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**SESSION NO. 74**  
Wednesday, May 24, 2023

**CALL TO ORDER**

At 3:12 p.m., the Senate President, Hon. Juan Miguel “Migz” F. Zubiri, called the session to order.

**PRAYER**

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

During the time that I was the Secretary of Foreign Affairs, I had the opportunity to be in the presence of human royalty and, of course, his and her excellencies all over the country, and I observed the solemnity of the moment before we enter the presence of these people. So, may I request since we are entering the presence of the living and Almighty God, we all spend just a few seconds preparing ourselves to be in the presence of the most Holy God.

In His word, Mathew 4:17, when the Lord Jesus began preaching, *simple lang po naging mensahe niya*: “Repent, for the Kingdom of Heaven has come near.” *Napakasimple po ng ibig sabihin ng “repent.”* It means to change your thinking. It means about face. *Kung palayo ka sa Diyos, lumapit ka.*

Many, many times, the leaders in this Chamber and, of course, the mayors, the members of the military, the members of Congress who usually visit us here, our visitors *sa mga* committee hearings, *pinagdarasal po natin ang napakagagandang* innovation—think big, big dreams, for the country, best practices, projects all around the world *na kaya ng Pinoy* or *Pinoy ang gumawa roon.*

But, many, many, times, *iyong pinakasimple ang ating pinagdarasal.* And these can also be seen when the apostles went to Jesus and were worried about what they had to eat. *At ano ang sagot sa kanila ng Panginoong Hesukristo? Sabi ng Panginoong Hesukristo, sa Matthew 6:25-33:*

“Therefore I tell you, do not worry about your life, what you will eat or drink; or about your body, what you will wear. Is not life more than food, and the body more than clothes? Look at the birds of the air; they do not sow or reap or store away in barns,



and yet your heavenly Father feeds them. Are you not much more valuable than they? Can any one of you by worrying add a single hour to your life?

“And why do you worry about clothes? See how the flowers of the field grow. They do not labor or spin. Yet I tell you that not even Solomon in all his splendor was dressed like one of these. If that is how God clothes the grass of the field, which is here today and tomorrow is thrown into the fire, will He not much more clothe you—you of little faith? So do not worry, saying, ‘What shall we eat?’ or ‘What shall we drink?’ or ‘What shall we wear?’ For the pagans run after all these things, and your heavenly Father knows that you need them.”

*Eto po ang mabigat, pagkatapos sabihin ng Panginoon, “Huwag na ninyong isipin kung ano ang kakainin ninyo. Huwag na ninyong isipin kung ano ang iinumun ninyo, iyong pananamit ninyo.” Ang sabi Niya, simple lamang: But seek first His kingdom and His righteousness, and all these things will be given to you as well.*

*So, malinaw po na tayo ay naghahanap ng pagkain para sa ating mga kababayan; tayo ay naghahanap ng pabahay para sila ay may matirhan. tayo ay naghahanap po ng tamang suweldo, pagtaas ng minimum wage. Lahat po ito ay maganda, pero ang sabi ng Panginoon, huwag ninyong intindihin iyon, ang intindihin ninyo, “Seek first His kingdom and righteousness and all things shall be added unto you.”*

So, with those words, Lord, Father God, we come into Your presence and ask in the Name of Jesus that we learn to repent and we learn to follow Your priority which is to first seek Your kingdom and righteousness.

Lead us in this, Holy Spirit, as we ask, Lord, for the kingdom to open up the doors, Lord, of Your resources to our people; healing, Lord, to Senator Biazon, to those who are suffering from COVID-19, to those who are suffering from grave illnesses.

Bless this Chamber, Lord, that we may lead the country by seeking first Your kingdom and starting by repenting.

We lift this up to You, in Jesus’ Mighty Name.

Amen.

## ROLL CALL

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

### *Physically Present*

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

### *Virtually Present*

Villanueva, J.

With 22 senators physically present, and one senator virtually present, the Chair declared the presence of a quorum.

Senator Cayetano (P) was on official mission abroad.

#### **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. 73 (May 23, 2023) and considered it approved.

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

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

- Bangsamoro Parliament Deputy Speaker Nabil Alfad Tan, and Member of Parliament Rasul E. Ismael;
- Mayor Ronnel “Nono” Lim of Gubat, Sorsogon;
- Members of the Headquarters Academic Group of the Philippine Military Academy led by BGen. Jose Demar A. Pauly;
- Mayor Rosendo “Dodoy” S. Labadlabad of Sindangan, Zamboanga del Norte, Mayor Alberto J. Bongcawel of Siayan, Zamboanga del Norte, Mayor Ismael A. Rengquijo Jr. of President Manual A. Roxas, Zamboanga del Norte; and Mayor Marissa Manigsaca of Rizal, Zamboanga del Norte;
- Mr. Pepeng Agduma, Atty. Rose Agduma, and Ms. Therese Angela Daza of the Municipality of Lambayong, Sultan Kudarat; and
- Coun. Michael Francis “Micko” Tolentino of Tagaytay City, and the Members of the Samahang Kickboxing ng Pilipinas that garnered a total of 29 medals, three golds, seven silvers, and 19 bonzes at the recently concluded 37th SEA Games.

Senate President Zubiri welcomed the guests to the Senate.

#### **REFERENCE OF BUSINESS**

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

#### **MESSAGE OF THE PRESIDENT OF THE PHILIPPINES**

Letter of His Excellency President Ferdinand Romualdez Marcos Jr., dated 22 May 2023, certifying to the necessity of the immediate enactment of Senate Bill No. 2020, 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.**

**To the Committee on Rules**

#### **BILLS ON FIRST READING**

Senate Bill No. 2234, entitled

**AN ACT PROVIDING FOR FREE HEMODIALYSIS, PERITONEAL DIALYSIS, AND OTHER DEPARTMENT OF HEALTH APPROVED DIALYSIS PROCEDURES TO ALL SENIOR CITIZENS**

Introduced by Senator Lapid

**To the Committees on Health and Demography; Social Justice, Welfare and Rural Development; and Finance**

Senate Bill No. 2235, entitled

AN ACT ENSURING THE WELFARE AND PROTECTION OF BUSINESS PROCESS  
OUTSOURCING (BPO) WORKERS IN THE PHILIPPINES

Introduced by Senator Lapid

**To the Committee on Labor, Employment and Human Resources Development**

Senate Bill No. 2236, entitled

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

Introduced by Senator Estrada

**To the Committee on Government Corporations and Public Enterprises**

#### RESOLUTIONS

Proposed Senate Resolution No. 635, entitled

RESOLUTION DIRECTING THE SENATE COMMITTEE ON CULTURE AND THE  
ARTS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO SHED  
LIGHT ON THE ADEQUACY OF PROTECTION GIVEN TO NATIONAL  
HERITAGE BUILDINGS AND ARTIFACTS AND SPECIFICALLY LOOK INTO  
THE CIRCUMSTANCES OF THE FIRE WHICH ENGULFED THE MANILA  
CENTRAL POST OFFICE BUILDING IN ORDER TO PUT IN PREVENTIVE  
AND MITIGATING MECHANISMS AND SECURE PROPER FUNDING TO  
PREVENT THE SAME TRAGEDY FROM HAPPENING TO OTHER NATIONAL  
TREASURES

Introduced by Senator Cayetano (AP)

**To the Committees on Culture and the Arts; and Finance**

Proposed Senate Resolution No. 636, entitled

RESOLUTION URGING THE NATIONAL GOVERNMENT TO SUPPORT THE  
RESTORATION AND REHABILITATION OF THE MANILA CENTRAL POST  
OFFICE WITH THE END IN VIEW OF ENSURING ITS CONSERVATION AND  
PRESERVATION AS AN IMPORTANT CULTURAL PROPERTY

Introduced by Senator Legarda

**To the Committees on Culture and the Arts; and Finance**



**MANIFESTATION OF SENATE PRESIDENT ZUBIRI**

Senate President Zubiri informed the Body that he would file a resolution creating a special Senate committee to oversee the restoration and rehabilitation of the Manila Central Post Office Building.

**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 was the period of amendments.

Thereupon, the Chair recognized Senator Go, sponsor of the measure.

**TERMINATION OF THE PERIOD OF AMENDMENTS**

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

**APPROVAL OF SENATE BILL NO. 2212 ON SECOND READING**

Submitted to a vote, there being no objection, Senate Bill No. 2212 was approved on Second Reading.

**MANIFESTATION OF SENATOR GO**

Expressing his gratitude to the Body, Senator Go stated that the Senate would soon realize Senate President Zubiri's campaign promise to establish specialty centers across the country. He thanked the bill's authors, including Senate President Zubiri and Senators Angara, Ejercito, Cayetano (P), Estrada, Marcos, Padilla, Gatchalian, Escudero, Pimientel and Hontiveros. In addition, he expressed optimism that the bill would pass Third Reading the following week so that specialty centers could be established in DOH regional hospitals.

He also thanked Senators Legarda, Binay, Lapid, Villar (M), Villar (C), Revilla, Tolentino, Cayetano (A) and Dela Rosa. He stated that the centers would be of great help to those who could not afford healthcare.

**INQUIRY OF SENATOR VILLANUEVA**

Asked by Senator Villanueva if he was listed as a cosponsor of Senate Bill No. 2212, Senator Go replied in the affirmative, stating that the Majority Leader was a coauthor and cosponsor, and that he was among those advocating for the bill's passage. He apologized to Senator Villanueva for failing to mention his name earlier.

**MANIFESTATION OF SENATE PRESIDENT ZUBIRI**

Senate President Zubiri stated that Senate Bill No. 2212 was a game-changer for the Filipino people. He informed the Body that he had issued guarantee letters to Mindanao patients seeking

treatment at the Philippine Heart Center (PHC) and the National Kidney and Transplant Institute (NKTI) in Manila.

He hoped that specialty hospitals similar to the NKTI and PHC would be established in Mindanao, Visayas, Northern Luzon, and Bicol so that people would not have to travel to Metro Manila. He then congratulated the Senate for spearheading the passage of the bill.

Asked by the Senate President if the House of Representatives had passed their version of the measure, Senator Go replied in the affirmative. He also thanked Senators Tulfo and Gatchalian for supporting the bill.

#### **MANIFESTATION OF SENATOR EJERCITO**

Senator Ejercito stated that the Body would always work across party lines to enact legislation that would benefit the people, such as the specialty centers bill. He then expressed gratitude to Senators Hontiveros and Pimentel for their support. He stated that the Senate allocated P2 billion for the specialty centers during the 2023 budget deliberation. He stated that the bill was a milestone and a landmark legislation for the Senate.

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

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

#### **SPECIAL ORDER**

Upon motion of Senator Ejercito, there being no objection, the Body approved the transfer of Committee Report No. 71 on Senate Bill No. 2233 from the Calendar for Ordinary Business to the Calendar for Special Orders.

#### **COMMITTEE REPORT NO. 71 ON SENATE BILL NO. 2233**

Upon motion of Senator Ejercito, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2233 (Committee Report No. 71), entitled

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

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

The Chair recognized Senator Ejercito for the sponsorship.

#### **SPONSORSHIP SPEECH OF SENATOR EJERCITO**

Senator Ejercito, on behalf of the Committee on Public Works, submitted for plenary consideration Senate Bill No. 2233, entitled "An Act Strengthening Public-Private Partnerships, Appropriating Funds Therefor, and for Other Purposes," under Committee Report No. 71.

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

The importance of infrastructure to a country's development and progress cannot be overstated. Strong and good infrastructures enable trade, businesses, employment, opportunities,



economic growth, and development. This is why it is imperative for us to address our country's infrastructure gap now for it to fully contribute to inclusive growth and poverty eradication. We should endeavor to build a nation where accessibility and opportunities are shared and enjoyed by all Filipinos.

Today, I am elated to stand this afternoon to report back to this august Body, Senate Bill No. 2233, under Committee Report No. 71, in substitution of Senate Bill Nos. 765, 1022, 1251, 1344, 1613, 1974, and 2068, taking into consideration House Bill No. 6725, which seeks to strengthen Public-Private Partnerships or PPPs in the country. I thank my coauthors of this measure: Senate President Juan Miguel Zubiri; Senate President Pro Tempore Legarda; Majority Leader Senator Villanueva; and Senators Sonny Angara, Jinggoy Ejercito Estrada, Imee Marcos, Sherwin Gatchalian, and Bong Revilla Jr.

While there have been significant achievements and critical reforms in infrastructure development over the past years, these have not been enough to catch up on decades of underinvestment. In terms of global performance and ranking of overall infrastructure quality, the country continues to lag behind its regional neighbors in the Association of Southeast Asian Nations. In the 2019 Global Competitiveness Report released by the World Economic Forum, the Philippines ranked 96<sup>th</sup> overall out of 141 countries in terms of infrastructure development. It was 102<sup>nd</sup> in terms of transport infrastructure, and 96<sup>th</sup> in terms of utility infrastructure.

The Philippine Development Plan (PDP) 2023-2028 aptly captures the state of the country's infrastructure. Given the growing economy, archipelagic landscape, expanding population, and rapid urbanization, the Philippines requires intensified infrastructure spending, and better selected infrastructure investments to support a higher growth trajectory and improved quality of life in both urban and rural communities.

The PDP 2023-2028 outlines some major areas that require critical infrastructure investments like our transportation facilities, water supply and sanitation services, health infrastructures, irrigation infrastructures, and education infrastructures, among others.

To address these public issues, the overarching objective for the infrastructure sector over the medium term is to "Build Better More." One of the strategies identified is to sustain annual infrastructure spending at 5-6% of the GDP, with Public-Private Partnerships (PPPs) playing a key role.

Through the years, the concept of build-operate-transfer or BOT has evolved into what we now know as PPP. Republic Act No. 6957, otherwise known as the BOT Law, was enacted in 1990, and it was subsequently amended by RA 7718 in 1994.

After more than thirty years, since the passage of the first BOT Law, the government has broadened and deepened its understanding of structuring and managing PPP contracts. The infrastructure market and certain aspects of the policy environment have likewise changed much since then. Thus, the need to update the existing law through identifying critical reforms needed to incorporate these lessons learned and to adopt the best practices as currently observed.

The PPP Act is a product of learning experience by the government in doing PPPs. This bill seeks to enhance and reinforce the PPP Program with the end view of accelerating infrastructure development and promoting inclusive and sustainable growth.

No less than the President acknowledges the potential of PPPs in addressing our infrastructure needs. During his first State of the Nation Address, the President identified the PPP Act as one of his administration's legislative priorities and outlined its policy objectives.

I would like to highlight the major reforms introduced in this measure in order to boost the Philippine PPP Program:

1. Providing a unified legal framework for all PPPs at the national and local levels to create a stable and predictable environment for collaboration between the public and private sectors in infrastructure development, thereby reducing transaction costs and improving the ease of doing business in the country;
2. Updating the approval thresholds for national PPP projects and allowing the NEDA Board-Investment Coordination Committee (ICC) to update it in order to provide a simpler and more effective PPP approval process;



3. Recognizing the autonomy of LGUs by retaining the approval of local PPP projects to local *sanggunian*, while providing mechanisms to ensure harmonized investment programming between LGUs and the national government;
4. Enhancing competition and protection of public interest by improving the framework for unsolicited proposals. The proposed bill provides clearer rules on prohibited government undertakings and institutes a bonus system and a longer period for the comparative challenge to foster competition;
5. Providing a predictable and stable tariff regulation regime that is expected to reduce investment risks and enhance the overall efficiency and financial sustainability of the PPP Program, leading to the long-term success of the PPP Program and the delivery of optimal benefits to all stakeholders;
6. Strengthening enabling institutions for PPPs, namely, the PPP Center, the PPP Governing Board, and Project Development and Monitoring Facility; and
7. Institutionalizing PPP's best practices, such as providing for the use of alternative sources of financing, establishing a PPP Risk Management Fund, requiring dispute avoidance and alternative dispute resolution mechanisms in PPP contracts, the adoption of contract management and risk mitigation plans, and promoting transparency through the public disclosure of tender documents and PPP contracts.

The value of PPPs in delivering the infrastructure needs of the country and utilizing the efficiencies of private sector participation is crucial to "Build Better More." We need enormous investments, resources, and innovation from the private sector. Translating these PPP opportunities into more jobs, improved competitiveness, and higher economic growth is imperative and urgent. We need to work double time and not let the country at the heels of our ASEAN neighbors.

Let us enable and promote a legislative and policy environment where healthy partnerships between the public and the private sectors can thrive for the benefit of the Filipinos.

This humble Representation calls for the immediate passage of Senate Bill No. 2233.

#### **ACKNOWLEDGEMENT OF THE PRESENCE OF GUESTS**

At this juncture, Senate President Zubiri acknowledged the presence in the gallery of his wife Audrey and son Juanmi.

Senator Ejercito welcomed the guests to the Senate.

#### **COSPONSORSHIP SPEECHES**

In cosponsoring Senate Bill No. 2233, the following senators likewise delivered their individual speeches:

##### ***By Senator Revilla***

I rise today to join our distinguished colleagues in sponsoring the Public-Private Partnership Act. It is hoped that this measure will bring us to a more vibrant and prosperous economy in the post-pandemic era. *Bahagi ito ng mga hakbang upang makamit ang mga pangarap natin tungo sa mas maunlad na kinabukasan.*

I would like to thank our Deputy Majority Leader, Sen. JV Ejercito, for his efforts for this measure. We are one step closer in the realization of one of the legislative priorities of our President Bongbong Marcos Jr. *At bilang katuwang tayo ng ehekutibo, ginampanan natin ang tungkuling isakatuparan ang mga adhikain natin para sa ating bayan.*

Long have we dreamed of having a transport system that would be at par with the train system of Japan, an airport like that of Changi in Singapore, and a highway system as expansive as that of the USA. *Iyong dating pangarap lang natin na tinanataw sa malayo, minamasdan at hinahangad na matamasa, ilalapat na natin sa realidad.* With the new PPP law, we are now better

equipped to turn these dreams into reality. *Tayo ay mas may armas para pandayin ang ating inaasam na maginhawang bukas.*

PPPs are mechanisms that offer more benefits than risk to our development. *Mas sigurado ang benepisyo; garantisado ang ginhawa para sa taumbayan.* With PPPs, projects may be completed sooner. *Higit pa rito, may mga proyektong mas nagiging posibleng maisagawa.* PPPs make what seems to be just ambitious endeavors into a working reality. In fact, it is a promising route as we pursue the massive infrastructure development in the country under the “Build Better More” banner.

*Magkakaroon ng mas maraming kalsadang patag para sa mas maayos na daloy ng mga produkto at serbisyo direkta sa tao, mga tulay na magtatawid sa mga lalawigan sa isa’t isa, at mga imprastrakturang magbibigay ng kaunlaran sa bayan.* With PPP, all available resources are accessible so that only the best of the best will be produced. This is the promise of PPPs that today, as we bring it closer to reality, will benefit our countrymen.

The PPP law recognizes the vital role of the private sector as our partners in economic development. *Gaya nating mga lingkod-bayan, katuwang din sila ng estado tungo sa mas epektibo at direktang paghahatid ng serbisyo publiko.* We learn from each other, that is why we call it a “partnership,” PPP, Public-Private Partnership.

*Sa samahang ito sa pagitan ng estado at pribadong sektor, ang layunin natin ay isang makabuluhang ugnayan para gawing realidad ang minsang pangarap lamang. At sa huli, ang tanging hangad natin ay maramdaman ng ating mga kababayan ang benepisyo. Lagi’t lagi ang taumbayan ang dapat panalo.*

I call on my fellow senators to support this measure. *Magkaisa tayo para agarang maisabatas ang panukalang ito.*

**By Senator Gatchalian**

I rise before you today to cosponsor Senate Bill No. 2233, otherwise known as the Public-Private Partnership Act—a crucial measure that seeks to sustain the momentum of delivering much needed public infrastructure in our country.

As policymakers, we recognize the importance of enhancing the delivery of public services while lessening reliance on foreign borrowings. To achieve this, we must continue to innovate and foster effectiveness in procuring and delivering infrastructure projects. One such innovation that has proven successful is the Public-Private Partnership or PPP Program.

The PPP Program has created an enabling environment for the private sector to participate and become part of the government’s efforts in providing public goods and services.

*Sa pamamagitan ng PPP, mas naging abot-kamay ang pagpapatayo natin ng mga imprastrakturang nagpapagaan sa pang-araw-araw nating pamumuhay. Sa tuwing tayo ay patungo sa ating mga probinsya, mas maginhawa tayong nakakaraan sa Metro Manila Skyway, NLEX, at SLEX—na nagsisilbing tulay upang mapabilis ang biyahe natin. Upang maiwasan ang pagiging late sa pagpasok sa trabaho, hindi na rin kinakailangang makisabay sa trapiko sa EDSA dahil sa serbisyo ng MRT.*

*Ilan lamang ito sa mga proyektong naging produkto ng Public-Private Partnership sa ating bansa. Sa pagsulong natin ng panukalang ito, tiyak na mas marami pang mga imprastruktura ang mapapakinabangan natin at maging ng mga susunod na henerasyon.*

We have learned from the common pitfalls encountered by the PPP program, including the ambiguities in existing laws, bottlenecks and coordination challenges, and the difficulty in gaining support from other government agencies tasked with overseeing the program’s compliance. Through this measure, we aim to address these challenges by providing a more competitive and enabling environment for the private sector to mobilize its resources for PPP projects and by strengthening enabling institutions for PPPs, such as the PPP Center, PPP Governing Board, and the Project Development and Monitoring Facility.

In a nutshell, the PPP Act provides a unified legal framework for all public-private partnerships at the national and local levels, encompassing various types of arrangements such as joint ventures

and toll operation agreements, and improving the system for unsolicited proposals. This comprehensive framework creates a stable and predictable environment for collaboration, ensuring that both the public and private sectors have clearer guidelines and procedures to follow. By establishing a robust foundation, we can attract more private investment and expertise to address our pressing infrastructure needs.

Moreover, the PPP Act enables us to tap into the vast expertise and innovation of the private sector. By leveraging the knowledge and resources of private companies while providing guidelines to our implementing agencies in managing PPP contracts and mitigating risks for PPP projects, we can accelerate the implementation of infrastructure projects, ensuring that they are completed on time and to the highest standards. The Act serves as a bridge that connects the public and private sectors, fostering a collaborative approach to address our infrastructure challenges.

To end, allow me to express my gratitude to the sponsor of this bill, Senator JV Ejercito, and to my fellow coauthors, Senate President Juan Miguel Zubiri, Senate President Pro Tempore Loren Legarda, Sen. Sonny Angara, Sen. Jinggoy Estrada, Sen. Imee Marcos, Sen. Grace Poe, and Sen. Bong Revilla Jr., for their collective insights in drafting this important measure.

The Public-Private Partnership Act is a transformative piece of legislation that will set the stage for a new era of infrastructure development in our beloved country. It paves the way for collaboration, efficiency, and progress. Indeed, this Act serves as a catalyst for progress—unlocking new opportunities and enabling us to build a more resilient and prosperous future for all Filipinos.

*By Senator Villanueva*

It is such an honor and privilege to stand before you today and sponsor Senate Bill No. 2233 under Committee Report No. 71, entitled “An Act Strengthening Public-Private Partnerships, Appropriating Funds Therefor, and for other Purposes,” which took into consideration our Senate Bill No. 1613.

The initiatives on public-private partnerships have proven itself, time and again, to be productive and efficient in providing the basic needs of the people around the world. In India, for example, the government private companies in delivering development services of using ICT-based rural infrastructures.

In Peru, companies providing public telecommunication services contributed 1% of the gross revenue to an investment fund for the provision of telephone services in rural localities.

In Argentina, Indonesia, and Bolivia, government partnerships with private companies improve the quality, quantity, and cost of drinking water in low-income areas. So, clearly, PPP empowers our capacity to mobilize private resources specifically in financing construction, operations, and maintenance of infrastructure development projects. Since the enactment of Republic Act No. 6957, as amended by Republic Act No. 7718, or the law governing all PPP undertakings, the number and magnitude of infrastructure projects continue to rise steadily.

Based on PPP Center 2021 Annual Report, the PPP program has awarded a total of 183 projects amounting to at least P2.29 trillion as of December 31, 2021. This year alone, 2023, 194 flagship infrastructure projects amounting to P9 trillion are underway with new projects including the Ninoy Aquino International Airport rehabilitation, UP Philippine General Hospital (UP-PGH) Diliman Project, Ilocos Sur transmission project, Metro Cebu Expressway, and railway projects in Panay, San Mateo, Mindanao, among others.

Of the 194 projects, 45 are expected to be financed through partnerships with the private sector. So, given these achievements and upcoming multiple big projects, it is imperative to have a strong Public-Private Partnership Program that will not only sustain ongoing projects but more importantly create more job opportunities for all Filipinos. This measure is a win-win for all stakeholders involved: the government, the private sector, and the workers.

Let me take this opportunity once again to thank our chairperson, Chairman Sen. Ramon Bong Revilla Jr.; our ever-dependable Deputy Majority Leader, the sponsor of the measure, Sen. Joseph Victor “JV” G. Ejercito for acting swiftly on this very important piece of legislation.



## COSPONSORSHIP SPEECH OF SENATE PRESIDENT ZUBIRI

Senator Ejercito manifested that Senate President Zubiri submitted his cosponsorship speech on Senate Bill No. 2233 for insertion in the *Journal and Record of the Senate*, to wit:

It brings me great honor to speak before you today to cosponsor Senate Bill No. 2233 under Committee Report No. 71, which aims to strengthen Public-Private Partnerships in the country.

To put things in perspective, based on the 2019 World Economic Forum Global Competitiveness Report, the Philippines has an infrastructure competitiveness ranking of 96<sup>th</sup> out of 141 countries. The country also ranked 102<sup>nd</sup> in terms of Transport Infrastructure and 96<sup>th</sup> in terms of Utility Infrastructure.

These are dismal numbers, to say the least, and we have to acknowledge that there is a lot of work to be done before we can be infrastructurally competitive with our neighbors.

In line with this, one of the goals identified under the Philippine Development Plan 2023-2028 is the delivery of sustainable, resilient, integrated, and modernized infrastructure facilities and services. Target outcomes include the enhancement of planning, programming, and asset management in infrastructure, achievement of seamless and inclusive connectivity, and attainment of water security, ecological integrity of water systems, and resiliency to water hazards, among others.

This will, undoubtedly, cost a great deal. Based on a NEDA presentation dated April 2023, the Philippines recorded an annual infrastructure spending of P1.123 trillion in 2021, which is equivalent to 5.8% of the country's GDP. To realize the infrastructure goals under the Philippine Development Plan, we will need to apportion a larger budget than that.

But realistically, we cannot afford to redirect funds from other expenses into infrastructure development. Other sectors and services need funding just as badly as infrastructure does.

This is why it is my firm belief that Public-Private Partnerships can play a key role in the attainment of these PDP targets. If we can tap private capital for public interest, then let us do it.

In fact, as of January 2023, a total of 210 PPP projects have been awarded, with 97 more in the pipeline. These are exciting numbers that signal the health of our infrastructure development under public-private partnerships. And with the BOT Law, we can make way for even more PPP projects in the future that will redound to our economic growth, and the creation of jobs for our people—while allowing the government to direct more of our national funds toward bettering our services in education, health, agriculture, social welfare, national defense, peace and order, and so on.

As aptly stated in the measure, let us provide an enabling environment for the private sector to mobilize its resources for the purpose of financing, designing, constructing, operating, and maintaining infrastructure and development projects in the country.

With the abovementioned points, I put on record my full support for this measure and I thank our hardworking Subcommittee Chairperson JV Ejercito for bringing this very important measure on the floor.

## COAUTHORS

Upon motion of Senator Ejercito, there being no objection, Senators Poe and Angara were made coauthors of Senate Bill No. 2233.

## SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2233

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

**SPECIAL ORDER**

Upon motion of Senator Ejercito, there being no objection, the Body approved the transfer of Committee Report No. 70 on Senate Bill No. 2224 from the Calendar for Ordinary Business to the Calendar for Special Orders.

**COMMITTEE REPORT NO. 70 ON SENATE BILL NO. 2224**

Upon motion of Senator Ejercito, there being no objection, the Body considered, on Second Reading, Senate Bill No. 2224 (Committee Report No. 70), 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.

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

The Chair recognized Senator Gatchalian for the sponsorship.

**SPONSORSHIP SPEECH OF SENATOR GATCHALIAN**

Senator Gatchalian, on behalf of the Committee on Ways and Means, submitted for plenary consideration of the Body Senate Bill No. 2224, under Committee Report No. 70.

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

It is a great honor to stand before you today to speak about an issue that affects us all as citizens of the Philippines — the payment of taxes. It is an obligation that every Filipino citizen must fulfill. However, for too long, the process has been convoluted and frustrating for many of our *kababayan*.

Having served as the chief executive of Valenzuela City for nine years, I have witnessed firsthand the transformative power of streamlining government procedures and leveraging technology to enhance public service and combat corruption. Throughout my tenure, it has been my principle that our taxpayers are not just individuals, but valued clients of the government. They are the backbone of our committees, the driving force behind our economy, and the catalyst for our nation's progress, even in the most challenging times.

To this end, we launch the Simple Speed Service Excellence in Public Service Program which is now known as the "3S Plus Program." By embracing innovative technologies and streamlining traditional processes, we successfully simplified tax collection and improved transparency for taxpayers. As a remarkable outcome of this initiative, we witnessed substantial revenue growth of 133.33% with tax revenue escalating from about P900 in 2004 to P2.1 billion in 2013.

As policy makers, it is with utmost determination and dedication that we pledge to extend this progress to a national level. This Representation can only imagine a nation where our taxpayers are not burdened by unnecessary policies, bureaucratic red tape, and antiquated system.

There is no denying that there is still a long way to go for us to fully safeguard welfare of our taxpayers. We must also pursue the necessary administrative and legislative reforms that will alleviate the burdens associated with tax payments. To provide a clear picture of these challenges our taxpayers are facing, allow me to share some real-life scenarios that they encounter in our current tax system.



To begin with, the “one-size-fits-all” approach in taxation does not work for the existing classifications of taxpayers in the Philippines, which are the large and non-large taxpayers due to their varying capacities, resources, and compliance cost. Imposing the same set of tax requirements and procedures on all taxpayers disregards the unique circumstances and challenges faced by different taxpayer categories.

*Sa madaling salita, para nating ikinukumpara ang kapasidad at kakayahan ng malalaking clothing company at mga tiangge sa pagbabayad ng buwis. Para nating ikinukumpara ang kumpanyang kumita ng milyon-milyon sa mga maliliit na tindahang kumikita lang ng sapat upang mabuhay.*

While small taxpayers struggle with the administrative burden and cost associated with complying with complex tax regulations, all enterprises are also required to pay an annual registration fee in the amount of P500 for every separate or distinct establishment or place of business. This P500 fee may seem inconsequential to some but for micro businesses, it poses a significant obstacle to their financial stability and growth.

Moreover, the process of filing tax returns and settling taxes due in the Philippines comes with certain limitations that can make it challenging for some taxpayers. Currently, the Bureau of Internal Revenue (BIR) permits our taxpayers to file and make payments from any location. However, it is important to note that this provision is not enshrined in any piece of legislation, which means that the BIR retains its discretion to alter this arrangement at any given time.

The BIR has made commendable efforts by introducing reforms like the electronic filing and payment system, which enable taxpayers to file returns and make tax payments remotely. However, only specific taxpayers are currently mandated to use the system including large corporate and individual taxpayers. In fact, according to the 2021 data provided by the BIR, around 432,295 income filers filed manually.

These more than 400,000 taxpayers represent our *kababayan* who may have faced the hurdles of enduring long queues, travelling long distances, and in some cases, incurring expenses to seek the assistance of tax professionals. This reality is often overwhelming and burdensome but it is even worse for those who are residing overseas and arrears to unsettled Philippine-based estates with unpaid taxes.

*Halimbawa, si Juan dela Cruz ay matagal nang naninirahan sa Estados Unidos. Sa hindi inaasahang pangyayari, namatay ang kaniyang ama na naninirahan sa Bukidnon na nagmamay-ari ng lupa ng kanilang pamilya. Bilang natatanging tagapagmana at natitirang may-ari ng lupa ng kanilang pamilya, kinakailangan pa niyang bumalik dito sa bansa at pumunta sa Revenue District Office na sumasaklaw sa lugar kung saan residente ang kaniyang pumanaw na ama upang maasikaso at malutas ang ipinataw na estate tax.*

The inconvenience, the cost, in the addition to the disruption to their personal and professional lives are just too much to bear. This situation is not only impractical but also unfair. It adds insult to injury to those who have already suffered the loss of a loved one.

We must acknowledge that our taxpayers demonstrate the willingness to fulfill their obligations. However, such constraints that this Representation has enumerated often hinder timely tax payments. Consequently, taxpayers may face penalties and interest charges that could have easily avoided if their government made it easier for taxpayers to comply with their obligations. Given this context, I stand before us today to sponsor Senate Bill No. 2224, otherwise known as the Ease of Paying Taxes Act.

The proposed measure aims to establish a tax administration system that will not only encourage taxpayers to pay their taxes truthfully in a timely manner, but also facilitate a more efficient tax collection to fund various government programs. Specifically, this bill proposes to introduce the following administrative reforms to simplify tax compliance and strengthen taxpayers' rights by amending certain provisions of the National Internal Revenue Code of 1997:

First, the proposed measure aims to enhance the segmentation of taxpayers by the BIR by adding classifications, specifically for micro, small and medium taxpayers. Under this provision, these classifications will take into consideration various factors, including the taxpayer's annual gross sales, total assets, and number of employees, among others.

Ultimately, the introduction of additional taxpayer classifications aligns with the objective of providing better service and ensuring efficient tax administration. It acknowledges the diverse needs and capacities of different taxpayer categories, promoting fairness, and encouraging the growth and success of micro and small businesses. For ease of compliance with tax laws, rules and regulations, the bill also requires the BIR to simplify tax returns and processes to be implemented for taxpayers classified as micro and small taxpayers.

To champion the capacity and potential of micro and small enterprises even further, this measure proposes the elimination of the annual registration fee of P500. By removing this financial burden, we can empower our businesses to allocate their funds strategically in other critical areas such as marketing initiatives, product development, and staff training.

Additionally, the Ease of Paying Taxes Act aims to revolutionize the current process of filing tax returns in paying taxes.

As institutionalized by this proposed measure, taxpayers will have the flexibility to file the returns and make payments at any RDO or any authorized agent bank regardless of whether it is located within the jurisdiction of the RDO where they are registered.

In relation to this, the proposed measure emphasizes the importance of allowing the settlement of estate tax and donor's tax in any RDO. The significant change would alleviate the burden placed on taxpayers who currently have to travel long distances or encounter logistical challenges in order to fulfil their tax obligations.

Moreover, this piece of legislation paves the way to institutionalize the use of digital filing and payment via any BIR accredited payment channels or platforms. As part of the government's push for digitalization, this optional method can help increase compliance by making it easier and more convenient for taxpayers to file their taxes and pay on time. This would eliminate the need for taxpayers to physically go to their RDO and AAB, reducing travel cost and waiting times. Consequently, it minimizes direct interactions between the BIR and taxpayers, mitigating the risk of corruption and harassment.

The registration of taxpayers can also be conveniently carried out electronically through any BIR-accredited platform. Similarly, the process of changing the registered address and cancelling BIR registration can also be efficiently completed electronically.

Likewise, the bill also mandates the BIR to process the refund of income tax within 150 days from the date of submission of complete documents in support of the application filed. By imposing a clear timeline for the processing of tax refunds, we can ensure that our taxpayers are not left hanging in uncertainty.

The current tax administration system is far from perfect. It is overly complicated, burdensome, and time-consuming. By simplifying the tax system, it can reduce opportunities for corruption and improve tax compliance. This, in turn, will lead to increase government revenues. Thus, it will be a win-win situation where taxpayers feel valued and supported and the government can efficiently collect the necessary revenue to fund vital social services and infrastructure projects that benefit all Filipinos.

At this juncture, I would like to express my sincerest gratitude to the coauthor of this measure, Majority Leader Sen. Joel Villanueva, for his contribution in drafting this significant piece of legislation.

Further, let me also acknowledge the active participation of numerous public and private stakeholders following public hearing and three technical working group meetings of the Committee on Ways and Means.

As the chairperson of the committee, I would like to take this opportunity to thank them for their invaluable contributions.

From the public sector: Department of Finance, Bureau of Internal Revenue, Anti-Red Tape Authority, National Tax Research Center, Bureau of Customs, and Bangko Sentral ng Pilipinas.

From the private sector: Tax Management Association of the Philippines, SGV & Co., PwC Philippines, RSM Philippines, PA Grant Thornton, SM Investment, Chemonics, Deloitte Philippines,



League of Cities of the Philippines, Philippine Chamber of Commerce and Industry, Management Association of the Philippines, Philippine Institute of Certified Public Accountants, Joint Foreign Chambers of Commerce, and American Chamber of Commerce of the Philippines.

Let this piece of legislation signify our commitment as we endeavor to guarantee sustain revenue growth for the country and to strengthen taxpayer's rights. The Ease of Paying Taxes Act will make a tangible difference in the lives of every Filipino by easing the burden of tax compliance and paving the way for a brighter future.

### **COSPONSORSHIP SPEECH OF SENATOR VILLANUEVA**

Senator Ejercito manifested that Senator Villanueva submitted his cosponsorship speech on Senate Bill No. 2224 for insertion in the *Journal and Record of the Senate*:

*Following is the full text of Senator Villanueva's cosponsorship speech:*

It is my honor to cosponsor Senate Bill No. 2224, under Committee Report No. 70. This measure aims to improve our country's tax administration, which shall, in turn, lead to a more sustainable stream of revenues to finance government services. We thank our dear colleague, Senator Gatchalian, for also taking into consideration our bill, Senate Bill No. 2128, in this Committee Report.

The World Bank recommends that countries collecting taxes equivalent to less than 15% of its Gross Domestic Product must increase revenue collection to meet the basic needs of citizens.

The Department of Finance's Annual Report shows that the Philippines' tax effort, a measure of a country's effort to raise taxes, was only at 14.1% in 2021.

Furthermore, the World Bank's Doing Business 2020 rankings placed the Philippines in 95<sup>th</sup> rank in terms of paying taxes, which takes into consideration factors such as the administrative burden of paying taxes and contributions, and complying with post-filing procedures.

Nonetheless, we laud the efforts of our revenue collection agencies to improve their fiscal performance, as the Philippine tax effort rate has increased from 2016, which was then at 13.1%, and even reached 14.5% pre-pandemic in 2019. Recently, in January 2023, the DOF stated that the government's 2022 revenue collections amounted to P3.5 trillion, which is 18% or P540 billion higher than 2021.

As legislators, we can always do more. To complement the existing efforts of our revenue collection agencies, it is timely that we introduce digital solutions to ensure that we are able to facilitate and enhance our citizens' tax compliance and ensure sufficient and sustainable stream of revenues to finance much-needed government services and spur our economic development.

Thus, the importance of the present measure, the Ease of Paying Taxes Bill, cannot be emphasized further. It seeks to modernize our tax administration system by allowing electronic filing and payment of returns, thereby removing obstacles that make tax settling burdensome. It likewise makes tax payment more fair and inclusive, as it empowers the Secretary of Finance to classify taxpayers into micro, small, medium and large, taking into consideration factors, such as capacity of comply with tax laws, amount of taxes paid, and wage and employment levels, among others.

Additionally, it mandates the implementation of simplified tax returns and processes for micro and small taxpayers. This will be highly beneficial for our 1.07 million micro and small enterprises, which constitute 99.17% of our total business enterprises.

In view of the importance of this measure, we urge our colleagues to support its immediate passage.

### **MANIFESTATION OF SENATOR VILLANUEVA**

Senator Villanueva thanked Senator Gatchalian for considering his bill, Senate Bill No. 2128, in the committee report.



**SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2224**

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

**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 was still the period of interpellations.

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

**SUSPENSION OF SESSION**

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

*It was 4:12 p.m.*

**RESUMPTION OF SESSION**

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

Upon resumption, Senate President Zubiri greeted the administration's economic team present in the hall, which included NEDA Secretary Arsenio Balisacan, BSP Governor Felipe Medalla, DBM Secretary Amenah "Mina" Pangandaman; National Treasurer Rosalia De Leon, and DOF Secretary Benjamin Diokno.

**INTERPELLATION OF SENATOR GATCHALIAN**

*(Continuation)*

At the outset, Senator Gatchalian thanked Senator Villar (M) for allowing him to further ask clarificatory questions regarding the Maharlika Investment Fund.

Senator Gatchalian recalled that in 2019, the Senate approved Republic Act No. 11211 (The New Central Bank Act) to increase the Bangko Sentral ng Pilipinas' capitalization from P50 billion to P200 billion; in fact, the law garnered a unanimous vote because the Members appreciated the fact that increasing the capitalization was important to bring further stability in the banking sector, and to enable the BSP to respond to the changing times.

Accompanied by a slide presentation, he then read into the record an excerpt from the statements of former BSP Governor Armando Tetangco Jr.'s during the discussion on September 5, 2016 regarding the increase of BSP capitalization to P150 billion, to wit:

"...we present to the Senate the case for ensuring the corporate viability of the BSP. We seek to increase its capitalization by P150 billion. The economy has expanded. The financial system it

supervises has grown many times over while the BSP's capitalization has remained constant in the last 23 years. To better manage the risk it faces in its operations, we seek the authority to establish adequate loss allowances and create the reserve buffers. In recognition that the funds deployed by the BSP are public in nature, we ask for the restoration of our tax-exempt status and the treatment of unsecured BSP claims as preferred credit similar to that enjoyed by the Philippine Deposit Insurance Corporation.

"Mr. Chairman, we wish to convey to you that the BSP, once strengthened, can be even more responsive in meeting the challenges to the economy and the financial system over the coming decades. An even stronger BSP can help more efficiently create the space for the Philippine economy to continue and flourish despite the many challenges it will face."

In the case of the Maharlika bill, Senator Gatchalian noticed that instead of reaching the desired capitalization for BSP, the dividends would be diverted as capital for the MIF. He asked why there was a change of heart when in 2016, the Members were made to understand that the increase in BSP capitalization was an urgent matter.

Senator Villar (M) stated that based on existing economic conditions and a robust and more flexible banking system, the economic team assessed that at this point, the country could afford capitalizing on the MIF. Aside from the provision for a P50-billion cap or threshold where the BSP would no longer require dividends once reached, he noted that another provision would also allow the government to modify BSP's commitments to the MIF if necessary, since a whole-of-nation approach to have a primary economy is crucial as the Philippine economy recovers from the pandemic.

Noting that it is another source of funding besides debt, he stated that the MIF would be funded through equity, thereby giving additional fiscal space and improving the overall economic condition of the country.

Although it could be considered a change of opinion, Senator Villar (M) maintained that the decision of not wanting to increase capitalization was still consistent notwithstanding the priorities and perspectives that must be observed to improve the economy.

As he recalled the statements of the resource persons from the Department of Finance who laid good arguments as to how the MIF could be a multiplier to capital, Senator Gatchalian emphasized his support to the developmental role of the MIF in pump-priming the economy. However, he believed that the capitalization of the BSP and the capitalization of the MIF should not be mutually exclusive but that the capitalization should be carried out simultaneously because the BSP is no longer equipped to respond to the changing times, taking into consideration the current scenario as well as the tremendous growth of the country's economy and size of the banking sector over the past years.

Senator Gatchalian then read BSP Deputy Governor Vicente Aquino's statement during the September 13 hearing on Republic Act No. 11211, to wit:

"Of course the first major proposed amendment to the Bangko Sentral Charter is the increased capitalization from P50 billion to P200 billion. So, a proposed increase by P150 billion.

"Mr. Chairman, the compelling justification for this proposed major amendment is that a full and increased capitalization of P150 billion for the Bangko Sentral will ensure financial strength of the nation's central monetary authority, which is the Bangko Sentral ng Pilipinas. There is no gainsaying that the scale and complexity of the Bangko Sentral's responsibility has been magnified by the growth of the Philippine economy and the rapid expansion of the Philippine financial system.

"Based on the available accurate statistical data, our economy in real terms, as of December 2015 was 11.3 times bigger, or has grown by a factor of 11.3 times since 1993 from P1.359 trillion

in 1993 to P15.356 trillion at the end of 2015. The rapid phase of growth of the size of the banking system is actually even higher at 12.2 times the total banking resources existing as of 1993 or in 1993. And the size of the balance sheet of the Central Bank has grown more than eightfold since its creation in 1993. Total assets have also risen from a measly P518 billion in 1993 to P4.310 trillion as of December 2015. And the total liabilities have similarly ballooned from P502 billion 20 years ago to P4.269 trillion as of the end of December 2015.

“The Bangko Sentral, as our central monetary authority, has been lagging behind its peers not only in the region but also in other parts of the world. And as the nation’s only central monetary authority, the BSP needs a larger or bigger capitalization to enable it to meet the growing needs of the expanding economy and the growing complexity and sophistication of our financial system. Despite all these, the authorized capitalization of the BSP has remained P50 billion, which has taken more than 20 years to be fully subscribed or paid.

“For these compelling reasons, Mr. Chairman, we are proposing that the capitalization of the Bangko Sentral be increased by at least P150 billion to be fully subscribed by the government of the Republic of the Philippines, and the unpaid subscription shall be fully paid for by the government, either in cash and/or government securities upon effectivity of the law, as amended; or, assuming that this is amended, that the adequacy of the capitalization shall be subject to review every five years and adjusted upon joint recommendation by the Secretary of Finance, the Secretary of Budget and Management, and the Monetary Board of the Bangko Sentral. And the payment of the unpaid subscription and/or increase in capitalization shall be automatically appropriated in the annual General Appropriations Act.”

Relative thereto, Senator Gatchalian expressed regret that while the economy and the banking sector have expanded, the expansion of the BSP has not caught up with these two expansions. While they were made to understand that country was only playing catch-up in terms of its economy and the banking industry, he revealed that it was not at par anymore with its regional peers. He added that he voted in favor of the increase in the capitalization as he trusted the manifestations of Governor Tetangco and Deputy Governor Aquino who are representatives of the sole and central money authority of the country.

He expressed concern that there was a U-turn in terms of policy which is not in line with the statements of the former management of the BSP. This, he averred, was a credibility issue which might be a bad precedent when BSP would make another request changing their tune and digressing from their original arguments.

To allay some of the concerns of Senator Gatchalian, Senator Villar (M) stated that the increase in the capitalization of the BSP would continue and that the BSP’s commitment would be needed as regards certain provisions in the measure such as on the ceiling, the limit, as well as their ability to modify. Moreover, he said that the BSP would be given more flexibility in issuing its own debt securities and in the conduct of its open market operations in cases when it needs to mop up a large part of the surplus liquidity from the financial system, alongside the institutionalization of the interest rate corridor system. In fact, he said that the ability to issue its own debt securities was just a recent amendment in the BSP charter given the recent conditions since the passage of measure on the increase in capitalization. One of these conditions, he stated, was the COVID-19 crisis where a lot of the funding for COVID-19 response were sourced from the dividends of the BSP. He placed on record that for the last two years, they have been deferring income for GAA purposes P23 billion for COVID-19 response in 2019; P15 billion in 2020, and P7 billion in 2021.

However, Senator Villar (M) pointed out that different from before where there were available fiscal aids, the country currently has a higher debt-to-GDP ratio which gives less room to borrow money to fuel expansion. It being the case, he continued, the economic managers deemed it necessary to find other sources of funding. As the country was already at the point of COVID-19 recovery, he averred that it would be more practical to access the capital markets through equity investments from other nations and other institutions to fund infrastructure projects instead of just

incurring more debts. He believed that with the BSP's commitment, the Maharlika fund would give the country a vehicle to attract investments for additional source of income to fuel the growth and improve the overall economic situation of the country, given the economic destruction brought about by the COVID-19 crisis.

Senator Gatchalian stated that he actually appreciated the objectives of the Maharlika Investment Fund. He said that these objectives were very well articulated while they were having a very intense and in-depth discussion about it during the hearings. In fact, he revealed that one of the things that convinced him is the multiplier effect of capital which, compared to other models, is the most important selling point of the sovereign wealth fund. He said that he was likewise convinced by the improved safeguards that were in place in the Senate version of the bill. Nonetheless, he recognized that the BSP, being in a much stronger state financially, has other tools which it can tap. He then quoted a portion from the position paper sent by BSP last March 9, 2023, to wit: "It is prudent for the BSP to work with the national government to build its financial buffers in a counter-cyclical manner, i.e. to build the buffers during good times and recapitalize when FX is appreciating and sterilization costs rise..." Relative thereto, he agreed that it was the best time to recapitalize the BSP while it was experiencing adequate financial health. In order to prepare the country for any untoward circumstance in the future such as a new pandemic or a banking incident, he believed that they must take to opportunity to come up with buffers through the counter-cyclical approach wherein dividends of the BSP would plow back and reach its desired P200 billion capital.

Noting that the financial world is interconnected that an outside financial disaster could cascade to the Philippine shores, Senator Gatchalian said that ordinary consumers would want the country's monetary authority and regulator to be strong to respond to the times. He then reiterated his concern over foregoing with the capitalization of BSP which would actually be necessary in simultaneously building the capital market investment fund and the capital of BSP.

In reply, Senator Villar (M) agreed that capitalization should be made a priority, adding that it was the reason why a cap was placed on the amount that would be invested in the MIF and that there is a provision that would allow the review of these commitments to ensure that there are means to respond quickly and efficiently should there be changes in the condition of the economy.

As to the current economic situation, Senator Villar (M) said that the country was facing increasing inflation and that they have to increase interest rates to tame inflation. However, since the economy usually suffers with the increase in interest rates, he said that they also need to pump-prime the economy. Noting that the current fiscal situation does afford the economy the kind of flexibility it needs, he averred that additional funds must be accessed by generating employment to strike the balance and maintain the country's economic trajectory. Nonetheless, he said that he was open to amendments to the present version of the measure.

At this juncture, Senator Villanueva shared the statements of Senator Gatchalian with regard to the impact of the delay in BSP's capitalization. He then recalled that he was also present during the deliberation of the New Central Bank Act or RA 11211 in 2016 when Chairman Tetangco made a statement that the increase in the capitalization of BSP from P50 billion to P200 billion would enable BSP "to better manage the risk it faces in its operation and to establish adequate laws, allowance, and create reserve buffers."

Noting that the rationale for the increase in the BSP's capitalization was to prepare it for possible shocks and in light of the continuous threat of global recession, Senator Villanueva wondered why there would be a problem in increasing the capitalization of BSP. He placed on record that the average inflation rate from January to April was 7.9 percent, 8.7 percent in January, 8.6 percent in February, 7.6 percent in March, and 6.6 percent in April.

Senator Villanueva then inquired about the BSP's capacity to absorb the shock, given its P50 billion market capitalization. Senator Villar (M) responded that once the P50 billion ceiling or threshold that the BSP was mandated to contribute had been achieved, it would resume increasing its capitalization. He also added that, given the economic conditions at that time, the BSP had additional instruments at its disposal, such as the issuance of securities, to combat any potential economic issues. He then called the Body's attention to a provision in the measure stating that a review of the BSP's commitment would be conducted if circumstances arose that necessitated a short-term or immediate increase in the BSP's capitalization.

Senator Villanueva recalled that the International Monetary Fund (IMF) in 2022 advised the Philippines to conduct additional stress testing to account for climate change and other external shocks and questioned the BSP's ability to withstand financial stresses. Senator Villar (M) expressed confidence in the BSP's flexibility and ability to respond to change, pointing out that the institution runs scenarios and consults models for potential changes in the financial landscape, timing the use of dividends if necessary, as stipulated in the measure. He also urged the Body to have faith in the BSP's knowledge of how much stress it could withstand; that the aforementioned provision was put in place so that it could respond appropriately if necessary; and that the initial capitalization it would contribute to the MIC would be a shock that the system could absorb —if the P50 billion meant economic growth, investment in the nation's infrastructure, agriculture, energy, capital, and labor.

Senator Villar (M) surmised the foregoing as the measure's short-term rationale, emphasizing that generating jobs and investments also meant economic development at a time when the country had limited fiscal space. He explained that after the pandemic, there must be an additional funding source for government projects in order to maintain economic growth. In addition, he stated that maintaining economic growth would necessitate aiding pandemic-affected businesses. He reaffirmed his confidence that the BSP would be able to respond to any scenario, and stated that the measure was a crucial piece of legislation that the country needed in order to recover from the effects of the pandemic and sustain economic growth.

Senator Villanueva reaffirmed his support for Republic Act No. 11211 (New Central Bank Act), recalling that in 2016, Congress recognized the need for a continuous increase in BSP's capitalization. In this regard, he believed it essential that the Body evaluates the impact of the delay in BSP's capitalization in relation to the measure under consideration. He then thanked Senator Gatchalian for bringing the matter to the Body's attention, adding that they may wish to consider other funding sources for the MIF besides the BSP.

Senator Gatchalian asked how much dividends the BSP declares on average. He also inquired about its dividend declaration forecast for the coming years. Senator Villar (M) replied that the BSP's average annual dividend over the past three years was approximately P18 billion, and that it would be roughly the same over the next three years.

Asked how long it would take for the BSP to attain its required capitalization of P200 billion under RA 11211, Senator Villar (M) responded that it would take approximately seven years without the BSP's commitment to the Maharlika measure, and approximately 14 years with the BSP's commitment to the MIF, should the bill become a law. Senator Gatchalian then expressed concern that 14 years, more than a decade and nearly two different administrations, would be too long a period of uncertainty. Senator Villar (M) allayed the concerns of Senator Gatchalian by pointing out the bill's modification provision and other potential funding sources. He added that the government has the option to use other sources to complete the MIC capitalization if they become available.

As to what was being contemplated with the bill's provision that states: "*Provided, further,* that the Monetary Board may recommend to the President of the Philippines the modification of

BSP's dividend contribution to the MIC whenever economic conditions may warrant," Senator Villar (M) replied that payments for the capitalization of the MIC could be suspended or reduced at any time, should the need arise.

When asked if the provision would also result in an increase of the BSP's dividend contribution should economic conditions improve, Senator Villar (M) replied in the negative, adding that the P50 billion ceiling cannot be increased. Senator Gatchalian then clarified his earlier query by stating that he was referring to the 50% allocation, to which Senator Villar replied in the negative, explaining that the 100% contribution for the first two years of the MIC would make it impossible to increase contributions.

Senator Gatchalian inquired whether beginning in the third year, an improvement in the economy could justify an increase in the BSP contribution. Senator Villar (M) responded that it was possible. However, he emphasized that the measure contains a schedule that must be followed. He further stated that the Monetary Board cannot exceed the prescribed schedule; however, if necessary, it could modify in order to reduce or suspend, but not increase.

Senator Gatchalian, for his part, interpreted that the modification in the proviso as either an increase or a decrease, as economic conditions could also go increase or decrease. Despite the possibility, he believed that what was being contemplated in the proviso was the economic decline. Senator Villar (M) surmised that the measure could be more so that there is no ambiguity regarding the intent of the provision.

Senator Gatchalian stated that, at the proper time, he would recommend an amendment indicating that when the economy enters a recession, the Monetary Board could recommend a reduction in the allocation or a suspension, so that dividends could be reinvested in the BSP, if necessary. He then compared the P18 billion in dividends from BSP to the P1.4 trillion in investable funds from LBP the roughly P890 billion from DBP. Noting the numbers, he opined that the size of the BSP dividends was not as significant in comparison to the P50 billion contribution of LBP at approximately 3% to 4% of its investable funds and the P25 billion flowing from DBP at 2% of its investable funds. However, he believed there was still room for LBP and DBP to absorb the BSP's portion to be infused in the MIF, contending that by doing so, the government could achieve both objectives of economic development and strengthening monetary authority. Moreover, he opined that, given the size of both banks' investable funds, absorbing the BSP's share in the MIC capitalization would not have a substantial impact on their respective allocations. He stated that the proposal could be advantageous for all parties involved, as it would fulfill the capitalization of the MIC and the BSP, as well as the promises made by Congress in 2016.

Senator Villar (M) noted the points made by Senator Gatchalian and the economic team's arguments. He then emphasized the importance of the national government having a stake in the MIF, as represented by the capitalization of the BSP, while recognizing that LBP has its own entity.

Senator Gatchalian inquired about the government's privatization efforts, believing that a portion of the P50 billion funding source would come from privatization. While he viewed privatization as a potential source of funding, Senator Villar (M) opined that the endeavor would be time-consuming and not in line with the measure's envisioned short-term benefits. He added that the immediate contribution from BSP's dividends would be used to finance the measure's objectives. He also mentioned that the government was willing to explore alternative short-term funding sources.

Asked if there was already a list of projects to be privatized, Senator Villar (M) responded that an inventory of privatization projects had already been provided to the committee, which he would also make available to Senator Gatchalian. In addition, he mentioned that the DOF maintains a list of significant government assets for disposal, which can also be used for the purpose.

He maintained, however, that the privatization process must be carried out with the uttermost care and diligence.

Senator Villar (M) explained that while the sale of government assets could serve as a source of capitalization for the MIF, the disposal of these assets could take some time because of the need for proper due diligence.

Senator Gatchalian requested a copy of the projects that would be privatized and an estimate of the revenue that would be generated.

He explained that he and the other senators voted unanimously for the New Central Bank Act, or RA 11211, in the hope that it would enable the Bangko Sentral to become more robust and adaptable to the changing times, especially in the financial sector and the economy. However, he pointed out that permitting the BSP plough its capital in the MIF would be contrary to their original vote.

He then expressed his intention to propose an amendment that would re-channel the requirement to the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP). He noted that the net investable fund is in trillions, whereas the LBP and DBP in the MIF would only be 3% and 2%, respectively. He believed that the two GFIs could absorb the BSP's share so that its capitalization could proceed as quickly as possible.

Moreover, he expressed concern over how the Central Bank's reputation and credibility would be harmed if it changed certain policies in connection with the measure, despite his high regard for the BSP and its staff of experts and incorruptible people.

He emphasized that he did not want to set a poor precedent because he was certain that the Central Bank's credibility issue would eventually surface, such as when it requests for an increase in its capital to P400 billion or P500 billion.

He concluded by expressing his hope that Senator Villar (M) would take his concerns into account, adding that he would submit his proposed amendments at the proper time. He said that even though he shared the desire of Senator Villar (M) to move the country forward with innovative approaches, such as the creation of a sovereign wealth fund, they would still need to consider the unintended consequences of having the same.

#### **SUSPENSION OF SESSION**

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

*It was 5:14 p.m.*

#### **RESUMPTION OF SESSION**

At 5:17 p.m., the session was resumed with Senate President Zubiri presiding.

#### **INTERPELLATION OF SENATOR ESCUDERO**

Asked by Senator Escudero if the Maharlika Investment Corporation (MIC) is a government-owned and -controlled corporation (GOCC), Senator Villar (M) replied in the affirmative.

Senator Escudero stated that he was certain Senator Villar (M) was cognizant of the constitutional provision on GOCCs that prohibits any corporation from being created by law and that



only the Revised Corporation Code (RCC) of the Philippines allows the creation of corporations. However, he stated that Congress could pass a law creating a GOCC if two conditions are met: 1) it must be for the common good; and 2) it must satisfy the economic viability test (EVT). He stated that he had raised the issue during the committee hearings, but that he had not seen the document proving the EVT and whether the MIC passes the test.

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

Senator Villar (M) replied that he would instruct the relevant agency to provide a copy of the EVT to Senator Escudero.

Asked which agency was responsible for conducting the EVT, Senator Villar (M) replied that the Bureau of Treasury had been tasked by the Department of Finance (DOF). Senator Escudero asked whether it is sound policy for the Bureau of the Treasury to issue a finding on the EVT, given that the agency is not even a part of the MIC. As he had been coordinating with Treasury officials for several weeks, he acknowledged that the Bureau had been assigned with the test. He urged the measure's proponents to be prepared as some sectors are anticipated to challenge the constitutionality of the MIC and MIF before the Supreme Court.

He then reiterated his request for a copy of the documents and inquired as to whether they were authorized by the NEDA, the DOF, or the Bureau of the Treasury alone. Senator Villar (M) responded that he would provide Senator Escudero with a copy of documents submitted to the committee at the behest of the DOF.

Asked on the applicability of the RCC provision to the MIC, Senator Villar (M) responded that the rules were not as specific, but there were general applications in the measure, such as the authorized capital and other requirements of the incorporation, while the rest of the provisions were provided by law. He clarified that the information would be included in both the IRR and board of directors' decision.

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

On whether the bill has a provision that the RCC will have suppletory application with regard to MIC if there is no such provision in its Articles of Incorporation or in its by-laws, Senator Villar (M) referred to Section 24 (*Suppletory Application*), which states: "The provisions of R.A. No. 11232, as amended, also known as the Revised Corporation Code of the Philippines x x x shall be applicable to the MIC." He added that the Security Regulations Code also has a suppletory application.

Asked whether the "term" or "lifetime of the corporation" appears in either the committee report or the proposed amendments to the measure, Senator Villar (M) replied in the negative. He believed that the RCC allows the corporation's perpetual existence.

Senator Escudero asked whether such a perpetual existence was intended by the bill, noting that even the BSP has a term, which is anticipated to outlive any corporation, including the GOCCs and MIC they had created. Senator Villar (M) replied that it is the intention of the bill, but that he was open to any other suggestions.

Asked why the measure contemplates making the MIC's existence perpetual and why it would take precedence over the BSP itself, Senator Villar (M) surmised that it could be because the MIC involves intergenerational management of sovereign funds and its scope, timeline, and longevity are deemed more applicable to be without a term limit. He stated, however, that he was receptive to any suggestions regarding the matter.

Senator Escudero stated that he would propose a corresponding amendment on the term of the MIC at the proper time, unless the proposal originated from the committee during the period for committee amendments. He asserted that the BSP would continue to exist long after the MICs have disappeared, but when Congress crafted the law creating and modifying the BSP's charter, it deemed it prudent not to make it perpetual by imposing a fixed term.

On whether equity financing is a viable source of funding for projects that the national government cannot support, Senator Villar (M) said that it is one of the potential uses of the Maharlika fund. He confirmed that the Maharlika fund is comparable to public-private partnerships (PPP) in that private equity can be accessed from certain government projects at no cost to the government. He also clarified that the Maharlika fund would not be redundant, but rather an additional source of government funding.

Asked if the Maharlika fund could fund projects such as the construction of roads, bridges, and other structures that the GAA cannot support, Senator Villar (M) replied in the affirmative.

Senator Escudero then inquired how the MIC could profit from an investment, such as a multibillion-peso road construction project. Senator Villar (M) replied that not all projects would be desirable for equity investments.

He, however, assured that the MIC will be subject to a rigorous vetting process in selecting those it would put money into, including infrastructure for information technology, agriculture, and energy, among others. He stated that there are projects with attractive rates of return that can also encourage foreign investments through the fund.

Given that the MIC and the MIF cannot be used to fund government infrastructure projects that cannot be funded by the GAA, Senator Escudero asked how, for example, LANDBANK and DBP could profit from the construction of a 10-kilometer road if it is not a toll road. Senator Villar (M) surmised that a toll road can be operated by a maintenance contract in which the entity can invest in the construction of the road itself and charge a toll in the future, or it can engage in the operation and maintenance of the road. In addition, he mentioned that the Fund could be used for the expansion of the country's airports. He believed that foreign investors would be attracted because it would provide them with a greater sense of security for their investments, given that the government is also supporting the Fund.

Asked if LANDBANK and DBP could have a return on their investments in Maharlika if it does not exclude non-income generating government infrastructure projects, Senator Villar (M) clarified that while Maharlika is not a viable option for all investments, there are gaps in certain infrastructure projects that could be funded through it. He added that Maharlika is an additional source of capital that can be tapped to finance projects that satisfy a certain level of yield, and that it could be used to fund local infrastructure projects that also serve the government's socio-economic agenda.

Replying to further queries, Senator Villar (M) assured that the MIC is expected to receive a return on the infrastructure projects funded through Maharlika.

Asked to elaborate on the proposed 2% on the MIC's administrative and operational expenses, Senator Villar (M) clarified that it is an annual threshold not tied to the fund's income but rather to its assets. He emphasized that the MIC is not required to spend the 2%, but is merely required to not spend beyond it. He surmised that it would be up to the MIC's management to determine if there is a reason to maximize the threshold.

Senator Escudero calculated that the MIC would earn approximately 13% annually to provide LANDBANK and DBP with a 7% annual return on their investments, cover the corporation's

2% overhead expense, and account for inflation. He surmised that a return of 10% on the investment in Maharlika would imply a 23% return on its investment. Senator Villar (M) explained that the Maharlika fund is no different from any other mutual fund that seeks to outperform inflation, opportunity costs, and achieve high returns on its investments, which is why it will rely on the assistance of investment professionals to devise a strategy that will generate the required earnings.

On another matter, Senator Escudero expressed concern that no private equity was being infused into the fund and that the government would be the sole investor in Maharlika. He surmised that issuing a 6% bond would be less expensive than investing through the MIC. Senator Villar (M) noted, however, that the government would incur additional debt through a bond offering, whereas equity investments are not obligated to pay any specific amount at a specific period. In addition, he noted that the current high inflation rate was an extremely rare occurrence, which was precisely why the country's economic managers were attempting to temper it so that local companies could achieve their targeted yields. He expressed his willingness to consider suggestions that would guarantee the fund's ability to generate a sufficient return for the government.

Senator Escudero inquired how the ROI of LANDBANK and DBP would be calculated as well as how often they would be paid. He also inquired as to whether the BSP would overlook the massive investment made by the two GFIs, which would be in violation of certain Central Bank policies. Senator Villar (M) explained that the calculated investment represents roughly 3% of the investible funds of the two banks. He explained that banks are ordinarily required to invest 60% to 70% of their assets in government securities; however, these investments would yield a coupon that is less than inflation. He stated that consequently, the banks would also need to invest in equities, which would presumably yield a higher return.

In response to additional questions, Senator Villar (M) stated that, as with any other fund, the MIC's board of directors would determine who are to be paid. He clarified that while equities do not offer fixed returns, the investor is also paying for the company's value to increase.

Senator Escudero stated that LANDBANK and DBP have been doing quite well for many years and that there would be no issue if both banks decided to invest in the MIC. However, he expressed concern that both banks would be compelled to invest in the MIC.

Asked for an assurance that LANDBANK and DBP would earn or be paid from the mandatory investment to the MIC, Senator Villar (M) responded that while the MIF does not issue specific dividends at a specific time, unlike T-bills which have a fixed return and fixed time, the upside potential of the fund is unlimited. He stated that although investing in the MIF carries a degree of risk, it is actually investing in local projects in which government possesses a certain level of expertise.

Senator Villar (M) informed the Body that in his interactions with NEDA, the agency has calculated the economic rate of return and is aware of the precise benefits of certain projects. He emphasized that an investment in the MIF is an investment in local projects that may not be immediately quantifiable, but will create jobs and stimulate the economy.

On whether the BSP would apply to LANDBANK and DBP the same rules it applies to other banks, when it is compelled to invest in the MIC, Senator Villar (M) stated that both banks will be subject to the same regulations BSP applies to other banks.

Senator Escudero, citing the position papers of LANDBANK and DBP, stated that both banks are concerned that they will violate BSP regulations if they invest a substantial amount in a singular corporation's shareholdings. He then inquired whether the two banks were exempt from observing

the rules. Senator Villar (M) replied that, just as all banks are permitted to petition for regulatory relief, LANDBANK and DBP are not exempt and must follow all procedures.

Senator Escudero expressed concern over the provision in the measure requiring both banks to invest P75 billion in the MIC. He then inquired as to when both banks could petition for regulatory relief, given that the Secretary of Finance also serves as the LANDBANK's chairman. He stated that the relief cannot be granted voluntarily and that the board of directors of LANDBANK and DBP cannot resolve on this matter. He stated that if both banks exceeded certain parameters, relief would be sought. In this instance, he emphasized that the measure requires them to invest in the MIC.

Senator Villar (M) believed that the current investment requirement would fall short of the BSP's regulatory threshold. He reiterated that LANDBANK and DBP are subject to the same regulations as all other banks.

Noting that PAGCOR is required to invest in the MIC, Senator Escudero inquired whether the same rules governing the rate of return would also apply to dividends. Senator Villar (M) explained that PAGCOR's investment is treated differently because: its share will be included in the national government's contribution to Maharlika. He stated that the dividends from PAGCOR and BSP would go to the national government.

Senator Escudero believed that the BSP must maintain a balance sheet. Senator Villar (M) stated that BSP and PAGCOR's contributions will be deducted from their dividends, which will be remitted to the national government.

On whether the initial investment of BSP and PAGCOR would come from the GAA, Senator Villar (M) replied that their contributions would come from the GAA's special account.

Senator Escudero noted that regardless of whether the measure becomes a law in the coming days or weeks, BSP and PAGCOR's contributions will come from the 2024 GAA unless Congress passes a supplemental budget. Senator Villar (M) responded that it would come from a special account that is automatically appropriated, and Congress would not have to wait for the GAA to be enacted.

Regarding the legal basis for the automatic appropriation to the MIC, Senator Villar (M) cited Section 51: "The amount of contribution provided in Section 6 shall be remitted to the National Treasury as a special account in the general fund are hereby appropriated solely for the payment of the MIC's capitalization." He stated that the law creating the MIC authorizes automatic appropriation and is not subject to the GAA.

Senator Escudero noted, in reference to the various bills that would merge LANDBANK and DBP, that the proposed measure mandates the LANDBANK CEO and the DBP CEO to serve on the Board. He stated that if the merger happens, the surviving entity would inherit the assets, privileges, and obligations of the deceased entity, as the surviving entity cannot have two CEOs. He suggested delaying the proposed measure pending the outcome of the merger so that Congress does not need to amend the law.

Senator Villar (M) responded by stating that the merger of LANDBANK and DBP will be *de jure*, with the surviving GFI absorbing all of the combined businesses of the merged GFI. He stated that Section 20 of the proposed measure stipulates that the implementation of rules and regulations must include specific guidelines, including the rules of appointment. He believed that, as an option, the Body could amend said provision to allow the two most senior officers or two directors of the surviving entity to serve on the Board.

At this juncture, Senator Hontiveros informed the Body that she has a pending resolution to investigate the proposed merger of LANDBANK and DBP, as the Executive department indicated that such a move could be made by an executive fiat without legislative action.

Senator Escudero stated that at the proper time, Senator Villar (M) could accept an amendment to Section 20 to pave the way for a potential merger. He believed that the DOJ has rendered an opinion that this need not be approved by Congress. He stated that in essence, the Senate would be able to accommodate the potential change without amending the law in the future.

Senator Escudero noted that Section 6 item (iv) relative to Section 7 permits the use of stock dividends to subscribe and pay the authorized capital stock upon the recommendation of the Advisory Board; in the event of an increase in the authorized capital stock, all unappropriated retained earnings can be made without the Advisory Board's approval. He believed that the same rule should apply and that the Advisory Board should have a say where the increased capital would be sourced to pay for the existing authorized capital stock. He stated that at the proper time, he would propose the participation of the Advisory Board with respect to the increase in authorized capital stock.

Regarding Section 10, Senator Escudero inquired about the restrictions on the MIC's ability to issue bonds. As an example, he stated that private companies cannot borrow more than six times their cash flow. Senator Villar (M) believed that the current guideline for the issuance of bonds for private companies is seven times the net income. Regarding the MIF, he stated that for the MIC to borrow from a foreign entity, the Monetary Board's consent would be required. He stated that, as a general rule, all banks have a certain degree of loan flexibility, and that ideally, the MIC should strive to attain the same level of loan flexibility, as meeting the ratio requirements will improve the institution's credit standing. He said although it is the ideal, it is not a requirement for the MIC to have access to bank loans.

Senator Escudero stated that during the period of amendments, he would return to the legal basis for the loans, as he believed that it is not merely bank practice, as there is a Monetary Board regulation regarding the issuance of bonds by private or government-owned companies. He emphasized the need for a limit at some point. He believed that because the MIC would be relatively new, there was no law mandating a cap of six times its net income for the first year.

Senator Escudero then inquired as to whether the MIF could issue bonds in its first year of existence without restriction, given that it has not yet generated any income. Senator Villar (M) stated that while it is not prohibited, the Monetary Board must still grant approval. He stated that the Monetary Board would provide the Body with the exact ratio, but that it is not the only factor that must be considered. He believed that the MIC would require a certain degree of flexibility, and that there is no hard-and-fast rule that must be met before issuing a loan. He noted that what was being discussed are considered when they make a decision whether or not to enable themselves to borrow from foreign entities.

Asked if the bonds would have government guarantee, Senator Villar (M) replied in the negative.

On whether the MIC-issued bonds would have a government guarantee, Senator Villar (M) replied in the negative, explaining that Senate Bill No. 2020 specified that the incurred debt would be secured by the assets of the MIC only and would not be covered by any government guarantee.

Senator Escudero asked if the bonds would be issued to finance a specific project or to fund the authorized capital stock of the MIC, if it would be issued according to the discretion of the board of directors, and if there would be prohibitions or limitations. In reply, Senator Villar (M)

stated that debt issues such as bonds would not be part of the capitalization. He said that Section 6 of the bill on the capitalization and initial funding of MIC specified the sources of the funds and that the MIC would be issuing preferred shares that could be subscribed to by the government or by private entities. He admitted, however, that he was not aware if the MIC was explicitly prohibited from issuing bonds.

As to whether the exclusion of the bond issuance from being stated in the bill would mean that it would not be allowed by the measure, Senator Villar (M) replied in the affirmative. Asked to clarify if it was the intent of the bill to prohibit the MIC from issuing bonds in order to fund its authorized capital stock gap, Senator Villar (M) also replied in the affirmative.

Senator Escudero surmised that he Senator Villar (M) had already seen the proposed amendments by the economic team, led by National Treasurer Rosalia De Leon, on Senate Bill No. 2020. The former then asked whether the said proposals would be adopted by the Senate Committee on Banks, Financial Institutions and Currencies as its committee amendments at the proper time. Senator Villar (M) stated that the proposed amendments were acceptable to him.

Senator Escudero explained that he asked the question because President Marcos had already certified the Maharlika Investment Fund bill as urgent and the proposed measure was being pushed by the government's economic team whose members were all present in the gallery of the session hall. He said that there would be a big difference if, instead of the senators proposing individual amendments, the committee itself would be proposing the amendments contained in the matrix issued by the government's economic team, as the latter would hasten the procedure.

Senator Villar (M) confirmed that the said proposed amendments from the economic team would be proposed as committee amendments at the proper time.

Senator Escudero then stated that he would be asking clarificatory questions as the amendments are introduced by the committee during the period of amendments.

#### **RESERVATION FOR INTERPELLATION**

Senator Ejercito stated that Senator Hontiveros would have her interpellation in the next session.

#### **SUSPENSION OF SESSION**

Upon motion of Senator Ejercito, the session was suspended.

*It was 6:14 p.m.*

#### **RESUMPTION OF SESSION**

At 6:36 p.m., the session was resumed.

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

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

#### **MANIFESTATION OF THE SENATE PRESIDENT**

Senate President Zubiri thanked BSP Governor Medalla, NEDA Secretary Balisacan, Finance Secretary Diokno and Budget Secretary Pangandaman for visiting the Senate.

**ADDITIONAL REFERENCE OF BUSINESS**

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

**MESSAGES FROM THE HOUSE OF REPRESENTATIVES**

Letter from the House of Representatives, informing the Senate that on May 22, 2023 and May 23, 2023, the House of Representatives passed the following bills in which it requested the concurrence of the Senate:

House Bill No. 8078, entitled

**AN ACT PROVIDING FOR A 30-YEAR INFRASTRUCTURE PROGRAM**

**To the Committees on Public Works; Sustainable Development Goals, Innovation and Futures Thinking; and Finance.**

House Bill No. 8162, entitled

**AN ACT INSTITUTING A NATIONAL LAND USE POLICY, PROVIDING THE IMPLEMENTING MECHANISMS, CREATING FOR THE PURPOSE THE NATIONAL LAND USE COMMISSION, AND APPROPRIATING FUNDS THEREFOR**

**To the Committees on Environment, Natural Resource and Climate Change; Urban Planning, Housing and Resettlement; and Finance**

House Bill No. 1171, entitled

**AN ACT PROMOTING INCLUSIVE AND SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH THE INSTITUTIONALIZATION OF "ONE TOWN, ONE PRODUCT" PHILIPPINES PROGRAM AND APPROPRIATING FUNDS THEREFOR**

**To the Committee on Rules**

At this juncture, the Senate President stated that the Senate had approved its bill on the One Town, One Project (OTOP), so the bicameral conference committee would be created therefor.

House Bill No. 7600, entitled

**AN ACT STRENGTHENING THE POWERS AND FUNCTIONS OF THE INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8293, AS AMENDED, OTHERWISE KNOWN AS THE "INTELLECTUAL PROPERTY CODE OF THE PHILIPPINES"**

**To the Committee on Trade, Commerce and Entrepreneurship**

House Bill No. 7767, entitled

**AN ACT ADOPTING INTEGRATED COASTAL MANAGEMENT AS A NATIONAL STRATEGY FOR THE HOLISTIC AND SUSTAINABLE MANAGEMENT OF COASTAL AND RELATED ECOSYSTEMS AND THE RESOURCES THEREIN**

FROM RIDGE-TO-REEF, ESTABLISHING THE NATIONAL COASTAL GREENBELT ACTION PLAN, OTHER SUPPORTING MECHANISMS FOR IMPLEMENTATION, AND PROVIDING FUNDS THEREFOR

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

House Bill No. 7922, entitled

AN ACT ESTABLISHING A VOUCHER SYSTEM FOR POOR AND ACADEMICALLY QUALIFIED STUDENTS OF PRIVATE HIGHER EDUCATION INSTITUTIONS AND PRIVATE TECHNICAL-VOCATIONAL INSTITUTIONS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10931, OTHERWISE KNOWN AS THE "UNIVERSAL ACCESS TO QUALITY TERTIARY EDUCATION ACT"

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

House Bill No. 7939, entitled

AN ACT RATIONALIZING THE DISABILITY PENSION OF VETERANS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6948, ENTITLED, 'AN ACT STANDARDIZING AND UPGRADING THE BENEFITS FOR MILITARY VETERANS AND THEIR DEPENDENTS,' AS AMENDED

**To the Committee on Rules**

House Bill No. 7986, entitled

AN ACT DECLARING AUGUST 1 OF EVERY YEAR A SPECIAL WORKING HOLIDAY TO BE KNOWN AS THE "PROMULGATION OF THE SOLEMN DECLARATION OF PHILIPPINE INDEPENDENCE"

**To the Committee on Culture and the Arts**

House Bill No. 8008, entitled

AN ACT PROVIDING INDIGENT JOB SEEKERS, DISCOUNTED OR WAIVED FEES AND CHARGES IN THE ISSUANCE OF CERTAIN PREEMPLOYMENT DOCUMENTS ISSUED BY GOVERNMENT AGENCIES

**To the Committees on Labor, Employment and Human Resources Development; and Social Justice, Welfare and Rural Development**

and House Bill No. 8009, entitled

AN ACT DEFINING ELECTRONIC VIOLENCE AGAINST WOMEN AND THEIR CHILDREN, PROVIDING PROTECTIVE MEASURES, AND PRESCRIBING PENALTIES FOR VIOLATIONS THEREOF, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9262, OTHERWISE KNOWN AS THE "ANTI-VIOLENCE AGAINST WOMEN AND THEIR CHILDREN ACT OF 2004."

**To the Committees on Women, Children, Family Relations and Gender Equality; and Science and Technology**



Letter from the House of Representatives, informing the Senate that on 23 May, 2023, the House of Representatives passed the following House bills in which it requested the concurrence of the Senate:

House Bill No. 7798, entitled

AN ACT INCREASING THE NUMBER OF BOARD OF DIRECTORS OF THE MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY, AMENDING FOR THE PURPOSE SECTION 6 OF REPUBLIC ACT NO. 6958, OTHERWISE KNOWN AS THE "CHARTER OF THE MACTAN-CEBU INTERNATIONAL AIRPORT AUTHORITY"

**To the Committees on Government Corporations and Public Enterprises; and Public Services**

House Bill No. 8001, entitled

AN ACT STRENGTHENING FURTHER THE POWERS AND FUNCTIONS OF THE AUTHORITY OF THE FREEPORT AREA OF BATAAN (AFAB), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9728, OTHERWISE KNOWN AS THE "FREEPORT AREA OF BATAAN (FAB) ACT OF 2009," AS AMENDED BY REPUBLIC ACT 11453

**To the Committees on Economic Affairs; Local Government; Ways and Means; and Finance**

House Bill No. 7908, entitled

AN ACT ESTABLISHING IN THE MUNICIPALITY OF LILOY, PROVINCE OF ZAMBOANGA DEL NORTE, A TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY TRAINING AND ASSESSMENT CENTER, TO BE KNOWN AS THE LILOY, ZAMBOANGA DEL NORTE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY TRAINING AND ASSESSMENT CENTER, AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 7961, entitled

AN ACT STRENGTHENING THE BULACAN STATE UNIVERSITY AS A SYSTEM EXPANDING ITS CURRICULAR OFFERINGS AND THE COMPOSITION OF THE GOVERNING BOARD AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 425, entitled

AN ACT RENAMING THE KALIBO-BANGA-BALETE-BATAN-ALTAVAS NATIONAL ROAD WHICH IS PART OF THE KALIBO HIGHWAY, STRETCHING FROM THE NUMANCIA-KALIBO BOUNDARY AT BARANGAY LAGUNBANUA IN THE MUNICIPALITY OF NUMANCIA, TRAVERSING BARANGAYS POBLACION, ANDAGAO, ESTANCIA, TIGAYON AND LINABUAN NORTE IN THE MUNICIPALITY OF KALIBO, BARANGAYS

LINABUAN SUR, JUMARAP, MAMBOG, POBLACION, TABAYON, LIBAS AND VENTURANZA IN THE MUNICIPALITY OF BANGA, BARANGAYS FULGENCIO, FELICIANO, CALIZO, MORALES, POBLACION, CORTES AND ARANAS IN THE MUNICIPALITY OF BALETE, BARANGAYS LALAB AND CABUGAO IN THE MUNICIPALITY OF BATAN, BARANGAYS CABUGAO, LINAYASAN, ODIONG, POBLACION, MAN-UP, CABANGILA, UP TO THE CAPIZ-AKLAN BOUNDARY IN THE MUNICIPALITY OF ALTAVAS, ALL IN THE PROVINCE OF AKLAN, AS CONGRESSMAN ALLEN SALAS QUIMPO NATIONAL HIGHWAY

**To the Committee on Public Works**

House Bill No. 7768, entitled

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

House Bill No. 7769, entitled

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

House Bill No. 7770, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE SECOND LEGISLATIVE DISTRICT OF THE PROVINCE OF AKLAN, AND APPROPRIATING FUNDS THEREFOR

House Bill No. 7933, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE CITY OF ANTIPOLO, PROVINCE OF RIZAL, AND APPROPRIATING FUNDS THEREFOR

House Bill No. 7934, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE LONE LEGISLATIVE DISTRICT OF THE CITY OF LAPU-LAPU, AND APPROPRIATING FUNDS THEREFOR

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

House Bill No. 8003, entitled

AN ACT CREATING DECLARING THE MUNICIPALITY OF BARLIG IN MOUNTAIN POROVINCE A TOURISM DEVELOPMENT AREA

**To the Committees on Tourism; and Finance**

House Bill No. 8004, entitled

AN ACT DECLARING THE AREA ENCOMPASSING MOUNT DAMAS AND UBOD FALLS, LOCATED IN BARANGAY MAASIN, MUNICIPALITY OF SAN CLEMENTE, PROVINCE OF TARLAC, AN ECOTOURISM DESTINATION

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

Letter from the House of Representatives, informing the Senate that on 22 May 2023, the House of Representatives adopted Senate Bill No. 1615 as an amendment to House Bill No. 5961, entitled

AN ACT RECOGNIZING THE MUNICIPALITY OF BALER IN THE PROVINCE OF AURORA AS THE "BIRTHPLACE OF PHILIPPINE SURFING" AND DECLARING IT AN ECOTOURISM DESTINATION.

**To the Archives**

Senate President Zubiri congratulated Senator Angara for the passage of Senate Bill No. 1615.

**SECOND ADDITIONAL REFERENCE OF BUSINESS**

**COMMITTEE REPORTS**

Committee Report No. 72, submitted by the Committee on Public Works, on House Bill No. 606, introduced by Representatives Chato and Momo, entitled

AN ACT RENAMING THE BOHOL ISLAND CIRCUMFERENTIAL ROAD, WHICH COMMENCES IN BARANGAY POBLACION III TOWARD THE NORTH OF THE CITY OF TAGBILARAN, AND RETURNS TO BARANGAY POBLACION III FROM THE EASTERN SIDE OF THE CITY OF TAGBILARAN IN THE PROVINCE OF BOHOL, AS THE PRESIDENT CARLOS P. GARCIA CIRCUMFERENTIAL ROAD,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 73, submitted by the Committee on Public Works, on House Bill No. 6688 introduced by Representatives Guico and Momo, entitled

AN ACT RENAMING THE URDANETA CITY BYPASS ROAD, TRAVERSING BARANGAYS NANCAYASAN, SANTO DOMINGO, SANTA LUCIA, CAMANTILES, AND ANONAS IN THE CITY OF URDANETA, PROVINCE OF PANGASINAN, TO AMBASSADOR EDUARDO "DANDING" M. COJUANGCO JR. AVENUE,

recommending its approval without amendment, taking into consideration Senate Bill Nos. 1111 and 1151.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 74, submitted by the Committee on Public Works, on House Bill No. 6694, introduced by Representative Romualdo (Y. M.), *et al.*, entitled

AN ACT RENAMING THE TAMBACAN BRIDGE TRAVERSING THE ILIGAN RIVER LOCATED IN BARANGAY TAMBACAN, CITY OF ILIGAN IN THE NORTHERN MINDANAO REGION, AS THE MARIANO LLUCH BADELLES SR. BRIDGE,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 75, submitted by the Committee on Public Works, on House Bill No. 7126, introduced by Representatives Bordado and Momo, entitled

AN ACT NAMING THE NATIONAL HIGHWAY, STRETCHING FROM BARANGAY SAN JUAN BAUTISTA, TRAVERSING THROUGH BARANGAYS TAGONGTONG, ABUCAYAN, HIWACLOY, DIGDIGON, BALAYNAN AND PAYATAN IN THE MUNICIPALITY OF GOA, BARANGAYS LUPI, TIERRA NEVADA, BINALAY, CAMAGONG, SALVACION, SAN ROQUE, SAN RAMON, SAGRADA, LA MEDALLA, MAGSAYSAY AND SAN VICENTE IN THE MUNICIPALITY OF TINAMBAC, UP TO BARANGAY NALAYAHAN IN THE MUNICIPALITY OF SIRUMA, ALL IN THE PROVINCE OF CAMARINES SUR, AS SPEAKER ARNULFO "NOLI" FUENTEBELLA HIGHWAY,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 76, submitted by the Committee on Public Works, on House Bill No. 7413, introduced by Representatives Albano, *et al.*, entitled

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

recommending its approval without amendment, taking into consideration Senate Bill No. 1888, 2069, 2163 and 2183.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 77, submitted jointly by the Committees on Public Works; and Finance, on House Bill No. 1028, introduced by Representative Madrona, *et al.*, entitled

AN ACT CONVERTING THE SAWANG-MACALAS ROAD IN THE MUNICIPALITY OF ROMBLON, PROVINCE OF ROMBLON, INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 78, submitted jointly by the Committees on Public Works; and Finance, on House Bill No. 1029, introduced by Representative Madrona, *et al.*, entitled

AN ACT CONVERTING THE ROAD STRETCHING FROM BARANGAY TUGUIS, MUNICIPALITY OF ODIONGAN TO BARANGAY TUGDAN, MUNICIPALITY OF ALCANTARA, ALL IN THE PROVINCE OF ROMBLON, INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 79, submitted jointly by the Committees on Public Works; and Finance, on House Bill No. 1030, introduced by Representative Madrona, *et al.*, entitled

AN ACT CONVERTING THE ROAD STRETCHING FROM SITIO BOLIGANAY, BARANGAY PANIQUE, MUNICIPALITY OF ODIONGAN TO SITIO KABALIWAN, BARANGAY BACHAWAN, MUNICIPALITY OF SAN AGUSTIN, ALL IN THE PROVINCE OF ROMBLON, INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment, taking into consideration of Senate Bill No. 1943.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 80, submitted jointly by the Committees on Public Works; and Finance, on House Bill No. 1031, introduced by Representative Madrona, *et al.*, entitled

AN ACT CONVERTING THE SABLAYAN-AGPANABAT-BAGACAY ROAD, A SECTION OF THE ROMBLON CIRCUMFERENTIAL ROAD, INTO A NATIONAL ROAD AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment, taking into consideration Senate Bill No. 1952.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 81, submitted jointly by the Committees on Public Works; and Finance, on House Bill No. 1043, introduced by Representative Valmayor, *et al.*, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE FIRST LEGISLATIVE DISTRICT OF THE PROVINCE OF NEGROS OCCIDENTAL, AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 82, submitted by the Committee on Public Works, on House Bill No. 7234, introduced by Representatives Salimbangon and Momo, entitled

AN ACT RE-NUMBERING THE CEBU FIRST, SECOND, THIRD AND FOURTH DISTRICT ENGINEERING OFFICES TO CONFORM AND CORRESPOND, RESPECTIVELY, WITH THE NUMBERING OF THE LEGISLATIVE DISTRICTS IN THE PROVINCE OF CEBU THEREBY REPEALING REPUBLIC ACTS NUMBERED 9043 AND 9218,

recommending its approval without amendment, taking into consideration Senate Bill No. 2161.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 83, submitted jointly by the Committees on Public Works; and Finance, on House Bill No. 7508, introduced by Representative Romualdez (F. M.), *et al.*, entitled

AN ACT CREATING A DISTRICT ENGINEERING OFFICE IN THE SECOND LEGISLATIVE DISTRICT OF THE PROVINCE OF SOUTHERN LEYTE, AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

Committee Report No. 84, submitted jointly by the Committees on Public Works; and Finance, on House Bill No. 7577 introduced by Representative Dalipe, *et al.*, entitled

AN ACT CREATING AN ADDITIONAL DISTRICT ENGINEERING OFFICE IN ZAMBOANGA CITY, AND APPROPRIATING FUNDS THEREFOR,

recommending its approval without amendment.

Sponsor: Senator Revilla Jr.

**To the Calendar for Ordinary Business**

**SPECIAL ORDERS**

Upon motion of Senator Ejercito, there being no objection, the Body approved the transfer of the following from the Calendar for Ordinary Business to the Calendar for Special Orders:

1. Committee Report No. 72 on House Bill No. 606 (President Carlos P. Garcia Circumferential Road in Tagbilaran, Bohol);

2. Committee Report No. 73 on House Bill No. 6688 (Ambassador Eduardo "Danding" M. Cojuangco Jr. Avenue in Urdaneta City);
3. Committee Report No. 74 on House Bill No. 6694 (Mariano Lluch Badelles Sr. Bridge in Tambacan, Iligan City, Northern Mindanao Region);
4. Committee Report No. 75 on House Bill No. 7126 (Speaker Arnulfo "Noli" Fuentesbella Highway in Camarines Sur) and;
5. Committee Report No. 76 on House Bill No. 7413 (Senator Miriam P. Defensor-Santiago Avenue in Quezon City).

#### COMMITTEE REPORT NO. 76 ON HOUSE BILL NO. 7413

Upon motion of Senator Ejercito, there being no objection, the Body considered, on Second Reading, House Bill No. 7413 (Committee Report No. 76), entitled

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

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

The Chair recognized Senator Revilla for the sponsorship.

#### SPONSORSHIP SPEECH OF SENATOR REVILLA

In presenting House Bill No. 7413 for plenary consideration of the Body, Senator Revilla delivered the following speech:

I rise today to sponsor a very sentimental measure that gives us a sense of nostalgia.

Today, we seek to honor one of our most respected colleagues who, before us, once walked these hallowed halls and imprinted her indelible impact within this institution.

I proudly sponsor House Bill No. 7413, taking into consideration Senate Bill Nos. 1888, 2069, 2163, and 2183, under Committee Report No. 76, or the renaming of Agham Road and BIR road in Quezon City as Senator Miriam Defensor-Santiago Avenue.

What more can we give this magnificent woman than immortalize her legacy. *Tunay na hindi natin siya malilimutan at ang mga ambag niya sa ating lipunan ay magpakailanma'y nakatatak na sa ating mga alaala.*

In her own words: "Dare beyond your strength, hazard beyond your judgment, and in extremities, proceed in excellent hope. Bare the accidents or life with dignity and grace, making the best of circumstances."

And truly, she made the best out of the circumstances life threw her way. *Walang pagsubok ang naging masyadong mahirap at malaki na hindi niya napag-tagumpayan. Kahit pa sa pinakamapait na mga kabanata ng kaniyang buhay, pinili niyang bumangon, lumaban at taas-noong magpatuloy.* She dared beyond her strength, and became the vivid personification of grit and grace.

*Siguradong sariwa pa sa ating gunita ang mga "pick-up lines" ni Senator Miriam. Panoorin po natin.*

*At this juncture, a video presentation was shown to the Body.*

*Naririnig pa rin natin ang matapang niyang boses sa mga committee hearings at plenary deliberations. When we are faced with difficult situations, we cannot help but ask, "What should Senator Miriam do?"*

She is truly unforgettable, and hers is a life well lived. *Pinakamahusay, pinakamatalino, pinakamatirik, at napakatapang. Iyan si Sen. Miriam Defensor Santiago. She has set a shining example, and her footsteps paved the way for the leadership we all aspire to emulate.*

Sen. Miriam Defensor-Santiago, the Iron Lady of Asia, was a recipient of the Philippines' highest national honor: the Quezon Service Cross. She was widely recognized, both here and abroad, not only for her inexplicable sharpness but also in her advocacy against corruption.

She walked so that many others whom she has inspired could run. Her impact, influence, and inspiration continue to echo in every corner of the Senate. Her voice continues to reverberate in our consciousness to always remind us of our sacred duty to serve our countrymen.

*Kaya karangalang maituturing ang tumindig ngayon sa bulwagang ito na minsan ay nakarinig sa kaniyang mga hindi malilimutang pahayag at tinig, upang hikayatin ang aking mga kasamahan na suportahan ang panukalang ito na ang tanging hangad ay iukit sa mga pahina ng kasaysayan ang hindi mapapantayang husay at giting ni Sen. Miriam Defensor-Santiago.*

She did it not because of the honor or recognition, but because it was right. And precisely, that is what we are doing now; and it is only right that we memorialize her. She is a rare gem—a once-in-a-lifetime leader who we have been blessed to walk with, learn from, and be inspired by.

*Si Sen. Miriam Defensor-Santiago ay sui generis—a class of her own.*

#### **MOTION OF SENATOR REVILLA**

Thereafter, Senator Revilla moved for the insertion into the *Journal and Record of the Senate* his sponsorship speeches on Committee Report Nos. 72 (President Carlos P. Garcia Circumferential Road in Bohol), 73 (Ambassador Eduardo Danding M. Cojuangco Jr. Avenue), 74 (Mariano Lluha Badelles Sr. Bridge in Iligan City), and 75 (Speaker Arnulfo "Noli" Fuentebella Highway in Camarines Sur).

However, Senator Pimentel stated that there was an agreement that only the sponsorship speech on House Bill No. 7413 renaming BIR and Agham Roads would be delivered.

Thereupon, Senator Revilla withdrew his motion.

#### **SUSPENSION OF CONSIDERATION OF HOUSE BILL NO. 7413**

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

#### **SUSPENSION OF SESSION**

Upon motion of Senator Ejercito, the session was suspended.

*It was 6:57 p.m.*

#### **RESUMPTION OF SESSION**

At 6:58 p.m., the session was resumed.



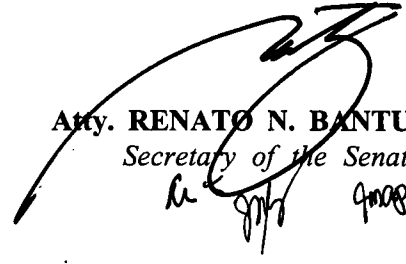
**ADJOURNMENT OF SESSION**

Upon motion of Senator Ejercito, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of Monday, May 29, 2023.

*It was 6:58 p.m.*

I hereby certify to the correctness of the foregoing.

Approved on May 29, 2023

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