senate.

She then asked if there was a contingency plan in the budget in case there would be temporary decertification. Senator Poe replied that it was always good to have contingency funds. She warned



that a decertification would be a disaster in large proportions because there were already about 600,000 Filipino seafarers, not just 300,000, who would be out of jobs. She agreed that while the unemployed could get assistance from the Department of Labor and Employment, it would be best to provide a contingency budget for a worst case scenario. She, however, expressed the hope that such situation would not occur.

MANIFESTATION OF SENATOR GO

Senator Go stated that he also experienced waiting for seven hours and sleeping on benches in NAIA due to delayed local flight but he and other passengers were provided meals by the airline company.

Thereupon, he expressed full support for the budget of the Department of Transportation and its attached agencies—the Civil Aeronautics Board, the Maritime Industry Authority, Office of the Transportation Cooperatives, Office of the Transportation Security, Philippine Coast Guard, Toll Regulatory Board, Civil Aviation Authority of the Philippines, Davao International Airport Authority, Light Rail Transit Authority, Philippine National Railways, and Philippine Ports Authority—as he cited the important role of the DOTr in economic growth and in ensuring the people's safe travel especially at this time when students and workers were already allowed to use public transportation to travel to their school or workplace and back to their homes.

In this regard, he appealed that the *Libreng Sakay* Program be fully funded in order to help the commuters amid high transport fares. He also urged government to continue with the *Pantawid Pasada* Program, which was initiated by the Duterte administration, to help public transportation drivers who were most affected by the rising oil prices.

He also appealed that the DOTr continue the implementation of the Mindanao Railway System, which was one of the priority projects of the past administration under its *Build, Build, Build* Program. He believed that it would spur economic development in Mindanao and other places in the countryside.

Finally, Senator Go recalled having pushed for additional funds in the 2022 budget for the PNR and the Philippine Coast Guard for the acquisition of modern equipment. He expressed the hope that increases could also be made in the 2023 DOTr budget.

INTERPELLATION OF SENATOR EJERCITO

At the outset, Senator Ejercito stated that one of the priority programs of President Bongbong Marcos which he mentioned during his first SONA was the development of the country's railway system which would serve as an economic driver to stimulate economic growth and enormous progress not only in Metro Manila but in other parts of the country, which would consequently create jobs and improve the lives of the Filipinos even in the countryside.

Through the railway projects, he said, the connection of all ports in Subic, Batangas, and Manila would create a growth triangle, since 65% of the GDP was in Calabarzon, Metro Manila, and Bulacan.

Senator Poe concurred in the statement that the railway projects would bring convenience, traffic ease, and a healthy economy.

Adverting to DOTr's NEP budget amounting to P100 billion—P70 billion for the North-South Commuter Rail (NCSR) and P26 billion for the Metro Manila Subway Project, Senator Ejercito noticed that the budget in the GAB was cut to half wherein NCSR's budget became P40 billion, and the Metro Manila Subway budget was reduced to P10 billion. This, he said, would delay the



completion of both projects because although ADB and JICA would fund electromechanical and civil works, the national budget would cover right of way and VAT.

Senator Poe admitted that the budget cut would delay the project for one year or until 2029, and if there would be another decrease in the railway budget in 2024, another year would again accrue.

Senator Ejercito explained that the funding for right of way would be utilized to acquire parcels of land for the railway stations and staging areas. He stated that in Makati, a parcel of land was valued at P16 billion; in Manila — P9 billion; Biñan — P3 billion; Calamba — P3.2 billion; and Muntinlupa — P1.7 billion. He added that the amount of P11 billion was for the relocation of informal settler families (ISF) affected by the project as well as relocation of utility lines of the National Grid Corporation of the Philippines, Meralco, Maynilad, and Manila Water.

Considering the possibility of project delays year by year, he believed that the budget for right of way and utilization rates that vary every year must be detailed, citing that in 2020, the railway disbursement was only 57%; in 2021 — 55%; and in 2022 — 184%. With the construction of railways going full steam, particularly NCSR and Metro Manila Subway, he remarked that DOTr must commit better utilization of its funds.

Senator Poe added that as of October 2022, the railway sector had disbursed P42.68 billion–P11.62 billion disbursements from 2022 GAA programmed appropriations; and P31.6 billion from unprogrammed appropriations for foreign loans. To date, she said, the remaining P9.278 billion must be utilized to achieve a significant disbursement of the GAA.

Asked if there would be finance charges for the delay because of the budget cut, Senator Poe replied in the affirmative.

Since the delay would likewise incur interest as it was loaned from ADB and JICA, Senator Ejercito emphasized that the railway projects must be prioritized as he also noted that the Philippines was lagging behind its ASEAN neighbors because of weak infrastructure and high energy cost. He then appealed for the restoration of the budget as reducing the same would definitely affect schedules, entail financial interests and charges, and jeopardize the country's reputation in the international community. Senator Poe averred that the government had already incurred P1 billion as a result of the delay.

Senator Ejercito then expressed his hope that the Body would be able to address the infrastructure sector's weaknesses so that the government could accelerate the infrastructure development in the country. He believed that the Mindanao Railway System, the Philippine National Railway's (PNR) South Long Haul Project, as well as the Panay Railway System would stimulate the nation's economic growth. Similarly, he expressed hope that the projects will continue, emphasizing the importance of both the North-South Commuter Railway (NSCR) Project and the Metro Manila Subway Project (MMSP).

In closing, he informed the Body that his meeting with the new Land Transportation Office (LTO) chief revealed that the agency's motorcycle and motor vehicle license plate backlogs already numbered in the millions. He then proposed that the LTO address the issue immediately. Regarding the license plate backlogs, he suggested that the agency prioritize the rear plates, as they are tied to government's anti-crime efforts.

In response, Senator Poe thanked Senator Ejercito for his well-informed comments regarding the DOTr's budget. She also concurred with Senator Ejercito's earlier suggestion that the Body source some of the agency's funding deficiencies from the unprogrammed funds.

INTERPELLATION OF SENATOR ESTRADA

Senator Estrada stated that he read in a news article that the COA flagged the DOTr over P128.42 million in additional fees incurred as a result of delays in 14 foreign-assisted projects worth P1.61 trillion. Asked on the reason for the delays, Senator Poe stated that the pandemic caused majority of the delays in acquisition and labor, with most projects being hampered by a lack of manpower and difficulties in obtaining the various construction materials.

At this juncture, Senate President Pro Tempore Legarda relinquished the Chair to Senator Ejercito.

Asked on the timeline for the completion of the 14 foreign-assisted projects, Senator Poe replied that the projects have completion dates ranging from 2025 until 2029. She added that only two of the projects have been completed, namely, the Bohol Airport Air Traffic Management System, which was completed in 2019 prior to the pandemic, and the CAAP's satellite project.

Regarding COA's observation that there were no data on the physical status of the Metro Manila Bus Rapid Transit (MMBRT) and the New Cebu International Container Port projects, Senator Poe stated that the lack of data on both projects could be explained by the fact that construction has not started yet.

As to when the projects would begin, Senator Poe stated that the Cebu project would commence construction in 2023, but the MMBRT has no starting date yet because the loan for the project was cancelled by the World Bank.

As to the reason for the MMBRT Project's cancellation, Senator Poe stated that it was cancelled because the project's implementation period had expired in 2022. Due to the government's inability to meet the preconditions, including the requirement to acquire right-of-way, she stated that the World Bank decided not to proceed with the loan that year.

Asked further if the DOTr would consider requesting the World Bank for a reconsideration of the cancelled loan, Senator Poe stated that the government was mulling over the possibility, as well as the matter of pursuing potential financial partners.

On the subject of Filipino seafarers' accreditation that Senator Hontiveros previously brought to the Body's attention, Senator Estrada, as chairperson of the Committee on Labor, Employment and Human Resources Development, mentioned that he had already discussed drafting the Magna Carta for Seafarers with Senator Tulfo, in the latter's capacity as chairperson of the Committee on Migrant Workers. He expressed his desire to consult with all stakeholders involved in order to devise a measure that would benefit Filipino seafarers.

In response to a question about the government's inadequate response to the issue, Senator Poe explained that the accreditation issue was an ongoing concern. She then clarified that the country's accreditation status with the European Commission was still valid and that the government was able to submit documents in response to the recent request for compliance by the commission.

Regarding the European Commission's timeline for compliance, she informed the Body that it did not give a definitive timeline. She mentioned, however, that representatives of the commission would meet with representatives of the Philippine government in March 2023 in order to provide their assessments of the government's submissions. She opined that there was nothing imminently jeopardizing the employment of 600,000 seafarers, as the commission was aware of the Philippine government's efforts to comply with accreditation requirements.



Senator Estrada then read a recent press statement from a DFA undersecretary warning that “50,000 Filipino seafarers currently deployed in the European Union (EU) will be at risk of losing their jobs if the Philippines fails to comply with the European Maritime Safety Agency (EMSA) standards.”

Senator Poe opined that the statement would only be accurate if the Philippine government did not comply with the accreditation requirements. In fact, she believed that the European Commission, in accepting the government’s submission for the meantime, intended to continue working with the Philippine government until it became compliant with the standards.

She underscored the importance of the 600,000 Filipino seafarers and added that their immediate absence would precipitate a crisis in the maritime and shipping industries. Senator Estrada echoed Senator Poe’s sentiments, adding that the country was one of the world’s largest suppliers seafarers, with over 25% of the maritime industry’s workforce consisting of Filipinos.

Asked if there were other government agencies aside from the Maritime Industry Authority (MARINA) that handle accreditation compliance concerns, Senator Poe responded that the Commission on Higher Education had been working in coordination with MARINA regarding seafarers’ education.

Regarding additional assistance from the private sector, Senator Poe revealed that MARINA was also in constant communication with private institutions. She believed that should the government be able to resolve the accreditation problem, it would also benefit a number of privately-operated maritime schools. She cited the Magsaysay Training Center as an example of a maritime school that provides exceptional training to aspiring seafarers. In this light, she surmised that Ms. Doris Magsaysay Ho was also contributing to the maritime industry’s compliance with seafarer standards.

Senator Estrada then inquired about potential outcomes in the event of an unfavorable decision. Senator Poe reiterated her earlier response to Senator Hontiveros, stating that affected Filipino seafarers would be able to access benefits lodged with various government agencies, such as DOLE. She surmised, however, that because 600,000 individuals were at risk of being affected by a potentially unfavorable decision, the Philippine government might be facing a significant problem.

Senator Poe emphasized the importance of collaboration between the Philippine government and the global shipping and maritime industries, adding that it was in the best interests of all parties involved for the Philippines to comply with seafarers’ accreditation requirements.

Senator Estrada inquired whether the Philippine Coast Guard’s proposed budget included any item aimed at bolstering the government’s presence in the West Philippine Sea (WPS). In response, Senator Poe stated that the PCG had a total budget of P21 billion, which already included provisions for fuel used in patrolling the country’s archipelagic waters and for repairs incurred in maintain the agency’s sea vessels.

Asked when the PCG was transferred to the DOTr, Senator Poe replied that the agency was placed under the DOTr’s supervision on April 15, 1998, a few months prior to the start of President Estrada’s administration. She believed that the PCG’s placement under the DOTr instead of the DND was due to the agency’s more civilian nature, similar to that of the United States Coast Guard, in its domestic law enforcement duties in the WPS. She stated, however, that the PCG still worked in coordination with the Philippine Navy. She elaborated by stating that the Philippine Navy would defend Philippine territorial waters in the event of an incursion by foreign entities.



SUSPENSION OF SESSION

Upon motion of Senator Poe, the session was suspended.

It was 11:57 p.m.

RESUMPTION OF SESSION

At 12:04 a.m., the session was resumed with Senator Ejercito presiding.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel inquired as to whether the budget of the DOTR-Office of the Secretary in the NEP had been reduced by P50 billion in the GAB. Senator Poe responded that P44.5 billion had been cut from the proposed P143 billion in the NEP, bringing the total to P99 billion in the GAB. She explained that the Office of the Secretary's P200 million for the Right-of-Way (ROW) program had been specifically reallocated to the Public Utility Vehicle Modernization (PUVM) Program, while P59 million had been allocated to the Maritime Industry Authority (MARINA), for a total of P259 million.

Senator Pimentel then opined that, under such a plan, the first step would be the acquisition of right-of-way before any projects could be implemented, thereby delaying a number of projects. He suggested that the situation may be related to Senator Estrada's inquiry regarding the delayed funding of P1.3 trillion and Senator Binay's concern regarding commitment fees and other penalties.

Senator Poe stated that the total budget for ROW had been reduced from P12.6 billion in the GAB to P12.3 billion in the Senate version. She stated that the reorganization of MARINA was of utmost importance and that the P200 million allocated to the PUVM would be of great assistance to PUV drivers. She added that the reorganization was minor because they still had P12.3 billion in unutilized funds.

Asked to confirm that the P12.6 billion allocation for the ROW in the GAB was P62 billion in the NEP but was reduced by P50 billion by the House of Representatives, making it P12 billion, Senator Poe responded that it was P12.658 billion in the NEP, the same amount as the GAB. She stated that in the Senate committee report, the proposed allocation increased dramatically to P12.9 billion from P1.6 billion in the GAA.

Upon further inquiry, Senator Poe responded that the P12.658 billion ROW budget under the NEP was identical to that of the House. She emphasized that the budget was P12.6 billion in the NEP, P12.6 billion in the GAB, and P12.3 billion in the Senate.

Senator Ejercito stated that the North-South Commuter Railway (NSCR) received a 50% budget cut from their P70 billion budget because only P35 billion was approved. He stated, however, that only P10 billion of the proposed P26 billion budget for the Metro Manila Subway Project had been approved.

Affirming that the P50 billion budget cut was for the right of way (ROW) of the two projects, Senator Ejercito added that the government's contribution is the right-of-way and the value-added tax, while the budget for electromechanical and civil works will be taken from the proceeds of loans from the Asian Development Bank (ADB) and the Japan International Cooperation Agency (JICA). In this regard, Senator Poe surmised that the reason the ROW allocation under the NEP had been increased was due to the separate line for the rail sector right-of-way acquisition, while the other would be for general right-of-way acquisition.

Senator Poe clarified that the P50 billion budget cut from the two projects was for right-of-way acquisition costs.

When asked how the budget cut would affect the two projects, Senator Poe stated that they would be delayed for a year. She also explained that if the budget remained insufficient the following year, the project would be delayed by an additional year, resulting in compounded delays. She informed the Body that she had discussed the matter with Senator Angara, who suggested that they look for funding sources in the unprogrammed funds in the future. Relative thereto, Senator Pimentel opined that the budgeting process might fail.

Senator Poe suggested that the administration's priorities be better coordinated given that a portion of the budget is devoted to political considerations to the detriment of what is actually required for the long-term development of the country.

Senator Pimentel expressed concern over the growing number of issues, including the P1.3 trillion worth of delayed projects, the commitment and penalty fees he had raised during the committee hearing, and the two projects he had previously mentioned.

Senator Poe believed that a concerted effort should be made to convince the DBM to include the delayed projects in the NEP, as it would be difficult to obtain funds in light of the P50 billion reduction. Senator Pimentel, concurring with Senator Poe, recalled that the P69.5 billion that had been cut from the Support to Foreign-Assisted Projects in the Senate subcommittee report had been set aside as "Stand-By Appropriations" to be used for valuable items in the event of excess revenue.

He then asked whether the Members were aware of the impact that the P69.5 billion cut would have on three DOTr projects under the item of Support to Foreign-Assisted Projects, namely, the Metro Manila Subway Phase 1, the North-South Commuter Railway System, and the Mindanao Railway Project. Senator Poe replied that she was not familiar with the proposed reduction but believed that it would definitely affect DOTr projects like the LRT 1 Cavite Extension, the Metro Manila Subway, as well as the East Valenzuela-Quirino Highway and tunnel stations as there would not be any funds to pay for the progress billings of the projects.

On whether the effects would include additional commitment and penalty fees, Senator Poe stated that the delays brought about by budget cuts would definitely incur additional penalty fees. However, she noted that some projects like the LRT Line 1, the Cavite Extension, the Cebu Bus Rapid Project, and the MRT 3 Rehabilitation all had leftover funds which could still be utilized albeit not with the ideal results than if they had full budgetary allocations.

Senator Pimentel clarified that the P69-billion budget cut was made in the unprogrammed funds under the item for Foreign-Assisted Projects, P60 billion of which was from the North-South Commuter Railway System. He asked whether the fact that such a big amount could be slashed off a project's budget was an indication of a failure in planning.

Senator Poe stated that the P69-billion budget cut did not come from the subcommittee, given that the amount was already half of DOTr's budget. Senator Pimentel reiterated that the amount was lodged in the unprogrammed funds and that all he wanted to find out was whether the cuts in the unprogrammed funds have the same effect on the projects as those made in the programmed funds. He then expressed full confidence that Secretary Bautista would be able to sort the matter out and requested for updates. He then expressed his intention to discuss possible amendments with Senator Poe at the appropriate time.

On another matter, Senator Pimentel noted that even though the Airline Passengers' Bill of Rights was in place, passengers in the country continued to experience shoddy conditions during



their travels. He narrated various incidents experienced by some senators. He said that one senator's flight from Singapore had been diverted to Clark International Airport (CRK) such that the passengers were made to wait for five hours on the tarmac without being allowed to disembark, with the flight eventually being ordered to return to Singapore.

Senator Poe stated that although a significant number of incidents were results of unfavorable weather conditions, the current setup of the country's airports was not ideal and, as such, the DOTr was banking on the expansion of the Bulacan and Sangley airports to alleviate the situation. She said that the Secretary proposed to have the Airline Passengers' Bill of Rights posted in conspicuous areas of the airports so that passengers know what they are entitled to when certain conditions happen.

Upon being informed that the Civil Aeronautics Board (CAB) was in charge of such incidents, Senator Pimentel urged the agency to respond appropriately to the matter considering that it had a substantial budgetary allocation of P229 million.

Queried on the Singapore Airlines flight which returned to Singapore without allowing the passengers to disembark at the CRK, Senator Poe said that it was the airline's decision to fly back. She said that the plane's officers had hoped to be able to proceed to Manila International Airport despite the weather, but were not permitted to do so. She said further that they had wanted to allow the passengers to disembark but were informed that the airport did not have enough ground handling to facilitate the disembarkation.

Senator Pimentel pointed out that the decision had been reached because of the lack of ground handling at the CRK and asked if the DOTr has jurisdiction over the airport. Senator Poe answered in the affirmative, saying that it is an attached agency but is being run by a concession group which include JG Summit and Mutyanon Group.

Senator Poe informed the Body that the Clark Development Authority (CDA) had already asked for an incident report to determine whether penalties would be meted should there were violations of the concession agreement

Senator Pimentel averred that penalties are not enough for the possible damages the incident could have made to the image of the Philippines. Senator Poe stated that the airport should have contingencies in place in case of massive weather disturbances that would divert flights to Clark.

Asked for details on the policies and rules the department had on the use of drones and Unmanned Aerial Vehicles (UAV) within Philippine territory, Senator Poe replied that drone operators must first acquire a license from the Civil Aviation Authority of the Philippines (CAAP) to operate such equipment and added that there are height restrictions in place in flying them. She also pointed out that drones and UAVs are being used for various purposes, including in agriculture.

Senator Pimentel expressed concern over the safety of operating such equipment. He opined that a drone's navigator on the ground must be as vigilant as an aircraft pilot in order to avoid collisions and other accidents. He then asked the DOTr to submit data on the number of drones that were licensed and those that were not.

In closing, he expressed support for the DOTr and its budget and hoped that the allocations given it would result to safer and efficient transport systems in the country.

At this juncture, Senator Villanueva expressed confidence that the country would pass the IMSA standards for the benefit of the country's seafarers.



REMARKS OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri urged Secretary Bautista to work together with the Department of Tourism and emphasized the importance of making good first impressions on people visiting the country.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF TRANSPORTATION AND ITS ATTACHED AGENCIES

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Transportation, including the Office of the Secretary, the Civil Aeronautics Board, the Maritime Industry Authority, the Office of the Transportation Cooperatives, the Office for Transportation Security, the Philippine Coast Guard, the Toll Regulatory Board, the Light Rail Transit Authority, the Philippine National Railways, and the Civil Aviation Authority of the Philippines was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 12:40 a.m.

RESUMPTION OF SESSION

At 12:53 a.m., the session was resumed.

DEPARTMENT OF AGRICULTURE AND ITS ATTACHED AGENCIES

Senator Villar (C) presented the budget of the Department of Agriculture (DA) and its attached agencies. She then welcomed Senior Undersecretary Domingo Panganiban and the other undersecretaries and assistant secretaries of the DA. She stated that the DA is the government agency responsible for promoting food security and improving the lives of small farmers and fisherfolk by increasing production, ensuring the availability of safe and nutritious food, promoting higher incomes, creating jobs, and making the country's agriculture competitive.

She stated that the proposed budget of the DA and its attached agencies under the NEP was P160,851,000,000, which was 39.62% or P46.5 billion, greater than the 2022 GAA, while the Senate Committee Report of the GAB was 13.5% higher than the NEP.

Senator Villar (C) stated that the Office of the Secretary would have a budget of P89 billion, which would include funding for the DA's seven banner programs, regular programs, bureau budget, and regional office budget. She stated that the budget would also include allocations for nine attached agencies totaling P13.1 billion, its attached eight corporations totaling P58.6 billion, the Bureau of Fisheries and Aquatic Resources with the largest share of over P6.9 billion, and the National Irrigation Administration, which was transferred back to the DA by virtue of President Duterte's EO 168 with a budget of P40.8 billion.

She informed the Body that the centerpiece of the 2023 DA budget would be the establishment of the cold examination facilities, also known as the first border facilities in Luzon, Visayas, and Mindanao, the Wide Field Inspectorate Office to combat smuggling of agricultural products and commodities, the Mindanao Inclusive Agriculture Development Project, and the implementation of the legislated fish hatcheries to be done by BFAR.

INTERPELLATION OF SENATOR TOLENTINO

Senator Tolentino stated that while he fully supported the DA budget and the department's first border facilities, he would be raising questions concerning the blue economy—or the fisheries sector and marine and coastal resources. He expressed disappointment that the country imported 25,000 metric tons of *galunggong* and other fish species when its own seas and marine resources should have placed the country as the 15th richest in terms of the blue economy.

As to the six new policies for which the DA was able to secure funds in the proposed 2023 national budget, Senator Villar (C) stated the following policies:

1. The establishment of first border facilities in Bulacan for Luzon; in Toledo, Cebu for Visayas; and in Davao City for Mindanao;
2. The establishment of a field inspectorate office that would help combat smuggling of agricultural products and commodity through surveillance support activities;
3. The development of data fusion system that would also validate the source of agricultural products and commodities and enable the government to promote food safety through prevention of the entry of transboundary agri-fishery pest and diseases;
4. The surety of the implementation of the Anti-Agricultural Smuggling Act of 2016 (Republic Act No. 1045);
5. The surety of the implementation of the Food Safety Act of 2013 (Republic Act No. 10611) to protect the agriculture sectors and farmers from unscrupulous traders and importers who buy their illegal importation of agricultural products that affect the production, the availability of supply, the stability of prices, and the food security of the state; and
6. The implementation of the Mindanao Inclusive Agriculture Development Project (MIADP), a six-year foreign-assisted project starting on January 1, 2023 up to December 31, 2028.

Senator Villar (C) stated that the MIADP—which would be mainly supported by the International Bank for reconstruction and development—is geared to sustainably increase agricultural productivity, resiliency, and access to market and services of IP farmers and fisherfolk within the ancestral domain of Mindanao. She added that it also aims to open and create jobs and business opportunities to neglected ICCs in Mindanao through the help of e-commerce and ICT digital platform. She said the project would include consolidation and distribution centers, big brother partnership, and various agro-fisheries production to enterprise support infrastructure and modernization. The project's target beneficiaries, according to her, would be the following: agro-fisheries industry stakeholders, indigenous communities, indigenous people's organizations, cooperatives, individual IP farmers, seed growers, processors, consumers and traders engaged in the production, manufacturing, and enterprise of any agro-fishery products, the LGUs in Mindanao, the planning and policy-making bodies, academicians, researchers, technicians, and students.

Senator Tolentino suggested amending the Joint DA-DILG Administrative Order No. 2 on the closed fishing season of tuna from June to August and from July to September. He stated that there are also closed fishing season for sardines from November 15 to February 15, for *galunggong* from November 1 to January 31, and in the Zamboanga Peninsula from December 1 to March 1. He said that one of the reasons for the importation of *galunggong* was the closed fishing season that would give a breather for the country's fish species to grow and reproduce. Senator Villar (C) replied that the closed fishing season was not the reason for the fish importation.

However, Senator Tolentino disagreed, citing DA Order No. 1002 series of 2022, stating that the Philippines would be importing 25,000 metric tons of fish from November 2022 to January 2023,

which would be a closed fishing season. He opined that the DA order implied that there would be a shortage that should be addressed because the country's fishermen would not be allowed to fish; hence, the need to import.

Senator Villar pointed out that closed fishing seasons vary in different parts of the country such that it would be wrong to say that the closed fishing season was the reason for such importation. She then enumerated the following closed fishing seasons: Northern Palawan, November 1 to January 31; Zamboanga Sibugay, December 1 to March 1; Cagayan Valley, October 1 to November 15; Visayan Sea, November 15 to February 15; and Davao Gulf, June 1 to August 31. She explained that the closed fishing seasons were established because it would be useless for fishermen to catch fish when they are still small as the income from it would depend on the catch's weight and size.

Nevertheless, Senator Villar (C) averred that there was something wrong with BFAR's importation policy. She said that people from Pampanga were saying that if the government would allow them to raise fish in their province, they could supply all the fish requirements. However, if importation would come in, she wondered how those who locally practice aquaculture would profit from the industry when they are subjected to competition with imported fish.

Senator Tolentino thanked Senator Villar (C) for agreeing that a total blank check for importation was not the appropriate policy for the country.

With the issuance of the previous DA-BFAR Fisheries Administrative Order No. 195, Senator Tolentino stated that he heard reports that many imported fish products were actually sold in the wet markets instead of going to the fish processing and canning plants, hotels and restaurants. He opined that such importation defeats the purpose of the FAO.

Aside from the policy on closed fishing season, Senator Tolentino noted that there is also the natural closed fishing season which extends the 60-day November 1 to January 31 closed fishing season on *galunggong* to possibly another 60 to 120 days brought by about 20 typhoons a year in the country.

On another matter, Senator Tolentino asked whether there was already compliance with the fishery information system requirement under Republic Act No. 8550. Senator Villar (C) affirmed that there is a registry of both farmers and fisherfolk.

Regarding the data on the total allowable catch (TAC) and maximum sustainable yield (MSY), Senator Villar (C) pointed out that the total number of fisherfolk was 2,382,000, broken down by livelihood type as follows: 56%—fishing, 9%—fish farming, 12%—gleaning, 2%—processing, 7%—vending, and 12%—other livelihood. Senator Tolentino requested a copy of the data.

Senator Tolentino also reminded the BFAR on its yearly unused appropriation of about P638 million which could have been used for the welfare of fisherfolk, the development of fisheries as an agricultural sector, and the utilization of the country's exclusive economic zone—particularly the West Philippine Sea.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros stated that the yearly damage to agriculture amounted to P24.5 billion and that the climate-related production losses from 2010 to 2019 amounted to P116 billion. She noted, however, that the DA invested very little in building the institutional resilience of farming and fishing communities. She noted that the Climate Resilient Agriculture Office (CRAO), the Adaptation and

H

Mitigation Initiative in Agriculture (AMIA) banner program, has one plantilla position and other staff members were employed through service contract arrangements.

As to DA's plans to institutionalize the CRAO, Senator Villar (C) replied that the DA created the office but was still studying its specific mandate, organizational structure, and manpower requirements from the national to regional level in relation to existing offices that have climate-related mandates. Senator Hontiveros agreed to the institutionalization of the office from the national to the regional levels, as she pointed out that in a span of nine years, the country incurred P116 billion in climate-related production losses.

Senator Villar (C) added that the CRAO would revise the planting seasons depending on the frequency of typhoons in a year, unlike before when the planting seasons were fixed to certain months. With the revision, she said, the farmers would be guided as to when to plant rice and when to plant root crops that are resilient to typhoons. She also pointed out that the office was undertaking research on the possibility of substituting rice with *kamote* or cassava as staple food, which could address the problem during rice shortage.

Senator Hontiveros surmised that with the institutionalization of the CRAO, there would be additional plantilla positions and the budget for that office would have to be increased in the next appropriations bill. Senator Villar (C) averred that if the Executive could increase the budget for the DA, it could also afford to give additional funds for the CCRO.

Regarding the budget for the AMIA which oversees the climate change programs of the DA, Senator Hontiveros pointed out that the average from 2017 to 2022 was only P116 million, which was small and represented only .19% of the total budget of agriculture, forestry and fisheries (AFF) for the same period. And even the budget for AMIA would be doubled in 2023, she noted that it would still be only .01% of the AFF budget which would increase by 44% in 2023.

Senator Villar (C) believed that a quick respond fund could also be given to the CRAO to support AMIA projects during disasters. However, Senator Hontiveros stated that as pointed out by Senator Pimentel, the quick response funds were in the nature of assistance or *ayuda*, whereas the mandate of the CRAO was comprehensive as it includes disaster preparedness and response and climate adaptation and mitigation. Senator Villar (C) added that such quick response funds could help build AMIA villages in places usually hit by disasters like Regions V, VIII and some parts of Mindanao, and provide livelihood opportunities for the people affected.

Senator Hontiveros then pointed out that climate change was one of the priority issues mentioned by President Marcos in his inaugural speech, which he reiterated in his speech during the 77th session of the UN General Assembly last September 21, saying that developing nations such as the Philippines, have suffered the most in the effects of climate change. She asked how the President's pronouncements were taken into consideration in the DA's planning and budgeting process, considering also that the country's farmers and fisherfolk are at a highly disadvantage position being 64th in 113 countries in the food security ranking and having garnered the lowest score in the national resource and resilience metrics. She added that the impacts of climate change had exacerbated poverty and it was high time that the DA stepped up its efforts towards adaptation and mitigation, and agriculture resilience. She said that at the proper time, she would propose allocation and special provision to support DA's initiatives in building its resiliency capacity and that of its partner communities.

Further, Senator Hontiveros stated that her office made a painstaking review of the DA budget and found out that from 2017 to 2021, regional budget share was disproportionate to the region's share to the total gross value-added of the region's agriculture forestry and fisheries. For instance,



the budget share of Mindanao was only 27% but its contribution to production or value-added was 35%. In the 2023 GAB, she noted, the budgets for Region IX, Region XII, Region VII, Region IV-A, Region X, Region VI, and Region XI were much less than their contribution to production. She believed that their budgets should have been increased by 20% to 50%.

Senator Villar (C) pointed out, however, that in addition to the budget of the DA, there were programs in Mindanao, which is the highest producing coconut region in the Philippines, like the Coconut Farmers and Industry Development Fund and the P5 billion a year coco levy fund to support Mindanao's coconut farmers who comprise 60% of the coconut farmers in the country. She also noted that the SIDA Law was passed to help exclusively the sugar farmers, mostly in Bukidnon and Negros Occidental, and P2 billion a year was provided for the sugar industry. Further, she said that the Rice Competitiveness Enhancement Fund, which is not from the GAA but from the tariff on imported rice, is given to rice-producing provinces, which also include Bukidnon, North Cotabato, and Iloilo. She also mentioned the foreign-assisted projects for Mindanao such as the Special Area for Agricultural Development fund in the amount of P725 million; the PRDP; the P5 billion EU Grant; and the Mindanao Inclusive Agriculture Development Program amounting to US\$120 million.

But Senator Hontiveros maintained that while such programs would help the farmers, it was important to look at how the funds in the national budget could be augmented in order to at least equalize with the regional share to production. Senator Villar (C) took note of the suggestions of Senator Hontiveros, and gave assurance that the new planning officer from NEDA will consider the same in the 2024 budget planning.

Senator Hontiveros stated that at least the utilization of the internally generated budget on the ground was optimized and maximized. She expressed hope that with the GAA, the grants and the other programs combined, the funding support for the agriculture sector would be enhanced. She said that the government could do more with less expenditure by bringing in more budget to the regions and introducing crops that are resistant to calamities or those which need less cultivation. Also, she suggested bringing in products with multiplier effects, like meat, poultry and fruits which could be used in the value chain. She noted that products with multiplier effect have little share in the whole budget. Also, she said that technology, logistics and training to attain the quality that the market required should reach the communities. She stated that at the proper time, she would propose amendments aimed at ensuring faster and equitable growth for the sector.

Senator Villar (C) informed the Body that the DA has funded the KADIWA program to build markets in the communities in the regions and provide cold storage facilities and transportation to those who would bring their products to the markets. Also, she revealed that in 2013 to 2016, the BFAR built 500 fishports around the country. She said that she instructed the BFAR to also provide the small fisherfolk in the municipalities and small towns and cities with cold storage facilities. She stated that Congress passed the law on illegal, unreported and unregulated fishing (IUUF) which provides that 65% of the fees collected from illegal fishing would go back to the welfare of the small municipal fisherfolk while the remaining 35% would be for the implementation of the law.

However, Senator Villar (C) lamented that the funds which BFAR promised would grow from P100 million to P1 billion instead shrunk to P10 million to 25 million. She said that Congress could still do a lot of good counselling to BFAR to improve its operations like using the 2023 budget to establish livelihood programs like seaweeds farming and shellfish cultivation to cover the income losses during the closed season. She added that by providing small municipal fishermen 62-footer boats, they could fish as far as 15 kilometers.

db

Senator Hontiveros averred that the recent research by the USAID and the BFAR showed that the country was losing P62 billion annually to illegal, unregulated and unregistered fishing. She said that the study also indicated that at least 30,000 municipal fishing vessels or 30% of the national fleet were unregistered, and that commercial fishers did not report up to 422,000 metric tons of fish catch each year. She stated that since 2019, she has been supporting the implementation of fisheries management areas (FMAs) and governance strategy to curb IUUF and improve overall governance of fisheries areas, as she noted that the 12 different FMAs were at different levels of organizing and functioning.

She then inquired as to the allocation for the protection and management of fisheries areas given the role of the FMAs to curb the IUUF; the activities which were delayed due to lack of funds; and the amount needed by BFAR to assure the continuity of their programs. Senator Villar (C) replied that for 2023, BFAR proposed a budget of P142 million for the operationalization and implementation of the fisheries management areas program but was not approved by the DBM. However, she said that BFAR allocated a minimal amount of P15.8 million under the FMA Coastal and Inland Fisheries Resources Management to support the activities of the FMA management board operationalization activities, the scientific advisory group meetings, and the establishment of harvest control measures.

As regards BFARs budget for ensuring continued access of fishers in the West Philippine Sea, Senator Hontiveros noted that the agency has an ongoing program that deploys fisherfolk in the islands in the West Philippine Sea and BFAR assisted the fisherfolk by also deploying Monitoring, Control and Surveillance (MCS) vessels. Senator Villar (C) informed the Body that 1) BFAR continued to provide livelihood intervention like fiberglass reinforced boats, fish segregating devices, fishing gears and paraphernalia; 2) fuel subsidy was provided and benefitted 15,689 fisherfolk in the West Philippine Sea; 3) BFAR constructed houses for the families living in the islands of Likas and Parola; 4) it organized the fisherfolk living in the area within the West Philippine Sea; 5) BFAR continuously monitored the vessel boats operating in the West Philippine Sea through Integrated Marine Environment Monitoring System Project; 6) Phase 2 of the vessel monitoring system and the BFAR floating assets conducted maritime patrols and monitoring control and surveillance operation along the West Philippine Sea in coordination with the Philippine Coast Guard and the National Task Force-West; 7) a research vessel named M/V DA-BFAR was used by the NFRDI to conduct marine scientific research in the area; 8) and BFAR vessels transported necessary supplies like food and interventions from the regional and central offices to the islands in the West Philippine Sea. She recalled that during the Aquino administration, BFAR fishing vessels were doing the monitoring in the West Philippine Sea so that the Chinese would not suspect that the activities therein were being monitored.

Senator Hontiveros lauded the BFAR for its impressive programs for the 15,689 fisherfolk beneficiaries. Senator Villar (C) averred that although BFAR was not successful in other projects, it was quite successful in the West Philippine Sea especially in helping the Philippine Coast Guard manage the situation therein.

Asked by Senator Hontiveros about the programs that could be sustained in the following year with a reduced budget for MOOE, Senator Villar (C) replied that the reduction of funds happened with the simultaneous increase in the prices of petroleum products and cost for maintenance and repairs; thus affecting the operation of BFAR patrol vessels to conduct its traditional activities and the timelines for dry docking and repair works. She said that the BFAR could still maximize the budget for an effective law enforcement by adopting strategic and intelligence-driven MCS patrol and surveillance operation. She added that BFAR could actively cooperate and coordinate with other government law enforcement agencies as well as with the community to achieve its law enforcement targets. Further, she said that it could work on the assistance being extended by CSO and NGOs for fishery law enforcement.



Senator Hontiveros saluted the BFAR for being able to sustain its efforts. She believed that Senate would have more reason to support BFAR in its budget for 2023. At the proper time, she said, she would propose allocations to sustain planned activities of the fisheries management areas and the regulatory and law enforcement group of the BFAR.

INTERPELLATION OF SENATOR TULFO

Senator Tulfo cited farm-to-market roads as one of the priority projects of President Marcos. He wondered how the DA could ensure that the farm-to-market roads would not fall into the hands of corrupt politicians. He noted that many the provinces which were not producing rice or vegetables or major agricultural product were beneficiaries of farm-to-market road projects. He said that instead of farm-to-market roads, many of the roads were called *sabungan*-to-market road, subdivision-to-market road, or private resort-to-market road.

Asked how a project would qualify as a farm-to-market road and whether the Body could get a list of towns and provinces which were beneficiaries of farm-to-market roads, Senator Villar (C) clarified that the farm-to-market roads were being implemented by the DPWH not by the DA. She explained that the DA only identified the roads which the DPWH would construct. She admitted that the funds came from the DA but these were given to the DPWH.

Asked by Senator Tulfo how farm-to-market roads were identified, Senator Villar (C) stated that farm-to-market roads were mostly built in provinces and remote areas; hence, they are more local than major roads. She recalled that when Senator Mark Villar was still DPWH Secretary, the agency modernized its monitoring system using drones to identify farm-to-market roads to ensure the existence of road projects in their respective geographic locations as well as to prevent ghost projects. Moreover, she said that the DPWH would not pay unless the road was finished.

Pointing out the need for random sampling in towns and provinces, Senator Tulfo revealed that he knew of one town that had minimal agricultural production but had lots of FMR projects. Senator Villar (C) supposed that the aforementioned projects were just local roads and not FMR.

Senator Tulfo said that he would like to be sure that the funds being requested by the Department of Agriculture for DPWH's implementation were properly utilized for the benefit of farmers. Citing that in one province, there was a cockpit connected to a road coined by the locals as "sabungan-to-market road," he lamented how some subdivisions and private resorts owned by influential people were also connected to roads leading to the market.

In reply, Senator Villar (C) asserted that those requesting road projects were reputable members of the community, so their requests usually indicate the purpose of the budget whether it is a barangay road, local road or FMR. She added that it is only when the description in the request is incorrect that a problem occurs.

Conversely, Senator Tulfo stated that FMRs, which should benefit the farmers, have been abused and taken advantage of by those who discovered a loophole in the system, to the extent of conspiring with the DA and DPWH. Senator Villar (C) assured Senator Tulfo that the DA would furnish him a list with photos for proper identification of farm-to-market roads.

As to who determines the priority FMRs for DA's immediate approval, Senator Villar (C) stated that an FMR network plan was already in place to ensure compliance with criteria and connectivity so that all requests for FMRs would be subjected to validation and geo-tagging using drone technology.

Asked if there was a study regarding the return on investment of FMRs, Senator Villar stated that the criteria in choosing FMR projects consist of production area across all commodities, linkage to markets and higher roads, road condition, and number of farmer-beneficiaries.

On the report that in 2017, COA flagged an unfinished FMR project worth P957-million, and that only four out of fifteen farm-to-market road projects amounting to P1.23 billion were completed, Senator Villar (C) stated that since geo-tagging was being implemented by DPWH at that time, the unfinished project would definitely be unpaid. She then asked Senator Tulfo to submit the information so the DA could look into the matter. Senator Tulfo replied that he would secure the documents from COA.

To the observation that farmlands became fewer as big real estate developers turned them into commercial and residential lands— the reason why he sought for the passage of the National Land Use Act, Senator Villar (C) remarked that her family, being engaged in real estate business, does not buy lots in provinces; they only buy lands in towns and cities because potential buyers would also want to profit through resale. She recalled that her family used to own an 8-hectare chicken farm in Muntinlupa but when it became a city, they decided to sell the property and purchased land in a less prime location where they could rebuild the chicken farm.

Senator Tulfo reiterated that farmlands should not be converted into subdivisions since there are other areas which could be developed. He further lamented that farmers became poorer with the implementation of the Rice Tariffication Law because they could no longer compete with the businessmen who offered to buy their lands.

Senator Villar (C) stated that the rationale of the Rice Competitiveness Enhancement Fund (RCEF), which she authored, was to address the soaring price of rice at P50 to P60 per kilo. She said that since the Philippines failed to be competitive from the time it signed the WTO agreement in 1995, the only way was to liberalize rice importation to protect the country's credit rating. Pursuant to RCEF, she pointed out that the collected rice tariffs amounting to P28 billion were distributed as follows: P10 billion for the Rice Competitiveness Enhancement Fund, P5 billion for mechanization, P3 billion for seeds, P1 billion for loans, P1 billion for training, and P8 billion distributed to 1.6 million rice farmers owning two hectares and below at P5,000 each.

As to how "small farmers" were identified, Senator Villar (C) said that farmers owning two hectares and below were enrolled in the Registry System for Basic Sectors in Agriculture (RSBSA). She stated that the RCEF was a product of her study between rice farmers in the Philippines and Vietnam wherein palay produced in the Philippines was sold at P12 pesos per kilo while palay in Vietnam was P6 per kilo aside from non-mechanization and issue with seed productivity. She added that through the RCEF, P5 billion was allocated for mechanization and P3 billion for seed distribution and training for inbred seedlings.

As to why farmlands were converted into residential and commercial areas, Senator Villar (C) posited that such areas were necessary to improve people's quality of life. She underscored that operating a farm as a business does not depend on land size but on how it is utilized, especially when mechanization technology in planting quality seeds is at hand. In proposing that the government should endeavor to change the model of agriculture, she said that the reason why cooperatives were organized was to achieve economies of scale.

In connection with the argument of Senator Villar (C) that mechanized farming technology, along with improvements in areas such as real estate development, improves the lives of Filipinos, Senator Tulfo opined that it would be much simpler if the government provided capital to small farmers so they could mechanize their farms. Senator Villar (C) responded that the assistance described by Senator Tulfo was already being provided by the government.



Senator Tulfo believed that a National Land Use Act, once enacted by Congress, would be beneficial to farmers, as it would assist them in preventing the conversion of their farmlands into subdivisions, real estate developments, and commercial areas, among others. Nonetheless, he said he was equally perplexed by the fact that, despite similar measures having been proposed in the past and gone through four administration changes, not a single bill had passed from previous Congresses.

Senator Villar (C) responded that local governments already have their own land use plans. She also stated that the implementation of each plan was solely the responsibility of local governments. Senator Tulfo, for his part, argued that the matter should be handled by the national government via the National Land Use Act.

SUSPENSION OF SESSION

With the consent of the Body, the session was suspended.

It was 2:21 a.m.

RESUMPTION OF SESSION

At 2:28 a.m., the session was resumed.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri informed the Members that at 2:28 a.m., the Senate broke its previous record for the longest session hours held in a single day. He lauded the efforts of all government employees and officials present during the plenary session that day.

MANIFESTATION OF SENATOR TULFO

Senator Tulfo apologized to everyone for his lengthy questioning on the DA budget. In response, Senate President Zubiri stated that an apology was unnecessary. He added that senators are free to express their views, discuss, and debate in the halls of the Senate. In light of this, he reiterated his previous request that Senator Tulfo address his questions to the presiding officer during the interpellation procedure in order to reduce the likelihood of heated debates.

Senator Tulfo informed the Body that he would conclude his questioning on the DA budget. In response, Senator Villar (C) offered to meet personally with Senator Tulfo to further clarify matters, which Senator Tulfo viewed as a kind gesture. Nonetheless, he proposed delivering a privilege speech on the National Land Use Act during the subsequent sessions. Senator Villar (C) concurred in the proposal.

MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel acknowledged that his prior attendance during committee hearings had afforded him some familiarity with a few of the components of the agricultural budget, albeit not enough to lead to a complete understanding. As he believed the topic to be expansive, he proposed that it be the first item on the agenda for the budget cycle of the following year so that members would still have the energy to discuss its many facets.

Due to the lateness of the hour, he stated that he would simply write the DA and the DBM to inquire about the actual balance of the National Tobacco Administration's special account.

In addition, he mentioned that the budgets of the Philippine Carabao Center and the National Dairy Authority had been increased twofold. He acknowledged the rationale behind Senator (C) Villar's proposed budget increase, adding that the government agencies' milk production, which was only 1% at the time, should also be increased.

In addition, he advised the National Irrigation Administration to cease internal strife. Noting that the agency had received a large budget allocation of P40 billion in the proposed national budget for 2023, he urged it to demonstrate organizational discipline in order to avoid a negative portrayal in the news. He stated that in the next budget cycle, the Body will examine the NIA's performance to determine if it was commensurate with its funding allocation.

He also congratulated Senator Villar (C) for increasing the agriculture budget by approximately 13%. Similarly, he noted that the sector received a 40% increase in President Marcos' budget message for 2022 to 2023, which included funding increases for DAR and crop insurance. He also advised the DA to manage its funds and produce more food and agricultural products for the Filipino people.

In response, Senator Villar (C) assured that the DA will send a written response to the questions that Senator Pimentel stated he would forward to the agency.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva noted that the Nineteenth Congress had held its longest marathon hearing to date. He then thanked Senator Villar (C) for her contribution to the DA's budget. He surmised that the significant increase in the department's budget for 2023 reflected the urgency of addressing the issues facing the agriculture industry.

He added that the Philippines being an agricultural nation, the Senate wanted to do everything it could to assist President Marcos, who, during the previous Legislative-Executive Development Advisory Council meeting, had emphasized the significance of allocating the country's resources appropriately. In this regard, he noted that the Body was successful in increasing the department's budget by 39.62% over its budget for 2022.

In conclusion, he reminded the DA that while the Senate would continue to monitor its spendings, it would also continue to support its programs.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri stated that agriculture may be the second most important sector in the country after education. He emphasized the significance of rural development in the Philippines, reiterating Senator Villanueva's earlier assertion that it is an agricultural nation. He explained that fully utilized agricultural lands would solve both the issue of food security and rural insurgency in the country.

As an agriculturalist, he said he was pleased with the sector's budget increase of 33% for 2023. He added that he was also pleased to observe that the current administration accorded agriculture the respect it deserves, emphasizing the significance of a continuous increase in the sector's budget in the coming years. He also hoped that the DA's capacity for absorption would allow it to fully utilize its funds.

He then urged the DA to work toward increasing the number of carabaos in rural areas, conducting additional technical skills training and capacity building activities for farmers, and developing alternative fertilizers to boost the farmers' productivity. He opined that the government



should attempt to reduce costs in order to boost agricultural productivity, decrease post-harvest losses, and ensure that agricultural products are purchased in the market.

Moreover, Senate President Zubiri lauded the agency's initiative with the Kadiwa stores and expressed hope that the same success could be replicated across the nation.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF AGRICULTURE AND ITS ATTACHED AGENCIES

Upon motion of Senator Villanueva, there being no objection, the budget of the Department of Agriculture including the Office of the Secretary, Agricultural Credit Policy Council, Bureau of Fisheries and Aquatic Resources, Fertilizer and Pesticide Authority, National Fisheries Research and Development Institute, National Meat Inspection Service, Philippine Carabao Center, Philippine Center for Post-Harvest Development and Mechanization, Philippine Council for Agriculture and Fisheries, Philippine Fiber Industry Development Authority, National Dairy Authority, National Food Authority, Philippine Coconut Authority, Philippine Fisheries Development Authority, Philippine Rice Research Institute, Sugar Regulatory Administration, and National Irrigation Administration, was deemed submitted for the Body's consideration.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4488

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

CHANGE OF REFERRAL

Upon motion of Senator Villanueva, there being no objection, the Body approved the change of referral of Senate Bill No. 1336 (granting Philippine citizenship to Justin Brownlee) from the Committee on Rules to the Committee on Justice and Human Rights.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, there being no objection, the session was suspended until one o'clock in the afternoon of the same day.

It was 2:41 a.m.

RESUMPTION OF SESSION

At 1:25 p.m., Thursday, November 17, the session was resumed with Senate President Pro-Tempore Legarda presiding.

COMMITTEE REPORT NO. 10 ON HOUSE BILL NO. 4488

(Continuation)

Upon motion of Senator Ejercito, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 4488 (Committee Report No. 10), entitled

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY-THREE.

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



Thereupon, the Chair recognized Senator Angara, sponsor of the measure.

PHILIPPINE STATISTICS AUTHORITY

Upon motion of Senator Ejercito, there being no objection, the Body considered the budget of the Philippine Statistics Authority.

Senator Angara acknowledged the presence of PSA Undersecretary Mapa who was in the Session Hall. He noted that the PSA budget was scheduled for interpellation as early as the first day of the proposed 2023 national budget deliberations and that Undersecretary Mapa kept coming back every session day at the request of Senator Tolentino.

MANIFESTATION OF SENATOR TOLENTINO

At the outset, Senator Tolentino stated that his manifestation would concern not just him and the integrity of the Committee on Accountability of Public Officers and Investigations (Blue Ribbon), which he chairs, but the entire Senate as an institution. He acknowledged the importance of the PSA in the government operations and economic recovery as it is primarily responsible for all national censuses and surveys and provides the official statistics, civil registration services, and inclusive identification system.

He stated, however, that the agency had been remiss in performing its duties with regard to the Philippine Identification System. Citing a news report on October 21, 2022, he noted how PSA Chief Claire Dennis Mapa was quoted as blaming the delay in the printing of the IDs to the “unexpected” high volume of registration. He then wondered how the PSA could have not anticipated a high volume of PhilSys registration when it is the agency in charge of the national censuses and the first to be informed of the country’s total population. He opined that the agency should have foreseen the situation in the rollout of the registration.

Senator Tolentino also cited the 2021 COA report findings on the P74.652 million award of contract, through a public bidding, for the procurement of PhilSys registration supplies to an entity with inadequate financial capacity—which resulted in the delivery delays, contract cancellations, and deficiencies in the detailed cost estimates of the approved budget for the contract. For fiscal year 2023, he hoped that the PSA would be able to better perform its duties with the P1.925 billion budget for operations—an increase of 21 percent from the 2022 budget.

Furthermore, he stated that the Senate had issued *subpoena duces tecum*, signed by Senate President Zubiri, for the PSA to submit a copy of the death certificate of a notary public who legalized the agreement between the DepEd and the PS-DBM for the controversial purchase of overpriced and outdated laptops for public school teachers. He said that the PSA did not comply with the request, citing an internal circular that prevents it from issuing the document on the basis of the Data Privacy Act. He then warned that PSA Administrator Dennis Mapa might be charged with contempt for failing to provide the document to the committee.

He noted that the PSA invoked a circular which cannot be above the Constitution which vests legislative power “in the Congress of the Philippines which shall consist of a Senate and a House of Representatives.” He said that while the PSA administrator might be a good statistician and good at data interpretation, he should not attempt to interpret the law and the procedures of the Committee.

He then cited PSA’s own Memorandum Circular No. 2019-15 on the Guidelines on the Issuance of the Civil Registry Documents (CRDs)/Certifications Including Authentication, item III-6 as to who may be allowed to request for the copy issuance of civil registry documents/certifications from the PSA other than the document owner, to wit:

A

“The court or proper public official whenever absolutely necessary in administrative, judicial or other official proceedings to determine the identity of the person. Provided that there must be a duly issued subpoena *duces tecum* and *ad testificandum* for the production of the civil registry document.”

He reiterated that there was a summons issued by the Senate, duly signed by the Senate President, which the PSA refused to comply—an act constituting disrespect of the Blue Ribbon Committee as well as the Senate as an institution.

He stated that he would then leave the approval of the PSA budget to the discretion of the Committee on Finance. However, he said that he would continue to raise the issue as the Blue Ribbon Committee has yet to conclude the laptop deal investigation, where the PSA had been summoned. In the event that the Senate President would instruct his committee to issue warrant of arrest for indirect contempt against the PSA Administrator, he hoped that the agency would comply.

Finally, he suggested that the PSA secure a copy of the National Privacy Commission’s advisory opinion issued on December 21 on the matter. He also hoped that the PSA Administrator would humbly accept that no one is above the law.

In reply, Senator Angara acknowledged that Senator Tolentino has a legitimate complaint, and Undersecretary Mapa confirmed the narration of facts and admitted that the PSA was wrong in the interpretation of existing circulars by refusing to provide the death certificate requested by the Blue Ribbon Committee. Senator Angara said that Undersecretary Mapa, upon learning about the request and the situation on Wednesday, November 9, 2022, sent the electronic copy of the death certificate the following Friday, November 11, 2022, and sent the hard copy of the document the following Monday, November 14, 2022.

Nonetheless, Senator Angara stated that, as pointed out by Senator Tolentino, lessons should be learned from the situation with regard to the proper observance of laws and compliance with the request of a coequal body in the exercise of its duty. He stressed that the Blue Ribbon Committee was the only committee that could *motu proprio* instigate investigations especially on malfeasance in government. He said that Undersecretary Mapa was apologetic to Senator Tolentino for the PSA’s shortcoming as the latter also pledged to create measures to prevent such things from happening again.

He said that the undersecretary also pledged that the PhilSys project—which he deemed as a very crucial project to the country because of the administrative policy it would provide in document issuances and government processes—would be facilitated. He explained that the national ID project suffered delay in the printing of cards.

MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel noted that the session resumed without the presence of any member of the Minority, even as he was already in the Senate building before the session resumed. Senator Angara apologized as he thought that the Minority Leader would no longer be interpellating on the PSA budget.

Senator Pimentel confirmed that he no longer had any question on the PSA budget as he had already taken advantage of asking the PSA undersecretary during the previous day’s deliberation of the budget of the Data Privacy Commission under the DICT. He said that the PSA already admitted to the error of not granting the Blue Ribbon Committee’s request.



Senator Angara said that the PSA would review the memorandum circular cited by Senator Tolentino.

Senator Pimentel averred that agencies may amend some of its issuances, but he appealed that their memorandum circulars should be reasonably and consistently interpreted, regardless of whom they are dealing with. He recalled that in one of the hearings, he expressed concern that an act was allowed on a particular year but was later disallowed on another year based on the same circular. Agreeing with the observation, Senator Angara stated that any arbitrariness in interpretations and issuances of documents must be forestalled.

On the delay of the issuance of the national ID cards, Senator Angara said that according to the PSA, there were instances of similar information for some applicants, so the PSA was careful in checking all the information to ensure that the card issued is unique to a particular person.

At this point, Senator Angara suggested that the *Rules of the Senate* be suspended to allow Undersecretary Mapa to answer Senator Pimentel's concerns.

SUSPENSION OF SESSION

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

It was 1:50 p.m.

RESUMPTION OF SESSION

At 1:55 p.m., the session was resumed.

Thereupon, Senator Angara withdrew his request for the suspension of the *Rules of the Senate* and stated that the issue had been explained to him by the PSA and that he was willing to convey the message to Senator Pimentel.

On the issue of the delay in the issuance of the national ID cards, he reiterated that there were certain data of a registrant – demographic and biometric data – such as the fingerprint and iris scan that closely match the data of another registrant, and the PSA wanted to be absolutely certain about the card being issued by the agency.

With the assurances from PSA, Senator Pimentel surmised that he would no longer hear complaints that the Philippine national ID was issued to a noncitizen. He recalled that during an investigation, it was revealed that some non-Filipino citizens were able to use Philippine passports to be included in the quota for the hajj. He hoped that the Philippine ID system would not be as vulnerable as the Philippine passport system. Senator Angara assured Senator Pimentel that the PSA will carefully check the birth certificates and other pertinent data for the Philippine ID system.

Senator Pimentel said he would expect that about 50 million ID cards would have been issued by the next budget cycle. Senator Angara informed the Body that close to 27 million cards had been issued and the target for 2023 was 50 million cards.

At this point, Senator Ejercito apologized to Senator Pimentel for starting the plenary session without the presence of the Minority.

SUBMISSION OF THE BUDGET OF THE PHILIPPINE STATISTICS AUTHORITY

There being no other reservation for interpellation, upon motion of Senator Ejercito, there being no objection, the budget of the Philippine Statistics Authority was deemed submitted for the consideration of the Body,

SUSPENSION OF SESSION

Upon motion of Senator Ejercito, the session was suspended.

It was 1:59 p.m.

RESUMPTION OF SESSION

At 2:11 p.m., the session was resumed with Senate President Zubiri presiding.

OTHER ATTACHED AGENCIES OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY

Senator Tolentino presented to the Body the budget of the other agencies attached to the Department of Science and Technology (DOST), namely, the Office of the Secretary; the Forest Products Research and Development Institute; the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA); the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development; the Philippine Council for Industry and Energy and Emerging Technology Research and Development; the Philippine Nuclear Research Institute; the Philippine Textile Research Institute; and the Technology Application and Promotion Institute. He stated that the budgets of the other agencies attached to DOST were already considered by the Body.

INTERPELLATION OF SENATOR PADILLA

At the outset, Senator Padilla expressed his support for the DOST, citing climate change as a particular concern. He stated that some parts of the country, particularly in the BARMM, were hit hard by the phenomenon that has transformed them into a water world. He believed that with the aid of advanced technology, the country would be able to mitigate the effects of climate change. He then inquired as to the implementation of Republic Act No. 10692, or the PAGASA Modernization Law.

In reply, Senator Tolentino pointed out that the modernization of PAGASA would necessitate the filling of 700 positions, including the immediate hiring of 238 scientists, engineers, and technicians to operate the Doppler radars at forecasting stations, for which no funding had been allocated. He stated that from 2017 to 2019, the government provided funding for the equipment, but not for the personnel who would operate the equipment. Senator Padilla underscored the need to allocate funds for the purpose in the next budget.

Asked by Senator Padilla whether mining explorations would have an allocation considering that mining is one of the priorities of the Marcos administration, Senator Tolentino clarified that the Department of Environment and Natural Resources (DENR) is in charge of the matter. He said that the role of the Department of Science and Technology would be in research, particularly in the identification possible mining areas, the value of mining activity, and the duration of the mining process for which the DOST has allocated a budget of P100 million. Regarding the mining process itself and the issuance of licenses, he reiterated that the DENR was responsible.



Asked whether the areas containing mineral deposits have been identified, Senator Tolentino replied that they have been identified and that the DOST will conduct research on how to undergo mineral exploration and extraction.

As to whether oil exploration was part of the DOST's job, Senator Tolentino answered in the negative.

Senator Padilla asked whether the DOST has the technology to convert raw materials into finished products or materials. Senator Tolentino replied that the country has the capability to manufacture but lacks energy, particularly electricity, whether coal-powered or otherwise.

On whether the country has the capability to venture into nuclear power plants, Senator Tolentino replied that it is the Department of Energy that has the expertise to determine whether or not the country has the capacity to operate a nuclear power plant. As regards research, he said that the Philippine Nuclear Research Institute was abreast with the latest technological advancements and any potential risks associated with nuclear power.

Senator Padilla believed that the country has the necessary resources, such as minerals, processing know-how, and nuclear power plant expertise, which he deemed safe, but lacked the necessary budget. Senator Tolentino remarked that even Bangladesh had invested in nuclear power plants.

Asked if the Bataan Nuclear Plant was still capable of producing electricity, Senator Tolentino stated that currently, the DOST was studying how to rehabilitate and operate the power plant, and that there is no issue regarding fault lines or volcanoes in the area which might impede its operation, reoperation, or re-ignition because it is safe.

INTERPELLATION OF SENATOR BINAY

Inquired by Senator Binay what percent of the national budget was allocated for research, Senator Tolentino stated that the DOST had various components for research and development (R&D) in the DA, DENR, DOE, DICT, DTI, DOST, and DOLE, which budget of P7,891,000,000, or 0.33% of the GDP, was managed by an overall research council.

Asked how much was usually spent for R&D in other countries, Senator Tolentino replied that they usually spend one percent or greater.

To the observation that the government was not giving enough funds for R&D, Senator Tolentino admitted that the allocated funds for R&D was minimal; in fact, most of the research budget in the aforementioned agencies were zero. Senator Binay then hoped that the budget for R&D would be increased.

Regarding the equipment destroyed by Typhoon Paeng, Senator Tolentino stated that before it hit the country, four of the 18 doppler radars were already non-operational, but that backup equipment for the four doppler radars was set up in Basco, Batanes; Virac, Catanduanes; Tampakan, South Cotabato; and Iloilo.

On the amount needed to repair the radars, Senator Tolentino disclosed that aside from the P400 million budget, P100 million was added under the Repair and Maintenance to fund the weather stations in Ilocos, Cagayan Valley, Calabarzon, Western Visayas, Zamboanga Peninsula, Northern Mindanao, Davao, Cordillera, and BRMM. He mentioned that the radar in Basco, Batanes was undergoing repair; the one in Virac, Catanduanes was a JICA grant; the radar in Iloilo was set for bidding; and once the radar in Tampakan was finished, it would be transferred

to Cotabato for BARMM's use. He added that an amount was allocated to replace radar spare parts in other stations. He noted that there were 18 weather stations in the country and three more would be added in the coming year in Agno, Pangasinan; Laoang, Northern Samar; and Davao Oriental.

At this juncture, Senate President Zubiri relinquished the Chair to Senate President Pro Tempore Legarda.

Asked if 21 stations were sufficient to monitor climate change, Senator Tolentino replied in the affirmative, saying that no storm would pass without being tracked by the 21 weather stations installed around the country.

Senator Binay reiterated her hope for a funding source to meet PAGASA's requirement as it was necessary to have equipment in every weather station to monitor climate change.

On the budget allocation for the Philippine Textile Research Institute for 2023, Senator Tolentino stated that PTRI has a budget of P146,889,000.

On PTRI's sericulture program and textile development, Senator Tolentino stated that in 2022, two silk reeling facilities in Kalinga State University and Villanueva, Misamis Oriental were established aside from the silkworm germplasm with 84 parent breeds in Misamis Oriental; a genomic study for marker-assisted silkworm breeding; and two silk yard facilities in Aklan by 2023. With 90 silk farmers plus 50 incoming farmers next year, he reported that silk sufficiency has increased from 10% in 2017 to about 45% in 2023 as a result of the P8-million increase in the 2022 budget.

At this juncture, Senate President Pro Tempore Legarda broached Senator Binay's efforts to rehabilitate one of PTRI's silkworm projects in Villanueva five years ago, and asked for an update regarding the upkeep of the structure.

Senator Tolentino responded that silkworms do not reproduce in cold weather.

Senator Legarda asked why the department implemented the program in Tagaytay. Senator Tolentino surmised that the area could be used to cultivate mulberry, but that sericulture was not economically viable.

Senator Legarda opined that the Tagaytay project was still viable because she was confident that a feasibility study had been conducted prior to implementation and that the local government had donated land for it. She urged the DOST to begin operating the Tagaytay City mulberry farm and the natural dye and textile center at PTRI in order to avoid wasting the government funds invested in the project.

Senator Tolentino stated that he would pursue the matter with the department in response to the suggestion that the budget allocation for the project be earmarked instead of waiting for a congressional insertion.

Having visited a French regulatory agency that investigates the medical applications of nuclear energy and inspects nuclear power plants in France, Senator Binay asked if the Philippine Nuclear Research Institute (PNRI) had a comparable structure. Senator Tolentino responded in the affirmative.

In response to further queries, Senator Tolentino explained that the PNRI possesses the necessary equipment for transporting the nation's nuclear waste, which is secured and placed in a bunker for safety before being transported for deep geological burial. He noted, however, that the PNRI lacked the necessary equipment for isotope analysis.

On whether the department requested funds to purchase the equipment, Senator Tolentino responded that the agency was hesitant to do so because it would cost P300 million; thus, the request will be made in phases. He added that it is possible to outsource isotope analyses to other countries, but it would be advantageous for the Philippines to have its own equipment.

Senator Binay expressed hope that agency requests will be included in future national budgets. Senator Tolentino reassured the Committee that the department was committed to analyzing and budgeting for the necessary equipment.

INTERPELLATION OF SENATOR PIMENTEL

Senator Pimentel initially expressed his support for the budgets of the DOST and its affiliated agencies. He then inquired as to why there were so many agencies affiliated with the department. Senator Tolentino responded that 18 agencies, the majority of which existed prior to the creation of the DOST, were attached to the department due to its research mandate.

Asked what was required to establish a culture of science in the Philippines and how the DOST could work toward the objective, Senator Tolentino emphasized the need to expand the concept of science high schools, such as the Philippine Science High School. He suggested that regional science high schools could adopt locally-funded local science high schools to encourage students to enroll in science courses. He agreed that there was a need to strengthen the culture of science through science education and industrial application. In addition, he emphasized the need to provide students with venues and opportunities to apply their scientific knowledge through innovations and software applications.

Asked about his vision for what a culture of science could bring to the country, Senator Tolentino brought up the concept of smart cities, citing as examples the Science City of Munoz and the efforts of the mayor of Baguio City to make it a smart city. Additionally, he stated that numerous LGUs were making similar efforts toward this end.

Senator Pimentel stated that merely labeling a city as “smart” is insufficient to make it so. To facilitate the creation of a smart city, he emphasized the significance of inculcating a culture of science into the populace.

Senator Tolentino informed the Body that the DOST was planning a Science Olympics for the following year that would involve the youth of the nation. Senator Pimentel recalled participating in comparable competitions in his youth, adding that such events helped to pique young people's interest in mathematics and the sciences.

Senator Tolentino responded affirmatively when asked whether such activities were budgeted. He stated that in 2023, the National Youth Science Technology Innovation Festival will be held. He disclosed that the Secretary had extended an invitation to Senator Pimentel to attend the science fair during National Science Technology Week, which would be held at the World Trade Center from November 23 to November 27 and feature the works and creations of scientists, innovators, and technology developers.

Senator Pimentel emphasized the importance of passing on scientific knowledge and enthusiasm to future generations. He recalled being invited by the department to participate in an online forum where he was unable to fully comprehend the academics' complex discussions.

Senator Tolentino then stated that he had seen bulletproof bamboo products. Senator Pimentel responded by highlighting the significance of the Forest Products Research and Development Institute (FPRDI) in identifying the various uses of bamboo and other forest products. He proposed

establishing a Bamboo Industry Development Council modeled after the Creatives Industry Development Council, with the FPRDI and the Secretary as its members. He explained that the proposed bamboo council would develop the bamboo industry, and that the only outstanding question was whether DENR or DA would play the preeminent role.

Asked for the department's opinion on which agency should have the preeminent role in the council, Senator Tolentino said that the DENR should take the lead, with the Department of Trade and Industry (DTI) as the marketing arm. However, he added that some sectors believe that the DOST ought to be the lead agency.

Asked which agency would be more appropriate to handle bamboo as a product, Senator Tolentino replied that it ought to be the DENR because bamboo is categorized as a non-forest and non-timber product. Senator Pimentel stated that further discussion on the matter could be made once the bill is filed.

Adverting to a statement made by President Marcos during the 8th Annual Balik Scientist Program Convention on using Science and Technology as an instrument of progress, Senator Pimentel asked the DOST how such an aspiration could be executed.

In response, Senator Tolentino said that the science community was elated and supportive of the aspiration. He stated that the DOST would want to have more institutions involved in the Balik Scientist Program across the 16 regions of the country.

In addition, he stated that he was perplexed as to why some of the services provided under the Balik Scientist Program lasted only 15 days, or roughly two weeks. Taking into account jet lag's effect on a returning scientist's circadian rhythm, he estimated that one would have approximately 12 days to work with, including travel to the designated province.

Senator Pimentel remarked that the program provided flexible options for both visiting scientists and those who had already returned to the country permanently. He stated that the activities would fall under one program line, regardless of whether the scientists would conduct lectures or complete projects.

Regarding complaints received by some Members that the Doppler radars of the Philippine Geophysical and Astronomical Services Administration (PAGASA) were not working during the onslaught of Typhoon Paeng, Senator Pimentel recalled a similar incident that occurred between five and ten years ago, when the agency's newly-purchased Doppler radars were also not functioning. Although the problem that was currently affecting four Doppler units has been accounted for, he noted that the same explanation was given for the Doppler radar in Tampacan, South Cotabato when a typhoon devastated the region more than five years ago.

Senator Tolentino explained that poor maintenance led to the Doppler radar in South Cotabato being blown away by sustained winds. He said that the unit was acquired with a grant from the Japan International Cooperation Agency (JICA), and there was no backup Doppler station in the region at the time. Senator Pimentel opined that anchoring requirements for radar units should exceed gusts of strong wind.

Senator Tolentino responded in the negative when asked if it was true that some years ago, PAGASA's then-newly acquired Doppler radars malfunctioned during the storm. He reaffirmed that the radars had been blown away by strong winds.

Senator Pimentel then inquired whether PAGASA had modified tropical cyclone wind signals and super typhoon definitions in light of the aforementioned experience. Senator Tolentino

responded affirmatively, adding that while Signal No. 3 was formerly the most severe classification for typhoons, it has since been surpassed by Signal No. 5. In addition, he stated that the National Building Code of the Philippines had been modified to account for resistance to typhoon winds.

Regarding new meteorological terms such as “shear line” and “trough,” he believed that the agency should be at the forefront of educating the public about the terms. Senator Pimentel believed that it was the responsibility of LGU leaders to contextualize technical terms in their respective fields, such as the projected effects of passing typhoons.

Senator Tolentino, when asked if the agency agreed with Senator Pimentel's point, stated that the agency favored impact-based forecasting, which meant that color-coded alert levels would correspond to the expected damage of typhoons. Senator Pimentel believed that the practice was still in the theoretical stage, as it would require PAGASA to be familiar with each province or municipality in the nation. Senator Tolentino responded that science was already moving in the direction of risk and needs assessment prior to a disaster, as well as damage assessment afterward.

Senator Pimentel stated that while it would be the general direction that PAGASA would take, the oversight body should be pragmatic because the agency may not be able to carry out all of its plans. Senator Tolentino stated that impact-based forecasting would be conducted in collaboration with local government units.

Senator Pimentel asked whether it would be the responsibility of the LGU officials to translate the technical terms so that the residents of their respective areas are adequately informed of the dangers posed by approaching typhoons. Senator Tolentino responded affirmatively and added that it would be required for impact-based forecasting. He recalled that the term “storm surge” first appeared during the onslaught of Typhoon Yolanda a number of years ago, causing confusion among the uninitiated public.

On the topic of nuclear power generation, Senator Tolentino stated that while the Department of Energy (DOE) may decide whether or not the country adopts nuclear energy for power generation, the Department of Science and Technology (DOST) is involved in the research process. Senator Pimentel believed that DOST research encompasses not only nuclear power generation but also other nuclear technology applications. In relation to this, he recalled that Dr. Arcilla of the Philippine Nuclear Research Institute (PNRI) accompanied him to a laboratory to demonstrate how male mosquitoes are rendered infertile using nuclear technology, which Senator Tolentino referred to as the sterile insect technique (SIT). In addition, Senator Tolentino stated that nuclear research was also utilized in the fields of health, agriculture, and waste management.

Senator Tolentino responded in the negative when asked whether x-ray machines utilize nuclear technology. He stated, however, that the technology was utilized in nuclear medicine imaging devices such as Positron Emission Tomography (PET) and Computed Tomography (CT) scanners. Senator Pimentel thanked Senator Tolentino for sharing the information. He stated that the Body would discuss the pros and cons of adopting a nuclear power generation program, as well as the applicable legal framework, at the appropriate time.

In terms of country comparisons for research and development (R&D), Senator Tolentino noted that the Philippines and Thailand spent 0.33% and 1.14 %, respectively, of their gross domestic products (GDP) on R&D, respectively. Senator Pimentel, who was informed that at least 1% was the desired figure, believed that achieving it would require tripling the nation's current R&D expenditures.

Senator Tolentino confirmed that the reported amount of P1.7 billion for the unused DOST Scholarship Fund was accurate. He informed the Body that it had been sent back to the Bureau

of Treasury. Additionally, he stated that the allocation had not been utilized because some scholarship recipients did not enroll in science courses. Senator Pimentel expressed regret by the news. Senator Tolentino surmised that new members would have been added to the scientific community if the scholarship recipients had accepted the DOST's offer.

Senator Pimentel believed that the DOST was also responsible for retaining the interest of students already enrolled in science courses, in addition to attracting their attention. In this regard, he suggested that the organization should organize student competitions.

Having read in the Senate Finance subcommittee report that the agency's budget had increased by P903 million, he also congratulated the DOST and the country's scientific community. He added that PAGASA received an additional P100 million in funding for additional weather stations.

Senator Tolentino responded in the negative when asked if Doppler radars were already included under the term "weather stations." Senator Pimentel opined that the structure would be bare-bones without any equipment. He then stated that the Body would not welcome reports of malfunctioning expensive equipment during disasters. Senator Tolentino reiterated that the typhoon destroyed the equipment in question.

Senator Pimentel emphasized the need for the government to analyze and learn from its experience with typhoons. He then inquired as to whether PAGASA had already requested that the manufacturers or those installing the machines alter their design in order to increase the likelihood of future equipment surviving stronger typhoons.

Senator Gatchalian asked whether destroyed equipment was covered by insurance. Senator Tolentino responded that the agency was being compensated by the Government Service Insurance System, although payments were deemed to be rather slow. Senator Pimentel proposed that the concern be brought to the attention of the Insurance Commission. In the meantime, he requested that the agency provide the Senate with a report detailing all insurance claims with the following information: 1) the date; 2) the insurer's name; and 3) whether the claim was processed. Senator Tolentino stated that the organization would comply with the request.

In conclusion, Senator Pimentel advised the DOST to maximize its use of budget item funding allocation increases. Noting that its scholarship fund, which was originally P7.2 billion, had been increased by P12 million, he also suggested that the agency concentrate on its budget utilization rate in order to assist deserving scholars.

SUSPENSION OF SESSION

With the consent of the Body, the session was suspended.

It was 3:20 p.m.

RESUMPTION OF SESSION

At 3:26 p.m., the session was resumed with Senator Ejercito presiding.

INTERPELLATION OF SENATOR LEGARDA

Senator Legarda inquired about the modifications and obstacles that had been resolved since the passage of the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) Modernization Act of 2015, as well as its unfunded portions that were not reflected



in the NEP. Senator Tolentino responded that the agency's weather forecasting and storm tracking capabilities had been enhanced, as had the monitoring of precipitation amounts. He recalled that two years after Typhoon Yolanda ravaged the Philippines, PAGASA's weather forecasting had significantly improved.

He stated that as a result of the modernization act, PAGASA was able to hire more weather forecasters and observers, provide retention incentives to qualified personnel who were being recruited by the weather bureaus of other countries, and acquire more than P3 billion worth of equipment that enhanced not only its meteorological capability but also its weather forecasting capability. He added that the modernization improved the capabilities of PAGASA, making Filipinos aware of the bureau's significant socioeconomic impact on their lives.

Concerning the agency's Multi-Hazard Early Warning Systems (MHEWS), Senator Legarda emphasized that the implementation of early warning systems, for which she has advocated for the past two decades, was a crucial component of disaster risk reduction. She expressed her delight that the DOST, which oversees PAGASA, was being led by a scientist like Secretary Solidum.

She stated that the early warning systems would assist the government in preventing loss of life and mitigating the economic and material consequences of natural disasters and other hazardous events. She stated, however, that for such a system to be effective, communities at risk would need to be actively involved and the government would need to facilitate public education so that alerts are effectively issued, ensuring constant preparedness and prompt action.

She explained that the 156 fatalities caused by Typhoon Paeng could have been avoided if the early warning systems had been utilized appropriately. She emphasized that the advisories should be translated into local dialects for improved comprehension and distributed to mountain dwellers, indigenous people (IPs), and those without cell sites. Senator Tolentino agreed; however, he stated that scientific terms should also be simplified on occasion.

In addition, she suggested that the DepEd incorporate Disaster Readiness and Risk Reduction (DRRR) and Climate Change Adaptation, Mitigation, and Resilience (CCAMR) into its curriculum. She then inquired as to how the strategies could be implemented in light of PAGASA's mandate.

Senator Tolentino responded that due to the agency's partnership with the National Telecommunications Commission (NTC), mobile alerts could be sent immediately to warn people of potential thunderstorms, storm surges, and other weather disturbances. In addition, he stated that monitoring of hazard areas could be conducted in real time in coordination with the DILG, OCD, LGUs, and the media, while mobile alerts coordinated with the DENR would warn the public of potential landslides.

Since disaster risk knowledge is a component of MHEWS, Senator Legarda suggested that communities conduct a climate and disaster risk assessment using Climate Change and Environmental Degradation Risk and Adaptation Assessment (CEDRA), an environmental tool that provides a climate risk profile. She informed the Body that CEDRA is a component of the Local Climate Change Action Plan (LCCAP), which was mandated by the Climate Change Act enacted 12 years ago by Congress. She inquired as to whether the agency had profiled the climate risk, how it was conducted in each LGU, and how far down the political spectrum it was conducted. Senator Tolentino responded that it is already accessible through the DOST, but that the steps for local planning and user training have not yet been outlined.

She then urged the League of Barangays to meet with the technical advisers and the DOST secretary in order to fully comprehend the significance of disaster risk knowledge and to determine

9

whether or not a particular barangay is located in a high-risk area. She stated that a region that may initially appear to be risk-free becomes dangerous due to a combination of dangers, with residents and their assets lacking the resilience to withstand such vulnerabilities. She believed that the DILG would need to collaborate closely with the DOST and PAGASA to ensure disaster preparedness in the regions. She reiterated that the adverse effects of Typhoon Paeng could be avoided with the cooperation and convergence of the three agencies.

Senator Tolentino stated that the agency was fully supportive of the barangay community-based preparedness program and education, as well as the manual for translating early warnings and other terms into common language.

Senator Legarda stated that risk assessment requires a systematic collection and analysis of data based on actual occurrences, such as geohazard data, precipitation, temperature, and the compounding impact coupled with natural or man-made vulnerabilities.

She then provided several examples, including unplanned urbanization, which typically poses a risk, changes in land use, environmental degradation and deforestation due to illegal logging, and soil erosion resulting from climate change. She urged PAGASA to provide barangay-based education and training on disaster risk reduction, and climate change adaptation and resilience in all regions.

In addition, she concurred with Senator Tolentino's proposal to incorporate earthquake preparedness and drought awareness into barangay-based education. She stated that the agency could also distribute pamphlets and flyers, as well as post environmental hazards, vulnerabilities, and risks on its Facebook page.

In response to a question about the status of the Green Climate Fund (GCF) grant for PAGASA, Senator Tolentino stated that the \$10 million project fund, which had remained unused for the past five years and was recently transferred to the agency, was still held by the Land Bank of the Philippines (LBP). Senator Legarda stated that the LBP was the sole recipient of the government's first climate grant. She inquired as to why the fund was unused. Senator Tolentino responded that the delay was caused by the COVID-19 pandemic.

Asked if indeed another project worth \$30 million was approved, he replied in the affirmative, but stated that it was still in the proposal phase.

Senator Legarda urged the DOST to continue submitting grant proposals to the GCF, and requested PAGASA to submit a workplan for the GCF that have already been granted to the government.

Senator Tolentino said that the department will submit the requested documents for both the \$10 million grant and the second proposed \$30 million project. Senator Legarda urged Secretary Solidum to use the GCF that were already lodged with the LandBank for their projects. She also suggested that the DOST undertake a disaster risk reduction education campaign that would be trickled down to the barangay level and for the campaign materials to be translated into different dialects for easier understanding by the public.

Relative thereto, Senator Tolentino mentioned a DOST initiative named "Maghanda" which could be dovetailed with the GCF-funded projects. In response, Senator Legarda reiterated her request to be given updates and a work plan for the GCF-funded project which she could report to the GCF as proof of concept. Senator Tolentino stated that the department shall submit the documents on Monday.

Senator Legarda concluded her interpellations by expressing her support for Secretary Solidum and encouraging the department to work closely with other agencies of government to fulfill its mandate. She also lauded the department's Community Empowerment through Science and Technology (CEST) program which helped the locals in Antique produce their own products, such as longganisa, banana chips, and natural dyes through their innovation hubs.

She then asked the DOST to provide her with a list of Filipino inventors and their inventions so that funding could be sourced for their products.

INTERPELLATION OF SENATOR VILLANUEVA

Senator Villanueva inquired about the percentage of the DOST's budget allocation for R&D to the country's GDP. Senator Tolentino replied that the DOST's R&D budget of P7,891,000,000, which includes that of other line agencies, was 0.33% of the GDP.

Senator Villanueva noted the huge difference in the R&D budget allotted by the Philippines compared to the 5% set aside by other countries for such undertakings. He appealed for more funding for R&D, adding that in the past years, he lobbied to get more funds for research and development. He said that funding for the item was increased by P255 million and P4.897 billion in 2020 and 2021, respectively. In the 2022 GAA, he said that the Senate allocated an additional P3.966 billion for the purpose. Senator Tolentino validated the information provided by Senator Villanueva.

Queried on the commercialized innovations that resulted from the R&D of the DOST for the past three years, Senator Tolentino said that they include Nutribun products, a carrageenan plant growth promoter, a dengue test kit, Vigormin for treating wastewater, and a Reverse Transcription Polymerase Chain Reaction (RT-PCR) test kit that was already being used by the Department of Health and was being sold in drugstores.

Senator Villanueva requested the department to submit a list of the commercialized products that resulted from its R&D program. He also sought additional data on the length of time it took for the resulting products and innovations to have an impact on the economy.

Senator Tolentino said that the DOST had committed to provide the list of its accomplishments especially in the areas of food security, nutrition, food innovation, and health.

On the issue of technology adoption, Senator Villanueva asked if products and services that were developed through publicly-funded research were being integrated into business processes in the private and public sector. Senator Tolentino replied in the affirmative. However, he pointed out that the bidding process requirements of the public sector was restrictive. He also stated that, depending on the type of technology, a product's gestation period can range between three and 10 years. He noted that food technology has a fairly short gestation period while pharmaceutical technology takes longer.

Queried further on the challenges in the procurement process, Senator Tolentino stated that Republic Act No. 9184, or the Government Procurement Reform Act, requires that applicants should be in operation for a certain number of years in order to participate in the bidding.

Asked for possible solutions to the situation, Senator Tolentino said that amendments to the Food and Drug Administration Law could help, but that the issue was complex. Senator Villanueva said that he had been calling for a complete overhaul of the country's procurement law to facilitate a more efficient and responsive process for procurement in government. He then requested the DOST to submit its position on the matter.

On the matter of the department's compliance with the Philippine Development Plan of 2017, Senator Villanueva pointed out that while the DOST had a target of at least 300 researches per million population, he received information that only 178 researches per million population had been done as of 2022 despite the passage of the Balik Scientist Program. He asked the DOST to explain the shortfall and how it could be addressed.

Senator Tolentino explained that the target mentioned by Senator Villanueva pertained to fiscal year 2018. He admitted that the DOST needed to recruit scientists for the nation's R&D program. He stated that efforts should be made to incentivize scientists who collaborate with the government as part of the Science for Change Program. He hoped that the agency will demonstrate its effectiveness in the upcoming budget hearing.

Senator Villanueva remarked that the Balik Scientist Program has no additional funds. He asked if the department has sufficient funds to recruit new scientists.

Senator Tolentino reminded the Body that its funding would come from a process of supplemental budgeting, as the House of Representatives has a bill, titled "Science for Change" that would incentivize industry participants to join government efforts. Senator Villanueva said he had a similar bill pending.

Senator Villanueva remarked that, according to the World Bank, the appropriate ratio of R&D spending to GDP is 5%, but that the Philippines spends only 0.32%, with the global average at 3%. He hoped that the commercialization of R&D products would persuade the Executive and Legislative departments to give science and technology more attention and importance by increasing financing.

At this juncture, Senator Ejercito relinquished the Chair to Senate President Zubiri.

Referring back to Senator Pimentel's earlier interpellation, Senator Villanueva recalled raising concerns about overlapping roles that lead to non-performing jobs, such as the Optical Media Board, as well as the fact that majority of the CFO's duties are identical to those of the DFA, DTI, and DMW. Highlighting his strong support for government downsizing, he, however, emphasized that rightsizing does not entail downsizing or job termination. He stated that the government can retrain, retool, and even add personnel, and that rightsizing is increasing the agency's effectiveness and efficiency.

Noting that the DOST has 18 connected agencies, he queried as to whether it has done an assessment of its tasks in relation to those of other government agencies. Senator Tolentino responded that according to the department, it conducted its "change management" program research from 2002 and 2010, the results of which would be submitted to the Body.

Senator Villanueva asked about the distinctions in function and added value between the attached agency and other government offices with similar objectives. He noted that the Department of Science and Technology has the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD), while the Department of Agriculture has the National Fisheries Research and Development Institute (NFRDI) with a budget of P375 million and the Philippine Council for Agriculture and Fisheries (PCAF) with a budget of P214 million.

Senator Tolentino responded that the PCAARRD existed before the DOST was established, with the latter adopting the former. He stated that the PCAARRD's mandate is to serve as the nation's leading science and technology planning council that will providing strategic direction.

He acknowledged that several agencies had overlapping tasks. He stated that during the previous day's hearing on the DOTr budget, the difference between seaports and fish ports was



discussed during a sideline meeting. He assured the Body that the PCAARRD and the DA do not perform overlapping duties. He said that the DA is a member of the PCAARRD governing council and is familiar with the council's primary initiatives. He added that the PCAARRD and DA contribute in shaping the R&D agenda through talks with its implementing agencies. Nonetheless, he concurred that despite the consultations, the functions of the two agencies overlap.

Senator Villanueva also stated that the DOST has the Forest Products Research and Development Institute (FPRDI), whose mission is to ensure the global competitiveness of environmentally-friendly forest-based products, while the DENR has the Ecosystems Research and Development Bureau (ERDB), whose mission is "To provide appropriate technology and information through research, development, and extension towards the enhanced productivity and sustainability of ecosystems." He emphasized that the scope of the FPRDI involves undertaking research and development on both wood and non-wood forest products.

Senator Tolentino explained that the FPRDI focuses on the utilization of wood and non-wood products, whereas the ERDB is responsible for planting, maintenance, and harvesting. Senator Villanueva remarked that although he would accept the DOST's response, he was unable to distinguish between the two entities.

He informed the Body that the DOE has a Coal and Nuclear Minerals Division (CNMD), whereas the DOST has a Philippine Nuclear Research Institute, (PNRI). He stated that the CNMD's mission is to "formulate and implement policies, plans, programs and regulations pertaining to the exploration, development, production, utilization and resource management of coal and nuclear mineral resources," while the PNRI's mission is "to conduct research and development activities in the peaceful uses of nuclear energy, to institute regulations on the said uses, and to carry out the enforcement of said regulations to protect the public." He hoped that the department would clarify the distinction between the two entities and provide the Body with an update on its status.

Senator Tolentino explained that the PNRI focuses on food, agriculture, nutrition, and medicine, but the CNMD is mostly concerned with energy. He surmised that the overlap occurred as a result of the utilization of the same energy or mineral source for both industries' development and processing.

Senator Villanueva remarked that the Department of Agriculture is "responsible for promoting agricultural development by providing a policy framework," whereas the PCAARRD formulates policies, plans, programs, initiatives, and strategies for agriculture aquatic and natural resources. He then inquired if the DOST coordinates with other government agencies. He assumed that the department recognizes that the functions and outputs of other departments are comparable to those of their affiliated agencies, and that they have inquired as to which agency should take the lead.

Senator Tolentino described the PCAARRD as a council composed of the DA, DENR, and other agencies. He believed that member agencies discuss their respective roles with one another.

Regarding the duplication and overlap of tasks, he recommended that a Senate select committee investigate the issue in conjunction with the Executive branch in light of the government's downsizing program and its extremely precarious fiscal situation. He claimed that there are overlaps, apparent overlaps, and overlapping functions not only within the DOST family but also in other departments. He believed that the same was true for the work of the Philippine Coast Guard and the PNP Maritime Police.

Senator Tolentino believed that Congress should be responsible for examining the programs of each and every department to make them more efficient by identifying overlapping functions,

combining agencies with the same function, and creating a new agency as needed, because Congress is the source of budgetary support, and legislators are familiar with the performance of each agency. Congress, he further argued, should be responsible for establishing a small select committee whose sole purpose would be to examine the issue of government downsizing.

Senator Villanueva agreed with Senator Tolentino that it is within the power of Congress to investigate the functioning of the agencies. He added, however, that it is difficult and time-consuming to pass legislation. Rather than the study undertaken by the DOST from 2002 to 2010, in which the data was never utilized, he stated that it is crucial that the law to be enacted undergoes a complete analysis and is executed. As it has become evident that many bureaucratic responsibilities overlap, he expressed optimism that the debates on the rightsizing bill would be held as quickly as possible. He used the Agricultural Training Institute of the Department of Agriculture as an example, although the TESDA training institute has its own version. He asserted that an ATI certification is not equivalent to TESDA's national certification, which renders the ATI certification meaningless. He emphasized that such occurrences should be investigated and its budget considered.

Concerning the DOST scholarship program, he inquired about the procedure and method for monitoring its graduates, similar to the return service agreement for the "Doktor Para sa Bayan" medical scholarship program. Senator Tolentino said that the DOST's science education institute is responsible for monitoring alumni's professional advancement, growth, and network. He added that the scholarship funds have been refunded in the amount of P1.7 billion over the years.

Senator Tolentino agreed that the P1.7 billion fund should be used instead of being returned to the National Treasury.

In reply to another query, Senator Tolentino stated that he was made aware of the situation with the PSHS graduates and that the monitoring mechanism was effective in ensuring that the necessary amount was collected from graduates of the science high school who did not pursue a science course in college or who initially took a science course but eventually shifted to a non-science course. He also agreed with Senator Villanueva that all former students who owe science high schools should be tracked down and sued for the monetary value of their scholarship award.

He stated that in the same manner, the tracking activity could be used in the Balik Scientist Program, which encourages Filipino scientists, technologists, and experts to return to the country and share their expertise in order to promote scientific, agro-industrial, and economic development, including the development of the country's human capital in science, technology, and innovation. He believed that the department should have a specific group within it that focuses on locating graduates and experts and improving what has been lacking in their system.

Senator Villanueva expressed similar concerns, hoping that the agency would perform better in the coming years. He stated that he fully supports the DOST budget and that he wishes for a larger budget for R&D, given the fact that the country's research and development budget was only 0.33% of GDP, while the global average was around 3%.

REMARKS OF SENATE PRESIDENT ZUBIRI

As the country is located on the Pacific Ring of Fire, Senate President Zubiri requested that Secretary Solidum improve the response time of PAGASA and PHIVOLCS. He stated that he would leave the fine-tuning of both agencies to the experts, only that he did not want another Typhoon Paeng to strike Mindanao and cause widespread devastation.



He believed that many people died during the typhoon in Mindanao because the island was unaccustomed to typhoons and thus its people were unprepared. He added that Mindanaoans have long boasted about being typhoon-free and, as a result, an agricultural hub. He lamented, however, that in recent years, Mindanao has been hit by typhoons on an annual basis, causing flooding even in Zamboanga City for the first time.

He then requested that the DOST Secretary expedite the process of assisting Mindanao LGUs in capacity building, geohazard mapping, and climate change resiliency, in collaboration with the DILG.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY AND ITS ATTACHED AGENCIES

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Department of Science and Technology, including the Office of the Secretary, Forest Products Research and Development Institute, Philippine Atmospheric, Geophysical, and Astronomical Services Administration, Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development, Philippine Council for Industry and Energy, and Emerging Technologies, was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:31 p.m.

RESUMPTION OF SESSION

At 4:42 p.m., the session was resumed.

CONGRESS OF THE PHILIPPINES

Senator Gatchalian stated that the Senate of the Philippines, Senate Electoral Tribunal, Commission on Appointments, House of Representatives, and House of Representatives Electoral Tribunal comprise the Congress of the Philippines with a total budget of P26.1 billion.

He then acknowledged the presence of the Commission on Appointments, led by Secretary Myra Marie Villarica as well as Deputy Secretaries Joey Flaminiano, Alvin Cruz, and Ronald Chua, and Directors Lyndon Daz, Vladimir Mata, Dennis Perang, and Elsie Montecillo.

He also thanked Senator Angara, chairperson of the Committee on Finance, for allocating P82 million for the establishment and operation of the Second Congressional Commission on Education, which was tasked with reviewing the entire Philippine education system and making recommendations to improve learner outcomes and the country's education system. He explained that the amount would be split into two between the House of Representatives and the Senate of the Philippines, or at P41 million each.

SUBMISSION OF THE BUDGET OF THE CONGRESS OF THE PHILIPPINES

Upon motion of Senator Villanueva, there being no objection, the budget of the Congress of the Philippines, which includes the Senate, Senate Electoral Tribunal, Commission on Appointments, House of Representatives, and House of Representatives Electoral Tribunal, was deemed submitted for the Body's consideration.



SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:46 p.m.

RESUMPTION OF SESSION

At 5:00 p.m., the session was resumed.

DEPARTMENT OF HEALTH AND ITS ATTACHED AGENCIES

Senator Cayetano (P) presented the budget of the Department of Health (DOH) and its attached agencies for 2023, to wit: Department of Health, Office of the Secretary, P214,851,268,000; National Nutrition Council, P439,167,000; Philippine National AIDS Council, P43,053,000; Lung Center of the Philippines, P1,130,211,000; National Kidney and Transplant Institute, P1,771,442,000; Philippine Children's Medical Center, P2,312,078,000; Philippine Heart Center, P2,266,827,000; Philippine Health Insurance, P100,233,414,000; and Philippine Institute of Traditional Alternative Health Care, P156,205,000.

She explained that the department has the third-highest budget under the leadership of Senator Angara, chair of the Senate Committee on Finance, since the Senate envisioned, aspired, and effectively established fiscal space for many of the DOH's financial needs. Nevertheless, she emphasized that the DOH's needs must be consistently met. She guaranteed the support of the Philippine Senate for the Department of Health and the Filipino people.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros thanked the Senate Finance Committee, led by Senator Angara, for its unwavering dedication to securing financing for the health sector. She stated that during the pandemic, the budget for the DOH and its attached agencies and corporations increased from P173 billion in 2019 to P274 billion in 2022, and from the proposed P310 billion in 2023 to P322 billion. She stated that the status quo must be maintained in order to fulfill the collective goal of universal healthcare. She expressed hope that the health authorities will use the money wisely.

She also extended gratitude to the department, led by OIC Secretary Vergeire, for steadfastly guiding the country and its people through the COVID-19 pandemic. She commended the department for its proactive work in crafting the health sector's strategy for 2023 to 2028, which reflects the lessons acquired from the COVID-19 health responses and aims to make Filipinos healthier.

She remarked that even in the absence of a health secretary or prior to his or her appointment, there is an assurance and confidence that the health agencies are following a blueprint and roadmap toward "Healthy Pinas" and "Healthy Buhay" for every Filipino.

Senator Hontiveros then joined the department in urging all government agencies and institutions with health or health-related financing to integrate their policies, programs, plans, and funds with the sector's 2023-2028 strategy. She stated that with the health sector's strategy for 2023 to 2028 in place, Filipinos are assured, at the very least, of a roadmap to healthier Filipinos, which would guide the nation and its people in assuring an outcome-based expenditure program for health.

She stated that it was clear in the DOH where every cent of government money went, unlike the P9.2 billion in classified and intelligence money held by select government institutions.

She said that it was interesting to note, upon the beginning of the Nineteenth Congress, that the DOH, PhilHealth, and its other agencies had not been implicated in any anomalous transactions, unlike in previous years.

Senator Cayetano (P) joined Senators Hontiveros and Pimentel in commending the Senate leadership for continually providing more funds for the DOH and the health sector.

As regards COVID-19 pandemic responses, Senator Hontiveros recalled that she inquired about the status of the COVID-19 National Vaccination Program during a hearing of the Committee on Health and Demography where she also suggested that the DOH take concrete steps to reduce COVID-19 vaccine wastage and to intensify its campaign on vaccine boosters. She then asked about the current status of the COVID-19 vaccination program and the most recent data regarding vaccine wastage.

In reply, Senator Cayetano (P) stated that the total number of doses received was 250.38 million, the total number of doses administered was 171.20 million, and the reported wastage was 31.3 million, or 12% of the total, which was within the allowed percentage of wastage.

As regards the reasons for the wastage, Senator Cayetano (P) cited expiration of shelf life. She recalled that some vaccines, particularly COVAX, had a short shelf life. Second, she said that there were vaccines that had been exposed to natural disasters or temperature fluctuations, while others could not be used because of the temperature, discoloration, or the presence of particulate matters. She informed the Body about cases of under-dosing and empty vials. She explained that a vial contains five multiple doses, but it could not be avoided that all five doses could be used.

Senator Hontiveros asked whether the WHO standard wastage rate of 10% was changed. In reply, Senator Cayetano (P) pointed out that for COVAX, the initial percentage given was 10%, but WHO discovered that in low-income, middle-income, and high-income countries, the wastage rates reached 30%. Thus, she said that the WHO issued a statement saying that up to 25% was acceptable. She observed that part of the reason was vaccine hesitancy; thus, the DOH campaign would have to be intensified to encourage people to get vaccinated otherwise, the vaccines would be put to waste and people would be susceptible to the virus; worse, the DOH would held accountable for the expired medicines.

As to the estimated wastage cost, Senator Cayetano (P) stated that at P500 per dose, the estimated cost of the 31.3 million unused vaccines was P15.6 billion. She explained that she used the term "estimated" because even the DOH did not know the price of the vaccines because they were procured under a non-disclosure agreement.

Senator Hontiveros surmised that even if the WHO raised the standard wastage rate from the original 10% to 25% with the country's 12% still within the range, the baseline data indicated that the wastage rate as of August 2022 was at 8.42% (20 million doses) and increased to 12% (31.3 million doses) in three months. She opined that despite gaining knowledge about a better vaccine program, the government still needed to speed up its learning curve considering the wastage in just three months.

In reply, Senator Cayetano (P) clarified that the wastage did not actually increase in the period cited. She said that the DOH conducted a complete inventory and found that many vaccines were still stored in warehouses on various islands across the country. She assured that the DOH would continue to provide updates. Senator Hontiveros stated that she would request some of the information she requires in writing.

Asked whether the expired vaccines could still be replaced, Senator Cayetano (P) replied that 300,000 doses of expired COVAX vaccine have been replaced and delivered as part of the agreement.

Senator Hontiveros noted that the absolute number of wasted vaccine doses or, at the very least the estimated cost of wastage would be equivalent to 4.83% of the health budget. She asked Congress, especially the Senate, to be vigilant in support of DOH's own monitoring of the vaccines in the vaccination program. Senator Cayetano (P) agreed that the DOH should exert more effort to minimize wastage.

She stated that the government has no control over the expiration date of donated vaccines, but that they will still be included in the inventory. She disclosed that when the vaccines arrived, IATF Deputy Vince Dizon met daily with Metro Manila mayors; in fact, the City of Taguig led by her brother, Mayor Lino Cayetano, was provided with vaccines but not syringes; however, with the help of the City of San Juan, they were able to secure syringes, which the LGU of Taguig City subsequently distributed.

Senator Hontiveros thanked Senator Cayetano (P) for mentioning IATF's efforts and expressed her hope that other areas outside of Metro Manila would also receive vaccines.

Senator Cayetano (P) stated that at the onset of the pandemic, there was a severe shortage of vaccines.

Noting that the COVID-19 state of emergency was about to expire, she remarked that DOH officials were struggling to secure legal authority to continue the COVID-19 Vaccination Program (RA 11525).

Regarding the budget allocation for the vaccination program for 2023, as well as their proposal and recommendation to President Marcos and the IATF, Senator Cayetano (P) stated that the Center for Disease Control (CDC) bill had already been passed by the House of Representatives and was up for Senate consideration, particularly the provisions authorizing DOH and the CDC to continue purchasing COVID-19 vaccines despite the absence of a state of emergency. She believed that the commitment to provide the vaccines was made during the LEDAC, particularly since the CDC bill was a priority measure.

Asked where the budget for the COVID-19 Vaccination Program for 2023 would be lodged, noting that the declaration of state of calamity would only be valid until December 31, 2022, she responded that in addition to the current inventory of vaccines, the P3.4 billion loan from ADB and World Bank could be used to purchase five million doses of bivalent COVID-19 vaccines. Additionally, she stated that COVAX had committed to distributing bivalent vaccines by 2023.

Asked if the DOH was still confident even if there was no budget for the COVID-19 vaccine program in the GAA, and that the CDC could not be deliberated upon by January 1, she stated that the DOH has sufficient funding for the purchase of COVID-19 vaccines, including new bivalent types, because in the past two years, the interest rates on funding the vaccines through loans have been low, allowing the agency to use the proceeds of such loans.

On whether the COVID-19 vaccines to be procured was enough until December 31, 2023, she responded that the plan was to purchase COVID-19 vaccines in tranches to prevent wastage; thus, the P5 billion allocation would cover healthcare workers, senior citizens, and immunocompromised patients, followed by the general population.



As to why the same sector was given priority on the third year of the pandemic, Senator Cayetano (P) explained that since the plan was evidence-based, the Department of Health considered healthcare workers, senior citizens, and immunocompromised patients to be more interested in receiving vaccinations because they tend to be the most susceptible to infection.

Senator Hontiveros concurred that a valuable lesson learned from the nation's pandemic response was the importance of evidence-based research and herd immunity.

Asked if the 2023 COVID-19 vaccines would still be boosters, Senator Cayetano (P) replied in the affirmative.

On whether the vaccination programs would extend to children below five years old and below, she stated that experts were still reviewing studies on inoculating children of such age.

Senator Hontiveros requested an update on the DOH's accomplishments and the resolution of cases filed with the Health Facilities Oversight Board (Sumbungan Board) regarding the implementation of the Anti-Hospital Deposit Law. She stated that her office had received reports and complaints on the subject.

Senator Cayetano (P) reported that of the 103 complaints received by the board, 36 have been resolved due to lack of prosecution. She remarked that the absence of a prosecution does not indicate that the case has been resolved, only that the case, with hospitals involved in the discussions, could not be pursued because the complainants have not followed up but continue to suffer. She then urged the DOH to formulate administrative sanctions if there was valid cause for the complaint, even in the absence of the complainant, because the hospital had violated the law.

Senator Hontiveros stated that the Anti-Hospital Deposit Law required the DOH to be as proactive as possible through the Sumbungan Board in partnership with or in support of the aggrieved patient, or their family in the event of the patient's death. She recalled a provision for legal aid that should have been included in the IRR to assist the patients or their families in executing affidavits and pursuing the case. Senator Cayetano (P) clarified that usually, the criminal case is dropped, while the administrative case continues.

Senator Hontiveros surmised that it could be the reason why some people use social media to express disbelief, anger, or dissatisfaction, as it is sometimes where they receive positive action. She hoped that the Sumbungan Board would be more productive in the future.

She then inquired whether the DOH had already assessed the effectiveness of the five-year-old law in addressing the problems, as well as whether the Health and Fitness Oversight Board was funded and how much it was allotted. Senator Cayetano (P) informed the Body that the board had been unable to meet due to the pandemic, but that it was making up for lost time and was even able to work for two and a half years.

Senator Hontiveros pointed out that the law was passed in 2017, so the Board must account for the three years preceding the pandemic's onset. She believed that the number of people visiting hospitals, particularly emergency rooms, increased during the pandemic. As a result, she saw it as a waste that the board was unable to meet, especially during years when patients were most in need. She hoped that the DOH would reactivate it.

When asked if the Sumbungan Board was still open to patients after the pandemic ended and if a budget was set aside for the following year, Senator Cayetano (P) responded that the board's current budget was P50 million, with an additional P90 million for the regions.

Senator Hontiveros expressed gratitude for the allocation for the Sumbungan Board in the regions because patients expected the board to operate there, not just in Metro Manila, so that people in the regions, particularly families, would have confidence in the face of tragedies and calamities.

As to the board's target in terms of performance and percentage, Senator Cayetano (P) responded that the board's goal with the help of the secretariat would be 10 resolutions per meeting, noting that 36 out of 103 cases, or 35% of the cases, had already been resolved. She believed that their monthly meeting of one hour would have cleared the six-month backlog. She also stated that the board used the first-in-first-out system to ensure that patients did not have to wait any longer.

When asked how long it took the board to resolve the 36 out of 103 cases, she responded that 31 cases were resolved in 2018, 43 in 2019, and only 21 in 2020 due to the pandemic. She expressed confidence that the remaining cases would be resolved within a year of the Board's reconstitution. Senator Hontiveros likewise expressed confidence that the cases would be resolved within a year.

Asked how long it would take for one case to be resolved, Senator Cayetano (P) responded that, in addition to filing the complaint, the regional representative must obtain the affidavits and conduct the interview. She stated that it was a little cumbersome to hear that the board needed to go to the field to investigate and that some of the patients could not be found, while others did not have affidavits to support their claims. But she assumed that the board truly desired to resolve the cases more quickly, efficiently, and consistently. She hoped that by holding regular meetings, the cases would be resolved within six months.

On Senator Hontiveros' estimate that the case would take more than six months to resolve on average, Senator Cayetano (P) averred that was a possibility, but that making the affidavits available would speed up the resolution of some cases. She offered the board her legal services, noting that some of the affidavits filed were incomplete.

Senator Hontiveros stated that it would be in the public interest and importance for the DOH to develop a public information campaign regarding the Anti-Hospital Deposit Law to inform the public on how to expedite the process in the Sumbungan Board to raise people's trust and confidence in it.

Senator Cayetano (P) added that whatever lessons the Board learned from the complaints could be shared with the hospitals so that problems and violations could be avoided in the future.

When asked if all 526,727 eligible health and non-healthcare workers had received their One COVID-19 Allowance (OCA), Senator Cayetano (P) clarified that the figure of 526,000 health workers had been increased to 805,863. She stated that there were currently 805,000 beneficiaries who had been identified based on the law, which also covers other eligible health workers. She stated that their OCA were currently being processed, and that DBM had set aside and released P11 billion for the purpose. She also stated that the processing and release of the OCA would be contingent on the documents or records being complete. She assured that the OCA had already been secured and would last from January to June 2022.

On whether the OCA could be released before Christmas, Senator Cayetano (P) clarified that the DBM's January to June figures were P19 billion, not P11 billion. She stated that another P35 billion would be required from July to December. She added that if the funds were released, they would be in compliance with what was required by law to be paid to health and non-health



workers. She also clarified that the expanded definition already included non-healthcare workers who would otherwise be subject to the law.

Senator Hontiveros stated that the P19 billion allocation for the 805,863 people covering the accountability period from January to June 2022 was already in the works, and that the OCA that was reported in newspapers was supposed to be given before Christmas.

Senator Cayetano (P) affirmed that the remaining P35 billion would cover the same 805,863 people from July to December 2022.

Asked if arrears could be paid and what the timeline would be, Senator Cayetano (P) responded that Congress has programmed and unprogrammed funds to cover the arrears, and the Committee on Finance has put in a portion of it. She stated that it was on the DOH's wish list.

When asked where the P35 billion in Programmed Funds would come from, Senator Cayetano (P) responded that the 2022 GAA reflects P9 billion in programmed funds and P42 billion in unprogrammed funds.

Senator Hontiveros then inquired whether the P9 billion in Programmed Funds for 2022 remained intact and could be used to fund the P35 billion.

After consulting with the DOH, Senator Cayetano (P) clarified that the updated amount, which was originally reported at P11 billion and later revised to P18 billion, was currently P19 billion. She stated that the fund had already been disbursed, noting that a portion of it was derived from the P9 billion in programmed funds, while the remainder was drawn from unprogrammed funds.


Senator Hontiveros then inquired as to whether the funding source for the period of July to December 2022, from which the P35 billion may be taken, was still unavailable. Senator Cayetano (P) responded that the DBM was responsible for the matter.

Asked if the DOH had inquired with the DBM about the availability of funds, she stated that the former was constantly monitoring the situation and that the Senate had already made representations with the latter. She also mentioned that, to her knowledge, the DOH took the issue directly to the Office of the President.

Senator Hontiveros expressed delight that the P19 billion allocation covering the period from January to June 2022 was scheduled to be released before Christmas. She viewed the news as a beautiful gift from the DOH to the nation's healthcare workers and non-health personnel. In addition, she noted the DOH's earlier response that discussions were already underway regarding the P35 billion for the period of July to December 2022.

Concerning the 2023 allocation for public health emergency benefits and allowances for healthcare workers and non-health personnel, Senator Cayetano (P) informed the Body that the government would have to consider two scenarios: 1) if there is a public emergency, and 2) if there is no public emergency. She explained that if no public emergency is declared or if it is not extended, the funding requirement would be P64.65 billion, while the government had already allocated P77.7 billion, or a balance of approximately P13.27 billion. She then clarified that the P64.65 billion allocation represented the government's loan arrears for 2021, as the state of emergency had been lifted and there were no longer any new items requiring funding.

Senator Hontiveros remarked that the allocated amount of approximately P77 billion was greater than the previously stated funding requirement, to which Senator Cayetano (P) agreed.



Regarding a public health emergency extension scenario for 2023, Senator Cayetano (P) informed the Body that P141.2 billion would be required. Senator Hontiveros asked if provisions have been made for potential funding sources that would cover the amount, and if such provisions include emergency benefits and allowances for public health workers. Senator Cayetano (P) responded that the budgeted amount for the purpose was still insufficient.

Senator Hontiveros inquired if the P40.273 billion COVID-19 allocation, which was part of the DOH's unobligated funds amounting to P113.9 billion as of October 2022, could be used to cover the One COVID-19 Allowance (OCA) for the period July to December 2022. In response, Senator Cayetano (P) identified the amount as a loan from the World Bank that was granted under very specific conditions. She added that although the department was attempting to restructure the amount, health workers were not on the list of activities or items permitted by the World Bank.

Senator Hontiveros asked if the remaining unobligated P73.7 billion of the previously mentioned P113.9 billion could be used to cover the July to December 2022 OCA. Senator Cayetano (P) responded that the agency had ongoing procurement processes related to the amount, which would be impacted by the proposal.

Asked whether the funds would be used exclusively for the purchase of vaccines or if other supplies were also included, Senator Cayetano (P) replied in the affirmative.

On the previously discussed OCA for January to June 2022, Senator Hontiveros mentioned that of the P19.4 billion released to the DOH, P6.02 billion remained unobligated. She then inquired as to the reason for its status and whether the amount had already been committed for the aforementioned period covered by the OCA. In response, Senator Cayetano (P) stated that funds were currently being transferred to the regional level. In spite of this, she wished digital mapping was available so that health workers and non-health workers could be informed in real time of the status of the funds. She added that once the data was downloaded in the region, a memorandum of agreement had to be signed with multiple facilities because they would be handling large sums of money.

Senator Hontiveros welcomed the news and stated that she would immediately update the healthcare and non-health personnel with whom her office had been in contact regarding the concern. In addition, she hoped that the DOH would remain open to dialogues with labor groups in order to reach an agreement on how claimants would be compensated. She stated that the majority of health facilities of those who have sought her office's assistance have already complied with DOH requirements.

Senator Hontiveros then asked about the reproductive health services of the DOH, focusing on 1) the availability of sexual and reproductive health services, particularly family planning consultation services and supplies for migrant women throughout their migration process and employment overseas; and 2) temporarily discontinued services, such as those of the Likhaan Center for Women's Health, specifically the distribution of free injectable contraceptives, family planning consultation services, and supplies for migrant women during their migration process and employment overseas. Senator Cayetano (P) informed the Body that through the combined efforts of both their offices, the DOH had ensured the continuous supply of the aforementioned materials to its civil society partners in 2022, and that based on past experience, CSOs were the driving force behind the success of such endeavors.

Regarding female migrant workers, Senator Cayetano (P) explained that the aforementioned type of injectable contraceptives has a five-year efficacy. In this regard, she proposed that the

DOH strengthen its information campaign via its partners so that migrant workers who favor their injectable medications would be informed of their limited efficacy.

Senator Cayetano (P) stated that if a migrant worker's country of destination is a party to the Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, the worker must be able to receive all the benefits that a national of that country would receive, including access to contraceptives. In that regard, she requested that the DOH coordinate with the DFA in order to expedite the dissemination of the information to Filipinos living abroad. She believed that having the list of countries that have signed the agreement readily available to migrant workers would aid in their decision-making regarding availment of health services. Senator Hontiveros expressed appreciation to Senator Cayetano (P) for her suggestions.

Senator Hontiveros emphasized the need for the Body to be able to demand the same commitment from POPCOM as it did from the DOH regarding the continuous supply of family planning materials and services, and for the two agencies to continue working together in that regard. She also thanked Senator Cayetano (P) for her remarks regarding migrant Filipino women workers. She noted that some of them were in a particularly precarious position because the host country did not consider them to be part of its formal labor sector and therefore not subject to its labor codes. In this regard, she welcomed Senator (P) Cayetano's earlier suggestion that the DOH should collaborate with the DFA, adding that they should also collaborate with the Department of Migrant Workers (DMW) to address the demand for reproductive health services among migrant Filipino workers. Similarly, she emphasized the significance of the DOH continuing its partnership with CSOs and NGOs in order to expand its sexual and reproductive health services to poor communities and migrant Filipino workers.

Senator Cayetano (P) responded that the POPCOM was not part of the DOH, but rather NEDA. She then drew the Body's attention to a POPCOM statement predicting that the incidence of teen pregnancy would increase with the resumption of classes. In this regard, she cautioned against conflating the two issues, which could result in some parents deciding not to allow their children to attend classes. Senator Hontiveros surmised that it would be simple to obtain clarification on the matter from POPCOM, as it was the agency that initially raised the issue.

Senator Cayetano (P) proposed that the POPCOM rephrase the warning just to be on the safe side, despite her belief that the agency had only good intentions in the matter.

In light of this, Senator Hontiveros proposed that the agency coordinate with the DepEd regarding comprehensive sexuality education, as well as with the DSWD regarding social protection concerns, should students become teenage parents despite government precautions.

Concerning the implementation of the Supreme Court ruling regarding the Salary Grade 15 (SG-15) base pay of nurses under Republic Act No. 9173, Senator Hontiveros stated that several nurse associations met with her to discuss the matter. She then inquired about the status of the law's implementation and whether or not the DOH's budget was already adjusted to accommodate the change in the base pay of nurses in public hospitals.

Senator Cayetano (P) responded that the change to the nurses' base pay had already been implemented in 2021. She then recommended that Senator Hontiveros obtain the case details so that the DOH can take the appropriate action, based on her assumption that Senator Hontiveros's case involving nurse groups was an isolated incident. She added that because the DOH primarily monitored national concerns, the agency believed the issue may lie with the LGUs.

Senator Hontiveros also inquired as to whether the DOH budget could accommodate a salary increase for nurses working in the agency's public hospitals. Senator Cayetano (P) responded that

the DOH had given its assurance that it would work closely with the DILG as regards the information and concerns reported out that the LGUs did not fully implement the mandated base pay for nurses.

She also clarified that only public hospitals are covered by the law. However, she stated that the private hospitals are concerned that the cost of providing health services may increase and be borne by patients. As with education, she emphasized that the government must address the issue because the public and private health sectors are so evenly balanced.

In addition, she explained that one of the DOH's proposals for managing its human health resources would be to standardize the salaries and benefits of its employees. Senator Hontiveros thanked Senator Cayetano (P) for raising the issue, as a number of interested parties would want to participate in the policy discussion and support it through legislation.

Senator Hontiveros requested that the DOH investigate reports that some private hospitals were closing wards due to a shortage of attending nurses and provide her with a written update. Senator Cayetano (P) responded in the affirmative, stating that the DOH was aware of the situation and that her committee had already engaged in a lengthy discussion with health officials regarding the aforementioned issues.

On another matter, Senator Hontiveros mentioned that Dr. Eric Tayag was recently appointed as a new Undersecretary of Health, despite the fact that his actual assignment was still the subject of ongoing discussions. She then inquired as to whether the DOH actually has eleven undersecretaries, of whom two had been appointed to OIC positions. She also inquired as to why the appointments were made in light of the administration's desire to rightsize the bureaucracy.

SUSPENSION OF SESSION

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

It was 6:32 p.m.

RESUMPTION OF SESSION

At 6:34 p.m., the session was resumed.

INTERPELLATION OF SENATOR HONTIVEROS

(Continuation)

Upon resumption, Senator Cayetano (P) stated that her response to the question was complex and would require considerable time. However, she stated that they had agreed to discuss the matter with the department to gain a better understanding of the situation.

Senator Hontiveros stated that one of the health sector's pillars is the strengthening of health institutions and the workforce in order to ensure their readiness to work toward universal healthcare. Therefore, she believed that DOH appointments should be guided by a sense of direction and trust. In this regard, she stated that it did not seem appropriate for the department to appoint its officials prior to determining the assignment of the appointee based on his portfolio. Senator Cayetano (P) concurred.

Referring to a recent news article in which the DOH reported a 37% increase in HIV cases in September of that year compared to September of 2021, Senator Hontiveros requested that the



Philippine National AIDS Council (PNAC) identify the causes of the increases and determine whether the government was still on track to meet its goals. She also inquired about the department's current and future efforts to achieve these objectives.

Senator Cayetano (P) responded that civil society and professionals involved in HIV prevention and management addressed the issue by increasing the number of assistance access points. In addition, she explained that during the pandemic, endogenous retrovirus (ERV) medications were delivered directly to households.

In response to further questions, Senator Cayetano (P) stated that the lockdown was the primary cause of the increase in HIV cases. She also pointed out that although the current percentages were off target, the situation was not as dire as it would be in 2021.

Senator Hontiveros expressed hope that the figures for those who knew their HIV status, currently estimated at 63%, and those enrolled in Early Infant Treatments (EITs), currently estimated at 65%, would increase so that the current healthy percentage of 97% would also increase.

Noting that the PNAC had not received additional funding, Senator Hontiveros inquired about the status of the council's budget and the secretariat's allocation. Senator Cayetano (P) responded that several of the council's requests, such as supplies and janitorial services, were being handled by the department, but were not reflected in the agency's budget. In addition, he stated that the PNAC plan remained unchanged.

Senator Cayetano (P) explained that P37.6 million of the proposed P43.9 million budget was allocated to Personal Services (PS), while the remaining P6.25 million was allocated to Maintenance and Other Operating Expenses (MOOE).

Senator Hontiveros noted that the majority of the council's budget was allocated to PS, while only 15% was allocated to MOOE, where the majority of the agency's mission is carried out. Senator Cayetano (P) agreed that a larger budget for the MOOE would be optimal.

Senator Poe responded to additional questions by stating that Director Malou Oresca led the PNAC Secretariat and that the Secretary of Health presided over the council.

Senator Cayetano (P) explained that the PNAC's budget request did not include any activity proposals. She stated that the committee supported what it deemed essential for the law's proper implementation.

Senator Hontiveros observed that the PNAC budget proposal did not match the budget proposal drafted by the agency and its finance committee. She stated that there were reports that the proposed budget had not even been submitted to the DBM, resulting in the current proposal that is heavy on the PS allocation and disregards the more crucial item that would finance activities for People Living with HIV (PLHIVs). She stated that her office had received complaints from advocates about Executive Director Oresca's alleged disregard for the council's mission. She stated that there were even reports regarding Ms. Oresca's alleged order to disregard PNAC committees' requests for assistance. She also disclosed that she had received information that Ms. Oresca ignored the chairperson's requests for a meeting, despite being directly supervised by the latter. She added that her office was also unable to schedule a meeting with the executive director.

Further, she disclosed that during her meeting with high-ranking DOH officials, PNAC representatives were either absent or did not participate in the discussion. Given the nature of PNAC's mission, she found the allegations troubling.

dfb

Senator Hontiveros then narrated an incident report describing a telephone conversation between Ms. Oresca and a complainant:

"I asked politely, *"Ma'am,"* (meaning, the ED), *"Kailangan ko po ng suporta ng PNAC secretariat dahil World AIDS Day na po."*

And she immediately raised her voice and said, *"Panginoon namin kayo? Ano gusto mo, itigil ko ang training ko? Lahat pinakikialaman ninyo, pati pagpapalit ng focal, pinakikialaman ninyo. Bakit?"*

I said in a low tone voice, *"Ma'am, hindi naman po. Kailangan lamang po ng suporta ng IEC po."*

She still raised her voice and said, *"Panginoon namin kayo? Ako, boss dito!"*

I respectfully told her, *"Ma'am, kailangan lang po ng suporta at nag-volunteer lang po ako at nag-agree po ang lahat ng members ng IEC na ako ang gawing focal ng World AIDS Day core team para sa PNAC-led event natin po at ako po ang in-assign na makipag-coordinate sa PNAC Secretariat focal po."*

And I politely continued. *"Ma'am, baka hindi ko kayanin ito mag-isa kung walang tutulong po sa inyo."* She replied back, *"Masyado kang negative. Ako transparent akong tao. Ikaw, hindi mo pa sinusubukan, sumusuko ka na. Kayanin mo iyan, nasaan ang committee mo? Kayanin mo."*

I continued to ask for support. I told her in a calm voice that, *"Ma'am, bino-volunteer ko lang ang time and effort ko sa PNAC-led activity at marami pa po akong tasks sa organization ko po."*

She raised her voice again and said, *"Bakit, iyan lang ba trabaho namin? Marami pa kaming trabaho. Tingin ninyo mga panginoon namin kayo?"* I was still politely asking for support and then she became personal. Out of the blue, she said in her loud voice, *"Alalay ka niyang tech-rep na iyan. Tech-rep lang siya. Ako, director."*

I said calmly to de-escalate the situation. *"Ma'am, huwag po tayong personal, humihingi lang po ako ng tulong."* She continued her accusation, *"Hindi, alalay ka niya. Akala mo ba hindi nakakarating ang balita sa akin?"*

In my low tone voice, *"Ma'am, ginagawa ko lamang ang trabaho ko para sa committee."* I continued to be calm and continued to ask, almost begging for support and I told her that the new PNAC secretariat's focal for IEC said that he can offer his time only during lunch break while they were on training. She came back to me and screamed again, *"Panginoon namin kayo? Mga (obscenity in parenthesis) kayong mga committees kayo, kung makapag-utos kayo, akala ninyo mga panginoon namin kayo."*

I said, *"Ma'am, hindi po ako nag-utos. Huwag ninyo pong isama ibang committees. Sa IEC committee kailangang-kailangan po namin ng suporta ninyo."* I was still politely asking and even desperately begging for help, then she screamed, calling the person's name from the other side of their office at the top of her voice.

I heard that the person came and then she screamed at the person and asked, *"Ano hinihingi tulong ni (the complainant)"* And the person answered, *"Ma'am, kailangan po ng tulong ng IEC committee para mag-follow up sa mga video messages ng PNAC Council members na ipo-post para World AIDS Day."*

She asked in her loud voice, *"Bakit?"* The person answered, *"Ma'am, kasi po World AIDS Day na."*

She asked, *sino ba ang ipa-follow-up mo?* The person said, *"The PNACS GAs."*

"She asked, *"Ilan ba iyan?"* Then the person mentioned the number.

She continued asking, *"Kailan ba kailangan iyan?"* And the person said, *"Next week po, December 1 ang World AIDS Day po natin."*

She said, *"matagal pa iyan."* In her loud voice, she asked the person, *"Bakit hindi mo finollow-up dati pa?"* The person said, *"Ma'am, kakalipat ninyo pa lang sa akin last week para maging focal ng IEC."*



She asked, "What were the videos for?" The person said, "*Ma'am, kailangan po kasing i-post sa PNAC Facebook page next week po.*"

She said, "Why do they have to do that?"

The person said, "*Tayo po admin.*"

She asked the person, "Why, he said he can offer only lunchtime to me?" and the person said, "*Ma'am, sabi ninyo, full focus lamang po kami sa training ninyo.*"

The line was cut off."

When asked how the PNAC chairperson and executive director responded to the allegations, Senator Cayetano (P) stated that Ms. Oresca was hospitalized and therefore unable to attend the meeting; however, the chairperson would hold a council meeting on Wednesday to investigate the incident.

Senator Hontiveros hoped that an investigation would be conducted because the evaluation report on the Sixth AIDS Medium Term Plan found indications of the following: absence of costed operational plans and mechanisms for planning, implementation, and monitoring of the AMTP VI; weakness of national and local coordination of HIV-AIDS planned responses; limited commitment of government agencies to provide counterpart funds for PNAC's plans and operations; and lack of accountability for the use of PNAC funds.

She inquired how the issues would be addressed in the development of AMTP VII and reminded the PNAC secretariat and council of their mandates. She stated that the law provides a policy and legal framework for the collective response to HIV/AIDS, and that PLHIV communities have the right to an institution that is sensitive and responsive. She also expressed hope that the committee would consider providing additional funding for PNAC's operations despite the agency's challenges.

Senator Hontiveros stated that her office had received complaints alleging that the Food and Drug Administration was providing an unfair advantage to foreign manufacturers and distributors of household hazardous substances and pet care products. She added that local Micro, Small, and Medium-Sized Enterprises were reportedly given a difficult time acquiring their Certificate of Product Registration from the FDA, and that there is a lack of support for MSMEs to ensure ease of doing business and access to publicly-funded product testing facilities.

Senator Cayetano (P) provided a document with a flowchart depicting the FDA's standards and procedures for granting CPRs for household urban hazardous substances and pet care products in response to her request. Senator Hontiveros requested that the FDA provide a written explanation of the flowchart in order to provide a more thorough explanation of the procedure.

Asked whether the government or a private partner had complete product testing facilities for MSMEs, Senator Cayetano (P) responded that the DOST had testing laboratories for the purpose.

Senator Hontiveros noted that due to the lack of government product testing facilities, local small and medium-sized enterprises were compelled to use private facilities, incurring additional costs and time.

Senator Cayetano (P), when asked to confirm reports that the FDA did not recognize testing results processed by DOST product testing facilities, stated that she herself was interested in determining whether such claims were accurate.



SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 7:09 pm.

RESUMPTION OF SESSION

At 7:20 p.m., the session was resumed with Senator Villanueva presiding.

INTERPELLATION OF SENATOR EJERCITO

Senator Ejercito expressed his gratitude and happiness at seeing familiar faces from the DOH in the gallery that day, as he had worked with them during the passage of the Universal Health Care (UHC) Law. Although he was not a legislator during the first year of its implementation, he stated that it was fortunate that Senators Cayetano (P) and Hontiveros were able to keep an eye on the DOH budget and ensure that it was properly managed. He disclosed that in 2018, he was on a study trip in Japan when he received a call from Senator Cayetano (P) informing him that the UHC Law was about to be passed. He stated that although the law has a long way to go before it is fully implemented, he was confident that its objectives would be realized through collaboration.

During the deliberation of the UHC Law's budget, he acknowledged the government's limited resources, and thus a 10-year implementation schedule was established. Considering the effects of the COVID-19 pandemic on government resources, he inquired as to whether it had altered the timeline for the UHC Law. Senator Cayetano (P) opined that rather than a delay in implementation, the pandemic compelled the agency to implement the UHC Law, bringing the department's programs on schedule.

Senator Ejercito believed that the pandemic exposed all of the health care system's flaws, which is why the department should work toward the complete implementation of the law. He stated that he was pleased to see Secretary Vergeire in the audience, as she was the face of the DOH during the pandemic. He expressed his excitement to work with her to ensure the law is fully implemented.

Regarding the budget allocation for the UHC Act, Senator Cayetano (P) stated that it was P171.9 billion in 2020, P205.8 billion in 2021, P263.3 billion in 2022, and for 2023 in the Senate version, it would be P315 billion.

Senator Ejercito expressed hope that the budget deficit could be addressed, as the budget for the first year should have been approximately P240 billion.

Further Senator Ejercito pointed out that the law mandates capital expenditures for the financing and construction of health facilities. He recalled that the goal was to have one hospital bed per 800 Filipinos, one rural health unit per 200,000 Filipinos, and one health station per barangay. He asked how much more would be required to meet the target ratios, Senator Cayetano (P) responded that the Philippines was still behind its ASEAN competitors in terms of the hospital bed-to-patient ratio. She stated that although Vietnam had 2.4 hospital beds per 1,000 people, the Philippines had only one hospital bed per 1,000 people. Senator Ejercito hoped that in the next years, Congress could address the deficit.

He stated that in his State of the Nation Address, the President expressed his goal to establish regional and speciality centers to bring healthcare closer to the people. He stated that he, along with the Senate President and other Members, had previously presented a bill to build regional hospitals and specialist centers, which would make the UHC implementation more successful and efficient.



He disclosed that during a committee hearing, all stakeholders agreed that establishing specialist centers and DOH hospitals would be more practical than constructing new hospitals. He then inquired about the status of the specialty centers currently operating in the provinces, given that the Southern Philippines Medical Center in Davao, the Northern Mindanao Medical Center in Cagayan de Oro, the Vicente Sotto Memorial Medical Center in Central Visayas, the Western Visayas Medical Center in Panay and Iloilo, and the Baguio General Hospital began performing medical procedures such as open heart surgeries a few years ago as specialty centers.

At this juncture, Senator Villanueva relinquished the Chair to Senate President Pro Tempore Legarda.

Asked on the amount allotted for 2023 for the continued operation of existing specialty hospitals, Senator Cayetano (P) stated that the Senate increased the support for specialty center hospitals by over P1 billion for 2023, while the House of Representatives allocated P1.8 billion for them. She stated that experts concurred that the establishment of regional hospitals and specialized centers would be ideal and easier, as previously mentioned, because 46 of the 329 hospitals in question were already operating, had their structures in place, and had doctors and facilities in operation.

Senator Ejercito stated that the overall budget for the operation of the specialty centers in 2023 would be P2.8 billion. He stated that the initial proposal from the Department of Health was for P2.34 billion to be allocated to the existing specialized centers.

Asked if the planned budget for their operation in 2023 would be sufficient to supplement the present allocation, Senator Cayetano (P) responded that she was still reconciling the numbers and would want to share the exact figure. She explained that the Department of Health had provided her with data that did not match those of the Senate Committee of Finance. She then requested to answer the question at a later time after the LBRMO and DOH had reconciled the statistics. Senator Ejercito then lauded the committee, its chairman, and the Senate President for the nearly P1 billion budget increase for specialty centers.

INTERPELLATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri stated that he initially wanted the specialty centers to start in Cagayan de Oro City in Northern Mindanao, but learned that they have already started in key locations such as Davao and Cebu. Senator Cayetano (P) stated that preparations for the heart center in Northern Mindanao Medical Center (NMMC) in Region X was underway and the heart centers in Mariano Marcos Memorial Hospital and Medical Center in Batac, Ilocos Norte, Batangas Medical Center, Western Visayas Medical Center, Bicol Regional Hospital and Medical Center (BRHMC), Eastern Visayas Medical Center (EVMC), and Southern Philippines Medical Center (SPMC) in Davao were already operational. She said that some of the hospitals were already specialty centers not only for the heart but also for other organs, such as the kidney and lungs, and for cancer.

Senator Cayetano (P) stated that the SPMC and the EVMC are both cancer, renal, and lung speciality centers. She noted that satellite or affiliated centers with regional hospitals would also be established in conjunction with the construction of speciality centers. She pointed out that heart patients in Northern Mindanao no longer require referrals to hospitals in Davao or Manila because they can now undergo bypass surgery at the already functioning heart center in NMMC. She stated that even the BRHMC and the Cotabato Regional and Medical Center have performed open-heart surgeries.

Senate President Zubiri stated that he, along with the other Members with their respective versions, filed Senate Bill No. 80, which would establish specialty centers in every region to solve



the problem of establishing a stand-alone hospital, which would require a significant amount of time, money, and human resources.

He stated that at the appropriate time, he would be proposing amendments to replace the phrase “already stand-alone” with “ALREADY PART OF THE REGIONAL CENTERS” in the proposed measure. Senator Cayetano (P) responded that the Committee on Health and Demography had heard all versions of the measure and that a draft committee report was currently available for signature. She highlighted that the modification proposed by Senate President Zubiri was already included in the draft committee report because it was identical to the version of her bill, Senate Bill No. 249.

She also stated that she has a copy of a chart including a list of the 10 specialty center hospitals that were currently functioning but were awaiting full operation. She stated that the table displayed the quantity of specialized employees, infrastructure, laboratories, and cardiac surgery equipment at each facility.

Senate President Zubiri requested a copy of the document. He stated that the construction of regional centers deserves a spot in the news and media and should replace the Health Secretary’s report on COVID deaths and infections. He believed that the public should have a greater understanding of the number of specialized centers established and the number of patients who had successful treatments and surgeries.

INTERPELLATION OF SENATOR EJERCITO

(Continuation)

Senator Cayetano (P) noted that the proposed increased budget for the operation of specialized centers in 2023 was P2.2 billion, with an additional P0.9 billion from the Senate, for a total of P3.1 billion. She explained that in order to expedite the development of specialized centers, the Health secretary had requested that the Senate boost the P0.9 billion increase to P2.2 billion.

Senator Ejercito disclosed that Dr. Chan, the Medical Director of the NMMC, confirmed to him that the hospital's specialty center had already performed open surgeries, while the SPMC — the hospital inaugurated by President Duterte before the end of his term — had already opened its cancer, lung, and heart centers.

Senator Cayetano (P) remarked that the Senate, under the leadership of finance committee Chairperson Angara and Senate President Zubiri, has constantly increased the health care budget.

Asked by Senator Angara as to the purpose of the P2.2 billion request, Senator Ejercito stated that it would be used for capital expenditures and medical equipment.

Senator Cayetano (P) informed the Body that she had already provided Senate President Zubiri with a list of the ten specialized hospitals currently delivering its services. She stated that the additional funds were necessary for the purchase of lung and renal equipment, as well as the actual construction of structures, which are all capital expenditures.

Senator Villanueva expressed concern about the lack of staff and plantilla positions for personnel, stating that it appeared that only job order positions were available, which was insufficient.

Senator Cayetano (P) stated that specialty hospitals train their existing employees, but regional offices would have operational budgets to hire and train new employees. She believed that highly specialized procedures would necessitate regular hires and plantilla positions due to the personnel's need for specialized trainings.

REMARKS OF THE CHAIR

Senate President Zubiri stated that a heart surgeon is a highly trained doctor whose training costs millions of pesos. He lamented the fact that the pay of government doctors was insufficient to keep them on the payroll. He remembered that in Bukidnon, they hired a radiologist to handle the CT scan at the provincial hospital, but he still had to work in the private sector. He expressed his dissatisfaction with the fact that government employees with plantilla positions are not permitted to work outside the government.

Senator Cayetano (P) responded by saying that employees hired under job orders must be distinguished from highly specialized doctors hired as consultants. She stated that it was not the intention to hire the doctors for plantilla positions because their medical practice would be restricted.

Due to double compensation, Senate President Zubiri stated that specialized doctors cannot work outside of government, but they can be hired as consultants. Senator Cayetano (P) recalled asking the health secretaries if it was possible to change the law for the health sector.

Senate President Zubiri stated that certain government offices, such as the Office of the Ombudsman and the OGCC, have been given permission to hire good lawyers. He wondered if the same could be applied to the DOH for specific services, but expressed worry about how the proposal would affect other physicians.

Senator Cayetano (P) stated that part-time employment is already permitted by the Civil Service Commission. Instead of hiring healthcare professionals as consultants, she suggested hiring them as part-time employees. She believed the issue should be discussed further, explaining that the goal is to provide opportunities for highly trained healthcare specialists to advance their careers in the country's public and private sectors.

INTERPELLATION OF SENATOR EJERCITO

(Continuation)

Senator Ejercito agreed with Senator Cayetano (P) on the importance of specialists and the proposal to hire them as part-time employees and consultants. He believed that without the participation of healthcare professionals, the Universal Health Care (UHC) Law could not be implemented. He recalled that the UHC Law includes the National Human Resource for Health Masterplan.

In this regard, he inquired as to how many health professionals would be needed throughout the country, how much the health sector has budgeted for the professionals, and how much was required for the establishment of specialty centers. In reply, Senator Cayetano (P) stated that there were 40,850 physicians, 175,900 nurses, 57,108 midwives, 4,761 dentists, 18,748 medical technologists, 4,847 pharmacists, 980 physical therapists, 93 occupational therapists, 3,953 radiologic technologists, and 691,000 X-ray technologists in the country.

Senator Ejercito inquired about the DOH's strategy for augmenting and supplementing the country's shortage of healthcare professionals. Senator Cayetano (P) responded that the Senate, with Senators Angara and Villanueva's support, had been working with CHED to identify which SUCs offer allied health professions in their HEIs so that the committee could put some budget to support the programs.

Senator Ejercito then expressed optimism for a more efficient and effective healthcare system.



SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 7:56 p.m.

RESUMPTION OF SESSION

At 8:14 p.m., the session was resumed with Senate President Zubiri presiding.

SUSPENSION OF THE RULES

Upon motion of Senator Villanueva, there being no objection, the Body suspended the Rules of the Senate to allow Dr. Samuel Zacate of the Food and Drug Administration to respond directly to Senator Tulfo's questions.

QUESTIONS OF SENATOR TULFO

Following is the full exchange between Senator Tulfo and Dr. Zacate, FDA director-general:

Senator Tulfo. Thank you, Mr. President; thank you to the Majority Leader. *Salamat at pinagbigyan po ninyo ako.* Majority Leader, Minority Leader, and my colleagues.

Good evening, Dr. Samuel Zacate.

Mr. Zacate. Good evening *po*.

Senator Tulfo. *Ano po ang position ninyo ngayon?*

Mr. Zacate. Director-General *po*.

Senator Tulfo. Director-General ng FDA. *Saan po kayo dati, ano po ang posisyon ninyo before this?*

Mr. Zacate. I was in the Presidential Security Group as Medical Officer III *po*.

Senator Tulfo. At PSG.

Mr. Zacate. Yes, Mr. President.

Senator Tulfo. Okay, Mr. President. *Dalawa lamang po ang aking katanungan, depende kung paano ninyo sagutin; puwede itong mapaiksi, puwedeng mapahaba, ano po.*

First and foremost, I would like to take you a challenge *kasi nga po, ang inyong posisyon at inyong departamento ay talagang tadtad po ng korapsiyon. Willing po ba kayo, voluntary ito, na every year, ikaw at ang mga kasamahan mo sa FDA ay ipalabas ang iyong SALN? At ako po, gagawin ko rin iyan. Kapag tinanggap mo ang challenge ko, pareho tayong maglabasan ng ating SALN.*

Mr. Zacate. *Oo naman po.*

Senator Tulfo. Very good. Put it on record, he accepted my challenge. *Na ikaw, at mga kasamahan mo sa FDA, lahat kayo—from you up to down to the janitor, magpapakitaan tayo ng SALN.*

Mr. Zacate. Yes, Mr. President, of course, I am willing.

Senator Tulfo. Very good, challenge accepted.

Now, *umpisahan po natin sa Certificate of Product Registration. You know what that is, right? CPR?*

Mr. Zacate. Yes.

Senator Tulfo. Fast forward *tayo ng kaunti. Bakit kapag nag-renew ng produkto ang isang pharmaceutical company, kinailangan—renew ng registration—maghintay sila ng up to three years or sometimes, five years. At dito po kasi, nagiging open to corruption itong sobrang haba ng paghihintay.*

Sa mga reklamong natanggap ko po, ang asking price para mapabilis po ang proseso and we do not have to wait for three years—huwag kayong iiling-iling, Sir, please, I do not like that—para mapaiksi ang proseso, ang hingian po ay P5 million. No, Sir, huwag kayong iiling.

Mr. Zacate. Sorry po.

Senator Tulfo. Sometimes, it goes up to P20 million per product. Go ahead, Sir, answer it.

Mr. Zacate. *Kaya po ako napapailing kasi kung iyan po ay totoo, nakakapanlumo po iyan. Kasi, actually po, we do not tolerate that in my agency. Regarding po sa mga three years na product, I must admit po sa Center for Drugs, minsan nga, naniniwala po ako kasi with regards sa backlog, nakikita ko rin po iyan, masyadong marami.*

Now, as my directive, *ngayon po nagsisimula na po tayo, Mr. President, to streamline the process. When I say, to streamline the process, what I notice in the FDA is the lack of digitalization and digitization. So, iyon po ang aking naging prayoridad. Iyon pong aspect na iyon ang ginagawan natin ng paraan. Katulad po ng sinabi ko, iyong ating unang pagkikita, ang sabi ko po inaayos ko ang ICT, ginagawa ko na ngayon.*

At ang isa pang aspect na nakikita ko sa kabagalan po ng sistema, aside from the stringent requirements, of course, we cannot do something about it, is iyong mga payment posting. Iyan ay ina-address na natin ngayon. I already submitted a request from the National Printing Office, baka po puwedeng umobra iyong e-receipt. So, naghihintay po ako sa aking kasamahan sa public service, National Printing Office, hinihintay ko po ang kanilang response kasi po madami na po talaga.

Senator Tulfo. Response ko po? I am sorry.

Mr. Zacate. *Hindi. National Printing Office, po. I am asking them that I will give a letter of followup regarding doon sa request.*

Now, another thing po. I am tasking my director—I do not want to mention her name.

Senator Tulfo. Why not?

Mr. Zacate. No. I will mention her name.

Senator Tulfo. Let be transparent here.

Mr. Zacate. *Okay po. Director Sirunay, I am asking her...*

Senator Tulfo. What is her name po, sir?

Mr. Zacate. Director Sirunay po. I am asking her to address the backlog as soon as possible but she committed to me that she will address the backlog and will have a zero backlog by June 2023. *Iyan po, nag-text ako sa kanya kahapon kasi sabi ko sa kanya, I cannot cover this anymore, I cannot cover this for a long time, I cannot justify you, you must address, we must help those people, you must not have a backlog. We have a zero backlog policy.*

Another one po, in my agency, I must admit, on the part of my director, to be fair with my director Joyce, she is a very talented and brilliant director, I have to admit that are problems in my agency. No. 1 is the lack of manpower. So, what I do is to have a directive to all my directors to fill up the plantilla positions. What I noticed—there are so many plantilla positions not only in the internal management and centers, but also in the field regulatory operation.

Now, another thing, *nagkakaroon po kami ng backlog because nauubusan po kami ng expert pool, iyong mga nagre-review po ng mga gamot. So, that is one of the thing that I am addressing because iyong honoraryo natin sa mga expert natin, baka hindi nga po makaabot pa sa gasolina. So, that is what I am talking to them that iyong consultant, iyong expert po ay gawin nang consultant para may regular lang...But, of course, the expert medical doctors, I must admit, because I am a doctor also, they have pleadings. But hindi namin mapantayan sa ahensiya.*

dp

Another thing, to address the manpower, No. 1 *po*, *ang ginawa ko po* is to fill up all the plantilla positions so that the next year *po*—I already talked to Secretary Amena—that my plan is to reorganize the FDA because the organization of the FDA is not coping up with the system or the innovation of science of this country. So, those are the things that I need to address.

Aside from that, Sir, there is an administrative order that I keep on talking about to my people and also to our beloved secretary— Administrative Order 67. I think I need to address that and to have a technical working group. It is not coping anymore with the innovations, Sir. So, I have a technical working group, the timeline is January 2023. By that time, we will have a working group. I will submit my recommendation of the amendment of Administrative Order No. 67 for the approval of the OIC-secretary.

Rest assured, Sir, I am doing my best in my capacity. The members of the FDA are brilliant people. They are highly technical. Now, of all those allegations, I cannot tolerate that, Sir. I will guarantee you that I will eliminate if I can see anything that is outside my principle of public service. I will guarantee you that.

Senator Tulfo. All right, thank you. *Now, ang haba ng inyong sagot sa napakaiksi kong tanong.*

Mr. Zacate. *Opo.*

Senator Tulfo. *Gusto ko pong maikasing sagot. So, iyong two years po or more na para sa pag-renew ng certificate of product registration, from three years, puwede ninyo ho bang mapababaan iyan to how many years, ilang years o ilang months o ilang weeks or days?*

Mr. Zacate. *Wait po, kinukuha ko lamang iyong charter ng certificate of product registration.*

Senator Tulfo. *Kasi sa ngayon, sa ngayon kasi, three years ang minimum, inaabot pa up to five years. So, maipapangako ninyo po ba na iyong three years na iyan ay mapapaiksi ninyo po to at least man lamang, say, one year, mas maganda six months.*

Mr. Zacate. What I noticed, Your Honor, *iyong three years na iyan is ano iyon, collective po.* So, *ang nangyayari, nagkaka-problem po kami or bumabagal ang sistema nga namin sa pre-assessment not because—no, I give the benefit of the doubt sa mga tao.* The reason is because of the internal management, Sir. The commitment, *basta po hindi ma-compromise ang safety and efficacy ng isang product.* That is why, I am amending the AO. *Iyon po ang pinaka-main target ko sa kanila. Kasi ang three years na iyon, I think, may possibility po talagang umikli iyan basta maayos ko lang po itong internal management.*

The President. To our distinguished colleague, may I interject?

There is already the Ease of Doing Business Law. I am sure *nilapitan na kayo ng ARTA, pinagsabihan na kayo ng ARTA* because FDA was one of the top three agencies that was the No. 1 complainant before we passed the law—that is why we passed the law, which is the 3-7-20 day rule; *iyong 3 and 7 are for local government—this is a three-day simple, seven days maximum sa local government on days of transactions.*

On the national government agency, it is 20 working days with another 20 days. You can seek an extension of another 20 days. So, *pinakamatagal na iyan—20 working days-20 working days.* More or less, *isang buwan iyan.* Sorry, a little bit more than one month. *Iyan po ay ayon sa batas, at hindi po namin na-exempt ang FDA rian.* So, *hindi pupuwede ang six months; hindi pupuwede ang one year.* It has to be 20 working days, extendable to another 20 working days. After that, you will be a violation of the law.

Mr. Zacate. I am well aware of that, Mr. Senate President.

The President. Thank you.

Iyon lamang po, Senator Tulfo. I just wanted to add to that. May batas na tayo. Ako ang author niyan.

Mr. Zacate. Your Honor, can I answer *po*?

Senator Tulfo. *Kanina pa, ang haba-haba mo na; ako naman.*

Mr. Zacate. *Okey po, Sir.*

Senator Tulfo. *Okay. Kanina, sinabi mo na you will not tolerate at walang problema sa ahensiya mo sa FDA. So, parang malinis ang FDA. Now, let me tell you this: Because of the complaint, I spoke to the previous director general, and she admitted to me na graft-ridden ang inyong agency. And she admitted to me na P5 million to P20 million ang hinihingi kada produkto. That is why, she said she is going to put a stop to it. Pero hindi niya napigil, hindi niya naputol ang practice na iyon. That is why, natanggal siya.*

Now, *huwag kang magmalinis at huwag mong sabihin na malinis ang iyong ahensiya. Just accept the fact na maraming problema riyan sa FDA, and you will do something na para linisin iyan—period.*

Mr. Zacate. Your Honor, I have to be honest—*may mga naririnig po talaga ako*, but the problem is, I do not have the leads. *Ngayon po*, I am telling you because *hindi ko po talaga hahayaan ang ganiyan.*

So, I want to coordinate also with people that have a knowledge regarding *sa corruption ng ahensiya ko. Puro "siya" po ang naririnig ko*, but I do not have proof.

Senator Tulfo. All right. Mr. President, may I ask this gentleman? *Mayroon ho ba kayong bitbit na tao ninyo from PSG o mga sarili ninyong kamag-anak, kaibigan? Mayroon kayong sariling tao na bitbit ninyo?*

Mr. Zacate. *Mayroon naman po ako.*

Senator Tulfo. *Ilan po ang bitbit ninyong sariling ninyong tao, Mr. President?*

Mr. Zacate. *Regarding po sa tao ko po na dinala ko po sa FDA, Your Honor?*

Senator Tulfo. Yes. From the outside, bringing those people inside to help you with your operations or whatever it is that you are planning to do with the FDA. Who are those people and what are their credentials?

Mr. Zacate. *Kamag-anak po, Your Honor, wala po.*

Senator Tulfo. *Kamag-anak.*

Mr. Zacate. *Wala po akong kamag-anak sa FDA.*

Senator Tulfo. So, who are those people *na binitbit po ninyo galing sa labas para to help you sa pagtatrabaho ninyo riyan sa FDA.*

Mr. Zacate. Of course, *Sir, iyong usual na staffing ko po talaga.*

Senator Tulfo. *Ilan po sila?*

Mr. Zacate. I think four or five *po.*

Senator Tulfo. Four. And what are the qualifications of these people?

Mr. Zacate. My chief of staff *po* is a lawyer; my PIO is also a lawyer; I have an engineer *po*—a chemical engineer because I need her expertise; so, another one is one doctor also. The doctor came from the DOH. He is a Medical Specialist II; and another one is a lawyer also, Sir.

Senator Tulfo. Okay. So, you have a doctor, lawyers, COS, *et cetera*, good.

Mr. Zacate. *May mga Secretariat din po ako, Your Honor.*

Senator Tulfo. *Okay. Good.*

Now, I will cite you a situation *na very upsetting at magagalit po siguro ang makakarinig nito: If a company is seeking a renewal of his product, certificate of product renewal at inabutan po ng expiration ng renewal, iyong product niya from previous years na kung saan ay naaprubahan na po—Halimbawa po due to expire iyong Certificate of Product Registration (CPR) on January 1, 2023. Pag tungtong po ng January 21, 2023, lahat po ng product na nasa shelves that was manufactured prior to January 1, 2023 at hindi pa expired, bakit po kinakailangan i-pull out at kinakailangan itapon na lang iyon bilang lugi na lang ng manufacturer?*

Now, before you answer that, *binibigyan po ng dalawang options iyon pong company na humingi ng renewal: 1) bibigyan siya ng provisional extension; 2) sumulat siya sa FDA para sa extension na iyon.*

Nine and a half out of 10, *nire-ject po ang kanyang request.* So what happens next, *iyon pong mga produkto na nasa shelves, kailangang i-pull out para sirain na lang at itapon na lang.* Pero may paraan para hindi mangyari iyon. *Kailangang magbigay depende po sa number of products na nasa shelves. Bibilangin po at magkakaroon po ng aregluhan in the amounts of maybe hundreds of thousands or even millions.*

Do not tell me *na hindi nangyari iyan.* For me, Mr. President, it does not make sense. *Iyon pong produkto na wala namang kinalaman sa paghingi ng renewal for registration nitong isang company, bakit po madadamay? Bakit po kinakailangang i-pull out sa shelves? Bakit hindi na po natin payagan na hanggang maubos iyon?*

Mr. Zacate. Your Honor, I do not have any rules which is under my mind....

Senator Tulfo. Under your mind?

Mr. Zacate. Mr. President, *wala pa po akong knowledge regarding that.* So, maybe I can ask my field regulatory operations *kung iyan po ay ongoing or may ganyang mga aspeto.*

Senator Tulfo. Mr. President, maybe you need to ask your corrupt people in your agency. *Marami pong mga corrupt diyan sa mga kasamahan mo. Siguro isa-isa silang tanungin ninyo po. Kasi nga po, really, it does not make sense. I am telling you.*

We are talking of hundreds of thousands, or even millions, *na lugi po ng isang kompanya na kailangan i-pull out sa shelves sa mga tindahan, sa mga botika, just because nag-a-apply siya ng renewal, at naabutan po ng expiration iyong renewal niya,* even if this was manufactured before the time that he is manufacturing a new product to be renewed. So, *kailangan i-pull out sa shelves, at kapag nag-request ng extension, dini-deny. Bakit? Dahil humihingi ng kotong.*

Mr. Zacate. Your Honor, regarding po sa pag-pull out ng mga expired na CPR, as my feed, we do not do that.

Senator Tulfo. Yes, you do, Mr. President. Yes, you do.

Mr. Zacate. With regard to the normal process, your Honor, *iyon lang po. Pero—*

Senator Tulfo. I have with me some complainants *na nagreklamo na; nalugi ng P10 million, may nalugi ng P50 million, dahil sa pagiging kawatan ninyo riyan sa FDA. Mayroon pa ngang isang kompanya—napakaliit niya—she had to shut down.*

Mr. Zacate. Your Honor, *regarding po riyan, iyon nga po, wala kaming proseso na ganoon.* If ever po iyan, *talagang ganyan ang ginagawa, open po ang opisina ko 24/7, Sir. Sabihin ninyo po sa akin, i-complain ninyo sa akin.*

Senator Tulfo. I will take your word for that, Mr. President.

Mr. Zacate. Yes, Sir.

Senator Tulfo. Now, toxicity report. *Hindi ninyo po alam iyon?*

Mr. Zacate. Sir, what specific, your Honor? Toxicity report.

Senator Tulfo. *Alam ninyo po iyon?*

Mr. Zacate. Yes, Sir.

Senator Tulfo. *Okey. Para mabigyan ng go signal ang isang produkto na nagre-request ng Certificate of Product Registration (CPR), kailangan ay mag-submit din ng toxicity report. At dito po, it takes at least one year, and sometimes two years, bago lumabas iyong report.* Now, you have three years *para sa renewal* and then one to two years *para sa toxicity report.* So, we are talking about five years.

Doon pa lamang sa five years na paghihintay, naba-bankrupt na itong maliliit na kompanya. At bakit? Sapagkat may malalaking mga kumpanya na pinapaboran ng FDA, na talagang

gustong-gustong mapatay itong maliliit na kompanya dahil itong maliliit na kompanya, mura iyong kanilang produkto, and they are trying to compete with the big guys and the only way to compete is to offer cheap quality priced medicine.

So, *ngayon ay nakikita ng malalaking kompanya na malulugi sila* so they have to kill the small guy. And how are they going to do that? FDA—corrupt people in the FDA.

Mr. Zacate. Your Honor, I am asking my director if the toxicity level is a prerequisite for drugs so maybe later *ay masasagot ko po.*

Regarding *po roon sa pagpatay sa mga maliliit na negosyo*, being appointed by the President, *ang goal ng Presidente ay paigtingin ang ekonomiya natin.* So, *ang number one policy niya* is to have a fair play with all the stakeholders. *Iyan po ay talagang ginagawa natin simula nang naupo na tayo. Kung iyan ay talagang ganiyan, ang tawag natin diyan ay ipitan.*

Senator Tulfo. Exactly.

Mr. Zacate. *Kung iyan ay ipitan talaga, makikita ko naman iyan. Kaya nga ginagawa ko iyong ICT para makita ko kung saan tumatagal iyong produkto, kung saan tumatagal iyong registration. Sinabi ko sa ICT iyan. Ang sabi ko sa kanila, "Gusto kong makita kung saan tumatagal."* I called the attention of that person to prevent red tape. *Iyon naman talaga ang agenda natin.*

But, as for now, I must admit *po*, Your Honor, *medyo hilaw pa iyong aking sistema dahil nakagisnan ko siya na halos 30% automated pa lamang iyong aking ahensiya.*

Bigyan lamang ninyo ako ng oras, but for now, I am open to all the complaints. Actually, I always want transparency in my agency. So, for the meantime, *iyon ang magagawa ko.* But I promise, rest assured, that I can monitor that.

Senator Tulfo. I will tell you the reason *kung bakit nagkakaroon ng delay sa toxicity report—dahil it is out of your control. Ito ay isang independent laboratory, example, UP-SGS. Overwhelmed iyong mga laboratoryo na iyon kaya inaabot ng isang taon.* That is beyond your control.

My question is: *Ano ang puwede mong gawin para ma-address ang problemang ito?*

Mr. Zacate. Sir, number one, independent laboratory *po*, as per my director, the test of toxicity—because we do not have capacity for toxicity. So, independent laboratory, which is *iyon ang nagtest.* I can streamline those *kasi may mga organization naman sila. Tingnan natin kung talagang sila ay nagpapahamak sa mga maliliit na negosyo.* For the meantime, *wala kaming capacity for toxicity.*

Senator Tulfo. I know.

Mr. Zacate. So, *ang mangyayari*, they test it outside and then we wait for it. Now, out of hand *na po namin iyon kung paano nila ginagawa sa labas.* But what I can do is the accreditation. *Kapag may complaint sa kanila, puwede nating tanggalan ng accreditation iyan sa amin.*

Senator Tulfo. Mr. President, *siguro po ang maisa-suggest ko sa iyo, Dr. Samuel Zacate, kayo ay mag-invite ng mga private laboratories na puwede ninyong ma-accredit, na puwedeng magamit, maparami, ng sa gayon ay mabawasan iyong backlog ng ibang existing laboratories ngayon, na hindi ninyo makaya iyong volume ng request from different drug manufacturing companies.*

Mr. Zacate. Your Honor, there is an organization of laboratories. I can call their attention *po.*

Senator Tulfo. Call them.

Mr. Zacate. Yes, Sir.

Senator Tulfo. You know *bakit hindi ginagawaan ng paraan, hindi ginagawa ito?* The more delays, the more money they can ask from the manufacturer. As simple as that. *Dahil naghihintay na iyong manufacturer, isang taon nang naghihintay, hindi pa rin po lumalabas ang toxicity report. Sasabihin ng FDA, "It is out of our control." Hindi amin iyan; problema iyan ng lab.*

Nakita ninyo naman UP iyan, SGS iyan. Ngayon itong pobre, makikiusap sa inyo. So, each delay that happens doon *sa proseso*, it means *pera. Iyon lamang po.* The more delay, the more

money can be asked from the manufacturer. Graft-ridden po ang FDA. I received tons and tons of complaints, hundreds of complaints from manufacturers, from small time companies that manufacturers, skin care products, energy drinks, *et cetera*. *Ang lakas daw pong tumaga. Sobrang lakas daw po nilang tumaga.*

Mr. Zacate. Mr. President—

Senator Tulfo. *Hindi po kayo, hindi po kayo.*

Mr. Zacate. Thank you po.

Senator Tulfo. *Kundi iyong mga kasamahan ninyo ryan po sa FDA. Now, bago ho ako pumunta sa Senate, noong ako ay broadcaster pa lamang sa Wanted sa Radyo, I promised myself, noong nangampanya pa lamang, isa po kayo sa babantayan ko. Rest assured. Hindi ko po kayo tatantanan hangga't hindi po matigil at masibak ang mga tiwali ninyong kasamahan diyan. Because alam niyo naman po na maraming tiwali ryan sa inyo. And again, I would repeat it, nakausap ko po iyong dati ninyong district director at inamin niya po na mayroon talagang bigayan, at sabi niya, she will stop. Hindi niya po napa-stop hanggang siya po ang natanggal. At kapag hindi ninyo po napatigil iyan, baka kayo po ay matatanggal. Kasi po ako ay magbabantay sa inyo. I will be the monkey in your back, I can assure you that. Do your job well, and then I will back you up. I will make sure na maging maayos ang trabaho mo at pupurihin ko pa kayo.*

Mr. Zacate. Mr. President, I am very glad on that kind of commitment you give to our agency. Rest assured—actually *diyan po tayo umaasenso sa public service, iyong mga ganiyang klase ng input na naririnig po namin. I must admit na bago lamang po ako rito, pero it does not mean po na wala po iyong pagmamahal sa bayan. So, naiintindihan ko po ang sinasabi, marami pong salamat sa paggabay ninyo at sana po matulungan niyo rin kami in the future. And rest assured, all those issues, I will do it.*

Senator Tulfo. *Last na lamang po.* How long have you been with the FDA?

Mr. Zacate. I have been there for three months *lamang*.

Senator Tulfo. All right, medyo off-topic ito, Mr. President. *Bigyan kita ng piece of advice. Kasi three months ka pa lamang diyan, ang dami kong natatanggap na mga report. Make yourself accessible, huwag kang maging suplado. Medyo suplado ka raw. I am serious. I am just giving a piece of advice. I am with you, do a good job, I will support you. Do a bad job, I will be a monkey on your back.*

Mr. Zacate. Yes, Mr. President.

Senator Tulfo. So, make yourself accessible *doon po sa mga tao na lumalapit po ryan sa FDA para humingi ng tulong, para makipag-transact ng business nila para naman makatulong sa ating ekonomiya iyong kanilang kompanya, iyong kanilang negosyo.*

Mr. Zacate. Mr. President, can I respond to that, to be accessible? *Kasi we have zero-contact policy kasi regulatory po kami. So, what I do is to address the problem with regard to the organization. May mga organization po iyan. I did that for almost three months. I hear them. I heard their problems but with regard po sa one on one, bawal po kasi sa amin iyan.*

Senator Tulfo. I am saying, Mr. President, is that *kapag mayroon pong nag-email sa inyo, may nagsulat, may nag-comment through email, may nakita po kayo na nag-comment against your company, against you, or against your people, act on it right away.*

Mr. Zacate. Yes, Mr. President.

SUSPENSION OF SESSION

Upon motion of Senator Tulfo, the session was suspended.

It was 8:45 p.m.

94

RESUMPTION OF THE SESSION

At 8:50 p.m., the session was resumed.

TERMINATION OF THE SUSPENSION OF RULES

Upon motion of Senator Villanueva, there being no objection, the Body terminated the suspension of the *Rules of the Senate*.

INTERPELLATION OF SENATOR TULFO

Senator Tulfo recounted that the last time he met DOH Undersecretary Vergiere was during a committee hearing where he requested from the latter some documents pertaining to the medicines assumed to be worth P20 billion that were left to expire in some warehouses of the DOH due to the negligence of some of the people from the department. He wanted to find out who were the people responsible for the negligence and what actions the DOH had taken to penalize such neglect.

In reply, Senator Cayetano (P) explained that the DOH and the medicine suppliers had agreed that those medicines nearing their expiry date would be replaced by the latter; hence, no medicine would be wasted or thrown. She stated that the same was being practiced by the mayor of Taguig City.

As regards the slow moving medicines, she added that DOH transferred them to highly-burdened areas where they are normally consumed faster. Nonetheless, she admitted that the DOH needed to build more warehouses around the Philippines to reduce the delays in the distribution.

On a related matter, Senator Cayetano (P) stated that during the pandemic, there were instances when the needed medicines were not delivered due to supply chain issues. She added that there were also situations when it was difficult to tell whether there was over supply of certain medicines because people particularly senior citizens and cancer patients were not leaving their homes to buy medicine or avail medical treatments then.

She believed that at present, there was hardly any medicine that expired while in storage since the country, especially businesses, was almost back to normal operations. Moreover, she attributed the same to the new practice in place where expired medicines or those nearing their expiry date were replaced as agreed by the medicine suppliers and the DOH in their contracts.

As to the process of pulling out expired medicines, she said that suppliers issue credit memo upon pullout of the medicines that have expired and that such information had already been submitted to the office of Senator Tulfo immediately after their hearing.

For his part, Senator Tulfo said that it was still not clear to him why the medicines became expired or nearly expired without being disposed to the recipients, opining that they should be delivered on time to save people's lives.

Senator Cayetano (P) averred that it is the responsibility of DOH to ensure the availability of the medicines needed by the people. For instance, she said that DOH should secure more stocks of COVID-19 booster vaccines as more Filipinos were getting booster shot.

She likewise opined that DOH should ensure that there were adequate stocks of vaccines for measles and polio, citing a study by the World Trade Organization (WTO) which showed countries,

96

including the Philippines, who were frontrunners in terms of the number of cases of measles and polio infection because a number of children were not able to get their regular shots. She said that these vaccines should be available at all times.

Senator Cayetano (P) said that the DOH had given assurance that it will strengthen its vaccination campaign and its house-to-house delivery of regular medications to improve vaccine and medicine consumption. With regard to the medicines that would expire in six months, she stated that the DOH was also improving its inventory management and reporting to determine which areas said medicines are essential.

Senator Tulfo clarified that his concern was not only the medicines that expired during the pandemic but also those that expired prior to it. Senator Cayetano (P) replied that the same logistics and inventory issues caused the medicines to expire prior to their distribution before and during the pandemic. She assured that such problems would no longer occur.

As to the request of Senator Tulfo regarding the list of medicines pulled out and changed by the suppliers due to expiry or near expiry, Senator Cayetano (P) reiterated that the DOH had already submitted the requested data to his office.

Senator Cayetano (P) stated that according to the DOH, the document had already been submitted to Senator Tulfo's office. Senator Tulfo responded that he has not yet received the requested document, otherwise, he would not be requesting it.

Senator Cayetano (P) stated that the document in question was an email dated October 24, 2022. She then read a portion thereof indicating that the department was submitting the requested documents in accordance with the discussion and key agreements reached during the agency's previous meeting with the senator. She mentioned that the DOH had shown Senator Tulfo the email sent to his office in good faith. Senator Tulfo thanked the DOH for the data.

Senator Tulfo then inquired about the department's allotted budget for the purchase of new medications in 2023. Senator Cayetano (P) responded that the agency's total budget for commodities for the following year was P29.1 billion. She clarified that the budget item for commodities already included vaccines.

Senator Tulfo attributed the occurrence of expired or near-expiration date drugs to instances of overbuying. In this regard, he suggested that the Body consider reducing the agency's budget for the purchase of new medications. Senator Cayetano (P) reaffirmed her position on the matter and stated that for the reasons previously stated, no medication had recently expired. In addition, she explained that the department's supplies could be affected if the budget for the purchase of supplies was reduced.

Relative thereto, she informed the Body that the department has an Inspection and Acceptance Committee that checks the compliance of the items received by the agency with the specifications of the contract or bid award, to ensure that the expiration dates of the medications are properly noted. She added that the items would then be shipped to their respective recipients after confirming that the goods met the required criteria. She also mentioned that the agency had collaborated with the United States Agency for International Development to automate its monitoring system in order to handle the high volume of goods. She added that the automation project had been completed and was merely awaiting implementation in regional hospitals and local governing bodies.

Senator Tulfo then advised the department to take good care of its purchased medications, as it would be to the benefit of the marginalized, who could not afford to purchase medications



from pharmacies due to prohibitive prices. He stated that the timely distribution of free medications would undoubtedly aid those in dire health situations.

MANIFESTATION OF SENATOR EJERCITO

Senator Ejercito thanked the chairman of the Committee on Finance, Senator Angara, for adding funds to the Cancer Assistance Fund. He mentioned that the fund had been increased from P250 million to P500 million. He also informed the Body that a P1 billion special provision had been made for the Cancer Control Program. In this regard, he expressed appreciation for Senator Angara's efforts to secure additional funding for the implementation of the National Integrated Cancer Control Act.

INTERPELLATION OF SENATOR PIMENTEL

Noting that there was a line item in the DOH budget for the purchase of medications, Senator Pimentel inquired whether the department also used public funds to purchase vitamins or dietary supplements. Senator Cayetano (P) responded that there was none. She stated that the department has a budget to purchase only infant and child vitamins, such as Vitamin A, as well as therapeutic milk and supplemental food. She added that after the items are purchased, they are shipped to DOH regional offices.

Senator Cayetano (P) responded that a total of P368,184,944 had been allocated for the purchase of consumable items that do not fall under the category of medicines or vaccines. He explained that the sum was allotted for consumable items under the heading "nutrition."

Senator Pimentel sought clarification as to whether the department only procured vitamins for infants and children, and not for the general public and the nation's senior citizens. Senator Cayetano (P) responded that there was no line item in the 2023 budget for senior citizens' vitamins. She observed, however, that there was a line item for iron supplements, in which case she surmised that it referred to iron folic acid, a supplement for pregnant women.

Senator Pimentel asked if the same was also affected by expiration dates. Senator Cayetano (P) responded in the affirmative. In this regard, Senator Pimentel inquired if the department was currently addressing issues with expired nutrition products. Senator Cayetano (P) stated that while there was currently no issue with expired items, the department had in the past experienced expiration problems which it was able to resolve.

Senator Pimentel inquired as to whether the issue was resolved through the same exchange agreement involving soon-to-expire products. Senator Cayetano (P) responded that there were contracts with similar terms regarding the replacement of nutrition products. She stated, however, that emphasis was placed on enhancing systems that would permit an item to be extracted and distributed in areas with greater need.

Senator Pimentel concluded that, in contrast to medications, which are subject to stringent rules regarding expiration dates, nutrition products are deemed safe for consumption even during the month of their alleged expiration. In this regard, Senator Cayetano (P) stated that the department no longer bases its procurement for the category on projections, as the items are regularly consumed. Regarding dietary supplements for children and pregnant women, she stated that the agency would make projections based on their anticipated consumption duration. She stated that for children in particular, the cutoff age for nutritional commodities would depend on the specific program and intervention, with some supplements intended for infants up to the age of five.

dfb

Senator Pimentel stated that he raised the issue in relation to a Commission on Audit (COA) finding that he cited during the interpellations debate on the DepEd budget, specifically regarding the purchase of vitamins.

Regarding the COA report on the Philippine Health Insurance Corporation (PhilHealth), Senator Pimentel expressed dissatisfaction with the agency's handling of the tax refund issue for resigned or retired employees. He observed that it has been a recurring finding of the COA in the regional offices of PhilHealth as well as its main office, and he deemed the act of holding the amounts in its custody to be dubious. He deemed as unsatisfactory the response of PhilHealth Senior Manager for Corporate Planning Edwin Oria, M.D., in a letter dated November 7, 2022, stating that the refund would be paid "upon receipt of a letter of request from the affected former employees." In addition, he observed a general lack of initiative on the part of PhilHealth to simply reimburse the individuals who, in the first place, were unaware they were entitled to a refund.

Senator Cayetano (P) stated that PhilHealth will no longer require a letter in order to pay a tax refund, and that they will notify the affected employee of the refund. Senator Pimentel expressed regret that the matter had to be brought up in such a manner for the agency to take a proactive stance on the issue. Senator Cayetano (P) sympathized with Senator Pimentel, adding that she had experienced similar situations with other agencies.

Senator Pimentel believed that if the problem persisted into the next budget cycle, it could only be because PhilHealth did not fulfill its promise.

Senator Cayetano (P) stated that she would ask PhilHealth to send her a copy of the letter as confirmation that the task had been completed.

At this point, the Chair, Senator Ejercito, asked if the projection that the actuarial life of the PhilHealth funds was about to expire was accurate and if it should be cause for concern. Senator Cayetano (P) responded that it has always been stated that PhilHealth was a failing organization.

She expressed confidence that PhilHealth would not run out of money, recalling that following their briefing for the year's hearings, it was clarified that the agency would continue to receive budgetary support and that its allocation would be increased even as it seeks to expand its services.

Replying to further queries, Senator Cayetano (P) stated that PhilHealth would receive a P100 billion subsidy in 2023, adding that the subsidy has been increased annually. She stated, however, that the full allocation would not be released until it was determined whether the state insurer was operating efficiently. She stated that PhilHealth was also tasked with enhancing its operations, mindful of the timeline that had been established, so that it can be supported as it reaches each benchmark.

Senator Pimentel stated that PhilHealth would continue to exist so long as it could continue to rely on government funding. Senator Cayetano (P) assured that there were supporting documents indicating that the agency should be efficiently managed; otherwise, it would not receive additional funding.

As to the year-end balance for 2023 of the P100 billion subsidy, she stated that it was P27.9 million, but that there would be nothing left for 2024. She explained that the ending balance is the cumulative fund balance after deducting total expenses from total income.

Noting that a negative balance at the end of 2024 could be anticipated, Senator Pimentel inquired if the state insurer's 2024 subsidy could also be anticipated. Senator Cayetano (P) responded that PhilHealth has a table detailing its total collections based on direct contributions

from members, national government subsidies for indirect contributors, and collections from PCSO and PAGCOR.

Senator Cayetano (P) responded to additional questions by stating that as of September 30, 2022, PhilHealth has a reserve fund of P224.4 billion in liquid investments that could be pre-terminated because it consists of bonds. She clarified, however, that PhilHealth was requesting the P100 billion subsidy due to its annual coverage expansion.

When asked about the Food and Drug Administration (FDA) budget, Senator Cayetano (P) responded that it falls under the Office of the Health Secretary, with an allocation of P948.37 million for 2023 under the NEP and GAB versions. She explained that the FDA is a regulatory agency within the department whose daily operations are independent from its parent agency, but not in terms of strategic direction.

Senator Cayetano (P) responded affirmatively to the question of whether the findings or official decisions of the FDA could be reviewed and overturned by the Health Secretary, adding that the FDA's decisions as a regulator could be appealed to the DOH.

In addition, she explained that the FDA's policy decisions, such as circulars and administrative orders, are also subject to approval by the DOH, and that complaints regarding unreasonable delays in the FDA's regulatory functions would be addressed by the FDA's director general in collaboration with the DOH. She stated that the Acting Secretary of Health and her team are fully aware of the issues that have plagued the FDA over the past few years.

Senator Pimentel informed the Body that he had received a text message from a businessman who complained that his company had been negatively impacted by the FDA's stringent requirements, which had been waived under the previous administration but were recently reinstated. He noted that only large national corporations could meet the agency's requirements due to their enormous budgets for research, laboratory, and testing.

He then read the rest of the letter, to wit:

"Binigyan ka ng 24 hours to comply or product recall. Sinagot mo at nag-comply ka sa mga tanong nila. Remember, approved na ng FDA itong product. Biglang today, sus, sorry daw, inabot sila ng three months bago naka-reply. Ito na. Iba naman ang tanong nila and we have to comply again. Ano na ang nangyari sa FDA? XXX Kaya marami ang nagsasara na maliliit na kumpanya ngayon dahil sa panggigipit or incompetence nila.

"Pasensiya na. I am just venting my frustration on a government agency who, unknowingly or knowingly, is killing MSMEs manufacturing in the country. Kaya sabi nga ng isang congressman this morning, about 40% of our food requirements are now imported. Ang hindi niya alam, FDA ang pumapatay sa local food industry sa hirap ng requirements. Kaya hanggang hindi nasisilip iyang FDA na iyan, better to import na lamang. Mas lalo na kapag nalaman ng bayan na kaya namamatay na ang mga MSME manufacturing sa Pilipinas ay dahil sa FDA.

"Imagine, first world rules, being applied sa third world country. XXX Sinong makaka-comply e wala ngang laboratory sa Pilipinas to test iyong gusto nila? Mga _____. XXX Lumalabas, pera-pera lamang talaga. Pinapatay iyong maliliit para iyong malaking kumpanya lamang, especially multinationals, can control local businesses."

Senator Pimentel questioned whether the director-general of the FDA, through Senator Cayetano (P), could respond to questions regarding a number of issues, particularly the lack of laboratories for product testing and the imposition of stringent requirements based on first-world standards. He speculated that the complaint may have occurred during the pandemic, when local apparel manufacturers were required by the FDA to obtain certification from a laboratory in Singapore for PPEs.

Senator Cayetano (P) responded that the FDA attempted to implement an MSME-friendly policy through the "Initiative ni DTI-DOH Operation: Livelihood (IDOL) Program, which has limitations. She added that the FDA has been instructed to improve its coordination with the DOST. She recalled an incident in which the test required by the DOST was not the same as the one required by the FDA. Relative thereto, she stated that it required certification of standards for imported PPEs.

Senator Pimentel noted that during the pandemic, garment manufacturers who had been ordered by the DTI to produce PPE complained that they were unable to compete with the prices of PPE made in China, which already had government certifications, because the FDA had to first approve the tests for locally produced products. He mentioned that the nearest laboratory for such tests was located in Singapore.

In response, Senator Cayetano (P) stated that the garment industries collaborated with DOST to develop methods for validating the product quality. She stated that according to DOST regulations, the required PPE testing could not have been waived at the time.

Senator Pimentel urged the FDA to listen to the complaints on the ground, particularly from businessmen whose companies felt the strain of having to comply with the ever-changing requirements.

Senator Cayetano (P) responded to the suggestion that the guidelines for the production of PPE should have been made clear from the outset by asserting that, in her prior experience as a lawyer representing corporations, such requirements were always fixed and documented. She surmised that the lack of clarity may have resulted from the numerous products applying for FDA approval, adding that she was willing to forward such letters of complaint to the agency.

Senator Cayetano (P) responded affirmatively when asked whether the director-general believed such occurrences were possible.

In a separate matter, Senator Pimentel remarked that the government's contract with pharmaceutical companies requires the replacement of nearly-expired medications. However, he pointed out that, in all likelihood, the suppliers had already accounted for such costs in their prices and asked if the department had considered it.

Senator Cayetano (P) responded that while Senator Pimentel's point was well-taken, the department's current focus is on implementing more effective distribution and inventory management systems.

Senator Pimentel supposed that if it were not for the established arrangements, the government would absorb the loss of 70% to 80% of the price of expired medicines. However, he stated that with the new agreement requiring suppliers to exchange expired medications, companies would have added the exchange cost to their original prices, resulting in a higher unit price than the actual unit price.

In response, Senator Cayetano (P) stated that such agreements, even for non-pharmaceutical goods, have become an internationally accepted practice. She then emphasized that the department was continuously enhancing its inventory management in order to distribute medicines before their expiration dates. She added that with improved systems in place, there would be a reduced risk of suppliers having to exchange expired medicines, giving the government more leverage to negotiate a lower price.

Senator Pimentel emphasized that the department should not become complacent in its operations simply because suppliers will replace the expired medications they had purchased. He

then requested that the department submit the list of activities it is implementing to reduce the rate of medicines expiring under its care.

Senator Cayetano (P) responded that the department was the appropriate agency to request the total amount the government had already spent on COVID-19 vaccines. She stated, however, that the breakdown of purchase costs per type of vaccine was handled by the Department of Finance and the IATF, which was in charge of the negotiations.

On whether the DOH was aware that the item for the Support to Infrastructures and Social Program (SIPSIP) program in the unprogrammed funds appropriations could be used to purchase vaccines, Senator Cayetano (P) responded that there were no requests for funding under the 2023 budget because loans were available for the purchase. Senator Pimentel asked for a list of loans and their amounts.

He also requested a copy of the government's Non-Disclosure Agreement (NDA) with the manufacturers. Senator Cayetano (P) responded that the NDAs were with the DOF. Senator Pimentel stated that he may recall the DOF to respond to his question.

Senator Cayetano (P) responded that Republic Act 11525 authorizes the government to enter into tripartite agreements with the National Task Force, the manufacturers, and the DOH.

On whether the NDA provision is included in the tripartite agreement or if it is a separate agreement, Senator Cayetano (P) stated that the NDAs are a requirement of the manufacturers prior to beginning actual negotiations due to the varying price structures they offer depending on the country.

Senator Pimentel concluded that the NDAs are distinct from the tripartite agreement, but noted that no one had seen a copy of any NDA. He declared his intent to submit his questions about the NDAs to the Secretary, as well as the DOF and OPAPRU. He then stated that the Minority was closely monitoring the DOH due to its crucial role in governance. Due to its influence on the manufacturing sector, he also emphasized the FDA's crucial role in the nation's development.

Senator Villanueva proposed that the FDA submit a report detailing how long it would take to obtain an authorization, such as an operating license. He stated that there might be instances where identical products have different approval timelines. He suggested that the report cover a period of three years and identify the types of licensed products, which the FDA could use to evaluate and enhance their services.

MANIFESTATION OF SENATOR GO

Senator Go, chairman of the Committee on Health and Demography, made the following statement in which he expressed his full support for the budget of the Department of Health and its attached agencies:

First of all, I commend the Committee on Finance and the good sponsor for including additional budget for the Department of Health such as additional funding for the Cancer Assistance Fund, for Cancer Treatment Assistance, and hiring of immunization vaccinators to strengthen our immunization activities.

I support these increases in the Health budget, in fact, I also wrote our Finance chairperson, Senator Angara, to push for these budget interventions.

I would like to remind the Body that last Congress, we passed Republic Act 11712, or the Public Health Emergency Benefits and Allowances for Health Care Workers Act sponsored by Finance Chairperson Senator Angara.



In the law, we provided benefits and compensation to our health care workers and frontliners. I am sure the good sponsor, Sen. Pia Cayetano, would agree, we must properly compensate our health workforce without delay.

Sa pagkakaalam ko po, mayroon pang hindi nababayaran noong 2021 at ngayon po, problema na naman iyong mga natitira na hindi pa nababayaran sa 2022. Kaya naman po, nananawagan ako sa DOH at DBM na bilisan ang pamamahagi ng allowances sa ating health care workers; tayo naman po sa Senado, sana maisama natin ang kaukulang budget na kailangan para sa allowances sa susunod na taon pati na iyong mga hindi pa nababayaran nga po noong 2021. Importante na mabayaran sila sa kanilang serbisyo.

Huwag din po sana nating pabayaan ang mga healthcare workers hired during the pandemic. Marami pong healthcare workers ang nangingibang bansa dahil sa oportunidad doon. Hindi naman natin sila masisisi dahil may pamilya po silang binubuhay at kailangan nila ng mas mataas na sahod o malaking kita. Pero ito naman mga healthcare worker na tumutulong sa atin sa pagresponde sa pandemya, huwag po natin silang pabayaan. Pinili po nilang magserbisyo rito imbes na magtrabaho sa ibang bansa.

During the budget hearing, I mentioned the importance of the continuous upgrading of our health facilities. *Mahalaga na patuloy nating i-upgrade ang ating mga pampublikong ospital na karamihan naman ay mahihirap ang mga pumupunta*, that is why we passed last Congress 69 laws for the improvement and establishment of various public hospitals over the country. *Importante po na mabigyan ng sapat na pondo ang mga batas na ipinasa natin para sa pag-a-upgrade at pagtatayo ng mga pampublikong ospital.*

Related to this, we must ensure enough funding for the Health Facilities Enhancement Program (HFEP) and the continued funding for super health centers which I pushed in this year's budget so that we can improve access to primary care facilities. *Ito pong super health centers ay medium version of polyclinic na kung saan nariyan po ang mga birthing facilities, laboratory, emergency cases na hindi na po nila kailangang dalhin pa sa malalaking ospital na napakalayo naman po.*

Tatangalin ko na lamang itong mga tanong tanong ko dito dahil puwede naman po akong magtanong diretso sa inyo.

Along with improving our health facilities we must also ensure the proper regulation of health facilities, including the inspection of health facilities and handling of the increasing number of complaints against health facilities and services.

Noong kasagsagan ng COVID-19, marami pong reports na mga hospital na tumatangi sa pasyente. Marami rin po akong nai-report sa mga ganitong kaso sa NBI at DOH. Sana po ay maging maayos ang pagtugon ng DOH sa mga ganitong kaso.

Aside from accessibility of health facilities, equally important is the affordability of health services. That is why I principally authored and sponsored *sa tulong po ng aking mga kasamahan sa Eighteenth Congress, ito pong Republic Act 11463, or the Malasakit Centers Act*, which mandates the establishment of Malasakit Centers in all DOH hospitals and the PGH.

During the administration of former President Rodrigo Duterte, he prioritized the need of hospitals and indigent patients. As such, his office provided supplemental budget and support to specialty hospitals to help these facilities accommodate as many indigent patients as they can. *Sa malalaki at specialty hospitals po kadalasan pumupunta ang mga pasyente dahil sila po ang may pinakamataas na kapasidad, kaya kailangan ng suporta natin. Siguraduhin po natin na sapat ang pondo nila para sa indigent patients sa susunod na taon. Malasakit Centers ensure easier access of patients to government assistance. We must strengthen the operations of the Malasakit Centers, walang nasasayang na pondo kung iyong mga helpless, hopeless, at walang matakbuhan naman po ang makikinabang.*

I also commend the adoption of my proposed special provision under the PhilHealth budget that indicates the use of the P21 billion budget pertaining to benefit package improvement under the Universal Healthcare Act. I earlier proposed that this budget should be used for the expansion of free dialysis coverage, mental health outpatient coverage, the implementation of the comprehensive outpatient package, including free medical checkup and other increases in benefit packages.

94

Marami pong lumalapit sa opisina para sa dialysis. It is the reason why I filed Senate Bill No. 190 mandating PhilHealth to fully cover all cost of dialysis treatments, sessions and procedures done in PhilHealth accredited health facilities. Pero kung kaya naman po itong i-implement ng PhilHealth ngayon at sa susunod na taon, mas mabuti po.

Isinulong ko rin po ang free medical checkup para sa ating mga kababayan. Parte rin po ito ng universal healthcare. Mahalaga ang early detection para hindi na po lumala ang sakit. Ang problema, marami sa ating mga kababayan ang takot o walang budget para sa checkup. Sa Konsulta Program, sagot ng PhilHealth ang pagpapa-check up, all laboratory tests sa ating mga PhilHealth accredited health facility. Dapat na itong ma-implementa nang buo at maayos.

Siyempre, hindi rin po natin kalimutan ang sapat na pondo para sa mga mental health program lalo na po sa panahon ngayon na maraming krisis na kinakaharap po ang ating mga kababayan. We should continue to improve our mental health programs and ensure that all forms of psychosocial assistance will be made available to Filipinos who are suffering from all forms of mental health issues.

Nasabi ko rin po iyong iba kong gustong sabihin noong hearing. Nagpapasalamat po tayo sa good sponsor, who is a fellow health advocate, for advocating for the health budget. I also commend OIC Secretary Maria Rosario Singh-Vergeire for ably leading the department. I am sure, with your leadership and guidance, the DOH is in good hands.

I continue to push for additional budget for health. Kailangan pa nating palakasin ang ating healthcare system at dapat na nating simulan ito. We must invest more on health.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva expressed delight in the implementation of the “Doktor Para sa Bayan Act.” He stated that during the consideration of the proposed bill, it was discovered that the Philippines has just three doctors per 10,000 people, while the World Health Organization recommended a ratio of ten doctors per 10,000 people. After the implementation of the law, he stated that the most recent statistics indicate that there are currently 3.7 doctors per 10,000 people.

Furthermore, he stated that 10 regions lack a public institution or university that offers medical programs, which he cited as an additional concern and difficulty facing the nation. He stated that the ratio of three physicians per 10,000 people only relates to Metro Manila, since other regions lack even one physician per 10,000 people. A significant component of the problem, he emphasized, is the lack of schools that offer medical education.

He stated that when the Eighteenth Congress passed the “Doktor Para sa Bayan Act,” the intent was for state universities in the regions to offer medical programs. He said that from seven regional SUCs, four more were added, bringing the total number of SUCs with medical schools across the country to 15.

He expressed gratitude to Senator Cayetano (P) for sponsoring the budgets of both the DOH and CHed. He said he was surprised to learn during the committee hearing that no budget was allocated to the specific item, and expressed hope that other SUCs in the regions will have their own medical schools.

He said it was crucial for the country to create doctors and congratulated the board passers of the Physician Licensure Examinations held in March 2022, where 1,427 out of 2,837, or 50%, passed, and the test held in October 2022, where 3,826 out of 5,958, or 64.22%, passed.

Moreover, he recalled that during the committee hearing for the DOH budget, Acting Secretary Vergeire stated that the department was not consulted regarding the determination of the appropriate number of deployment caps by the Philippine Overseas Employment Administrator, which has become part of the Department of Migrant Workers (DMW). He stated that the DMW was eager to collaborate with the DOH on the matter.



He then greeted Acting Secretary Vergeire who had lately visited the Joni Villanueva Memorial Hospital but missed the chance to see her. He stated that the hospital, which was named after his late sister, will be inaugurated on December 12, 2022. He stated that Senator Go sponsored the bill in the Senate, and then-Congressman Cayetano (A) introduced the measure in the House that made his sister's goal of having a government hospital in their community a reality.

Due to political concerns, he stated that it took a long time for a hospital to be constructed in the town of Bocaue, Bulacan. He stated that when his sister, who was mayor at the time, attempted to acquire a property for the hospital, the council led by Councilor Aldrin Sta. Ana thwarted her efforts. He stated that his sister then urged her family to contribute a lot located close to where the North Rail terminal would be constructed. He stated that the appropriation for the construction of the hospital also took some time, since it was Senator Drilon who moved for its initial funding in the Senate, as there was a provision in the donation that allows the donor to reclaim the property if it is not used for the hospital. After a long wait, he said that the Joni Villanueva Memorial Hospital will finally open on December 12.

He thanked everyone who contributed to the construction of the hospital. He explained that he was relating the incident since it was not an isolated incident. He believed that other experiences should act as an eye-opener for everyone, such as building hospitals and assisting with the healthcare requirements of the people.

SUBMISSION OF THE BUDGET OF THE DEPARTMENT OF HEALTH AND ITS ATTACHED AGENCIES

Upon motion of Senator Villanueva, there being no objection, the budget of the Department of Health - Office of the Secretary, National Nutrition Council, Philippine National AIDS Council, Lung Center of the Philippines, National Kidney and Transplant Institute, Philippine Children's Medical Center, Philippine Health Insurance Corporation, and Philippine Heart Center were deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 10:25 p.m.

RESUMPTION OF SESSION

At 10:40 p.m., the session was resumed with Senator Ejercito presiding.

NATIONAL COMMISSION ON SENIOR CITIZENS

Senator Marcos presented the National Commission of Senior Citizens (NCSC) budget at P193.343 million, a P21.980 million increase from the 2022 budget. She stated that no funding has been proposed for the Senior Citizens Rights and Welfare Development Program, so the Senate has recommended an additional P40 million to fund it.

INTERPELLATION OF SENATOR PIMENTEL

Asked by Senator Pimentel if the commission's composition was already complete, Senator Marcos responded in the affirmative. She then recognized the presence of in the gallery of Chairperson Franklin Quijano and the six commissioners—Commissioners Ida Yap-Patron, Gloria Jumamil-Mercado, Edwin Galindo Espejo, Enriqueta Roncal-Rodeles, Ricardo Rainier Guvana Cruz III, and Reymar Reyes Mansilungan.

Senator Pimentel stated that the NCSC was scheduled for the previous day's morning, but one of the commissioners, Commissioner Mansilungan, was absent due to COVID-19. He stated, however, that the commissioner arrived unexpectedly that afternoon.

Asked if the commissioner really tested positive or was merely inventing an excuse for his absence, Senator Marcos responded that the commissioner's family members had COVID-19, which exposed him to the virus and required testing, which came back negative. Senator Pimentel expressed his disappointment with the statement's inaccuracy.

Senator Pimentel acknowledged the NCSC as an important commission, adding that it was allocated P103 million in the GAB, as opposed to P78 million in the NEP and P194 million in the Senate Committee Report. He remarked, however, that it was still in the transitional phase.

Senator Marcos concurred with the assessment, stating that the agency's creation by law on July 25, 2019 was accompanied by a tough and complicated transition. She stated that there had been hiccups, beginning with the appointment papers of commissioners and including delays in the transfer of plantilla goods from DepEd and DSWD, personnel management issues, and unspent BAC funds due to the shortage of personnel.

Senator Pimentel emphasized the importance of the agency. He pointed out that the House of Representatives, in fact, added P5 billion to the DSWD budget not found in the NEP specifically for the upgrading of the pension of senior citizens through the NCSC.

Senator Marcos clarified that the P5 billion refers to the social pension, the stipend given to senior citizens. She stated that only P25 million would go to the NCSC because the DSWD has not yet sent the entire amount to the commission as well as the personnel in charge of pensions.

Senator Pimentel reiterated the significance of the agency or its potential energy because of the P5 billion, which, although lodged with the DSWD at the time being, would eventually be lodged with the Commission's budget in the future. Thus, he asked if it is anticipated that the social pension of senior citizens would be funded through the commission's budget.

Senator Marcos responded in the affirmative, stating that Republic Act No. 11350, the National Commission of Senior Citizens Act, expressly stipulates that the commission will guarantee the full execution of all laws, policies, and programs.

Senator Pimentel expressed concern that the new agency may be forced to replicate the structure and manpower of the DSWD, despite the fact that its mandate requires it to be specialized and focused on the distribution of the social pension to senior citizens, among others, particularly in light of the increase in the social pension amount mandated by the new law.

He expressed apprehension regarding any misinterpretation of the recently enacted law, and stated that if his concern was shared by a sufficient number of legislators, it might be time to revisit the law while retaining the social pension. However, he stated that it was a matter of distribution to ensure that the funds reached the elderly.

Concerning the possibility that the structure of the DSWD could be replicated to carry out the specialized distribution of the social pension benefit, Senator Marcos argued that the DSWD has several and larger programs, such as the 4Ps, the supplemental or sustainable livelihood, and the Kalahi-CIDSS project, but that they do not have individual agencies implementing them, in contrast to the senior citizens' stipend. She added that all senators of the Seventeenth Congress were coauthors of the 2019 legislation and that it was enacted unanimously.



Senator Marcos, responding to the question of whether the commission was expected to have a DSWD-like structure with presence in the regions, provinces, and municipalities to ensure that senior citizens' social pensions are distributed to the beneficiaries, stated that the commission recently received approval from the DBM for 206 personnel items, when initially only 57 personnel would have been transferred from DSWD. She stated that it should be realized that the establishment of a new agency would incur expenses for people, logistics, and other office necessities.

Senator Pimentel then adverted to Section 11 of Republic Act No. 11350, which reads: "*Transfer of Functions from the Department of Social Welfare and Development (DSWD) to the National Commission on Senior Citizens (NCSC).* — All functions, programs, projects, and activities of the Department of Social Welfare and Development (DSWD) for the formulation, implementation, and coordination of social welfare and development (SWD) policies and programs for the poor, vulnerable, and disadvantaged senior citizens shall be transferred to the National Commission on Senior Citizens (NCSC)."

Senator Pimentel inquired whether the NCSC commissioners would read Section 11 of RA 11350 as requiring them to staff their agency similarly to the DSWD, given that all functions, programs, projects, and activities of the DSWD will be transferred to the commission.

Senator Marcos responded that the commissioners were aware that all programs and projects pertaining to seniors will be transferred to the new commission. She stated that it will not be a duplication of DSWD, but rather a full transfer of the registry of senior citizen associations, senior social pensions, Centenarians Act, assistance to the elderly, and supervision and management of residential care facilities and various havens in the regions.

Senator Marcos responded affirmatively to Senator Pimentel's query as to whether the NCSC would be responsible for the actual distribution of cash from the government to senior citizen beneficiaries across the country. She explained that 800 contract employees of DSWD are currently responsible for the distribution of senior citizen entitlements. She surmised that if the DBM approved the 206 permanent employee positions, the NCSC would need to hire contractual staff to cover the DSWD's distribution zones.

Senator Pimentel remarked on the abundance of contract workers. Senator Marcos stated that the 800 contractual employees recruited to distribute social security pensions will be absorbed by the panel and not retained by the DSWD.

Senator Pimentel expressed apprehension that the DSWD was so specialized that it has employed both regular and contractual employees to perform the same function. Senator Marcos stated that there were multiple components to the effort: first, the management of the database, which has been a source of contention due to the fact that there are four million beneficiaries, or about 8% of the total population of 106 million; and second, the distribution of the social pension to the beneficiaries, which was being done door-to-door.

Senator Pimentel surmised that the DSWD trains its employees to multitask, and doubted that the 55 plantilla personnel and the 800 contractual staff fulfill a single responsibility or function.

Asked on the amounts for PS and MOOE, and on the 42 positions that have been filled at a cost of around P56 million, Senator Marcos stated that the NCSC was established in 2019, but the commissioners were appointed in 2020 and 2021, and that the commissioners observe collegiality and have had a quorum since January 2022.

Senator Pimentel stated that Republic Act 11350, or the National Commission on Senior Citizens Act, mandates the Commission's following functions:

- (a) Ensure the full implementation of government laws, policies, and programs pertaining to senior citizens; review and conduct studies on the same, and recommend appropriate actions to Congress and the President;
- (b) Formulate policies for the promotion and protection of the rights and well-being of senior citizens;
- (c) Conduct information, education, and communication campaigns to raise awareness on the rights of senior citizens;
- (4) Establish and maintain cooperation and consultations with local government units and national government agencies on all matters pertaining to the general welfare of senior citizens; and
- (5) Represent the Philippines in international functions, fora, or conferences pertaining to senior citizens....

x x x

In this regard, he inquired about the Commission's efforts and accomplishments based on the functions he enumerated. Senator Marcos stated that the panel has reported on their efforts to involve elderly citizens in nation-building, specifically by meeting with local government units to construct satellite offices within the LGU's jurisdiction.

Senator Marcos responded in the negative when asked if the NCSC had requested capital expenditures to construct infrastructure and satellite offices, stating that it had urged the LGUs to allocate a corner spot in their communities to elderly residents.

As to who would man the senior citizens desk, whether the persons in charge would be holding plantilla positions or job order, and whether the budget would come from the commission or from the local government, Senator Marcos believed that in the meantime, the Office for Senior Citizens Affairs, which is the local senior citizens' organization, would be in charge. However, she assumed that the commission would reinforce the local OSCA by sending its own people to represent the commission and do the bulk of the work in cooperation with the OSCA. She added that the commission was hoping that there would be someone who could answer requests and handle complaints of the senior citizens, considering that crimes against senior citizens, like abuse, abandonment and maltreatment, are rampant in society.

Asked if the commission has a data base regarding such cases, Senator Marcos stated that the commission was building the database. She believed that the matter could be a subject of legislation because while the acts mentioned are punishable under Philippine laws, those crimes should have stricter definition and heavier penalties. But she admitted that all these initiatives were still being worked out.

To Senator Pimentel's observation that the commission had not shown concrete proof of performance, Senator Marcos replied that the commission expressed its advocacies for the protection of the rights of the senior citizens through the senior citizens party-list representative in Congress. But Senator Pimentel suggested that the commission also communicate to the senators their advocacies. He said he would later read into the records the speech of a senior citizens party list congressman.

Senator Marcos stated that Chairman Quijano was cognizant of the complaint of senior citizens party list Representative Rodolfo Ordanes who also sought an investigation to hold accountable the commission's chairman for leadership failures and other anomalies.

Senator Pimentel said that as in other commissions, he would like to inquire into the travels of the officials of the senior citizens commission. Senator Marcos averred that attending fora and conferences was not listed among the duties of the commission.

d

Nonetheless, Senator Pimentel observed that the commission lacked output although he could not solely blame the chairman because the commission is collegial. Senator Marcos noted that indeed, after two or three years, the commission still had no organizational structure or staffing pattern, although the approval of the 206 position items was being resolved by the DBM.

Senator Pimentel noted, however, the commission's original allocation of P30 billion which was increased by P20 billion by the Senate and by P5 billion by the House of Representatives, which increases were intended to fund the new law on the social pension of the indigent senior citizens. Senator Marcos averred that in 2022, only 80% was funded for the more than 204,000 beneficiaries. She stated that only a little amount was needed to cover the budget and she confirmed the availability of the funds that would be added to the P30 billion programmed allocation.

However, Senator Pimentel noted that the problem with the additional funds for the unprogrammed appropriation was how such would be realigned from the loan proceeds of foreign-assisted DOTr infrastructure projects to the social pension of the indigent senior citizens. Senator Marcos stated that the process was prohibited both by the DBM and the DOF, so the unprogrammed funds of P25 billion for the social pension would have to be derived from excess income, which was doubtful.

As to the people running the commission, Senator Pimentel stated that Commissioner Mercado had left the commission and was appointed undersecretary of DepEd making the Visayas post vacant. Senator Marcos then identified the remaining officials of the commission and their background, as follows: Chairman Franklin Quijano, lawyer and former mayor of Iligan City; Commissioner Ricardo Rainier Cruz III, former lieutenant-general of the Philippine Army; Commissioner Enriqueta Rodeles, retired BIR practitioner and CPA expert; Commissioner Edwin Espejo, journalist; and Commissioner Aida Yap-Patron, doctor and expert in education.

Asked whether Commissioner Reymar Mansilungan finished his college studies, Senator Marcos answered in the negative. However, she said that he might have been appointed for having relevant experience in the affairs of senior citizens or might have invoked his qualifications in journalism, as conservator, and as the senior citizens chairman for PDP-Laban.

Senator Pimentel believed that the mere fact that a person is of senior age does not automatically qualify him for the position as there are other qualifications like good health, sound mind, good moral character, and must be recommended by a general assembly of senior citizens organization.

Asked whether each of the commissioners as well as the chairperson had produced proof that they were recommended by a general assembly of senior citizens association, Senator Marcos replied that a recommendation by the Federation of Senior Citizens Association of the Philippines, Daet Chapter, Camarines Norte, was provided by Commissioner Mansilungan. She said that she would ask the commission to provide the Senate with a copy of the recommendations including that of Commissioner Mansilungan.

Senator Pimentel recalled that Commissioner Mansilungan wrote him before, complaining about a local political issue in Daet, which the senator ignored because it involves local politics. But what caught his attention, he said, were the obscene pictures attached to the letter. He wondered what kind of a person would do that in the name of local politics. Senator Marcos said that the commissioner explained that he only sent to Senator Pimentel, being the party president, what was relayed to him (Mansilungan).

But Senator Pimentel argued that it was not the proper thing to do for a 57-year old gentleman to spread a nude picture of a young woman whose face was not even shaded. He added that the woman was not even a politician.

Senator Marcos said that the picture was extracted from public sources such as Facebook and social media. Senator Pimentel called the commissioner “*lalaking Marites*,” even as he was supposed to represent the best of the country’s senior citizens.

Senator Pimentel recalled that after he won the 2019 elections, Commissioner Mansilungan filed two quo warranto cases against him in the Senate Electoral Tribunal (SET), seeking to declare him ineligible for the 2019-2025 Senate term because he had exceeded term limits; however, the petition was summarily denied.

In light of the political rift in PDP-Laban, he disclosed that Commissioner Mansilungan filed a non-bailable case of qualified theft and estafa against the party treasurer on the grounds that the latter refused to account for the P1,000.00 party funds allegedly collected from each of the members, but the case was dismissed in a summary proceeding. As a result, he lamented that a member of the National Commission for Senior Citizens had ruined the reputation of the PDP-Laban national treasurer.

Senator Marcos responded affirmatively when asked if NCSC employees were government workers. Senator Pimentel emphasized that, as a general rule, appointive officials must stay out of politics; therefore, Commissioner Mansilungan was charged with an electoral offense for electioneering and an administrative case before the Office of the President, despite his claim that he was on leave from his public position when he attacked certain political figures during the election campaign.

Senator Marcos agreed, after reviewing Commissioner Mansilungan's statements during the press conference, that the commissioner was still an active member of the party when he filed a petition for the cancellation of PDP Cares as a partylist; thus, his actions were still relevant despite having been committed in the past.

Senator Pimentel added that any pronouncements aimed at favoring or disfavoring a candidate or politician was considered an election or campaign act. He then hoped that only Commissioner Mansilungan was facing charges, as the NCSC, which was comprised of achievers and professionals, was meant to function as a collegial body — an outlier with a unique personality.

Senator Marcos informed the Body that one of the NCSC's commissioners, Gloria Mercado, who holds a doctorate in education, was recently pirated by the DepEd due to her exceptional credentials.

Senator Pimentel reiterated that due to the nature of their appointment, commissioners and officers of the agency are prohibited from engaging in politics, whether in their personal capacity or while on leave. He noted that almost every household contains a senior citizen constituent.

He also observed that the NCSC's budget in non-election years was P40.7 million in 2021, P173.7 million in 2022, and P82.8 million in 2023. When asked what caused the increase in the commission’s budget for 2022, Senator Marcos responded that the increase was due to the purchase of vehicles that have not been purchased to date.

In response to Senator Pimentel's statement that there was no mention of vehicles in the 2023 budget, Senator Marcos stated that the amount could be found under the capital outlay item in Annex B with an unobligated amount of P31,400,000.

Senator Pimentel wondered if the NCSC was influenced by politics because, despite claiming zero capital expenditure in the NEP, its obligation rate was only 35%, allowing the increase in MOOE to be used for political purposes. Senator Marcos responded that the very low obligation

rate was due to the commission's failure to hire the required 206 personnel. Senator Pimentel hoped the commission could commit the funds until December 31, 2023.

Senator Marcos stated that the continuing appropriation for 2021 was P9 million, so the total available appropriation as of October 31, 2022 was P129.9 million, which would be carried forward to 2023.

Senator Marcos stated that the House of Representatives allocated an additional P25 million to the NCSC for the MOOE, and that the Senate subcommittee allocated an additional P90 million to cover additional personnel as authorized by the DBM.

Asked if the additional funds would be added to the current available appreciation, Senator Marcos concurred and stated that the total funding for NCSC in 2023 would be P193 million, since the original NEP was P78.343 million plus P129.9 million from the 2022 unobligated funds, if the DBM would permit them and Congress extends the validity of GAA 2022.

Asked if the P90 million MOOE was allocated for payment of contractual employees rather than for employees in plantilla positions, Senator Marcos explained that P40 million of the P90 million budget was restored to the NEP because the Senior Citizen Rights and Welfare Development Program, which had been eliminated in its entirety, was reinstated due to an increase in elder abuse.

Concerning the program's components, she stated that complaints against non-compliance of the 20% discount for medicines, medical equipment, and other personal use of the senior citizen would be investigated, and an effort would be made to report to the police abandonment, abuse, and other issues against seniors.

Senator Pimentel remarked that it was a good name for the program and wished that the recipients would actually feel its benefits.

At this point, he said that he would be reading into the Record the speech of a Member of the House of Representatives, which at some points, he would paraphrase. He then lauded the commissioners, whom he deemed fit to serve as public servants, staying late into the night to see through the budget deliberation of the Commission.

He stated that at first glance, the budget of the Commission appears to be that of a small government agency. However, he opined that his fellow senators might be in for a surprise after a three-year transition. Senator Marcos stated that the social pension would increase, which she estimated would amount to more than P50 billion. Senator Pimentel emphasized the importance of having the right people on the Commission, who should not only be knowledgeable, qualified, and competent, but also honest.

Noting that the DSWD was already implementing a computerization program to prevent duplication of benefits, fraud, and wastage, he pointed out the need for a similar strategy at the Commission—to invest in computer systems to deal with the same issues. Senator Marcos stated that there was ground to consider establishing a mere policy formulation and planning type of organization rather than a full-blown implementing agency. However, she stated that the law was unambiguous. Senator Pimentel responded affirmatively and acknowledged the financial implications of the law, which he believed the Body had either not anticipated or had anticipated but was willing to accept.

Senator Marcos responded that she was uncertain as to which of the two possibilities was accurate. She stated that she was not privy to the discussions surrounding the drafting of the

law because she was not a member of the Seventeenth Congress. She stated, however, that the social allowance would only increase and never be decreased.

Senator Pimentel stated that the question of whether the government should establish a new mechanism for distributing the stipend to the recipients remained.

At this juncture, Senator Pimentel read to the Body the speech of Rep. Rodolfo "Ompong" Ordanes, the representative of the more than 12,000,000 senior citizens in the House of Representatives under the Senior Citizens Party-List. He believed that the congressman was also the chairman of the Special Committee on Senior Citizens.

Following is the speech of Representative Ordanes as delivered by Senator Pimentel:

"I am speaking before you today to bring to light the troubling events that I have observed in the National Commission of Senior Citizens under the leadership of Chairman Franklin Quijano. As you know, the National Commission of Senior Citizens was borne out of the collective effort of the party-list members of the Seventeenth Congress, Senior Citizens' former President Rodrigo Roa Duterte, who aspired to have a specialized government office that will advocate for and protect the rights and welfare of our senior citizens.

In 2020, Chairman Quijano was then appointed to lead the Commission and ensure that the goals of Republic Act No. 11350 are realized. However, two years have already passed under his leadership and yet, the NCSC has languished in reaching its milestones and has yet to make any significant progress in shepherding the transition of the functions of the DSWD for senior citizens into his department. I have also received various complaints from both senior citizens, the agencies involved, senior citizen organizations, and the Commission itself—ranging from acts amounting to conflict of interest, [take note po], abuse of authority, grave abuse of discretion amounting to lack or excess of jurisdiction, and negligence in the performance of his duty.

According to the complaints and reports I have received, the NCSC, under the leadership of Chairman Quijano:

- 1) Has failed to create a workable organizational structure and staffing pattern for the commission, nor has he made an actionable and strategic expenditure plan for 2023.
- 2) He submitted the 2023 NCSC budget proposal to the Department of Budget and Management even though it did not undergo deliberation and approval of the Commission as a whole. In fact, I received a report that he has allowed travel and staffing expenses unilaterally, and without consultation again of the Commission.
- 3) Our Chairman, and Commissioner Mansilungan even engaged in a so-called listening tour, where they travelled around the country to supposedly talk to senior citizens; disregarding the fact that each commissioner has their respective territorial jurisdictions; and the so-called tour violates it. Moreover, this was not approved by the Commission, and this is a waste of public funds. This is why I wonder why our Chairman and Commissioner Mansilungan continue to engage in this activity.
- 4) However, while our Chairman continues to request more funds from the government, he has underutilized P15 million of their budget. In 2021, P15 million that could have been used for the benefit of our social citizens are now wasted.
- 5) To make things worse, I have heard that Chairman and Commissioner Mansilungan have openly prioritized a senior citizen organization-SCWAP over the DSWD-accredited FSCAP. In fact, they even openly recruit for this organization, for reasons I cannot understand.
- 6) If the head of our Commission and one of his Commissioners show favoritism to some senior citizen organizations in which he maintains membership, how then can senior citizens trust the Commission to be objective in delivering their duties for all of them?
- 7) In addition, we have received reports that they, together with his SCWAP, have asked senior citizens to sign up to become its members and give their sensitive personal information

9

with the promise that they will become beneficiaries of the social pension. Since when did becoming a member of an organization such as this become a qualification to become a recipient of the social pension?

- 8) Aside from the above, the Commission still lacks an executive director because he-[referring to Chairman Quijano]-bypassed qualified individuals with the required CESO for the job for reasons I do not understand, especially, given the importance of having someone appointed to the said role.
- 9) While he delays the appointment of the executive director, we have received reports that he has appointed individuals with dubious character as his staff. One has been convicted and was even imprisoned for gun smuggling in the United States; a person liable for tax evasion; another has been charged with Violence Against Women and Children; and lastly, one has an organization that became liable for extortion. Dear Chairman, how can you fix the Commission when these are the individuals that you tasked with the running of it? Do you think this is the Commission that we, senior citizens, deserve? A commission whose employees are of questionable character.
- 10) I have even heard reports and received the photo and written evidence where he has allegedly appointed individuals to positions in the NCSC, such as appointing people as regional directors. This grossly goes beyond his authority, as the said position still does not exist as he has failed to successfully pass an organizational structure and staffing pattern for the Commission. Thus, any alleged appointment is an abuse of his authority and is patently illegal.
- 11) What is worse? Because he continually prioritizes these kinds of activities that border politicking unbecoming of a head of a government agency, the needs of the Commission itself have been relegated to the backseat. This is why the transition remains at a standstill; programs and policies for our senior citizens remain dreams for us; and the Commission itself has been turned upside down and in continuous strife. In fact, in what could be the perfect example to encapsulate this negligence in duty, our Chairman failed to secure a permanent office for the Commission even after already leading the Commission for two years. It came to a point where even the Office of the President had to terminate their temporary accommodations in the palace because the Chairman failed to procure a different office even after multiple reminders from the Office of the President.

We, senior citizens, deserve better. Two years is already long enough. Our Commission should not be used as a vehicle for anyone's political aspiration, even that of the Chairman, but rather, for the service of our senior citizens. Most of us cannot wait any longer for the realization of our aspirations-for us, and the Commission as a whole."

Paraphrasing Representative Ordanes' speech, Senator Pimentel stated that the former was very disappointed because of the continuous failure of the Commission to deliver on its promises under the leadership of Chairman Quijano. He believed that his leadership has effectively constrained any efforts from his fellow commissioners to usher the commission to greater heights.

He informed the Body that the congressman had already requested an investigation into the matter in the House of Representatives. Senator Marcos responded affirmatively and noted that the lawmaker had filed House Resolution No. 326, requesting an investigation into the status and operations of the National Commission for Senior Citizens. She added that the bill is pending before the House Committee on Public Accounts.

Senator Pimentel believed that the issue should be addressed during NCSC budget discussions. Senator Marcos responded affirmatively, adding that she understood the necessity of the measure. She stated, however, that she also received a letter from Representative Ordanes on October 12 recommending that Commissioner Mansilungan join the NCSC.

Senator Pimentel stated that the alleged acts discussed in the speech occurred after the Commissioner joined the NCSC. As a public official who recommended a candidate for the position



of commissioner, he stated that Congressman Ordanes would not be barred from raising complaints about his candidate. Senator Marcos pointed out that money was also mentioned in the aforementioned allegations.

Senator Pimentel confirmed Senator Marcos's observation, as well as the misuse of office and certain travel-related expenses charged to the Commission. In this regard, he deemed it necessary to receive a response from the chairperson and his commissioners regarding Representative Ordanes's concerns. He noted that the allegations made regarding the SCWAP would be of particular significance. He then proposed that the Body coordinate with the Securities and Exchange Commission in order to obtain information about the SCWAP's incorporators and registration information.

In response to the allegations made against the NCSC, Senator Marcos referred to a document signed by all six NCSC commissioners and given to her by Chairperson Quijano. She then paraphrased the document's contents, to wit: 1) that there was no bypassing of the Commissioner for Visayas and Mindanao or disregard for the collegial nature; 2) that it has, in fact, reached its milestones despite the inherent difficulties of government; 3) that it cannot have a permanent office because it cannot form its own BAC; 4) that it is not true that Malacañang asked them to vacate the palace grounds; and 5) that listening tours and consultative meetings were essential to understanding the senior citizens in various localities and that they were even more urgent at the height of the pandemic.

At this point, Senator Marcos questioned how tours could be conducted during the lockdowns. By senior citizens, nonetheless, added Senator Pimentel.

Senator Marcos then resumed paraphrasing the reply of the commissioners, to wit: 6) that it denies having given any preference to any particular senior citizen organization and that it has required sensitive information; 7) that it was incorrect to state that the Commission hired individuals of questionable character prior to engagement as they were all required to submit NBI clearances and could have been immediately disqualified if they had failed to do so; 8) that Chairperson Quijano had long wanted to have an executive director but that "issues as to the manner of selection could not be discarded"; and 9) that a CESO officer with five years of experience has not yet been found.

In response to a question about the Senior Citizens Welfare Association of the Philippines (SWCAP), Senator Marcos explained that since it was one of the senior citizens' organizations that became active on social media during the pandemic, the NCSC was compelled to use its services rather than those of the DSWD-accredited Federation of Senior Citizens Associations of the Philippines (FSCAP), which was unreachable at the time. She stated that the commission was contracting the services of multiple organizations, including the FSCAP, without expressing favoritism against any particular group.

Senator Marcos responded that SCWAP is a SEC-registered entity; however, the SEC documents were never sent to the organization's chairwoman.

Senator Pimentel inquired about the identities of the organization's incorporators and board of trustees to determine if they are acquaintances or relatives.

At this juncture, Senate President Zubiri inquired as to whether older individuals are required to join an organization in order to obtain benefits. Senator Pimentel stated that it was the allegation against Chairman Quijano and Commissioner Mansilungan based on the complaints and reports received by the representative of the senior citizens' party-list.



Senator Marcos stated that the commission's stance was that it was not responsible for social pension benefits during the transition period because the list of recipients was maintained by DSWD, which was also responsible for the actual payments.

Senate President Zubiri stated that the NCSC does not physically hands out the payments because unlike AICS and TUPAD, it lacks the necessary people.

Given the enormous amount of money allotted to the NCSC, Senator Pimentel urged that the Body strictly monitor the funds' use, especially since the commission's proposed budget had been increased to P50 billion, which was substantially greater than in 2022.

Senator Marcos noted that the NCSC does not have access to such data because the DSWD was responsible for accrediting senior citizen organizations.

Senator Marcos responded to the assertion that nothing prevents the NCSC from constructing its own informal database by stating that the DSWD has not yet provided the commission with its files.

Senator Pimentel concluded by stating that he would conduct additional research on the numbers and await the COA report to determine whether his fears were justified. He then expressed his hope that the NCSC was not being exploited to advance political agendas.

SUBMISSION OF THE BUDGET OF THE NATIONAL COMMISSION ON SENIOR CITIZENS

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the National Commission on Senior Citizens was deemed submitted for the Body's consideration.

SUSPENSION OF SESSION

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

It was 12:16 a.m.

RESUMPTION OF SESSION

At 12:32 a.m., the session was resumed.

COMMISSION ON HIGHER EDUCATION

Senator Cayetano (P) presented the P35,463,493 budget of the Commission on Higher Education (CHED), which included new appropriations of P893,000.

MANIFESTATION OF SENATOR GATCHALIAN

Senator Gatchalian began by recalling that he had raised the issue of a flawed provision in the implementing rules and regulations (IRR) of RA 10931, or the Universal Access to Quality Tertiary Education Law, which deprived Taguig City University, Pamantasan ng Lungsod ng Valenzuela, and Valenzuela Polytechnic College of their share of the free tuition reimbursements.

He recalled that CHED Chairman Prospero "Popoy" De Vera had pledged to bring the matter to the attention of the commission so that corrective measures could be devised.



He then thanked Chairman De Vera for his prompt response and stated that a resolution containing the suspension of Section 55 of the IRR and the retroactive reimbursement of tuition fees to the aforementioned schools had been distributed to the CHED commissioners. In addition, he thanked Senator Cayetano (A) for presiding over the committee hearing and allowing him to raise the issue.

Senator Cayetano (P) requested that Chairman De Vera inform Senator Cayetano (A) on the matter as well.

INTERPELLATION OF SENATOR HONTIVEROS

Senator Hontiveros stated that she had filed a resolution to investigate reported anomalies in the implementation of the CHED's Unified Financial Assistance System for Tertiary Education (UniFAST) program, specifically in the delayed and non-payment of students' tuition fees.

She also informed the Body that she had received a complaint from Dr. Agapito Lobaton, president of the Association of Higher Education and Institutions in Region XII, regarding the delayed release of test payments for the second semester of School Year 2020-2021 and for the first and second semesters of SY 2021-2022. She noted that the Department of Budget and Management (DBM) had informed them that the test payment budget had been released to its Regional Office in Region XII, but the schools had not yet received funding.

Concerned that approximately 226,000 qualified students will be denied free tertiary education as a result of budget cuts to the CHED, she stated that she supported calls for additional funding for the agency, but that she required assurance that the funds would be used judiciously.

Senator Cayetano (P) replied that representations could be made to the DBM to release the funds earlier so that the Commission could allocate the necessary financial resources to its regional offices, which would then transfer them to the schools and, ultimately, the students.

Senator Hontiveros noted that complaints had been lodged as early as 2019 and as late as 2022, a period of time she deemed sufficient for systemic repair. She emphasized that for marginalized students, even a small delay can cause immense stress and anxiety due to the uncertainty of whether or not they will be able to continue their education on time.

Senator Cayetano (P) concurred that the delays are detrimental to the students' wellness. She then clarified that for the specific case earlier raised by Senator Hontiveros, the school had received the funds totaling P21,846,300 on September 28, 2022, or two weeks after the funds were downloaded to the CHED Regional Office.

Senator Cayetano (P) stated that in addition to the anxiety associated with passing subjects and acquiring the necessary materials for their studies, delayed tuition fees would also cause a great deal of stress for students. She stated that she would personally address the matter with the DBM Secretary.

Senator Hontiveros stated that the CHED complaint was just one of more than 400 complaints her office has received from the 2019-2020 school year through the current school year, which the COA has also observed. She questioned why the CHED had not taken action on the issue after three years, despite 400 complaints, and repeated observations by the COA over the course of several fiscal years. She assumed that similar complaints existed prior to those compiled by her office.



Senator Cayetano (P) explained that the CHED submits its list and funding request every year in July. She stated that the DBM requires the agency to provide complete information on each student for the CHED to verify. Since it is a new administration, she stated that she has had fruitful discussions with the Secretary on a variety of issues. She assured the Body that she would convey to the department the difficulties the students face as a result of budget download delays.

Senator Hontiveros noted that the problem began during the previous administration and has continued into the current administration. She then inquired about the corrective measures CHED would take to prevent a recurrence, ensuring that the students who filed the complaint would receive compensation and prevent a repeat of the situation.

Senator Cayetano (P) clarified that in non-election years, CHED requests funding in April and receives it in June; for 2022, the request was made in July, after the election ban.

Senator Hontiveros stated that the school years mentioned by Senator Cayetano (P) account for the majority of the 400 complaints. Since 2022 is an election year, she believed that the CHED has found another cause for the issue. In light of the upcoming Senate Blue Ribbon hearing on the resolution she filed on the COA report, she surmised that the complainants may have found the courage to file their grievances with the new administration. She then inquired about new measures that would ensure the problem would be resolved and that the number of complaints would not increase, given that elections would not occur within the next three years.

Senator Cayetano (P) stated that CHED will sit down with DBM, and they will announce to the public when the anticipated release date will be so that students are aware and schools do not need to periodically remind students of their payments. She emphasized that the agencies will convene to clarify everything, expedite the release of information, and make the appropriate announcements.

In response, Senator Hontiveros thanked Senator Cayetano (P) for the additional actions that must be taken. She hoped that when the Senate hears the issue, additional findings and recommendations will be made to implement the UniFAST Act properly.

Senator Hontiveros stated that there have been reports that students fear filing complaints with the CHED for fear of retaliation from the CHED or higher education institutions. She proposed that the CHED implement an anonymous feedback or reporting system to receive reports of anomalies.

Senator Cayetano (P) explained that the chairman receives complaints via his Facebook messenger. She believed that it is one thing for students to believe they are not being heard, but it is crucial that they receive an acknowledgment receipt for their complaints. She assumed that improving the feedback mechanism would not be a problem, but the Body should be aware of the fear that CHED will take action against them if they report anomalies. She believed that the school, rather than CHED, would have direct access to the student. Additionally, she concurred that responding to students' comments could boost their self-assurance. She then advised the chairperson to address the issue.

Senator Hontiveros proposed that the CHED implement a feedback or reporting mechanism for anonymous complaints, as 400 complainants have written, messaged, or emailed her office about the hardships they face due to the delay or non-receipt of UniFAST benefits. She stated that the complainants specifically requested anonymity out of fear of retaliation. She stated that fear need not be a rational emotion, but the students are concerned that if they complain, they will lose their program benefits. She surmised that the feeling of dread was a result of the problem's recurrence over the past three years. She emphasized that the CHED implemented an anonymous feedback or reporting system.



Senator Cayetano (P) agreed with Senator Hontiveros that all information should be accepted. She expressed concern that they might not have access to additional information. She stated that her office frequently receives information on finding solutions that is incomplete, requiring them to go back and forth to obtain the complete information. She emphasized the need for the agency to also have a follow-up mechanism, even though she does not know the technology to be applied to make it appear as a submission. She opined that the CHED should develop fill-in-the-blank type questions – those that are leading questions to help elicit responses; otherwise, they may not obtain all the necessary information. She then urged the CHED to develop the feedback or reporting mechanism and submit its findings to the Body.

Senator Hontiveros believed that the CHED could establish a mechanism that would provide the complainant with a sufficient level of anonymity for him or her to come forward with confidence. She expressed confidence that by the time the issue is heard by the Senate, resource individuals who have directly experienced their problems with UniFAST will have the courage to share their story.

Senator Cayetano (P) informed the Body that the CHED already has an automated chat box on their social media page, while Chairperson De Vera has his own Facebook page – Professor Popoy De Vera – which leads directly to the chairperson; and UniFAST has its own website – unifast.gov.ph. She stated that she has seen the website but noted that it lacks anonymity because students are required to provide their first and last names and school. She believed that, at the very least, the school's name could be concealed. She suggested that the CHED meet with Senator Hontiveros's staff to determine how to proceed with the issue, given that there should be some level of trust at some point.

Senator Hontiveros concurred with Senator Cayetano (P) that it is preferable to have alternative channels or venues where a person can file a complaint. She stated that her office is willing to find a way to maintain the anonymity of the feedback or reporting mechanism, while students who are willing to come forward can use the older channels. She added that school administrators and CHED regional officers threaten students with expulsion or the revocation of their scholarship.

Senator Cayetano (P) requested that the matter be immediately forwarded to the CHED because threats against students are unacceptable. As the Senate does not tolerate any form of threats, she urged Senator Hontiveros to have her staff meet with CHED's leadership.

Senator Hontiveros stated that in addition to students, school administrators and principals have also received threats and have asked to remain anonymous. She stated that something should be done about the lack of trust, and that the long-standing issue should be resolved.

In response to the inquiry of Senator Cayetano (P) as to whether the schools involved are private or SUCs, Senator Hontiveros stated that both types are involved.

Senator Cayetano (P) stated that public schools are members of the Philippine Association of State Universities and Colleges (PASUC) and the UniFAST Board. She stated that she has seen the board resolve their problems, including those she has with universities and CHED.

Senator Hontiveros recalled that she had raised the issue of ghost scholars during committee hearings, as it has been reported that HEIs submitted ghost scholar applications to the CHED for the tertiary education subsidy scholarship program.

In response, Senator Cayetano (P) stated that the CHED was unaware of the existence of ghost scholars. She stated that if it refers to the so-called “double scholarship grants” awarded to



338 students in Regions II and V, the matter has been investigated and 123 students from the HEIs have already returned the double payment; while 215 students are in the process of settling.

On whether the double scholarship and the ghost scholar are identical concerns, Senator Hontiveros stated that the two issues are distinct. According to her, the double scholarship is one of the issues in certain regions, as reported by COA. Senator Cayetano (P) stated that the CHED is unaware of ghost scholarships and requested that the matter be communicated to the agency so an immediate investigation can be conducted.

Senator Cayetano (P) opined that there should be a lead in the investigation of the ghost scholarship allegations in order to pinpoint areas on where to begin. She said that the Body would be needing more information in order to push CHED to work on the issue.

Senator Hontiveros hoped that the CHED would take the initiative to work with her office since the call to investigate the HEIs on complaints on ghost scholarship would help the department ensure that HEIs would remain compliant. Senator Cayetano (P) replied that the CHED would be pleased to oblige to the request as it has already formed its task force on the matter. But Senator Hontiveros expressed surprise that the CHED had not received any reports or complaints on the ghost scholarship issue.

On another matter, Senator Hontiveros stated that stakeholders approached her regarding HEIs misusing or mismanaging funds which have resulted to students' unclaimed benefits, such as tuition and other allowances. As to whether the CHED was already aware and investigating the matter, and whether CHED could provide the number of HEIs penalized for the offense, Senator Cayetano (P) affirmed that the CHED Chairman was very familiar with some of the cases. She disclosed that one particular case involved an HEI that received P60,000 and was supposed to keep a certain amount of it only as payment for the tuition and miscellaneous fees while distributing the rest of the amount as students' allowances. She said that some of the cases of HEIs withholding funds which were intended for their fiduciary safekeeping only had been investigated and settled. She opined that a deliberate act to withhold such funds could already qualify as *estafa*. She also confirmed that there were still ongoing investigations on similar cases but the CHED has yet to provide a list of the schools under investigation. She said she had also called on the chairman to prosecute the individuals who had the intent to commit fraud when they withheld the funds.

As to whether individuals have been penalized for the mismanaged funds, Senator Cayetano (P) replied that the funds involved were returned and some of the issues had been resolved but the department was still consulting their legal team on whether to file criminal and administrative cases against those involved. She added that the department's legal team only had three lawyers and were requesting additional lawyers to take on the possible filing of cases. She confirmed that no one had been penalized for such criminal act.

On another matter, Senator Hontiveros stated that the European Maritime Safety Agency (EMSA) had flagged the Philippines' shortcomings with regard to the education and training of its seafarers. As provided under the Higher Education Act of 1994 (Republic Act No. 7722), she said that the CHED formulates and implements academic policies and standards for maritime education, takes the lead on the education and training, and challenges all maritime schools, institutions, or training centers to maintain and/or continuously upgrade the quality and standards of education and training.

Asked to confirm whether the design of the courses administered by the CHED includes Bachelor of Science in Marine Engineering (BSMarE) and Bachelor of Science in Marine Transportation (BSMT), Senator Cayetano (P) replied in the affirmative.

Senator Hontiveros continued to state that the EMSA found that the relevant authorities, including CHED, did not ensure that the maritime education and training in the country was



structured in accordance with written programs and had not included the methods and media of delivery, procedures, and course materials necessary to achieve the prescribed standards of competence as required by the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Convention. She added that the EMSA also stated that both the CHED and the Maritime Industry Authority (MARINA) did not sufficiently ensure that all training and assessment activities carried out by Maritime Education and Training (MET) institutions and Maritime Higher Education Institutions (MHEIs) were administered, conducted, monitored, evaluated, and supervised as required by the STCW Convention.

As to the number of existing MHEIs and accredited assessment centers and as to the number of graduates both have been producing annually, Senator Cayetano (P) replied there were 83 schools under the CHED's jurisdiction while the training centers were directly under the MARINA and outside CHED's jurisdiction. As to the specific number of graduates, she said that the CHED was still checking the data.

Senator Hontiveros then asked for the number of public maritime training centers under the government. She also asked whether the MHEIs under the CHED and training centers under the MARINA have the simulators required by the SCTW Convention. Senator Cayetano (P) replied in the affirmative.

Senator Hontiveros stated that there were anecdotes claiming that there were MHEIs or training centers located in landlocked areas that do not have simulators.

As to what happened with non-compliant MHEIs and training centers, Senator Cayetano (P) replied that about 15 non-compliant maritime education programs of MHEIs have already been closed. On further queries, she clarified that MHEIs that have programs other than the closed non-compliant maritime education programs have been continuing its operation since not all programs offered by the said schools are maritime-related programs.

As to how the CHED intended to address the key findings from the audit report on maritime education programs and trainings offered in the country, Senator Cayetano (P) replied that the department intended to do the following:

1. Attend to the development and issuance of revised policies, standards and guidelines (PSG)—or the curriculum—for implementation of maritime HEIs starting the school year 2022 to 2023; and
2. Revise the PSG focuses on outcome-based education and, hence, concerns such as the assessment, examination, and assessments of competence were already addressed.

As to the non-compliance of MHEIs, Senator Cayetano (P) stated that the CHED had reduced the number of MHEIs from 128 to 83 since 1994 to 2022; it had closed an additional 15 maritime programs as of 2022; and it had imposed a five-year moratorium on the opening of new maritime programs. She said that the CHED had been attending to the development of standardized course packages, and upon the President's instruction, the agency would be working with the DOTr, DOLE, and DMW in implementing more reforms in order to comply with all of EMSA's observations.

As to the basis for the duration of the five-year moratorium on the opening of new maritime programs, Senator Cayetano (P) replied that the period of five years would give CHED enough time to focus on evaluating and working with the existing schools without, at the same time, having to deal with the opening of new ones that would most likely be the same schools closed by the CHED and disguising as differently-owned schools reapplying for opening.



On whether the development of standardized course packages was the department's response to the audit report that the MARINA and the CHED had not yet completed the design of the programs of study for the BSMT and BSMarE programs, Senator Cayetano (P) replied in the affirmative.

Senator Hontiveros surmised that the curriculum mapping of the BSMarE program does not include knowledge, understanding, and proficiency items for two out of the 14 competencies specified by the STCW Convention.

On whether the budget items of the CHED included the mandate of the commission under the STCW Convention and how much would be spent for the purpose, Senator Cayetano (P) replied that the funds were included under operations.

On the issue regarding the qualification standards required by the EMSA which was not addressed for the past 16 years when the audit reports were initially received, she said that the line item referred to "development of standards of excellence for higher education programs and institutions" and the amount under the 2023 committee report compared to the previous year was increased to P95.78 million.

As to why the issue on qualification standards have not been met since 2006 COA observations, Senator Cayetano (P) averred that the number of observations were 126, and with the compliances, had been reduced to 23 which she felt was a significant decrease given that new observations keep coming.

Senator Hontiveros affirmed that the 80% decrease was quantitatively significant. However, she expressed concern that the remaining 23 audit observations may be qualitatively significant which caused the issue to appear in the news reports that the certificates of competencies of the Filipino seafarers were about to expire and that they would no longer be issued COCs unless the audit reports have been totally resolved.

Asked on the timeline for resolving the issues in time for the next audit, Senator Cayetano (P) stated that CHED would have to be guided by the timeline and other steps in moving forward to address the problem, together with the team that President Marcos Jr. created which is composed of CHED, DOTr, DOLE and DMW. She pointed out that there had been different observations from various team of examiners which made the issue a moving target. However, she noted the improvements on the observations made.

Senator Hontiveros expressed optimism that the new team constituted by the President might bring the half a million Filipino seafarers who board EU flagships some sense of employment security. However, she stated that the team might be setting its own timeline and might go as far as the five years to evaluate all the maritime AGIs and programs.

On further queries as to the schedule of the next audit and the findings, recommendations and actions to be taken, Senator Cayetano (P) said that after the observations were made and responses to observations were submitted, and if the responses were adequate, the Philippines might be getting a rectification on the observations in 2023.

MANIFESTATION OF SENATOR CAYETANO (A)

Senator Cayetano (A) believed that education has been a great equalizer in life opportunities, as many educated people in the CHED worked hard to get where they are now. He noted that CHED Commissioner De Vera had been in office for so many years since the previous administration and he has faced and addressed so many issues that came before him. He then

b

challenged the CHED, which has a new six-year mandate under the new administration, to come up with another breakthrough agency-sponsored legislation, after the UniFAST, that would give the students the best opportunities and a brighter future.

SUBMISSION OF THE BUDGET OF THE COMMISSION ON HIGHER EDUCATION

There being no other reservation for interpellation, upon motion of Senator Villanueva, there being no objection, the budget of the Commission on Higher Education was deemed submitted for the Body's consideration.

REMARKS OF THE CHAIR

Senate President Zubiri noted that there were still 16 senators present in the session hall at past one o'clock that morning and he thanked them for their hard work and dedication in passing the budget of the new administration.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no further interpellation, upon motion of Senator Villanueva, there being no objection, the Body closed the period of interpellations on House Bill No. 4488.

SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 4488

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

ADJOURNMENT OF SESSION

Upon motion of Senator Villanueva, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, November 21, 2022.

It was 1:43 a.m.

I hereby certify to the correctness of the foregoing.

Atty. **RENATO N. BANTUG Jr.**
Secretary of the Senate

Approved on January 24, 2023