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SENATE
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SESSION NO. 70
TUESDAY, 16 MAY 2023



NINETEENTH CONGRESS
FIRST REGULAR SESSION

PREPARED BY THE
LEGISLATIVE JOURNAL SERVICE
SENATE OF THE PHILIPPINES

SESSION NO. 70
Tuesday, May 16, 2023

CALL TO ORDER

At 3:34 p.m., the Senate President, Hon. Juan Miguel “Migz” F. Zubiri, called the session to order.

SUSPENSION OF SESSION

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

It was 3:35 p.m.

RESUMPTION OF SESSION

At 3:36 p.m., the session was resumed.

PRAYER

Sen. Cynthia A. Villar led the prayer, to wit:

Dear God, as we come before You today to pray for our beloved country, we find solace in the words of Isaiah 58:11, which declares, “The Lord will guide you always; he will satisfy your needs in a sun-scorched land and will strengthen your frame. You will be like a well-watered garden, like a spring whose waters never fail.”

Heavenly Father, we recognize that You are the source of all things, and we humbly request Your blessings upon our nation for economic stability, growth, and prosperity, while guiding us in our stewardship of the land, our efforts to safeguard the environment, and our commitment to adapt to climate change.

Grant us, O Lord, the wisdom and strength to confront the anticipated *El Niño* and our ever-changing climate.

Bless our farmers and rural communities who depend on the land for their sustenance and livelihood. In times of scarcity and adversity, be their steadfast refuge. Guide them in adopting sustainable agricultural practices. Empower them with knowledge and bless their efforts with an abundant harvest.



We beseech Your mercy, Lord, to safeguard our land from the devastating consequences of extreme weather events intensified by climate change. Shield us from prolonged droughts, catastrophic floods, and destructive storms.

Teach us, dear Father, to be responsible stewards of the environment and motivate us to preserve our precious natural resources.

Help us to unite as a nation and embrace the shared purpose of preserving our environment for generations to come.

As legislators, give us the fortitude and insight to advance policies that consistently promote sustainable agriculture, environmental protection, and climate resilience.

May our collective efforts lead to a sustainable world where future generations can prosper while living in harmony with the environment.

We ask all of these through Jesus Christ, our Lord. Amen.

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

With 21 senators present, the Chair declared the presence of a quorum.

Senator Cayetano (P) arrived after the roll call.

Senator Tolentino was on official mission abroad.

Senator Escudero was absent.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

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

- Philippine Ambassador to New Zealand, Her Excellency Ambassador Kira Christianne Danganan-Azucena;
- Consul General Christopher Patrick Aro;
- Mayor Pablo Lorenzo III and barangay chairpersons of Quezon, Bukidnon;
- Board Member Karla Adajar of the Third District of Laguna;
- Rep. Antonio Legarda, Jr. of the Lone District of Antique;
- Coun. Mikee Morada of Lipa, Batangas;
- Gen. Archie Macala, OIC-RD of PNP Region VI; and
- Coun. Paulo Macala of Lipa, Batangas.

Senate President Zubiri welcomed the guests to the Senate.

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. 69 (May 15, 2023) and considered it approved.

MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel recalled that during the previous session day, there were two instances where the Members discussed the *Rules*: first, during an informal discussion in the senators' lounge; and second, during the session. He said that during the discussions, the Members were made aware of the Period of Debate which includes the *turno en contra* wherein speeches for or against the bill are made. He believed that the senators should avail of that period.

As regards the second instance when he raised the issue of quorum, he opined that his motion should have been processed by the Body in accordance with the *Rules*. He pointed out that the rule that should have been applied was Section 45, which reads: "Should the question of lack of quorum be raised, the Chair, without debate, shall immediately proceed to a verification thereof by causing the reading of the roll of the senators and announcing forthwith the result."

However, he stated that when he approached the Senate Secretary and Atty. Laurel-Garcia while the session was suspended, they pointed to Section 99 on suspension and adjournment of the session as the applicable rule. He hoped that when a similar motion would be made in the future, the Body would process it in accordance with Section 45. He likewise suggested that before an important matter is called for consideration, a quorum should be first secured.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva thanked Senator Pimentel for continuously pushing the Body to study further and continue to learn from the *Rules*. He averred that the discussions the previous day gave the Members the opportunity to realize the difference between terms "interpellation" and "debates" and to learn how to avail of the *turno en contra*.

With regard to the discussion on the interpretation of the *Rules*, he read Section 45, to wit: "Should the question of lack of quorum be raised, the Chair, without debate, shall immediately proceed to verification thereof by causing the reading of the roll of the senators and announcing forthwith the result." Senator Villanueva averred that had Senator Pimentel raised a question of quorum, Section 45 should have been applied where the presiding officer could have immediately asked for a roll call. However, he pointed out that the motion of Senator Pimentel was to adjourn for lack of quorum, hence Section 99 was applied and the Senate President required the appearance of the Members who, at that time, were either in the lounge, in the restroom, or in other areas in the building. He said that after verification by way of roll call, it was determined that 16 Members were present and there was a quorum.

REMARKS OF THE CHAIR

Senate President Zubiri stated that the Body did not violate any rule of the Senate as Section 99 was applied in forming a quorum, without arresting a Member to compel his/her attendance. He stressed that since the main motion of Senator Pimentel was to adjourn, Section 99 (*Suspension and Adjournment of the Session*) should apply. Senator Villanueva averred that if the main question raised on the floor was the lack of quorum, the applicable provision shall be Section 45 of the *Rules*.

Senator Pimentel, for his part, maintained that the applicable provision in that situation was Section 45 and not Section 99.

INQUIRY OF SENATE PRESIDENT ZUBIRI

At this juncture, Senate President Zubiri sought clarification regarding the propriety of asking the Members in the Senators' Lounge to return to the Session Hall in order to determine the presence of a quorum.

Senator Cayetano (P) stated that she would have posed the same question as the Senate President. She recalled that she was the last person to return to the Session Hall because she was also the last person to discuss an item on the day's agenda with Senator Revilla.

In addition to apologizing for her tardiness, she also expressed her appreciation for the Senate President and the Majority Leader's gesture. She also said that she had no intention of depriving the Senate of a quorum because she also wanted to listen to the debate. As interpretation of the *Rules of the Senate* was being discussed, she deemed it necessary to address the matter of allowing each Member a minimum of five minutes to respond to a quorum call, whether it be to finish instructing a member of their staff, use the restroom, or consume a light snack, among other reasons.

Senate President Zubiri agreed with Senator Cayetano (P) that their colleagues should be given some leeway. Regarding the determination of a quorum, he said that the Secretariat could be tapped to invite the senators who were still present in the building to participate in another roll call of Members.

Senator Villanueva responded that he was discussing the *Rules* with the Senate Secretary, Attorney Bantug, and the Executive Director for Legislation, Attorney Laurel-Garcia, along with a number of staff members when the Senate President posed the query. He then echoed the sentiment of Senator Cayetano (P) on the matter. In this regard, he called the Body's attention as to the Senate President's power to compel the Members to attend the session, which he was also discussing with Senator Angara.

At this point, Senate President Zubiri said that the Body could provide additional clarifications to the *Rules*. After confirming that the Members are still in the building, whether in the lounge or the restroom, he stated that it is imperative to resume the session with a roll call of members, adding that the Body discuss other matters until a quorum is reached. In addition, he stated that no rule was broken in that regard.

REFERENCE OF BUSINESS

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

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Letter from the House of Representatives, informing the Senate that on 9 May 2023, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 3093, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE MUNICIPALITY OF SIBUCO, PROVINCE OF ZAMBOANGA DEL NORTE, AND APPROPRIATING FUNDS THEREFOR;



House Bill No. 7294, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN SITIO MAMBUCOG, BARANGAY ZONE XVI, CITY OF TALISAY, PROVINCE OF NEGROS OCCIDENTAL AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 7373, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE CITY OF ISABELA, PROVINCE OF BASILAN, AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 7532, entitled

AN ACT ESTABLISHING A MULTI-SPECIES FISH HATCHERY AND RESEARCH CENTER IN THE MUNICIPALITY OF BATO, PROVINCE OF CATANDUANES, AND APPROPRIATING FUNDS THEREFOR;

and House Bill No. 7533, entitled

AN ACT ESTABLISHING A MULTI-SPECIES MARINE HATCHERY IN THE MUNICIPALITY OF LIBMANAN, PROVINCE OF CAMARINES SUR, AND APPROPRIATING FUNDS THEREFOR.

To the Committees on Agriculture, Food and Agrarian Reform; and Finance

House Bill No. 7479, entitled

AN ACT DECLARING A PARCEL OF LAND LOCATED IN THE MUNICIPALITY OF PAOAY IN THE PROVINCE OF ILOCOS NORTE, A PROTECTED AREA WITH THE CATEGORY OF PROTECTED LANDSCAPE UNDER THE NATIONAL INTEGRATED PROTECTED AREA SYSTEM, TO BE REFERRED TO AS THE PAOAY LAKE PROTECTED LANDSCAPE, PROVIDING FOR ITS MANAGEMENT, AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 7506, entitled

AN ACT DECLARING A PARCEL OF LAND LOCATED IN THE MUNICIPALITY OF SAN FRANCISCO, IN THE PROVINCE OF QUEZON, A PROTECTED AREA WITH THE CATEGORY OF PROTECTED LANDSCAPE UNDER THE NATIONAL INTEGRATED PROTECTED AREA SYSTEM, TO BE REFERRED TO AS THE SAN FRANCISCO PROTECTED LANDSCAPE, PROVIDING FOR ITS MANAGEMENT, AND APPROPRIATING FUNDS THEREFOR;

and House Bill No. 7529, entitled

AN ACT DECLARING A PARCEL OF LAND LOCATED IN THE MUNICIPALITY OF SAN ANDRES, IN THE PROVINCE OF QUEZON, A PROTECTED AREA WITH THE CATEGORY OF PROTECTED LANDSCAPE AND SEASCAPE UNDER THE NATIONAL INTEGRATED PROTECTED AREA SYSTEM, TO BE REFERRED TO AS THE ALIBIJABAN PROTECTED LANDSCAPE AND SEASCAPE, PROVIDING FOR ITS MANAGEMENT, AND APPROPRIATING FUNDS THEREFOR.

To the Committees on Environment, Natural Resources and Climate Change; and Finance

House Bill No. 907, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE FIFTH LEGISLATIVE DISTRICT OF THE PROVINCE OF BATANGAS AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 1147, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE SIXTH LEGISLATIVE DISTRICT OF THE PROVINCE OF ISABELA, AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 1304, entitled

AN ACT CONVERTING THE ROAD STRETCHING FROM THE COMUNINARADO JUNCTION TO THE BARANGAYS OF TAGAYTAY, BARIW, PALANOG AND MAURARO IN THE MUNICIPALITY OF CAMALIG, PROVINCE OF ALBAY INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 1305, entitled

AN ACT CONVERTING THE ROAD STRETCHING FROM THE COMUNINARADO JUNCTION TO THE BARANGAYS OF BONGABONG, CAGUIBA AND PARIAN, IN THE MUNICIPALITY OF CAMALIG, PROVINCE OF ALBAY INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 1307, entitled

AN ACT CONVERTING THE DARAGA-LEGAZPI DIVERSION ROAD IN THE MUNICIPALITY OF DARAGA AND THE CITY OF LEGAZPI, PROVINCE OF ALBAY, INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 1308, entitled

AN ACT CONVERTING THE DARAGA-PILAR DIVERSION ROAD IN THE MUNICIPALITY OF DARAGA, PROVINCE OF ALBAY AND THE MUNICIPALITY OF PILAR, PROVINCE OF SORSOGON, INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 1312, entitled

AN ACT CONVERTING THE CAMALIG BYPASS ROAD IN THE MUNICIPALITY OF CAMALIG, PROVINCE OF ALBAY INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 1314, entitled

AN ACT CONVERTING THE ROAD STRETCHING FROM THE COMUNINARADO JUNCTION TO THE BARANGAYS OF COMUN, COTMON, AND DEL ROSARIO

IN THE MUNICIPALITY OF CAMALIG, AND THE BARANGAYS OF ALOBO, BURGOS AND BASCARAN IN THE MUNICIPALITY OF DARAGA, ALL IN THE PROVINCE OF ALBAY INTO A NATIONAL ROAD, AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 7539, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE THIRD LEGISLATIVE DISTRICT OF THE PROVINCE OF BATAAN, AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 7553, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE SECOND LEGISLATIVE DISTRICT OF THE PROVINCE OF DAVAO DEL NORTE, AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 7645, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE FOURTH LEGISLATIVE DISTRICT OF THE PROVINCE OF BUKIDNON, AND APPROPRIATING FUNDS THEREFOR;

House Bill No. 7647, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE LONE LEGISLATIVE DISTRICT OF THE CITY OF GENERAL SANTOS, AND APPROPRIATING FUNDS THEREFOR;

and House Bill No. 7648, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE SIXTH LEGISLATIVE DISTRICT OF THE PROVINCE OF BATANGAS, AND APPROPRIATING FUNDS THEREFOR.

To the Committees on Public Works; and Finance

House Bill No. 6936, entitled

AN ACT DECLARING THE TANAP AVIS FALLS, LOCATED IN THE MUNICIPALITY OF BURGOS, PROVINCE OF ILOCOS NORTE, AN ECOTOURISM DESTINATION;

House Bill No. 7541, entitled

AN ACT DECLARING MOUNT ANAHAWON, LOCATED IN BARANGAY BANLAG, CITY OF VALENCIA, PROVINCE OF BUKIDNON, AN ECOTOURISM ZONE;

House Bill No. 7546, entitled

AN ACT DECLARING MIGTALAHID FALLS, LOCATED IN BARANGAY DANSOLIHON, CAGAYAN DE ORO CITY, PROVINCE OF MISAMIS ORIENTAL, AN ECOTOURISM SITE;

House Bill No. 7547, entitled

AN ACT DECLARING BIRHEN FALLS, LOCATED IN BARANGAY DANSOLIHON, CAGAYAN DE ORO CITY, PROVINCE OF MISAMIS ORIENTAL, AN ECOTOURISM SITE;

House Bill No. 7548, entitled

AN ACT DECLARING IGBALALAY FALLS, LOCATED IN BARANGAY BALUBAL, CAGAYAN DE ORO CITY, PROVINCE OF MISAMIS ORIENTAL, AN ECOTOURISM SITE;

House Bill No. 7550, entitled

AN ACT DECLARING ULO BALONGKOT FALLS, LOCATED IN BARANGAY DANSOLIHON, CAGAYAN DE ORO CITY, PROVINCE OF MISAMIS ORIENTAL, AN ECOTOURISM SITE;

House Bill No. 7551, entitled

AN ACT DECLARING THE BAGACAY POINT LIGHTHOUSE, LOCATED IN THE MUNICIPALITY OF LILOAN, PROVINCE OF CEBU, A TOURISM DESTINATION;

House Bill No. 7552, entitled

AN ACT DECLARING THE SANTIAGO PUBLIC BEACH, LOCATED IN THE CAMOTES ISLANDS, MUNICIPALITY OF SAN FRANCISCO, PROVINCE OF CEBU, A TOURISM DESTINATION;

House Bill No. 7557, entitled

AN ACT DECLARING THE CALINIGAN MOUNTAIN RANGE, LOCATED IN THE MUNICIPALITIES OF LAGONOY, PRESENTACION AND GARCHITORENA, PROVINCE OF CAMARINES SUR, AN ECOTOURISM DESTINATION;

House Bill No. 7615, entitled

AN ACT DECLARING JORDAN WATERFALLS, LOCATED IN BARANGAY GETHSEMANE, BAYUGAN CITY, PROVINCE OF AGUSAN DEL SUR, AN ECOTOURISM DESTINATION;

House Bill No. 7626, entitled

AN ACT DECLARING ANZAP TWIN FALLS, LOCATED IN BARANGAY BIBIGA, MUNICIPALITY OF MAYANTOC, PROVINCE OF TARLAC, AN ECOTOURISM SITE;

House Bill No. 7639, entitled

AN ACT DECLARING THE CANDING ECOTOURISM PARK, LOCATED IN THE MUNICIPALITY OF SAN CLEMENTE, PROVINCE OF TARLAC, AN ECOTOURISM SITE;

House Bill No. 7641, entitled

AN ACT DECLARING PAG-ORING CAVES, LOCATED IN THE MUNICIPALITY OF LIBMANAN, PROVINCE OF CAMARINES SUR, AS ECOTOURISM DESTINATION;

House Bill No. 7642, entitled

AN ACT DECLARING SITIO DUEG NATURE PARK, LOCATED IN THE MUNICIPALITY OF SAN CLEMENTE, PROVINCE OF TARLAC, AN ECOTOURISM DESTINATION;

House Bill No. 7646, entitled

AN ACT DECLARING SAGUMATA FALLS, LOCATED IN BARANGAY LOURDES, CITY OF VALENCIA, PROVINCE OF BUKIDNON, AN ECOTOURISM DESTINATION;

and House Bill No. 7688, entitled

AN ACT DECLARING COLOSBOA HILLS, ALSO KNOWN AS 'THE NEW ZEALAND OF CENTRAL LUZON,' LOCATED IN BARANGAY COLOSBOA, MUNICIPALITY OF CUYAPO, PROVINCE OF NUEVA ECIJA, A TOURISM DESTINATION.

To The Committees on Tourism; Environment, Natural Resources and Climate Change; and Finance

House Bill No. 7407, entitled

AN ACT INCREASING THE NUMBER OF MEMBERS OF THE SANGGUNIANG PANLUNGSOD OF THE CITY OF SAN PEDRO, PROVINCE OF LAGUNA FROM TEN (10) TO TWELVE (12), AMENDING FOR THE PURPOSE SECTION 10 OF REPUBLIC ACT NO. 10420 OTHERWISE KNOWN AS THE CHARTER OF THE CITY OF SAN PEDRO;

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

and House Bill No. 7564, entitled

AN ACT ALLOWING THE INCUMBENT PRESIDENT OF THE MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE TO BECOME THE FIRST PRESIDENT OF THE MOUNTAIN PROVINCE STATE UNIVERSITY, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10583, ENTITLED 'AN ACT CONVERTING THE MOUNTAIN PROVINCE STATE POLYTECHNIC COLLEGE IN THE MUNICIPALITY OF BONTOC, MOUNTAIN PROVINCE INTO A STATE UNIVERISTY TO BE KNOWN AS THE MOUNTAIN PROVINCE STATE UNIVERSITY, WITH CAMPUSES IN THE MUNICIPALITIES OF TADIAN, BAUKO, PARACELIS AND BARLIG, ALL LOCATED IN MOUNTAIN PROVINCE AND APPROPRIATING FUNDS THEREFOR.'

To the Committees on Higher, Technical and Vocational Education; Civil Service, Government Reorganization and Professional Regulation; and Finance

ADDITIONAL REFERENCE OF BUSINESS**BILLS ON FIRST READING**

Senate Bill No. 2171, entitled

AN ACT REGULATING THE USE OF BANK ACCOUNTS, ELECTRONIC WALLETS, AND OTHER FINANCIAL ACCOUNTS, PROVIDING PENALTIES THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Estrada

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

Senate Bill No. 2172, entitled

AN ACT PROMOTING THE DEVELOPMENT OF THE BAMBOO INDUSTRY BY STRENGTHENING THE PHILIPPINE BAMBOO INDUSTRY DEVELOPMENT COUNCIL, CREATING THE BAMBOO INDUSTRY RESEARCH AND DEVELOPMENT CENTER, PROVIDING INCENTIVES FOR BAMBOO PLANTATION DEVELOPMENT, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Estrada

To the Committees on Trade, Commerce and Entrepreneurship; Ways and Means; and Finance

Senate Bill No. 2173, entitled

AN ACT PROVIDING FOR THE REVISED WAREHOUSE RECEIPTS LAW OF THE PHILIPPINES

Introduced by Senator Estrada

To the Committees on Trade, Commerce and Entrepreneurship; and Finance

Senate Bill No. 2174, entitled

AN ACT EXTENDING THE PERIOD OF AVAILMENT OF THE ESTATE TAX AMNESTY, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11213, AS AMENDED, OTHERWISE KNOWN AS THE "TAX AMNESTY ACT"

Introduced by Senator Binay

To the Committee on Ways and Means

Senate Bill No. 2175, entitled

AN ACT ESTABLISHING A TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) TRAINING AND ASSESSMENT CENTER IN THE CITY OF MAASIN, PROVINCE OF SOUTHERN LEYTE, TO BE KNOWN AS THE MAASIN CITY TESDA TRAINING AND ASSESSMENT CENTER, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Tulfo

To the Committees on Higher, Technical and Vocational Education; and Finance

Senate Bill No. 2176, entitled

AN ACT ESTABLISHING A TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) TRAINING CENTER IN THE MUNICIPALITY OF ISULAN, PROVINCE OF SULTAN KUDARAT, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Tulfo

To the Committees on Higher, Technical and Vocational Education; and Finance

Senate Bill No. 2177, entitled

AN ACT ESTABLISHING A TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) DISTRICT OFFICE IN THE CITY OF DAVAO, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Tulfo

To the Committees on Higher, Technical and Vocational Education; and Finance

Senate Bill No. 2178, entitled

AN ACT ESTABLISHING A TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) TRAINING AND ASSESSMENT CENTER IN THE MUNICIPALITY OF DAPA, SIARGAO ISLAND, PROVINCE OF SURIGAO DEL NORTE, TO BE KNOWN AS THE SIARGAO TESDA TRAINING AND ASSESSMENT CENTER, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Tulfo

To the Committees on Higher, Technical and Vocational Education; and Finance

Senate Bill No. 2179, entitled

AN ACT AMENDING REPUBLIC ACT NO. 7638 OTHERWISE KNOWN AS THE DEPARTMENT OF ENERGY ACT OF 1992

Introduced by Senator Gatchalian

To the Committee on Energy

Senate Bill No. 2180, entitled

AN ACT EXTENDING THE LIFE OF THE PHILIPPINE AEROSPACE DEVELOPMENT CORPORATION (PADC) BY ANOTHER FIFTY (50) YEARS, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 286, AS AMENDED, ENTITLED "AUTHORIZING THE CREATION OF A PHILIPPINE

AEROSPACE DEVELOPMENT CORPORATION, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES”

Introduced by Senator Angara

To the Committee on Government Corporations and Public Enterprises

Senate Bill No. 2181, entitled

AN ACT INSTITUTIONALIZING THE COMMUNITY-DRIVEN DEVELOPMENT APPROACH AS A NATIONAL STRATEGY FOR INCLUSIVE GROWTH AND SOCIAL PROTECTION AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Angara

To the Committees on Social Justice, Welfare and Rural Development; Local Government; and Finance

Senate Bill No. 2182, entitled

AN ACT GRANTING FULL TAX BENEFITS TO GOVERNMENT PURCHASES DURING A STATE OF CALAMITY, AND FOR OTHER PURPOSES

Introduced by Senator Marcos

To the Committee on Ways and Means

Senate Bill No. 2183, entitled

AN ACT RENAMING THE AGHAM ROAD AND THE BIR ROAD STRETCHING FROM NORTH AVENUE, TRAVERSING THROUGH QUEZON AVENUE, UP TO EAST AVENUE, ALL LOCATED IN QUEZON CITY, AS SENATOR MIRIAM P. DEFENSOR-SANTIAGO AVENUE

Introduced by Senator Villar (C)

To the Committee on Public Works

Senate Bill No. 2184, entitled

AN ACT EXTENDING THE LIFE OF THE PHILIPPINE AEROSPACE DEVELOPMENT CORPORATION (PADC), AMENDING FOR THE PURPOSE, PRESIDENTIAL DECREE NO. 286, SERIES OF 1973, AS AMENDED, ENTITLED ‘AUTHORIZING THE CREATION OF A PHILIPPINE AEROSPACE DEVELOPMENT CORPORATION, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES’

Introduced by Senator Dela Rosa

To the Committee on Government Corporations and Public Enterprises

Senate Bill No. 2185, entitled

AN ACT PROMOTING AND REVITALIZING THE SALT INDUSTRY OF THE PHILIPPINES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8172,

OTHERWISE KNOWN AS "AN ACT FOR SALT IODIZATION NATION-WIDE (ASIN)," PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Introduced by Senator Dela Rosa

To the Committees on Agriculture, Food and Agrarian Reform; Trade, Commerce and Entrepreneurship; and Finance

RESOLUTIONS

Proposed Senate Resolution No. 608, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON PUBLIC ACCOUNTABILITY OF PUBLIC OFFICERS AND INVESTIGATIONS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ISSUANCE OF THE DEPARTMENT OF AGRICULTURE MEMORANDUM CIRCULAR NO. 32 ON THE USE OF BIOFERTILIZERS

Introduced by Senator Hontiveros

To the Committee on Accountability of Public Officers and Investigations

Proposed Senate Resolution No. 609, entitled

RESOLUTION DIRECTING AN INQUIRY, IN AID OF LEGISLATION, INTO THE RECENT POWER OUTAGES DUE TO THE LAPSES IN THE TRANSMISSION SYSTEM BEING OPERATED BY THE NATIONAL GRID CORPORATION OF THE PHILIPPINES

Introduced by Senator Tulfo

To the Committee on Energy

Proposed Senate Resolution No. 610, entitled

RESOLUTION EXPRESSING THE PROFOUND SYMPATHY AND SINCERE CONDOLENCES OF THE SENATE OF THE PHILIPPINES ON THE DEATH OF HON. CARLOS M. PADILLA, THE GOVERNOR OF THE PROVINCE OF NUEVA VIZCAYA, ON 5 MAY 2023

Introduced by Senator Villar (C)

To the Committee on Rules

Proposed Senate Resolution No. 611, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE HUMAN TRAFFICKING INSIDE THE CLARK FREEPORT ZONE WHICH ARE BEING LINKED TO PHILIPPINE OFFSHORE GAMING OPERATORS (POGO), WITH AN END VIEW OF CRAFTING A LEGISLATION OR POLICY RECOMMENDATION, AS MAY BE NECESSARY

Introduced by Senator Gatchalian

To the Committee on Women, Children, Family Relations and Gender Equality

Proposed Senate Resolution No. 612, entitled

RESOLUTION COMMENDING AND CONGRATULATING ISLAY ERIKA BOMOGAO AND THE TEAM OF YOUNG FILIPINO MUAY THAI FIGHTERS ON THEIR VICTORY IN THE 2023 INTERNATIONAL FEDERATION OF MUAYTHAI ASSOCIATIONS (IFMA) SENIOR WORLD CHAMPIONSHIPS HELD ON MAY 03 TO 13, 2023 IN BANGKOK, THAILAND

Introduced by Senator Padilla

To the Committee on Rules

Proposed Senate Resolution No. 613, entitled

RESOLUTION COMMENDING AND CONGRATULATING THE PHILIPPINE SPORTS ASSOCIATION, INC. (PHILSILAT) AND THE PENCAK SILAT ATHLETES AND COACHES FOR CONSISTENTLY BRINGING HONOR TO THE COUNTRY IN INTERNATIONAL COMPETITIONS

Introduced by Senator Padilla

To the Committee on Rules

Proposed Senate Resolution No. 614, entitled

RESOLUTION CONGRATULATING AND COMMENDING THE ARROWHEAD ROBOTICS TEAM FROM MUNTINLUPA CITY, PHILIPPINES, FOR THEIR EXCEPTIONAL PERFORMANCE AND OUTSTANDING ACHIEVEMENT IN SECURING THE OVERALL THIRD PLACE IN THE WORLD CHAMPIONSHIP AND THE DIVISION CHAMPIONSHIP IN THE 2023 VEX WORLD CHAMPIONSHIPS IN DALLAS, TEXAS

Introduced by Senator Lapid

To the Committee on Rules

COMMITTEE REPORT NO. 8 ON SENATE BILL NO. 1410

(Continuation)

Upon motion of Senator Villaneva, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 1410 (Committee Report No. 8), entitled

AN ACT DECLARING THE FIRST DAY OF FEBRUARY OF EVERY YEAR AS NATIONAL HIJAB DAY.

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

Thereupon, the Chair recognized Senator Padilla, sponsor of the measure, and Senator Cayetano (P) for her interpellation.

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

MANIFESTATION OF SENATOR PADILLA

Senator Padilla informed the Body that he had filed an amendment in the nature of a substitute and requested the Members to consider the same.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:11 p.m.

RESUMPTION OF SESSION

At 4:14 p.m., the session was resumed.

TERMINATION OF THE PERIOD OF INTERPELLATIONS

Without prejudice to Members asking questions during the period of amendments, upon motion of Senator Villanueva, there being no objection, the Body closed the period of interpellations and proceeded to the period of individual amendments, the measure being a substitute bill.

AMENDMENT BY SUBSTITUTION

Senator Padilla stated that pursuant to Rule XXIX, Section 2, paragraph 2 of the *Rules of the Senate* and in consideration of the amendments submitted by the Members, he would introduce amendments by substitution to Senate Bill No. 1410 under Committee Report No. 8. He added that he had provided all senators with copies of the proposed amendment.

SUSPENSION OF SESSION

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

It was 4:18 p.m.

RESUMPTION OF SESSION

At 4:20 p.m., the session was resumed.

APPROVAL OF THE AMENDMENT BY SUBSTITUTION

Upon motion of Senator Padilla, there being no objection, the Body approved the amendment by substitution to Senate Bill No. 1410, which shall then serve as the working draft for further individual amendments.

INQUIRIES OF SENATOR CAYETANO (P)

At this juncture, Senator Cayetano presented a video clip of female football players huddling around and shielding another Muslim player so she could adjust her hijab which had fallen off during the game.

Senator Cayetano (P) stated that the video was a true illustration of the respect that women have for one another, and that she would bring the same level of respect to the floor when discussing Senate Bill No. 1410.

She recalled presenting the same video to the Body during her interpellation on the measure as a means to demonstrate that she would support and defend the rights of women regardless of their religious affiliation. She then inquired as to whether Senator Padilla had sent her an Instagram video of Prince Charles delivering a speech regarding the protection of the rights of Muslim women and whether he had also sent the same to other senators. Senator Padilla responded in the affirmative, stating that he sent the video to all significant individuals in his life. He explained that he simply wished to spread the teachings of Islam, especially the Prophet Muhammad's teaching on equal rights for women.

She then acknowledged Senate President Zubiri's assistance in drafting a substitute measure with the short title "The National Day for Awareness for Hijab and Other Traditional Garments and Attire." Senator Padilla clarified that the title is "An Act Declaring the First Day of February of Every Year as National Hijab Day."

When asked if the focus of the measure is the national day for awareness of the hijab and other traditional garments of the indigenous peoples, Senator Padilla replied in the affirmative. Senator Cayetano (P) emphasized that her interpellation was intended to address the discrimination faced by all women, not just a certain group.

She then read the following explanation of the constitutional provision as well as the Supreme Court decision that supports the provision on equal protection of the law under Article III, Sec. 1: "No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied equal protection of the law."

She explained that the equal protection of the law clause prohibits undue favor and individual or class privilege, hostile discrimination, oppression, and inequality. She stated that the intent is not to prohibit legislation that is limited either by the object to which it is directed or by the geographic area in which it is to operate. She continued by stating that it does not demand absolute equality among individuals, but rather that everyone be treated equally under similar circumstances and conditions with regard to privileges granted and liabilities imposed. She further explained that everyone is treated equally under the equal protection clause. She emphasized, however, certain types of women face discrimination based primarily on their culture, religion, or beliefs. She expressed delight that the measure recognizes that women, including those from indigenous tribes, face discrimination for donning their traditional attire.

She recalled that a mother was prohibited from breastfeeding her child in a mall because the act was deemed indecent exposure, despite the fact that the woman was acting in a completely natural manner.

She noted that majority of the legislators recognize that breastfeeding is a human right for both the mother and the infant and, as such, should be permitted and honored.

She also cited *Ichong vs. Hernandez, G.R. No. L-7995, May 31, 1957*, one of the earliest cases on equal protection of the law.

She then expressed her support for the measure.

Senator Cayetano (P) further cited from the *Declaration of Policy*:

“Everyone shall have the right to freedom of thought, conscience, and religion. This right shall include freedom to have or to adopt a religion or belief of his choice and freedom either individually or in community with others and in public or private to manifest his religion or belief in worship, observance, practice, and teaching.”

In order to emphasize that the measure sought to protect the right to express one’s beliefs and religion through clothing and for others to respect that right, she cited Section 3 of the measure, which reads: “...to promote diversity, awareness, and tolerance of religious and cultural beliefs expressed through the wearing of indigenous clothing, head garments, and covering, such as, but not limited to hijabs, sinulog, and tapis.”

She noted that both the title and the short title of the bill must be amended to reflect the modifications. Senator Padilla expressed willingness to consider the amendments at the appropriate time.

HONTIVEROS AMENDMENTS

As proposed by Senator Hontiveros and accepted by the Sponsor, there being no objection, the Body approved the following amendments:

1. On page 1, line 6, after the word “of,” replace the word “his” with HIS/HER; and
2. On the same page, line 8, before the word “religion,” change “his” to HIS/HER.

CAYETANO (P) AMENDMENT

As proposed by Senator Cayetano (P) and accepted by the Sponsor, there being no objection, the title of the bill was reworded as follows:

AN ACT DECLARING THE FIRST DAY OF FEBRUARY OF EVERY YEAR AS THE NATIONAL DAY FOR AWARENESS ON THE HIJAB AND OTHER TRADITIONAL GARMENTS AND ATTIRE.

Senator Cayetano (P) thanked Senate President Zubiri who drafted the substitute bill based on his experiences with *katutubos* in his district, and Senator Padilla, who endeavored to capture the sentiments of the Senate that all women should be protected from discrimination based on their choice of clothing as an expression of their religious and/or philosophical beliefs.

TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS

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

APPROVAL OF SENATE BILL NO. 1410 ON SECOND READING

Submitted to a vote, there being no objection, Senate Bill No. 1410 was approved on Second Reading.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 1410

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

REMARKS OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri stated that Senate Bill No. 1410 was a more inclusive and comprehensive measure that included the protection of indigenous people's right to don their traditional garments without fear of discrimination.

SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

It was 4:43 p.m.

RESUMPTION OF SESSION

At 4:47 p.m., the session was resumed.

COMMITTEE REPORT NO. 58 ON SENATE BILL NO. 2020
(Continuation)

Upon motion of Senator Villanueva, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2020 (Committee Report No. 58), entitled

AN ACT ESTABLISHING THE MAHARLIKA INVESTMENT FUND, PROVIDING FOR THE MANAGEMENT, INVESTMENT, AND USE OF THE PROCEEDS OF THE FUND, AND FOR OTHER PURPOSES.

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

Thereupon, the Chair recognized Senator Villar (M), sponsor of the measure, and Senator Tulfo for his interpellation.

INTERPELLATION OF SENATOR TULFO

Senator Tulfo asked about the necessity of establishing a Maharlika Investment Fund (MIF), stating that he was inquiring for transparency and to ensure that the measure's objectives are achieved.

Senator Villar (M) responded that numerous projects must be implemented to stimulate the Philippine economy, particularly in the aftermath of the COVID-19 pandemic. He further explained that the Maharlika Fund will provide the necessary funding for such projects and emphasized the need to maximize government resources in order to advance the government's socio-economic agenda by investing in projects with high rates of return in the shortest period of time.

Senator Tulfo noted that Malaysia's Sovereign Wealth Fund was plagued by corruption allegations and regarded as a failure. He then inquired about the safeguards included in the measure to protect the MIF's integrity. In response, Senator Villar (M) enumerated several safety provisions included in the bill:

1. The establishment of a Board of Directors whose members will be appointed by the President. The Board shall be chaired by the Secretary of Finance, with the Chief Executive Officer (CEO) serving as vice chairperson. It shall include representatives from the Land Bank of the Philippines, the Development Bank of the Philippines (DBP), and representatives from the private sector.

2. The establishment of an Advisory Council consisting of the National Economic and Development Authority (NEDA), the Department of Budget and Management (DBM), and the head of the Treasury Department.
3. The establishment of a Joint Congressional Oversight Committee charged with supervising, monitoring, and evaluating the implementation of the Maharlika Wealth Fund Act. The Committee will consist of five representatives and five senators.
4. The Fund will be governed by the rules of the Commission on Audit and will be overseen by both internal and external auditors.

On capitalization, Senator Villar (M) informed the Body that the bill expressly specifies that neither the Social Security System (SSS) fund nor any other government pension funds will be required to contribute to the MIF.

Asked to clarify the provision which states that 10% of the national government's share from the income of the Philippine Amusement and Gaming Corporation (PAGCOR) is to be contributed to the MIF, Senator Villar (M) explained that 5% of PAGCOR's earnings are paid to the Bureau of Internal Revenue (BIR) as franchise tax. He stated that 50% of the remaining 95% would be allocated to the National Treasury as the national government's share. He further explained that 50% of the national government's share would be used to finance the Universal Healthcare Act, P60 million per year would be remitted to the Dangerous Drugs Board (DDB), and P1 billion per year would be earmarked for the Philippine Space Act over a five-year period.

Giving PAGCOR's 2023 earnings as an example, Senator Villar (M) calculated that 10% of the national government's share, or approximately P2.64 billion, would be used to capitalize the Maharlika Investment Corporation (MIC).

Asked how the proposed consolidation of Land Bank and DBP could be reconciled with the provision requiring the former to contribute P50 billion and the latter to contribute P25 million to the MIF, he stated that the surviving entity would absorb the required capital infusion of the other bank should the proposed merger push through. He explained that the new bank would have two seats, and its commitment would be the combined sum to be contributed by the two banks.

On whether the fund may be placed in a put option contract in the event of financial loss, as stipulated in Section 14 (Allowable Investments), Senator Villar (M) stated that while it may be one of the many safeguards, it will be up to the board to determine the most suitable form of investment.

Senator Tulfo thanked Senator Villar for responding to his queries.

SUSPENSION OF SESSION

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

It was 4:56 p.m.

RESUMPTION OF SESSION

At 4:57 p.m., the session was resumed.

INTERPELLATION OF SENATOR LEGARDA

Senator Legarda stated at the outset that she would support any measure that could enhance sustainable development and help the economy grow, particularly during the country's pandemic recovery, which could create jobs, and create a vehicle for rural institutions that have been successful in some jurisdictions but unsuccessful in others.

She stated that it is her responsibility as a senator to be the voice of the people and ask very basic questions for her education, clarification, and at the appropriate time to allow her to introduce amendments, despite the fact that many people may not fully understand or appreciate the significance of the bill.

Asked for the source of fund for the Maharlika Investment Corporation (MIC), Senator Villar (M) responded that of the initial capital of P125 billion, P75 billion will come from the combined investible funds of Land Bank and DBP, and the remaining P50 billion will come from the National Government's (NG) contribution which will come from the dividends of the Bangko Sentral ng Pilipinas (BSP).

He explained that upon enactment of the law, 100% of the BSP's dividends will be allocated to the MIC for the first two years, and then 50% of the dividends will be allocated until the MIC's funding requirement of P50 billion is met.

Asked to provide a timeline for the P50 billion NG contribution to the capitalization of the MIC, Senator Villar replied that the amount of time required to reach P50 billion would depend on the BSP's annual dividends. He informed the Body that in 2022, BSP dividends totaling P20 billion were remitted to the National Treasury. He stated that according to RA 11211, the remittances from the National Treasury are then reverted to the BSP for its capitalization.

Senator Legarda inquired where the BSP would obtain its required capitalization under the law if dividends were to be used to finance the MIC. Senator Villar (M) responded that some delays are permissible to the BSP because they view the issue from the whole-of-government perspective, which would be beneficial to the government. He said that the BSP reported an improvement in its cumulative equity for 2019 to 2021. In addition, he stated that the expanded policy toolkit under RA 11211 allowed the accumulation of government securities for secondary market purchase.

He stated that the bill allows the President to make any essential changes to the initial capitalization of the MIC, should the need arise. Given the improved economic conditions and performance of the last three years, he emphasized that the BSP is willing to accept a delay.

As regards the acceptable delays in the implementation of the BSP's capitalization increase, Senator Legarda voiced her concern over the impact to the economy and to the BSP itself. She stated that it was the BSP that requested the immediate passage of a law that would increase its capitalization. She stated that any delayed or unpaid payments would have consequences for the government.

Senator Villar (M) reassured the Body that the government and economic managers have deemed the banking system to be robust and strong. He stated that although the economic managers believe there is no immediate need to complete the BSP's capitalization, it will be completed eventually. He stated that the MIC is considered necessary to stimulate the country's economic development and further improve economic performance. He emphasized that the MIF could be serviced quickly in order to stimulate the economy and enable the nation to recover from the pandemic more quickly.

As to how much of the capitalization increase has the national government already given to the BSP based on Republic Act No. 11211, Senator Villar (M) replied that P60 billion out of the required P200 billion has already been remitted to the BSP for its additional capitalization. He affirmed that the P50 billion contribution of the national government, based on Senate Bill No. 2020, would revert to the increase in the capitalization of the BSP.

On the assumption that Senate Bill No. 2020 would be signed into law in the current year, Senator Legarda stated that P20 billion or 100% of the BSP's total declared dividends for 2023, possibly another P20 billion or 100% for the second year in 2024, and the remaining P10 billion in the third year, shall be remitted to the national government for the capitalization of the MIC. Senator Villar (M) agreed, further explaining that 100% of the BSP's total declared dividends for the first and second fiscal years upon effectivity of Senate Bill No. 2020 as a law, as computed under RA 7653, as amended by RA 11211, shall be remitted to the national government for the capitalization of the MIC until such time that the contribution of the national government amounting to P50 billion has been fully paid.

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

Senator Villar (M) also affirmed that the P50 billion would be reverted to the BSP from the national government until it reaches the P200 billion BSP capital required under RA 11211.

On whether the BSP could afford the non-payment of its capitalization during the three years of staggered remittance of the P50 billion to the national government for the capitalization of the MIC, Senator Villar (M) replied that economic managers have advised that such temporary delays would be acceptable.

Asked by Senator Legarda on the purpose of the BSP's total declared dividends prior to the enactment of RA 11211, or the law increasing the BSP capitalization, and as to where it was brought after its remittance to the Bureau of the Treasury, Senator Villar (M) replied that the dividends were used to fund the national budget. He said that it was in the fiscal year 2018 that the BSP dividends amounting to P17 billion were last used for the GAA, which was prior to the enactment of RA 11211, the law that amended the New Central Bank Act

Senator Legarda then asked as to the necessity of repurposing the BSP dividends for the Maharlika Investment Fund's capitalization when it is also very much needed to increase teachers' salaries, increase the minimum wage, keep Filipino nurses to work and stay in the country, and fund the school building programs and health care programs of various government agencies. In reply, Senator Villar (M) stated that the Maharlika Investment Fund was urgently needed to provide additional fiscal space in order to fund the government's many flagship projects, open doors for more foreign investments through equity positions in the Philippines, free up funds for other spending, and yield income for the government.

As a former DPWH Secretary, he noted how most flagship projects were funded through debt and foreign-assisted projects. He opined that it was high time that the country already accessed equity funding instead of debt funding after seeing the economic destruction brought by the COVID-19 pandemic. He added that Senate Bill No. 2020 would address many government spending concerns, would give the country a long-term source of income, and would maximize the use and potential of investible funds to fund socio-economic projects.

While Senator Legarda agreed with the importance of equity funding and that sources of funds should not only come from debt financing and the GAA, she pointed out that the BSP dividends could rightfully be used for the GAA in funding the very projects that the proposed MIC could be funding.

As to the rationale of Senate Bill No. 2020 to use the BSP dividends for the initial capitalization of MIC instead of directly utilizing it as it has always been before 2018 for the government programs under the GAA, Senator Villar (M) replied that the government's economic managers opined that the creation of the MIF and the establishment of the MIC would be the most judicious and most productive manner to use the BSP dividends, given the present robust banking system, the need to pump the Philippine economy, and the need to put money in income-generating placements.

On the difference between funding a big-ticket infrastructure project such as the Bataan-Cavite Interlink Bridge Project through the MIC and funding the same through the DPWH under the GAA using the BSP dividends, Senator Villar (M) pointed out that a large volume of projects in the country was sourced from foreign funding and that it has been evident in the appropriations in the GAA for the ODA funding that there is a corresponding level of debt associated with it. Under the Maharlika fund, he explained, some of the funds and projects could already be financed through equity coming from various sources, partially from foreign funds and partially from investible funds from the national government, instead of incurring additional debt that would affect the country's fiscal position. He said that big-ticket projects with equity placements from various sources would allow the DBM to free up more resources for other government priorities while maintaining the ratios needed to keep the country's economic standing, the debt-to-GDP ratio, and other relevant financial metrics.

Stating that the GAA does not generate long-term income for the government, Senator Villar (M) said that there is a need to generate long-term income for the government through the passage of Senate Bill No. 2020 in order to fight inflation, and provide productive placements such as the MIF as the means to create wealth, fiscal space, and vehicle to get out of the COVID-19 economic tragedy.

Senator Legarda joined Senator Villar (M) in saying that the MIC is essential for the country's economic recovery. However, she expressed her concern on the use of the BSP dividends, which has been traditionally a GAA source of funding.

As to other possible sources of funding that could be used other than the BSP dividends, Senator Villar (M) replied that the economic managers have identified sources such as the PAGCOR at about P2.54 billion, the investible funds of the Land Bank, and other sources.

On the other sources of funding, Senator Legarda stated that P75 billion from the Land Bank and the DBP, together with the P50 billion from BSP, would complete the P125 billion total. Senator Villar (M) clarified that the P75 billion consists of P50 billion from the Land Bank and P25 billion from the DBP, which are both investible and loanable funds.

Asked on whether it is the mandate of the Land Bank to lend to the agriculture sector, the farmers, fisherfolks and small businesses, Senator Villar (M) replied in the affirmative.

As to the reason why the Land Bank could not instead use the fund to directly help the farmer and fisherfolk, Senator Villar (M) replied that the Land Bank has exceeded its target by an outstanding amount of P272 billion. He said that while majority of its investments are in treasury bills that yield a very low rate of return at about 4%, which is lower than the inflation rate, the economic managers saw the need to increase the yield for the bank. He also clarified that the use of Land Bank's funds in the MIC would not affect the loanable funds of the farmers. With the Maharlika, he explained that the bank could invest in instruments that would give a higher yield in order to exceed the existing inflation rate. He stressed that the MIF could fund priority projects such as agriculture, energy, and infrastructure.

Senator Villar (M) agreed with Senator Legarda's observation that since the LBP has met its target and that the MIF would ensure a higher yield for other funds available, then the investment would augur well for the bank.

As regards the Development Bank of the Philippines, Senator Legarda asked why it was being asked to fill a part of the P75 billion pertaining to the contribution of the founding GFIs when its mandate is to provide funding support to small infrastructure, MSMEs and the rural sector. In reply, Senator Villar (M) stated that the DBP has investible funds of P800 billion and the P25 billion earmarked from the bank accounts only for about 3% of the total investible funds, so the Maharlika fund would not affect the DBP so much.

On the other hand, he stated that the investment would allow for higher yield and the big-ticket projects with scale that would benefit the various sectors would have significant effect on the economy.

On whether the proposed merger between Landbank and the DBP would affect their contributions to the Maharlika fund, Senator Villar (M) said that should the merger push through, the new entity would have two seats because Land Bank and DBP would be assigned one seat each from their investments. He averred that the commitment of the new entity would be P75 billion since Land Bank committed P50 billion while DBP committed P25 billion, coming from their investible funds.

Senator Legarda then adverted to Sec. 6 - *Capitalization and Initial Funding* – on page 5, lines 1 to 5, which states: “*Provided That*, the foregoing contributions shall be subject to the automatic review of the Secretary of Finance every five years, taking into consideration the adequacy of the fund in relation to the objectives of this Act, the fiscal condition of the National Government, the condition of investing GFIs, in relation to their exposure to the fund and the overall economic development.” She asked whether the term “foregoing contributions” referred to the contribution of the national government, or to the whole capitalization and funding as enumerated in Section 6 of the bill. In reply, Senator Villar (M) clarified that the particular provision applied only to the national government.

Still on capitalization and funding, Senator Legarda observed that Section 6 had a proviso specifying that the funding from the PAGCOR would be for a period of five years but there was no similar five-year cap regarding other government-owned gaming operators and/or regulators which would have to contribute the 10% of the revenue. Senator Villar (M) explained that PAGCOR requested that the ratio of their funding obligation be limited to five years so that it could sustain its current funding obligations and provide for future funding obligations.

Senator Legarda said that since the contributions are subject to the automatic review of the Secretary of Finance every five years, she asked whether the Finance Secretary may extend the funding of PAGCOR to more than five years. Senator Villar (M) replied in the negative, saying that the measure provides that the funding of PAGCOR was limited to only five years with no extension.

Asked whether the GSIS, SSS, HDMF and other GOCCs providing social security may voluntarily contribute to the MIF, Senator Villar (M) replied in the affirmative, noting that the bill would not require the GFIs mentioned to contribute to the Maharlika Investment Corporation.

Senator Legarda pointed out that Section 12 of the bill stated that other GFIs and GOCCs may invest into the MIF, subject to their respective investment and risk management strategies, and approval of their respective boards. She asked whether the GSIS, SSS, HDMF, and other GOCCs providing social security may later be requested or required to contribute to the MIF.

Senator Villar (M) reiterated that under Section 6 of the bill, the social security agencies at any point would not be requested or required to contribute to the MIF but they may voluntarily contribute or invest in the fund should they feel that it is in their best interest to do so.

Further, Senator Legarda adverted to Section 24 of the bill on the duties and qualifications of the Chief Investment and Operating Officer (CIOO), which provides that the CIOO shall be appointed by the Board of Directors and terminated for a term as provided for in the implementing rules and regulations. She asked why the term of the CIOO was not provided in the bill itself but left to the IRR. Senator Villar (M) explained that he would like to give the Board of Directors of the fund the flexibility to provide for the term of office of the CIOO and, for practical reasons, giving the Board the option to terminate the CIOO and to take other actions necessary should the performance of the CIOO not meet the satisfaction of the Board. Nevertheless, he said that he would be open to any suggestions providing for a fixed term of office for the CIOO.

As to whether the auditor referred to under Section 27 (*Risk Management Unit*) referred to an external or internal auditor, Senator Villar (M) clarified that the term referred to an internal auditor.

Regarding Section 16 of the bill which states that in no case shall the MIC, in whatever manner or devise, invest in areas that are explicitly prohibited under existing laws and conventions to which the Philippines is a party, Senator Legarda inquired as to its difference from the sponsor's Senate Bill No. 1670 and Senator Tulfo's Senate Bill No. 1418, and Section 14 of House Bill No. 1608 which provided for an enumeration of prohibited investments. She pointed out that several situations which were considered as prohibited investments under the bills of Senators Villar (M) and Tulfo were no longer included in the Committee Report under consideration.

Senator Villar (M) explained that the rationale was to simplify the provision, as other organizations that were not included in the original list, such as the production of nuclear weapons, are already prohibited under existing laws.

Senator Legarda suggested that a new provision be added to include "similar activities, investments and corporations," or "other activities that may not be referred to above," or something to that effect. Senator Villar (M) expressed his openness to have such an amendment.

On a related matter, Senator Legarda pointed out that there was a typographical error on page 10, lines 26 and 27, in reference to "public office during their tenure."

Furthermore, on Section 29 (*Powers and Functions of the Board of Directors*), Senator Legarda believed that for transparency, the Joint Congressional Oversight Committee should be among the entities to be given the semestral report on the investment performance. Senator Villar (M) said that he would not object to the proposal.

Asked to specify the specific exemptions from the GOCC Governance Act of 2011 or the GCG law, Senator Villar (M) said that it referred to certain requirements regarding compensation and organizational structure approved by the Board of Directors.

On whether the MIC is subject to Section 5 of the GCG law, Senator Villar (M) confirmed that the MIC is bound by Republic Act No. 10149.

At this juncture, Senator Gatchalian relinquished the Chair to Senator Ejercito.

Asked why the sovereign investment fund is called "Maharlika," Senator Villar (M) stated that the term, which means warrior, denotes a resilient, strong, and aggressive wealth fund for the Philippines.

Since a legislation is required before the Bangko Sentral ng Pilipinas could increase its capital to P200 billion, Senator Legarda suggested legislating the increase in the capitalization of MIC rather than subjecting it to the approval of the board of directors, or the discretion of the President, so that Congress could evaluate MIC's performance.

Conversely, Senator Villar (M) stated that the bill provides for increased capitalization (which was copied from the Land Bank Charter), and an oversight committee which was not provided for by law. He then requested that he be afforded more time to analyze Senator Legarda's proposal.

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

Asked how the contributions of the national government to the MIC would be appropriated, Senator Villar (M) stated that the bill provides for automatic appropriation, which mechanism would be created by the Bureau of Treasury.

Stating that she would submit her amendments at the proper time, Senator Legarda also hoped that more discussions with economic managers would be conducted to further enhance the measure and assuage public concern regarding the Maharlika Investment Fund.

SUSPENSION OF CONSIDERATION OF SENATE NO. 2020

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

SUSPENSION OF SESSION

Upon motion of Senator Ejercito, the session was suspended.

It was 6:02 p.m.

RESUMPTION OF SESSION

At 6:07 p.m., the session was resumed.

COMMITTEE REPORT NO. 64 ON SENATE BILL NO. 2165

(Continuation)

Upon motion of Senator Villar (M), there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2165 (Committee Report No. 64), entitled

AN ACT INSTITUTIONALIZING THE AUTOMATIC INCOME CLASSIFICATION OF PROVINCES, CITIES AND MUNICIPALITIES, AND FOR OTHER PURPOSES.

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

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

INTERPELLATION OF SENATOR PIMENTEL

Asked by Senator Pimentel if Senate Bill No. 2165 was amending an existing law, Senator Ejercito replied in the negative.

Regarding new ideas contained in the measure, Senator Ejercito stated that the Automatic Income Classification of Local Government Units Act aims to update the income class of local government units (LGUs) according to their current financial capabilities, and to authorize the Secretary of Finance to update the income ranges for the income classification in all provinces, cities and municipalities.

Asked if there was an existing system to classify LGUs by income, Senator Ejercito stated that Executive Order No. 249 which was issued in 1987 provides for the income classification of LGUs; in fact, there have been six reclassifications of five income brackets with an interval of two, three, or four years since 2008, or 15 years ago.

Aside from the fact that cities, municipalities, and even provinces have already leveled up, Senator Ejercito emphasized that the department order had to be updated regularly so that all LGUs could avail different benefits. He further stated that the income reclassification would be used to determine the following: the financial capability of LGUs in undertaking developmental programs and priority projects; the number of Sangguniang Bayan elective members; and the compensation adjustment of LGU personnel under Section 10 of Executive Order No. 201. He added that the classification would limit the percentage of agricultural land area that could be reclassified and utilized, and would affect the basis of the domestic workers' minimum wage under Republic Act No. 10361 (*Kasambahay Law*).

Senator Pimentel said that at a proper time, he would revisit the link between the domestic workers' legal pay vis-a-vis the LGU classification as they seemed to be not germane with each other.

On whether the Local Government Code was touched by the bill's subject matter, Senator Ejercito admitted that the Committee on Local Government originally intended to amend the same but due to the numerous provisions that had to be amended, the Committee simply decided to institutionalize the reclassification so that the LGUs could avail their benefits right away.

Asked if the measure would be a stand-alone law that would only govern the specific subject matter, Senator Ejercito replied in the affirmative, saying that the annual regular income (ARI) and other terms could be clearly defined in the measure. He also affirmed that the repealing clause would take care of any inconsistency with the Local Government Code.

Noting that the measure classified provinces into six classes, Senator Pimentel asked how many classes would there be for cities and municipalities. Senator Ejercito replied that cities and municipalities would likewise be classified into six classes, respectively.

Asked what formula were used in fixing the brackets for the reclassification of LGUs from the 2008 values, Senator Ejercito said that the income ranges were computed based on the growth rate or increase in the annual regular income (ARI) from 2009 to estimated income for 2023 to the existing income ranges enumerated in the Department of Finance D.O. 23-2008. As regards the fiscal year 2023, he said that ARI was estimated using the actual fiscal year 2021 locally sourced revenues added to the fiscal year 2023, as well as the indicative NTA data from DBM.

Senator Pimentel believed that a simple formula could have been used wherein the minimum amount in a certain class is multiplied by a certain number.

Asked if there was any clamor to compress the six classes to, say, just four, Senator Ejercito replied that there was no clamor to adjust it to fewer classes, the reason why the committee retained the six classifications.

Senator Pimentel then noted the provision in the bill which delegates to the Secretary of Finance the authority not only to review the income ranges or the brackets but also to change the amounts under each of them. He asked if the Body would be delegating a congressional power. In reply, Senator Ejercito explained that such authority was delegated to a specialized agency like DOF, it being capable of conducting income reclassification based on its mandate under Section 4 of E.O. No. 127 which states that the Secretary of Finance "shall be responsible for the supervision of the revenue operations of all local government units with the objective of making these entities less dependent on funding from the national government." The exercise of updating and revising the income ranges as part of the authority of the DOF, he averred, is to ensure that operational difficulties would not arise, noting that the basis would always be the income ranges and the annual regular income of each LGU.

Asked if the Secretary of Finance could change the figures as they appear in the measure, Senator Ejercito replied in the affirmative but assured that what the measure provided was not an undue delegation, as any change in the amount would still have to be in accordance with the parameters that were mentioned.

For his part, Senator Pimentel expressed concern over Section 5 of the measure, particularly on the possible undue delegation of legislative power. He pointed out that "(t)he general rule barring delegation of legislative powers is subject to recognized limitations or exceptions, and one is delegation to administrative bodies, which might be the case. But, in every case of permissible delegation, there must be a showing that the delegation itself is valid. And it is valid only if (1) the law is complete in itself, setting forth therein the policy to be executed, carried out, or implemented by the delegate; and (2) fixes a standard, the limits of which is sufficiently determinate and determinable, to which the delegate must conform in the performance of his functions. A sufficient standard is one which defines legislative policy, marks its limits, maps out its boundaries, and specifies the public agency to apply it. It indicates the circumstances under which the legislative command is to be effected. Both tests are intended to prevent the total transference of legislative authority to the delegate who is not allowed to step into the shoes of the legislature and exercise a power essentially legislative."

He continued by citing the decision of the court in *People v. Vera* (G.R. No. 45685, November 16, 1937) through Justice Jose P. Laurel who expounded on the concept and extent of delegation of power, as follows: "In testing whether a statute constitutes an undue delegation of legislative power or not, it is usual to inquire whether the statute was complete in all its terms the provisions when it left the hands of the legislature so that nothing was left to the judgment of any other appointee or delegate of the legislature."

Senator Ejercito believed that the power of the Secretary of Finance in Section 5 of the bill to review the income ranges satisfies the standard for non-delegation of the legislative powers. In fact, he added that during the hearing of the TWG, the DOJ was of the opinion that the bill should provide a provision for income targets or ranges, which was the department's response to the concern that it might result in undue delegation of legislative powers for the lack of parameters in setting the income ranges. Hence, he said that the committee had set the income threshold to ensure that the income ranges are equitably set by Congress and are not left entirely to the discretion of the implementing agency. Doing so, he added, would provide a preview of the effects of the new income ranges to the LGUs.

For his part, Senator Pimentel maintained that even it is a valid delegation, it would still be a judgment call on the part of the legislature whether it would delegate it or not.

Asked if he would be amenable to an amendment to not delegate the said power, Senator Ejercito expressed regret that the provision was the meat of the measure, noting that without

automatic reclassification, LGUs would again be stuck in their classification for a long time even though they are already qualified to be part of a higher bracket. Nevertheless, he again assured that there will be safeguards in place to ensure that exercise of delegated authority to the Secretary of Finance will be based on the parameters set with regard to the capability of the LGUs or their annual revenue income. He pointed out that these parameters were enumerated under Section 4 of the bill.

Still on the delegation of authority to the Secretary of Finance, Senator Pimentel asked if under Section 5 of the bill, the Secretary may increase, for instance, the threshold of P200 million for the first-class municipality to P300 million. Senator Ejercito replied in the affirmative.

Senator Pimentel stated that it still worried him that the Secretary of Finance, being granted with said authority, might just come up with a figure, attribute it to a certain municipality and then look for the bracket where the municipality would fall. He added that even more worrisome was the incomplete enumeration of the standards to follow in changing the figures. He believed that more time was needed to go over the bill again and study the possible consequences, particularly with regards to the delegation of authority as well as to the sufficient parameters in guiding the delegate.

Senator Ejercito stated that under the measure, the Secretary of Finance would also be in consultation with the LGU leagues in its exercise of its authority to review the income ranges.

Senator Pimentel believed that the lack of established parameters among those involved in the discussions was inevitably lead to unguided, limitless decisions. He then asked if Senator Ejercito would be amenable to discussing the concern he raised the next day or in the next session week, with the goal of drafting a compromise bill similar to the one that Senate President Zubiri skillfully crafted in relation to the Hijab measure. In addition, he viewed the matter as a significant constitutional issue that could weaken the bill if not addressed properly.

Senator Ejercito expressed agreement with Senator Pimentel's recommendation, adding that he would always welcome the Minority Leader's interventions to improve the measure. He also took pride that the Senate's rigorous procedures ensured that the laws it passed were always beneficial to the LGUs.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2165

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

PRIVILEGE SPEECH OF SENATOR TULFO

Availing himself of the privilege hour, Senator Tulfo made the following statement regarding alleged National Irrigation Administration irregularities involving irrigation projects:

I speak today as a matter of privilege to raise an issue brought to me personally by farmers and other agricultural workers.

At this juncture, a video presentation was shown on the screen.

Hindi na po ako magpapaligoy-ligoy pa at isisiwalat ko na po na ang gobyerno ay nagwawaldas ng bilyon-bilyong piso sa National Irrigation Administration. Para lamang mabigyan ng paalala ang lahat ng nanonood at nakikinig, ang NIA ay nakatanggap ng mahigit-kumulang P15 billion for Fiscal Year 2017; more than P20 billion para sa taong 2018 and 2019; P25 billion para sa taong 2020; P19 billion para sa taong 2021; at P22 billion noong taong 2022. Ang buong halaga po para sa taong 2017 hanggang 2022 ay P121 billion, for a span of six years, for irrigation, development, and restoration.



Wala po akong problema kung ang budget na ito ay nagagamit nang tama. I agree that by effectively implementing a national irrigation program, we can guarantee better food security for our country. Pero hinding-hindi po ako papayag na kakainin lamang ng korapsiyon ang perang dapat mapunta sa tao, lalo na kung dahil sa korapsiyon ay marami ang magugutom.

Right now, I will go into specifics. Kung inyo pong makikita diyan, karamihan po sa mga proyekto ng NIA na naumpisahan mahigit limang taon na po ang lumipas, ay hanggang ngayon hindi pa rin po natatapos. Mas matindi pa, ilan dito ay hindi man lang umaandar, gumagana, kahit taon na ang lumipas mula nang nabigyan ng Notice to Proceed. Kahit sabihin pa natin na hindi nag-release ang NIA ng full amount sa mga contractor, hindi dapat natin palagpasin na pinapatulog lamang sa kanilang departamento ang perang nakalaan dito na sana ay nalagay na sa agarang pangangailangan ng ating mga magsasaka, tulad ng farm machineries, pang-subsidize sa kanilang abono, o di kaya fertilizer, para palaguin pa ang kanilang ani.

Bukod dito, meron pang mga kontrata kung saan sinadya nilang hindi ipakita sa publiko kung sino ang nanalo. Ayan, pangit talaga ang pangalan kasi mga corrupt. Ang public bidding ay dapat ipaalam sa lahat, sapagkat ito ay paraan natin para malaman kung ginagawa ng gobyerno ang kanilang trabaho sa pag-usisa sa makakakuha ng kontrata, at para na din mabilis singilin ang winning bidder kapag may mali silang ginawa sa pera ng tao na ibinayad sa kanila. Kapag hindi deklarado sa publiko, at kapag tinatago nila ang mga impormasyong ito, nagkakaroon ng mas madaling paraan upang itakbo ang pera ng bayan patungo sa bulsa ng pribadong tao.

Ito pong Macalelon Reservoir Project, nasaan na iyong Macalelon na iyan? Tingnan mo naman, bondying pa ang pangalan nito, P775 million po iyong halaga. No contractor listed. Wala pong kontraktor iyang Macalelon reservoir na iyan, 10.58% completed since 2015, and 2023 na po ngayon. Since 2015 po inumpisahan iyong proyekto, 10% pa lamang ang nabubuo, 90% ay nakatiwangwang pa lamang. Hinihintay siguro magputi ang uwak bago matapos ang proyekto. Target completion nito, supposed to be 2019 pero, again, ngayon ay 2023 na. Ito po ay maliwanag pa sa sikat ng araw na isang korapsyon.

Kahit ganito kapalyado ang bidding na naganap, pati ang performance ng contractor, walang humpay na pinopondahan pa din ang mga irigasyon sa mga proyektong ito. This is undeniably a red flag of institutional corruption. Iyang Cabano Small Reservoir Irrigation Project, P533 million ang allocation, 1.69% pa lamang po ang nagagawa. Mapapakamot na lamang tayo ng ating mga ulo sa kabulastugan na ito ng mga taga-NIA.

Marami pong dokumentong natanggap ang aking opisina kung saan pinapakita na ang NIA ay binibigyan ng kanilang mga contractor ng accomplishment report na hindi naman totoo. Ibig sabihin, drawing. Ibig sabihin, in short, panloloko. Ang datos ay nagpapakita ng malaking pagkakaiba sa pagitan ng reported at actual na percentage of completion. Ibig sabihin ulit nito, nabigyan na ng pera ang contractor kahit wala o kulang pa po ang kanilang ginagawa. Bayad na ang contractor, hindi pa tapos ang proyekto.

As much as I hate to do it, kailangan ko na pong mapangalanan ang ilan sa mga contractor na ito, na tila binibigyang pabor ng Bids and Awards Committee ng NIA: 1) Oscar Sarmiento Construction, Inc., na matatagpuan sa Sta. Mesa, Manila; again, Oscar Sarmiento Construction; 2) R.D. Interior Junior Construction, na matatagpuan sa Quezon City; 3) J.D. Construction and Supply sa Makati City; at pang-apat na gumagawa ng kabulastugan, itong 4) Brostan Construction sa Caloocan City. Ilan lamang po ito sa mga contractor na inyong makikita ngayon na nakatanggap ng iba't-ibang proyekto mula sa NIA sa kabila ng kanilang paulit-ulit na lamang na hindi pagtapos ng kanilang kontrata. Kahit ang ilan pa rito ay nailagay na sa "blacklist" ng NIA, mayroong dokumento ang ibang opisina na nagpapakita na nagpalit lamang sila ng pangalan at muling sumasabak sa bidding.

Ang Oscar Sarmiento Construction Incorporated ay naatasang gumawa ng project noong 2014 sa kabuuang halaga na P750 million. Binigyan sila ng tatlong taon para tapusin ang almost a billion-peso project na ito pero kinailangan nang i-terminate ang kontrata pagkatapos makita na hindi man lamang umaandar ang kanilang construction works. Kinakailangan ngayong saluhin ng R.D. Interior Junior Construction ang proyekto sa halagang P333 million. Hanggang ngayon, hindi pa rin po tapos ang project at tuluyang natutulog ang pera na inilaan sana para sa pagpapabuti ng ating agricultural industry.

Ang Brostan Construction naman ay naatasang gumawa ng proyekto sa halagang P304 million. According to audit reports, as of 2022, may natitira pang 34% sa kanilang proyekto. Pinuntahan po mismo ng NIA ang project site at nakita roon na iniwang nakatiwangwang ang proyekto. Humingi po ng reconsideration ang Brostan na tatapusin ito sa kondisyon, ito po ang kondisyon ng Brostan, tatapusin daw nila ang proyekto kapag sila ay papayagan ng New People's Army (NPA). Kailangan po magpaalam daw muna sila sa New People's Army. Akalain mo, ginamit na dahilan ang New People's Army kaya hindi natapos ang proyekto at kailangan nilang magpaalam at magmano sa NPA at iba pang armed groups para matapos ang kanilang proyekto. Nakababahala lamang po na sa report ng NIA ay wala namang ebidensiya na nagkaroon ng karahasan sa project site.

Ang J.D. Construction and Supply naman ay naatasang gumawa ng proyektong nagkakahalaga ng P1.1 billion noong taong 2010. Kahit sila ay nabigyan ng Notice to Proceed sa parehas na taon, nag-umpisa lamang sila noong 2013 dahil mayroon daw silang problema sa materyales. Sinabi din po ng J.D. Construction na kaya hindi sila makagawa ng kanilang obligasyon ay dahil sa right of way, dahil sa weather conditions, at sinisi pa ang DPWH na hinaharangan daw sila. Muling pumunta ang NIA para silipin ang kalagayan ng project at napatunayang wala namang pumipigil sa J.D. Construction para umpisahan at gawin ang kanilang project. Magte-terminate na sana ang NIA ng kontrata pero umapela pa ang J.D. Construction dahil wala raw silang control sa nangyaring kakulangan ng performance. Kinonsidera na lamang na "tapos na" ng NIA ang project after 10 years, kahit may kakulangan pa ng 8% ang project completion.

Ang mga contractor po tulad ng J.D. Construction at iba pa sa aking nabanggit ay sunod-sunod ang panalo sa bidding sa kabila ng kanilang underperformance. Paano nananalo ang ganitong klaseng contractor kung hindi binibigyan ng pabor ng mga kenkoy sa Bids and Awards Committee? Paano naman magkakaroon ng lakas ng loob ang Bids and Awards Committee kung walang pahintulot ng Administrator at kaniyang mga Deputy o mga alipores? Although innocence is presumed, it looks like the evidence is there, pointing to corruption in the National Irrigation Administration.

Bukod pa sa "failed" or "uncompleted" projects, mayroon pang sinasabing mga "ghost projects" na karamihan ay isinagawa sa Mindanao. Umaabot sa tumatagting na P890 million ang projects na mukhang hindi naman talaga inumpisahan pero pinondohan ng gobyerno. Nasa 28 projects ang nasabing may anomalya pagkatapos puntahan ng NIA Inspection and Assessment Team. Substandard ang trabaho, ilang portion ng proyekto ay hindi man lamang inumpisahan. Pangit, sobrang pangit, o poor workmanship ang assessment, at inililipat ang target area ng project mula sa original na nakalagay sa kontrata ng NIA. Karamihan ng mga project na ito ay approved ng isang Deputy Administrator Sulaik.

There appears to be a wide-scale corruption scheme that has persisted for far too long. Kung bakit hindi pa ito naiimbestigahan, at kung bakit wala pang nananagot sa pagsunog ng pera ng bayan o pagwaldas ng pera ng bayan, ay kailangan ding pagtuunan ng pansin. Our government is fighting for every peso of revenue and we keep on increasing taxes for everyone, while we waste so many funds feeding corruption and "padrino systems" in government infrastructure programs.

Kaysa mangolekta nang mangolekta sa tao, bakit hindi na lamang muna natin paniguraduhin na napupunta ito sa mapakikinabangan ng taong bayan?

Personal ko pong ikinagalit ang issue na ito sapagkat napapabayaang na ang mga farmers na umaasa sa NIA upang mapalago ang kanilang ani. It might be a matter of profit para sa mga contractor at government officials na sangkot dito, pero it is a matter of life and death para sa mga nararapat na beneficiaries. To be clear, ang ating procurement laws at ang Implementing Rules and Regulations for Public Bidding ay matagal nang inaabuso. Kaya naman sa World Corruption Index ng Transparency International, tayo ay top 117 out of a possible 180 sa corruption perception. Proud to be Pinoy talaga tayo kahit sa anong larangan ng palakasan, kahit na sa korapsyon pa.

Ngayon na may datos na tayo at malinaw na malubha ang korapsyon na ating dinaranas, I implore the Blue Ribbon Committee, headed by my esteemed colleague and one of the best lawyers this Senate has had, Senator Tolentino, to join me in investigating this long-standing

corruption issue. *Kung malagay lamang sa tama ang paggamit ng pondo ng NIA ay makapagbibigay tayo ng agarang pagsasabuti ng buhay sa mga magsasaka. Ang maiging irrigation para sa lupang sinasaka ay makababawas sa pangangailangan ng katamtamang ulan, fertilizer, kuryente, at labor.*

Hinihingi ko lamang sa NIA na ipagpasabuti sana ang paggamit ng pera ng bayan. Ang ipinakita ko ngayon ay maliit na bahagi pa lamang sa aking nalikom na mga ebidensiya na magpapakita na binababoy na ang irrigation program. Nagpapayaman ang mga miyembro at contractor ng NIA sa pamamagitan ng pagtapak sa magsasakang umaasa sa kanilang mga programa.

Huwag na sana nating hayaang matulog ang isyu na ito. Palapit na naman ang ating budget season, at kailangan nating pagtuunan ng pansin kung paano magagamit nang maayos ang pera ng ating mga kababayang inatasan tayong i-allocate sa iba't-ibang ahensiya. I know that all of the Members of the Senate will support my fight against corruption. Let us start by cleaning up the National Irrigation Administration for the sake of our farmers, in order to improve our country's food security.

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri thanked Senator Tulfo and congratulated the latter on his crusade. He stated that those responsible for the irregularities must be brought to justice if the 10% completion rate of the 2015 projects proves to be accurate. In addition he hoped that the matter would be referred to the appropriate committee as soon as possible.

In addition, Senate President Zubiri suggested that before tackling the budgets of government agencies, the senators should study whether the agencies' projects were actually implemented and how they were administered. He stated that they could establish an agency within the Senate that sends a tracker team to check on the progress of the agencies' projects and aids the LBRMO in monitoring the accountability of certain agencies, especially those with corruption issues.

He expressed concern over the fact that the government was losing a great deal of money due to corruption, which in turn affects poor, ordinary wage earners who are scarcely able to maintain a decent standard of living.

Senate President Zubiri, expressing support for Senator Tulfo's crusade, suggested that they hold a caucus to discuss how they could use Senate personnel to fact-check the various government agencies so that those with low absorptive capacities would be not receive additional funding.

Senator Pimentel, however, noted that Senator Tulfo had moved to refer the matter to the Committee on Accountability of Public Officers and Investigations (Blue Ribbon Committee). He hoped that Senator Tolentino would be able to conduct a hearing to learn the specifics of the projects mentioned by Senator Tulfo.

MANIFESTATION OF SENATOR PIMENTEL

Senator Pimentel commended Senator Tulfo for bringing the matter to the attention of the Body and echoed his call to use the budget process to hold the various agencies accountable, particularly the National Irrigation Administration (NIA).

He stated that Senator Tulfo's exposé was an improvement over the issues being discussed in the Senate because he had identified the parties specifically implicated in such anomalies. He suggested that the corporate veil be pierced by also identifying the individuals behind the involved corporations.



Additionally, he mentioned that the NIA's most recent budget was P40.862 billion, a figure that is highly susceptible to corruption. He recalled that shortly after the NIA budget was passed, a power struggle erupted within the agency. During annual budget deliberations, he said that he cautioned NIA officials to be ready to answer inquiries from all the senators.

MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva stated that he and several other Members had coauthored RA No. 10969, or the Free Irrigation Service Act, during the 17th Congress. He recalled that during the deliberation of the bill, there was a clear emphasis on the need to reduce production costs and relieve farmers of the burden of paying high fees. He also agreed with Senate President Zubiri and Senator Pimentel, noting that the NIA had been allocated a budget of P40,862,765,000 under the 2023 GAA, while the DA had been allocated P1.121 billion for its small-scale irrigation projects and P1.139 billion for its irrigation network service subprogram.

He also noted that as of June 2022, only 65.28% of the 3.128 million hectares of total irrigable areas in the Philippines are irrigated, and only 36 of the 80 target provinces and chartered cities have received agricultural machinery, equipment, facilities, and small-scale irrigation projects.

He noted that Senator Tulfo's speech added fuel to the fire because it appeared that the NIA lacked the capacity to utilize its budget, in addition to the report that their projects did not proceed and the farmers did not benefit. He inquired about the NIA's current status on the irrigation development promised by RA 10969 and cautioned them to respond to inquiries regarding accountability and transparency.

He also pointed out that on May 2, 2023, the PAGASA announced that recent conditions and forecasts indicate an 80% probability that El Niño could emerge between June and August and might persist until the first quarter of 2024. He said that he wanted to be assured that the NIA budget would be utilized efficiently and that the agriculture sector would benefit.

MANIFESTATION OF SENATOR EJERCITO

Senator Ejercito stated that some of the contractors identified by Senator Tulfo, including JD Legaspi, were also implicated in one of the Yolanda housing scam investigations he conducted.

He also mentioned that JD Legaspi had spent P1.1 billion on the construction of a 2.3-kilometer section of the Diosdado Macapagal Avenue, considered to be the most expensive boulevard in the world, despite the fact that the project was only worth P800 million.

He thanked Senator Tulfo for bringing up the issue, while lamenting that it was truly heartbreaking to see that government funding goes to waste and corruption.

REFERRAL OF SPEECH TO COMMITTEE

Upon motion of Senator Villanueva, there being no objection, the Chair referred the privilege speech of Senator Tulfo as well as the manifestations thereon to the Committee on Accountability of Public Officers and Investigations.

CREATION OF SUBCOMMITTEE

Pursuant to Rule X, Section 18 of the *Rules of the Senate*, upon instruction of Senator Poe, chairperson of the Committee on Economic Affairs, and upon motion of Senator Villanueva, there being no objection, the Body approved the creation of a subcommittee on Senate Bill No. 9

(*Philippine Ecosystem and Natural Capital Accounting System Law of 2022*), Senate Bill No. 1914 (*Philippine Ecosystem and Natural Capital Accounting System Law of 2023*), Senate Bill No. 2041 (*Philippine Ecosystem and Natural Capital Accounting System Act*), and such other bills which could be referred to the Committee on Economic Affairs covering the same topic, with Senator Legarda as subcommittee chairperson.

COAUTHOR

Upon motion of Senator Villanueva, there being no objection, Senator Go was made coauthor of Senate Bill No. 2019 (*Caregivers Welfare Act*) and Senate Bill No. 2021 (*Institutionalization of the Shared Service Facilities Projects for MSMEs*).

MANIFESTATION OF SENATE PRESIDENT ZUBIRI

Senate President Zubiri thanked Deputy Secretary Bellen for reminding the Body that Section 105 of the General Appropriations Act of 2023 (RA 111936) mandates the formation of a Joint Congressional Oversight Committee (JCOC) on Public Expenditures to monitor compliance by agencies with the requirements or conditions governing the use of public funds.

He added that the oversight committee would be co-chaired by chairperson of the Committee on Finance, Senator Angara, and by the chairperson of the Committee on Appropriations in the House of Representatives, with seven senators and seven representatives serving as members. He said that he would designate the seven members of the Senate panel, including Senator Tulfo, the following day so that they could immediately begin investigating the matter and gathering more information on the agencies' compliance.

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 the following day.

It was 7:10 p.m.

I hereby certify to the correctness of the foregoing.

Approved on May 17, 2023

Atty. RENATO N. BANTUG Jr.
Secretary of the Senate

