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**SENATE**

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# JOURNAL

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FIRST REGULAR SESSION

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**SESSION NO. 73**  
Tuesday, May 23, 2023

**CALL TO ORDER**

At 3:08 p.m., the Senate President, Hon. Juan Miguel “Migz” F. Zubiri, called the session to order.

**PRAYER**

Sen. Maria Lourdes Nancy S. Binay led the prayer, to wit:

*Let us put ourselves in the presence of the Lord.*

*“But the wisdom that comes from heaven is first of all pure; then peace-loving, considerate, submissive, full of mercy and good fruit, impartial and sincere.”*

— James 3:17 (NIV)

Dear Father in heaven, in this moment of reflection, we come before You with hearts seeking hope and a longing for harmony and peace.

We seek Your divine presence to guide us as we make decisions that will either unite or divide us, and may shape the destiny of our people and our nation.

Grant us here in the Senate the wisdom to discern what is right and just, to clear our minds of biases, to see beyond political and personal agendas, and to prioritize the well-being of the people whom we serve.

Help us in our judgement, and give us the sense of empathy to listen to the voices of the poor, the marginalized, and the vulnerable.

As elected leaders, we too have our weaknesses and flaws, and sometimes lose focus brought by externalities. That is why we seek Your divine grace for wisdom and enlightenment so that we, as legislators, can understand and be united in our work to pass only important pieces of legislation that really matter to the common Filipino.

*Panginoon, basbasan po Ninyo kami at patnubayan sa aming mga gawain bilang mga mambabatas. At dalangin namin na ilayo po Ninyo kami at ang aming bayan sa anumang kapahamakan.*

*Ang lahat ng ito’y idinadalangin namin sa Inyo Panginoon, sa Ngalan ng Inyong Anak na si Hesus.*

Amen.



**SUSPENSION OF SESSION**

Upon motion of Senator Ejercito, the session was suspended.

*It was 3:10 p.m.*

**RESUMPTION OF SESSION**

At 3:10 p.m., the session was resumed.

**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 Jr., R. B.
Estrada J. E.	Tolentino, F. T. N.
Gatchalian, W.	Tulfo, R. T.
Go, C. L. T.	Villanueva, J.
Hontiveros, R.	Villar, C. A.
Lapid, M. L. M.	Villar, M. A.
Legarda, L.	Zubiri, J. M. F.

With 21 senators physically present and one senator virtually present, the Chair declared the presence of a quorum.

Senator Cayetano (P) was on official mission abroad.

Senator Escudero was absent.

**APPROVAL OF THE JOURNAL**

Upon motion of Senator Ejercito, there being no objection, the Body dispensed with the reading of the Journal of Session No. 72 (May 22, 2023) and considered it approved.

**CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 1841 AND HOUSE BILL NO. 5110**

Upon motion of Senator Ejercito, there being no objection, the Body considered the Conference Committee Report on the disagreeing provisions of Senate Bill No. 1841 and House Bill No. 5110, entitled

AN ACT STRENGTHENING THE CONSERVATION AND PROTECTION OF PHILIPPINE CULTURAL HERITAGE THROUGH CULTURAL MAPPING AND AN ENHANCED CULTURAL HERITAGE EDUCATION PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10066, OTHERWISE KNOWN AS THE "NATIONAL CULTURAL HERITAGE ACT OF 2009."

The Chair recognized Senator Legarda to sponsor the report.

## SPONSORSHIP REMARKS OF SENATOR LEGARDA

Senator Legarda presented to the Body the bicameral conference committee report on the disagreeing provisions of Senate Bill No. 1841 and House Bill No. 5110, and therefore proceeded to read and delivered the contents of the Joint Explanatory Statement of the bicameral conference committee, as follows:

Our heritage is our most precious asset; it is our vital link, our irrefutable connection to the past, the living form of the present. The passage through time of a work of art, the evolution of a historic structure, and the interpretation of practices or traditions are just some of the expressions that define our national identity.

The Committee on Culture and the Arts now presents the bicameral conference committee report on the disagreeing provisions of Senate Bill No. 1841 and House Bill No. 5110. The bicameral conference committee, after having met and fully discussed the subject matter, hereby reports to their respective Houses the following:

1. The proposed reconciled version provided in the matrix of the differing provisions of Senate Bill No. 1841 and House Bill No. 5110 was adopted as the working draft;
2. The bill format used by the Senate of the Philippines on Senate Bill No. 1841 was agreed to be adopted as the standard format of the reconciled bill;
3. Section 1 of the Senate version was adopted as Section 1 of the reconciled bill;
4. The title of Article I of Section 1 of the Senate version was amended and adopted as an amendment to the Title of Article I of Republic Act No. 10066 to read as follows:

### ARTICLE I PRINCIPLES AND POLICIES

5. Section 3 of Section 1 of the Senate version and Section 3 of Section 1 of the House version were consolidated and adopted as an amendment to Section 3 of R.A. 10066 or the section on "Definition of Terms";
6. The title of Article III of Section 1 of the Senate version was amended and adopted as an amendment to the Title of Article III of Republic Act No. 10066 to read as follows:

### ARTICLE III CULTURAL PROPERTY AND NATURAL PROPERTY OF CULTURAL SIGNIFICANCE

7. Section 4 of Section 1 of the Senate version was adopted as an amendment to Section 4 of R.A. 10066 or the section on "Categories";
8. Section 7 of Section 1 of the Senate version was adopted as an amendment to Section 7 of RA 10066 or the section on "Privileges for Cultural Property";
9. Section 8 of Section 1 of the Senate version was adopted as an amendment to Section 8 of RA 10066 or the section on "Procedure for Declaration or Delisting of Grade I and Grade II Level Cultural Properties";
10. The title of Article V of Section 1 of the Senate version was amended and adopted as an amendment to the Title of Article V of Republic Act No. 10066 to read as follows:

### ARTICLE V REGISTRATION AND PRESERVATION OF CULTURAL PROPERTY AND NATURAL PROPERTY OF CULTURAL SIGNIFICANCE

11. Section 14 of Section 1 of the Senate version and Section 14 of Section 2 of the House version were consolidated and adopted as an amendment to Section 14 of RA 10066 or the section on Establishment and Maintenance of a Philippine Registry of Heritage;
12. Section 15 of Section of 1 of the Senate version and Section 14A of Section 3 of the House version were consolidated and adopted as an amendment to Section 15 of RA 10066 or the section on "Cultural Mapping by LGUs";

13. Section 16 of Section 1 of the Senate version was adopted as an amendment to Section 16 of RA 10066 or the section on "Cultural Mapping by ICCs/IPs";
14. Section 17 of Section 1 of the Senate version was adopted as an amendment to Section 17 of RA 10066 or the section on "Cultural Mapping, Research, and Planning Division";
15. Section 25 of Section 1 of the Senate version was adopted as an amendment to Section 25 of RA 10066 or the section on "Renaming of Historic Place Names";
16. Section 34 of Section 1 of the Senate version was adopted as an amendment to Section 34 of RA 10066 or the section on "Responsibilities of Cultural Agencies for Designation of Cultural Property";
17. Section 35 of Section 1 of the Senate version was adopted as an amendment to Section 35 of RA 10066 or the section on "Institutional Linkages of the National Cultural Agencies";
18. Section 38 of Section 1 of the House version was adopted as an amendment to Section 38 of RA 10066 or the section on "Incorporation of National Cultural Treasures and Important Cultural Property in the Basic Education System";
19. Section 39 of Section 1 of the House version was adopted as an amendment of Section 39 of RA 10066 or the section on "Cultural Heritage Education Program";
20. Section 2 of the Senate version or the section on Appropriation was amended and adopted as Section 2 of the reconciled bill;
21. Section 3 of the Senate version or the section on "Joint Congressional Oversight Committee" was modified and adopted as Section 3 of the reconciled bill;
22. Section 4 of the Senate version and Section 7 of the House version or the section on "Implementing Rules and Regulations" were consolidated and adopted as Section 4 of the reconciled bill;
23. Section 5 of the Senate version or the section on "Separability Clause" was adopted as Section 5 of the reconciled bill;
24. Section 6 of the Senate version or the section on "Repealing Clause" was adopted as Section 6 of the reconciled bill;
25. Section 7 of the Senate version or the section on "Effectivity Clause" was adopted as Section 7 of the reconciled bill;
26. The title of the House version was adopted as the title of the reconciled bill to read as follows:  
AN ACT STRENGTHENING THE CONSERVATION AND PROTECTION OF PHILIPPINE CULTURAL HERITAGE THROUGH CULTURAL MAPPING AND AN ENHANCED CULTURAL HERITAGE EDUCATION PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10066, OTHERWISE KNOWN AS THE "NATIONAL CULTURAL HERITAGE ACT OF 2009".

This month of May, we celebrate the National Heritage Month and the ratification of the Cultural Mapping bill, amending Republic Act No. 10066 or the National Cultural Heritage Act of 2009, is a momentous occasion. I sincerely thank the Senate conferees to the Bicameral Conference Committee, Sen. Maria Lourdes "Nancy" S. Binay and Sen. Aquilino "Koko" Pimentel, for their immense contributions and patience and support to this measure.

Cultural mapping is a way to make heritage an inclusive tool for local and national development. Culture mapping employs a grass roots approach that empowers local communities to identify and assign cultural value to important properties.

With the devastating aftermath of a fire that engulfed and razed the Manila Central Post Office Building, there is indeed an urgent call for a thorough and transparent investigation. With this tragedy of the Post Office, cultural mapping is more than necessary to establish and strengthen our heritage in a spirit of stewardship for the inspiration and benefit of the present and future generations.

I am forever grateful to all the authors of the measure as well as the chairperson of the Committee on Basic Education, Senator Gatchalian, for having carved out the Senate Committee on Culture and the Arts. And much thanks as well to my counterpart in the House of

Representatives—Representative Romulo, Representative De Venecia, Representative Escudero, Representative Castro, and our other colleagues who have been authors of this measure. It is an accomplishment of each and every member of this Chamber, of this newly established Committee on Culture and Arts.

I thank your leadership, Mr. President, as a champion of Culture and the Arts and of tangible and intangible heritage, coming from Mindanao and seeing the import of our culture as part of the roots of our national identity.

I therefore submit this report to the Body.

#### **CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 1841 AND HOUSE BILL NO. 5110**

Upon motion of Senator Ejercito, there being no objection, the Body approved the insertion of the Joint Explanation of the Conference Committee on the disagreeing provisions of Senate Bill No. 1841 and House Bill No. 5110 in the *Journal and Record of the Senate*. (See Annex A)

#### **APPROVAL OF THE CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 1841 AND HOUSE BILL NO. 5110**

Upon motion of Senator Ejercito, there being no objection, the Body ratified the bicameral conference committee report on the disagreeing provisions of Senate Bill No. 1841 and House Bill No. 5110.

#### **ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

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

- Governor Francisco “Lalo” Matugas of Surigao Del Norte;
- Mayor Sol Matugas of Gen. Luna, Siargao Island;
- Mayor Margarito Mission Jr. of San Remigio, Antique;
- Gov. Imelda ‘Angging’ Quibranza-Dimaporo of Lanao del Norte;
- Mayor Mohammad Juhar D. Disomimba of Tamparan, Lanao del Sur; and
- Representative Maria Jamina Katherine “Jam” Agarao-Oloroso of the 4<sup>th</sup> District of Laguna.

Senate President Zubiri welcomed the guests to the Senate.

#### **MANIFESTATION OF SENATOR LEGARDA**

Senator Legarda also expressed her gratitude to Senator Angara, who in 2009 authored RA 10066 (*National Heritage Act of 2009*) in the House of Representatives and who, as chairperson of the Committee on Finance, initiated the idea to create the Committee on Culture and the Arts, from Senator Gatchalian’s original Committee on Basic Education, Culture and the Arts. She also thanked Senator Binay for her help.

She also cited the efforts of the late Sen. Edgardo Angara in sponsoring RA 10066 in the Senate in 2009. She informed the Body that she was a coauthor and cosponsor of the law.

Thereafter, Senator Ejercito congratulated Senator Legarda for the measure which would be very significant, particularly with the recent fire that destroyed the Manila Central Post Office building.

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

**COMMITTEE REPORT NO. 67 ON SENATE BILL NO. 2212***(Continuation)*

Upon motion of Senator Ejercito, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2212 (Committee Report No. 67), entitled

**AN ACT ESTABLISHING SPECIALTY CENTERS IN HOSPITALS UNDER THE DIRECT SUPERVISION AND CONTROL OF THE DEPARTMENT OF HEALTH AND APPROPRIATING FUNDS THEREFOR.**

Senator Ejercito stated that the parliamentary status of the bill was the period of interpellations.

Thereupon, the Chair recognized Senator Go, sponsor of the measure, and Senator Hontiveros for her interpellation.

**INTERPELLATION OF SENATOR HONTIVEROS**

Senator Hontiveros thanked Senator Go for highlighting the need to establish regional specialty centers. She said she was also an advocate of universal healthcare and supported a primary health-oriented UHC. In the same manner, she recognized the need to ensure a guaranteed equitable access to quality and affordable specialized healthcare services for all Filipinos.

She asked about the integrated specialty centers in existing DOH hospitals, in reply to which Senator Go confirmed that the proposed specialty centers would be established, in coordination with the DOH national specialty centers, in existing DOH regional hospitals and would not be established as stand-alone centers.

As to whether there were already qualified and eligible regional DOH hospitals that would be set up with specialty centers, Senator Go replied in the affirmative. He pointed out that there were 34 DOH hospitals that already have their respective specialty centers and that 53 DOH hospitals were the target for the establishment of specialty centers.

On whether that would mean that 19 additional DOH hospitals would be constructed with an annex or specialty center. Senator Go further clarified that there were 83 DOH hospitals but it would be up to the DOH to determine which ones would qualify as specialty centers, based on its infrastructure, location and facilities. He reiterated that 53 hospitals have so far been found to be qualified to have specialty centers according to the criteria set by the DOH. But he affirmed that as many as 19 specialty centers could be added to the DOH hospitals until the year 2028. Senator Hontiveros averred that it would be important to know if the annual budget would be enough once the DOH hospitals and the national specialty centers have been identified.

Senator Go clarified that the establishment of specialty centers started as early as 2021, some were ongoing, and others would be established yearly in stages. He explained that the rationale of the bill was to mandate the continuous establishment of specialty centers until 2028, depending on the available budget.

Asked whether the intent of the measure was to establish one specialty center per region, Senator Go stated that the DOH shall identify and establish specialty centers in DOH hospitals in every region, and that the DOH, in coordination with the national specialty centers, shall ensure that specialty centers to be established have expert personnel and medical specialist provided with necessary training and appropriate specialist equipment. The DOH, he added, shall prioritize funding for the capital outlay investment for specialty centers through the Health Facilities Enhancement Program (HFEF) and other fund sources.



Senator Hontiveros noted that there were already 34 existing specialty centers which could triple in number by 2028. Senator Go admitted that there could be several specialty centers in one particular location as one DOH hospital would not be limited to just one specialty center. Citing Davao as an example, he said that existing in the Southern Philippines Medical Center are heart center, renal care and transplant for kidney center, lung care, brain and spinal care, orthopedic and physical rehabilitation medicine, mental health center, neo-natal care, and burn care center.

Senator Go added that the bill provides that within five years after the enactment of the Act, the DOH shall establish at least one specialty center in every region in identified DOH hospitals based on the top burden of disease and special needs in the area. He said that top 10 causes of death in the country, such as heart disease, lung and kidney problems would be given priority.

Asked if there were other DOH-recognized and identified hospitals, aside from the Philippine Heart Center, the National Kidney and Transplant Institute, the Lung Center of the Philippines, the Philippine Children's Medical Center and the Philippine Cancer Center, that were being considered as national specialty centers. Senator Go replied that the following hospitals were being considered by the DOH as national brain and spine center: Jose Reyes Memorial Center, Philippine Children's Medical Center, Quirino Memorial Medical Center, Rizal Medical Center, Southern Philippines Medical Center, Jose B. Lingad Memorial Regional Center in Pampanga, Batangas Medical Center, Bicol Medical Center, Corazon Locsin Montelibano Memorial Regional Hospital, Eastern Visayas Medical Center in Tacloban, Zamboanga City Medical Center in Region IX, Davao Regional Medical Center in Tagum, Davao Del Norte, and Cotabato Regional Medical Center. From this list, he said that only the Quirino Memorial Medical Center functions as a brain and spine center.

Senator Hontiveros expressed concern that mental health and geriatric health are not mentioned in the bill. She asked whether there would be specialty centers in hospitals on these matters in the future. In reply, Senator Go believed that mental health and geriatric health could be part of the IRR or DOH guidelines. He explained that those were not included in the bill because the committee did not want to restrict the measure based on an enumeration of specialties so as not to impair the DOH from adding other specialty centers in the future. However, Senator Hontiveros said that she would rather have it provided in the law than in the IRR.

At this point, Senator Ejercito interjected that one of the significant features of the Mental Health Act of 2019 was the establishment of mental health units in selected strategic hospitals in DOH hospitals. However, he said that it would be up to the Health Technology Assessment Council (HTAC) to determine where to establish the mental health units.

On whether there was a specific timeframe for the DOH to establish the national specialty centers, Senator Go replied in the negative, saying that it would be up to the DOH to identify the specialty centers based on the needs of a particular area and on the top 10 causes of death such as heart diseases, kidney problems, neonatal concerns. He disclosed that out of the 83 DOH hospitals, only 34 have specialty centers and only seven are heart centers. He lamented that in Mindanao, only Davao City and Cagayan de Oro City have cardio specialists. He said that if specialty centers are established in Zamboanga Medical Center, a patient would no longer have to travel to Davao or Manila for the services of a heart center.

Asked whether the national specialty centers were ready to perform new roles and responsibilities and to carry the implications of the measure to their current operations, Senator Go averred that the specialty hospital with the capacity to operate would be prioritized, stating that specialty hospitals in Manila, like the Philippine Heart Center, would be the first to guide the specialty centers to be established in other areas in the country.

Senator Hontiveros said that much had been said on the criteria set by the DOH regarding the establishment of the specialty centers in the DOH hospitals. However, she expressed concern on the capacity of the national health centers. She believed that the national specialty centers should have the following qualities: first, they are core information hubs about their specialization; second, they provide scientific leadership, ongoing research and experimentation; third, they have specialty training and technical assistance; and finally, they are capacity builders.

Asked if the capacity of national specialty centers was also assessed, Senator Go replied that the DOH has capability mapping services to determine and continuously develop the hospitals' readiness and capacity for specialty care. He then referred to Section 6 (*Responsibilities of National Specialty Centers*), which provides that the National Specialty Centers, including, but not limited to, the Philippine Heart Center, National Kidney and Transplant Institute (NKTI), Lung Center of the Philippines, Philippine Children's Medical Center and Philippine Cancer Center, shall have the following responsibilities: 1) serve as the core information hub for their respective specializations and diseases they cover, in coordination with the DOH; 2) lead in the development of policies, protocols, and standards for the particular specialty and shall have the highest level of clinical services and training capability; 3) provide scientific leadership by conducting specialized clinical, public health, and operations research with the multidisciplinary or multi-center approach; 4) provide specialty training and technical assistance, in collaboration with the DOH, to specialty centers in DOH hospitals to ensure the delivery of quality services and strengthen the network of care across the country for a particular specialty; and 5) conduct capacity and capability assessment of the services provided by specialty centers in DOH hospitals for a particular specialty.

Noting the different stages of development in national specialty centers, Senator Hontiveros wondered why the Philippine Cancer Center was included in the bill when it was still not fully operational. Senator Go admitted that it was still being developed. Senator Hontiveros said that she was looking forward to a fully functional Philippine Cancer Center that would guide the cancer specialty centers in DOH hospitals.

Regarding the specialty centers of the Health Facilities Enhancement Program (HFEP) that were already funded in the GAA, Senator Ejercito interjected that the Southern Philippines Medical Center (SPMC) in Davao City has heart, kidney, and lung centers, and had likewise inaugurated the cancer center before President Duterte's term ended. Furthermore, he said that the Northern Mindanao Medical Center (NMMC) in Cagayan de Oro City was also able to perform open-heart surgery, similar with the Vicente Sotto Memorial Medical Center (VSMMC), Baguio General Hospital, and Western Visayas Medical Center, which have operational cardio units. With the P2-billion addition in the HCAP budget and the passage of Senate Bill No. 2212, he believed that more specialty centers would be completed soon. Senator Hontiveros remarked that the DOH could count on the Senate's support as far as the full implementation of the UHC Law is concerned.

As regards the readiness of specialty centers in providing specialized health services, Senator Go stated that in the case of cancer control, Republic Act No. 11215 (National Integrated Cancer Control Act) has established the Philippine Cancer Center and seven other specialty cancer centers at the Lung Center of the Philippines, NKTI, Jose R. Reyes Memorial Medical Center, Baguio General Hospital, Southern Philippines Medical Center in Davao City, Cagayan Valley Medical Center, Zamboanga City Medical Center. He also noted that 24 regional cancer centers would soon be established depending on the budget allocation by the DOH, to wit:

1. Philippine Cancer Center;
2. Lung Center of the Philippines;
3. National Kidney and Transplant Institute (NKTI);

4. Philippine Orthopedic Center;
5. Jose R. Reyes Memorial Medical Center;
6. East Avenue Medical Center;
7. Philippine Children's Medical Center;
8. Baguio General Hospital;
9. Bicol Medical Center;
10. Western Visayas Medical Center;
11. Vicente Sotto Memorial Medical Center in Cebu City;
12. Mariano Marcos Memorial Hospital and Medical Center in Ilocos Norte;
13. Region 1 Medical Center;
14. Cagayan Valley Medical Center;
15. Jose B. Lingad Memorial General Hospital;
16. Dr. Paulino J. Garcia Memorial Research and Medical Center;
17. Batangas Medical Center;
18. Bicol Regional Hospital and Medical Center;
19. Corazon Locsin Montelibano Memorial Regional Hospital in Bacolod City;
20. Eastern Visayas Medical Center in Tacloban City;
21. Zamboanga City Medical Center;
22. Northern Mindanao Medical Center in Cagayan de Oro City;
23. Davao Regional Medical Center; and
24. Cotabato Regional and Medical Center.

Senator Hontiveros agreed that the DOH should continuously provide mentorship to the national specialty centers trainees since they would, in turn, guide the specialty centers.

On transferability and replicability, Senator Hontiveros inquired what assurances could be had from the current capabilities of national specialty centers. Senator Go reiterated that it would continue training and guiding the DOH hospitals.

Asked if the national specialty centers would create key performance indicators and matrices that could be probed by UHC advocates and the Senate, Senator Go replied in the affirmative.

For her part, Senator Hontiveros expressed concern about simultaneously balancing the priorities for local health systems development at the city and provincial levels as against the additional mandates and pressures on end-referral hospitals at the regional level, as the UHC integration was still underway. Senator Go assured that the specialty centers would be part of healthcare provider network because a hospital with at least two specialty centers is identified by the DOH as an apex or end-referral hospital.

Asked if the DOH has a concrete prioritization in local health systems development together with the establishment of end-referral hospitals in various regions, Senator Go asserted that consultations for common illnesses could be sought in primary care health facilities; hospitals for quite serious conditions; and apex or end-referral health facilities for serious illnesses. He asserted that by building super health centers (a medium type of polyclinic) in strategic areas all over the Philippines, people residing in remote areas and small municipalities would have improved access to medical services, especially pregnant women who sometimes accidentally give birth in public transportations due to long distance travel to hospitals. Furthermore, he stated that in 2022, 307

super health centers were built and 322 would be built by 2023. Considering that almost 50% of patient occupancy rate were pregnant women whose cases are not very serious, he believed that they could be treated in super health centers, thus, decongesting hospitals.

As regards treatment of vital organs like the heart, he emphasized that specialty centers or specialty hospitals are necessary because the ones existing were either too far, or that consultation therein is expensive, to the detriment of poor patients who could not afford traveling to Manila or other regions. He believed that having more specialty centers in every region would provide better access to healthcare and medical specialists, and people would no longer travel far to undergo procedures like angiograms, or complicated surgeries.

Senator Hontiveros recalled that during the deliberation of the UHC Law, she was advocating super health care centers as an important part of local health systems development. As she lauded the idea of consulting first at the primary health care level, in hospitals for less serious illness, and apex hospitals in the regions for severe cases, she said that it best illustrates the Filipinos' navigation guide in accessing health care and health services in the country.

Moving forward, Senator Hontiveros stated that she would await what the DOH would propose during the budget hearing so the Senate could adequately fund both the local health system development and specialty centers. Senator Hontiveros hoped that during the budget debates, they would be able to provide input as to how the local health system development as well as the specialty centers would be funded.

Noting that the Philippine Health Facility Development Plan (PHFDP) would be the guide for the financial investments of regional specialty centers, she asked how much from the funding of PHFDP would be allocated to these centers.

In reply, Senator Go agreed with Senator Hontiveros that the Body must ensure not only the funding of regional specialty centers but also of the primary healthcare facilities which are the foundation of UHC, noting that there should be a balance in terms of prioritizing and funding both programs.

As regards the budget for the regional specialty centers, he said that the estimated cost to build the centers was P76 billion. He added that the project would be implemented from 2024 to 2028 and that P17 billion would be funded from a loan from the Asian Development Bank in 2025 while P59 billion would be funded from the GAA. He said that the project would be implemented in phases; hence, it would depend how much budget would be approved by Congress yearly until 2028. However, he clarified that 2028 was just the target and that the program's implementation could go beyond the target set.

Asked if it was possible to already anticipate a loan of P17 billion even if the bill has not yet been enacted into law, Senator Go explained that according to DOH, the said amount would actually be from the ADB loan for COVID-19 which was unutilized. The said amount qualified to be restructured and used for the funding of building specialty centers in 2025, he said.

Senator Hontiveros explained that she asked about the funding of the specialty centers because of the wide gap in the funding of primary health facilities and tertiary hospitals. She feared that even with the measure's passage, they would not be able to provide what was expected by the people from the specialty centers because of lack of funding.

Senator Go replied that even before the measure would be enacted into law, the DOH had already allotted a budget of P367,725,000 in 2019, P194,320,000 in 2020, P6,541,735,000 in 2022, and P3,292,212,598 in 2023. As the chairperson of Committee on Health and Demography, he said

that he would rather have the measure passed into law in order to concretize the program for which funding would be provided.

Asked if special centers in DOH hospitals would have some semblance of fiscal autonomy to allow them to generate funds or mobilize resources aside from the funding from the government or subsidies, Senator Go said that hospitals can retain their income which specialty centers could use.

Asked if these special centers could eventually become privatized or corporatized, Senator Go replied that DOH has no plan yet to privatize these centers at the moment. Senator Hontiveros expressed relief that there were no plans of privatization or corporatization for the specialty centers, saying that her vision was for the public health sector to be at par or even better than the private health sector in providing health services.

On what would be the role of the private sector in the establishment of regional specialty centers, Senator Go said that private doctors would be welcomed to practice in these centers, noting that many doctors from private hospitals were also practicing in some public hospitals like the Philippine Heart Center and the National Kidney and Transplant Institute. For instance, he mentioned Dr. Maruya who had served in the PHC and now a Mayor of Davao Occidental. Senator Hontiveros hoped that the DOH would be able to specify the complementary roles the private sector could play in terms of the sustainability of the regional specialty centers as well as ensure the people's access to these facilities and the special health care services they provide.

Senator Go assured that the public and private health sector will work together especially that public hospitals usually refer to private hospitals cases which the former could not handle or address with their limited facilities.

In concluding her interpellation, Senator Hontiveros congratulated Senator Go for pushing for the bill, and she expressed her hope that the national government would fully realize and operationalize the measure's intent so that the poor people could have better access to public health services. She also hoped for the sustainability of these specialty centers through better organization, funding, and operations.

#### **INTERPELLATION OF SENATOR PIMENTEL**

Asked by Senator Pimentel about the exact message of President Marcos about regional hospitals in his previous SONA, Senator Go said that he and the DOH interpreted it that the President wanted to have more specialty centers across the country to make health services more available and accessible to the people.

Senator Pimentel explained that his idea of the program was to have, for instance, as least one heart center in Mindanao and Visayas just like in Metro Manila. He believed that it would be easier to approach that way instead of making it per region.

Senator Go stated that the goal was to build specialized hospitals across the country. However, he said that while he would also want to have a heart center in Mindanao and Visayas, it would take more time and entail higher budget to build a new hospital compared to upgrading the existing DOH hospitals to have multi-specialty capability. He noted that aside from needing their own law, charter, and organization, the new hospitals would have to go through certain levels before they be regarded as specialty hospitals, putting at stake the health of the people who need immediate medical intervention.

Senator Go pointed out that the specialty centers program was already part of the Philippine Health Development Plan that was conceptualized in 2017 and finalized and approved by the DOH in 2019. Relative thereto, he shared that during the hearings, DOH expressed its support to prioritize the measure upgrading hospitals by establishing their own specialty centers. He likewise shared that according to Dr. Balanag of the Lung Center, one of the resources persons, the model of implementation would not disturb the operations of the existing hospitals but would rather encourage expansion of their services through the acquisition of newer and more specialized equipment and training of personnel in more specialized fields.

Senator Go averred that they should utilize the existing facilities as well as the specialists available in these hospitals, noting the shortage in health personnel which would also be a challenge if new stand-alone specialty hospitals would be built.

For his part, Senator Pimentel said that since the measure retains the concept of a national specialty center, his understanding of the approach was that there would be one premier hospital for a particular disease or illness which is already existing in Metro Manila but that there would be other specialty centers in other areas. He then asked if, under the measure, the approach would be to have a specialty center for heart, kidney, and lung for all regions or to have only any specialty center in each region.

Senator Ejercito, the principal sponsor of the Universal Health Care Act, added more information to the discussion by stating that the DOH would merely designate certain health facilities in which to establish specialty centers, given the associated costs. He stated that in accordance with the Universal Health Care Act, the Health Technology Assessment Council (HTAC) will identify institutions, such as those in Mindanao, where standalone centers for heart, lung, and kidney facilities will be established. In the case of Mindanao, he stated that there would be two DOH hospitals: the Northern Mindanao Medical Center (NMMC) in Cagayan de Oro for Northern Mindanao and the Southern Philippines Medical Center (SPMC) for Southern Mindanao, each with its own heart, lung, and kidney centers.

Senator Ejercito added that specialty facilities would be established in the following hospitals for the Visayas: the Vicente Sotto Medical Center, serving Cebu and Bohol, for Central Visayas; the Western Visayas Medical Center, serving Negros and Panay Island, for Western Visayas; and the Eastern Visayas Medical Center, serving Samar and Leyte, for Eastern Visayas. He stated that the Baguio General Hospital and the Mariano Marcos Memorial Hospital and Medical Center were the designated specialty centers for Northern Luzon, while Batangas Medical Center and the Regional Training Center in Legazpi, Albay would serve Southern Luzon.

In addition, Senator Ejercito informed Senator Pimentel that the cost of establishing the specialty centers would be too high; therefore, the DOH deemed it necessary to simply identify health facilities that already have the capability and area partially equipped for the purpose.

Senator Go stated that the country presently has seven heart centers, including one in Northern Mindanao that was funded through the efforts of Senator Ejercito. He then proceeded to enumerate the heart centers across the nation as follows: 1) Philippine Heart Center; 2) Mariano Marcos Memorial Hospital; 3) Vicente Sotto Memorial Medical Center; 4) Northern Mindanao Medical Center; 5) Southern Philippines Medical Center in Davao; 6) Western Visayas Medical Center in Iloilo; and 7) Cotabato Regional and Medical Center.

He stated that the following heart centers were to be added in other regions: 1) Zamboanga City Medical Center in Region IX; 2) Bicol Regional Hospital in Region V; 3) Amang Rodriguez Memorial Medical Center in Caloocan City; 4) Baguio General Hospital in Benguet; 5) Cagayan Valley Medical Center in Region II; 6) Dr. Paulino J. Garcia Memorial Research and Medical Center in Cabanatuan; 7) Batangas Medical Center in Batangas; 8) Culion Sanitarium and General

Hospital in Palawan; 9) Corazon Locsin Montelibano Memorial Regional Hospital in Bacolod City; 10) Eastern Visayas Medical Center in Region VIII; 11) Caraga Regional Hospital; and 12) Amai Pakpak Medical Center in Lanao del Sur.

Asked whether the government's plan would mean that regional specialty centers would be established for one particular disease or organ, Senator Go responded that the mapping procedure carried out by the DOH was on a per sub-national area basis. He explained that the major islands of Luzon, Visayas, and Mindanao would be subdivided into smaller areas with labels such as Luzon A for the northern portion of the island and Luzon B for the southern portion. Additionally, he stated that the National Capital Region (NCR) would be grouped with Region III, and that the same would be done for Visayas and Mindanao. In addition, he stated that the plan was for sub-national areas to eventually have 17 specialties; however, presently, the DOH was primarily concerned with five diseases: 1) heart, 2) lung; 3) kidney; 4) neonatal; and 5) cancer.

Asked whether the government's ultimate goal was to have 17 distinct disciplines of expertise for each of the areas mentioned, Senator Go responded in the affirmative. He surmised that the plan would be more expensive than standalone hospitals, despite the fact that he believed that the per-organ specialty centers already qualified as standalone facilities. On the other hand, he believed that geriatric and children's concerns would fall under the grouped approach. He then urged the Body to carefully weigh which of the two approaches would be more practical: six or seven standalone hospitals versus 17 specialty centers within a subnational area.

Senator Pimentel then reaffirmed the outcome of the previous interpellation of Senator Hontiveros that, in discussing Section 8 of the bill, in addition to the specialty centers originally mentioned in the section: heart, lung, and kidney centers, other specialties, including brain and spine, geriatric and pediatric medicine, and neonatal concerns, were also addressed. He then inquired whether Section 8 would continue to guide the government's organ disease priorities. Senator Go replied that within five years of the bill's enactment into law, the DOH shall establish at least one specialty center in each region, based on the most prevalent disease and special requirements in each area. He then enumerated the leading causes of mortality in the country: cardiovascular diseases, brain diseases, hypertension, lung and renal diseases, cancer, diabetes, pneumonia, chronic lower respiratory disease, and tuberculosis. In addition to the aforementioned diseases, he stated that the DOH would also focus on the three organs with the highest prevalence of disease in the country: the heart, lungs, and kidneys.

Asked if there was any inconsistency between the focus of Section 8, which requires the DOH to establish heart, lung, and kidney centers, and the top 10 leading causes of death, Senator Go stated that the prioritization would remain flexible; however, the heart, lungs, and kidneys would be given priority.

Senator Pimentel, citing Section 5(a), on page 2 of the bill, stated that evidence of health requirements and demands, including disease burdens in DOH hospitals' catchment population, constitutes the criteria for the establishment of specialty centers, in consultation with interested parties. He then inquired about the manner of operationalization of the section. Senator Go responded that, in addition to the health needs and demands of the DOH hospitals' catchment population, other criteria should be considered in the establishment of specialty centers, namely: 1) the service capability and geographic or physical access to the hospital; 2) the role of the specialty center in healthcare provider networks; 3) the availability of specialists and healthcare workers; 4) the financial viability of the specialty center; and 5) its accreditation with the Philippine Health Insurance Corporation (PhilHealth).

As to the determination of the kind of specialization a center in a particular area would have, Senator Go informed the Body that annual hospital statistics submitted to the DOH indicating the

leading causes of mortality in a catchment population, in addition to the statistics reported by primary care facilities, guide the DOH in determining the type of specialization a center in a particular area will have.

Asked if the measure was specific in delegating to the DOH the matter of deciding on what kind of center to establish, Senator Go replied in the affirmative.

Asked to confirm if the DOH would be responsible for determining the location and specialty of the center based on the 17 fields of specialization, Senator Go replied in the affirmative. He added that the specialty centers would be located in DOH hospitals deemed capable by the DOH, of which 34 out of 53 were already in existence.

He also responded affirmatively when asked if the 34 specialty centers included the seven heart centers previously mentioned in the discussion. Senator Pimentel then noted, based on Senator Go's example of a DOH hospital with 16 specialty centers, that there are likely more than 34 specialty hubs in hospitals across the country. He opined that if a concentration of specialty centers were to be found in select hospitals, the 19 hospitals out of 53 target number that have not yet established their specialty centers would be at a disadvantage.

Senator Go believed that the number of specialty centers in a hospital would depend on a variety of factors, including the hospital's budget, available space, facilities, and infrastructure. He stated that the SPMC in Davao was able to establish a number of specialty centers because it was able to secure funding. He added that the same could be said about the NMMC, which has already established a heart center due to its adequate funding, capabilities, and infrastructure.

Asked what should be done so that the 19 target DOH hospitals would be able to establish at least one specialty center of their own, Senator Go responded that the DOH and the 19 hospitals in question would need to be upgraded to Level 3 status. He then proceeded to enumerate the existing 34 DOH hospitals and the specialty centers associated with them, namely:

1. Philippine Heart Center – cardiovascular care;
2. Jose Reyes Memorial Medical Center – geriatric care;
3. National Center for Mental Health – mental health;
4. Lung Center of the Philippines – lung care;
5. National Kidney and Transplant Institute – renal care and transplant;
6. Philippine Orthopedic Center – orthopedic care and physical rehabilitation medicine;
7. Philippine Children's Medical Center – neonatal care;
8. Research Institute for Tropical Medicine (RITM) – infectious disease and tropical medicine, and dermatology;
9. East Avenue Medical Center – burn care, eye care, orthopedic care, neonatal care, and dermatology;
10. Jose Reyes Memorial Medical Center – dermatology, neonatal care, cancer care, and eye care;
11. Tondo Medical Center – trauma care and dermatology;
12. Quirino Memorial Medical Center – brain and spine care, mental health, burn care, and eye care;
13. Valenzuela Medical Center – dermatology;
14. Rizal Medical Center – neonatal care, eye care, dermatology, and geriatric care;



15. Dr. Jose Rodriguez Memorial Hospital and Sanitarium – mental health care and dermatology;
16. Baguio General Hospital and Medical Center – lung care, orthopedic care, mental health care, neonatal care, burn care, cancer care, and eye care;
17. Mariano Marcos Memorial Hospital and Medical Center – cardiovascular and lung care, orthopedic and neonatal care, infectious diseases care, and tropical medicine;
18. Ilocos Training and Regional Medical Center – trauma care and eye care;
19. Region I Medical Center – dermatology and mental health care;
20. Cagayan Valley Medical Center – mental health and cancer care;
21. Southern Isabela Medical Center – burn care and dermatology;
22. Dr. Paulino J. Garcia Memorial Research and Medical Center – burn care, trauma care, and eye care;
23. Dr. Jose B. Lingad Memorial General Hospital (Pampanga) - orthopedic care, infectious disease and tropical medicine, and eye care;
24. Mariveles Mental Wellness and General Hospital (Bataan) - mental health care;
25. Batangas Medical Center - mental health care, neonatal care, and geriatric care;
26. Bicol Regional Hospital and Medical Center (Region V) – orthopedic care, mental health, neonatal care, and trauma care;
27. Western Visayas Medical Center (Iloilo) - cardiovascular care, lung care, mental health care, and neonatal care;
28. Vicente Sotto Memorial Medical Center (Cebu) - cardiovascular care, neonatal care, and trauma care;
29. Eastern Visayas Medical Center (Tacloban) - cardiovascular care, physical rehabilitation, mental health care, and neonatal care;
30. Zamboanga City Medical Center (Zamboanga) - mental health care, cancer care, infectious disease care, and tropical medicine;
31. Northern Mindanao Medical Center - cardiovascular care, lung care, orthopedic care, neonatal care, infectious disease care, and tropical medicine;
32. Southern Philippines Medical Center (Davao) - cardiovascular care, lung care, neonatal care, trauma care, toxicology, cancer care, eye care, and dermatology;
33. Davao Regional Medical Center (Davao Del Norte) - orthopedic care; and
34. Cotabato Regional Medical Center (Cotabato City) - trauma care.

Senator Pimentel inquired about the status of the remaining 30 hospitals, noting that 53 of the 83 DOH hospitals are the target hospitals. Senator Go responded that once these facilities meet the essential criteria, they will be assigned to specialized centers.

Asked to name a DOH hospital which is part of the 19 hospitals that would soon have specialty centers, as well as another DOH hospital among the 30 hospitals which are not yet among those considered to be given specialty centers, he mentioned the Palawan and Caraga Regional Hospitals that have not yet been upgraded to Level 3. Additionally, he clarified that there were no imminent plans to construct specialty centers in the 30 hospitals numbered 54 to 83.

Regarding the locations of one or two hospitals pertaining to this category, he provided as an example the Culion Sanitarium and General Hospital, located in the northernmost region of Palawan.

Adverting to Section 3(c) of the measure, which defines a specialty or general hospital, Senator Pimentel asked whether the Philippine Heart Center is an example of a Level 3 specialty hospital. Senator Go provided as examples of specialty institutions the Philippine Heart Center (PHC), the Lung Center of the Philippines (LCP), the National Kidney and Training Institute (NKTI), and the Philippine Children's Medical Center (PCMC).

In response to additional questions, he confirmed that a Level 3 general hospital, such as the Southern Philippine Medical Center (SPMC), could also be deemed a national specialty center for a designated medical specialty. Senator Pimentel then suggested that the DOH designate the SPMC's medical specialty, as it is not evident from the hospital's name alone. Senator Go concurred with Senator Pimentel that the East Avenue Medical Center is a general hospital that is also a national specialty center.

Concerning the inclusion of the term "general hospital" in the definition of "national specialty center," Senator Go cited the East Avenue Medical Center as an example of a general hospital and specialty center that can provide training for centers to be established in DOH hospitals.

He also stated that hospitals such as the PCMC, which specializes in neonatal care, could also be furnished with a specialty center if the definition of "national specialty center" includes hospitals. He confirmed that the hospital could serve as a trainer source for other neonatal specialty centers.

Reverting to Section 9 of the Philippine Health Facility Development Plan, Senator Pimentel requested information regarding the plan's other provisions and its budget. Senator Go explained that the PHFDP includes the establishment of special health centers, which are polyclinics that are smaller than hospitals and larger than rural health units. He stated that the super health center would provide maternity, dental, laboratory, and vaccination services, not only against COVID-19, but also against measles and shingles. In addition, he stated that the PHFDP aims to close the funding deficit for primary health care facilities, general hospitals, and specialty facilities such as laboratories and blood centers. He confirmed that the budgets of specialty centers, super health centers, and DOH-run institutions will be included in the PHFDP.

He also stated that barangay health stations are included in the PHFDP plan and budget alongside conventional health facilities.

On the total allocation for the Plan for 2023, he stated that it was P148 billion for the years 2023 through 2028 and P278 billion for the years 2029 through 2040.

Despite the government's efforts to ameliorate the situation, he also observed that access to hospitals with specialized health services remained limited. Since almost all specialty institutions, such as the PHC, the LCP, the NKTI, and the PCMC, are located in Metro Manila, he stated that it has become difficult and expensive for Filipinos in other parts of the country to receive treatment at these facilities.

He urged his colleagues to assist impoverished Filipinos from the provinces in gaining better access to the services of government hospitals and provide them with specialized medical care. He stated that they must relieve patients of superfluous travel and additional costs. He stated that the Malasakit Centers are always accessible to those in need of medical care.

**COAUTHOR**

Upon motion of Senator Ejercito, there being no objection, Senator Villar (C) was made coauthor of Senate Bill No. 2212.

**SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2212**

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

**ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

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

- Chairman Ronald Cardema and the Commissioners of the National Youth Commission; and
- Chairman Marjanie Mimbantas Macasalong and the Commissioners of the Bangsamoro Youth Commission.

Senate President Zubiri welcomed the guests to the Senate.

**COMMITTEE REPORT NO. 65 ON HOUSE BILL NO. 7185**

*(Continuation)*

Upon motion of Senator Ejercito, there being no objection, the Body resumed consideration, on Second Reading, of House Bill No. 7185 (Committee Report No. 65), entitled

**AN ACT GRANTING PHILIPPINE CITIZENSHIP TO KYLE DOUGLAS JENNER-MANN.**

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

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

**INTERPELLATION OF SENATOR PIMENTEL**

Senator Pimentel inquired as to when a recipient of Philippine citizenship could be deemed a citizen, citing the time between the subject's oath of allegiance and registration. Senator Tolentino replied that it would depend on the method of attaining citizenship, and outlined the various methods and their effectiveness. He explained that for judicial naturalization, there would be a two-year gap and a ten-year residency requirement. He stated that for administrative naturalization, the subject may promptly take his oath, but the applicant must have been a resident of the Philippines for at least a year prior to filing the petition, unless the subject has continuously resided in the Philippines for 30 years. He stated that as soon as the measure becomes law, the subject may take the oath as a Filipino citizen.

Asked whether the subject is immediately considered a Filipino citizen after taking the oath, Senator Tolentino replied in the affirmative, citing the case of Mr. Justin Brownlee whose Filipino citizenship allowed him to be a part of the Gilas Basketball Team that had recently won the gold medal in the Southeast Asian Games in Cambodia.

Senator Pimentel requested more information about Mr. Kyle Jennermann and the reasons why he should be granted Filipino citizenship. Senator Tolentino responded that based on testimony heard during committee hearings, the 35-year-old Canadian has resided in the Philippines since 2013. He mentioned that Mr. Jennermann was a prominent vlogger whose YouTube channel featuring his life and activities that showed how it is to be Filipino.

He noted that Senate President Zubiri himself had pointed out that Mr. Jennermann lived in Cagayan de Oro before moving to Davao, and was fluent in the Visayan language. He added that for the past decade, the subject had been touring the country with his Caviteña girlfriend in order to show his viewers the beauty of the Philippines and its people.

He pointed out that, at a time when Filipinos prefer to change citizenship to become American, Australian, or Canadian, Mr. Jennermann showed his passion and love for the Philippines.

Mr. Jennermann demonstrated his passion and affection for the Philippines at a time when many Filipinos prefer to change their citizenship to that of the United States, Australia, or Canada.

Senator Pimentel stated that granting a foreigner Filipino citizenship is the highest gift Filipinos can bestow. He stated that he was accepting the recommendation to grant Mr. Jennermann Filipino citizenship not only because he trusted Senator Tolentino's investigation as Chairman of the Committee on Justice and Human Rights, but also because Senate President Zubiri and the House of Representatives believed that the applicant deserved to be granted citizenship.

#### **TERMINATION OF THE PERIOD OF INTERPELLATIONS**

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

#### **TERMINATION OF THE PERIOD OF AMENDMENTS**

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

#### **APPROVAL OF HOUSE BILL NO. 7185 ON SECOND READING**

Submitted to a vote, there being no objection, House Bill No. 7185 was approved on Second Reading.

#### **SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 7185**

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

#### **REFERENCE OF BUSINESS**

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



**BILLS ON FIRST READING**

Senate Bill No. 2222, entitled

AN ACT PROTECTING CONSUMERS FROM UNREASONABLE FEE INCREASES BY PROVIDING FOR A CONSUMER GROUP REPRESENTATION IN THE GOVERNING BOARDS OF GOVERNMENT REGULATORY BODIES, AMENDING FOR THE PURPOSE THEIR RESPECTIVE CHARTERS, AND FOR OTHER PURPOSES

Introduced by Senator Lapid

**To the Committees on Public Services; and Trade, Commerce and Entrepreneurship**

Senate Bill No. 2223, entitled

AN ACT EXPANDING THE GRANT OF TWENTY PERCENT (20%) DISCOUNT AND EXEMPTION FROM THE VALUE ADDED TAX (VAT) TO SENIOR CITIZENS TO INCLUDE MEDICINES, SUPPLEMENTS, VITAMINS, HERBAL PRODUCTS, AND FORMULATED MILK MEDICALLY DULY PRESCRIBED OR RECOMMENDED BY PHYSICIANS

Introduced by Senator Lapid

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

**RESOLUTIONS**

Proposed Senate Resolution No. 625, entitled

RESOLUTION COMMENDING AND CONGRATULATING THE PHILIPPINE DELEGATION WHO HAVE COMPETED AND WON MEDALS IN THE 32ND EDITION OF THE SOUTHEAST ASIAN GAMES HELD IN CAMBODIA, PLACING THE COUNTRY AS THE 5TH OVERALL CHAMPION

Introduced by Senator Go

**To the Committee on Rules**

Proposed Senate Resolution No. 626, entitled

A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE PROLIFERATION OF UNAUTHORIZED ONLINE LENDING APPLICATIONS AND ABUSIVE LENDING CORPORATIONS WITH THE END IN VIEW OF STRENGTHENING MEASURES THAT PROTECT THE CONSUMERS' RIGHT TO PRIVACY, SECURITY AND PROPERTY

Introduced by Senator Gatchalian

**To the Committee on Banks, Financial Institutions and Currencies**

Proposed Senate Resolution No. 627, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE RECENT FIRE INCIDENT AT THE MANILA CENTRAL POST OFFICE WITH THE AIM OF REVISITING AND STRENGTHENING POLICIES FOR THE PRESERVATION AND PROTECTION OF CULTURAL PROPERTIES AGAINST FIRE AND OTHER HAZARDS

Introduced by Senator Padilla

**To the Committees on Culture and the Arts; and Public Order and Dangerous Drugs**

Proposed Senate Resolution No. 628, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE EFFORTS OF THE NATIONAL GOVERNMENT TO PROMOTE THE DEVELOPMENT AND USE OF A BASKET OF CURRENCIES FOR INTERNATIONAL TRADE

Introduced by Senator Marcos

**To the Committee on Banks, Financial Institutions and Currencies**

Proposed Senate Resolution No. 629, entitled

RESOLUTION REQUESTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE STATE OF CALAMITY STATUS OF SAMAL ISLAND DUE TO THE POWER CRISIS WITH AN END IN VIEW OF FINDING SHORT AND LONG-TERM SOLUTIONS TO THE DEFICIENCY OF ELECTRICITY SUPPLY IN THE ISLAND

Introduced by Senator Tulfo

**To the Committee on Energy**

Proposed Senate Resolution No. 630, entitled

RESOLUTION CONGRATULATING AND COMMENDING THE BRICK TITANS PHILIPPINES FOR WINNING THE FIRST LEGO LEAGUE (FLL) WORLD CHAMPIONSHIP EXPLORE DIVISION (AGES 6-10) HELD LAST APRIL 19- 22, 2023 AT THE GEORGE BROWN CONVENTION CENTER IN HOUSTON, USA

Introduced by Senator Lapid

**To the Committee on Rules**

Proposed Senate Resolution No. 631, entitled

RESOLUTION COMMENDING THE MASUNGI GEORESERVE PROJECT FOR BEING CONFERRED THE INSPIRE AWARD DURING THE 2022 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ACTION AWARD HELD IN BONN, GERMANY

Introduced by Senator Binay

**To the Committee on Rules**

Proposed Senate Resolution No. 632, entitled

RESOLUTION COMMENDING AND CONGRATULATING THE PHILIPPINE NATIONAL SOFT TENNIS TEAM FOR THEIR OUTSTANDING PERFORMANCE DURING THE 32ND SOUTHEAST ASIAN (SEA) GAMES HELD IN CAMBODIA

Introduced by Senator Angara

**To the Committee on Rules**

### COMMITTEE REPORT

Committee Report No. 70, prepared and submitted by the Committee on Ways and Means, on Senate Bill No. 2224, with Senators Gatchalian and Villanueva as authors thereof, entitled

AN ACT INTRODUCING ADMINISTRATIVE TAX REFORMS, AMENDING SECTIONS 21, 22, 34, 51, 56, 57, 58, 76, 77, 81, 90, 91, 103, 106, 108, 109, 110, 112, 113, 114, 115, 116, 117, 118, 119, 120, 128, 200, 204, 236, 237, 241, 242, 243, 245, 248, AND 269 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED, AND FOR OTHER PURPOSES,

recommending its approval in substitution of Senate Bill No. 1346, taking into consideration Senate Bill No. 2128 and House Bill No. 4125.

Sponsor: Senator Gatchalian

**To the Calendar for Ordinary Business**

### ADDITIONAL REFERENCE OF BUSINESS

#### BILLS ON FIRST READING

Senate Bill No. 2225, entitled

AN ACT ESTABLISHING PIGBUCAN POINT TO PARON POINT OF MANITO IN THE PROVINCE OF ALBAY AS A PROTECTED AREA UNDER THE CATEGORY OF PROTECTED SEASCAPE, PROVIDING FOR ITS PROTECTION, CONSERVATION, PROPER MANAGEMENT, AND FOR OTHER PURPOSES

Introduced by Senator Villar (C)

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

Senate Bill No. 2226, entitled

AN ACT DECLARING A PARCEL OF LAND LOCATED IN THE MUNICIPALITIES OF PALOMPON, MATAG-OB AND VILLABA IN THE PROVINCE OF LEYTE,

A PROTECTED AREA WITH THE CATEGORY OF PROTECTED LANDSCAPE UNDER THE NATIONAL INTEGRATED PROTECTED AREAS SYSTEM (NIPAS), TO BE REFERRED TO AS THE PALOMPON PROTECTED LANDSCAPE, PROVIDING FOR ITS MANAGEMENT, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Villar (C)

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

Senate Bill No. 2227, entitled

AN ACT STRENGTHENING REPUBLIC ACT NO. 9237, OTHERWISE KNOWN AS THE MOUNT APO PROTECTED AREA ACT OF 2003, BY ESTABLISHING THE WILDLIFE CONSERVATION AND RESCUE CENTER INSIDE THE MOUNT APO NATURAL PARK (MANP) TO PRESERVE AND PROTECT THE POPULATION OF WILDLIFE RESOURCES, PROVIDING FUNDS THEREOF AND FOR OTHER PURPOSES”

Introduced by Senator Villar (C)

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

Senate Bill No. 2228, entitled

AN ACT REQUIRING ALL GRADUATING SENIOR HIGH SCHOOL AND COLLEGE STUDENTS TO PLANT TWO (2) TREES EACH AS A CIVIC DUTY FOR ENVIRONMENT PROTECTION AND PRESERVATION, AND APPROPRIATING FUNDS THEREFOR”

Introduced by Senator Villar (C)

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

Senate Bill No. 2229, entitled

AN ACT ESTABLISHING THE PHILIPPINE ENTREPRENEURS ACADEMY AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Villar (C)

**To the Committees on Higher, Technical and Vocational Education; Trade, Commerce and Entrepreneurship; Ways and Means; and Finance**

Senate Bill No. 2230, entitled

AN ACT PROVIDING FOR THE CONTROL AND PREVENTION OF OBESITY AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Villar (C)

**To the Committees on Health and Demography; Local Government; and Finance**



Senate Bill No. 2231, entitled

AN ACT TO PRESCRIBE NUTRITION LABELING FOR FOOD PRODUCTS, AND PROVIDING FRAMEWORK FOR ITS IMPLEMENTATION AND FOR OTHER PURPOSES

Introduced by Senator Villar (C)

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

Senate Bill No. 2232, entitled

AN ACT AMENDING REPUBLIC ACT 11313, OTHERWISE KNOWN AS SAFE SPACES ACT, PROVIDING PENALTIES FOR GENDER-BASED SEXUAL HARASSMENT IN EDUCATIONAL AND TRAINING INSTITUTIONS AND THE WORKPLACE”

Introduced by Senator Villar (C)

**To the Committees on Women, Children, Family Relations and Gender Equality; and Justice and Human Rights**

## RESOLUTIONS

Proposed Senate Resolution No. 633, entitled

RESOLUTION CONGRATULATING AND COMMENDING THE PHILIPPINE NATIONAL ARNIS TEAM AND THEIR COACHING STAFF FOR WINNING 6 GOLD MEDALS, 2 SILVER MEDALS, AND 4 BRONZE MEDALS AT THE 32<sup>ND</sup> SOUTHEAST ASIAN GAMES HELD AT HALL A, CHROY CHANGVAR CON-

Introduced by Senator Villanueva

**To the Committee on Rules**

Proposed Senate Resolution No. 634, entitled

RESOLUTION COMMENDING AND CONGRATULATING THE PHILIPPINE NATIONAL ARNIS TEAM FOR THEIR OUSTANDING PERFORMANCE DURING THE 32<sup>ND</sup> SOUTHEAST ASIAN (SEA) GAMES HELD IN CAMBODIA

Introduced by Senator Angara

**To the Committee on Rules**

## COMMITTEE REPORT

Committee Report No. 71, prepared and submitted by the Committee on Public Works, upon the recommendation of the Subcommittee on Public-Private Partnerships (PPP), jointly with the Committees on Economic Affairs; Ways and Means; and Finance, on Senate Bill No. 2233,

with Senators Angara, Estrada, Marcos, Legarda, Zubiri, Villanueva, Ejercito, Gatchalian, and Revilla Jr. as authors thereof, entitled

**AN ACT STRENGTHENING PUBLIC-PRIVATE PARTNERSHIPS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES,**

recommending its approval in substitution of Senate Bill Nos. 765, 1022, 1251, 1344, 1613, 1974, and 2068, taking into consideration House Bill No. 6527.

Sponsor: Senator Ejercito

**To the Calendar for Ordinary Business**

**ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

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

- Dr. Eduardo Bagtang, president of Kalinga State University;
- Dr. John Cabansag, president of Apayao State College;
- Dr. Gregorio Turqueza, president of Abra Institute of Science and Technology;
- Dr. Edgar Que, president of Mountain Province State Polytechnic College; and
- Dr. Felipe Comila, president of Benguet State University.

Senate President Zubiri welcomed the guests to the Senate.

**SUSPENSION OF SESSION**

Upon motion of Senator Ejercito, the session was suspended.

*It was 5:34 p.m.*

**RESUMPTION OF SESSION**

At 6:07 p.m., the session was resumed with Senate President Zubiri presiding.

**COMMITTEE REPORT NO. 58 ON SENATE BILL NO. 2020**

*(Continuation)*

Upon motion of Senator Ejercito, 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 Ejercito stated that the parliamentary status of the bill was still the period of interpellations.

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

## INTERPELLATION OF SENATOR POE

Senator Poe said that, according to the Milken Institute, the challenge of having two or more objectives was that investment strategies, at times, do not align. She noted that the Maharlika Investment Fund's objective was both developmental and commercial: the government wanted to earn and, at the same time, wanted to implement socioeconomic development activities. She cautioned that development projects do not always turn a profit or the gestation period takes a very long time before the project realizes any profit from such investments.

As to how he would justify the MIF in terms of the rate of return of the investments to the potential investors, Senator Villar (M) admitted that not all investments could provide a high yield. For instance, he said, the National Development Company, whose primary objective was more developmental, was willing to accept a lesser yield in exchange for the social benefits of the its investments.

Senator Villar (M) recalled that he was involved with a lot of PPPs and ODA projects where he personally saw the yield. He said that part of the procedure for the approval of the projects was to conduct a feasibility study which included the computation of the economic rate of return and the kind of revenues that such projects would generate. He noted that while not all projects would meet the necessary hurdle rate, NEDA required a 10% hurdle rate for the economic return of the projects they approved.

Regarding the Maharlika fund, he believed that there would be projects that could move forward the country's socio-economic agenda and at the same time yield a rate of return that would be acceptable and beneficial to the government.

Asked by Senator Poe to cite examples of certain government investments that have given a high rate of return or a potential high yield, Senator Villar (M) reiterated that a lot of the PPP projects yield relatively high return, as high as 68% of the capital, such as investments in the construction, operation and maintenance of major roads and bridges, and investments in the agricultural and energy sectors. He stated, however, that the investible projects would not be limited to infrastructure projects

Senator Poe recalled that there was a PPP bill pending in Congress which was a priority measure of LEDAC and President Marcos himself. She asked whether it was possible to strengthen the bill for developmental purposes and in order to yield a high return for the government without having to come up with the Maharlika Investment Corporation.

Senator Villar (M) asserted that it was important for the government to have additional sources of capital. He lamented that most of the country's ODA projects are fueled by debt. He surmised that instead of borrowing from abroad, it was about time for government to attract some equity investments. He said that there was an appetite internationally to make equity investments in a country, but there was no medium. He believed that a fund like the Maharlika would be able to attract equity investments into the Philippines while the country invests some of its investible funds in some infrastructure projects to create more socio-economic projects that could yield short- and long-term benefits to the country.

On another matter, Senator Poe noted that the PAGCOR shall contribute only for five years, while the BSP would have to contribute until it has paid off the P50 billion contribution of the national government.

She also recalled that the issue of Singapore's Temasek has been previously raised but not on the consequence of its investment on the crypto currency exchange. She said that Singapore's

Deputy Prime Minister made it clear that because of its disastrous investment, Temasek suffered reputational damage. She expressed concern that should the MIF not do well, the founding GFIs, such as the Landbank and the DBP, could be exposed to reputational damage and affect depositor's confidence.

Senator Villar (M) replied that the GFIs' contribution to the Maharlika fund would constitute only about 3% of their investible funds, which would not be a big chunk of the investible fund. In fact, he said, Land Bank had already exceeded its targets for the lending to the farmers, so it has investible funds. He believed that the effect would not be that significant should the worst-case scenario happen. He expressed confidence that investing in local infrastructure and other projects would yield a high return because the projects are very well-thought of. Further, he said that the bill provided that major projects would have to be vetted by the NEDA, which has done a very good job in grading the major infrastructure projects in terms of economic internal rate of return, and the basis where to utilize the funds.

Further, Senator Villar (M) stated that in order to get the projects off the ground, the country, which has limited funds and constrained by debt, needed to attract equity and there has been interest from abroad to invest in such type of funds. He also believed that banks need to diversify their investments and it would be a healthy diversification to have a fund that is dedicated to infrastructure projects.

On whether the banks, like the DBP, could not invest on their own in flagship development projects, Senator Villar (M) replied that banks are constrained on their investments and that most of their investments are safe investments such as T-bonds and other government securities. He asserted that to beat inflation, the banks would need to invest in instruments that would yield higher rate than T-bills. However, Senator Poe argued that the banks could diversify its investments without having to go to the Maharlika Investment Fund.

Asked to identify the specific projects that are worth investing in by the Maharlika Fund, Senator Villar (M) said that it would be up to the board of directors but NEDA had provided a list of some of the projects, namely: Bataan-Cavite Bridge, Cebu Bus Rapid Transit, Davao Public Transport Modernization Project, LRT 2 West Extension, New Cebu International Container Port Project, Mindanao Rail Project-Phase 1, and the Metro Manila Subway Project-Phase 1.

Senator Poe disclosed that out of 180 countries, the Philippines ranked No. 117 in the latest corruption perception index. Based on such data, she said that the public has good reason to cast doubt on the Maharlika Investment Fund. She recalled that Malaysia's Najib Razak, the former Prime Minister was sentenced to 12 years in prison and charged with criminal breach of trust and abuse of power, as about \$4.5 billion were looted from the investment fund. She expressed concern that without the proper safeguards, the MIF could easily be the next 1MDB.

In reply, Senator Villar (M) pointed out that the necessary precautions and controls were in place regarding the Maharlika fund, and that among the safeguards would be the provisions for a board of directors headed by the Finance Secretary; a CEO for operations; representatives from the private sector, Land Bank and DBP; a congressional oversight body; an advisory board composed of officials from the DBM, NEDA and the Treasury Department; a risk management board; external and internal auditors; and monitoring by the COA and the GCG. He added that there would be extensive checks and balances within the Maharlika fund.

Noting that the board of directors would be the cogwheels of the MIC because it would set the investment policies and the overall direction of the corporation, Senator Poe inquired as to the standard used to determine substantial experience and expertise required from the members of the board of directors, and how the independence and supposed isolation of the MIC from politics

would be ensured, given that the members of the board of directors, including the Finance Secretary, would be appointed by the President of the Philippines. Senator Villar (M) responded that the specific details could be added in the implementing rules and regulations.

Asked if the members of the board of directors of the sovereign wealth fund of other countries were appointed by the head of state, Senator Villar (M) replied in the affirmative.

Senator Poe then opined that it would be arbitrary to put the specific details of the fund in the IRR because the IRR, which could be amended anytime, sometimes changes the spirit of the law without having to go through congressional approval.

On whether the Maharlika Investment Fund would take a risk and invest in projects that have not been cleared of impediments and other issues, Senator Villar (M) stressed that all projects that the Maharlika fund would invest in would have to go through a very robust vetting process by the board of directors.

In this connection, he related that when Temasek invests in something, investors take it as a seal of approval from the Singaporean government, and such kind of validation helps push forward not just one but many projects.

Senator Poe asserted that nothing could be more evident to having skin in the game than appropriating money from the general appropriations although lots of projects do not meet actual completion, and even while the government would have skin in the game through the MIF, it might never really encourage fast-tracking the project; in fact, the situation could make the MIC complacent because of profit.

As to the possibility for the MIF to invest in other countries like Vietnam, Senator Villar (M) concurred that the measure would allow foreign investments. Finding the latter's reply reassuring, Senator Poe averred that focusing only on projects within the Philippines would greatly limit the country's earning potential.

On another point, Senator Poe asked if dishonorably discharged employees would likewise be entitled to claims considering that under Section 31, an employee who was separated from the MIC would still receive a performance bonus on account of his/her actual performance. Senator Villar (M) clarified that the provision would only apply to qualified employees; if they engaged in any illegal transaction, their bonuses would be forfeited in accordance with the Civil Service Law. He remarked that such provision of law could be incorporated in the proposed measure.

On penalties, Senator Poe observed that Section 46 penalizes independent auditors who commit fraud to pay a fine amounting to P2 million, and if the financial statement or report certified was fraudulent or had the effect of causing injury to the public, they would be fined of up to P5 million which seems to be a small amount. She asked why the offenses were different when one situation necessarily leads to the other. Senator Villar (M) said that the penalties were consistent with the Anti-Graft and Corrupt Practices Act, plus additional administrative fines.

Asked if the penalty would not cancel out other laws that may have any bearing to it, Senator Villar (M) mentioned that under Section 50, the liability for any of the listed offenses shall be separate from any other administrative, civil, or criminal liability under other laws.

As to how Congress would be empowered in checking MIF's economic health, Senator Villar (M) stated that as an additional layer of security and control, a Maharlika Investment Fund Joint Congressional Oversight Committee would be created to evaluate the implementation of the measure, such as requiring the submission of documents and other sources of information to enable

the oversight committee to scrutinize the performance of the MIF and how its officers have been conducting business.

Asked who chooses the members of the congressional oversight committee, Senator Villar (M) stated that under Section 40, the Speaker and the Senate President shall designate the other four (4) members of the MIF-JCOC. He added that the oversight committee would be co-chaired by the chairpersons of the House Committee on Banks and Financial Intermediaries, and the Senate Committee on Banks, Financial Institutions and Currencies.

Asked if the congressional oversight committee could veto an investment like in an unsuccessful PPP project, Senator Villar (M) said the oversight committee would not take a direct role in the operations, and that the power to invest belongs to the board of directors. He explained that the oversight committee would evaluate matters for legislation, public information, and recommendations for board action.

As to why individuals would be disallowed to participate in both the MIC and the MIF, Senator Villar (M) clarified that they could invest in the MIF but the MIC would be the corporate entity that would control and manage the fund, which entity would be under the control of the government.

Asked if there would be a stock offering on the MIF, Senator Villar (M) said that the MIC could issue preferred shares, or shares that are non-voting in nature.

On whether the general public could avail preferred shares, Senator Villar (M) replied that the MIC could issue a bond to which the public could subscribe. He further said that the MIC could also create vehicles or sub-funds that could be allocated for a specific type of project.

On whether the MIF would be listed on the stock exchange, Senator Villar (M) replied in the negative.

Regarding government assets that would be sold as capital source, Senator Villar (M) said that the Department of Finance had a list of assets that could be privatized and be subject to the infusion of investment, which includes the Food Terminal Incorporated, National Housing Authority, Tala Estate, Fil-Eastern Wood Industries, Inc., Pioneer Glass Manufacturing Corp. Plan, and Mile Long Complex.

Senator Poe hoped that when the Maharlika Investment Fund bill is passed, all the safeguards would be in place so that nothing nefarious would undermine its effectivity and intention. She admitted that it was also the reason why she deemed it important to scrutinize the measure properly.

Asked if the sponsor would be open for amendments at the proper time, Senator Villar (M) replied in the affirmative; in fact, he was in possession of a report which was the product of four committee hearings and three technical working group meetings as the Committee on Banks, Financial Institutions and Currencies really endeavored to gather the comments and suggestions of all the legislators in order to come up with the Senate version, as they are likewise cognizant of possible dangers and misuse of funds.

On the observation that there was no citizenship requirement for the members of the board which might be advantageous because limiting the membership to Filipinos might miss the chance of tapping credible and respectable members of the financial community, Senator Villar (M) clarified that Section 20 provides that "(t)he regular directors shall be citizens of the Philippines, at least 35 years of age, and must be of good moral standing and reputation, of recognized probity and independence, and have substantial experience and expertise...." While the board of directors

would be composed of nine members. He said that the provision would not apply to the three independent directors from the private sector.

### **INTERPELLATION OF SENATOR VILLANUEVA**

Senator Villanueva noticed that the government assets previously mentioned were the same items submitted by the DOF that would be subject for privatization, like the Mile Long Complex which was estimated at P7.7 billion and would be privatized by 2025. He asked if the proceeds from the privatization of government assets would go to the MIF. Senator Villar (M) clarified that they were just considered possible sources that could be disposed of or invested in the MIF.

Senator Villanueva surmised that the P25-billion capital would come from the aforesaid government assets. He said that he would ask further questions at a proper time.

### **MANIFESTATION OF SENATOR EJERCITO**

Senator Ejercito manifested that Senators Gatchalian and Cayetano (A) would interpellate on the measure the next session day.

### **REQUEST OF THE CHAIR**

Senate President Zubiri requested that Secretary Diokno and the DOF economic team attend the session the following day to show priority of Senate Bill No. 2020, which was already certified as urgent by the President.

### **SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2020**

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

### **INQUIRY OF SENATOR PADILLA**

At this juncture, Senator Padilla stated that during the hearing he and Senator Dela Rosa had earlier attended, it appeared to him that those subpoenaed did not take the hearing seriously. In fact, he said that eight persons were already punished for contempt for not answering, as they continued to invoke their right to self-incrimination. He then inquired whether it was possible to adopt the practice of the U.S. Senate where they also filed charges against these persons aside from just citing them for contempt.

Senate President Zubiri said that the Senate has the power to contempt as stated in Section 18 of the Rules of Procedure Governing Inquiries in Aid of Legislation, and in fact, it was during this Congress where the most number of persons was punished for contempt and detained in the Senate. He admitted that he was also monitoring the hearing earlier and that he shared the frustration of Senator Padilla because of the actuations of these persons.

However, he expressed regret that the privilege to invoke the right to self-incrimination is provided by the Constitution. Nonetheless, he reiterated that the Senate could cite people for contempt until they finally decide to speak the truth. He recalled that during the time of Senator Gordon, certain individuals were detained and celebrated Christmas and New Year in the Senate until the end of the regular session of Congress.

As to the possibility of filing charges against these individuals, Senate President Zubiri averred that a case or complaint could be filed against them, noting that Blue Ribbon committee reports

have actually been used in many cases filed before the Ombudsman and the Sandiganbayan. Moreover, he said that they could also call upon the PNP chief or the Napolcom for administrative charges or for their suspension from their office during the investigation.

Senator Padilla said that what baffled him was the fact that while the Napolcom already released a video identifying these persons, they still categorically denied their involvement in the case.

At this point, Senate President Zubiri read the provision on the right against self-incrimination under Section 19 of the Senate *Rules of Procedure Governing Inquiries in Aid of Legislation*, to wit: "In such a case, the Committee, by a majority vote of the members present there being a quorum, shall determine whether the right has been properly invoked. If the Committee decides otherwise, it shall resume its investigation and the question or questions previously refused to be answered shall be repeated to the witness. If the latter continues to refuse to answer the question, the Committee may punish him for contempt for contumacious conduct."

#### **COMMITTEE REPORT NO. 68 ON SENATE BILL NO. 2219**

*(Continuation)*

Upon motion of Senator Ejercito, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2219 (Committee Report No. 68), entitled

AN ACT FURTHER AMENDING REPUBLIC ACT NO. 11213, OTHERWISE KNOWN AS THE TAX AMNESTY ACT, AS AMENDED BY REPUBLIC ACT NO. 11569, BY EXTENDING THE PERIOD OF AVAILMENT OF THE ESTATE TAX AMNESTY UNTIL JUNE 14, 2025, AND FOR OTHER PURPOSES.

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

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

#### **INTERPELLATION OF SENATOR PIMENTEL**

Preliminarily, Senator Pimentel stated that he had no basic objection to the bill extending and adding new features to the amnesty period currently being observed.

Asked about the new features introduced under the measure, Senator Gatchalian replied that among the few innovations would be the extension of the availment period to June 15, 2023; the extension of coverage to December 31, 2021; and a payment term of two years which would also be extended to the estate tax amnesty. He affirmed that the two-year period to pay installments was already being granted by the BIR to certain taxpayers but not to those who avail the estate tax amnesty. He said that the concept was that since amnesty relieves taxpayers of the interests and penalties, they are required to pay in full. However, from the committee hearings, he said that they learned from a resource person from the private sector that some ordinary taxpayers could still not pay lump sum or pay one-time; thus, the same installment mechanism was included for the amnesty.

Senator Pimentel hoped that they could include more benefits that are not difficult to rationalize and accept in order to invite more taxpayers to pay, wondering why they had not thought about it before. Senator Gatchalian said that the beauty about hearings is that they could solicit suggestions from the resource persons which the committee may adopt.

On the extension period, Senator Gatchalian said the last day would be June 14, 2025.



Senator Pimentel observed that the date December 31, 2021 was twice mentioned. He then asked if the date of death of the decedent would also be the reckoning date when estate taxes should have remained unpaid or have accrued. Senator Gatchalian replied in the affirmative, saying that the exact section which mentions the given dates was lifted out of the original amnesty law.

To the suggestion extending it to a later date so that there would be more beneficiaries of the amnesty program, Senator Gatchalian agreed, adding that based on their consultations with STSRO headed by Atty. Dascil, they could extend it to May 31, 2022. This, he believed, will close the gap between the period of coverage and the period of availment, hence, will benefit more taxpayers. Senator Pimentel said that the date could be proposed during the period of amendments.

On another matter, Senator Pimentel stated that Section 6 of the law being amended and Section 2 of the measure mention the term "Authorized tax software provider."

Senator Gatchalian replied that "authorized tax software provider" was not a novel concept and the BIR was already implementing it. He stated that in the case of micro, small, and medium enterprises (MSMEs), transactions such as payments were already linked to third-party software providers via the internet. He added that he witnessed the concept while conducting research, which enabled small companies to replace accountants with software that tracks, update, and generates the necessary financial statements from business records. He also stated that the same software with payment capabilities would report transactions to the BIR and allow payments to the BIR itself.

Asked if the system would enable estate taxpayers who were not delinquent with their payments to pay using authorized tax software providers, Senator Gatchalian replied in the affirmative. He stated that the BIR would draft the necessary enabling regulations, as the law would then permit taxpayers to pay electronically via software providers.

He stated that although the system has not yet been implemented as a mode of payment for non-delinquent estate taxpayers, the ease of payment was a factor in BIR's willingness to accept electronic payment of estate tax. He stated that when the system governing other forms of taxes is ultimately implemented for estate tax, it will eliminate the need for paying estate tax in person at the Revenue District Office (RDO).

When asked if the estate tax amnesty measure would supplant the regular settlement of estate tax because non-delinquent estate taxpayers could pay through authorized service providers, he explained that another bill, the Ease of Paying Taxes Bill, allowing ordinary taxes to be paid through authorized tax software providers, was also being considered on the floor. He then mentioned that it might be surpassed by the measure. He concurred with Senator Pimentel that their discussion on the subject was a harbinger of future events. He added that the exact same terminology was used in the Ease of Paying Taxes Bill so that the same procedure could be used to pay the regular estate tax. In addition, he stated that it would be prudent to include innovative and adaptable provisions in a special law such as the one under discussion.

He also informed the Body that the BIR had accredited three entities, including the service provider known as JuanTax, as authorized providers of tax software to MSMEs. He stated that a quick review of the available services in its website would reveal that MSMEs could obtain basic bookkeeping or accounting services online, and that the BIR was already integrated with its software. In addition, he stated that the objective was to accredit more tax software providers in the future so that reportorial requirements and tax payment could be expedited.

Senator Pimentel inquired as to the rationale behind the proposed deletion of the phrase in Section 6 of the bill, specifically, in line 7—"of the Bureau of Internal Revenue, which has

jurisdiction over the last residence of the decedent,” following the term “Revenue District Office.” Senator Gatchalian responded that the stated proposal was intended to enable taxpayers to pay anywhere. He added that in prior years, one was required to pay in the RDO where the decedent or administrator was located. With the bill’s innovation introduced in the Ease of Paying Taxes Bill, he stated that estate tax and other taxes could be paid anywhere.

Regarding the function of the term “appropriate” in the phrase “The appropriate Revenue District Officer” on page 2, line 21, Senator Gatchalian explained that with the introduction of the phrase “any authorized agent bank,” one may also choose to pay anywhere. He explained that the word “appropriate” referred to the location where Estate Tax Amnesty Return (ETAR) had to be filed. He also stated that the concept provided a solution for heirs residing in Metro Manila whose decedent’s property or assets were located in the province. To illustrate his point further, he stated that if an ETAR was filed in Quezon City, the location would be regarded the “appropriate” RDO.

Asked whether it would be possible to trace where an ETAR was filed, he replied in the affirmative, adding that it was feasible due to the fact that everything was accomplished electronically. He also stated that in system, the taxpayer would still be required to file with the RDO, regardless of whether one chooses the online filing option or physically visits the same RDO, thereby identifying clearly the recipient RDO.

In addition to JuanTax, he stated that Taxumo and the TaxWhiz were the two other accredited tax software providers.

Senator Pimentel inquired about the limited documentation requirements for filing the ETAR, which he noted was another innovation resulting from the efforts of the sponsor. In response, Senator Gatchalian responded that based on the committee hearings he conducted and the anecdotal feedback he received on the subject, his committee made efforts to verify the requirements being posted on the websites of various RDOs; and also noted the causes of confusion encountered by those availing themselves of the amnesty. As a consequence, he stated that the measure became specific regarding the mandatory requirements; for instance, the barangay certification requirement was removed after consultation with the BIR at the hearing.

Asked if it would be necessary to clarify that the measure also prohibited the inclusion of additional requirements, he believed that such a prohibition was implicit in the bill, citing page 5, line 7, which states that “the commissioner may require alternative documents,” but they cannot increase the total number of documents. Senator Pimentel observed that the prohibition against increasing the requirements was not expressly stated. He expressed concern that the word “alternative” could be construed as “additional.”

He stated that the committee was very careful in crafting the relevant language because, during the hearing, it was disclosed how difficult it was to obtain death certificates for some of the decedents because they had been gone for decades. He stated that it was decided that in the absence of a death certificate, the commissioner may opt to accept alternative forms.

He then drew attention to the provision on page 2, line 27, which states: “Provided, further, that for the availment of the estate tax amnesty, the requirements to be submitted to the Bureau of Internal Revenue (BIR) by the filers of the estate tax amnesty shall be limited to the following.” Senator Pimentel responded by requesting to make of record that “alternative” does not mean “additional.” Senator Gatchalian thanked Senator Pimentel for clarifying the matter.

Still on the subject of document requirements, Senator Pimentel sought clarification if in paragraph 1, on the Certified True Copy of Death Certificate under letter (A) on Mandatory

Requirements, the sponsor had entertained a scenario wherein there was no record of death. Senator Gatchalian answered in the affirmative. He recalled that during the hearing on the matter, one of the BIR resource persons who had been working in one of the Bureau's RDOs stated that there would be issues with death certificates, particularly if the decedents had passed away a very long time ago.

In consideration of relatively recent deaths, Senator Pimentel brought up the need to limit alternative methods of proving death, opining that "no record of death" should not be a viable option available. Senator Gatchalian believed that when a person's death is comparatively recent, the records would be intact. Despite the possibility, he stated that his office was open to suggestions on how to limit the provision so that it would not be abused. He added, however, that based on consultations with subject matter experts, the specific language pertinent to the current amnesty already existed in BIR's revenue regulations.

Asked why there were only few who availed of the current amnesty program, Senator Gatchalian conceded that it was not sufficient to merely extend the amnesty period; therefore, Senate Bill No. 2219 included new provisions to encourage more people to take advantage of the current amnesty program.

Adverting to BIR form No. 2118-EA (Estate Tax Amnesty Return), which requires filers to submit a certified true copy of the decedent's death certificate, Senator Pimentel inquired what alternative document could be submitted if a death certificate was unavailable. Senator Gatchalian responded by reading from page 9 of BIR Revenue Circular No. 68-2019, which states, "The Certificate of No Record of Death from PSA and any valid secondary evidence including but not limited to these issued by any government agency/office sufficient to establish the fact of death of the decedent may be submitted." Senator Pimentel then noted that supplementary or alternative evidence is also admissible.

On whether the proposal was intended to be the last estate tax amnesty period, Senator Gatchalian replied that the extension should be done infrequently so that it does not cease to be considered an amnesty and instead becomes the norm. He stated that due to the pandemic and other circumstances, the committee deemed it advantageous to offer a final extension. He gave the assurance that for as long as he chaired the Committee on Ways and Means, he would not support any further extensions, as doing so would defeat the purpose of amnesty, which is also a way for people to update their records and pay regular taxes thereafter.

He stated that according to a document submitted by the Department of Finance (DOF) on May 22, 2023, the target revenue for the amnesty program is P6.15 billion, and the target number of new availers is 153,000.

In response to the observation that the DOF had not met its previous projection, she stated that the P7.5 billion collection exceeded than the target of P6.28 billion. Senator Pimentel, however, believed that the first target had not been met, as the P7.5 billion collection covered two amnesty periods.

Adverting to Section 4 (*Payment by Installments*), Senator Pimentel stated that estate taxpayers cannot pay by installments except in special circumstances, such as when the estate lacks sufficient funds for the purpose. Senator Gatchalian explained that the committee lifted the provision from Section 26 (C) of RA 10963, or the TRAIN Law, so that the applicability would be uniform.

On the suggestion to make the provision on payment by installments a matter of right, Senator Gatchalian replied that he was open to the proposal. He thanked Senator Pimentel for pointing out that it might be interpreted as a limiting condition.

Asked whether there was something fundamentally wrong with the idea of extending the right to pay in installments, Senator Gatchalian replied that in such a circumstance, that right should not be limited to specific conditions. In addition, he stated that it is exceedingly difficult to determine whether the taxpayers would have complied. Senator Pimentel also noted that the filer would be required to prove insufficient cash; otherwise, the BIR would be hesitant to grant the option to pay in installments.

In addition to several concessions, such as no interest or penalties, installment payments, and easy access payments, Senator Pimentel noted that the measure also proposed reducing one documentary requirement. Senator Gatchalian stated that he had shown a screenshot of the tax amnesty requirements from a specific Regional District Office (RDO) that contained prerequisites that are not included in the mandatory requirement; consequently, the committee deemed it necessary to establish a standard.

On the suggestion that the number of days required to prepare the preparing the implementing rules and regulations (IRR) be shortened from 60 days to 30 days, Senator Gatchalian replied that the DOF officials would do their best to comply with the suggestion.

Senator Pimentel concluded his interpellation by congratulating Senator Gatchalian's prompt action on the measure.

At this juncture, Senate President Zubiri expressed his appreciation to Senator Pimentel for his crucial collaboration with the Majority in passing and improving the measure.

#### **SUJSPENSION OF SESSION**

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

*It was 7:46 p.m.*

#### **RESUMPTION OF SESSION**

At 7:52 p.m., the session was resumed.

#### **TERMINATION OF THE PERIOD OF INTERPELLATIONS**

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

#### **GATCHALIAN AMENDMENTS**

As proposed by Senator Gatchalian, there being no objection, the Body approved the following amendments, one after the other:

1. On page 1, line 6, replace "December 31, 2021" with MAY 31, 2022;
2. On the same page, line 8, replace "December 31, 2021" with MAY 31, 2022;
3. On page 5, line 28, after the word "for," replace the phrase "taxable year 2021" to THE PERIOD ENDING MAY 31, 2022;
4. On page 6, lines 4 and 5, delete the phrase "In case the available cash of the estate is insufficient to pay the total estate tax due";
5. On the same page, line 5, change the small "p" in the word "payment" to a capital P; and
6. Still on the same page, line 8, replace the word and figure "sixty (60)" with THIRTY (30).



**TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS**

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

**APPROVAL OF SENATE BILL NO. 2219 ON SECOND READING**

Submitted to a vote, there being no objection, Senate Bill No. 2219 was approved on Second Reading.

**COSPONSORS**

Upon their request, Senators Padilla and Villar (C) were made cosponsors of Senate Bill No. 2219.

**SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2219**

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

**ADJOURNMENT OF SESSION**

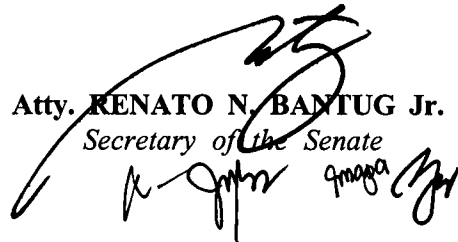
Upon motion of Senator Ejercito, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Wednesday, May 24, 2023.

*It was 7:57 p.m.*

I hereby certify to the correctness of the foregoing.

Approved on May 24, 2023

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

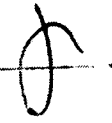


NINETEENTH CONGRESS OF THE }  
REPUBLIC OF THE PHILIPPINES }  
First Regular Session }

Office of the Secretary

23 MAY 22 P6:19

**JOINT EXPLANATORY STATEMENT OF THE BICAMERAL  
CONFERENCE COMMITTEE ON THE DISAGREEING PROVISIONS  
OF SENATE BILL NO. 1841 AND HOUSE BILL NO. 5110**



The Bicameral Conference Committee on the disagreeing provisions of Senate Bill No. 1841 and House Bill No. 5110, after having met and fully discussed the subject matter, hereby report to their respective Houses the following, that:

- 1. The proposed reconciled version provided in the matrix of the differing provisions of Senate Bill No. 1841 and House Bill No. 5110 was adopted as the working draft;
- 2. The bill format used by the Senate of the Philippines on Senate Bill No. 1841 was agreed to be adopted as the standard format of the reconciled bill;
- 3. Section 1 of the Senate version was adopted as Section 1 of the reconciled bill;
- 4. The title of Article I of Section 1 of the Senate version was amended and adopted as an amendment to the Title of Article I of Republic Act No. 10066 to read as follows:

**ARTICLE I  
PRINCIPLES AND POLICIES**

- 5. Section 3 of Section 1 of the Senate version and Section 3 of Section 1 of the House version were consolidated and adopted as an amendment to Section 3 of R.A. 10066 or the section on "Definition of Terms";
- 6. The title of Article III of Section 1 of the Senate version was amended and adopted as an amendment to the Title of Article III of Republic Act No. 10066 to read as follows:

**ARTICLE III  
CULTURAL PROPERTY AND NATURAL PROPERTY OF CULTURAL  
SIGNIFICANCE**



7. Section 4 of Section 1 of the Senate version was adopted as an amendment to Section 4 of R.A. 10066 or the section on "Categories";
8. Section 7 of Section 1 of the Senate version was adopted as an amendment to Section 7 of R.A. 10066 or the section on "Privileges for Cultural Property";
9. Section 8 of Section 1 of the Senate version was adopted as an amendment to Section 8 of R.A. 10066 or the section on "Procedure for Declaration or Delisting of Grade 1 and Grade II Level Cultural Properties";
10. The title of Article V of Section 1 of the Senate version was amended and adopted as an amendment to the Title of Article V of Republic Act No. 10066 to read as follows:

**ARTICLE V**  
**REGISTRATION AND PRESERVATION OF CULTURAL PROPERTY AND**  
**NATURAL PROPERTY OF CULTURAL SIGNIFICANCE**

11. Section 14 of Section 1 of the Senate version and Section 14 of Section 2 of the House version were consolidated and adopted as an amendment to Section 14 of R.A. 10066 or the section on "Establishment and Maintenance of a Philippine Registry of Heritage";
12. Section 15 of Section 1 of the Senate version and Section 14A of Section 3 of the House version were consolidated and adopted as an amendment to Section 15 of R.A. 10066 or the section on "Cultural Mapping by LGUs";
13. Section 16 of Section 1 of the Senate version was adopted as an amendment to Section 16 of R.A. 10066 or the section on "Cultural Mapping by ICCs/IPs";
14. Section 17 of Section 1 of the Senate version was adopted as an amendment to Section 17 of R.A. 10066 or the section on "Cultural Mapping, Research, and Planning Division";
15. Section 25 of Section 1 of the Senate version was adopted as an amendment to Section 25 of R.A. 10066 or the section on "Renaming of Historic Place Names";



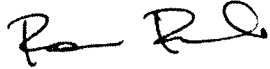
16. Section 34 of Section 1 of the Senate version was adopted as an amendment to Section 34 of R.A. 10066 or the section on "Responsibilities of Cultural Agencies for Designation of Cultural Property";
17. Section 35 of Section 1 of the Senate version was adopted as an amendment to Section 35 of R.A. 10066 or the section on "Institutional Linkages of the National Cultural Agencies";
18. Section 38 of Section 1 of the House version was adopted as an amendment to Section 38 of R.A. 10066 or the section on "Incorporation of National Cultural Treasures and Important Cultural Property in the Basic Education System";
19. Section 39 of Section 1 of the House version was adopted as an amendment to Section 39 of R.A. 10066 or the section on "Cultural Heritage Education Program";
20. Section 2 of the Senate version or the section on "Appropriation" was amended and adopted as Section 2 of the reconciled bill;
21. Section 3 of the Senate version or the section on "Joint Congressional Oversight Committee" was modified and adopted as Section 3 of the reconciled bill;
22. Section 4 of the Senate version and Section 7 of the House Version or the section on "Implementing Rules and Regulations" were consolidated and adopted as Section 4 of the reconciled bill;
23. Section 5 of the Senate version or the section on "Separability Clause" was adopted as Section 5 of the reconciled bill;
24. Section 6 of the Senate version or the section on "Repealing Clause", was adopted as Section 6 of the reconciled bill;
25. Section 7 of the Senate version or the section on "Effectivity Clause" was adopted as Section 7 of the reconciled bill; and
26. The title of the House version was adopted as the title of the reconciled bill to read as follows:

**AN ACT**  
**STRENGTHENING THE CONSERVATION AND PROTECTION OF**  
**PHILIPPINE CULTURAL HERITAGE THROUGH CULTURAL MAPPING**  
**AND AN ENHANCED CULTURAL HERITAGE EDUCATION PROGRAM,**  
**AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10066,**  
**OTHERWISE KNOWN AS THE "NATIONAL CULTURAL HERITAGE ACT**  
**OF 2009"**



In case of conflict between the statements/amendments stated in this Joint Explanatory Statement and that of the provisions of the reconciled bill in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

Approved,



**ROMAN T. ROMULO**  
Chairperson  
House of Representatives Panel



**LOREN LEGARDA**  
Chairperson  
Senate Panel

